

City of Milford



CITY COUNCIL AGENDA Monday, February 22, 2021

In accordance with the State of Emergency Declaration issued by Governor John Carney that became effective on March 13, 2020, and as extended, all public meetings of the City of Milford shall be conducted electronically through Zoom until further notice to prevent unnecessary public gatherings.

This meeting is available for viewing by the public by accessing the following link:
<https://zoom.us/j/96044047597>

Members of the public may also dial in by phone using the following number:
US: +1 301 715 8592 Webinar ID: 960 4404 7597

Public Comments are encouraged on the items as noted on the agenda and must be submitted via email to cityclerk@milford-de.gov no later than the start of the meeting. Attendees may also alert the City Clerk that they wish to speak at the appropriate time by submitting their name, address, and agenda item on which they would like to comment via the Zoom Q&A function or by using the Raise Your Hand function during the meeting. All public comments received will be read into the record at the meeting.

6:30 P.M.

WORKSHOP

City of Milford Audit Presentation

7:00 P.M.

COUNCIL MEETING

Call to Order - Mayor Archie Campbell

Invocation

Pledge of Allegiance

Public Hearings ®

ORDINANCE 2020-02

Windward on the River, LP/Residential

27.058 +/- acres of land located along the west side of Beaver Dam Road, approximately 1,100 feet south of the Cedar Beach Road intersection.

Application Type: Conditional Use – Comprehensive Sign Plan

Comprehensive Plan Designation: Moderate Density Residential & Commercial

Zoning District: R-3 (Garden Apartment and Townhouse District); C-3 (Highway Commercial District)

Present and Proposed Use: Multi-Family

Tax Map & Parcel MD-: 3-30-7.00-033.00

Communication & Correspondence
Bug N Bud Festival Status 04/2021

Unfinished Business

New Business

Ratification/Delaware Nature Society/Memorandum of Understanding ²

Appointment/Parks & Recreation Advisory Board

Presentation/Revocation/Ordinance 2022-22/Conditional Use [Ⓢ] ¹

ORDINANCE 2020-22

Cosmo Properties LLC for a Conditional Use to allow a Daycare to be known as Triumph Youth Center on 2.08 +/- acres in a C3 Zoning District. Property is located along the north side of State Route 14, approximately 2,200 feet west of the Route 113 intersection, addressed as 350 Milford-Harrington Highway, Milford, Delaware. Present Use: Shopping Center; Proposed Use: Same with Daycare.

Tax Map: MD-16-173.00-01-08.00

Vacancy/Planning & Zoning Commission³

Authorization/Land Transfer/Milford Public Library

Preliminary Plan Approval Extension Request/Milford Marina Enterprises LLC/Knight's Crossing Award/Architectural Design Agreement/Police Facility

Executive Session

Motion to Recess into Executive Session

Pending Litigation:

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

Return to Open Session

Executive Session Items/Potential Vote(s):

Ratification/Teamsters Agreement

Adjournment

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.

011521 012021 021021

¹021621 Requested by Chief Brown due to Urgency of Matter

²021721 Late Addition Added by City Clerk/Item Postponed from 010821 Council Agenda; Omitted in Error

³021821 Late Addition Requested by Planning Director Pierce/Information Received same Date

021921 Agenda Clarification /Item ¹ Item Removed



The City of Milford, Delaware

Annual Financial Statements

Including Independent Auditors' Report
As of and for the Year Ended June 30, 2020

The City of Milford, Delaware
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TRANSMITTAL LETTER

February 22, 2021

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, 2020.

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 prepared sufficiently inform that data presented to enable the reader to gain a complete understanding of the City's financial condition and performance.

REPORT STRUCTURE

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. Gold Gerstein Group LLC, Certified Public Accountants, has issued an unmodified ("clean") opinion on the City's financial statements for the year ended June 30, 2020. The independent auditor's report is located at the front of the financial section of this report.

The MD&A is a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement and should be read in conjunction with the MD&A. The City of Milford's MD&A can be found immediately following the report of the independent auditors.

The Financial Section described above is prepared in accordance with generally accepted accounting principles for governments as prescribed by the Governmental Accounting Standards Board (GASB) and other professional associations, as applicable.

CITY PROFILE

Location & Demographics

The City of Milford is the sixth largest city in population in the State of Delaware, serving more than 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.

Form of Government

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 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.

OPERATIONS AND FINANCIAL MANAGEMENT

Services Provided

The City of Milford provides critical public services and utilities in the most efficient and cost-effective manner possible for the benefit of its citizens, the business community and non-resident utility customers. Major services provided under general government and enterprise functions include 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 revenues recognized when available and measurable, and expenditures recorded when goods or services are received and associated 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 aforementioned framework. We believe that the City's formal and informal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The City Charter provides that 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 major fund levels. Financial reports are produced showing current cash and investment balances, restricted and committed funding detail, and actual expenditures by line item versus budget. Revenue performance versus levelized budgetary expectations is incorporated into the monthly financial report. The reporting package is published for public consumption and distributed monthly to City departmental and divisional management and presented to City Council in an open meeting for review and approval.

Internally, line-item detail is reviewed and analyzed for budgetary compliance at the purchase order level before discretionary spending is authorized. Personnel expenditures are monitored and controlled at the departmental level on a position-by-position basis, and capital expenditures are monitored to ensure compliance with budgetary approvals and funding methods.

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 service of the City's Finance Department staff. We sincerely appreciate the efforts made by the Finance team as well as dedicated employees throughout the City, especially those employees who were instrumental in the successful completion of this report.

We would like to sincerely thank the members of City Council as well as the Finance and Public Works Committee for their earnest, responsible oversight of the City's independent audit process, but most important, the keen interest and enthusiastic support of our efforts to progressively improve the transparency and comprehensiveness of the City's financial planning and reporting efforts.

Respectfully submitted,

Mark A. Whitfield
City Manager

Louis C. Vitola
Finance Director

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the 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, each major fund, and the aggregate remaining fund information of City of Milford, DE, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Milford, DE'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, each major fund, and the aggregate remaining fund information of the City of Milford, DE, as of June 30, 2020, 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 management's discussion and analysis; General fund-schedule of revenues, expenditures, and changes in fund balance-budget and actual; and the schedules of changes in net pension liability, related ratios for the police pension plan and the general employee pension plan, schedule of employer contributions for the police pension plan and the general employee pension plan, the schedule of the City of Milford, DE's proportionate share of the net pension liability for the county and municipal police and firefighters pension plan, the schedule of the City of Milford, DE's contributions for the

county and municipal police and firefighters pension plan, 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, and the statistical section, are presented for purposes of additional analysis and are 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 were derived from and relate 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 and statistical sections have 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 them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February xx, 2021, 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 solely 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 the effectiveness of the City of Milford, DE's 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.

Gold Gerstein Group LLC
Voorhees, NJ

February xx, 2021

CITY OF MILFORD, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR JUNE 30, 2020 (UNAUDITED)

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Administrative and Financial Management of the City of Milford, Delaware are pleased to 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, 2020. 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 the net changes in financial position from year to year. In other words, are revenues and 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 City been maintained? We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal (pages i-iii of this report) as well as information contained in the City's annual budget and other community information that can be found by visiting the City's website at www.cityofmilford.com. It should be noted that the Independent Auditor's Report describes the auditor's association with the various sections of this report and that all of the additional information from the website and other City sources is unaudited and has not been updated for events that may have occurred subsequent to the issuance of the respective report.

IN BRIEF

The assets of the City on a "government wide" or consolidated basis exceeded its liabilities at the close of the most recent fiscal year by approximately \$93.9 million (net position). This number must be viewed in the context that a significant portion of the City's net position, \$46.4 million (49.4%) is 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. Additionally, net assets restricted for specific purposes total \$11.8 million (12.6%). The remaining \$35.7 million represents 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 2%, or \$0.7 million in fiscal year 2020.

As of the close of this past fiscal year, the City's *governmental* activities (a subset of the government-wide information reported in the preceding paragraph) reported \$25.9 million combined ending net position. Within this total, \$17.2 million (66%) is invested in capital assets, net of related debt, \$1.9 million is restricted by specific legal requirements and \$6.8 million represents unrestricted fund balance.

The City's *business-type* activities include water, sewer, electric and trash operations and, combined with the governmental activities, constitute the balance of the activity measured on a government-wide basis. Business-type activities closed the year with a \$3.8 million increase in net position to \$68 million, \$29.2 million of which is invested in capital assets, net of related debt and \$9.9 million of which is restricted by specific legal requirements. The remaining \$28.9 million is unrestricted.

Additional details regarding the structure of the City's financial reporting segments and the performance of the City's various funds and departments can be found in the sections that follow.

CITY OF MILFORD, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR JUNE 30, 2020 (UNAUDITED)

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves to introduce the City's basic financial statements, which 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 discussion and analysis. 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 (similar to a private-sector balance sheet). Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The Statement of Activities presents information showing how the City's net assets changed during the fiscal year. All changes in net assets are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

The government-wide financial statements distinguish between functions of the City that are principally supported by (1) taxes and intergovernmental revenues (governmental activities) versus (2) 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 (refuse, or trash fund) operations. The government-wide financial statements can be found on pages 12 and 13 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

CITY OF MILFORD, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR JUNE 30, 2020 (UNAUDITED)

governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Proprietary Funds - The City maintains two types of proprietary funds. Enterprise funds are presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, electric and sanitation operations.

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, because 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 18 to 20 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 22 through 48.

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.

GOVERNMENT-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 \$93.9 million as of June 30, 2020.

The largest portion of the City's net position, \$46.4 million (49.4%) 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 services 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 required to repay this debt must be provided from other sources, because the capital assets themselves cannot be used to liquidate these liabilities.

In addition to the capital assets, another \$11.8 million (12.6%) of the City's net position is subject to legal and local restrictions on use; the vast majority of the restricted funds are intended for investment in the repair, maintenance and replacement of the capital assets. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

Total net position increased by \$3.8 million (4.2%) during fiscal year 2020, and the bulk of the increase is attributable growth in current assets (about \$3 million) offset by less than \$0.2 million increases in current liabilities, netting about \$2.9 million in positive growth in liquid net assets. However, \$2.2 million of the increase is legally restricted for certain uses. Nonetheless, the remainder of \$0.7 million

CITY OF MILFORD, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR JUNE 30, 2020 (UNAUDITED)

represents growth in unrestricted net position, which is relatively balanced across governmental activities (\$0.4 million growth in unrestricted net assets) and business-type activities (\$0.3 million growth in unrestricted net assets). The remaining \$0.8 million increase in net position reflects a nearly \$1.2 million increase in capital assets, net of related debt.

Governmental Activities – The \$0.4 million increase in unrestricted net position mentioned in the preceding paragraph was offset by decreases in net capital assets and restricted net position, such that total net position in the governmental activities actually decreased marginally.

Excluding transfers from business-type activities and special items, total revenues for governmental activities were somewhat flat versus the prior year, increasing by 1%, or less than \$0.1 million. The increase was primarily attributable to increases in property tax revenue, franchise tax receipts and other miscellaneous revenue. However, the increases were almost completely offset by decreases in operating grants, realty transfer taxes and one-time sales of property that boosted prior year receipts. The increase in property tax revenue of \$0.2 million is driven by a combination of parcel growth (in terms of count) and growth in assessed value (in terms of new buildings and additions). The City's property tax rate has not increased since 2007 and the last city-wide reassessment was conducted in 2012, so the property tax growth is driven entirely by new development in Milford, which is a positive sign.

Business-Type Activities – Net position from business-type activities increased by \$3.8 million, or 5.9% from \$64.2 million to \$68.0 million during fiscal year 2020. Almost all of the aforementioned growth in current assets is attributable to business-type activities, with the most liquid assets – cash and investments – up \$3.4 million over the prior period, partially offset by reductions in accounts receivable and inventories totaling \$0.5 million. Cash and investment balances in the electric fund increased by \$2.9 million since last year, driving substantially all of the \$3.0 million increase in business-type net position, \$2.7 million of which is legally restricted, and \$0.3 million of which is unrestricted. The electric fund's strong generation of cash and investments is largely a function of the sufficiency of the electric rate base to meet all capital expenditures in the current year, whereas the water, sewer and trash funds rely on the consumption of reserves and interfund transfers to supplement capital spending. Cost of service studies and rate studies were recently conducted for all business-type activities, and while the rates were recently updated for electric system users and for refuse collection services, water and sewer rate action has been delayed twice in an effort to reduce the burden on rate payers during the pandemic. The Net position invested in capital assets, net of related debt, increased by \$0.8 million during fiscal year 2020 on the investment in and development of capital assets and projects totaling almost \$3.4 million. \$2.2 million of the fiscal year 2020 capital was directed toward utility system infrastructure in the water and sewer funds, both of which are critical for the life, health and safety of Milford's residents.

Total revenue generated by business-type activities was \$1.6 million less than the prior fiscal year, \$1.3 million of which is accounted for by reduced electric fund revenue. Electric rates were relatively flat from fiscal year 2019 to 2020; 100% of the revenue variance is attributable to reduced consumption, which is due in part due to warmer fall weather in 2019 versus 2020 and in part due to significantly reduced consumption in the March through June period of 2020 versus 2019, which may be explained by a combination of weather and the impact of COVID-19.

CITY OF MILFORD, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR JUNE 30, 2020 (UNAUDITED)

The following table summarizes the City's net position resulting from both the governmental activities and business-type activities reported in Milford's government-wide financial statements as of June 30, 2020, including comparative totals as of June 30, 2019.

CITY OF MILFORD NET POSITION
(Amounts in Thousands)

	Governmental Activities		Business-Type Activities		Total	
	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>
Current and other assets	\$ 10,303	\$ 10,314	\$ 39,056	\$ 41,959	\$ 49,359	\$ 52,272
Capital assets, net	17,239	17,233	44,382	45,548	61,621	62,781
Total Assets	<u>27,542</u>	<u>27,547</u>	<u>83,438</u>	<u>87,507</u>	<u>110,980</u>	<u>115,054</u>
Deferred outflows of resources	1,537	1,583	334	311	1,871	1,894
Long term liabilities	1,766	2,127	15,473	15,260	17,239	17,387
Other liabilities	728	642	4,107	4,559	4,835	5,201
Total Liabilities	<u>2,494</u>	<u>2,769</u>	<u>19,580</u>	<u>19,819</u>	<u>22,074</u>	<u>22,588</u>
Deferred inflows of resources	612	423	-	-	612	423
Net Position						
Net investment in capital assets	17,239	17,233	28,344	29,157	45,583	46,390
Restricted	2,325	1,893	7,247	9,923	9,572	11,817
Unrestricted	6,409	6,811	28,602	28,918	35,011	35,729
Total Net Position	<u>\$ 25,973</u>	<u>\$ 25,937</u>	<u>\$ 64,193</u>	<u>\$ 67,999</u>	<u>\$ 90,166</u>	<u>\$ 93,936</u>

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CITY OF MILFORD, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR JUNE 30, 2020 (UNAUDITED)

The following table provides a summary of the City's operations for the year ended June 30, 2020 with comparative totals for the year ended June 30, 2019.

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

	Governmental Activities		Business-Type Activities		Total	
	2019	2020	2019	2020	2019	2020
Revenues						
Program Revenues:						
Fees, fines and charges for services	\$ 76	\$ 111	\$ 35,086	\$ 33,434	\$ 35,162	\$ 33,545
Operating grants and contributions	1,065	812	-	83	1,065	895
General Revenues:						
Property taxes	4,005	4,196	-	-	4,005	4,196
Real estate transfer taxes	1,063	954	-	-	1,063	954
Franchise taxes	683	1,012	-	-	683	1,012
Impact fees	-	-	702	885	702	885
Capital grant	-	-	482	517	482	517
Sale of property	(7)	(214)	-	-	(7)	(214)
Investment earnings	198	156	608	584	806	740
Forgiveness of debt	-	-	-	-	-	-
Miscellaneous	541	689	-	126	541	815
Total revenues	<u>7,624</u>	<u>7,715</u>	<u>36,878</u>	<u>35,630</u>	<u>44,502</u>	<u>43,345</u>
Expenses						
General government	2,208	2,682	-	-	2,208	2,682
Public safety	5,386	5,994	-	-	5,386	5,994
Public works	719	678	-	-	719	678
Culture and recreation	1,055	953	-	-	1,055	953
Interest on long term debt	-	-	346	336	346	336
Electric	-	-	21,630	21,083	21,630	21,083
Water	-	-	2,118	2,198	2,118	2,198
Sewer	-	-	4,024	4,322	4,024	4,322
Trash	-	-	1,274	1,327	1,274	1,327
Total expenses	<u>9,368</u>	<u>10,307</u>	<u>29,392</u>	<u>29,268</u>	<u>38,760</u>	<u>39,575</u>
Increase (decrease) in net assets before transfers and special items	(1,744)	(2,592)	7,486	6,362	5,742	3,770
Transfers	2,776	2,556	(2,776)	(2,556)	-	-
Change in net position	1,032	(36)	4,710	3,806	5,742	3,770
Net position, July 1	24,941	25,973	59,483	64,193	84,424	90,166
Net position, June 30	<u>\$ 25,973</u>	<u>\$ 25,937</u>	<u>\$ 64,193</u>	<u>\$ 67,999</u>	<u>\$ 90,166</u>	<u>\$ 93,936</u>

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 \$9.1 million. Within this total, a small amount is categorized as "nonspendable" (prepaid expenses), \$1.9 million is restricted by specific legal requirements, primarily for street improvements, and \$3.7 million has been

CITY OF MILFORD, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR JUNE 30, 2020 (UNAUDITED)

committed and assigned to specific types of expenditures. The remaining \$3.3 million represents 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 \$2.1 million prior to the use of prior balances and reserves, although the actual general fund balance decreased by just \$0.2 million (2% of the total budget). Actual general fund expenditures were nearly 10% below total budgeted expenses due to cost control measures as uncertainty regarding the potential impact of the COVID-19 pandemic necessitated caution.

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 in the enterprise funds totaled \$28.9 million, made up of the electric fund (\$15.9 million), water fund (\$8.4 million), sewer fund (\$4.2 million) and trash fund (\$0.3 million). The total of all enterprise funds' net position at the end of the fiscal year was \$68.0 million, representing an increase of \$38 million versus fiscal year 2019 as a result of positive increases in net position in the electric, water and sewer funds of \$1.8 million, \$1.3 million and \$0.7 million, respectively, partially offset by a minor reduction in the trash fund net position versus the prior period.

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 \$0.1 million, which was primarily driven by public safety and recreation expenditures that are added to the budget controls when grant revenue is received and spent through the ordinary requisition, purchase order and accounts payable processes.

DEBT ADMINISTRATION

As of June 30, 2019, the City's bonded indebtedness and outstanding note obligations totaled \$15.865 million, all of which is backed by the full faith and credit of the City of Milford taxing authority.

Outstanding Debt at Year End
Bonds and Notes Payable

	Government Activities		Business-Type Activities		Total	
	2019	2020	2019	2020	2019	2020
General Obligation Bonds	\$ -	\$ -	\$ 7,505	\$ 7,100	\$ 7,505	\$ 7,100
DE Revolving Fund Loans	-	-	3,060	2,851	3,060	2,851
USDA Loans	-	-	4,292	4,791	4,292	4,791
Kent County Note	-	-	1,147	1,122	1,147	1,122
Total	\$ -	\$ -	\$ 16,004	\$ 15,865	\$ 16,004	\$ 15,865

During fiscal year 2020, the City's outstanding debt decreased by \$139 thousand as a result of scheduled payments of debt obligations totaling \$736 thousand offset by \$600 thousand in new USDA loans issued.

The City's General Obligation Bond Rating is A- as rated by S&P Global Credit. Additional information about the City's long-term debt obligations and a detailed rollforward of long-term liabilities can be found in Note 10 on pages 34 to 36 of this report.

CITY OF MILFORD, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR JUNE 30, 2020 (UNAUDITED)

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2020 amounts to \$62.8 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 \$1.16 million representing an increase of 1.9% versus fiscal year 2019. Additional information on the City's capital assets can be found in Note 9 on pages 34 to 36 of this report. Major capital asset purchases and projects initiated during fiscal year 2020 included the following:

General Fund

- \$38 thousand for information technology equipment
- \$87 thousand for two public safety vehicles
- \$61 thousand for vehicles and equipment in the streets and planning departments

Interservice Funds

- \$123 thousand for truck lifts and other vehicle and equipment replacement
- \$429 thousand for public works building improvements and billing department repairs

Electric Fund

- \$241 thousand for a trencher and other vehicle and equipment replacement

Water Fund

- \$210 thousand for a C70 dump truck and other vehicle and equipment replacement
- \$319 thousand to replace SE 2nd Street service lines

Sewer Fund

- \$83 thousand for sewer camera equipment and vehicle replacement.

Trash Fund

- \$354 thousand to replace a multi-collection vehicle

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The fiscal year 2021 budget for general fund activity is 1.1% higher than fiscal year 2020. The balance between cost control and the delivery of a wide variety of services demanded by Milford residents was struck well during the 2021 budget process. Personnel costs in support of our valuable employees represent the largest contribution to general fund costs, and contractual and other labor cost increases often exceed 2-3% year-over-year increases, while benefits such as health insurance and retirement costs increase at a rate far greater than inflation in most years. The City was bracing for operational and economic uncertainty in the middle of 2020 as the 2021 budget was developed and capped the budget growth at 1.1% as compared to the 6% increase from 2019 to 2020, and cost control efforts continue into the current fiscal year. While the COVID-19 pandemic is persistent in its obtrusiveness as it redirects our efforts and redefines our current economic reality, the City of Milford has been resilient. Our employees are engaged and active, our operations are lean, our hierarchy is flat, and our infrastructure investments are targeted and prudent. Milford's residential and business communities are growing rapidly, and we have welcomed the growth with the same passion and poise with which we face adversity.

CITY OF MILFORD, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR JUNE 30, 2020 (UNAUDITED)

REQUEST FOR INFORMATION

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's financial structure and past performance. If you have questions about this report or if you would like to request additional information, please contact the Department of Finance, Attention: Finance Director, 10 SE 2nd Street, Milford, DE 19963, call 302-424-5141 or email the finance team at finance@milford-de.gov.

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CITY OF MILFORD, DE
STATEMENT OF NET POSITION
JUNE 30, 2020

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Current Assets			
Cash and Equivalents	\$ 7,247,798	\$ 12,433,534	\$ 19,681,332
Investments	2,511,000	25,889,139	28,400,139
Receivables	488,885	2,367,807	2,856,692
Inventories	19,802	1,268,024	1,287,826
Prepaid Expenses	46,440	-	46,440
Total Current Assets	<u>10,313,925</u>	<u>41,958,504</u>	<u>52,272,429</u>
Non-Current Assets			
Capital Assets			
Assets Not Depreciated			
Land	8,144,967	2,516,514	10,661,481
Construction in Progress	522,603	-	522,603
Utility System & Infrastructure	10,367,446	64,255,147	74,622,593
Buildings and Improvements	5,155,254	7,339,145	12,494,399
Equipment and Vehicles	6,557,847	8,868,079	15,425,926
Less: Accumulated Depreciation	(13,515,191)	(37,430,555)	(50,945,746)
Net Capital Assets	<u>17,232,926</u>	<u>45,548,330</u>	<u>62,781,256</u>
Total Assets	<u>27,546,851</u>	<u>87,506,834</u>	<u>115,053,685</u>
Deferred Outflows of Resources	<u>1,582,682</u>	<u>311,163</u>	<u>1,893,845</u>
LIABILITIES			
Current Liabilities			
Accounts Payable and Accrued Expenses	392,908	3,030,777	3,423,685
Customer Deposits	-	731,490	731,490
Bonds and Notes Payable	-	763,803	763,803
Compensated Absences	248,890	33,103	281,993
Total Current Liabilities	<u>641,798</u>	<u>4,559,173</u>	<u>5,200,971</u>
Noncurrent Liabilities			
Net Pension Liability	1,131,610	-	1,131,610
Bonds and Notes Payable	-	15,127,577	15,127,577
Compensated Absences	995,558	132,414	1,127,972
Total Noncurrent Liabilities	<u>2,127,168</u>	<u>15,259,991</u>	<u>17,387,159</u>
Total Liabilities	<u>2,768,966</u>	<u>19,819,164</u>	<u>22,588,130</u>
Deferred Inflows of Resources	<u>423,152</u>	<u>-</u>	<u>423,152</u>
NET POSITION			
Net Investment in Capital Assets	17,232,926	29,156,950	46,389,876
Restricted for Capital Improvements:			
Budgeted by City Council	1,893,465	4,226,039	6,119,504
Impact Fees	-	5,697,452	5,697,452
Unrestricted	6,811,024	28,918,392	35,729,416
Total Net Position	<u>\$ 25,937,415</u>	<u>\$ 67,998,833</u>	<u>\$ 93,936,248</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, 2020**

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		Total
					Governmental Activities	Business-Type Activities	
Primary Government							
Governmental Activities							
General Government	\$ 2,682,404	\$ 2,200	\$ 379,111	\$ -	\$ (2,301,093)		\$ (2,301,093)
Public Safety	5,993,886	-	410,771	-	(5,583,115)		(5,583,115)
Public Works	678,138	-	-	-	(678,138)		(678,138)
Culture and Recreation	952,614	40,885	21,631	-	(890,098)		(890,098)
Total Governmental Activities	10,307,042	43,085	811,513	-	(9,452,444)		(9,452,444)
Business-Type Activities							
Electric Fund	21,195,131	24,990,432	-	-		3,795,301	3,795,301
Water Fund	2,312,569	2,905,746	-	-		593,177	593,177
Sewer Fund	4,432,398	4,300,690	-	517,467		385,759	385,759
Trash Fund	1,327,409	1,236,813	83,221	-		(7,375)	(7,375)
Total Business-Type Activities	29,267,507	33,433,681	83,221	517,467		4,766,862	4,766,862
Total Primary Government	\$ 39,574,549	\$ 33,476,766	\$ 894,734	\$ 517,467	(9,452,444)	4,766,862	(4,685,582)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					4,195,984	-	4,195,984
Real Estate Transfer Taxes					953,731	-	953,731
Franchise Taxes					1,012,020	-	1,012,020
Gain(Loss) on Disposal of Capital Assets					(214,369)	-	(214,369)
Impact Fees					-	885,016	885,016
Unrestricted Investment Earnings					156,218	584,075	740,293
Miscellaneous					688,882	126,193	815,075
Change in Net Position in Internal Service Fund					67,963	-	67,963
Transfers					2,556,246	(2,556,246)	-
Total General Revenues, Special Items, and Transfers					9,416,675	(960,962)	8,455,713
Change in Net Position					(35,769)	3,805,900	3,770,131
Net Position- Beginning of Year					25,973,184	64,192,933	90,166,117
Net Position - End of Year					\$ 25,937,415	\$ 67,998,833	\$ 93,936,248

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

**CITY OF MILFORD, DE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Non-Major Governmental Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 2,699,230	\$ 4,146,529	\$ 129,561	\$ 6,975,320
Investments	2,511,000	-		2,511,000
Taxes Receivable, net of allowance for doubtful accounts	159,173	125,508		284,681
Other Receivables	185,408	10,374		195,782
Prepaid Expenses	46,440	-		46,440
Total Assets	<u>\$ 5,601,251</u>	<u>\$ 4,282,411</u>	<u>\$ 129,561</u>	<u>\$ 10,013,223</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 93,605	\$ 151,505	\$ 52	\$ 245,162
Compensated Absences - Current	224,756	-		224,756
Other Accrued Expenses	161,713	-		161,713
Other Payables	295,996	-	-	295,996
Total Liabilities	<u>776,070</u>	<u>151,505</u>	<u>52</u>	<u>927,627</u>
Fund Balances:				
Restricted	1,497,762	395,703		1,893,465
Nonspendable	46,440	-		46,440
Assigned	-	3,735,203		3,735,203
Unassigned	3,280,979	-		3,280,979
Total Fund Balances	<u>4,825,181</u>	<u>4,130,906</u>	<u>129,509</u>	<u>9,085,596</u>
Total Liabilities and Fund Balances	<u>\$ 5,601,251</u>	<u>\$ 4,282,411</u>	<u>\$ 129,561</u>	<u>\$ 10,013,223</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
FOR THE YEAR ENDED JUNE 30, 2020**

Total Fund Balance, Governmental Funds	\$	9,085,596
<p>Amounts reported for governmental activities in the Statement of Net Assets are</p>		
<p>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.</p>		17,232,926
<p>Internal Service funds are used by management to charge the costs of centrally managed services to the funds and departments that consume the services. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position. The increase is equal to the Internal Service Net Position.</p>		205,316
<p>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.</p>		(586,423)
Net Position of Governmental Activities	\$	<u>25,937,415</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, 2020

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Non-Major Governmental Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Property Taxes	\$ 4,195,984	\$ -	\$ -	\$ 4,195,984
Real Estate Transfer Taxes	-	953,731		953,731
Fees and Fines	191,146	-		191,146
Licenses and Permits	820,874	-		820,874
Sale of Property and Equipment	-			-
Intergovernmental	379,111	432,402		811,513
Charges for Services	2,200	-	40,885	43,085
Investment Earnings	99,913	56,305		156,218
Miscellaneous	637,962	50,920		688,882
	<u>6,327,190</u>	<u>1,493,358</u>	<u>40,885</u>	<u>7,861,433</u>
EXPENDITURES				
Current:				
General Government	2,010,853			2,010,853
Public Safety	5,545,709	214,983		5,760,692
Public Works	678,138			678,138
Culture and Recreation	899,828		52,786	952,614
Debt Service:				
Principal	-			-
Interest	-			-
Capital Outlay	704,537	666,894		1,371,431
	<u>9,839,065</u>	<u>881,877</u>	<u>52,786</u>	<u>10,773,728</u>
Total Expenditures				
(Deficiency) Excess of Revenues				
Over Expenditures	<u>(3,511,875)</u>	<u>611,481</u>	<u>(11,901)</u>	<u>(2,912,295)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	3,295,246	-		3,295,246
Transfers Out	-	(739,000)		(739,000)
	<u>3,295,246</u>	<u>(739,000)</u>	<u>-</u>	<u>2,556,246</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	(216,629)	(127,519)	(11,901)	(356,049)
Fund Balances - Beginning	<u>5,041,810</u>	<u>4,258,425</u>	<u>141,410</u>	<u>9,441,645</u>
Fund Balances - Ending	<u>\$ 4,825,181</u>	<u>\$ 4,130,906</u>	<u>\$ 129,509</u>	<u>\$ 9,085,596</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, 2020

Net change in fund balances - total governmental funds:	\$ (356,049)
<p>Amounts reported for Governmental Activities in the Statement of Activities are different because:</p>	
<p>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.</p>	(156,131)
<p>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.</p>	67,963
<p>Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which capital outlays of \$1,371,431 exceeded depreciation expense of \$748,614 in the current period.</p>	622,817
<p>Government funds report the proceeds from the sale of assets as revenue. In contrast, the Statement of Activities reports the difference between the amount of the proceeds and the net book value of the related assets as a gain or loss.</p>	<u>(214,369)</u>
<p>Change in net position of governmental activities</p>	<u><u>\$ (35,769)</u></u>

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

**CITY OF MILFORD, DE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020**

	Business Type Activities - Enterprise Funds					<i>Governmental Activities - Internal Service Fund</i>
	Electric	Water	Sewer	Trash	Total	
ASSETS						
Current Assets						
Cash and Cash Equivalents	\$ 6,274,880	\$ 3,589,468	\$ 2,204,433	\$ 364,753	\$ 12,433,534	\$ 272,478
Investments	11,604,602	9,920,924	4,363,613	-	25,889,139	-
Accounts Receivable, net of allowance for doubtful accounts	1,709,229	219,027	327,425	89,862	2,345,543	8,422
Other Receivables	11,858	750	9,156	500	22,264	-
Inventories	1,253,028	14,996	-	-	1,268,024	19,802
Total Current Assets	20,853,597	13,745,165	6,904,627	455,115	41,958,504	300,702
Non-Current Assets						
Capital Assets						
Land and Improvements	2,460,507	27,369	28,638	-	2,516,514	-
Utility System	19,400,654	22,468,335	22,386,158	-	64,255,147	-
Buildings and Improvements	7,056,015	118,251	159,229	5,650	7,339,145	21,340
Equipment and Vehicles	4,084,171	1,878,608	1,432,172	1,473,128	8,868,079	208,292
Less Accumulated Depreciation	(17,582,301)	(9,017,428)	(10,062,924)	(767,902)	(37,430,555)	(126,619)
Net Capital Assets	15,419,046	15,475,135	13,943,273	710,876	45,548,330	103,013
Interfund Receivable		500,000			500,000	
Total Non-Current Assets	15,419,046	15,975,135	13,943,273	710,876	46,048,330	103,013
Total Assets	36,272,643	29,720,300	20,847,900	1,165,991	88,006,834	403,715
Deferred Outflows of Resources						
Deferred Charges on Refundings	177,638	-	133,525	-	311,163	-
LIABILITIES						
Current Liabilities:						
Accounts Payable	1,572,119	392,072	502,507	43,479	2,510,177	39,649
Salaries and Wages Payable	27,290	6,890	6,865	6,254	47,299	38,082
Other Accrued Expenses	473,301	-	-	-	473,301	-
Customer and Other Deposits	680,090	-	-	51,400	731,490	-
Compensated Absences	22,591	4,702	4,702	1,108	33,103	24,134
Bonds, Notes and Loans Payable	226,964	254,669	282,170	-	763,803	-
Total Current Liabilities	3,002,355	658,333	796,244	102,241	4,559,173	101,865
Non-Current Liabilities:						
Compensated Absences	90,365	18,809	18,809	4,431	132,414	96,534
Interfund Payable	-	-	-	500,000	500,000	-
Bonds, Notes and Loans Payable	4,305,438	6,200,566	4,621,573	-	15,127,577	-
Total Non-Current Liabilities	4,395,803	6,219,375	4,640,382	504,431	15,759,991	96,534
Total Liabilities	7,398,158	6,877,708	5,436,626	606,672	20,319,164	198,399
NET POSITION						
Net Investment in Capital Assets	10,886,644	9,019,900	9,039,530	210,876	29,156,950	103,013
Restricted for Capital Improvements:						
Budgeted by City Council	1,372,679	2,352,585	500,775	-	4,226,039	-
Impact Fees	844,140	3,035,015	1,818,297	-	5,697,452	-
Unrestricted	15,948,660	8,435,092	4,186,197	348,443	28,918,392	102,303
Total Net Position	\$ 29,052,123	\$ 22,842,592	\$ 15,544,799	\$ 559,319	\$ 67,998,833	\$ 205,316

