

City of Milford



CITY COUNCIL AGENDA Monday, March 8, 2021

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

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/99564471456>

Members of the public may also dial in by phone using the following number:
Call 1 301 715 8592 Webinar ID: 995 6447 1456

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.

7:00 P.M. COUNCIL MEETING

Call to Order - Mayor Archie Campbell

Invocation

Pledge of Allegiance

Approval of Previous Minutes

Recognition

Introduction/City Employees

Introduction & Recognition/Milford Police Officers

DMI Presentation & Budget Request ²

Staff Reports

Monthly Police Chief Report

Monthly City Manager Report

Finance Department

Public Works Department

Planning & Economic Development Department

Parks & Recreation Department

Human Resources Office

Monthly City Finance Report

Committee & Ward Reports

Mission Review/Police Facility Citizens Advisory Committee ¹

Communication & Correspondence

Unfinished Business

Appointment/Parks & Recreation Advisory Board

Appointment/Planning & Zoning Commission

New Business

Ordinance Introduction:

ORDINANCE 2021-03/CONDITIONAL USE

Equitable Owners/Applicant Jason L. Sr. & Pamela T. James, on behalf of the City of Milford, submitted a Conditional Use petition to construct a 4,000 square foot building to be used as a personal fitness business on 1.0 +/- acres of land at Lot 8 of Independence Commons.

Address: 206 Liberty Way

Present Comp Plan Map Designation: Commercial

Present Zoning District: OC-1 (Office Complex District)

Present Use: Vacant Proposed Use: Personal Fitness

Tax Parcel: MD-16-173.00-01-02.12

Acceptance/FY20 Annual Audit

Bid Award/Annual Audit Services

Ratification/MPD Dispatchers/Teamsters Contract

Executive Session

Motion to Recess into Executive Session

Pursuant to 29 Del. C. §10004(b)(2) Preliminary discussions on site acquisitions for any publicly funded capital improvements, or sales or leases of real property;

Return to Open Session

Potential Vote/Property Sale/Lease

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.

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¹030221 Late Addition/Clarification Purposes

²030521 Workshop Removed and Item Added to Regular Meeting (Needed to accommodate Chief Brown's Request for Additional Police Committee Meeting Time.



City of Milford City Council
Minutes of Meeting
December 16, 2020

The City Council of the City of Milford held a meeting by the way of video conferencing (Zoom) which was available for public view and participation as permitted.

PRESIDING: Mayor Archie Campbell

IN ATTENDANCE: Councilpersons Daniel 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

Mayor Campbell convened the Council Workshop/Retreat at 6:38 p.m.

1. *Review Existing Plans*

Strategic Plan - <http://www.cityofmilford.com/431/Strategic-Plan>

2018 Comprehensive Plan - <http://www.cityofmilford.com/81/Comprehensive-Plan>

Residential Developments

Commercial Developments

Industrial/Business Parks (Masten Circle, GMBP, Independence Commons, Future?)

Employment Centers (Milford Wellness Village, Sussex Health Campus, Innovation Park)

SE Neighborhood Master Plan (including TID, TDR program, Utility Planning) -

<http://www.cityofmilford.com/81/Comprehensive-Plan>

Downtown Master Plan (Rivertown Rebirth 2025) & Downtown Development District Program -

<http://www.cityofmilford.com/DocumentCenter/View/2175/DDD-Plan?bidId=>

Bicycle and Pedestrian Master Plan - www.cityofmilford.com/461/Bicycle-Master-Plan

City Manager Whitfield explained that tonight's focus would be economic development and open space.

He then reviewed the strategic plan adopted by City Council in 2018 that was used as a guiding document for staff. City Manager Whitfield provided updates on the objectives of the plan, along with how City staff is working to achieve them.

Councilman James shared that he felt the addition of a Behavioral Health Staff Member in the Police Department will enhance the safety of the community. Mayor Campbell agreed but reminded everyone that there needs to be money added to the budget for the clinicians in the Police Department.

Director Pierce then shared information on the Planning Department. The 2018 Comprehensive Plan was discussed and the process that establishes goals for the future of the City. This is accomplished by analyzing current and projected conditions and laying out steps to help Milford reach its land use and development goals. The authority to plan lies with the Planning Commission, City Planner, and the City Manager through the City Charter.

Director Pierce also discussed the Land Use section of the Comprehensive Plan. At the time of the development of the 2018 Comprehensive Plan, approximately 46% of the land within the City was either vacant or agricultural use.