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, 2020

	Business Type Activities - Enterprise Funds					<i>Governmental Activities - Internal Service Fund</i>
	Electric	Water	Sewer	Trash	Total	
REVENUES						
Charges for Services	\$ 24,609,563	\$ 2,843,818	\$ 4,296,412	\$ 1,233,498	\$ 32,983,291	\$ 2,530,521
Miscellaneous	380,869	61,928	4,278	86,536	533,611	-
Total Operating Revenues	24,990,432	2,905,746	4,300,690	1,320,034	33,516,902	2,530,521
OPERATING EXPENSES						
Personnel Services	2,602,568	291,571	472,503	442,440	3,809,082	1,701,726
Contractual Services	16,523,547	86,778	2,609,396	305,261	19,524,982	142,906
Utilities	5,096	229,434	279	-	234,809	3,577
Repairs and Maintenance	593,251	98,631	24,081	123,379	839,342	560,239
Other Supplies and Expenses	64,096	924,646	656,794	280,203	1,925,739	172,883
Insurance Claims and Expenses	73,803	14,373	7,817	6,882	102,875	3,728
Bad Debt Expense	43,528	1,646	994	59,525	105,693	-
Amortization	-	-	-	-	-	-
Depreciation	1,177,120	551,285	550,431	109,719	2,388,555	17,640
Total Operating Expenses	21,083,009	2,198,364	4,322,295	1,327,409	28,931,077	2,602,699
Operating Income (Loss)	3,907,423	707,382	(21,605)	(7,375)	4,585,825	(72,178)
NON-OPERATING REVENUES (EXPENSES)						
Interest and Investment Revenues	275,683	211,741	92,991	3,660	584,075	-
Impact Fees	111,200	505,156	268,660	-	885,016	-
Capital Grant	-	-	517,467	-	517,467	-
Miscellaneous	126,193	-	-	-	126,193	-
Interest Expense	(112,122)	(114,205)	(110,103)	-	(336,430)	-
Total Non-Operating Revenues (Expenses)	400,954	602,692	769,015	3,660	1,776,321	-
Income (Loss) Before Transfers	4,308,377	1,310,074	747,410	(3,715)	6,362,146	(72,178)
Transfers (Out) In	(2,556,246)	-	-	-	(2,556,246)	140,141
Change in Net Position	1,752,131	1,310,074	747,410	(3,715)	3,805,900	67,963
Net Position - Beginning of Year	27,299,992	21,532,518	14,797,389	563,034	64,192,933	137,353
Net Position - End of Year	\$ 29,052,123	\$ 22,842,592	\$ 15,544,799	\$ 559,319	\$ 67,998,833	\$ 205,316

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, 2020

	ENTERPRISE FUNDS					<i>Governmental Activities - Internal Service Fund</i>
	Electric	Water	Sewer	Trash	Total	
Cash Flows from Operations:						
Receipts from Customers	\$ 24,926,280	\$ 2,848,286	\$ 4,286,951	\$ 1,223,562	\$ 33,285,079	\$ 2,601,346
Other Operating Receipts	428,937	61,928	46,916	86,536	624,317	-
Payments to Suppliers	(17,079,350)	(1,311,245)	(3,046,207)	(699,879)	(22,136,681)	(869,385)
Payments to Employees	(2,629,504)	(287,658)	(468,386)	(457,628)	(3,843,176)	(1,625,963)
Insurance Premiums Paid	(73,803)	(14,373)	(7,817)	(6,882)	(102,875)	(3,728)
Net Cash Provided (Used) by Operating Activities	5,572,560	1,296,938	811,457	145,709	7,826,664	102,270
Cash Flows from Non-Capital Financing Activities						
Operating Transfers In (Out)	(2,556,246)	-	-	-	(2,556,246)	140,141
Net Cash Flows Used in Non-Capital Financing Activities	(2,556,246)	-	-	-	(2,556,246)	140,141
Cash Flows from Capital and Related Financing Activities:						
Net cash for additions to						
Property, Plant and Equipment	(356,573)	(1,031,761)	(1,238,092)	(354,221)	(2,980,647)	(50,558)
Principal Paid on Debt	(220,000)	(250,820)	(268,616)	-	(739,436)	-
Interest Paid on Debt	(112,122)	(114,205)	(110,103)	-	(336,430)	-
Net cash from interfund loan activity	-	(500,000)	-	500,000	-	-
Capital Grant	-	-	517,467	-	517,467	-
Impact Fees and Other Development Fees	237,393	505,156	268,660	-	1,011,209	-
Net Cash Flows Provided by (Used in) Capital and Related Financing Activities	(451,302)	(1,391,630)	(830,684)	145,779	(2,527,837)	(50,558)
Cash Flows from Investing Activities						
Net Proceeds/(Purchases) from Sales and Maturities of Short-Term Investments	(1,071,179)	(208,149)	(226,860)	-	(1,506,188)	-
Income on Investments	275,683	211,741	92,991	3,660	584,075	-
Net Cash Flows Provided by (Used in) Investing Activities	(795,496)	3,592	(133,869)	3,660	(922,113)	-
Net Increase (Decrease) in Cash and Cash Equivalents	1,769,516	(91,100)	(153,096)	295,148	1,820,468	191,853
Cash and Cash Equivalents at Beginning of Year	4,505,364	3,680,568	2,357,529	69,605	10,613,066	80,625
Cash and Cash Equivalents at End of Year	\$ 6,274,880	\$ 3,589,468	\$ 2,204,433	\$ 364,753	\$ 12,433,534	\$ 272,478
Cash Flows from Operating Activities						
Operating Income	\$ 3,907,423	\$ 707,382	\$ (21,605)	\$ (7,375)	\$ 4,585,825	\$ (72,178)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:						
Depreciation and Amortization	1,177,120	551,285	550,431	109,719	2,388,555	17,640
Effect of Changes in Operating Assets & Liabilities:						
Accounts Receivable, net	360,685	6,114	34,171	41,939	442,909	70,825
Inventory	19,156	3,951	-	-	23,107	6,491
Accounts Payable & Accrued Expenses	87,484	24,293	244,343	8,964	365,084	3,729
Salaries Payable	5,727	1,897	2,101	1,195	10,920	38,082
Customer Deposits	47,628	-	-	7,650	55,278	-
Liability for Compensated Absences	(32,663)	2,016	2,016	(16,383)	(45,014)	37,681
Net Cash Provided by Operating Activities	\$ 5,572,560	\$ 1,296,938	\$ 811,457	\$ 145,709	\$ 7,826,664	\$ 102,270

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

CITY OF MILFORD, DE
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2020

ASSETS	<u>AGENCY</u>
Cash and Cash Equivalents	\$ 784,497
Total Assets	<u>\$ 784,497</u>
LIABILITIES	
Due to Other Government Agencies	\$ 784,497
Total Liabilities	<u>\$ 784,497</u>

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

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CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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, as amended: 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, 2020.

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 THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in governmental funds. Encumbrances as of the end of the fiscal year are reported as reservations of fund balance because they do not constitute expenditures or liabilities, but rather 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 are normally 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 (a) charges to customers who directly benefit from goods or services provided by a given function or activity and (b) 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 THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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, wastewater (“sewer”) and sanitation (“solid waste” or “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 five 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-recovery basis.

The City reports the following fiduciary funds:

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 Company. In addition, a trust fund was established by an individual during fiscal 2013 to benefit Kent County residents by offsetting individual tax bills in the future. The balance of the fund as of June 30, 2019 was \$3,611 and was depleted to \$0 as of June 30, 2020.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Financial resources used to acquire capital assets are capitalized in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as a source of financing. 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.

CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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

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 60 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. Similarly, accrued compensated absences are recorded as expenditures only when paid.

Permits and fees, recreation fees, fines and court fees, franchise fees and taxes, 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, which 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 therefore only available and recordable upon receipt of cash.

Budgets and Budgetary Accounting

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 each year, the City Manager submits to 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.
- (2) Public hearings are conducted to solicit comment from taxpayers and ratepayers.
- (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.

CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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

Cash and Cash Equivalents

Cash and cash equivalents consist of cash, checking and money market accounts generally maturing within three months.

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

Inventory in the general fund consists of gasoline and diesel fuel held for consumption. Inventory in the internal service funds consist of garage and meter supplies held for consumption. The inventory acquisitions are recorded in the inventory accounts initially and charged to expenditures when used. The inventory is reported at cost and is presented on an average cost basis.

Inventories in the water and electric funds consist primarily of meters and other equipment and appurtenances required for service connection and revenue billing. The electric fund also carries certain system infrastructure components and replacement parts that serve the dual purpose of internal consumption for repair and maintenance as well as for sale to third party developers required to share in the cost of new connections to the electric system. Inventories in the water and electric funds are reported at cost and 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.

CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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

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, for whom carry-over is unlimited. 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 because 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*.

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.

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 issuance 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.

CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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

Subsequent Events

Subsequent events were evaluated through February 12, 2021, which is the date the financial statements were available to be issued. Management of the City have disclosed (1) the settlement of a loan with the United States Department of Agriculture (USDA) as previously authorized by City Council on December 14, 2020 and (2) the results of a city-wide referendum authorizing approval of the issuance of debt for the construction of buildings and related equipment in support of Milford's Police Department and public safety initiatives in Note 14: Subsequent Events. Management of the City have determined that no events, including the disclosed events, resulted in any adjustment to the accounts reported in these financial statements.

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.

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.

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CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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

Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

- Non-spendable - Amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.
- Restricted - Amounts that can be spent only for specific purposes because of the City Charter, the City code, state or federal laws, or externally imposed conditions by grantor or creditors.
- Committed - Amounts that can be used only for specific purposes determined by a formal action by City Council ordinance or resolution. This includes 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.

Interfund Transactions

During the course of normal operations, the City records transactions between funds to support operations in certain funds, to return a risk premium to certain funds, to allocate administrative and overhead costs among funds, to construct assets, to distribute grant proceeds and to coordinate other activities that impact more than one fund. 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. Interfund loans having repayment terms beyond one year are reported separately as noncurrent assets (lending fund) and noncurrent liabilities (borrowing fund) in the statements of net position.

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, 2020.

CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS:

Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets.

The governmental fund balance sheet includes a reconciliation between total governmental fund balances and net assets of governmental activities in the government-wide statement of net assets. This difference primarily results from the long-term economic focus of the statement of net assets versus the current financial resources focus of the governmental fund balance sheets.

Capital Asset Differences

When capital assets (land, building, improvements and equipment) are purchased or constructed for use in governmental fund activities, the costs of those assets are reported as expenditures in the governmental funds. However, these costs are reported as capital assets in the statement of net assets. The details of these differences are presented below:

Land	\$ 8,144,967
Utility Systems & Infrastructure	10,367,446
Building and Improvements	5,155,254
Equipment and Vehicles	6,557,847
Construction in Progress	522,603
Less: Accumulated Depreciation	<u>(13,515,191)</u>
Net Difference in Capital Assets	<u><u>\$ 17,232,926</u></u>

Noncurrent Liability Differences

Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported in the governmental fund balance sheet. All liabilities (both current and long-term) are reported in the statement of net position. The details of these noncurrent liability differences are presented below:

Noncurrent Portion of Compensated Absences	\$ (995,558)
Deferred Outflow of Resources - Pension	1,582,682
Deferred Inflow of Resources - Pension	(423,152)
Net Pension Liability	(1,131,610)
Contingencies and Interfund Liabilities	<u>381,215</u>
Total Current and Long-Term Liability Differences	<u><u>\$ (586,423)</u></u>

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CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED):

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.

Capital Outlay Differences

Capital Outlays are reported as expenditures in the statement of revenues, expenditures and changes in fund balances. They are reported as capital assets, with the costs allocated over the useful lives of the assets, as depreciation, in the statement of activities. The details of these differences are reported below:

Capital Outlay	\$	1,371,431
Depreciation and Amortization		(748,614)
Net Difference		\$ 622,817

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:

Noncurrent Portion of Compensated Absences	\$	74,493
Deferred Outflow of Resources - Pension		45,336
Deferred Inflow of Resources - Pension		189,232
Net Pension Liability		(286,676)
Contingencies		(178,516)
Total Current and Long-Term Liability Differences		\$ (156,131)

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CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3: FINANCIAL INSTRUMENTS:

The City invests its eligible reserves in a variety of financial instruments pursuant to its investment policy and records investments at adjusted cost. The City estimates that the fair value of all financial instruments as of June 30, 2020 does not differ materially from the aggregate carrying values of its financial instruments as reported in the accompanying balance sheet and statement of net assets.

NOTE 4: REAL ESTATE TAXES

The millage rate levied by City Council on all non-exempt real estate in the City of Milford for the fiscal year ended June 30, 2020 was 4.6 mills (\$4.60 per \$1,000 of assessed valuation, or "AV"), and is commonly expressed as \$0.46 per \$100 of AV. The City bills and collects its own real estate taxes. Delinquent taxes are subject to lien by the City. The schedules of real estate taxes levied for the fiscal year 2020 are:

July 1:	Levy Date (effective date of enforceable lien)
August 1 - September 30:	Face Payment Period
October 1:	Penalty of 1% of cumulative past due balance each month

NOTE 5: IMPACT FEES:

All applications for new service connections to water, sewage, and electric systems within the City of Milford's utility service territories are required to contribute 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 the construction, maintenance and expansion of the City's utility infrastructure systems resulting from the growth demands of new development. The commercial impact fees for the year ended June 30, 2020 were \$3,072 (\$2,840 in fiscal year 2019) and \$1,623 (\$1,501 in fiscal year 2019) per Equivalent Dwelling Unit (EDU) for water and sewage, respectively, and \$600 and \$1,200 for electric connections of 200 amps and 400 amps, 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. Restricted net assets as of June 30, 2020 attributable to cumulative impact fee collections is \$5,697,452.

NOTE 6: INTERFUND TRANSACTIONS:

During the course of normal operations, the City has numerous transactions between funds including 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 interfund receivables and payables within individual funds. As of June 30, 2020, one interfund loan of \$500,000 extended to the trash fund from the water fund is outstanding as reported in the statement of net position, and one interfund transaction among subsidiary funds related to funding of capital expenditures nets to \$0 in the governmental funds.

CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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.

NOTE 8: CASH AND INVESTMENTS:

Custodial credit risk is the risk of loss of City deposits in the event of financial institution failure. The City does not have a formal deposit policy for custodial credit risk. Deposits are classified as Category 1 if fully insured, registered or held by the City’s agent in the City’s name. Deposits are classified as Category 2 if collateralized with securities held by the pledging financial institution’s trust department agent(s) in the City’s name, or Category 3 if 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, 2020, all of the City’s bank balances constituted Category 1 deposits, and the financial institution balances were equal to the carrying amounts reported.

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 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, 2020, the City’s investments consist of the following:

Description	Category	Market Value	Carrying Value
Money Market Funds			
PFM Asset Management, LLC	1	15,729,139	15,729,139
Certificates of Deposit			
PFM Asset Management, LLC	1	12,671,000	12,671,000
Total Investments		28,400,139	28,400,139

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CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9: CAPITAL ASSETS:

The following schedule presents the capital activity of governmental activities for the fiscal year:

Year Ended June 30, 2020

Asset Categories by Function	Balances 06/30/19	Additions	Reductions	Adjustments & Transfers	Balances 06/30/20
City Department:					
Land	8,211,212	-	-	(66,245)	8,144,967
Buildings and Improvements	4,563,414	45,644	4,860	66,244	4,670,442
Vehicles and Equipment	5,306,050	219,377	352,517	(320,460)	4,852,450
Construction in Progress	127,546	395,057	-	-	522,603
Total City Department	18,208,222	660,078	357,377	(320,461)	18,190,462
Accumulated Depreciation	(6,690,565)	(330,009)	(353,847)	103,089	(6,563,638)
Total City Department, Net	11,517,657	330,069	3,530	(217,372)	11,626,824
Street Department:					
Street Improvements	10,367,447	-	-	(1)	10,367,446
Buildings and Improvements	192,916	295,520	3,626	2	484,812
Vehicles and Equipment	1,567,083	32,223	-	106,091	1,705,397
Total Street Department	12,127,446	327,743	3,626	106,092	12,557,655
Accumulated Depreciation	(6,406,029)	(444,032)	(1,597)	(103,089)	(6,951,553)
Total Street Department, Net	5,721,417	(116,289)	2,029	3,003	5,606,102

Year Ended June 30, 2020

Asset Categories by Function	Balances 06/30/19	Additions	Reductions	Adjustments & Transfers	Balances 06/30/20
Total Governmental Capital Assets:					
Land	18,578,659	-	-	(10,433,692)	8,144,967
Street Improvements	-	-	-	10,367,446	10,367,446
Buildings and Improvements	4,756,330	341,164	8,486	66,246	5,155,254
Vehicles and Equipment	6,873,133	251,600	352,517	(214,369)	6,557,847
Construction in Progress	127,546	395,057	-	-	522,603
Total Governmental Capital Assets	30,335,668	987,821	361,003	(214,369)	30,748,117
Accumulated Depreciation	(13,096,594)	(774,041)	(355,444)	-	(13,515,191)
Total Governmental Capital Assets, Net	17,239,074	213,780	5,559	(214,369)	17,232,926

CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9: CAPITAL ASSETS (CONTINUED):

The following schedule presents the capital activity of business-type activities for the fiscal year:

Asset Categories by Function	Year Ended June 30, 2020				Balances 06/30/20
	Balances 06/30/19	Additions	Reductions	Adjustments & Transfers	
Electric Fund:					
Land	2,460,507	-	-	-	2,460,507
Buildings and Improvements	7,005,480	60,067	9,532	-	7,056,015
Electric System	19,433,098	-	32,444	-	19,400,654
Vehicles and Equipment	3,813,692	296,506	26,027	-	4,084,171
Total Capital Assets	32,712,777	356,573	68,003	-	33,001,347
Accumulated Depreciation	(16,463,782)	(1,177,121)	(58,602)	-	(17,582,301)
Net Book Value	16,248,995	(820,548)	9,401	-	15,419,046
Water Fund:					
Land	27,369	-	-	-	27,369
Buildings and Improvements	10,853	110,898	3,500	-	118,251
Water System	21,841,981	699,043	72,689	-	22,468,335
Vehicles and Equipment	1,708,867	221,820	52,079	-	1,878,608
Total Capital Assets	23,589,070	1,031,761	128,268	-	24,492,563
Accumulated Depreciation	(8,583,395)	(551,286)	(117,253)	-	(9,017,428)
Net Book Value	15,005,675	480,475	11,015	-	15,475,135
Waste Water Fund:					
Land	28,638	-	-	-	28,638
Buildings and Improvements	50,691	110,898	2,360	-	159,229
Waste Water System	20,788,327	1,628,819	30,988	-	22,386,158
Vehicles and Equipment	1,333,797	98,375	-	-	1,432,172
Total Capital Assets	22,201,453	1,838,092	33,348	-	24,006,197
Accumulated Depreciation	(9,540,066)	(550,432)	(27,374)	200	(10,062,924)
Net Book Value	12,661,387	1,287,660	5,974	200	13,943,273
Trash Fund:					
Buildings and Improvements	5,650	-	-	-	5,650
Vehicles and Equipment	1,143,105	354,221	24,198	-	1,477,128
Total Capital Assets	1,148,755	354,221	24,198	-	1,478,778
Accumulated Depreciation	(682,381)	(109,719)	(24,198)	-	(767,902)
Net Book Value	466,374	244,502	-	-	710,876

CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9: CAPITAL ASSETS (CONTINUED):

The following schedule presents the total capital activity of business-type activities for the fiscal year (continued):

Asset Categories by Function	Year Ended June 30, 2020				Balances 06/30/20
	Balances 06/30/19	Additions	Reductions	Adjustments & Transfers	
Total Enterprise Funds					
Land	2,516,514	-	-	-	2,516,514
Buildings and Improvements	7,072,674	281,863	15,392	-	7,339,145
Electric System	19,433,098	-	32,444	-	19,400,654
Water System	21,841,981	699,043	72,689	-	22,468,335
Waste Water System	20,788,327	1,628,819	30,988	-	22,386,158
Vehicles and Equipment	7,999,461	970,922	102,304	-	8,868,079
Total Fixed Assets	79,652,055	3,580,647	253,817	-	82,978,885
Accumulated Depreciation	(35,269,624)	(2,388,558)	(227,427)	200	(37,430,555)
Net Book Value	44,382,431	1,192,089	26,390	200	45,548,330

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CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10: LONG-TERM DEBT OBLIGATIONS:

Long-Term liability activity for the year ended June 30, 2020 is summarized as follows:

	Year Ended June 30, 2020				
	Balances 06/30/19	Additions	Reductions	Balances 06/30/20	Current Portion
Governmental Activities:					
General Obligation Bonds	-	-	-	-	-
Other Liabilities					
Net Pension Liability	845,080	951,431	(664,901)	1,131,610	-
Compensated Absences	1,151,331	93,117	-	1,244,448	248,890
Governmental Activities					
Total Debt Obligations:	<u>1,996,411</u>	<u>1,044,548</u>	<u>(664,901)</u>	<u>2,376,058</u>	<u>248,890</u>
Business-Type Activities:					
General Obligation Bonds					
Series 2016	7,505,000	-	(405,000)	7,100,000	415,000
Bond Premium	29,937	-	(3,375)	26,562	3,555
Total General Obligation Bonds	<u>7,534,937</u>	<u>-</u>	<u>(408,375)</u>	<u>7,126,562</u>	<u>418,555</u>
State of Delaware					
DNREC WPC RF, 2010	645,868	-	(53,048)	592,820	54,115
Water SRF, 2012A	2,414,189	-	(155,519)	2,258,670	157,079
Note Payable, Kent County	1,147,329	-	(25,338)	1,121,991	25,914
USDA Notes Payable					
Water Facilities, 2013	4,293,580	-	(97,015)	4,196,565	97,591
Sewer Facilities, 2019	-	600,000	(5,228)	594,772	10,550
Total Bonds and Notes Payable	<u>16,035,903</u>	<u>600,000</u>	<u>(744,523)</u>	<u>15,891,380</u>	<u>763,804</u>
Other Liabilities					
Compensated Absences	210,531	-	(45,014)	165,517	33,103
Business-Type Activities					
Total Debt Obligations:	<u>16,246,434</u>	<u>600,000</u>	<u>(789,537)</u>	<u>16,056,897</u>	<u>796,907</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. Annually, the City is required to compute the rate of property tax required to provide a fund to pay interest and principal at maturity. The City is in compliance with this requirement.

CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10: LONG-TERM DEBT OBLIGATIONS (CONTINUED):

General Obligation Bonds, 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 issuance were utilized to currently refund the outstanding principal balance of \$7,850,000 related to the General Obligation Bonds, Series 2011 A. 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 as of June 30, 2020. 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.

United States Department of Agriculture (USDA)

Water Utility Loan

In June 2013, the City issued bonds in an amount not to exceed \$5 million in connection with its Southeast Water Expansion project. The funding for the project was provided by the USDA under the federal direct loan for rural water and waste disposal systems program. Pursuant to program terms, the City was eligible for distributions of loan proceeds only after incurring project expenditures. The project was completed and the City expended a cumulative total of \$5 million through fiscal year 2017. The balance of the loan as of June 30, 2020 is \$4,196,565, which represents total project expenditures under the program less principal payments made. Under the terms of the note, the City is required to make quarterly payments in the amount of \$46,500, which include interest calculated at the fixed annual rate of 2% on the outstanding balance, with the remainder of each payment applied to the principal balance. The note is scheduled to mature June 28, 2053.

Sewer Utility Loan

In September 2015, Milford City Council approved a resolution to borrow an amount not to exceed \$1.6 million to finance various sewer infrastructure projects, including a supervisory control and data acquisition (SCADA) system, pump station upgrades, inflow and infiltration remediation, and relate projects; collectively the "sewer project." A financing agreement was reached with the USDA under the federal direct loan for rural water and waste disposal systems program in two phases. The borrowing limit in phase one is \$0.6 million subject to an annual rate of interest not to exceed 2.375%; the actual rate as determined at final loan closing in December 2019 was 1.75%. The borrowing limit in phase two is \$1 million subject to an annual rate of interest not to exceed 2.125%. Pursuant to program terms, the City is eligible for distributions of loan proceeds only after incurring project expenditures. Certain project components were completed during fiscal year 2020, and the City expended a cumulative total of \$0.6 million through June 30, 2020 under phase one of the loan program. The balance of the loan as of June 30, 2020 is \$594,772, which represents total project expenditures under phase one of the program less principal payments made. Under the terms of the note, the City is required to make quarterly payments in the amount of \$5,226, which include interest calculated at the fixed annual rate of 1.75% on the outstanding balance, with the remainder of each payment applied to the principal balance. The note is scheduled to mature December 31, 2059. Phase two of the loan program is discussed in greater detail in Note 14: Subsequent Events.

CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10: LONG-TERM DEBT OBLIGATIONS (CONTINUED):

State of Delaware Revolving Funds

Water Pollution Control Revolving Fund (WPC RF)

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 the fiscal year ended June 30, 2017. Additional funds were received for the second part of the project under a separate financing agreement. The balance of this obligation as of June 30, 2020 is \$592,820. 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.

Drinking Water State Revolving Fund (SRF)

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 Delaware Drinking Water State Revolving Fund only as expenditures were incurred by the City and approved by the State, subject to a maximum funding commitment of \$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 the fiscal year ended June 30, 2018 at a total cost of \$3,832,876. In accordance with the agreement, upon completion of the project, thirty-five percent of the amounts advanced were forgiven, resulting in forgiveness of debt in the amount of \$1,341,507 in fiscal year 2018. The remaining balance of \$2,491,369 is being amortized over a twenty-year period from the original advance date with interest at 1% per annum. The balance of this obligation as of June 30, 2020 is \$2,258,670. The note is scheduled to mature September 1, 2033.

Kent County Levy Court

Sewer Infrastructure Improvement Loan

Kent County constructed a new southern transmission bypass sewer line and related facilities (the "bypass") to remediate failing components of its sewer infrastructure. The County issued bonds to finance the cost of the improvements, a significant portion of which run through the City of Milford and benefit the users of Milford's sewer system. Pursuant to the Agreement for Services, as amended, between the City and Kent County, the City is responsible for the pro rata portion of the debt service attributable to the costs of the bypass installed in the City's sewer service territory. The City is required to remit payments in quarterly installments of \$12,735, which include interest at the fixed rate of 2.25% per annum. The balance of the obligation as of June 30, 2020 is \$1,121,991 and is scheduled to mature November 10, 2050.

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CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10: LONG-TERM DEBT OBLIGATIONS (CONTINUED):

Long-Term Debt outstanding as of June 30, 2020 is summarized as follows:

Obligation	Interest Rate (%)	Issue Date	Maturity Date	Amounts Outstanding as of June 30, 2020 (in thousands)			Total
				Electric Fund	Water Fund	Sewer Fund	
General Obligation Bonds							
Series of 2016	2.00-2.55	12/6/16	1/1/37	4,515	-	2,585	7,100
USDA							
Note Payable, 2013	2.125	6/28/13	6/28/53	-	4,197	-	4,197
Note Payable, 2019	1.750	12/31/19	12/31/59	-	-	595	595
State of Delaware							
DNREC WPC RF, 2009	2.00	12/22/09	7/1/30	-	-	593	593
Drinking Water SRF, 2012A	1.00	3/15/12	9/1/33	-	2,259	-	2,259
Kent County, 2012	2.25	11/12/12	11/10/50	-	-	1,122	1,122
Total Long-Term Debt Obligations				<u>4,515</u>	<u>6,455</u>	<u>4,895</u>	<u>15,865</u>

The annual requirements to amortize all debt outstanding as of June 30, 2020 follow:

Year Ending June 30	Principal	Interest	Total
2021	\$760,268	\$304,695	\$1,064,964
2022	775,796	290,684	1,066,481
2023	791,423	276,451	1,067,874
2024	802,148	261,975	1,064,124
2025	817,980	247,245	1,065,224
2026-2030	4,321,092	1,004,704	5,325,796
2031-2035	3,389,522	615,840	4,005,362
2036-2040	1,595,897	344,505	1,940,402
2041-2045	1,068,168	221,055	1,289,223
2046-2050	1,187,423	101,472	1,288,895
2051-2055	265,607	14,025	279,633
2056-2060	89,461	4,597	94,058
Total	<u>\$15,864,786</u>	<u>\$3,687,248</u>	<u>\$19,552,035</u>

CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11: COMMITMENTS AND CONTINGENCIES:

Open Claims/Judgments

In the ordinary course of the City's municipal and public utility operations, various commitments and contingent liabilities arise in addition to the normal encumbrances for the purchase of goods and services. The City does not anticipate material losses as a result of these transactions over and above the amounts reported in the statement of activities, which includes a provision for claims incurred during the current period but that remained open and unadjudicated as of June 30, 2020.

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's employee benefits program includes a deferred compensation plan under Internal Revenue Code (IRC) 457(b) which is available to substantially all full-time City employees. Participants may elect contributions through base salary deferral to the Plan not to exceed the lesser of the allowable calendar-year maximum under IRC 457(b)(2) and 100% of net compensation. The City matches 100% of employee contributions up to a maximum of 6.0% of the base salary. The City made contributions into the Plan totaling \$289,139 for the year ended June 30, 2020.

NOTE 13: PENSION PLANS:

Defined Contribution Plan

The City has a defined contribution plan under IRC 401(a) which was available to substantially all full-time City employees through December 31, 2004 (the "legacy plan"). For plan years beginning January 1, 2005, the City no longer makes contributions to the legacy plan, coinciding with the effective date of the City's election to participate in the State of Delaware's County and Municipal Pension Plans. All participants in the legacy plan will remain in the legacy plan until separation of employment from the City and may continue to invest funds in their respective accounts. The legacy 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 THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 13: PENSION PLANS (CONTINUED):

State of Delaware 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 of service 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 funds. Descriptions of each of the State of Delaware Plans and important disclosures and information follow:

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 (DPERS) and managed by its Board of Pension Trustees (the Board). The plan, which is the State of Delaware County and Municipal Police and Firefighter Pension Plan, covers the City of Milford's 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 five 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 2020 was 14.85% of payroll. In addition, employees are required to contribute 7% of compensation.

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CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 13: PENSION PLANS (CONTINUED):

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 the State of Delaware County and Municipal Other Employees Pension Plan, covers all full-time non-uniformed City employees as well as elected officials. 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 five 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 2020 was 7.47% of pension-creditable payroll. In addition, employees are required to contribute 3.0% 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, 2019 measurement date were as follows:

	Police & Firefighters	Other Employees
Total pension liability	\$ 425,552,000	\$ 63,117,000
Plan fiduciary net position	396,829,000	58,536,000
Employer net pension liability	28,723,000	4,581,000
Plan fiduciary net position as percentage of total pension liability	93.25%	92.74%
Proportionate share of net pension liability	697,659	433,951

CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 13: PENSION PLANS (CONTINUED):

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, 2019, 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, 2018 to June 30, 2019. 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. As of June 30, 2019 and 2018, the City's proportion for each plan is as follows:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>Increase (Decrease)</u>
Police & Firefighters	2.4289%	2.2946%	0.1343%
Other Employees	9.4728%	10.0609%	-0.5881%

For the year ended June 30, 2020, the City recognized pension expense for the plans as follows:

Police & Firefighters	\$460,814
Other Employees	<u>337,347</u>
Total	\$798,161

At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Police & Fire</u>		<u>Other Employees</u>	
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Difference between expected and actual experience	426,552	136,435	170,092	143,081
Change of assumptions	160,794	67,671	144,345	-
Net difference between projected and actual investment earnings	6,711	-	7,192	-
Changes in proportions	10,069	21,021	-	54,944
Contributions subsequent to the measurement date	406,136	-	339,917	-
Total	<u>1,010,262</u>	<u>225,127</u>	<u>661,546</u>	<u>198,025</u>

A total of \$746,053 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, 2020. 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.

CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 13: PENSION PLANS (CONTINUED):

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2018, and update procedures were used to roll forward the total pension liability to June 30, 2019. The following actuarial assumptions were used and applied to all periods included in the measurement:

- Investment return – 7.0%, includes inflation at 2.50%
- Salary increases – Effective average of 2.50%, which reflects an allowance for inflation of 2.50%, plus merit.

The discount rate assumption of 7.0% is unchanged from the prior year. 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, 2019 are summarized in the following table:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	29.5%	5.7%
International Equity	13.5%	5.7%
Fixed Income	27.1%	2.0%
Alternate Investments	22.4%	7.8%
Cash & Equivalent	7.5%	0.0%

CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 13: PENSION PLANS (CONTINUED):

Discount Rate

The discount rate used to measure the total pension liability was 7.0%. 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 resulting net pension liability if calculated using a discount rate one percentage point lower (6.0%) or higher (8.0%) than the current rate:

	1% Decrease 6.0%	Current Discount Rate 7.0%	1% Increase 8.0%
Police and Firefighters	\$94,353,000	\$28,723,000	(\$24,811,000)
Other Employees	\$14,364,000	\$4,581,000	(\$ 3,453,000)

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>.

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CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 14: SUBSEQUENT EVENTS:

USDA Sewer Utility Loan – Phase Two

The City closed on the second phase of a loan with the USDA in the amount of \$1 million on December 17, 2020. The loan bears a fixed rate of interest of 2.125% and is payable in quarterly installments of principal and interest. The loan matures on December 17, 2060. Details regarding the City's 2015 authorizing resolution, the USDA rural utility loan program, the sewer projects financed with the loan proceeds and phase one of the loan are provided in Note 10: Long-Term Debt Obligations.

Referendum – Police Facility

On January 26, 2021, the City held a referendum proposing unto the electors of the City of Milford that an amount of money not to exceed \$20 million be borrowed at a rate of interest not to exceed 5.0% to pay for the costs required to design, construct and equip a police station and to complete other necessary infrastructure improvements and related capital projects (the "Facility"). The resulting debt service shall be met with an increase in the City's property tax rate. The results of the city-wide election favored the financing proposal with 390 voters for and 187 against. The City expects to complete the design process and break ground by early 2022 and open the Facility in 2023. The timing of the required increase in the tax rate is expected to coincide with the completion of the Facility; project construction costs are expected to be met with internal funding sources supplemented with interim financing. As of the release date of these financial statements, no debt has been incurred in connection with the Facility.

NOTE 15: THE DELAWARE MUNICIPAL ELECTRIC CORPORATION:

The City is a member of the Delaware Municipal Electric Corporation (DEMEC). DEMEC is a public corporation constituted as Joint Action Agency and a wholesale electric utility. DEMEC was established in 1979 and represents eight municipal electric distribution utilities located in the State of Delaware and provides full requirements wholesale electric power supply service to all eight members, including the City of Milford, through the operation of owned generation assets and various wholesale supply contracts with external parties. The City purchases 100% of its electric supply requirements from DEMEC under a long-term full requirements service contract that became effective January 1, 2004 and which will remain in effect unless terminated upon one year's written notice by either party. The obligation of the City to purchase and pay for full requirements service, including its allocated costs under any then current forward contract for capacity and energy between DEMEC and a third party in effect as of the date of notice of termination, shall survive the termination of the agreement. On May 1, 2001, the City entered into separate power sales agreements to purchase an interest in the capacity produced by Unit 1 of the Warren F. "Sam" Beasley Power Station located in Smyrna, Delaware (the "Facilities"). On May 1, 2011, the City entered into separate power sales agreements to purchase an interest in the capacity produced by Unit 2 of the Facilities. The City is entitled to 20.3 percent of all power supply and ancillary benefits produced from the existing nominal 45 MW and 50 MW natural gas-fired combustion turbine generators installed in connection with Units 1 and 2, respectively, for the useful life of the Facilities. Under the terms of the various agreements, DEMEC is authorized to act as agent for the City in all matters relating to the acquisition and delivery of its wholesale power supply and management of energy cost risk on behalf of the City in the deregulated energy markets.

CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 16: IMPACT OF CORONAVIRUS (COVID-19):

The World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities, including the City of Milford. Specific to the City of Milford, COVID-19 may impact various 2021 operations and financial results, including but not limited to the City's utility and real estate tax collections, water and sewer revenue in the form of deferred rate increases, lodging tax revenue due to travel restrictions, Parks and Recreation Department activity due to safety and distancing requirements, and other events, as well as increases in expenditures for emergency preparedness initiatives and personnel costs. City Management is taking appropriate actions to mitigate any negative impact, including the delay or deferral of non-critical spending and the solicitation of federal and state grant proceeds to offset incremental emergency preparedness costs and employee safety initiatives. The full impact of COVID-19 on the City's financial condition is unknown, as events continue to develop into the subsequent fiscal year. However, no events occurring during the reporting period and no events occurring during the period from July 1, 2020 through February 12, 2021 resulted in the need to recognize any additional expense or record any additional liabilities. Management's expectation is that the impact of the COVID-19 pandemic on the City's financial position will not reach the level of significant materiality, though Management and Council remain diligent in efforts to operate efficiently, avoid unnecessary spending, work safely, and maximize services to the community during the pandemic.

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The City of Milford, Delaware

Required Supplementary Information

As of and for the Year Ended June 30, 2020

**CITY OF MILFORD, DE
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 4,148,385	\$ 4,154,960	\$ 4,195,984	\$ 41,024
Fees and Fines	100,000	100,000	191,146	91,146
Licenses and Permits	380,000	440,000	820,874	380,874
Sale of Business Park Land	-	-	-	-
Intergovernmental	362,950	448,137	379,111	(69,026)
Investment Earnings	60,000	60,000	99,913	39,913
Miscellaneous	368,199	368,199	637,962	269,763
Total Revenues	5,419,534	5,571,296	6,324,990	753,694
EXPENDITURES				
Current:				
General Government	2,918,637	3,027,522	2,010,853	1,016,669
Public Safety	5,591,133	5,728,320	5,545,709	182,611
Public Works	779,745	754,745	678,138	76,607
Culture and Recreation	982,810	1,017,810	899,828	117,982
Debt Service:				
Principal	-	-	-	-
Interest and Other Charges	-	-	-	-
Capital Outlay	498,185	358,185	704,537	(346,352)
Total Expenditures	10,770,510	10,886,582	9,839,065	1,047,517
Deficiency of Revenues Over Expenditures	(5,350,976)	(5,315,286)	(3,514,075)	1,801,211
OTHER FINANCING SOURCES				
Real Estate Transfer Tax (from Special Revenue Fund)	723,000	723,000	500,000	(223,000)
Transfers In From Electric Fund	2,500,000	2,500,000	2,500,000	-
Other Transfers In/Out	16,000	16,000	295,246	279,246
Net Change in Fund Balance	(2,127,976)	(2,076,286)	(218,829)	1,857,457
DEFICIENCY FUNDED BY				
General Fund Prior Balance and Reserves	2,127,976	2,076,286	218,829	(1,857,457)
Net Revenues, Other Financing Sources, Prior Fund Balances and Expenditures	\$ -	\$ -	\$ -	\$ -

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

CITY OF MILFORD, DELAWARE
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE LAST FIVE FISCAL YEARS

<u>County & Municipal Police and Firefighters' Pension Plan</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Proportion of the net pension liability (asset)	2.4289%	2.2946%	2.3779%	2.3824%	2.4964%
Proportionate share of the net pension liability (asset)	\$ 697,659	\$ 528,464	\$ 239,714	\$ 378,701	\$ (131,558)
Covered-employee payroll	\$ 2,412,111	\$ 2,147,178	\$ 1,905,658	\$ 1,944,111	\$ 1,735,698
Proportionate share of the net pension liability as a percentage of covered-employee payroll	28.9%	24.6%	12.6%	19.5%	-7.6%
Plan's fiduciary net position	\$ 396,829,000	\$ 367,470,000	\$ 325,867,000	\$ 284,298,000	\$ 273,109,000
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.3%	94.1%	97.0%	94.7%	-102.0%
<u>County & Municipal Other Employees' Pension Plan</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Proportion of the net pension liability (asset)	9.4728%	10.0609%	10.3165%	10.8530%	12.1628%
Proportionate share of the net pension liability (asset)	\$ 433,951	\$ 316,616	\$ 668,405	\$ 672,454	\$ 5,230
Covered-employee payroll	\$ 4,106,578	\$ 4,205,852	\$ 3,476,349	\$ 3,628,008	\$ 3,630,778
Proportionate share of the net pension liability as a percentage of covered-employee payroll	10.6%	7.5%	19.2%	18.5%	0.1%
Plan's fiduciary net position	\$ 58,536,000	\$ 53,122,000	\$ 45,874,000	\$ 39,292,000	\$ 37,840,000
Plan fiduciary net position as a percentage of the total pension liability	92.7%	94.4%	87.6%	86.4%	99.9%

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

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 basic 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 2017 can be found in the June 30, 2015 actuarial valuation reports. The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule:

- Actuarial Cost Method – Entry Age Normal
- Amortization Method – Open 10 Year Level Percent of Payroll
- Remaining Amortization Period – 10 Years
- Asset Valuation Method: 5 Year Smoothed Market
- Actuarial Assumptions
 - Discount Rate – 7.0%
 - Amortization Growth Rate 3.0%
 - Price Inflation – 2.5%

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.

The City of Milford, Delaware

Additional Information

As of and for the Year Ended June 30, 2020

CITY OF MILFORD, DELAWARE
ADDITIONAL INFORMATION
JUNE 30, 2020

Taxation

The City annually adapts an assessment listing based on its own assessments of real property. Real Property was last reassessed in the City of Milford in 2012. The assessment reflected actual sale histories available in 2012. Assessments are based on 100% of the 2012 appraised value. Appraisals for all classifications of property are equal to estimated replacement cost less depreciation.

Ratable Classification	2020 Assessed Value (AV)	2020 Market Value (MV)*	AV ÷ MV
Public Utilities	\$5,401,952	\$7,299,935	
Agriculture	878,100	\$1,186,622	
Residential	598,040,800	\$808,163,243	
Multi-Family	43,996,300	\$59,454,459	
Commercial	318,244,300	\$430,059,865	
Industrial	11,488,400	\$15,524,865	
Exempt	326,167,800	\$440,767,297	
TOTAL	\$1,304,217,652	\$1,762,456,286	74%

**Estimated based on City of Milford market sales data sampling*

Source: City of Milford

The City's property tax rate is \$0.46 per \$100 of assessed value. Milford also collects a Realty Transfer Tax (RTT) of 1.50% effective July 1, 2001.

Tax Appeals

Milford City Council serves in the capacity of Board of Appeals to review assessments when appealed by property owners. There are generally few appeals of assessments each year.

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CITY OF MILFORD, DELAWARE
ADDITIONAL INFORMATION
JUNE 30, 2020

Largest Taxpayers – 2020

2020 Assessed		Land Use	Parcel Owner	2020	
Value				Tax Levy	
\$	29,293,600	COMMERCIAL	CLARKE AVENUE REALTY LLC	\$	134,751
	18,827,600	COMMERCIAL	MILFORD PLAZA SPE LLC		86,607
	16,426,800	COMMERCIAL	WAL-MART PROPERTY TAX DEPARTMENT		75,563
	157,862,700	COMMERCIAL	BAYHEALTH MEDICAL CENTER INC		60,464
	9,447,900	MULTI-FAMILY	RESERVE AT SAW MILL LLC		43,460
	9,203,100	MULTI-FAMILY	WATERGATE AT MILFORD RENTALS LLC		42,334
	11,708,900	RESIDENTIAL	KEY PROPERTIES GROUP, LLC		39,666
	8,252,800	COMMERCIAL	MILFORD CENTER LLC		37,963
	6,869,500	COMMERCIAL	CYPRESSCAP LLC		31,600
	6,734,300	MULTI-FAMILY	CASCADES LLC		30,978
	6,558,100	COMMERCIAL	BALTIMORE AIRCOIL COMPANY INC		30,167
	6,547,100	COMMERCIAL	U S COLD STORAGE		30,117
	5,302,800	MULTI-FAMILY	CASE EDWARDS MANAGEMENT INC		24,393
	5,162,300	INDUSTRIAL	PERDUE REAL ESTATE HOLDINGS INC		23,747
	5,003,300	RESIDENTIAL	KEY PROPERTIES LLC		23,015
	4,899,500	MULTI-FAMILY	TRAN CON BUILDERS		22,538
	4,799,800	COMMERCIAL	S W AQUISITIONS INC		22,079
	4,763,300	COMMERCIAL	RIVERWALK CENTER AT MILFORD LLC		21,911
	4,530,600	COMMERCIAL	SHAWNEE FARM, LLC		20,841
	4,431,600	COMMERCIAL	MILFORD AID II PROPCO LLC		20,385

Source: City of Milford

Tax Assessments

Year	Assessment	Ratio, Assessed to	
		Market Value	Market Value
2020	\$ 1,304,217,652	74%	\$ 1,762,456,286
2019	1,108,131,359	78%	1,420,681,230
2018	1,076,761,765	75%	1,435,213,740
2017	1,064,336,304	81%	1,319,777,017
2016	1,049,526,712	89%	1,175,823,786
2015	1,038,988,192	91%	1,141,745,266
2014	1,030,515,982	95%	1,084,753,665
2013	1,012,236,303	96%	1,054,412,816
2012*	1,005,583,223	96%	1,047,482,524
2011	774,400,918	75%	1,033,841,696

**Reassessment completed in September 2012*

Source: City of Milford

CITY OF MILFORD, DELAWARE
ADDITIONAL INFORMATION
JUNE 30, 2020

Tax Collections and Delinquent Taxes

Year Ended June 30	Tax Collections			Past Due
	Taxes Budgeted	Cash Collections	Collections as % of Budget	Outstanding as of June 30
2020	\$ 4,126,385	\$ 4,074,644	99%	\$ 241,673
2019	3,902,716	3,943,184	101%	210,077
2018	3,820,560	4,038,010	105%	178,337
2017	3,732,970	3,817,534	102%	344,177
2016	3,701,000	3,720,159	101%	307,883
2015	3,746,000	3,660,900	98%	359,772
2014	3,556,965	3,518,917	99%	358,545
2013	3,483,380	3,433,254	99%	281,371
2012	2,989,155	2,974,203	99%	231,245
2011	2,947,377	2,906,359	99%	193,509

Source: City of Milford

Selected Debt Ratios

Total Population (2020)	11,732
Assessed Valuation (2020)	\$1,304,217,652

Direct Debt

City of Milford-Bonded Debt	\$ 7,100,000
Total Direct Debt as a Percent of Assessed Value	0.544%
Total Direct Debt per capita	\$ 605

Largest Employers*

The eight largest employers in and around Milford, as of December 31, 2020, are listed below:

<u>Name</u>	<u>Description</u>
Bayhealth, Inc.	Healthcare
City of Milford	Government
Dentsply Sirona, Inc.	Dental Supplies
First State Manufacturing, Inc.	Industrial Sewing
Kent-Sussex Industries, Inc.	Agricultural Products
Milford School District	Education
Perdue Farms, Inc.	Poultry Processing
Sea Watch International, Inc.	Seafood Processing

Source: City of Milford

**Pursuant to 20 CFR (Code of Federal Regulations) Part 603, the specific employment data is confidential and may not be disclosed to the public.*

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

Honorable Mayor and Members of the City Council
City of Milford, DE

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Milford, DE, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise City of Milford, DE's basic financial statements, and have issued our report thereon dated February xx, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Milford, DE's internal control over financial reporting (internal control) as a basis for designing 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 City of Milford, DE's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Milford, DE'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 a combination of deficiencies, in internal control, such that there is a 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 that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Milford, DE's financial statements are free from 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 financial statements. 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*.

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.

Gold Gerstein Group LLC
Voorhees, NJ

February xx, 2021

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Honorable Mayor and Members of the City Council
City of Milford, DE

Report on Compliance for Each Major Federal Program

We have audited City of Milford, DE'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 City of Milford, DE's major federal programs for the year ended June 30, 2020. City of Milford, DE'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 City of Milford, DE'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 City of Milford, DE's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of City of Milford, DE's compliance.

Opinion on Each Major Federal Program

In our opinion, City of Milford, DE 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, 2020.

Report on Internal Control over Compliance

Management of City of Milford, DE is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of Milford, DE'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 City of Milford, DE'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 a 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.

Gold Gerstein Group LLC
Voorhees, NJ

February xx, 2021

**CITY OF MILFORD, DE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

Federal Grantor/Pass-through Grantor/Program	Federal CFDA Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
US Department of Agriculture				
Community Facilities Loans and Grants	10.766	n/a		
Loan			\$ -	\$ 1,545,764
Grant			-	517,467
US Department of Justice				
Coronavirus Emergency Supplemental Funding	16.034	n/a	-	43,532
US Department of Justice				
Bulletproof Vest Partnership	16.607	n/a	-	11,792
US Department of Justice				
Edward Byrne Memorial Justice Assistance	16.738	n/a	-	27,866
Total expenditures of federal awards			<u>\$ -</u>	<u>\$ 2,146,421</u>

CITY OF MILFORD, DE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

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 – USDA COMMUNITY FACILITIES LOANS AND GRANTS

The objective of the USDA Community Facilities Program is to provide loans or grant funds for the development of essential community facilities. The City received funds in the form of both loan draws and grants for its ongoing sewer improvements project. Loans outstanding at the beginning of the year of \$600,000 and loans made during the year of \$945,764 are included in the federal expenditures presented in the Schedule. The balance of the loan outstanding at June 30, 2020 was \$1,545,764.

**CITY OF MILFORD, DE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

Material weaknesses identified? *No*

Significant deficiencies identified? *None reported*

Noncompliance material to financial statements noted? *No*

Federal Awards

Internal control over major programs:

Material weaknesses identified? *No*

Significant deficiencies identified? *None reported*

Type of auditor's report issued on compliance for major program: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance 2 CFR section 200.516(a)? *No*

Major program:

CFDA Number

10766

Name of Federal Program

Community Facilities Loans and Grants

Dollar threshold used to distinguish between type A and type B programs: *\$750,000*

Auditee qualified as low-risk auditee? *No*

February xx, 2021

Honorable Mayor and Members of the City Council
City of Milford, DE

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Milford, DE for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 30, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City of Milford, DE are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2020. We noted no transactions entered into by City of Milford, DE during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City of Milford, DE's individual fund and government-wide financial statements were:

Management's estimate of the estimated useful lives of its capital assets used to calculate depreciation is based on historical experience with like-kind assets. We evaluated the key factors and assumptions used to develop the depreciation of the City's capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the allowance for doubtful accounts is based on historical revenues, historical loss levels, the effects of COVID-19, and an analysis of the collectability of individual accounts. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of its liability for current and long-term compensated absences is based on guidance promulgated by the *Government Accounting Standards Board* and includes a number of factors meant measure a liability attributable to services already rendered. We evaluated the key factors and assumptions used in determining these liabilities to determine that they are reasonable in relation to the financials statements taken as a whole.

Management's estimate of its net pension liability, and deferred outflows and inflows of resources related to pensions and pension expense are based on outside audit reports of the Delaware Public Employees' Retirement System. We evaluated the key factors and assumptions used in determining that these amounts are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of the impact of the Coronavirus (COVID-19) in Note 16 to the financial statements discusses the contingent economic impacts of the pandemic on the City.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing our audit. However, there was a significant delay in the completion of our audit, due largely to the following factors:

The COVID-19 pandemic prevented our ability to conduct any onsite fieldwork, which impaired audit efficiencies with respect to obtaining source documents necessary as part of our testing, as well as real-time direct communication with finance personnel.

There was a transition of the City's Director of Finance just prior to and during the audit process. Both the prior and new Directors of Finance were 100% cooperative with all audit requests, but there was an inherent learning curve for the new Director with respect to all operations of the City, and internal control and financial reporting processes.

The financial statements audited by us are inherently the responsibility of the City. Prior to the current fiscal year ended June 30, 2020, our firm played a significant role in preparing the year end financial statements. Effective with the June 30, 2020 fiscal year, *Government Auditing Standards* essentially prohibits an audit firm from preparing the year-end financial statements without potentially impairing their independence. Consequently, the City's new Director of Finance took on the main responsibility of the financial statement preparation, and with all the other responsibilities he had to take on there were significant delays in completing the financial statements.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

As required by Generally Accepted Auditing Standards, we will be requesting certain representations from management that will be included in the management representation letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to City of Milford, DE's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as City of Milford, DE's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis; General fund-schedule of revenues, expenditures, and changes in fund balance-budget and actual; and the schedules of changes in net

pension liability, related ratios for the police pension plan and the general employee pension plan, schedule of employer contributions for the police pension plan and the general employee pension plan, the schedule of the City of Milford, DE's proportionate share of the net pension liability for the county and municipal police and firefighters pension plan, the schedule of the City of Milford, DE's contributions for the county and municipal police and firefighters pension plan, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on certain statistical information, as well as the schedule of federal expenditures, which accompany the financial statements but not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of Honorable Mayor and Members of the City Council and management of City of Milford, DE and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Gold Gerstein Group LLC

Draft



CITY OF MILFORD
NOTICE OF PUBLIC HEARING

Planning Commission Hearing: Tuesday, February 16, 2021
City Council Hearing: Monday, February 22, 2021

NOTICE IS HEREBY GIVEN that the following Ordinance is currently under review by Milford Planning Commission and City Council, with action scheduled to occur on the date(s) and time(s) so indicated:

ORDINANCE 2021-02

Windward on the River, LP/Residential
27.058 +/- acres of land located along the west side of Beaver Dam Road,
approximately 1,100 feet south of the Cedar Beach Road intersection.
Application Type: Conditional Use – Comprehensive Sign Plan
Comprehensive Plan Designation: Moderate Density Residential & Commercial
Zoning District: R-3 (Garden Apartment and Townhouse District); C-3 (Highway Commercial District)
Present and Proposed Use: Multi-Family
Tax Parcel: 3-30-7.00-033.00

WHEREAS, Chapter 230-24.25 of the Code of the City of Milford allows major subdivision and residential developments involving 200 or more dwelling units to submit a Comprehensive Signage Plan for review as a conditional use application, subject to special conditions set forth by City Council; and

WHEREAS, the purpose of the Comprehensive Signage Plan is to allow flexibility in design standards outlined in Chapter 230 related to subdivision or site plan signage, including size, number, height and area regulations; and

WHEREAS, the owners of the property, as described herein, have petitioned the City of Milford to permit a Comprehensive Signage Plan on their 27.058 +/- acres of land; and

WHEREAS, the City of Milford Planning Commission will consider the application during their meeting on Tuesday, February 16, 2021, at which time interested parties will be permitted to publicly comment on the application so that an informed recommendation can be provided to City Council; and

WHEREAS, Milford City Council will hold a Public Hearing on Monday, February 22, 2021 to allow for additional public comment and review of the ordinance at which time a final determination is expected; and

WHEREAS, the notice as required by Chapter 230, has been published in the Milford Beacon on January 27, 2021, and was provided to property owners within 200 feet of the subject parcel; and

WHEREAS, this ordinance becomes effective ten days following the date of its adoption.

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

Section 1. Upon the adoption of this ordinance, Windward on the River, LP/Residential is hereby granted a Conditional Use to allow a Comprehensive Sign Plan at their site located on the west side of Beaver Dam Road, approximately 1,100 feet south of the Cedar Beach Road intersection, that is currently zoned R-3 (Garden Apartment and Townhouse District) and C-3 (Highway Commercial), in accordance with the application, approved plans and any conditions set forth by City Council.

Section 2. Construction shall commence within one year of the date of issuance of the permit, otherwise the conditional use becomes void.

City Council Introduction: Monday, February 8, 2021
Planning Commission Review & Public Hearing: Tuesday, February 16, 2021
City Council Public Hearing: Monday, February 22, 2021

For additional information, please contact Rob Pierce in the Planning & Economic Development Department either by e-mail at RPierce@milford-de.gov or by calling 302.424.8396.

Advertised: DSN 012621 Milford Beacon 020321

DATA SHEET FOR WINDWARD ON THE RIVER - RESIDENTIAL

Planning Commission Meeting: February 16, 2021

Application Number / Name	:	18-025 / Windward on the River - Residential
Applicant	:	Windward on the River, LP 246 Rehoboth Avenue Rehoboth Beach, DE 19971
Owner	:	Same
Application Type	:	Comprehensive Sign Plan
Comprehensive Plan Designation	:	Moderate Density Residential Commercial
Zoning District	:	R-3 (Garden Apartment and Townhouse District) C-3 (Highway Commercial District)
Present Use	:	Multi-family Housing
Proposed Use	:	Multi-family Housing
Area and Location	:	27.058 +/- acres of land located along the west side of Beaver Dam Road approximately 1,100 feet south of the Cedar Beach Road intersection.
Property Identification Numbers	:	3-30-7.00-033.00

ENC: Staff Analysis Report
Exhibit A - Location & Zoning Map
Comprehensive Sign Plan

STAFF ANALYSIS REPORT
February 1, 2021

Application Number / Name	:	18-025 / Windward on the River - Residential
Application Type	:	Comprehensive Sign Plan
Property Identification Numbers	:	3-30-7.00-033.00
Area and Location	:	27.058 +/- acres of land located along the west side of Beaver Dam Road approximately 1,100 feet south of the Cedar Beach intersection.

I. BACKGROUND INFORMATION:

- The Planning Commission approved the Final Site Plan on August 20, 2019 to construct 264 multi-family units on the above referenced parcels.
- Per Chapter 230-24.24, major residential developments involving 200 or more dwelling units may submit a Comprehensive Sign Plan for Planning Commission and/or City Council consideration.

II. STAFF ANALYSIS:

- Chapter 230-24.25, Comprehensive Signage for Major Subdivisions and Complexes recognizes that large developments and complexes have signage needs that may not be adequately addressed by the standard sign regulations of Chapter 230 and Chapter 230-24.25 is specifically intended to establish an optional procedure for approval of comprehensive signage plans for such projects.
- Chapter 230-24.25(C) states comprehensive signage plans must comply with the following:

- (1) If approved, comprehensive signage plans may not be held to the size, height, numbers, and area regulations for signs found in other sections of this article provided that the number, type, and size of signs proposed shall not be excessive and must be in proportion to the scale of the buildings and the uses planned for the site.

Staff Response: The developer is seeking approval for a deviation from Chapter 230-24.11(B) which states "subdivisions, apartments, multi-family dwellings and condominiums are permitted the following: (1) one freestanding sign not to exceed 64 square feet of sign area per side and four feet in height and further provided that one such sign shall be permitted for each separate entrance." The developer is seeking approval to construct an eleven (11) foot tall two-sided freestanding sign containing 27 square feet for each sign face. The sign would be located along

the north side of Windward Boulevard between the sidewalk and privacy fence as shown on the provided sketch.

- (2) All proposed signage shall be designed and coordinated with the overall architectural concept for the buildings on the site. Sign type, color scheme, size, and illumination shall be coordinated and compatible with the architecture of the development so as to formulate a thematic sign plan for the site.

Staff Response: The applicant has provided an architectural section view of the multi-family buildings along with a colored rendering of the clubhouse for reference. The apartment buildings will have a stone finish at the bottom along with black shutters on all of the windows which is not shown on the provided architectural plan.

- (3) Wall-mounted signs shall be coordinated with the overall design theme of the site and designed as an integral component of the facades of buildings.

Staff Response: The applicant has provided a copy of the wall-mounted 911 address signs that will be used for each apartment building.

- (4) Site landscaping shall be designed to complement and not conflict with sign placements.

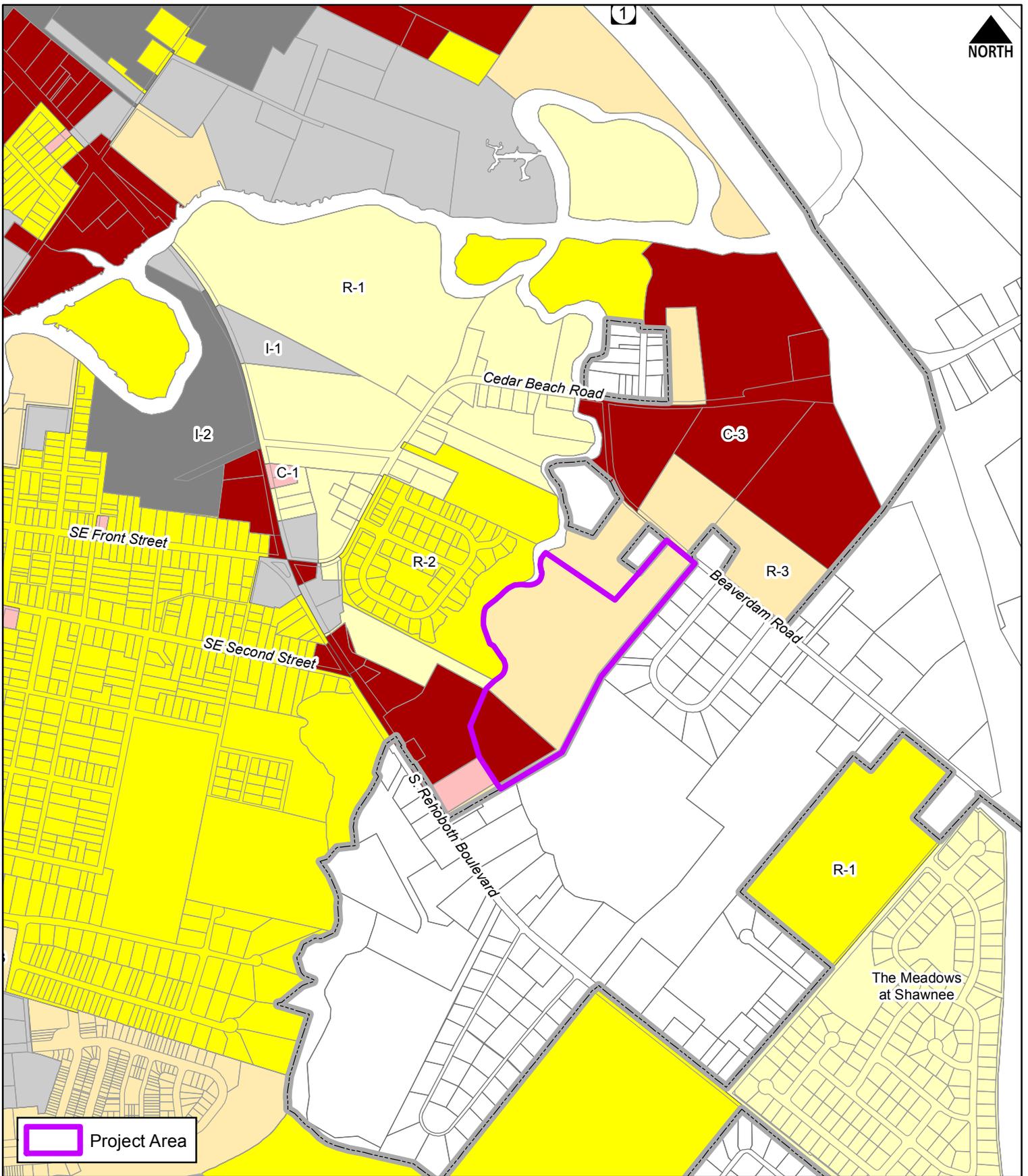
Staff Response: Enclosed is a copy of the landscaping plan. The plantings along the north side of Windward Boulevard were intended to provide a visual screen between the residential property to the north and the project. The developer requested permission to construct a 6-foot-tall privacy fence in lieu of the vegetative screen. The proposed sign would be located between the sidewalk and the fence line and does not interfere with landscaping.

- (5) No off-premises signage will be permitted as part of an application for a comprehensive signage plan.

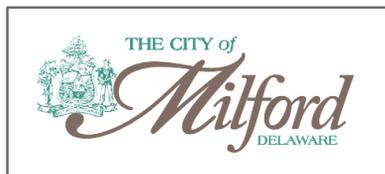
Staff Response: No off-premise signage is proposed.

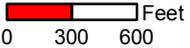
III. AGENCY & DEPARTMENT COMMENTS:

None Requested



 Project Area



Scale:  Feet
0 300 600

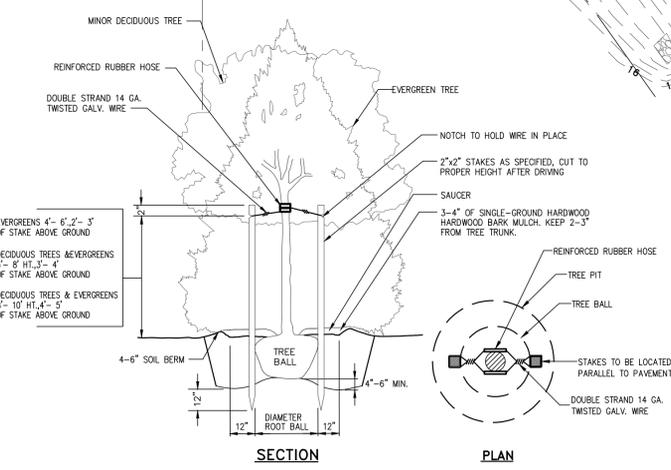
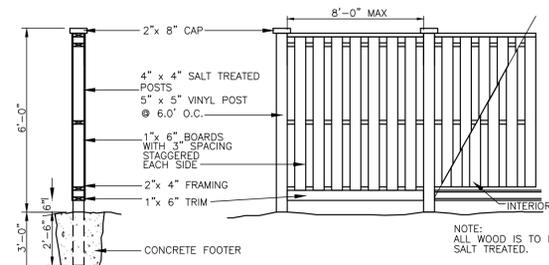
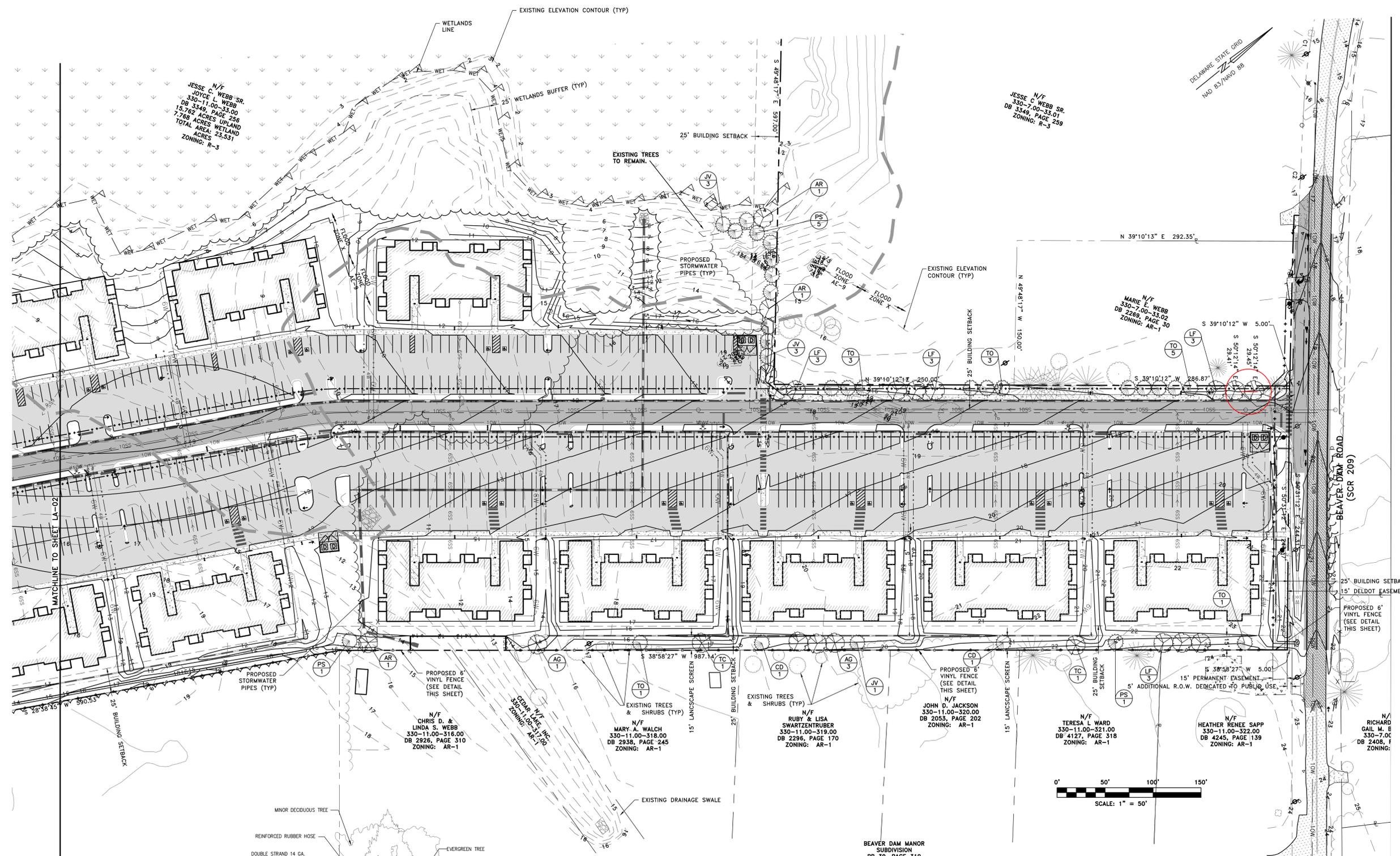
Drawn by: WRP Date: 07/22/19

Title:

Final Site Plan
Windward on the River - Residential
Location & Zoning Map

Filepath: FinalSitePlan_WindwardontheRiver

P:\JG_Townsend\Swain Property_Milford\Design\Residential\2261J01-1-01 - LANDSCAPE PLAN.dwg Jul 14, 2019 - 9:10pm



LANDSCAPE PLANT SCHEDULE					
SYMBOL	KEY	BOTANICAL NAME	COMMON NAME	SIZE	QUANTITY
DECIDUOUS TREE					
AG		Amelanchier x grandiflora	AUTUMN BRILLIANCE	6'-7" Ht., B&B	4
AR		Acer rubrum	RED MAPLE	6'-7" Ht., B&B	3
LF		Lagerstroemia indica x fauriei	TUSCARORA CRAPE MYRTLE	6'-7" Ht., B&B	11
TC		Tilia cordata 'GREENSPIRE'	GREENSPIRE LITTLE LEAF LINDEN	6'-7" Ht., B&B	2
EVERGREEN TREE					
CD		Cedrus deodara	DEODAR CEDAR	5-6" Ht., B&B	2
JV		Juniperus virginiana	EASTERN RED CEDAR	5-6" Ht., B&B	7
PS		Pinus strobus	WHITE PINE	5-6" Ht., B&B	5
TO		Thuja occidentalis 'PYRAMIDALIS'	PYRAMIDAL ARBORVITAE	5-6" Ht., B&B	11

GENERAL LANDSCAPE NOTES

1. QUALITY AND SIZE OF PLANTS, SPREAD OF ROOTS, AND SIZE OF ROOT BALLS SHALL BE IN ACCORDANCE WITH THE CURRENT STANDARDS OF THE AMERICAN ASSOCIATION OF NURSERYMEN "AMERICAN STANDARDS FOR NURSERY STOCK".
2. CONTRACTOR SHALL BE REQUIRED TO GUARANTEE ALL PLANT MATERIALS FOR A PERIOD OF ONE YEAR AFTER INSTALLATION IS COMPLETE AND FINAL ACCEPTANCE OF SITE WORK HAS BEEN GIVEN. AT THE END OF ONE YEAR ALL PLANT MATERIAL WHICH IS DEAD OR DYING SHALL BE REPLACED AT THE CONTRACTOR'S EXPENSE AS ORIGINALLY SPECIFIED.
3. CONTRACTOR SHALL BE RESPONSIBLE FOR ANY DAMAGE TO UTILITIES AND MAY MAKE MINOR ADJUSTMENTS IN SPACING AND/OR LOCATION OF PLANT MATERIALS. CONTRACTOR TO VERIFY "AS BUILT" LOCATION OF ALL UTILITIES.
4. NO SUBSTITUTIONS SHALL BE MADE WITHOUT APPROVAL OF THE OWNER.
5. EVERGREEN TREES SHALL HAVE A FULL, WELL-BRANCHED, CONICAL FORM TYPICAL OF THE SPECIES.
6. ALL DECIDUOUS SHADE TREES SHALL BRANCH A MINIMUM OF 7'-0" ABOVE GROUND LEVEL. TREES SHALL BE PLANTED AND STAKED IN ACCORDANCE WITH THE STAKING DETAIL SHOWN.
7. THE CONTRACTOR SHALL SUPPLY ALL PLANT MATERIALS IN QUANTITIES SUFFICIENT TO COMPLETE THE PLANTINGS SHOWN ON THIS DRAWING AND AS SPECIFIED.
8. ALL PLANTS SHALL BEAR THE SAME RELATIONSHIP TO FINISHED GRADE AS THE PLANT'S ORIGINAL GRADE BEFORE DIGGING.

THIS DRAWING, THE DESIGN AND CONSTRUCTION FEATURES DISCLOSED ARE PROPRIETARY TO DAVIS, BOWEN & FRIEDEL, INC., AND SHALL NOT BE ALTERED, REUSED, REDISTRIBUTED, OR DISPLAYED WITHOUT WRITTEN PERMISSION. COPYRIGHT © 2019

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MILFORD, DELAWARE (302) 424-1441



WINDWARD ON THE RIVER - RESIDENTIAL
CITY OF MILFORD
CEDAR CREEK HUNDRED, SUSSEX COUNTY, DELAWARE

Date: MAY, 2019
Scale: 1"=50'
Dwn.By: DLS
Proj.No.: 2261J01.1J01
Dwg.No.:

LA-03

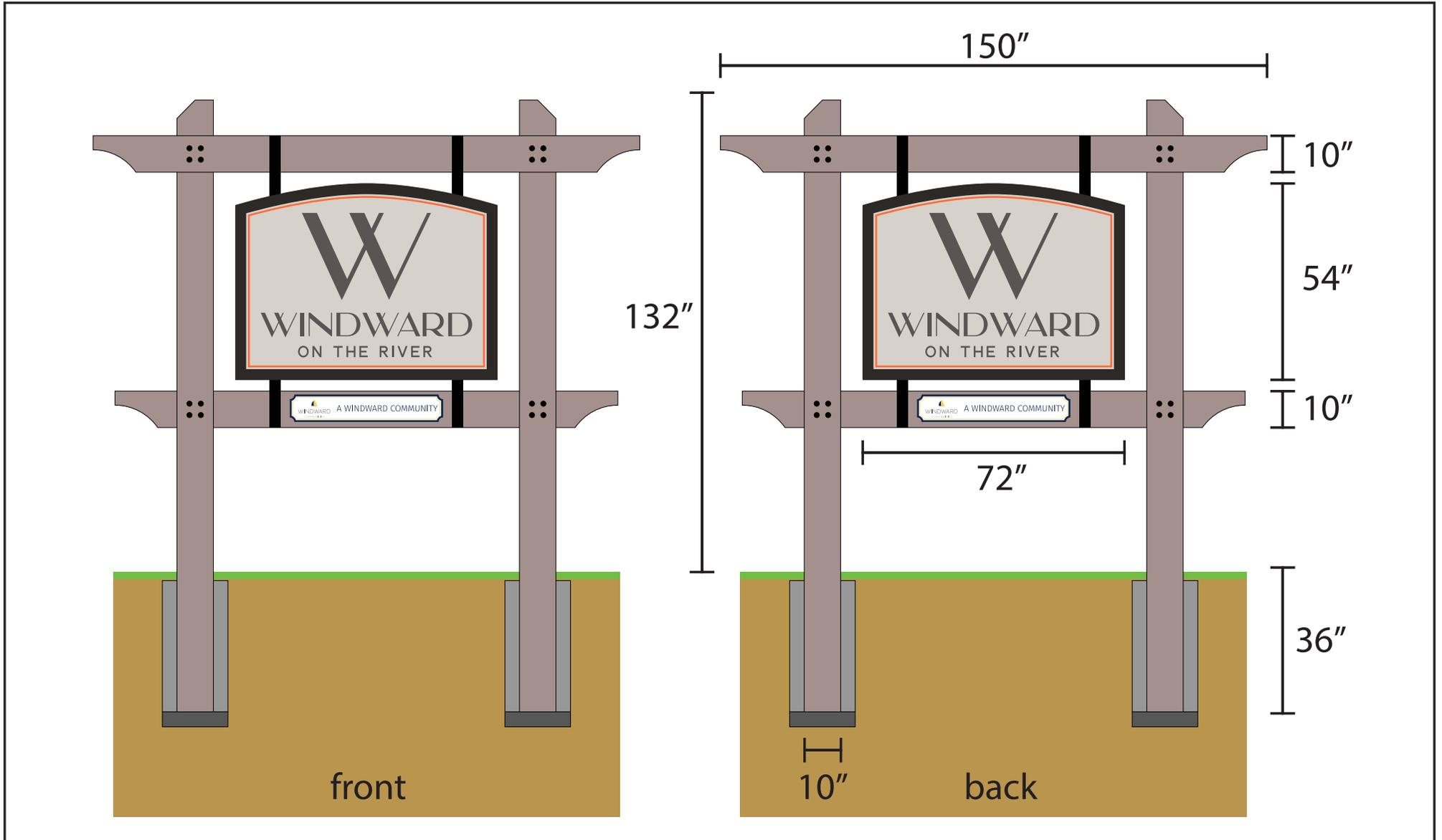
LANDSCAPE SCREENING PLAN



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Sign Company

(302) 856-7446
AdArtSignsDE.com

PO Box 750
Georgetown DE, 19947



AUTHORIZED SIGNATURE	DATE
X	/ /

PLEASE REVIEW CAREFULLY! Check all spelling, phone numbers, websites, addresses, dates, etc. Also check for omissions.

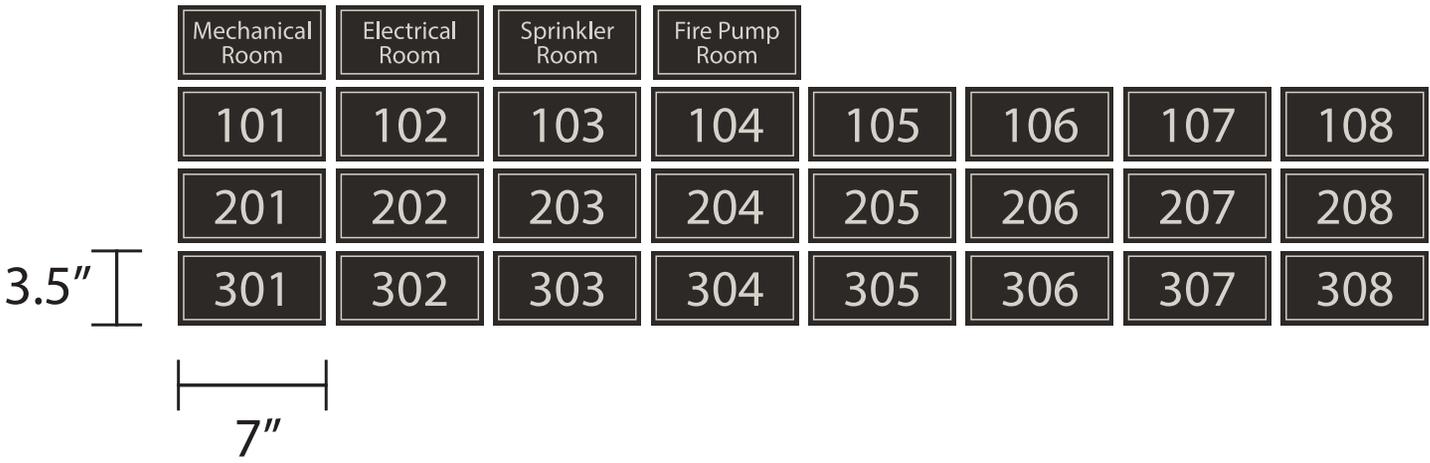
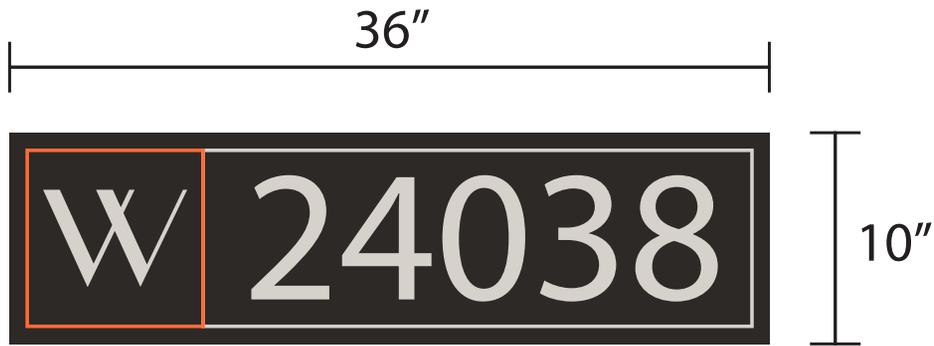
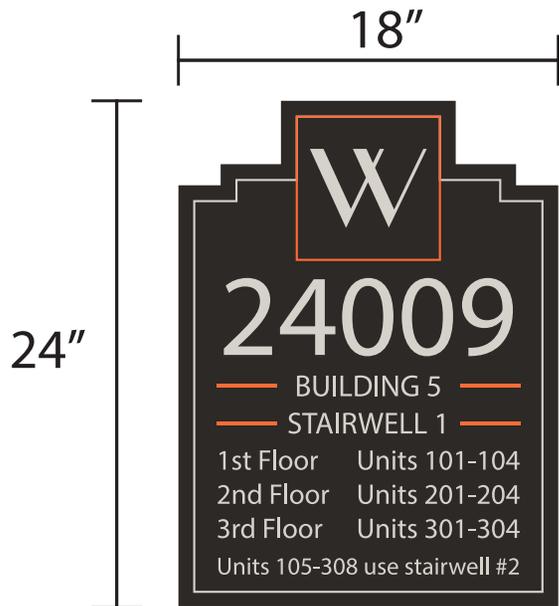
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36"



10"

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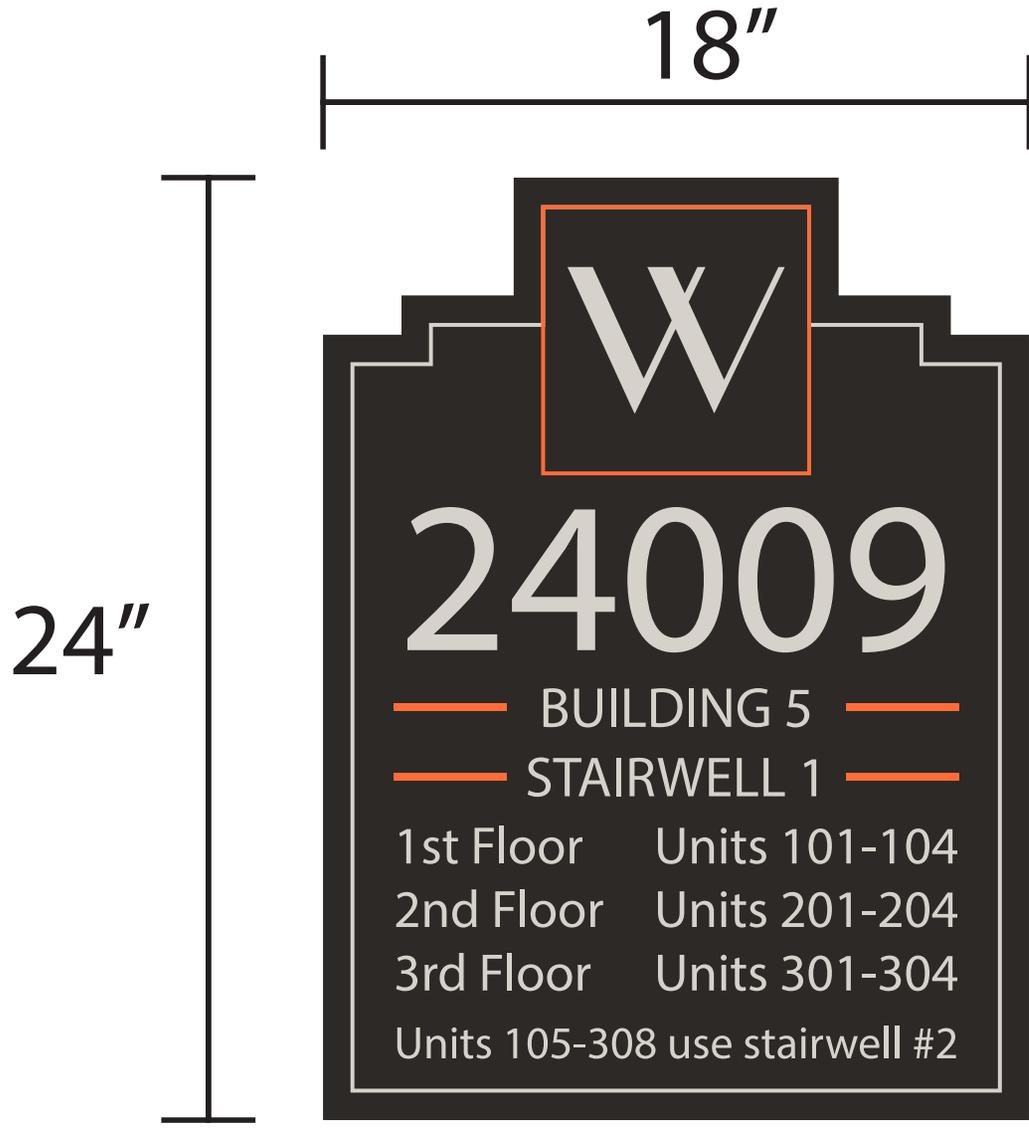
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AUTHORIZED SIGNATURE	DATE
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Mechanical Room	Electrical Room	Sprinkler Room	Fire Pump Room				
101	102	103	104	105	106	107	108
201	202	203	204	205	206	207	208
301	302	303	304	305	306	307	308

3.5"

7"

AUTHORIZED SIGNATURE	DATE
X	/ /

PLEASE REVIEW CAREFULLY! Check all spelling, phone numbers, websites, addresses, dates, etc. Also check for omissions.

Ad Art Signs will not be responsible for any errors once this design has been approved

ELEVATION KEY NOTES

1. 30 YR ARCH. ROOF SHINGLES
2. CONT. RIDGE VENT
3. STANDING SEAM METAL ROOF
4. ALUM. WRAPPED RAKE BOARD
5. 5/4"x6" PVC TRIM AT GABLE
6. ALUM. WRAPPED FACIA W/ 5" ALUM. K' STYLE GUTTER
7. 5/4"x10" PVC TRIM FRIEZE BOARD
8. BOARD AND BATTEN STYLE VINYL SIDING TYP.
9. DOUBLE 5" EXPOSURE VINYL SIDING TYP.
10. 2" ADHERED MANUFACTURED STONE VENEER WITH CAST STONE CAP
11. WINDOW PER SCHEDULE
12. EXTERIOR DOOR PER SCHEDULE. PROVIDE METAL DRIP EDGE FLASHING ABOVE THE DOOR
13. MECHANICAL ROOM LOUVER VENT. COLOR TO MATCH ADJ. SURFACE TYP.)
14. 6" x 4" P.I. STRUCTURAL WD. POST WRAPPED W/ 10" ARCHITECTURAL SQUARE POST COLUMN WRAP (TYP. AT DECKS AND ENTRANCES) HEIGHT VARIES BY LOCATION)
15. BLACK ALUM. GUARDRAIL WITH TOP RAILING 42" A.F.F. W/ BALUSTERS SPACED SUCH THAT A 4" SPHERE CANNOT PASS THROUGH. STYLE PER OWNER SELECT.
16. 5/4"x10 PVC TRIM BOARD. ALIGN WITH PVC TRIM AT DECK BEAM (TYP.)
17. 4" VINYL CORNER POST (TYP. ALL OUTSIDE CORNERS)
18. METAL FLASHING PER SMACNA RECOMMENDATIONS
19. DECK JOIST/BEAM WRAPPED W/ 1"x10 PVC TRIM BD. (ALL SIDES) (TYP. ALL STAIR DECKS)
20. DECK BEAM WRAPPED W/ 1"x12 PVC TRIM BD. (ALL SIDES) (TYP. ALL DECKS)
21. FIXED VINYL WINDOW IN GABLE PER SCHEDULE
22. STAIRS PER PLAN
23. CONCRETE PAD PER PLAN
24. 3"x4 ALUM. DOWNSPOUT. SEE ROOF PLAN
25. EXHAUST FAN LOUVER VENT. COLOR TO MATCH ADJ. SURFACE TYP.)

GENERAL NOTES:
 COORDINATE DRYER/BATH VENTS W/ MEP DRAWINGS AND ARCHITECT
 COLOR SELECTION PER OWNER/ARCH.



1 FRONT ELEVATION ALL BUILDINGS
 A3.1 SCALE: 1/8" = 1'-0"



2 REAR ELEVATION BUILDINGS A,B,C,D,E,F,J,K
 A3.1 SCALE: 1/8" = 1'-0"



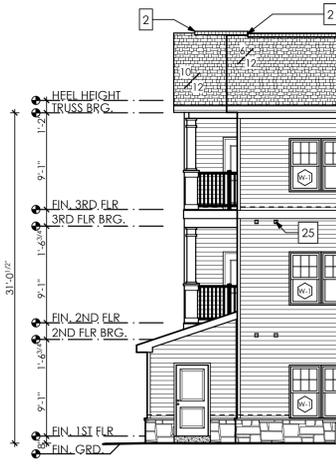
1 REAR ELEVATION LARGE MECHANICAL ROOM
 A3.1 SCALE: 1/8" = 1'-0"



3 LEFT ELEVATION BUILDING A,B,C,D,E,F,H,I,J,K
 A3.1 SCALE: 1/8" = 1'-0"



4 RIGHT ELEVATION A,B,C,D,E,F,G,J,K
 A3.1 SCALE: 1/8" = 1'-0"



1 LEFT ELEVATION LARGE MECHANICAL ROOM
 A3.1 SCALE: 1/8" = 1'-0"



SEAL DATE: 12/17/19
 REGISTRATION EXPIRES: 1/31/20
 The professional services of the architect are undertaken for and are performed in the interest of Jack Lingo Asset Management. No contractual obligation is assumed by the architect for the benefit of any other persons involved in the project.

The architect who sealed, signed and dated this document has not been employed to furnish construction administration services as defined in 24 Del. C. 303(c)



ARCHITECTURE • PLANNING
 INTERIOR DESIGN • GRAPHIC ARTS

1309 VEALE ROAD
 SUITE 22
 WILMINGTON, DE 19810
 302.478.3777

256 EAGLEVIEW BLVD.
 SUITE 194
 EXTON, PA 19341
 610.640.9000

ISSUED FOR PERMIT
 12.16.19

ELEVATIONS

PROJECT NAME
 Windward on the River
 Apartments

Windward Blvd.
 Milford, DE

MARK	DATE	DESCRIPTION
REVISIONS		

PROJECT NO: 2019-049
 DRAWN BY: RRD
 CHK'D BY:
 DATE: 12.16.19
 © COPYRIGHT 2019

DRAWING NUMBER

A3.1

SHEET 22 OF 35

PERMIT DRAWINGS

PLOT DATE: 12/17/19

§ 230-24.11. - Standards in residential zones.

- A. General standards and sign features: Permanent on-premise signs in Residential Zones, as identified herein, shall be subject to the standards set forth in this section.
- (1) R-1 Single-Family Residential District
 - (2) R-2 Residential District
 - (3) R-3 Garden Apartment and Townhouse District
 - (4) R-8 Garden Apartment and Townhouse District
- B. Subdivisions, apartments, multi-family dwellings, and condominium complexes are permitted the following:
- (1) One freestanding sign not to exceed 64 square feet of sign area per side and four feet in height and further provided that one such sign shall be permitted for each separate entrance.
 - (2) Other directional, incidental, or accessory signs located within the subdivision, complex, or multi-family residential development provided that such signs shall not exceed six square feet of sign area per side and four feet in height, if freestanding.
- C. For properties located in a Residential Zone as described in subsection B above, other directional, incidental or accessory signs are also permitted, to be located within the subdivision, complex or multi-family residential development. Such directional, incidental and/or accessory signs shall not exceed six square feet in sign area per side and four feet in height, if freestanding.
- D. Home Occupation — One non-illuminated on-premise sign not to exceed six square feet of sign area per side, identifying a permitted home occupation on the premises. A sign shall contain no more than two sides or facings, back-to-back, and shall have a minimum setback five feet from the front lot line, and a minimum setback of 15 feet from all adjacent property lines, and shall not exceed four feet in height.
- E. Properties in a Residential Zone which are used for permitted non-residential uses are permitted a freestanding sign not to exceed 48 square feet of sign area and 10 feet in height, and further provided that one such sign shall be permitted for each separate street frontage occupied by the permitted use. A sign shall contain no more than two sides or facings, back-to-back, and shall have a minimum setback of 10 feet from the front lot line, and a minimum setback of 15 feet from all adjacent property lines.
- F. Electronic Message Centers are prohibited except as may be permitted by conditional use approval from City Council on properties used for any of the following uses:
- (1) Public and private schools
 - (2) Churches and other places of worship
 - (3) Social clubs or fraternal, social service, union, or civic organizations

§ 230-24.25. - Comprehensive signage for major subdivisions and complexes.

- A. Purpose. In recognition that large developments and complexes have signage needs that may not be adequately addressed by the standard sign regulations of Chapter 230, this section is specifically intended to establish an optional procedure for approval of comprehensive signage plans for such projects.
- B. Qualifications. Comprehensive signage plans may only be submitted in conjunction with the following types of development projects:
- (1) Major subdivisions and residential developments involving more than one entrance or involving 200 or more dwelling units;
 - (2) Planned unit developments;

- (3) Shopping centers;
- (4) Groups of three or more nonresidential principal structures under common management and located on one or more contiguous properties; or
- (5) Any institutional complex, professional office, medical or educational campus, or business park.

C. Standards. Comprehensive signage plans shall comply with the following standards:

- (1) If approved, comprehensive signage plans may not be held to the size, height, numbers, and area regulations for signs found in other sections of this article provided that the number, type, and size of signs proposed shall not be excessive and must be in proportion to the scale of the buildings and the uses planned for the site.
- (2) All proposed signage shall be designed and coordinated with the overall architectural concept for the buildings on the site. Sign type, color scheme, size, and illumination shall be coordinated and compatible with the architecture of the development so as to formulate a thematic sign plan for the site.
- (3) Wall-mounted signs shall be coordinated with the overall design theme of the site and designed as an integral component of the facades of buildings.
- (4) Site landscaping shall be designed to complement and not conflict with sign placements.
- (5) No off-premises signage will be permitted as part of an application for a comprehensive signage plan.

D. Approval process.

- (1) Comprehensive signage plans shall be submitted for review by the Planning Commission for the purpose of providing commentary and recommendation to the City Council, if applicable. The City Council shall have authority to approve or deny the comprehensive signage plans, except for applications that are not required to be reviewed by City Council, in which case the Planning Commission shall have the authority to approve or deny the comprehensive signage plans.
- (2) Applicants may submit a comprehensive signage plan in conjunction with, and as a component of, any Preliminary Site Plan or Preliminary Major Subdivision application, for review and consideration by the Planning Commission and City Council, if applicable.
- (3) Owners of existing developments or previously approved but not completed developments, or successors in interest thereto, including but not limited to legally created homeowners associations, that own and control subdivision identification signage in subdivision that meet the qualifications of Chapter 230-24.25(B) may submit a comprehensive signage plan for consideration as a conditional use site plan in accordance with the procedures set forth in Chapter 230 of this Code.
- (4) Sign permits shall be obtained for each sign approved for installation as part of a comprehensive signage plan prior to the installation or placement of the sign.

E. Submission requirements. The following minimum submission materials shall accompany any request for consideration of a comprehensive signage plan.

- (1) A site plan which details the signage proposed to include the physical location of all existing and proposed signs on the property and their relationship to all existing and proposed buildings, structures, streets, parking areas, stormwater management ponds, and all other physical features of the site.
- (2) Fully dimensioned elevation drawings of each proposed sign. Proposed wall-mounted signs shall be illustrated as a component of the architectural elevation drawing of the building façade.
- (3) Colored renderings of each proposed sign.

- (4) Miscellaneous specifications to include proposed illumination type, mounting details, and materials proposed.
- F. Planning Commission and City Council considerations. In considering approval of comprehensive signage plans, the Planning Commission and City Council shall take into consideration the public health, safety, and welfare, the comfort and convenience of the public in general, and the residents, businesses, and property owners in the immediate vicinity in particular, and shall ensure that qualifying developments are afforded adequate, but not excessive, signage.

[Ord. No. 2019-38, § 17, 11-25-2019]

§ 230-48. - Criteria for evaluation.

The following criteria shall be used as a guide in evaluating a proposed conditional use:

- A. The presence of adjoining similar uses.
- B. An adjoining district in which the use is permitted.
- C. There is a need for the use in the area proposed as established by the Comprehensive Plan.
- D. There is sufficient area to screen the conditional use from adjacent different uses.
- E. The use will not detract from permitted uses in the district.
- F. Sufficient safeguards, such as traffic control, parking, screening and setbacks, can be implemented to remove potential adverse influences on adjoining uses.

PARKS & RECREATION DEPARTMENT
207 Franklin Street
Milford, DE 19963



PHONE 302.422.1104
FAX 302.422.0409
www.cityofmilford.com

MEMO

TO: Mayor and Council

CC: Mark Whitfield
City Manager

FR: Brad Dennehy
Dir. Parks & Recreation

DA: 2/19/2021

RE: Cancellation of 17th Annual Bug and Bud Festival

Mayor and Council,

It is with great reluctance, but the Parks and Recreation Department in conjunction with Downtown Milford, Inc. (DMI) have made the decision to cancel the 17th Annual Bug and Bud Festival, scheduled for Saturday, April 24th.

As you aware there is a lot of planning which goes into a festival of this size, and we begin planning and preparations in early January. This year we have delayed the initial planning as long as possible to "wait and see" what would happen with the pandemic and the associated restrictions imposed by the Governor of Delaware. At this time it does not appear the restrictions for large gatherings of people will be lifted anytime soon, so to be fair to our vendors, volunteers and to the public at large we have made the decision to cancel.

We look forward to bringing this event back bigger and better in 2022.

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

Thank you.



Main Office
Ashland Nature Center
P.O. Box 700, Hockessin, DE 19707
302.239.2334 • Info@DelNature.org • DelNature.org
Educate. Conserve. Advocate.

February 17, 2021

Brad Dennehy
Director of Parks and Recreation
City of Milford
207 Franklin Street
Milford, DE 19963

Dear Brad,

Thank you very much for collaborating with Delaware Nature Society (DelNature) over the last few months to draft a mutually agreeable Memorandum of Understanding between the City of Milford and DelNature for outdoor and environmental education programs on the Mispillion River Greenway and Goat Island. Our collaborative partnership is off to a good start!

It's a pleasure to work with you. I appreciate your enthusiasm, commitment to serving the community and leadership as a champion for new opportunities that get everyone outside to appreciate the natural resources in the largest municipal park in Delaware! Thank you.

I support the document as drafted and look forward to its presentation to the City Council for approval and implementation. Thanks for your leadership and support.

Sincerely,

Anne Harper
Executive Director

Cc: Matt Babbitt

PRESIDENT
Dawn Rittenhouse
VICE PRESIDENT
Eric Brinsfield
TREASURER
Adele McIntosh
SECRETARY
Nicki Taylor

EXECUTIVE DIRECTOR
Anne Harper
**DEPUTY DIRECTOR/
CHIEF DEVELOPMENT
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Norman G. Wilder*
Lynn Williams
* Deceased

**MEMORANDUM OF UNDERSTANDING
THE CITY OF MILFORD
AND
THE DELAWARE NATURE SOCIETY**

This Memorandum of Understanding (“MOU”), made and entered into this _____ day of _____, 20____, is by and between Delaware Nature Society, a Delaware not for profit corporation (“DelNature”), and the City of Milford, Delaware, a Delaware municipal corporation (“City”).

WITNESSETH:

WHEREAS, Delaware Nature Society (“DelNature”) is a state-wide non-profit organization that connects people with the natural world to improve the environment through education, conservation, and advocacy, and envisions a healthy and sustainable environment. DelNature has operated Abbott’s Mill Nature Center, in Milford, DE, in partnership with Delaware’s Division of Fish and Wildlife and Division of Historical and Cultural Affairs since 1981, and

WHEREAS, the City of Milford was founded in 1807, and seeks to provide proactive, responsive services and fulfill the needs of its diverse community by using innovative and sustainable methods; Milford envisions a small town feel with big time opportunities. Milford’s Department of Parks and Recreation was established in 1974 to promote community recreation with an emphasis on using the Mispillion River for water-based recreation,

NOW, THEREFORE, in consideration of mutual undertakings and mutual benefits the City and DelNature agree this to be the understanding between them:

I. PURPOSE

- A. To mutually promote the use of Milford’s Mispillion River Greenway to enhance community engagement and environmental stewardship.

II. INTENT

- A. Leverage DelNature’s expertise in nature/environmental and outdoor education to engage the community and build appreciation for the natural resources of Milford’s Riverwalk Greenway.
- B. Enhance municipal amenities through shared resources and partnerships to benefit Milford residents and surrounding community.
- C. Further develop Milford as a destination for increasing tourist/visitor audiences.
- D. Increase foot traffic for Downtown Milford businesses encouraging economic development.
- E. Increase organizational membership and financial support for both parties.

III. TARGET POPULATION

- A. City of Milford residents, including communities bordering the Mispillion River Greenway, as well as tourists/visitors, with programs intended to reach youth, family, and adult audiences.

IV. BENEFITS TO THE COMMUNITY

- A. Increase educational and recreational opportunities along the Mispillion River Greenway and Mispillion River Watershed, creating a deeper connection with the natural world and offering stress relief to participants.
- B. Introduce Milford visitors/tourists to the areas natural and cultural history.
- C. Foster a sense of community and environmental stewardship among City residents.

V. FUNDING AND PROFIT SHARING

- A. Independently run programs
 - 1) DeINature will be permitted to offer fee-for-service programs on the Mispillion River Greenway and be responsible for all financial transactions related to program registration. DeINature will retain 100% of the fees associated with registration for these programs. DeINature's programs shall not interfere nor compete against any regular programming offered separately by City of Milford Parks and Rec.
- B. Grant funded /underwritten programs
 - 1) Each entity, DeINature and the City of Milford Parks and Rec, will be responsible for managing and administering potential grant funded/underwritten programs and related financials.
 - 2) DeINature and Milford Parks and Rec will collaborate on grant/funding opportunities only available to City/municipalities.
 - 3) The parties will discuss the possibility of direct contract funding through City for staffing general interpretation/public engagement as resources are available.
- C. Joint Community Events
 - 1) DeINature and Milford Parks and Rec will share a 50/50 split of net income earned from jointly led community events.

VI. REPORTING

- A. DelNature will provide Milford Parks and Rec quarterly financial reports related to MOU programs to foster transparency and accountability.

VIII. PROGRAMMING

- A. All programs will be approved and promoted by both parties prior to implementation.
- B. DelNature will serve as the exclusive nature/outdoor education programming provider within Mispillion River Greenway. However this will not limit or prevent Milford Parks and Rec from offering additional nature/outdoor education programming.

IX. RESPONSIBILITIES

- A. Each organization will appoint a person(s) to serve as the official contact and coordinate the activities of each organization in carrying out this MOU.
 - 1. Abbott's/DelNature will:
 - a. Plan, promote, staff, and lead fee-for-service lecture/field experience programs focused on the natural world and environs of Milford's Mispillion River Watershed.
 - b. Seek private/public funding to underwrite and staff regularly occurring interpretive opportunities for the general public along the Mispillion River Greenway.
 - c. DelNature is open to offering expertise to Milford Parks and Rec to inform habitat stewardship and biodiversity management practices along the Mispillion River Greenway.
 - d. DelNature will assist in the planning, application, and designation of the Mispillion River Greenway as a Certified Wildlife Habitat®, in partnership with the National Wildlife Federation
 - e. Share public program participant contact information with the Milford Parks and Rec for the sole purpose of cross-promotion of public programming.
 - f. All DelNature programs will adhere to all applicable State of Delaware health and safety guidelines/regulations.
 - 2. Milford Parks and Recreation will:

- a. Continue to staff and implement land management along Mispillion River Greenway
 - b. Assist in promoting Abbott's/DelNature public programs specific to this MOU to City of Milford residents and Milford Parks and Rec participants.
 - c. Assist DelNature in seeking private/public funding for program opportunities and provide official letters of support as needed to bolster Abbott's/DelNature funding/grant opportunities.
 - d. Share public program participant contact information (i.e. sports club participants, etc.) with Abbott's/DelNature for the sole purpose of cross-promotion of public programming.
 - e. Will keep the Milford Parks and Recreation Advisory Board advised of agreed upon programming and strategic opportunities.
3. Abbott's/DelNature and Milford Parks and Recreation will together:
- a. Co-market/promote public program offerings to City residents and visitors
 - b. Evaluate programs for participation trends, quality control, matching community needs, and quantitative outcomes depending on grant/funding protocols.
 - c. Seek out and collaborate on future strategic opportunities.
 - d. A long-term goal that extends beyond the agreed length of this MOU might be for both parties to seek Wild & Scenic designation for the Mispillion River and the expansion of Mispillion River Greenway to a Mispillion Blue/Greenway stretching from Milford to Abbott's.

X. IDEMNIFICATION

- A. In the event any notice, action, suit or claim made or filed against DelNature alleges an injury arose from the actions of negligence of DelNature acting as an agent or department of the City then and in in such event, DelNature shall indemnify, release, defend, become responsible for and forever hold harmless the City, its officers, agents, employees, elected officials, and attorneys, each in their official and individual capacities from and against lawsuits, suits, actions, costs, claims, demands, damages, disability, losses, expenses, including reasonable attorneys' fees and other defense costs or liabilities, of any character and from any cause whatsoever brought because of bodily injury, or death received or sustained, or loss of damage received or sustained, by any person, persons, or property (real or personal) arising out of or resulting from any act, errors, or omission, of DelNature or its agents, employees, or subcontractors, arising out of or in any way connected with the subject matter of the harm alleged in such suit or action if DelNature is found to be liable.

- B. In the event any notice, action, suit or claim made or filed against the City of Milford alleges an injury arose from the actions of negligence of the City of Milford acting as the employer, contractor of affiliate or department of DelNature then and in in such event, the City of Milford shall indemnify, release, defend, become responsible for and forever hold harmless DelNature, its officers, agents, employees, elected officials, and attorneys, each in their official and individual capacities from and against lawsuits, suits, actions, costs, claims, demands, damages, disability, losses, expenses, including reasonable attorneys' fees and other defense costs or liabilities, of any character and from any cause whatsoever brought because of bodily injury, or death received or sustained, or loss of damage received or sustained, by any person, persons, or property (real or personal) arising out of or resulting from any act, errors, or omission, of the City or its agents, employees, or subcontractors, arising out of or in any way connected with the subject matter of the harm alleged in such suit or action if the City is found to be liable.

XI. AMENDMENTS

- A. In order to provide necessary flexibility for the most effective execution of this Memorandum of Understanding, whenever both the City and DelNature mutually agree, changes to this Memorandum of Understanding may be effected by placing them in written form and incorporating them into this Memorandum of Understanding as an amendment.

XII. NOTICE

- A. Any notice required by this Memorandum of Understanding is deemed to be given if it is mailed by United States certified mail, postage prepaid, and addressed as hereinafter specified.

1. Notice to the City shall be addressed to:

City Manager
City of Milford, Delaware
201 South Walnut Street
Milford, Delaware 19963

2. Notice to DelNature shall be addressed to:

Executive Director
Delaware Nature Society
3511 Barley Mill Road
Hockessin, Delaware 19707

XIII. TERMS AND CONDITIONS

- A. The term of this Memorandum of Understanding is for one (1) year, commencing on March 1, 2021, and shall renew automatically each year thereafter for an

additional year, unless either party notifies the other in writing prior to January 1 each following year.

- B. Both parties hereby agree that this Memorandum of Understanding shall not be assigned, transferred, conveyed or otherwise disposed of without the prior consent of the both parties.
- C. If any provision of this Memorandum of Understanding is determined by a court of law to be unconstitutional, illegal, or unenforceable, it is the intention of the parties that all the other provisions of this Memorandum of Understanding shall remain in full force and effect.

XIV. ENTIRE AGREEMENT

This Memorandum of Understanding constitutes the entire agreement between the parties with respect to its subject matter and any prior agreements, understandings, or other matters, whether oral or written, are hereby merged into and made a part hereof, and are of no further force or affect.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Understanding as of the date and year first above written.

CITY OF MILFORD

DELAWARE NATURE SOCIETY

Arthur J. Campbell, Mayor

Anne Harper, Executive Director

Attest:

Attest:



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

DATE: February 16, 2021
TO: Mayor and Council
Mark Whitfield, City Manager
FROM: Chief Kenneth L. Brown

Re: Revocation of Conditional Use Permit

On Saturday, January 30, 2021, at 1:19 a.m. the Police Department responded to a large fight, shots fired, traffic accident and a burglar alarm at 350 Milford Harrington Highway. Upon arrival officers estimated 50 to 75 vehicles present and others fleeing the scene. Witnesses reported that there was a large party and attendees started fighting.

In July 2020, Triumph Youth Center, care of Ms. Hattie Harris, was given a Conditional Use Permit to open a daycare at this location. Since that time, there has not been any building permits or Certificate of Occupancy issued. I spoke to Ms. Hattie Harris the following week after the incident and she confirmed to me that she had sub-leased this location for this party.

Given the fact that this building should not have been occupied without the proper permits issued and the concern for public safety, I respectfully request Council consider revoking the Conditional Use Permit that was approved in July in accordance with Milford Ordinance 2020-22.

I am more than happy to make a presentation and answer any questions to the Council at any future meetings in reference to this request.

Respectfully,

Kenneth L. Brown
Chief of Police

From: Pierce, Rob <rpierce@milford-de.gov>

Sent: Thursday, February 18, 2021 5:49 PM

To: Terri Thorpe <territhorpe@yahoo.com>; Phil McGinnis <pjm@mcginnisrealty.com>; Hattie Harris <haharris1@ymail.com>; Keith Walpole <kwalpolecommercial@gmail.com>

Cc: Whitfield, Mark <mwhitfield@milford-de.gov>; Hudson, Terri <thudson@milford-de.gov>; Brown, Kenneth <kenneth.brown@cj.state.de.us>; Mayor Campbell <MayorCampbell@milford-de.gov>

Subject: Triumph Youth Center - Conditional Use Permit - Revocation Consideration

Good afternoon,

Due to the incident that occurred at 350 Milford-Harrington Highway a few weeks ago, City Council will be considering the revocation of the conditional use permit 2020-22 for the Triumph Youth Center (daycare) at the upcoming meeting on February 22, 2021 beginning at 7pm. Below is a link to the meeting agenda which provides the zoom link and dial-in phone number. Let us know if you have any questions.

<http://www.cityofmilford.com/ArchiveCenter/ViewFile/Item/3287>

Thank you,

ROB PIERCE, AICP

PLANNING DIRECTOR



CITY OF MILFORD

180 VICKERS DRIVE

MILFORD, DE 19963

P: (302) 424-8396

F: (302) 424-3559

WWW.CITYOFMILFORD.COM



Type of Incident: Large fight and shots fired and a burglar alarm from an adjoining business

Location: 350 Milford - Harrington Highway (Route 14 west of US 113)

Date and Time reported: Saturday 01/30/2021 at 1:19 a.m.

Arriving units observed people and vehicles leaving from the front and rear of the building. Officers estimated 50-75 vehicles were present.



Arriving officers in car video. (press play tab at bottom of page)



The location where the party took place is on the end of the complex. It was formally the gas station. The windows of the building have been blacked out.



As vehicles were leaving there was an accident where one vehicle was rear ended trying to leave and the second vehicle left the scene.



During the investigation numerous spent bullet cartridges were located between 350 Milford Harrington Hwy and the intersection of US 113 and Route 14.

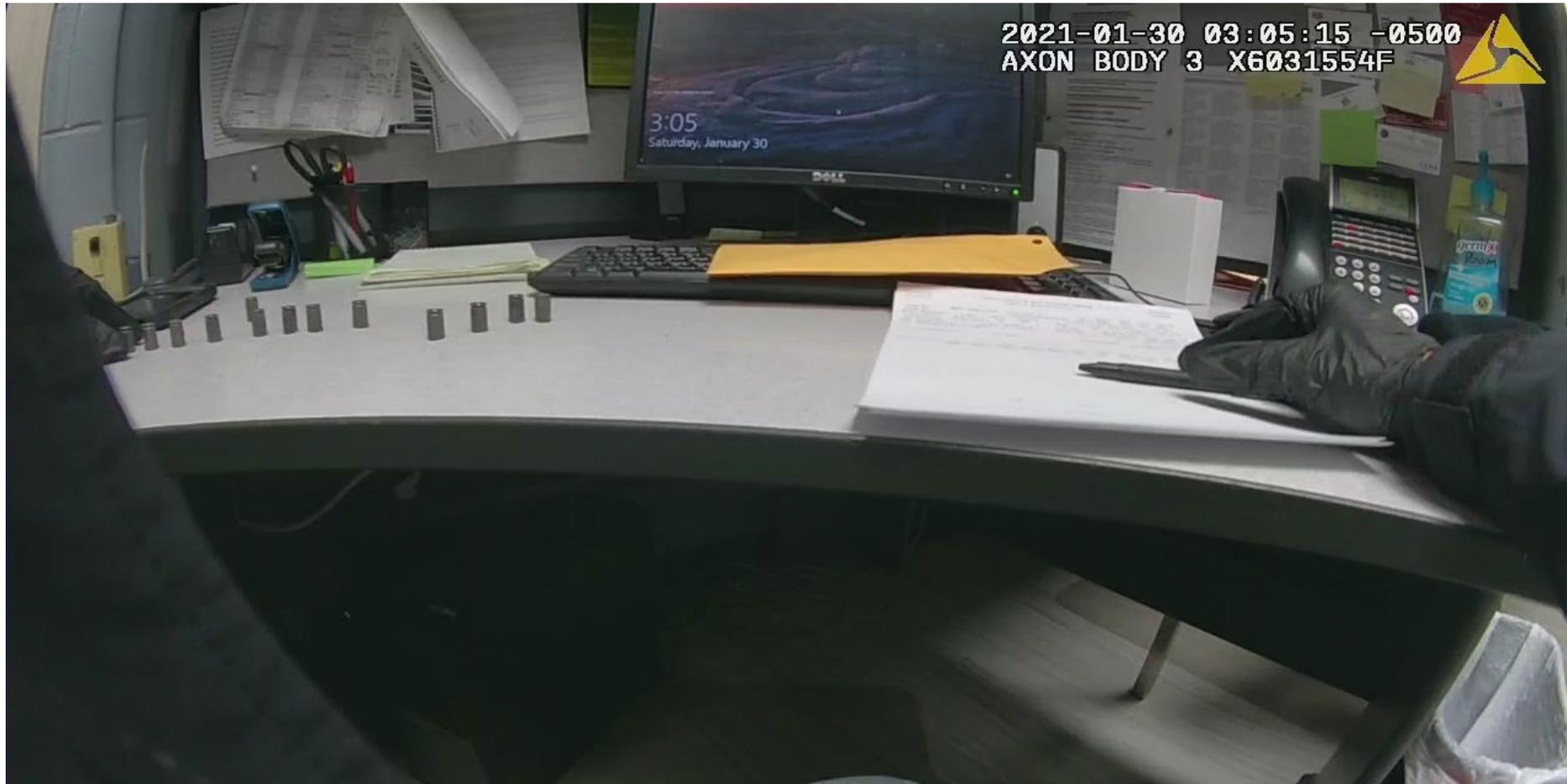


Investigation revealed that a vehicle in the parking lot of 350 Milford Harrington Hwy had its rear window shot out. The driver of the vehicle left the location and drove to their residence in Middletown before reporting the incident. (no picture available)

Investigation revealed that a witness stated there were persons shooting at each other and their vehicles after leaving 350 Milford Harrington Hwy. This occurred on Route 14 just west of the US 113 intersection



At least 25 spent shell casing were recovered by investigating officers. No reports of injuries were reported.



The building where the party took place with a DJ, and with persons coming from as far away as Middletown, received a conditional use approval from City Council in July to place a daycare there. As of 02/01/21 they have not obtained a building permit for the fit out. The building should not be occupied until a C of O has been issued.



Sent: Monday, February 22, 2021 11:03 AM

To: Pierce, Rob <rpierce@milford-de.gov>; Keith Walpole <kwalpolecommercial@gmail.com>

Cc: Whitfield, Mark <mwhitfield@milford-de.gov>; Hudson, Terri <thudson@milford-de.gov>; Brown, Kenneth <kenneth.brown@cj.state.de.us>; Mayor Campbell <MayorCampbell@milford-de.gov>

Subject: RE: Triumph Youth Center - Conditional Use Permit - Revocation Consideration

Rob-

I would appreciate an opportunity to address your concerns Monday evening at the meeting. On behalf of the landlord, we were more surprised than you of the events that unfolded a few weeks ago.

We have therefore initiated lease termination of the current tenant, and intend to disassociate ourselves from that tenant altogether.

We have a substantial investment in the property and the demised premises in preparing for the daycare use, and it is unfortunate that the soon-to-be-former tenant has created this problem.

Since the conditional use approval granted in the summer goes with the property, and not with the tenant, we ask that you please accept our assurance that (1) we will immediately terminate the lease with the current tenant, and (2) we will screen future prospects much more closely so that your department will never confront this or any other problem in the future.

We apologize sincerely for being in this position, and can assure you that we do not now, nor have we anticipated that we would be in this position.

Thank you in advance for your consideration.

Phil McGinnis, CCIM, GAA, ACoM, ALC, e-PRO

[McGinnis Commercial Real Estate Company](#)

302-736-2710 office

302-270-0656 cell

<mailto:pjm@mcginnisrealty.com>



From: Pierce, Rob <rpierce@milford-de.gov>

Sent: Thursday, February 18, 2021 5:49 PM

To: Terri Thorpe <terrihorpe@yahoo.com>; Phil McGinnis <pjm@mcginnisrealty.com>; Hattie Harris <haharris1@ymail.com>; Keith Walpole <kwalpolecommercial@gmail.com>

Cc: Whitfield, Mark <mwhitfield@milford-de.gov>; Hudson, Terri <thudson@milford-de.gov>; Brown, Kenneth <kenneth.brown@cj.state.de.us>; Mayor Campbell <MayorCampbell@milford-de.gov>

Subject: Triumph Youth Center - Conditional Use Permit - Revocation Consideration

Good afternoon,

Due to the incident that occurred at 350 Milford-Harrington Highway a few weeks ago, City Council will be considering the revocation of the conditional use permit 2020-22 for the Triumph Youth Center (daycare) at the upcoming meeting on February 22, 2021 beginning at 7pm. Below is a link to the meeting agenda which provides the zoom link and dial-in phone number. Let us know if you have any questions.

<http://www.cityofmilford.com/ArchiveCenter/ViewFile/Item/3287>

MILFORD CITY COUNCIL
MINUTES OF MEETING
July 27, 2020

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

PRESIDING: Mayor Archie Campbell

IN ATTENDANCE: Councilmembers Danial Marabello, Mike Boyle, Andrew Fulton, Todd Culotta, Brian Baer, Douglas Morrow, Jason James Sr. and Katrina Wilson

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

COUNSEL: Assistant Solicitor James Sharp, 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 gatherings until further notice. See July 27, 2020 Council Meeting Agenda for additional information.

CALLED TO ORDER

Mayor Campbell called the meeting to order at 7:05 p.m.

Ordinance 2020-22

Cosmo Properties LLC for a Conditional Use to allow a Daycare to be known as Triumph Youth Center and operated by Hattie Harris on 2.08 +/- acres in a C3 Zoning District. Property is located along the north side of Milford-Harrington Highway, approximately 2,200 feet west of the Route 113 intersection, addressed as 350 Milford-Harrington Highway, Milford, Delaware. Present Use: Shopping Center; Proposed Use: Same with Daycare.

Tax Map: MD-16-173.00-01-08.00

Planning Director Pierce reviewed the application, stating this is a property that is currently improved with a strip shopping center, in an area zoned C3 highway commercial. The applicant proposes to convert a portion of the shopping center, approximately 2,400 square feet, into a daycare facility and will provide an outdoor fenced-in play area to the rear of the principal structure behind the parking lot.

He stated that Chapter 230-14(c)(12) states a daycare center is a conditional use within the C3 zoning district, and is subject to city council approval.

The packet includes a staff report, a location and zoning map showing the property in relation to areas, within the city and county surrounding it and aerial photograph showing the existing improvements on the site.

The location is the end unit, southeast of the building, which is the former location of a gas station/convenience store. Pumps, canopy, gas tank and similar items have been removed and the parking lot repaired within the last couple of years. The daycare will fill a vacant space within the shopping center.

Also provided by the applicant is a rough draft of some restriping that will occur and a more formal drawing that was submitted for the planning department to review after the submission deadline. Mr. Pierce plans to work through the details to make sure it complies with the drive aisle requirements and other items discussed at the Planning Commission meeting.

Also included is a copy of the area that will be leased out and used for the playground.

All properties within 200 feet were mailed a copy of the public notice and the notice was properly published in the Milford Beacon on June 24, 2020.

The Planning Commission reviewed the application at their July 21st meeting and recommended approval by a vote of 5-1 vote.

When asked the reason for the one dissenting vote, Mr. Pierce said that the commissioner was concerned about the proximity of an existing use within the strip center, being a liquor store, and felt the daycare was too close.

Councilmember Fulton referenced prohibitions, and specifically 230(44)(d) that states:

All establishments involving the sale of alcoholic beverages, either on or off premises, which are located within 1,000 feet of any public or private school, day-care or child care center or church, unless food is prepared and served for consumption on site or for takeout, or alcoholic beverages are produced in said location.

He then asked how that comes into play in relation to the liquor store and the child care child development center.

Mr. Pierce explained that provision of the ordinance was put in place to keep stores or others that sell alcoholic beverages, without serving food or producing them on site, from going into certain locations of the community that may detract from a school, church, daycare or similar facilities. It does not, however, prohibit or restrict a school church or daycare from going within a certain distance of an existing liquor store or existing alcohol establishment.

He believes the intent was to protect the existing uses from something coming in, but in this case, the daycare is well aware of the adjoining uses.

Councilmember Morrow asked if they have received all their approvals from the State of Delaware; Planning Director Pierce said they will be required to get those approvals from the state licensing office for the daycare, before they can open and operate.

It was confirmed that if the daycare currently existed and the liquor store wanted to open, that would not be allowed. Mr. Pierce added that a statement was made at the Planning Commission meeting, more for the applicant's knowledge, and to put it on the record, that if this gets approved and the liquor store closed for twelve months, it would become a non-conforming status according to our zoning code, and would not be permitted to reopen unless they sought a waiver under 230 (44)(d).

When asked if this is an inconsistency that is not reasonable, Mr. Pierce said that section of the City code is to protect existing uses from being encroached upon by an establishment that sells alcohol. It is not to prevent another establishment from coming into that area.

Councilmember Marabello asked the intent that prohibits a liquor store from opening in such a situation, Mr. Pierce said he can only go by the zoning code and he is unsure as he was here when that was added.

Councilmember Marabello believes it is an inconsistency.

Assistant Solicitor Sharp noted there is a provision in Delaware Code Title 4, Alcoholic Liquors, that allows the 'Commissioner to refuse a license to sell alcoholic liquor to any new establishment that will be located in the vicinity of a church, school or college. The Commissioner may issue a license to any establishment located in the vicinity of a church, school or college when such establishment has been located in a place prior to the time any church, school or college may thereafter be located in the vicinity of such establishment.'

He believes the code provision is somewhat consistent with what is seen in the State code. If you are going to put it there, Mr. Sharp said there is a heightened restriction, but we are not going to restrict what your neighbors can do on their lands.

The Assistant Solicitor does not know the intent either, though that is how the code says in regards to someone applying for that type of license.

Planning Director Pierce believes they were worried about it detracting from existing uses in the area. The daycare owner might have an issue with that use within a certain distance of their business. But in this case, the business owner is deciding to go in a certain location. In that manner, it does not really detract from the business itself.

Mr. Pierce believes it is more to protect existing property uses and rights, versus anything else.

Councilmember James asked how close is the liquor store will be to the daycare; Mr. Pierce clarified it would be the adjacent suite.

Councilmember James said his initial thought is the spirit of the code is to keep liquor stores away from daycares, churches and schools. But after listening to the testimony, it sounds as though it could be interpreted as protecting existing property owners or businesses.

Planning Director Pierce feels the criteria that should be used, based on the zoning code, is found within Chapter 230-48 and is also outlined in the staff report. A lot of it deals with the proposed use detracting from existing uses and not existing uses detracting from the proposed use.

Councilmember Boyle asked Chief Brown to comment and if this liquor store area been a problem; Chief Brown stated no.

Councilmember Culotta appreciates the note from Planning and Zoning, from the idea that a liquor store is not ideal to have next to a school or in this case, a daycare center. But if you can't have one, then you can't have the other. Then if anytime a liquor store opens, nothing will be allowed around it. In this case, the applicant understands the location and has no problem with it.

Councilmember Fulton asked Assistant Solicitor Sharp if the Delaware code that was read states that the licensing would be looked at differently for a liquor store near a child care facility; Assistant Solicitor Sharp referenced Delaware Title 4, Section 543(c). In his opinion, it appears the Commissioner has the ability to refuse to grant a license for a liquor store within the vicinity of a church, school or college. The Commissioner, can also issue an updated license if the liquor store exists and something opens closer.

Again, he pointed out that is a similar situation to what Mr. Pierce is saying about Milford's code, is that you cannot put it there, if these other uses are nearby. But if you're already there, and other uses want to come near you, they are not going to tell them they are prohibited.

Councilmember Fulton asked if it would be a limitation or if it may impact Mike's Liquor Store, by a child care facility being right next door to them. Assistant Solicitor Sharp pointed out he has not reached out directly to the Commissioner's Office on this, but that language seems to imply that the Commissioner would look at it with a different lens, than he would if this liquor store was coming near an existing facility.

Councilmember Culotta pointed out that Romano's Pizza is the third and only other business in that shopping center. This portion of the shopping center has been empty for a long time, and previously was always a convenience store. This could remain an empty building if that is desired, and though he does not want to make it that complicated, this is another opportunity for a new business, which also fills a need for the community.

Councilmember Wilson reported she received two phone calls opposing this application. Their sole reason was because of the close proximity to the liquor store and specifically concerns with individuals going in and out of the liquor store at the same time parents were going into the childcare center.

Assistant Solicitor Sharp stated that with all due respect, there is a need to ensure that any decisions that are made are based on the record of those people in attendance tonight and those that wish to speak. However, a decision cannot be determined by comments that are not in the record and he encourages those people to speak.

Councilmember Wilson said she informed them she would state their opposition. She is uncertain if they are one the phone or available, but did receive those calls over the weekend and wants them to know she listened to them.

Assistant Solicitor Sharp recommends Council disregard those comments, unless they wish to make those statements on the record tonight.

Mayor Campbell then called on the applicant to speak.

Phil McGinnis said he is representing Cosmo Properties LLC, who would be the landlord and Miss Hattie Harris is the person that picked out this location for her daycare knowing the liquor store was there. He also noted there is a hair salon in this shopping center, so there are actually four tenants.

He explained they all met together with the Planning Commission last week who gave them a couple of requirements, which were agreed to. One is they put a hatched crosswalk on the back of the property to where the playground will be. For those who are concerned about the proximity to the liquor store, he reminded Council, these are small children and not teenagers or drinking-age children. Instead, they are small children, whose parents will drop them off and pick them up. The access to the daycare will be from the back and the children will be dropped off in the back, picked up in the back, and the parking lot will be in the back.

Mr. McGinnis pointed out they will not cross paths at any point with any patron of the liquor store. The liquor store business is completely through the front door and it appears to him, that they take deliveries in the front doors as well. These children will also be supervised at all times.

He thinks that if a daycare is located in close proximity to a liquor store, or any other objectionable use, then the parent would have the option and make the decision, of whether or not to choose to utilize this daycare facility. He thinks the applicant has conformed to the requirements of the city. In addition, they agreed to the requirements of the Planning Commission last week.

Councilmember James had Mr. McGinnis confirm, that the drop off for the kids will be in the rear and the playground is in the rear. Thereby, the exposure of the children to the liquor store patrons will be all but eliminated. Mr. McGinnis stated yes sir, he believes so.

Mayor Campbell then opened the floor for public comment. No one responded after several minutes and the comment session was closed.

Councilmember Boyle then stated that earlier this evening, he was handed a copy of what looks like an email to the city of someone from the public who was in opposition and asked if he could read his comments into the record.

Assistant Solicitor Sharp confirmed through Councilmember Boyle it is copy of an email that is simply addressed to the City of Milford and the person who wrote it, delivered it to him, at his door and asked that it be read into the record.

Councilmember Boyle believes he received it around four o'clock today, though he is unsure of the exact time and the copy is not date stamped.

Planning Director Pierce referenced the public notices that requires any written comments be submitted to the City Clerk's Office or the Planning Office, up until the start of the meeting, and would then be read into the record.

Assistant Solicitor Sharp understands the manner by which it should be submitted, though he knows we are being more flexible in light of Covid-19 and may not be stated in the normal fashion.

City Clerk Hudson confirmed that she did not receive any written comments or requests to speak. She also checked the email site people are directed to send comments and nothing had been submitted. Planning Director Pierce said he has not received any phone calls or comments at his office either.

Mayor Campbell confirmed that he received three phone calls from people with concerns as well.

Councilmember James said regardless of whether the comments were submitted or made verbally, because of Covid-19, they were not submitted to the City Clerk or Planning Director. He loves public comments, but wants to make sure it is done properly and in fairness to all parties, regardless of if they are verbal or written.

Assistant Solicitor Sharp believes the manner by which we've advertised for comments to be submitted has not been met so he is inclined to say no, though he will continue to research Milford's rules and regulations.

Councilmember Fulton asked if the site plan modification would be considered a complete site plan because of the late modifications. Planning Director Pierce explained the applicant submitted a cleaner version of the parking lot restriping plan for consideration which can be reviewed at the staff level to make sure it complies with the drive aisle requirements.

He explained it is not uncommon to review restriping plans from time to time without taking it before Planning Commission or City Council.

Councilmember Fulton asked if it is a requirement of the conditional to submit the complete site plan; Planning Director Pierce clarified that because this is in an existing strip center, he prefers to be flexible and work with applicant. This does not involve new or additional entrance improvements or utility modifications. Instead, they are essentially flipping the drive aisles and updating the restriping plan.

Planning Director Pierce agrees that is a section of the ordinance that may need to be modified in the near future.

After further review, Assistant Solicitor Sharp advised Council the reading of the email should be disallowed. He referenced a copy of the notice that provides the manner by which these comments shall be submitted, and in particular it is very clear how public comments must be submitted via email to the City Clerk. Therefore, they should be disallowed.

Councilmember Culotta then moved to adopt Ordinance 2020-22, based on the recommendation of the Planning Commission, seconded by Councilmember Morrow.

Motion carried by the following roll call vote:

Marabello: I vote no for the following reasons. I think the spirit of this decision is inconsistent with the intent of the original law, and the code regarding the proximity of a liquor store to schools or anything like that. I think that word the spirit has been violated so I vote no.

Boyle: Reluctantly, I'm going to vote yes. I think that the selection of this site probably wasn't the best decision made, although it's attractive. I, like Councilmember Marabello, question the real intent behind the restriction of keeping churches and schools away from liquor stores.

Fulton: I vote no because I don't believe it meets the intent of Chapter 230 Article 8, 230(44)(d). I also don't believe it meets Chapter 230 requirements for the conditional use because the site plan is incomplete. Those are my reasons for voting no.

Culotta: Yes, because daycares are something that are needed in this community. It has also come to my attention, actually now that I think about it, Air Park Plaza, which is the shopping center to the left of the entrance to Walmart, has a liquor store and a daycare.

Assistant Solicitor Sharp stated that what Councilmember Culotta is mentioning is not part of the record and cannot be considered as part of his decision.

Councilman Culotta reaffirmed his vote is yes.

Baer: I think I am going to vote no on this one, based on the comments that I have heard tonight.

Morrow: I vote yes, even though this is beside a liquor store, and affordable daycare is definitely needed in the City of Milford. What convinced me is the entrance and pick up and drop off will be in the rear of the building and everything is fenced in outside and they're inside the building. I think they should have a go at it, so I vote yes.

James: I reluctantly vote yes for this project, after hearing from the applicant explain that the drop off of the children and playground for the children will be adequately segregated or shielded from the patrons of the liquor store and the entrance to the liquor store. I vote yes because I do not think that it should be our position to impede a business owner to make decisions where they want to place their business. The economics and the patrons that would use the business will make that decision on their own.

Wilson: I, as well, am a little bit reluctant, but I vote yes. It did ease my mind a bit hearing about the entrance and exit being in the back of the building as well as the playground. And the delivery not being in the back of the building also made me feel better. But I want to make sure that happens. I agree with Councilman Morrow that there are not enough daycare centers, and we should always welcome more. We also welcome new businesses all the time so I'm happy about that. But I also am a tad bit concerned with it being next to a liquor store, but will vote yes.

CITY OF MILFORD
NOTICE OF ORDINANCE ADOPTION & CERTIFICATION

Notice is hereby given that during a meeting of Milford City Council on July 27, 2020, the following ordinance was adopted:

ORDINANCE 2020-22

Cosmo Properties LLC for a Conditional Use to allow a Daycare to be known as Triumph Youth Center on 2.08 +/- acres in a C3 Zoning District. Property is located along the north side of Milford-Harrington Highway, approximately 2,200 feet west of the Route 113 intersection, addressed as 350 Milford-Harrington Highway, Milford, Delaware. Present Use: Shopping Center; Proposed Use: Same with Daycare. Tax Map: MD-16-173.00-01-08.00

WHEREAS, the owners of the property as above described herein petitioned the City of Milford for a Conditional Use to allow a Daycare; and

WHEREAS, the City of Milford Planning Commission considered the application at a Public Hearing to allow for public comment on July 21, 2020; and

WHEREAS, Milford City Council held a Public Hearing on July 27, 2020 to allow for public comment and further review of the ordinance; and

WHEREAS, it was 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:

Upon the adoption of this ordinance, Cosmo Properties LLC is hereby granted a conditional use in accordance with the application, approved plans, and any conditions set forth at the Public Hearings.

Dates.

Planning Commission Review & Public Hearing: July 21, 2020

City Council Introduction: July 13, 2020

City Council Public Hearing: July 27, 2020

Effective: August 6, 2020

CERTIFICATION

I, Teresa K. Hudson, duly appointed City Clerk of Milford, Delaware, do hereby certify the foregoing ordinance was adopted by City Council at a meeting of Milford City Council on the 27th day of July 2020.

IN WITNESS WHEREOF, I have hereunto set my hand and the Seal of the City of Milford, Delaware.

s/Teresa K. Hudson, MMC

Sent: Thursday, February 18, 2021 5:02 PM

To: Pierce, Rob <rpierce@milford-de.gov>

Subject: RE: Planning Commission - February 16, 2021

Hello Mr. Pierce,

I'm sorry that I didn't get your message until today. I respectfully request that I be removed from the Planning Commission due to certain medical reasons.

All consideration is deeply appreciated.

Thank You

Robert D. Patillo Sr.

TO: Mayor and City Council

FROM: Rob Pierce, AICP - Planning Director

CC: Mark Whitfield, City Manager

DATE: February 22, 2021

RE: City of Milford and Milford District Free Library Commission
Conveyance of Land

Enclosed is a copy of a survey prepared in November of 2005 showing the abandonment of Pearl Alley and the exchange of land between the City of Milford and the Milford District Free Library Commission. The survey shows Parcel E containing the northern portion of the library parking lot being conveyed from the City to the Library and Parcel D containing a portion of the amphitheater being conveyed from the library to the City. The survey was recorded with Sussex County Recorder of Deeds in 2009 along with a conveyance deed for the alley abandonment. No conveyance deeds were recorded for the exchange of Parcels D and E. Legally, execution and recordation of both the survey and deeds are required to convey ownership.

Since the survey was prepared 16 years ago, the City contacted the library to determine if there was still an interest to exchange Parcels D and E. The City made a presentation to the library board on January 25, 2021, at which time the board agreed to proceed with executing any required documents to finalize the land exchange with the condition that the City would coordinate the use of the amphitheater with the library. Staff recommends adding a statement to the existing agreement between the Library and City to that effect. The agreement is due to be renewed in the upcoming months, at which time the language can be added.

The City Solicitor's office has prepared the enclosed deeds and compiled the appropriate legal documents to finalize the land exchange.

Staff recommends City Council authorize the Mayor to execute the deed and associated documents to convey Parcel E to the Milford District Free Library Commission in exchange for Parcel D as depicted on the attached survey.

3-30-6.20-005.00 (portion)
NO TITLE EXAMINATION
REQUESTED OR PERFORMED

Prepared by and Return to: Moore & Rutt, P.A. (DNR)
PO Box 554
Georgetown, DE 19947

THIS DEED, made this ____ day of _____, in the year of our LORD Two Thousand Twenty-One (2021),

BETWEEN CITY OF MILFORD, a political subdivision of the State of Delaware, with offices at 201 South Walnut Street, Milford, Delaware 19963, party of the first part,

-AND-

MILFORD DISTRICT FREE LIBRARY COMMISSION, a not for profit corporation of the State of Delaware, with its registered office at 11 S.E. Front Street, Milford, Delaware 19963, party of the second part,

WITNESSETH, that the said party of the first part, for and in consideration of the sum of ONE DOLLAR (\$1.00) lawful money and other good and valuable considerations, the receipt whereof is hereby acknowledged, hereby grants and conveys unto the said party of the second part,

ALL THAT CERTAIN lot, piece and parcel of land, lying and being situate in the City of Milford, Sussex County and the State of Delaware, as depicted on a plat prepared by Charles D. Murphy Associates, Inc., dated 7 November 2005, and comprising all of Parcel E fronting on the westerly right-of-way line of S. Washington Street, adjoining lands now or formerly of Milford District Free Library Commission and lands now or formerly of the City of Milford, and being more particularly described as follows; to wit:

BEGINNING at a point on the westerly right-of-way line of S. Washington Street and at the northeast corner for lands now or formerly of Milford District Free Library Commission, said point being distant 146 feet, more or less, from the right-of-way intersection of S. E. Front Street; thence following said Library Commission lands the following two (2) courses and distances;

- 1) North 72 degrees 31 minutes 43 seconds West 117.00 feet to a corner and
- 2) North 17 degrees 28 minutes 17 seconds East 12.56 feet to a corner for lands now or formerly of the City of Milford;

thence continuing with said City of Milford lands the following two (2) courses and distances;

- 1) South 72 degrees 31 minutes 43 seconds East 36.75 feet and
- 2) deflecting right along a 90.61 foot radius curve, the chord of which bears North 54 degrees 57 minutes 47 seconds East 102.48 feet, an arc distance of 108.92 feet to a point on the right-of-way line of S. Washington Street;

thence running with the aforementioned right-of-way the following three (3) courses and distances;

- 1) South 01 degrees 01 minutes 49 seconds West 38.89 feet to a point of curvature
- 2) deflecting right along a 168.22 foot radius curve, the chord of which bears South 09 degrees 03 minutes 15 seconds West 46.96 feet, an arc distance of 47.12 feet to a point of tangency, thence finally
- 3) South 17 degrees 28 minutes 17 seconds West 10.12 feet to the place of beginning, containing 5,995 square feet of land, more or less.

BEING part of the same lands conveyed to City of Milford by Deed of Harry B. Derrickson, Dorothy E. Derrickson, Thomas B. Derrickson and Susan L. Derrickson dated December 15, 1964 and recorded in the Office of the Recorder of Deeds in and for Sussex County, Georgetown, DE in Deed Book 584, Page 340.

IN WITNESS WHEREOF, the said party of the first part has hereunto set its hand and seal, the day and year aforesaid.

SIGNED, SEALED, DELIVERED,
And witnessed in the
presence of

ATTEST:

CITY OF MILFORD

Teresa K. Hudson, City Clerk

By: _____ (SEAL)
Arthur J. Campbell, Mayor

[MUNICIPAL SEAL]

STATE OF DELAWARE :
 : ss.
COUNTY OF SUSSEX :

BE IT REMEMBERED, that on this _____ day of _____, 2021, personally appeared before me, the Subscriber, a Notary Public for the State and County aforesaid, Arthur J. Campbell, Mayor of the City of Milford, party to this Indenture, known to me personally to be such, and he acknowledged this Indenture to be his act and deed.

GIVEN under my hand and seal of office, the day and year aforesaid.

Notary Public

Printed Name of Notary
My Commission Expires:



**AFFIDAVIT FOR REALTY TRANSFER TX ON UNINCORPORATED
AREAS IN SUSSEX COUNTY PURSUANT TO CHAPTER 103 OF
THE SUSSEX COUNTY CODE**

NOTE: Affidavit is required on all transactions (incorporated or unincorporated areas)

Part A – To Be Completed by GRANTOR/SELLER

NAME	City of Milford	SOCIAL SECURITY #	_____
ADDRESS	201 South Walnut Street	or	_____
CITY	Milford	EMPLOYER I.D. #	_____
STATE	DE	ZIP	19963

Part B – To Be Completed by GRANTEE/BUYER

NAME	Milford District Free Library Commission	SOCIAL SECURITY #	_____
ADDRESS	11 S.E. Front Street	or	_____
CITY	Milford	EMPLOYER I.D. #	_____
STATE	DE	ZIP	19963

Part C – PROPERTY LOCATION

Portion of:
 District 330 MAP 6.20 PARCEL 5.00

Part D – COMPUTATION OF THE TAX

- | | | | |
|----|--|----|----------|
| 1. | CONVEYANCES WITH CONSIDERATION -
Enter Consideration Received | \$ | <u>0</u> |
| 2. | CONVEYANCES WITHOUT CONSIDERATION -
Enter Highest Assessed Value For Local Tax Purposes | \$ | _____ |
| 3. | Enter the greater, Line 1 or Line 2 | \$ | _____ |
| 4. | Multiply Line 3 times 1.5% -- Tax Due and Payable | \$ | _____ |

EXEMPT CONVEYANCES: If transaction is exempt from Transfer tax, explain the basis for the exemption:

Exempt – 30 Del. C. §5401(m)

First Time Home Buyer? Yes _____ No _____ (If “Yes”, attach First Time Home Buyer Affidavit)

Sworn and Subscribed before me on this
 ____ day of _____, _____.

 Seller’s Signature

 Notary Public
 My Commission expires:

OFFICE USE ONLY:

3-30-6.20-005.01 (portion)
NO TITLE EXAMINATION
REQUESTED OR PERFORMED

Prepared by and Return to: Moore & Rutt, P.A. (DNR)
PO Box 554
Georgetown, DE 19947

THIS DEED, made this _____ day of _____, in the year of our LORD Two Thousand Twenty-One (2021),

BETWEEN MILFORD DISTRICT FREE LIBRARY COMMISSION, a not for profit corporation of the State of Delaware, with its registered office at 11 S.E. Front Street, Milford, Delaware 19963, party of the first part,

-AND-

CITY OF MILFORD, a political subdivision of the State of Delaware, with offices at 201 South Walnut Street, Milford, Delaware 19963, party of the second part,

WITNESSETH, that the said party of the first part, for and in consideration of the sum of ONE DOLLAR (\$1.00) lawful money and other valuable considerations of the United States of America, the receipt whereof is hereby acknowledged, hereby grants and conveys unto the said party of the second part,

ALL THAT CERTAIN lot, piece and parcel of land, lying and being situate in the City of Milford, Sussex County and the State of Delaware, as depicted on a plat prepared by Charles D. Murphy Associates, Inc., dated 7 November 2005, and comprising all of Parcel D, adjoining Pearl Alley (to be abandoned and also known as parcel C) lands now or formerly of City of Milford and lands now or formerly of Milford District Free Library Commission, and being more particularly described as follows, to wit:

Beginning at a corner for lands now or formerly of Milford District Free Library Commission and at a point on line of Pearl Alley, said point being distant 157 feet, more or less, from the right-of-way line of S. E. Front Street at fifty (50) feet wide; thence following said alley North 17 degrees 28 minutes 17 seconds East 26.28 feet to a corner for lands now or formerly of City of Milford; thence continuing with said City of Milford lands the following three (3) courses and distances;

1) North 86 degrees 29 minutes 08 seconds East 51.16 feet to a corner

- 2) South 03 degrees 30 minutes 52 seconds East 12.72 feet to a corner and
- 3) South 17 degrees 28 minutes 17 seconds West 32.72 feet to a corner for lands now or formerly of Milford District Free Library Commission;

thence finally running with said Library Commission lands North 72 degrees 31 minutes 43 seconds West 52.32 feet to the place of beginning, containing 1,869 square feet of land, more or less.

BEING, part of the same lands conveyed to Milford District Free Library Commission by Quitclaim Deed of Rachel E. Webb and Rebecca F. Robinson dated March 5, 2009 and recorded in the Office of the Recorder of Deeds in and for Sussex County, Georgetown, Delaware in Deed Book, 3732, Page 110.

IN WITNESS WHEREOF, the said party of the first part has hereunto set its hand and seal, the day and year aforesaid.

SIGNED, SEALED, DELIVERED,
And witnessed in the
Presence of

ATTEST: MILFORD DISTRICT FREE LIBRARY COMMISSION

_____ (SEAL) By: _____ (SEAL)
Kay Hudson, Executive Director

[CORPORATE SEAL]

STATE OF DELAWARE :
 : ss.
COUNTY OF SUSSEX :

BE IT REMEMBERED, that on this _____ day of _____, 2021, personally appeared before me, the Subscriber, a Notary Public for the State and County aforesaid, Kay Hudson, Executive Director of the Milford District Free Library Commission, party to this Indenture, known to me personally to be such, and he acknowledged this Indenture to be his act and deed.

GIVEN under my hand and seal of office, the day and year aforesaid.

Notary Public

Printed Name of Notary
My Commission Expires:



**REAL ESTATE TAX RETURN
DECLARATION OF ESTIMATED
INCOME TAX**

Delaware Division of Revenue
820 N. French Street, P.O. Box 8763
Wilmington, DE 19899-8763

FORM 5403

DO NOT WRITE OR STAPLE IN THIS AREA

Form 5403 must be completed for all conveyances, and must be presented at the time of recording.

1. Description and address of property transferred (include property tax parcel number):

NW Intersection of SE Front St, Washington St, Milford, DE 19963

Tax Parcel Number: 330-6.20-005.01 (portion) County: New Castle Kent Sussex Date of Transfer:

2. Transferor/Seller is:

- Individual or Revocable Living Trust
- Corporation
- Trust or Estate
- Business Trust
- Partnership
- S Corporation
- Limited Liability Company
- Other:

3. Transferor or Seller acquired property by:

- Purchase
- Gift
- Inheritance
- 1031 Exchange
- Foreclosure/Repossession
- Other:

4. Transferor/Seller's name; SSN or EIN; and address to which correspondence is to be mailed after settlement. (Enter only one name and SSN or EIN per return. If more than one transferor/ seller, use separate forms for each; however, if Transferors/Sellers are spouses, enter only the primary taxpayer name and SSN, and only file one return. If transferor/seller is not an individual, list only EIN of non-individual transferor/seller and file only one Form 5403 for such transferor/seller – no Form 5403 should be filed for the members, partners, stockholders, trustees or other individuals or entities having an ownership interest in any such non-individual transferor/seller.)

Enter Social Security Number or Employer Identification Number of the Transferor/Seller

Name of Transferor/Seller **Milford District Free Library Commission**
 Address **11 S.E. Front Street**
 City **Milford** State **DE** ZIP Code **19963**

5. If applicable, check appropriate box. (Check no more than one box.)

- Transferor/seller is a resident (a) individual, (b) pass-through entity or (c) corporation, and not subject to withholding under 30 Del. C §§1126, 1606 or 1909;
- Sale or exchange exempt from capital gain recognition;
- Gain realized excluded from income for tax year of sale or exchange.
- Sale exempt due to foreclosure. (See Instructions)



DF24018019999

If any box in Section 5 is checked, DO NOT complete Sections 6, 7 and 8 below. No payment is due at this time.

6. Computation of payment and tax to be withheld. (See Instructions.)

6.a Total sales price	6.a \$
6.b Less selling expenses/reductions to sale price	6.b \$
6.c Net sales price (Subtract line 6.b from line 6.a)	6.c \$
6.d Adjusted basis of property or liens paid at settlement	6.d \$
6.e Total gain (Subtract line 6.d from line 6.c)	6.e \$
6.f Delaware estimated income tax due - multiply line 6.e by 8.7% for C corp., and by 6.6% for all others	6.f \$

NOTE: If section 6 is not filled out or incomplete, the required 6.6% or 8.7% will be withheld from the net proceeds at settlement and submitted to the Division of Revenue as required by law.

7. Check this box if the transferor/seller is reporting gain under the installment method. No tax is payable at this time.
 Note: If completing this section, when you recognize any capital gain arising from the sale of property in the State of Delaware, you must report and remit the tax due to the State of Delaware on that transaction.

8. Delaware estimated income tax paid (See instructions). \$

Under penalty of perjury, I declare that I have examined this return and to the best of my knowledge and belief, it is true, correct and complete. If prepared by a person other than the transferor/seller, the declaration is based on all information of which the preparer has any knowledge. Transferor/Seller, Please sign and print full name and title (if any):

Signature

Name

Title



REALTY TRANSFER TAX RETURN AND AFFIDAVIT OF GAIN AND VALUE FORM 5402

STATE OF DELAWARE
Division of Revenue
820 N. French Street
P.O. Box 8750
Wilmington, Delaware
19899-8750



DF42717019999

Rev. Code 0050

Form 5402 must be completed for all conveyances and must be presented at the time of recording.

PART A - TO BE COMPLETED BY GRANTOR/SELLER

1. Enter Employer Identification Number or Social Security Number of the Grantor

--	--

2. Name of Grantor Milford District Free Library Commission

3. Address 11 S.E. Front Street

City Milford State DE Zip Code 19963

County Sussex

4. Date of real estate conveyance _____

5. The Grantor is a:
- Resident Individual
 - Non-Resident Individual
 - Domestic Corporation (Delaware)
 - Foreign Corporation (Non-Delaware)
 - S Corporation
 - Government Agency
 - Fiduciary (Estate or Trust)
 - Partnership
 - Non-Profit Corporation

PART B - TO BE COMPLETED BY GRANTEE/BUYER

1. Enter Employer Identification Number or Social Security Number of the Grantee

--	--

2. Name of Grantee City of Milford

3. Address 201 South Walnut Street

City Milford State DE Zip Code 19963

County Sussex

4. The Grantee is a:
- Resident Individual
 - Non-Resident Individual
 - Domestic Corporation (Delaware)
 - Foreign Corporation (Non-Delaware)
 - S Corporation
 - Government Agency
 - Fiduciary (Estate or Trust)
 - Partnership
 - Non-Profit Corporation

PART C - PROPERTY LOCATION AND COMPUTATION OF THE TAX

1. Address NW Intersection of SE Front Street, Washington St (portion of)

City MILFORD State DE Zip Code 19963

- County
- New Castle
 - Kent
 - Sussex

2. Enter the amount of consideration received including cash, checks, mortgages, liens, encumbrances, and any other good and valuable consideration	
Was like kind property exchanged? <input type="checkbox"/> Yes <input type="checkbox"/> No (If yes, see instructions.)	
3. Enter the highest assessed value (for local tax purposes) of the real estate being conveyed	
Was like kind property exchanged? <input type="checkbox"/> Yes <input type="checkbox"/> No (If yes, see instructions.)	
4. Enter the greater of Line 2 or Line 3	
5. Percentage rate of realty transfer tax paid to the State of Delaware, county and/or municipality	4.0%
6. Percentage rate of realty transfer tax paid to the county or municipality	%
7. Reduction for contracts executed prior to 8/1/2017 (see instructions)	%
8. Delaware Realty Transfer Tax percentage (subtract Lines 6 and 7 from Line 5)	%
9. Delaware Realty Transfer Tax due (multiply Line 4 by Line 8)	

PART D - EXEMPT CONVEYANCES

If transaction is exempt from Realty Transfer Tax, be certain that all of the above information (including market value of the real estate) is complete and accurate and explain the basis for the exemption: Exempt - 30 Del. C. §5401(m)

The seller authorizes the Division of Revenue or such other appropriate state agency as may be designated to obtain any appropriate or necessary federal income tax forms, including their attached schedules or other attachments, and any other related papers filed by such seller which relate solely to the said real estate to which title is purported to be conveyed by the deed or instrument being recorded. Delaware law requires an income tax return to be filed for the taxable year during which there was disposition of real property within this state.

Sworn and Subscribed before me

on this _____ day of _____, 20_____

Seller's Signature

Title of Officer/Partner



**AFFIDAVIT FOR REALTY TRANSFER TX ON UNINCORPORATED
AREAS IN SUSSEX COUNTY PURSUANT TO CHAPTER 103 OF
THE SUSSEX COUNTY CODE**

NOTE: Affidavit is required on all transactions (incorporated or unincorporated areas)

Part A – To Be Completed by GRANTOR/SELLER

NAME **Milford District Free Library Commission** SOCIAL SECURITY # _____
 ADDRESS **11 S.E. Front Street** or _____
 CITY **Milford** EMPLOYER I.D. # _____
 STATE **DE** ZIP **19963**

Part B – To Be Completed by GRANTEE/BUYER

NAME **City of Milford** SOCIAL SECURITY # _____
 ADDRESS **201 South Walnut Street** or _____
 CITY **Milford** EMPLOYER I.D. # _____
 STATE **DE** ZIP **19963**

Part C – PROPERTY LOCATION

Portion of:
 District **330** MAP **6.20** PARCEL **5.01**

Part D – COMPUTATION OF THE TAX

1. CONVEYANCES WITH CONSIDERATION - \$ 0
 Enter Consideration Received
2. CONVEYANCES WITHOUT CONSIDERATION - \$ _____
 Enter Highest Assessed Value For Local Tax Purposes
3. Enter the greater, Line 1 or Line 2 \$ _____
4. Multiply Line 3 times 1.5% -- Tax Due and Payable \$ _____

EXEMPT CONVEYANCES: If transaction is exempt from Transfer tax, explain the basis for the exemption:

Exempt – 30 Del. C. §5401(m)

First Time Home Buyer? Yes _____ No _____ (If “Yes”, attach First Time Home Buyer Affidavit)

Sworn and Subscribed before me on this
 ____ day of _____, _____.

 Seller’s Signature

 Notary Public
 My Commission expires:

OFFICE USE ONLY:

January 18, 2021

Mr. Rob Pierce
City of Milford
201 South Walnut Street
Milford, DE 19963

RE: Project No. 11686.CC (Duffield)
Knight Crossing – Preliminary Plan Extension Request

Dear Mr. Pierce:

Please accept this letter as a request to extend the City Council Preliminary Plan Approval for Knight's Crossing that is set to expire on February 25, 2021. We are currently working through various agencies to get approval in line for the final approvals through DelDOT, Sussex Conservation District and the City of Milford. The following is the current status of the various plans approvals through the agencies:

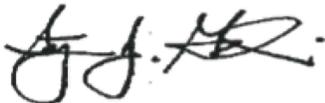
- Delaware Department of Transportation - Second submission of the Record and Entrance plans was completed on 1/15/2021. This submittal includes both Phase 1 and Phase 2 entrances.
- Sussex Conservation District – Sediment and Stormwater Plans to be resubmitted for final review on or about 1/22/2021.
- City of Milford – Phase 1 plans have been resubmitted for second review including; Utility, Road and Storm Drain, and Record Plan on December 17, 2020. We hope to receive comments back from your engineer by 1/22/21.
- State Fire Marshal – The plans have been originally approved in February 2020 and were resubmitted with revisions and reapproved in November 2020.
- Public Works Agreement draft – pending draft from the City.

We anticipate site approvals for Phase 1 to be in order for the City Council to be able to approve the Final Site Plans for Phase 1 in March 2021, or April at the latest. We anticipate obtaining Phase 2 approvals for City Council approval in July 2021.

If you have any questions on the content of this letter, please feel free to contact us at your convenience.

Very truly yours,

DUFFIELD ASSOCIATES, INC.



Stephen J Gorski, P.E.
Senior Project Manager

SJG/BRK:acj
11686CC.0121-ExtensionLetter.COR

CITY OF MILFORD
NOTICE OF ORDINANCE ADOPTION & CERTIFICATION

Notice is hereby given that during a meeting of Milford City Council on February 24, 2020, the following ordinance was adopted:

ORDINANCE 2019-30

Milford Marina Enterprises LLC for a Conditional Use for a Planned Unit Development and a Preliminary Major Subdivision on 40.35 +/- acres in R3 (Garden Apartment and Townhouse) and C3 (Highway Commercial) Zoning Districts. Property is located on the south of Cedar Beach Road, east of Beaver Dam Road and west of State Route 1, Milford, Delaware. Present Use: Vacant Land; Proposed Use: 101 Single Family units and 30 Townhouse units for a total of 131-unit subdivision to be known as Knight Crossing. Tax Map 3-30-7.00-035.00, 036.00 & 037.00 (portions)

WHEREAS, the City of Milford Planning Commission considered the application at a Public Hearing on December 17, 2019; and

WHEREAS, Milford City Council held a Public Hearing on February 24, 2020 to allow for public comment and further review of the ordinance; and

WHEREAS, it is deemed in the best interest of the City of Milford to allow a Conditional Use for a Planned Unit Development and a Preliminary Major Subdivision to be known as Knight Crossing as herein described.

NOW, THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

Section 1. Upon the adoption of this ordinance, Milford Marina Enterprises LLC is hereby granted a Conditional Use Permit to allow a Planned Unit Development and a Preliminary Major Subdivision to be known as Knight Crossing in accordance with the 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 Review & Public Hearing: December 17, 2019

City Council Introduction: September 9, 2019

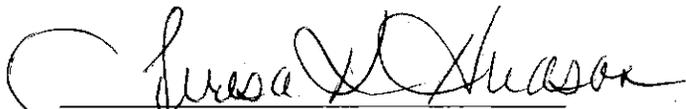
City Council Public Hearing: February 24, 2020

Effective: March 5, 2020

CERTIFICATION

I, Teresa K. Hudson, duly appointed City Clerk of Milford, Delaware, do hereby certify the foregoing ordinance was adopted by City Council at a Meeting at Milford City Hall, Milford, Delaware on the 24th day of February 2020.

IN WITNESS WHEREOF, I have hereunto set my hand and the Seal of the City of Milford, Delaware.



Teresa K. Hudson, MMC

DATA SHEET FOR KNIGHT CROSSING

Planning Commission Meeting: February 16, 2021

Application Number / Name	:	19-021 / Knight Crossing
Applicant	:	Limitless Development Company, LLC 26412 Broadkill Road Milton, DE 19968
Owner	:	Milford Marina Enterprise, LLC 2120 Love Point Stevensville, MD 21666
Application Type	:	Preliminary Major Subdivision & Conditional Use Extension #1
Present Comprehensive Plan Map Designation	:	Moderate Density Residential
Present Zoning District(s)	:	R-3 (Garden Apartment & Townhouse)
Present Use	:	Vacant
Proposed Use	:	Planned Unit Development
Size and Location	:	25.80 +/- acres of land located south of Cedar Beach Road, east of Beaver Dam Road and west of Route 1.
Tax Map & Parcel(s)	:	3-30-7.00-035.00, 036.00 & 037.00 (portion)

ENC: Staff Analysis Report
Exhibit A – Location & Zoning Map
Exhibit B – Preliminary Major Subdivision



STAFF ANALYSIS REPORT
January 29, 2021

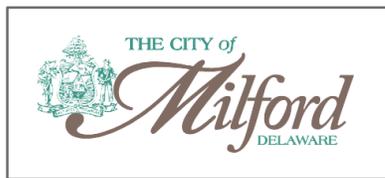
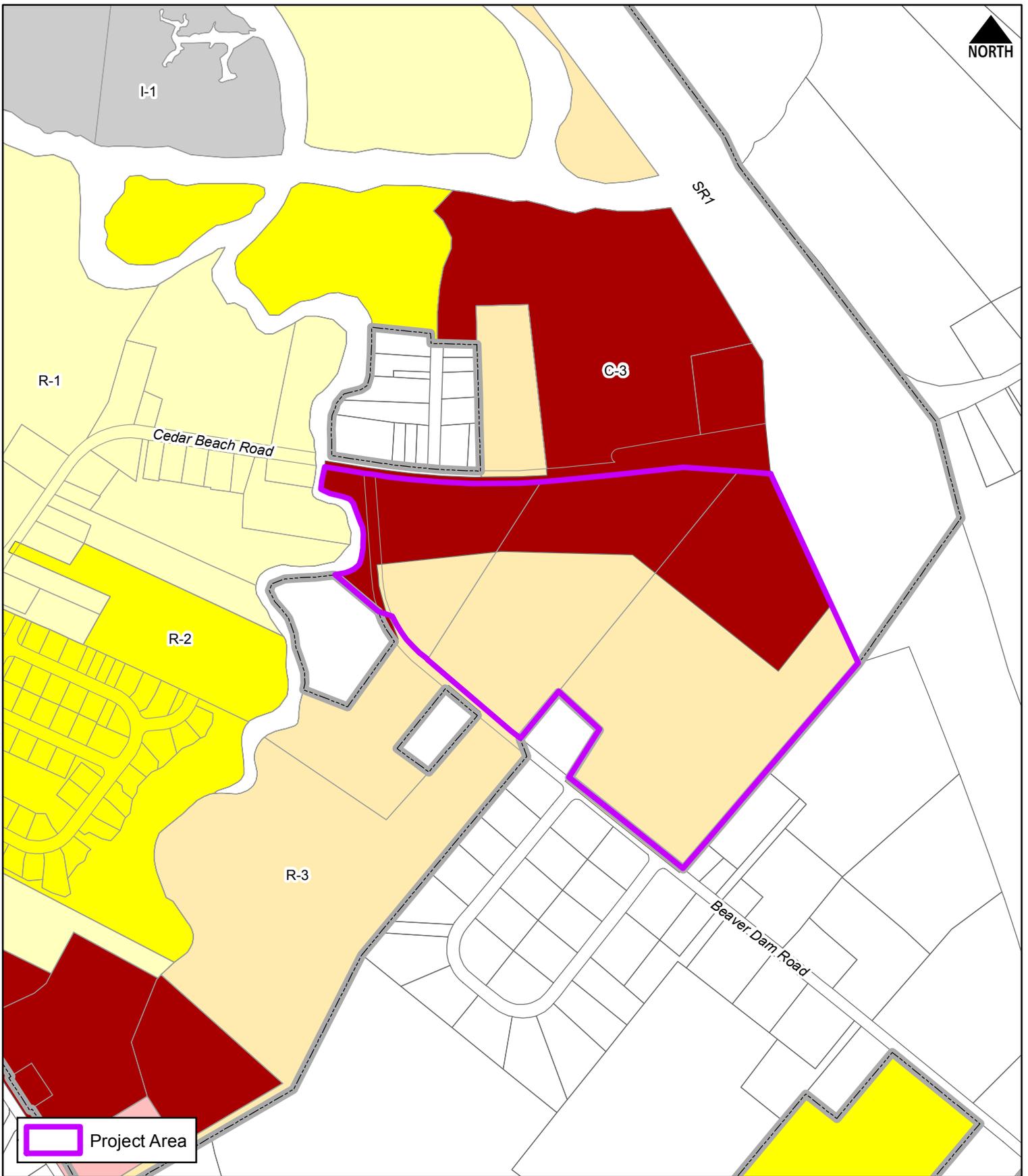
Application Number / Name	:	19-021 / Knight Crossing
Application Type	:	Preliminary Major Subdivision & Conditional Use Extension #1
Comprehensive Plan Designation	:	Moderate Density Residential
Zoning District	:	R-3 (Garden Apartment & Townhouse District) C-3 (Highway Commercial District)
Present Use	:	Vacant
Proposed Use	:	Planned Unit Development
Property Identification Numbers	:	3-30-7.00-035.00, 036.00 & 037.00 (portions)
Area and Location	:	40.64 +/- acres of land located south of Cedar Beach Road, east of Beaver Dam Road and west of Route 1.

I. BACKGROUND INFORMATION:

- The applicant received Preliminary Major Subdivision and Conditional Use approval from City Council on February 24, 2020. See attached for a copy of the approval letter outlining approved Planned Unit Development (PUD) conditions.
- The applicant proposes to construct 87 single-family detached dwellings and 30 townhouses, for a total of 117 dwelling units. The original request was for 131 total dwelling units; however, the applicant has redesigned the single-family detached layout to meet the required side separation of 16 feet between units which required a reduction in the number of homes within the project.
- The applicant submitted final construction plans for review in October and again in December and continues to work with the City to address final comments before the item can be placed on an agenda for final approval.

II. AGENCY & DEPARTMENT COMMENTS:

- **DelDOT Planning, Development Coordination**
No approvals to date.
- **Delaware Health and Social Services – Division of Public Health**
No approvals to date.
- **Sussex Conservation District**
No approvals to date.
- **Delaware State Fire Marshal's Office**
No approvals to date.
- **City Engineer – Construction Plan Review**
Final Construction plans have been reviewed and comments submitted to the applicant. Awaiting revised plans that address final comments before approving.



Scale: Feet
0 250 500

Drawn by: WRP Date: 09/30/19

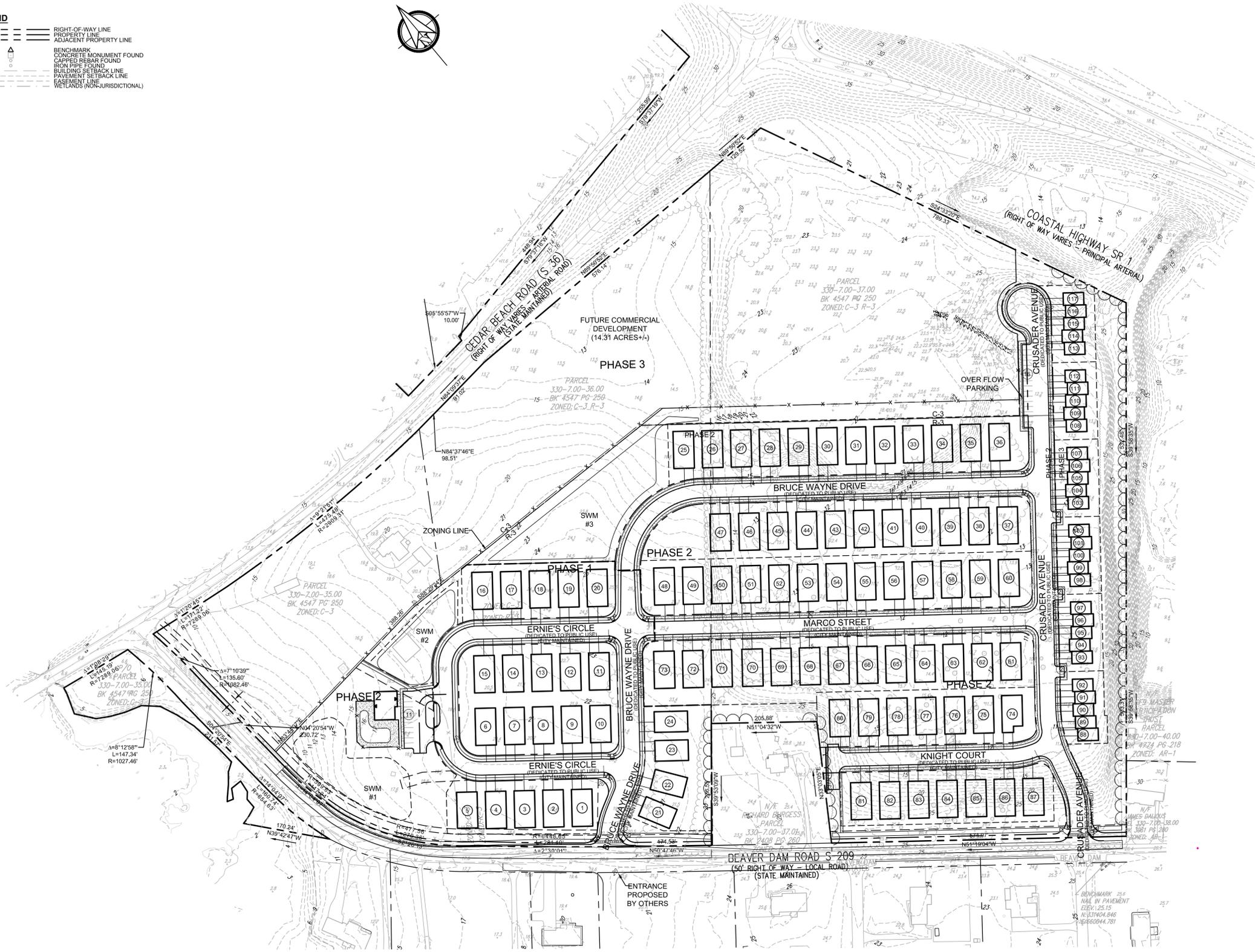
Title:

**Preliminary Major Subdivision
Knight Crossing
Location & Zoning Map**

Filepath: PreliminaryMajorSubdivision_KnightCrossing.mxd

LEGEND

	RIGHT-OF-WAY LINE
	PROPERTY LINE
	ADJACENT PROPERTY LINE
	BENCHMARK
	CONCRETE MONUMENT FOUND
	CAPPED REBAR FOUND
	IRON PIPE FOUND
	BUILDING SETBACK LINE
	PAVEMENT SETBACK LINE
	EASEMENT LINE
	WETLANDS (NON-JURISDICTIONAL)



DUFFIELD ASSOCIATES
Soil, Water & the Environment

5400 LIMESTONE ROAD
WILMINGTON, DE 19808-1232
TEL: 302.239.6634
FAX: 302.239.6485

OFFICES IN DELAWARE, MARYLAND, PENNSYLVANIA AND NEW JERSEY
WEB: [HTTP://DUFFIELD.COM](http://duffield.com)
E-MAIL: DUFFIELD@DUFFIELD.COM

CHECKED BY:	SG
DESIGNED BY:	BRK
DRAWN BY:	BRK
FILE NAME:	1086703RES
DATE:	12/15/20
STATE:	DELAWARE
PROJECT NO.:	11686.CC
SHEET:	1 OF 1

NO.	REVISION
1	PER CITY COMMENTS - JULY 2019

**PRELIMINARY
NOT FOR
CONSTRUCTION**

OWNER: MILECROSS MARINA ENTERPRISE, LLC
2101 GOVERNMENT ROAD
STEVENSVILLE, MD 21066

DEVELOPER: MILECROSS MARINA ENTERPRISE CO., LLC
244 HERRICK ROAD
MILTON, DE 19968
PHONE: (302) 684-4844

**OVERALL PHASING PLAN
PUD PHASING PLAN
KNIGHT CROSSING**

CITY OF MILFORD ~ SUSSEX COUNTY ~ DELAWARE

DATE: 15 DECEMBER 2020
SCALE: 1" = 100'
PROJECT NO. 11686.CC
SHEET: 1 OF 1



January 18, 2021

Mr. Rob Pierce
City of Milford
201 South Walnut Street
Milford, DE 19963

RE: Project No. 11686.CC (Duffield)
Knight Crossing – Preliminary Plan Extension Request

Dear Mr. Pierce:

Please accept this letter as a request to extend the City Council Preliminary Plan Approval for Knight's Crossing that is set to expire on February 25, 2021. We are currently working through various agencies to get approval in line for the final approvals through DelDOT, Sussex Conservation District and the City of Milford. The following is the current status of the various plans approvals through the agencies:

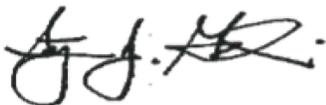
- Delaware Department of Transportation - Second submission of the Record and Entrance plans was completed on 1/15/2021. This submittal includes both Phase 1 and Phase 2 entrances.
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We anticipate site approvals for Phase 1 to be in order for the City Council to be able to approve the Final Site Plans for Phase 1 in March 2021, or April at the latest. We anticipate obtaining Phase 2 approvals for City Council approval in July 2021.

If you have any questions on the content of this letter, please feel free to contact us at your convenience.

Very truly yours,

DUFFIELD ASSOCIATES, INC.



Stephen J Gorski, P.E.
Senior Project Manager

SJG/BRK:acj
11686CC.0121-ExtensionLetter.COR

March 5, 2020

Don Lockwood
Limitless Development Company, LLC
26412 Broadkill Road
Milton, DE 19968

RE: Application Number: 19-021
Application Name: Knight Crossing
Application Type: Planned Unit Development & Preliminary Major Subdivision
Tax Parcel Number(s): 3-30-7.00-035.00, 036.00 & 037.00 (portions)

Mr. Lockwood,

According to our records, the City Council granted approval of the Planned Unit Development and Preliminary Major Subdivision known as Knight Crossing on February 24, 2020. City Council approved the following deviations and waivers from Chapter 200 Subdivision of Land and Chapter 230 Zoning associated with the application;

- Chapter 200-8(A)(14) – Reduction in the right of way requirement for the townhouse area from 60' to 50'.
- Chapter 200-8(A)(16) – Allow the construction of a “T” turnaround at the end of Knight Court instead of the required cul-de-sac.
- Chapter 200-8(A)(16) – Allow the construction of Knight Court as a dead-end street that is longer than the maximum length allowed of 400 feet as shown on the preliminary subdivision plans.
- Chapter 200-8(D)(3) – Allow a reduction in the block width from 275 feet to 250 feet.
- Chapter 200-8(E)(4) – Allow the use of one front yard setback for a corner lot and half setback for the other front yard area.
- Chapter 230-11(B)(1)(a)(2) – Allow an increase in the maximum lot coverage from 45% to 52%.
- Chapter 230-11(B)(1)(a)(5) - Allow a reduction in the front yard setback from 30 feet to 20 feet.
- Chapter 200-8(e)(6) – Allow a 25 foot setback for Lots 1-6 between the building envelope and the proposed planted buffer along Beaver Dam Road.

The City Council did not approve a waiver from Chapter 230-11(B)(1)(a)(6) and will require the developer provide the minimum side yard setback of 8 feet (or a side building separation of 16 feet) for the single-family detached dwellings.

In addition, the developer will be required to enter into a cost sharing agreement with the Windward on the River developer for the construction of the regional sanitary sewer pumping station and associated force main.

Per the Code of the City of Milford, Chapter 200-4, Subdivision of Land, A (5), "*Preliminary approval from City Council shall be void after one year, unless an extension is requested by the owner and approved by City Council prior to the expiration.*" Final Major Subdivision Approval or an extension must be obtained prior to February 24, 2021 in order to avoid expiration of the preliminary approval.

Please contact me at 302-424-8396 or via email at rpierce@milford-de.gov should you have any questions and to coordinate final construction plan and final major subdivision review for the development.

Sincerely,

William R. Pierce II

Rob Pierce, AICP
Planning & Economic Development Director

cc: *James Puddicombe, P.E. – City Engineer*
Steve Gorski, P.E. - Duffield Associates
Milford Marina Enterprise, LLC - Owner

AIA[®] Document B101[™] – 2017

Standard Form of Agreement Between Owner and Architect

AGREEMENT made as of the twenty-fifth day of January in the year two thousand and nineteen.

(In words, indicate day, month and year.)

BETWEEN the Architect's client identified as the Owner:

(Name, legal status, address and other information)

City of Milford
201 South Walnut Street
Milford, Delaware 19963

and the Architect:

(Name, legal status, address and other information)

Becker Morgan Group, Inc.
309 South Governors Avenue
Dover, Delaware 19904

for the following Project:

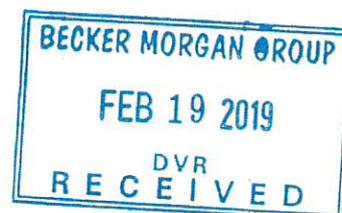
(Name, location and detailed description)

Milford Police Station
491 Northeast Front Street
Milford, Delaware 19963

The Owner and Architect agree as follows.

ADDITIONS AND DELETIONS:
The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.



20190300

TABLE OF ARTICLES

1	INITIAL INFORMATION
2	ARCHITECT'S RESPONSIBILITIES
3	SCOPE OF ARCHITECT'S BASIC SERVICES
4	SUPPLEMENTAL AND ADDITIONAL SERVICES
5	OWNER'S RESPONSIBILITIES
6	COST OF THE WORK
7	COPYRIGHTS AND LICENSES
8	CLAIMS AND DISPUTES
9	TERMINATION OR SUSPENSION
10	MISCELLANEOUS PROVISIONS
11	COMPENSATION
12	SPECIAL TERMS AND CONDITIONS
13	SCOPE OF THE AGREEMENT

ARTICLE 1 INITIAL INFORMATION

§ 1.1 This Agreement is based on the Initial Information set forth in this Section 1.1.

(For each item in this section, insert the information or a statement such as "not applicable" or "unknown at time of execution.")

§ 1.1.1 The Owner's program for the Project:

(Insert the Owner's program, identify documentation that establishes the Owner's program, or state the manner in which the program will be developed.)

The Owner has provided a space needs and programming document that was prepared by Redstone and Associates, LLC, dated 10.24.2016. This report will be the baseline for the programming process, which is part of the scope outlined within our proposal (Attachment A).

§ 1.1.2 The Project's physical characteristics:

(Identify or describe pertinent information about the Project's physical characteristics, such as size; location; dimensions; geotechnical reports; site boundaries; topographic surveys; traffic and utility studies; availability of public and private utilities and services; legal description of the site, etc.)

It is our understanding the project includes the construction of a new police station for the City of Milford. The new station will be approximately 30,000 sf. with the final size determined through the programming, concept design and preliminary schematic design phases, outlined within our proposal (Attachment A).

§ 1.1.3 The Owner's budget for the Cost of the Work, as defined in Section 6.1:

(Provide total and, if known, a line item breakdown.)

Cost estimates at Concept and Preliminary Schematic Design phases will be utilized to determine the Owner's project budget. These services are outlined within our proposal (Attachment A).

Init.

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User Notes:

(842285390)

2

§ 1.1.4 The Owner's anticipated design and construction milestone dates:

- .1 Design phase milestone dates, if any:
- .2 Construction commencement date:
- .3 Substantial Completion date or dates:
- .4 Other milestone dates:

§ 1.1.5 The Owner intends the following procurement and delivery method for the Project:
(Identify method such as competitive bid or negotiated contract, as well as any requirements for accelerated or fast-track design and construction, multiple bid packages, or phased construction.)

TBD

§ 1.1.6 The Owner's anticipated Sustainable Objective for the Project:
(Identify and describe the Owner's Sustainable Objective for the Project, if any.)

The project is anticipated to meet the requirements for the USGBC LEED Silver Certification, however the Owner has not determined if the project will pursue the certification process at this time.

§ 1.1.6.1 If the Owner identifies a Sustainable Objective, the Owner and Architect shall complete and incorporate AIA Document E204™–2017, Sustainable Projects Exhibit, into this Agreement to define the terms, conditions and services related to the Owner's Sustainable Objective. If E204–2017 is incorporated into this agreement, the Owner and Architect shall incorporate the completed E204–2017 into the agreements with the consultants and contractors performing services or Work in any way associated with the Sustainable Objective.

§ 1.1.7 The Owner identifies the following representative in accordance with Section 5.3:
(List name, address, and other contact information.)

Arthur J. Campbell
Mayor
City of Milford
201 South Walnut Street
Milford, Delaware 19963

§ 1.1.8 The persons or entities, in addition to the Owner's representative, who are required to review the Architect's submittals to the Owner are as follows:
(List name, address, and other contact information.)

§ 1.1.9 The Owner shall retain the following consultants and contractors:
(List name, legal status, address, and other contact information.)

Init.

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User Notes:

(842285390)

.1 Geotechnical Engineer:

.2

(Paragraphs deleted)

Other, if any:

(List any other consultants and contractors retained by the Owner.)

§ 1.1.10 The Architect identifies the following representative in accordance with Section 2.3:
(List name, address, and other contact information.)

Brenden D. Frederick, AIA, LEED AP
Associate Principal
Project Manager
Becker Morgan Group, Inc.
309 South Governors Avenue
Dover, Delaware 19904

§ 1.1.11 The Architect shall retain the consultants identified in Sections 1.1.11.1 and 1.1.11.2:
(List name, legal status, address, and other contact information.)

§ 1.1.11.1 Consultants retained under Basic Services:

.1 Structural Engineer:

Baker, Ingram & Associates
1050 S. State Street
Dover, DE 19901

.2 Civil Engineer:

Becker Morgan Group, Inc.
309 South Governors Avenue
Dover, DE 19904

.2 Mechanical Engineer:

DEDC, LLC
314 S. Chapel Street
Newark, DE 19711

.3 Electrical Engineer:

DEDC, LLC
314 S. Chapel Street
Newark, DE 19711

§ 1.1.11.2 Consultants retained under Supplemental Services:

Init.

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User Notes:

(842285390)

§ 1.1.12 Other Initial Information on which the Agreement is based:

§ 1.2 The Owner and Architect may rely on the Initial Information. Both parties, however, recognize that the Initial Information may materially change and, in that event, the Owner and the Architect shall appropriately adjust the Architect's services, schedule for the Architect's services, and the Architect's compensation. The Owner shall adjust the Owner's budget for the Cost of the Work and the Owner's anticipated design and construction milestones, as necessary, to accommodate material changes in the Initial Information.

§ 1.3 The parties shall agree upon protocols governing the transmission and use of Instruments of Service or any other information or documentation in digital form. The parties will use AIA Document E203™-2013, Building Information Modeling and Digital Data Exhibit, to establish the protocols for the development, use, transmission, and exchange of digital data.

§ 1.3.1 Any use of, or reliance on, all or a portion of a building information model without agreement to protocols governing the use of, and reliance on, the information contained in the model and without having those protocols set forth in AIA Document E203™-2013, Building Information Modeling and Digital Data Exhibit, and the requisite AIA Document G202™-2013, Project Building Information Modeling Protocol Form, shall be at the using or relying party's sole risk and without liability to the other party and its contractors or consultants, the authors of, or contributors to, the building information model, and each of their agents and employees.

ARTICLE 2 ARCHITECT'S RESPONSIBILITIES

§ 2.1 The Architect shall provide professional services as set forth in this Agreement. The Architect represents that it is properly licensed in the jurisdiction where the Project is located to provide the services required by this Agreement, or shall cause such services to be performed by appropriately licensed design professionals.

§ 2.2 The Architect shall perform its services consistent with the professional skill and care ordinarily provided by architects practicing in the same or similar locality under the same or similar circumstances. The Architect shall perform its services as expeditiously as is consistent with such professional skill and care and the orderly progress of the Project.

§ 2.3 The Architect shall identify a representative authorized to act on behalf of the Architect with respect to the Project.

§ 2.4 Except with the Owner's knowledge and consent, the Architect shall not engage in any activity, or accept any employment, interest or contribution that would reasonably appear to compromise the Architect's professional judgment with respect to this Project.

§ 2.5 The Architect shall maintain the following insurance until termination of this Agreement. If any of the requirements set forth below are in addition to the types and limits the Architect normally maintains, the Owner shall pay the Architect as set forth in Section 11.9.

§ 2.5.1 Commercial General Liability with policy limits of not less than one million (\$1,000,000.00) for each occurrence and two million (\$ 2,000,000.00) in the aggregate for bodily injury and property damage.

§ 2.5.2 Automobile Liability covering vehicles owned, and non-owned vehicles used, by the Architect with policy limits of not less than one million (\$1,000,000.00) per accident for bodily injury, death of any person, and property damage arising out of the ownership, maintenance and use of those motor vehicles, along with any other statutorily required automobile coverage.

§ 2.5.3 The Architect may achieve the required limits and coverage for Commercial General Liability and Automobile Liability through a combination of primary and excess or umbrella liability insurance, provided such primary and

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excess or umbrella liability insurance policies result in the same or greater coverage as the coverages required under Sections 2.5.1 and 2.5.2, and in no event shall any excess or umbrella liability insurance provide narrower coverage than the primary policy. The excess policy shall not require the exhaustion of the underlying limits only through the actual payment by the underlying insurers.

§ 2.5.4 Workers' Compensation at statutory limits.

§ 2.5.5 Employers' Liability with policy limits not less than five hundred thousand (\$ 500,000.00) each accident, five hundred thousand (\$ 500,000.00) each employee, and five hundred thousand (\$ 500,000.00) policy limit.

§ 2.5.6 Professional Liability covering negligent acts, errors and omissions in the performance of professional services with policy limits of not less than three million dollars (\$ 3,000,000.00) per claim and five million (\$ 5,000,000.00) in the aggregate.

§ 2.5.7 **Additional Insured Obligations.** To the fullest extent permitted by law, the Architect shall cause the primary and excess or umbrella policies for Commercial General Liability and Automobile Liability to include the Owner as an additional insured for claims caused in whole or in part by the Architect's negligent acts or omissions. The additional insured coverage shall be primary and non-contributory to any of the Owner's insurance policies and shall apply to both ongoing and completed operations.

§ 2.5.8 The Architect shall provide certificates of insurance to the Owner that evidence compliance with the requirements in this Section 2.5.

ARTICLE 3 SCOPE OF ARCHITECT'S BASIC SERVICES

§ 3.1 For this Phase of Work, as delineated in Attachment A; at the time the project moves forward, we will provide an additional services proposal for full design services, based upon the preliminary Schematic Design and Cost Estimate.

§ 3.1.1 The Architect shall manage the Architect's services, research applicable design criteria, attend Project meetings, communicate with members of the Project team, and report progress to the Owner.

§ 3.1.2 The Architect shall coordinate its services with those services provided by the Owner and the Owner's consultants. The Architect shall be entitled to rely on, and shall not be responsible for, the accuracy, completeness, and timeliness of, services and information furnished by the Owner and the Owner's consultants. The Architect shall provide prompt written notice to the Owner if the Architect becomes aware of any error, omission, or inconsistency in such services or information.

§ 3.1.3 As soon as practicable after the date of this Agreement, the Architect shall submit for the Owner's approval a schedule for the performance of the Architect's services. The schedule initially shall include anticipated dates for the commencement of construction and for Substantial Completion of the Work as set forth in the Initial Information. The schedule shall include allowances for periods of time required for the Owner's review, for the performance of the Owner's consultants, and for approval of submissions by authorities having jurisdiction over the Project. Once approved by the Owner, time limits established by the schedule shall not, except for reasonable cause, be exceeded by the Architect or Owner. With the Owner's approval, the Architect shall adjust the schedule, if necessary, as the Project proceeds until the commencement of construction.

§ 3.1.4 The Architect shall not be responsible for an Owner's directive or substitution, or for the Owner's acceptance of non-conforming Work, made or given without the Architect's written approval.

§ 3.1.5 The Architect shall contact governmental authorities required to approve the Construction Documents and entities providing utility services to the Project. The Architect shall respond to applicable design requirements imposed by those authorities and entities.

§ 3.1.6 The Architect shall assist the Owner in connection with the Owner's responsibility for filing documents required for the approval of governmental authorities having jurisdiction over the Project.

(Paragraphs deleted)

§ 3.1.7 The Architect shall provide the Owner with a complete set of CAD files at the completion of the project.

(Paragraphs deleted)

(Table deleted)

(Paragraphs deleted)

§ 4.2 Architect's Additional Services

The Architect may provide Additional Services after execution of this Agreement without invalidating the Agreement. Except for services required due to the fault of the Architect, any Additional Services provided in accordance with this Section 4.2 shall entitle the Architect to compensation pursuant to Section 11.3 and an appropriate adjustment in the Architect's schedule.

§ 4.2.1 Upon recognizing the need to perform the following Additional Services, the Architect shall notify the Owner with reasonable promptness and explain the facts and circumstances giving rise to the need. The Architect shall not proceed to provide the following Additional Services until the Architect receives the Owner's written authorization:

- .1 Services necessitated by a change in the Initial Information, previous instructions or approvals given by the Owner, or a material change in the Project including size, quality, complexity, the Owner's schedule or budget for Cost of the Work, or procurement or delivery method;
- .2 Services necessitated by the enactment or revision of codes, laws, or regulations, including changing or editing previously prepared Instruments of Service;
- .3 Changing or editing previously prepared Instruments of Service necessitated by official interpretations of applicable codes, laws or regulations that are either (a) contrary to specific interpretations by the applicable authorities having jurisdiction made prior to the issuance of the building permit, or (b) contrary to requirements of the Instruments of Service when those Instruments of Service were prepared in accordance with the applicable standard of care;
- .4 Services necessitated by decisions of the Owner not rendered in a timely manner or any other failure of performance on the part of the Owner or the Owner's consultants or contractors;
- .5 Preparing digital models or other design documentation for transmission to the Owner's consultants and contractors, or to other Owner-authorized recipients;
- .6 Preparation of design and documentation for alternate bid or proposal requests proposed by the Owner;
- .7 Preparation for, and attendance at, a public presentation, meeting or hearing;
- .8 Preparation for, and attendance at, a dispute resolution proceeding or legal proceeding, except where the Architect is party thereto;
- .9 Evaluation of the qualifications of entities providing bids or proposals;
- .10 Consultation concerning replacement of Work resulting from fire or other cause during construction;
or,
- .11 Assistance to the Initial Decision Maker, if other than the Architect.

(Paragraphs deleted)

§ 4.2.5 If the services covered by this Agreement have not been completed within six (6) months of the date of this Agreement, through no fault of the Architect, extension of the Architect's services beyond that time shall be compensated as Additional Services.

ARTICLE 5 OWNER'S RESPONSIBILITIES

§ 5.1 Unless otherwise provided for under this Agreement, the Owner shall provide information in a timely manner regarding requirements for and limitations on the Project, including a written program, which shall set forth the Owner's objectives; schedule; constraints and criteria, including space requirements and relationships; flexibility; expandability; special equipment; systems; and site requirements.

§ 5.2 The Owner shall establish the Owner's budget for the Project, including (1) the budget for the Cost of the Work as defined in Section 6.1; (2) the Owner's other costs, and, (3) reasonable contingencies related to all of these costs. The Owner shall update the Owner's budget for the Project as necessary throughout the duration of the Project until final completion. If the Owner significantly increases or decreases the Owner's budget for the Cost of the Work, the Owner shall notify the Architect. The Owner and the Architect shall thereafter agree to a corresponding change in the Project's scope and quality.

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§ 5.3 The Owner shall identify a representative authorized to act on the Owner's behalf with respect to the Project. The Owner shall render decisions and approve the Architect's submittals in a timely manner in order to avoid unreasonable delay in the orderly and sequential progress of the Architect's services.

§ 5.4 The Owner shall furnish surveys to describe physical characteristics, legal limitations and utility locations for the site of the Project, and a written legal description of the site. The surveys and legal information shall include, as applicable, grades and lines of streets, alleys, pavements and adjoining property and structures; designated wetlands; adjacent drainage; rights-of-way, restrictions, easements, encroachments, zoning, deed restrictions, boundaries and contours of the site; locations, dimensions, and other necessary data with respect to existing buildings, other improvements and trees; and information concerning available utility services and lines, both public and private, above and below grade, including inverts and depths. All the information on the survey shall be referenced to a Project benchmark.

§ 5.5 The Owner shall furnish services of geotechnical engineers, which may include test borings, test pits, determinations of soil bearing values, percolation tests, evaluations of hazardous materials, seismic evaluation, ground corrosion tests and resistivity tests, including necessary operations for anticipating subsoil conditions, with written reports and appropriate recommendations.

§ 5.6 The Owner shall provide the Supplemental Services designated as the Owner's responsibility.

§ 5.7 If the Owner identified a Sustainable Objective in Article 1, the Owner shall fulfill its responsibilities as required in AIA Document E204™-2017, Sustainable Projects Exhibit, attached to this Agreement.

§ 5.8 The Owner shall coordinate the services of its own consultants with those services provided by the Architect. Upon the Architect's request, the Owner shall furnish copies of the scope of services in the contracts between the Owner and the Owner's consultants. The Owner shall furnish the services of consultants other than those designated as the responsibility of the Architect in this Agreement, or authorize the Architect to furnish them as an Additional Service, when the Architect requests such services and demonstrates that they are reasonably required by the scope of the Project. The Owner shall require that its consultants and contractors maintain insurance, including professional liability insurance, as appropriate to the services or work provided.

§ 5.9 The Owner shall furnish tests, inspections and reports required by law or the Contract Documents, such as structural, mechanical, and chemical tests, tests for air and water pollution, and tests for hazardous materials.

§ 5.10 The Owner shall furnish all legal, insurance and accounting services, including auditing services, that may be reasonably necessary at any time for the Project to meet the Owner's needs and interests.

§ 5.11 The Owner shall provide prompt written notice to the Architect if the Owner becomes aware of any fault or defect in the Project, including errors, omissions or inconsistencies in the Architect's Instruments of Service.

§ 5.12 The Owner shall include the Architect in all communications with the Contractor that relate to or affect the Architect's services or professional responsibilities. The Owner shall promptly notify the Architect of the substance of any direct communications between the Owner and the Contractor otherwise relating to the Project. Communications by and with the Architect's consultants shall be through the Architect.

§ 5.13 Before executing the Contract for Construction, the Owner shall coordinate the Architect's duties and responsibilities set forth in the Contract for Construction with the Architect's services set forth in this Agreement. The Owner shall provide the Architect a copy of the executed agreement between the Owner and Contractor, including the General Conditions of the Contract for Construction.

§ 5.14 The Owner shall provide the Architect access to the Project site prior to commencement of the Work and shall obligate the Contractor to provide the Architect access to the Work wherever it is in preparation or progress.

§ 5.15 Within 15 days after receipt of a written request from the Architect, the Owner shall furnish the requested information as necessary and relevant for the Architect to evaluate, give notice of, or enforce lien rights.

ARTICLE 6 COST OF THE WORK

§ 6.1 For purposes of this Agreement, the Cost of the Work shall be the total cost to the Owner to construct all elements of the Project designed or specified by the Architect and shall include contractors' general conditions costs, overhead and profit. The Cost of the Work also includes the reasonable value of labor, materials, and equipment, donated to, or otherwise furnished by, the Owner. The Cost of the Work does not include the compensation of the Architect; the costs of the land, rights-of-way, financing, or contingencies for changes in the Work; or other costs that are the responsibility of the Owner.

§ 6.2 The Owner's budget for the Cost of the Work is provided in Initial Information, and shall be adjusted throughout the Project as required under Sections 5.2 and 6.5. Evaluations of the Owner's budget for the Cost of the Work, and the preliminary estimate of the Cost of the Work and updated estimates of the Cost of the Work, prepared by the Architect, represent the Architect's judgment as a design professional. It is recognized, however, that neither the Architect nor the Owner has control over the cost of labor, materials, or equipment; the Contractor's methods of determining bid prices; or competitive bidding, market, or negotiating conditions. Accordingly, the Architect cannot and does not warrant or represent that bids or negotiated prices will not vary from the Owner's budget for the Cost of the Work, or from any estimate of the Cost of the Work, or evaluation, prepared or agreed to by the Architect.

§ 6.3 In preparing estimates of the Cost of Work, the Architect shall be permitted to include contingencies for design, bidding, and price escalation; to determine what materials, equipment, component systems, and types of construction are to be included in the Contract Documents; to recommend reasonable adjustments in the program and scope of the Project; and to include design alternates as may be necessary to adjust the estimated Cost of the Work to meet the Owner's budget. The Architect's estimate of the Cost of the Work shall be based on current area, volume or similar conceptual estimating techniques. If the Owner requires a detailed estimate of the Cost of the Work, the Architect shall provide such an estimate, if identified as the Architect's responsibility, as a Supplemental Service.

(Paragraphs deleted)

ARTICLE 7 COPYRIGHTS AND LICENSES

§ 7.1 The Architect and the Owner warrant that in transmitting Instruments of Service, or any other information, the transmitting party is the copyright owner of such information or has permission from the copyright owner to transmit such information for its use on the Project.

§ 7.2 The Architect and the Architect's consultants shall be deemed the authors and owners of their respective Instruments of Service, including the Drawings and Specifications, and shall retain all common law, statutory and other reserved rights, including copyrights, except that the Architect assigns all rights to the Drawings and Specifications to the Owner for use in its discretion to complete the project. Submission or distribution of Instruments of Service to meet official regulatory requirements or for similar purposes in connection with the Project is not to be construed as publication in derogation of the reserved rights of the Architect and the Architect's consultants. Owner agrees to indemnify and hold harmless the Architect in accordance with Section 7.3.1 as a condition of the assignment.

§ 7.3 The Architect grants to the Owner a nonexclusive license to use the Architect's Instruments of Service solely and exclusively for purposes of constructing, using, maintaining, altering and adding to the Project, provided that the Owner substantially performs its obligations under this Agreement, including prompt payment of all sums due pursuant to Article 9 and Article 11. The Architect shall obtain similar nonexclusive licenses from the Architect's consultants consistent with this Agreement. The license granted under this section permits the Owner to authorize the Contractor, Subcontractors, Sub-subcontractors, and suppliers, as well as the Owner's consultants and separate contractors, to reproduce applicable portions of the Instruments of Service, subject to any protocols established pursuant to Section 1.3, solely and exclusively for use in performing services or construction for the Project. If the Architect rightfully terminates this Agreement for cause as provided in Section 9.4, the license granted in this Section 7.3 shall terminate.

§ 7.3.1 In the event the Owner uses the Instruments of Service without retaining the authors of the Instruments of Service, the Owner releases the Architect and Architect's consultant(s) from all claims and causes of action arising from such uses. The Owner, to the extent permitted by law, further agrees to indemnify and hold harmless the Architect and its consultants from all costs and expenses, including the cost of defense, related to claims and causes of action asserted by any third person or entity to the extent such costs and expenses arise from the Owner's use of the

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Instruments of Service under this Section 7.3.1. The terms of this Section 7.3.1 shall not apply if the Owner rightfully terminates this Agreement for cause under Section 9.4.

§ 7.4 Except for the licenses granted in this Article 7, no other license or right shall be deemed granted or implied under this Agreement. The Owner shall not assign, delegate, sublicense, pledge or otherwise transfer any license granted herein to another party without the prior written agreement of the Architect. Any unauthorized use of the Instruments of Service shall be at the Owner's sole risk and without liability to the Architect and the Architect's consultants.

§ 7.5 Except as otherwise stated in Section 7.3, the provisions of this Article 7 shall survive the termination of this Agreement.

ARTICLE 8 CLAIMS AND DISPUTES

§ 8.1 General

§ 8.1.1 The Owner and Architect shall commence all claims and causes of action against the other and arising out of or related to this Agreement, whether in contract, tort, or otherwise, in accordance with the requirements of the binding dispute resolution method selected in this Agreement and within the period specified by applicable law, but in any case not more than 10 years after the date of Substantial Completion of the Work. The Owner and Architect waive all claims and causes of action not commenced in accordance with this Section 8.1.1.

§ 8.1.2 To the extent damages are covered by property insurance, the Owner and Architect waive all rights against each other and against the contractors, consultants, agents, and employees of the other for damages, except such rights as they may have to the proceeds of such insurance as set forth in AIA Document A201-2017, General Conditions of the Contract for Construction. The Owner or the Architect, as appropriate, shall require of the contractors, consultants, agents, and employees of any of them, similar waivers in favor of the other parties enumerated herein.

§ 8.1.3 The Architect and Owner waive consequential damages for claims, disputes, or other matters in question, arising out of or relating to this Agreement. This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination of this Agreement, except as specifically provided in Section 9.7.

§ 8.2 Mediation

§ 8.2.1 Any claim, dispute or other matter in question arising out of or related to this Agreement shall be subject to mediation as a condition precedent to binding dispute resolution. If such matter relates to or is the subject of a lien arising out of the Architect's services, the Architect may proceed in accordance with applicable law to comply with the lien notice or filing deadlines prior to resolution of the matter by mediation or by binding dispute resolution.

§ 8.2.2 The Owner and Architect shall endeavor to resolve claims, disputes and other matters in question between themselves. If that is not successful, either party may file to have the issue(s) resolved by a Delaware court of competent jurisdiction. Provided however, the parties agree that upon such filing they will first submit the issue(s) for resolution through the mediation procedure and process of said court before litigation proceeds.

§ 8.2.3 The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

§ 8.2.4 If the parties do not resolve a dispute through mediation pursuant to this Section 8.2, the method of binding dispute resolution shall be the following:

(Check the appropriate box.)

Litigation in a court of competent jurisdiction
(Paragraphs deleted)

If the Owner and Architect do not select a method of binding dispute resolution, or do not subsequently agree in writing to a binding dispute resolution method other than litigation, the dispute will be resolved in a court of competent jurisdiction.

§ 8.4 The provisions of this Article 8 shall survive the termination of this Agreement.

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ARTICLE 9 TERMINATION OR SUSPENSION

§ 9.1 If the Owner fails to make payments to the Architect in accordance with this Agreement, such failure shall be considered substantial nonperformance and cause for termination or, at the Architect's option, cause for suspension of performance of services under this Agreement. If the Architect elects to suspend services, the Architect shall give seven days' written notice to the Owner before suspending services. In the event of a suspension of services, the Architect shall have no liability to the Owner for delay or damage caused the Owner because of such suspension of services. Before resuming services, the Owner shall pay the Architect all sums due prior to suspension and any expenses incurred in the interruption and resumption of the Architect's services. The Architect's fees for the remaining services and the time schedules shall be equitably adjusted.

§ 9.2 If the Owner suspends the Project, the Architect shall be compensated for services performed prior to notice of such suspension. When the Project is resumed, the Architect shall be compensated for expenses incurred in the interruption and resumption of the Architect's services. The Architect's fees for the remaining services and the time schedules shall be equitably adjusted.

§ 9.3 If the Owner suspends the Project for more than 90 cumulative days for reasons other than the fault of the Architect, the Architect may terminate this Agreement by giving not less than seven days' written notice.

§ 9.4 Either party may terminate this Agreement upon not less than seven days' written notice should the other party fail substantially to perform in accordance with the terms of this Agreement through no fault of the party initiating the termination.

§ 9.5 The Owner may terminate this Agreement upon not less than seven days' written notice to the Architect for the Owner's convenience and without cause.

§ 9.6 If the Owner terminates this Agreement for its convenience pursuant to Section 9.5, or the Architect terminates this Agreement pursuant to Section 9.3, the Owner shall compensate the Architect for services performed prior to termination, Reimbursable Expenses incurred, and costs attributable to termination, including the costs attributable to the Architect's termination of consultant agreements.

§ 9.7 In addition to any amounts paid under Section 9.6, if the Owner terminates this Agreement for its convenience pursuant to Section 9.5, or the Architect terminates this Agreement pursuant to Section 9.3, the Owner shall pay to the Architect the following fees:

(Set forth below the amount of any termination or licensing fee, or the method for determining any termination or licensing fee.)

.1 Termination Fee:

N/A

.2 Licensing Fee if the Owner intends to continue using the Architect's Instruments of Service:

N/A

§ 9.8 Except as otherwise expressly provided herein, this Agreement shall terminate one year from the date of Substantial Completion.

§ 9.9 The Owner's rights to use the Architect's Instruments of Service in the event of a termination of this Agreement are set forth in Article 7 and Section 9.7.

ARTICLE 10 MISCELLANEOUS PROVISIONS

§ 10.1 This Agreement shall be governed by the law of the place where the Project is located, excluding that jurisdiction's choice of law rules.

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§ 10.2 Terms in this Agreement shall have the same meaning as those in AIA Document A201-2017, General Conditions of the Contract for Construction.

§ 10.3 The Owner and Architect, respectively, bind themselves, their agents, successors, assigns, and legal representatives to this Agreement. Neither the Owner nor the Architect shall assign this Agreement without the written consent of the other, except that the Owner may assign this Agreement to a lender providing financing for the Project if the lender agrees to assume the Owner's rights and obligations under this Agreement, including any payments due to the Architect by the Owner prior to the assignment.

§ 10.4 If the Owner requests the Architect to execute certificates, the proposed language of such certificates shall be submitted to the Architect for review at least 14 days prior to the requested dates of execution. If the Owner requests the Architect to execute consents reasonably required to facilitate assignment to a lender, the Architect shall execute all such consents that are consistent with this Agreement, provided the proposed consent is submitted to the Architect for review at least 14 days prior to execution. The Architect shall not be required to execute certificates or consents that would require knowledge, services, or responsibilities beyond the scope of this Agreement.

§ 10.5 Nothing contained in this Agreement shall create a contractual relationship with, or a cause of action in favor of, a third party against either the Owner or Architect.

§ 10.6 Unless otherwise required in this Agreement, the Architect shall have no responsibility for the discovery, presence, handling, removal or disposal of, or exposure of persons to, hazardous materials or toxic substances in any form at the Project site.

§ 10.7 The Architect shall have the right to include photographic or artistic representations of the design of the Project among the Architect's promotional and professional materials. The Architect shall be given reasonable access to the completed Project to make such representations. However, the Architect's materials shall not include the Owner's confidential or proprietary information if the Owner has previously advised the Architect in writing of the specific information considered by the Owner to be confidential or proprietary. The Owner shall provide professional credit for the Architect in the Owner's promotional materials for the Project. This Section 10.7 shall survive the termination of this Agreement unless the Owner terminates this Agreement for cause pursuant to Section 9.4.

§ 10.8 If the Architect or Owner receives information specifically designated as "confidential" or "business proprietary," the receiving party shall keep such information strictly confidential and shall not disclose it to any other person except as set forth in Section 10.8.1. This Section 10.8 shall survive the termination of this Agreement.

§ 10.8.1 The receiving party may disclose "confidential" or "business proprietary" information after 7 days' notice to the other party, when required by law, arbitrator's order, or court order, including a subpoena or other form of compulsory legal process issued by a court or governmental entity, or to the extent such information is reasonably necessary for the receiving party to defend itself in any dispute. The receiving party may also disclose such information to its employees, consultants, or contractors in order to perform services or work solely and exclusively for the Project, provided those employees, consultants and contractors are subject to the restrictions on the disclosure and use of such information as set forth in this Section 10.8.

§ 10.9 The invalidity of any provision of the Agreement shall not invalidate the Agreement or its remaining provisions. If it is determined that any provision of the Agreement violates any law, or is otherwise invalid or unenforceable, then that provision shall be revised to the extent necessary to make that provision legal and enforceable. In such case the Agreement shall be construed, to the fullest extent permitted by law, to give effect to the parties' intentions and purposes in executing the Agreement.

ARTICLE 11 COMPENSATION

§ 11.1 For the Architect's Basic Services described under Article 3, the Owner shall compensate the Architect as follows:

- .1 Stipulated Sum
(Insert amount)

Task 001: Boundary and Topographic Survey	\$ 14,000
Task 002: Programming	\$ 15,000
Task 003: Concept Site / Building Plans	\$ 21,000
Task 004: Cost Estimate – Concept	\$ 5,000
Task 005: Preliminary Schematic Site / Architectural Design	\$ 65,000
Task 006: Cost Estimate – Preliminary Schematic	\$ 5,000
Task 007: Presentations	\$ 14,000
Task 008: Residual Land Planning	\$ 10,000
Total	\$149,000

(Paragraphs deleted)

§ 11.3 For Additional Services that may arise during the course of the Project, including those under Section 4.2, the Owner shall compensate the Architect as follows:

(Insert amount of, or basis for, compensation.)

In accordance with Becker Morgan Group, Inc.'s *Standard Terms and Conditions of Agreement* (01/01/19) DE, attached as part of our proposal, (Attachment A).

§ 11.4 Compensation for Additional Services of the Architect's consultants when not included in Section 11.3, shall be the amount invoiced to the Architect plus ten percent (10%), or as follows:

(Insert amount of, or basis for computing, Architect's consultants' compensation for Supplemental or Additional Services.)

(Paragraphs deleted)

(Table deleted)

(Paragraph deleted)

§ 11.7 The hourly billing rates for services of the Architect and the Architect's consultants are set forth below. The rates shall be adjusted in accordance with the Architect's and Architect's consultants' normal review practices.

(If applicable, attach an exhibit of hourly billing rates or insert them below.)

Refer to Becker Morgan Group, Inc.'s *Standard Terms and Conditions of Agreement* (01/01/19) DE, attached as part of our proposal (Attachment A).

(Table deleted)

§ 11.8 Compensation for Reimbursable Expenses

§ 11.8.1 Reimbursable Expenses are in addition to compensation for Basic, Supplemental, and Additional Services and include expenses incurred by the Architect and the Architect's consultants directly related to the Project, as follows:

- .1 Transportation and authorized out-of-town travel and subsistence;
- .2 Long distance services, dedicated data and communication services, teleconferences, Project web sites, and extranets;
- .3 Permitting and other fees required by authorities having jurisdiction over the Project;
- .4 Printing, reproductions, plots, and standard form documents;
- .5 Postage, handling, and delivery;
- .6 Expense of overtime work requiring higher than regular rates, if authorized in advance by the Owner;
- .7 Renderings, physical models, mock-ups, professional photography, and presentation materials requested by the Owner or required for the Project;
- .8 If required by the Owner, and with the Owner's prior written approval, the Architect's consultants' expenses of professional liability insurance dedicated exclusively to this Project, or the expense of additional insurance coverage or limits in excess of that normally maintained by the Architect's consultants, except that each of the Architect's consultants shall be required to maintain errors and omissions insurance at no additional cost to the Owner;
- .9 All taxes levied on professional services and on reimbursable expenses;
- .10 Site office expenses;
- .11 Registration fees and any other fees charged by the Certifying Authority or by other entities as necessary to achieve the Sustainable Objective; and,

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.12 Other similar Project-related expenditures.

§ 11.8.2 For Reimbursable Expenses the compensation shall be the expenses incurred by the Architect and the Architect's consultants plus ten percent (10 %) of the expenses incurred.

§ 11.9 Architect's Insurance. If the types and limits of coverage required in Section 2.5 are in addition to the types and limits the Architect normally maintains, the Owner shall pay the Architect for the additional costs incurred by the Architect for the additional coverages as set forth below:
(Insert the additional coverages the Architect is required to obtain in order to satisfy the requirements set forth in Section 2.5, and for which the Owner shall reimburse the Architect.)

N/A

§ 11.10 Payments to the Architect

(Paragraphs deleted)

§ 11.10.2 Progress Payments

§ 11.10.2.1 Unless otherwise agreed, payments for services shall be made monthly in proportion to services performed. Payments are due and payable upon presentation of the Architect's invoice. Amounts unpaid thirty (30) days after the invoice date shall bear interest at the rate entered below, or in the absence thereof at the legal rate prevailing from time to time at the principal place of business of the Architect.
(Insert rate of monthly or annual interest agreed upon.)

one percent (1 %)

§ 11.10.2.2 The Owner shall not withhold amounts from the Architect's compensation to impose a penalty or liquidated damages on the Architect, or to offset sums requested by or paid to contractors for the cost of changes in the Work, unless the Architect agrees or has been found liable for the amounts in a binding dispute resolution proceeding.

§ 11.10.2.3 Records of Reimbursable Expenses, expenses pertaining to Supplemental and Additional Services, and services performed on the basis of hourly rates shall be available to the Owner at mutually convenient times.

ARTICLE 12 SPECIAL TERMS AND CONDITIONS

Special terms and conditions that modify this Agreement are as follows:
(Include other terms and conditions applicable to this Agreement.)

ARTICLE 13 SCOPE OF THE AGREEMENT

§ 13.1 This Agreement represents the entire and integrated agreement between the Owner and the Architect and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both the Owner and Architect.

§ 13.2 This Agreement is comprised of the following documents identified below:

.1 AIA Document B101™-2017, Standard Form Agreement Between Owner and Architect
(Paragraphs deleted)

.2 Exhibits:

[
(Paragraphs deleted)

X] Other Exhibits incorporated into this Agreement:

(Paragraphs deleted)

Attachment A

This Agreement entered into as of the day and year first written above.



OWNER (Signature)

Arthur J. Campbell

Mayor

City of Milford

(Printed name and title)



ARCHITECT (Signature)

Gregory V. Moore, P.E.

Vice President

Becker Morgan Group, Inc.

(Printed name, title, and license number, if required)

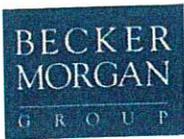


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User Notes:

(842285390)



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PLANNING OUR
CLIENTS' SUCCESS

January 25, 2019

Attachment A - Revised

Mr. Arthur J. Campbell
Mayor
City of Milford
201 South Walnut Street
Milford, Delaware 19963

Re **Professional Services**
MILFORD POLICE STATION
Milford, Delaware

Dear Mayor Campbell:

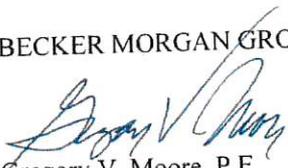
Becker Morgan Group, Inc. is pleased to have been selected to provide you with professional services proposal for the new Police Station in Milford, Delaware. We appreciate your confidence in our firm.

The attached is our understanding of the project scope and once agreed upon, will serve as Attachment A to our AIA B101-2017 Contract.

Thank you for the opportunity to be of service. Please do not hesitate to call with any questions or concerns.

Sincerely,

BECKER MORGAN GROUP, INC.


Gregory V. Moore, P.E.
Vice President

BDF/apg

enc: Proposal (11/29/18, Revised 01/10/19, Revised 01/25/2019)

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BECKER MORGAN GROUP, INC.

ARCHITECTURE & ENGINEERING

309 SOUTH GOVERNORS AVENUE
DOVER, DELAWARE 19904
302.734.7950
FAX 302.734.7965

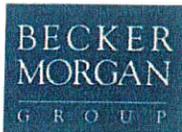
RITTENHOUSE STATION
250 SOUTH MAIN STREET, SUITE 109
NEWARK, DELAWARE 19711
302.369.3700

PORT EXCHANGE
312 WEST MAIN STREET, SUITE 300
SALISBURY, MARYLAND 21801
410.546.9100
FAX 410.546.5024

ARCHITECTURE & PLANNING

3333 JAECKLE DRIVE, SUITE 120
WILMINGTON, NORTH CAROLINA 28403
910.341.7600
FAX 910.341.7506

www.beckermorgan.com



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January 25, 2019
Milford Police Station
Page 2 of 6

Proposal / Agreement

Professional Services

MILFORD POLICE STATION

Milford, Delaware

Project Scope

It is our understanding this project includes the construction of a new police station for the City of Milford, Delaware. The new police station will be approximately 30,000 GSF, with the exact size determined through the design process described herein. The initial professional services effort required includes sufficient planning and design to determine the size, function, and appearance of the proposed police station and use for the adjacent land. This planning and design will yield realistic budgets for construction and graphic products suitable for public presentation. Our services will include internal design meetings with City Council, City Staff and Police Personnel to develop the concept designs. The work product will allow the City of Milford to hold a referendum on funding. Once a funding mechanism is established, the City will complete the project design using this work effort as the basis of design. The typical design process includes five (5) phases; they are: Concept, Schematic, Design Development, Construction Documentation and Bidding/Construction Phase. This proposal provides service through Phase Two - Schematic. The AIA B101 Standard Form of Agreement will allow this initial work to progress into Design Development, Construction Documentation and Construction Phase services if the City of Milford so desires.

The parcel for the new station is identified as MD-160183.07-01-65.00-000, is approximately 15.8 acres and zoned I1 within City of Milford jurisdiction. The City has also purchased an adjacent parcel, 56.00, of approximately 0.58 acres and zoned C3 within City of Milford jurisdiction. Becker Morgan Group, Inc. will provide the services necessary to survey the property, develop both building and site programming, develop conceptual and schematic level designs, as well as cost estimates at both milestones. Additionally, we will create graphic presentation materials for your use, as well as concept land planning for the residual lands on the parcel not needed for the police station facility.

The City of Milford was provided a space needs study for the police department by Redstone Architects, updated 10/24/16. We will utilize that report as the basis of our initial assessment and update the 2016 report as appropriate.

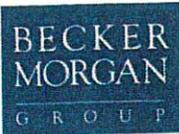
It is our understanding the City has engaged a public relations firm to help build public support and make presentations for the project. In addition to the internal design meetings, our work will include coordination and support for the public relations firm in the form of graphic presentation materials, as well as four (4) presentations before the public. We have included the creation of a 3-dimensional rendered model of the proposed building, as well as a rendered site plan. If your PR firm requires additional support, we will charge that as an Extra Service.

Based on our understanding of the project, we offer the following scope of services.

Services Scope

The scope of design services varies greatly with Public Safety type projects - from a few hours of consultation to comprehensive services. Comprehensive architectural services for this type of project will normally range between 6%-8% of the total project cost, and include the following design disciplines:

- Architecture
- Engineering (Civil, Structural, Mechanical, Electrical)
- Landscape Architecture
- Interior Design (Finishes and Furnishings)



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January 25, 2019
Milford Police Station
Page 3 of 6

These services are best rendered in phases and we propose to complete these initial services per your RFP, in order to develop the project parameters in preparation for a forthcoming referendum to secure full project financing.

Task 001: Boundary and Topographic Survey

We will perform a boundary survey of the parcels described above. We will locate any visible monuments and perform deed research to determine the properties extents. The boundary survey will be performed in accordance with Delaware State Survey Standards. The boundary survey will be on Delaware State Plane Horizontal (NAD83) Coordinate System. Upon completion of the boundary survey, we will set additional monuments as necessary. Upon completion of fieldwork, we will provide a signed and sealed boundary survey drawing.

We will perform a topographic survey. The topographic survey will locate existing structures, roadways/paved areas, visible or marked utilities, trees, and other existing conditions necessary to prepare a topographic base plan for the parcels. A topographic base plan will be prepared showing the existing boundaries of the property along with all field surveyed information along with contours at one-foot intervals and spot grades. The topographic survey will be on Vertical datum (NAVD88). Our survey will be based on the required data needed for site plan design. The City of Milford Public Works Department will provide utility as-built drawings to supplement Miss Utility markings. Private locator services are excluded from this proposal.

Task 002: Programming

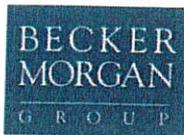
Using the Redstone report as a starting point, our team will visit and tour the existing station and conduct a preliminary review of the pros and cons of the existing facility and its operation. We will gather and review available documentation on the existing facilities and then conduct preliminary programming meetings, where we will meet and interview your departments and discuss adjacencies and space needs. The information gathered in the meetings will be compiled into a space needs evaluation spreadsheet document in tabular form, containing detailed square feet.

Task 003: Concept Site / Building Plan

We will then conduct a two (2) day space planning charrette (intense on-site meeting with decision makers) that will determine space needs (inclusive of space type, number of occupants, square foot size, individual space needs, spatial arrangement/adjacencies). Based on the information from the programming phase and charrette, we will provide a conceptual building plan. We will test fit the conceptual building plan onto the site using survey data gathered. We will also determine the parameters of the site dedicated to the police station and identify residual lands for other uses. The plans will depict the general layout of the site, including building footprint, parking areas, walkways, yard layout, preliminary stormwater management areas, and site entrances. We will begin developing conceptual elevations and identifying possible materials for the building. The plan will be digitally prepared. Our fee includes preparing one (1) conceptual plan and one (1) revision. If additional conceptual plan revisions are necessary, additional fees may be required.

Task 004: Cost Estimate - Concept

Based on the Concept Building and Site Plan, we will develop a preliminary magnitude of construction cost for the project. This is only intended to be a preliminary estimate of costs for discussion purposes. Detailed cost estimates will be developed during Schematic Design and again in the Construction Documents Phases.



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January 25, 2019
Milford Police Station
Page 4 of 6

Task 005: Preliminary Schematic Site / Architectural Plans

We will develop Schematic Plans as follows:

- Develop a schematic site plan, working in conjunction with the Architects to establish a viable access and circulation to the building. This proposal assumes that one (1) revision may be required for final plan approval.
- Prepare a code review to determine the effect of applicable codes on the site design.
- Develop parking, site circulation, entrances, stormwater management facilities, utility access, etc. The proposal is based on one (1) revision to the site plan for final Client approval. It is our understanding the site will be based upon the concept design renderings previously developed for this project.
- Establish all site construction systems.
- Make a preliminary landscape plan.
- Develop a schematic floor plan working in conjunction with the Civil Engineers to establish a viable size and arrangement. This proposal assumes that one (1) revision may be required for final plan approval.
- Prepare a code review to determine the effect of applicable building and life safety codes on the building design.
- Develop exterior building elevations of the building, describing the character and expression of the building. The proposal is based on one (1) revision to each of the elevations for final Client approval.
- Establish primary building and construction systems.
- Make preliminary selection of exterior materials.
- Attend one (1) kickoff meeting and three to four (3-4) Client review meetings during this phase.

Task 006: Cost Estimate – Preliminary Schematic

We will revise the concept cost estimate based on the schematic building and site plans. These estimates will be more accurate and detailed than the concept cost estimate and will be appropriate for public release as a construction cost estimate.

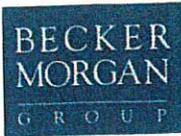
Task 007: Presentations

Based on the preliminary schematic building and site plans, we will develop 3-dimensional renderings of the building and site concept. A video will also be produced showing a fly-around of the proposed building. In coordination with your public relations firm, we will make four (4) public presentations of the project: two (2) before design charrette working groups to develop plans for the entire parcel, and two (2) before interested stakeholders to discuss solutions and cost estimates. During these public presentations, we will be available for questions and discussion, as needed.

Task 008: Residual Land Planning

The site will not be entirely used for the construction of the police station. We will provide concept land planning services to create a plan for the residual acreage not used by Milford Police. Our services include providing three (3) concept land plans:

- One will show the police station at the rear of the property, with commercial strip retail center along NE Front Street.
- Another will show the police station at the front along NE Front Street with residential lots shown toward the rear of the site.
- The final concept will show the police station with a community use, such as playground, park or other public use.



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We will incorporate each of the concepts into an overall property land plan that can be used as part of the graphic presentation.

We will provide the above-described services on a fixed fee basis in accordance with our *Terms and Conditions of Agreement (01/01/18)*, with an amount of:

<u>Task 001: Boundary and Topographic Survey</u>	\$ 14,000
<u>Task 002: Programming</u>	\$ 15,000
<u>Task 003: Concept Site / Building Plan</u>	\$ 21,000
<u>Task 004: Cost Estimate – Concept</u>	\$ 5,000
<u>Task 005: Preliminary Schematic Site / Architectural Design</u>	\$ 65,000
<u>Task 006: Cost Estimate – Preliminary Schematic</u>	\$ 5,000
<u>Task 007: Presentations</u>	\$ 14,000
<u>Task 008: Residual Land Planning</u>	\$ 10,000

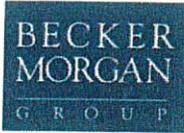
Estimated Total **\$149,000**

The above services shall be the minimum level recommended to achieve your objectives and determine a project budget.

Exclusions

- Regulatory Matters*: Variances; Exceptions; Amendments; Hearings; Review Meetings
- Surveying*: Subdivision Plats; Recordation; Agency Reviews; ALTA/ACSM Surveys; Recordation Drawings; As-Built Surveys; Construction Stake Out Services
- Studies*: Traffic; Community Impact Statements; Feasibility
- Environmental: Phase 1 and Phase 2 Studies; Forest Conservation Compliance*; Wetlands Delineation and Permitting*; Critical Areas Compliance*
- Engineering: Geotechnical (Soil Borings and Recommendations); Life Safety; Technology and Telecommunications
- Design of any Off Site Improvements or Utility Extensions to the Site*
- Design*: Interior Design [Furniture, Fixtures and movable Equipment (FF&E) Specification and/or Procurement; FF&E Color Coordination; Window Coverings]
- Other Consultants: Acoustical; Cost Control; Food Service; Building Envelope; Roofing; Scheduling
- Graphics*: Models; Project Signage;
- Fees: Filing; Review; Permits; Agency Approvals; Bonds
- Reproduction: Printing of Construction and Bid Sets of Drawings and Specifications
- Coordination of Owner/Tenant Provided Materials or Services

* Becker Morgan Group, Inc. has personnel qualified to perform these services as required.



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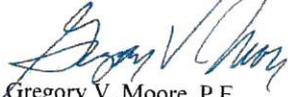
January 25, 2019
Milford Police Station
Page 6 of 6

Agreement Terms

Reimbursable items such as printing, mileage, shipping, etc. are not included in our fee, and will be billed separately. The attached *Terms and Conditions of Agreement* documents contract terms, and is hereby incorporated into this agreement. If this proposal is acceptable as written, please sign and return the original to our office.

Thank you for the opportunity to be of service.

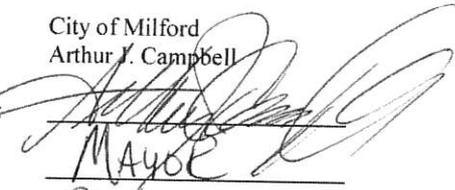
BECKER MORGAN GROUP, INC.


Gregory V. Moore, P.E.
Vice President


Brenden D. Frederick, AIA, LEED AP
Associate Principal

BDF/apg

City of Milford
Arthur J. Campbell

Accepted: 

Title: MAYOR

Date: Jan. 28, 2019

enc: *Terms and Conditions of Agreement* (01.01.19) DE

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**TERMS AND CONDITIONS OF AGREEMENT
For Professional Services**

Scope of Project and Services

See attached proposal/letter of agreement. All references herein to A/E means Design Professional - Architect, Engineer, Landscape Architect, Surveyor, or Interior Designer.

Fixed Fee Projects

Billings are based upon the percentage of completion of each phase of services.

Hourly Rate Schedule

Compensation for hourly services:

Project Support	\$ 40 - 125/hr
Technician	\$ 45 - 100/hr
Designer/Senior Designer	\$ 60 - 125/hr
Architect/Engineer/Interior Designer/Landscape Architect & Surveyor	\$ 90 - 150/hr
Senior Architect/Engineer/Interior Designer/Landscape Architect & Surveyor	\$100 - 150/hr
Associate	\$100 - 160/hr
Senior Associate	\$135 - 175/hr
Associate Principal	\$170 - 200/hr
Principal	\$195 - 225/hr
2 Man Survey Field Crew	\$170/hr
Expert Witness	1.5 x billing rate

Rates subject to change each January.

Any consultants required and authorized by the Owner will be billed at cost plus ten (10) percent.

Estimated Fees

Fee estimates are valid for sixty (60) days. Where an estimated total is given for hourly work, it shall not constitute an upset figure, but is provided to assist in project budgeting only.

Initial Payment

Services commence when the Owner's authorization is received with the initial payment, which will be applied to the final invoice.

Invoices

Invoices are sent monthly for services performed. Payment is due upon receipt. A late charge will be added thirty (30) days after the invoice date at 1.5% per month simple interest.

Reproduction Expenses

In-house reproduction expenses incurred in the interest of the project will be billed as follows:

Plots	Size	Regular	Color
	18x24	\$ 5.00	\$10.00
	24x36	\$10.00	\$15.00
	30x42	\$15.00	\$20.00
Photocopies	8 1/2 x 11	\$.15	\$.50
	8 1/2 x 14	\$.20	\$.75
	11x17	\$.25	\$ 1.00
Prints	18x24	\$ 2.00	
	24x36	\$ 3.00	
	30x42	\$ 4.00	

Reimbursable Expenses

Other expenses incurred in the interest of the project (travel, toll communications, postage, delivery, photographs, engineering or other consultants, renderings, models, etc.) will be billed monthly at cost plus ten (10) percent.

Government Agency Fees / Approvals

The owner shall pay directly (outside of Becker Morgan Group, Inc.'s fees and reimbursables) for all of the following governmental charges, including but not limited to: application fees, review fees, permit fees, plat recordation, governmental charges, impact fees, front footage assessments, water flow and pressure test, tap-in fees, bonds, transfer taxes, etc. Owner should investigate and budget these items in their total project development soft costs. Owner acknowledges that the approval process necessary to estimate or maintain a project timeline is both unpredictable and outside of the A/E's control. A/E does not guarantee approvals by any governing authority or outside agency, nor the ability to achieve or maintain any project timeline.

Additional Services

Services beyond those outlined in the attached Scope of Work, including for revisions due to adjustments in the scope, budget or quality of the project, for redesign of previously approved drawings, and for additional Construction Phase services, will be billed at hourly rates above or at fixed fees.

Change of Scope

All fees are subject to renegotiations if the original scope of service is changed or if services are not completed within two (2) months of the project's projected completion date indicated in the proposal.

Early GMP or Design / Build

If Owner solicits early GMP or Design / Build proposals based upon work-in-progress drawings or prior to A/E's receipt of, and response to, permitting comments, Owner acknowledges that any cost scheduling information resulting for such solicitations or procurement necessary will be subject to revision until the Construction Documents are finally completed and issued for construction, including all addenda. Any services required to highlight drawing changes associated with early GMP or Design / Build proposals shall be compensated as an Additional Service.

Fast-Track or Phased Project Delivery

If Owner requests or requires fast-track design services or early or phased construction document packages, Owner assumes the elevated risk that the design services and/or phased construction document packages will have errors, omissions or incomplete coordination. Accordingly, A/E shall have no liability to Owner with respect to fast-track design services or early or phased construction packages absent gross negligence on the part of the A/E.

Betterment

In the case of design errors or omissions that lead to an increase in the cost of construction, A/E shall have no liability to Owner for the portion of such cost increase that represents betterment or value added to the project.

Third-Party Beneficiaries

Neither the Contractor nor any other person or entity, apart from the Owner and A/E, are intended beneficiaries of the A/E's services. A/E does not warrant or represent that its services or the Construction Documents will be free from errors, omissions or ambiguities. Owner shall inform all prospective contractors and construction managers, in writing, that A/E makes no representation whatsoever to any prospective contractor, trade contractor or construction manager regarding the quality, completeness or sufficiency of the Construction Documents, for any purpose whatsoever.

Design Without Construction Review

It is agreed that if the professional services of the A/E do not extend to or include the review submittals, RFI's, and site observation of the contractor's work or performance,

the Owner will defend, indemnify and hold harmless the A/E from any claim or suit whatsoever, unless A/E is adjudicated to be solely at fault in connection with the claim or suit. Such claims shall include, but are not limited to payments, expenses or costs involved, arising from or alleged to have arisen from the contractor's or Owner's performance or the failure of the contractor's work to conform to the design intent and the contract documents.

Please note: Delaware Code Title 24 - Chapter 3 mandates an A/E is required for "construction contract administration services". If Becker Morgan Group, Inc. is not hired to provide these services, we are required by law to file a Construction Contract Administration Services Provider Change Form with the appropriate officials designating who will be providing the required services directly for the Owner.

Ownership of Documents

All documents (drawings, sketches, reports, etc.) prepared as instruments of service shall remain the copyrighted property of the A/E and are specific only to this project, Owner, and this Agreement. Work which is furnished, but not paid for, will be returned to the A/E and will not be used for any purpose by the Owner until payment in full is rendered. Owner agrees to indemnify, defend and hold A/E harmless for all claims arising out of Owner's reuse, misuse, modification or assignment of A/E's instruments of service. This provision shall survive termination of this Agreement.

Insurance

The A/E is protected by Workmen's Compensation, Professional Liability and Standard Public Liability Insurance. The A/E will not be responsible for any loss, damage or liability arising from Owner's negligent acts, errors or omissions or those by Owner's consultants, contractors, and agents or from those of any person whose conduct is not within the A/E's contractual responsibility.

Risk Allocation

Owner and A/E have discussed the risk, rewards and benefits of the project and the A/E's total fee for services. The risks have been allocated such that the Owner agrees that to the fullest extent permitted by law, A/E's total liability to Owner for any and all injuries, claims, losses, expenses, damages or claims expenses arising out of this agreement from any cause or causes, shall not exceed the total fee or \$30,000, whichever is greater. Such causes include, but are not limited to design professional's negligent errors, omissions, or breach of contract. This limitation of liability may be increased up to the limits of A/E's insurance coverage available to pay for said increased liability only if a mutually agreed increase in A/E's fees is negotiated and set to this or written amendment executed by both parties.

Termination of Agreement

This Agreement may be terminated by either party upon seven (7) days written notice should the other party fail substantially to perform in accordance with its terms through no fault of the party initiating the termination. This Agreement may be terminated by the Owner upon at least seven (7) days written notice to the A/E in the event the Project is permanently abandoned. In the event of termination not the fault of the A/E, the A/E shall be compensated for all services performed to termination date together with Reimbursable Expenses then due.

Environmental Hazards / Subsurface Conditions

The A/E does not perform services related to the identification, containment or removal of asbestos, hazardous waste, or any other environmental hazards, nor will it assume liability for any damages or costs related to these materials. Unless specifically included under A/E's scope of services, A/E assumes no liability for geotechnical engineering or any other analysis or testing of subsurface conditions (including soils and the location of any utilities or structures not visible on the surface).

Nonpayment/Work Stoppage

The A/E reserves the right to stop work on the project upon ten (10) days written notice to Owner for non-payment and withdraw any permit documents. A/E's stoppage of work shall be without liability for consequential or other damages resulting from the stoppage. Restart on the project after thirty (30) days of stoppage will require payment of additional fees.

Standard of Care

The Owner acknowledges the inherent risks associated with construction. In performing professional services, the A/E will use that degree of care and skill ordinarily exercised under similar circumstances by competent licensed A/E in the jurisdiction where the project is located. Under no circumstances shall any other representation (express or implied) or any type of warranty or guarantee be included or intended by the A/E during the completion of its services under this Agreement.

Successors & Assigns

The Owner and the A/E bind themselves, their partners, successors, assigns and legal representatives to the other party to this Agreement and to the partners, successors, assigns and legal representatives of such other party with respect to all covenants of this Agreement. Neither party shall assign, sublet or transfer any interest in this Agreement without the written consent of the other.

Affidavits / Certifications

Any affidavits or certifications required by government agencies, lenders, or others shall be written to include language acceptable to the A/E. The Owner shall not require certification that would require knowledge or assumption of responsibilities beyond the scope of this agreement.

Miscellaneous Provisions

Unless otherwise specified, this Agreement shall be governed by Delaware Law. Terms in this Agreement shall have the same meaning as those in AIA Document A201, General Conditions of the Contract for Construction, current as of the date of this Agreement.

Collection

If it is necessary to enforce collection on any amount past due under this agreement, the A/E shall be reimbursed for all legal and other reasonable costs related thereto, including (33%) attorney's fees, court costs, administrative time and other collection costs.

Certificate of Merit

The Owner shall make no claim (whether directly or in the form of a third party claim) against the A/E unless the Owner shall have first provided the A/E with a written certification executed by a licensed professional in the State of Delaware, specifying each and every act or omission which the certifier contends constitutes a violation of the standard of care expected of an A/E performing professional services under similar circumstances. Such certificate shall be provided to the A/E thirty (30) days prior to the presentation of any such claim.

Frivolous Suit or Counterclaim

In the event the Owner makes a claim (or counterclaim) or brings an action against the A/E for any act arising out of the performance of the services hereunder, and the Owner fails to prove

such a claim or action, then the Owner shall pay all legal and other costs incurred by the A/E in defense of such claim or action.

Electronic Media

If electronic media of project files are requested, the Owner or requesting party must sign an Electronic Media Release Form, plus remit \$200.00 per file, plus printing costs per sheet for one (1) record set for Owner and one (1) set for A/E.

Privity of Contract

Owner agrees that any claim against A/E will be based solely on breach of contract and Owner also agrees that any contract by the Owner with any contractor for work on the project shall specifically state that "Contractor shall make no claim against A/E for the project and Contractor's sole basis for claim shall be breach of contract against the Owner regardless of whether such claim is based on any alleged error or omission of the A/E." Contractor also agrees to place such a clause as this in all its agreements with any subcontractors for the project restricting their right to recovery to breach of contract against the contractor.

Repose

As between the parties to this Agreement, any applicable statute of limitations or repose will begin to run, and any cause of action will have accrued, not later than the date of the last invoice sent to Owner by A/E for project services performed. In no event shall Owner be permitted to make any claim against any party, including third parties not in a privity with this Agreement, after four (4) years from the date of substantial completion of the project or the date of the final payment to A/E for this project, whichever event occurs earliest (referred to as the date of repose), whether the basis of any claim is known or discovered before or after that date of repose.

Publicity

All publicity developed for this project will credit Becker Morgan Group, Inc. as the Architects/Engineers, as appropriate.

January 1, 2019

Becker Morgan Group, Inc.

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AIA Document G802™ – 2017

Amendment to the Professional Services Agreement

PROJECT: *(name and address)*
Milford Police Station
491 Northeast Front Street
Milford, Delaware 19963
BMG Project No. 2019030.00

AGREEMENT INFORMATION:
Date: January 25, 2019

AMENDMENT INFORMATION:
Amendment Number: 001
Date: February 5, 2021

OWNER: *(name and address)*
City of Milford
201 South Walnut Street
Milford, Delaware 19963

ARCHITECT: *(name and address)*
Becker Morgan Group, Inc.
309 South Governors Avenue
Dover, Delaware 19904

The Owner and Architect amend the Agreement as follows:

Upon voter approval of referendum for building approval on January 26, 2021, the project is moving forward into Phase II of the original RFQ, which includes the following scope:

- Complete Site Planning work up to and including City Council approval.
- Prepare and complete building plans and secure all necessary permits.
- Bid the project in conjunction with the City and in accordance with City procurement policies, the City Charter and the Delaware Code.
- Analyze bids and assist City with selection for award.
- Provide Construction Phase Services inclusive of attendance at bi-weekly progress meetings, review of submittals, RFI's, COR's, and Contractor Payment Applications, preparation of PunchList documents at Substantial Completion, and working with Owner's selected Construction Manager for review of Closeout Documents.
- We understand the current project schedule is to complete construction by March of 2023. We will work with Owner to confirm schedule as project develops.
- We understand the project will pursue LEED principles, but will not require LEED certification. If the Owner elects to pursue certification, we will provide a proposal for additional scope and compensation.

The Architect's compensation and schedule shall be adjusted as follows:

Compensation Adjustment:

The current contract has the following Tasks incomplete or partially complete and will be modified as follows:

Task 005 - Preliminary Schematic Site / Architectural Design - 40% (\$26,000 of the \$65,000 fee). Will be closed out and a credit for the balance of work completed in the amount of \$26,000 provided as part of this.

Task 006 - Cost Estimate - Preliminary Schematic - 0% complete (\$5,000). Will be voided, as this service to be completed by Owner's Construction Manager under separate contract.

Compensation shall be based upon 6% of the value of construction, as described by the State of Delaware Architect's / Engineer's Fee Schedule for this type of facility, Schedule B New Construction between \$10 - \$15 million construction cost. The current project budget is \$12 million, therefore, the fixed fee shall be \$720,000. If the project budget and final construction cost exceeds \$12 million, we will submit an amendment for additional services equal to 6% of the difference.

Current Contract Value = \$149,000

- + \$720,000 (Full Design Services Fee Task 009)
- \$26,000 (Credit for portion of Task 005 - completed)
- \$5,000 (Credit for voided Task 006)

Net Increase = \$689,000

Total Contract inclusive of this amendment - \$838,000 - excluding Reimbursables

Schedule Adjustment:

The anticipated construction completion date is March 2023, therefore, this contract is extended through April 2023 for completion of closeout procedures. If the project is extended beyond that, we may submit a proposal for extension of services.

SIGNATURES:

Becker Morgan Group, Inc.

ARCHITECT (*Firm name*)



SIGNATURE

Ernest W. Olds, AIA

Vice President

PRINTED NAME AND TITLE

February 5, 2021

DATE

OWNER (*Firm name*)

SIGNATURE

Arthur J. Campbell

Mayor

City of Milford

PRINTED NAME AND TITLE

DATE



MARK A. WHITFIELD, CITY MANAGER
201 South Walnut Street
Milford, DE 19963

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www.cityofmilford.com

To: Mayor and City Council
From: Mark Whitfield, City Manager
Subject: Amendment to Professional Service Agreement
Becker Morgan Design of Police Facility
Date: February 19, 2021

Attached for Council's consideration is an Amendment to the Professional Service Agreement with Becker Morgan Group, Inc to include the additional work for the design of the police station, including:

- Complete site planning work
- Complete building plans
- Securing permits
- Bidding the project
- Bid analysis and award recommendation
- Provide construction phase services
- Provide schedule and ensure work is done in a timely manner
- Pursue LEED principles in design

Becker Morgan's present contract with the City is for \$149,000. Due to work not needing to be completed under the present contract, a credit of \$31,000 will be applied. The additional work required, based on a \$12 million building, will be for a flat fee of \$720,000, bringing the total contract amount to \$838,000, excluding reimbursables. If the construction of the facility exceeds \$12 million, Becker Morgan will submit an amendment for additional services equal to 6% of the difference.

RECOMMENDATION: Staff recommends Council authorize the Mayor to execute the Amendment to the Professional Service Agreement with Becker Morgan Group, Inc, in an amount of \$838,000, excluding reimbursables. Money for the expenditure shall come from the Police and General Government Facilities Fund.



The governing body has recessed to Executive Session. The regular meeting will resume shortly.