Director Pierce shared graphs of the housing pipeline for the City that include active projects, project approvals not yet started, projects under review, total planned units and land within City limits where there is no development plan submitted to date. Director Pierce shared the total planned units for the City include 1,340 single-family detached, 48 single-family semi-detached, 898 townhouses, 1,447 garden apartment and 1,527 condominium units. There are a total of 5,260 housing units in the process of being approved by the City.

It is estimated there could be 10,780 possible units within the existing City limits without annexing any additional properties. At the time of the 2018 Comprehensive Plan, Milford had approximately 4,300 dwelling units. Staff projected 200 new housing units permits during the 2020 calendar year though that number was 203 as of the end of November 2020.

Director Pierce discussed the Land Use relating to the Comprehensive Plan. He also shared maps showing the land uses and zonings in the various areas of the City.

Director Pierce noted that in regard to C-3 Highway Commercial land, there are currently 304 +/- acres developed, 386 +/- acres vacant/underutilized and 56% vacant. He added that Route 1 contains 256 +/- acres of vacant C-3 land.

Councilman Culotta asked if Director Pierce could explain the process that occurs when property is being developed and the zoning needs to be changed. Director Pierce replied that if the area is not zoned for what they desire to use it for, he prefers to steer them to other areas in the City that are zoned for that particular need. Councilman Culotta asked what the process would be if the developer wanted their location to be in the area that is zoned improperly for their needs. Director Pierce replied that it would require a zoning change. It is recommended that the change come from an elected official rather than a staff member. Once an elected official gets the request for a zoning change, they would pass that along to the City Manager to contact his staff.

Councilman James clarified that when it is stated that something is not allowed per code, does that mean it would not be allowed under a conditional use. Director Pierce replied the code lists the permitted uses under each classification and then the uses that require a conditional use. Anything not part of the list is not permitted.

Director Pierce then discussed Industrial Future Land Use showing maps of the areas in the City. There some areas that with similar industrial neighbors that have rail access which would be appropriate for Industrial businesses.

Director Pierce moved on to discuss Employment Future Land Use that is laid out as Institutional Medical, Institutional Service and Institutional Development. Currently, there are only three areas of the City with this zoning—they include the Sussex Health Campus, Milford Wellness Village and Lands of Innovation Park, LLC. Director Pierce shared maps of these areas with Council.

Director Pierce reviewed the maps showing the Annexation Plan and Urban Growth Boundary as well.

He then discussed the components of the Comprehensive Plan that include Southeast (SE) Neighborhood Master Plan, Rivertown Rebirth Master Plan, Downtown Development District Plan and the Bicycle & Pedestrian Master Plan. This was adopted as part of the 2008 Comprehensive Plan in 2011. Those plans focus on building out in phases with the completion of a detailed utility plan, transportation plan and a more predictable development pattern. The point of master planning is to make things more shovel-ready and reduce the amount of time it would take to develop these areas.

In these master plans there were three goals--to preserve open space east of Route One and funnel development into certain areas of the master plan, establish a transportation improvement district and a master plan for water and other utilities.

The TDR program is a partnership with the Delaware Department of Agriculture. This aims at reducing urban sprawl by promoting the preservation of lands east of the City in the SE Neighborhood. City Council adopted an ordinance back in 2019 and that information is available on the website.

The second component is the TID that was presented to City Council in March 2019. The City Council authorized the execution of the SE Neighborhood Transportation Improvement District Agreement in April 2019. Staff finalized future build-out scenarios and with the assistance from DelDOT created a traffic model. In October 2020, staff met with DelDOT to review the findings of the model and traffic improvements. Some adjustments were needed after the DelDOT review. Findings will be presented to City Council prior to moving forward with the final project list, along with cost estimates anticipated in early 2021.

In terms of the water utility plan for the SE Master Plan, the City is responsible for designing and installing regional water infrastructure. A Water Tower was constructed by the City and several water mains installed west of Route 1 and north of Cedar Creek Road. Future expansions include water main installations east of Route 1 and south of Johnson Road. These projects will appear in the five-year Capital Improvement Plan.

In relation to the sewer utility plan, the City is responsible for designing and private development is responsible for installing regional sanitary sewer infrastructure as is required in the SE Master Plan. The SE Regional/Route 30 Pump Station was installed to serve properties north of Johnson Road. There are proposed plans for future design of a sewage pumping station and conveyance south of Johnson Road, and a sewer pumping station east of Route 1. These projects will also appear in the five-year Capital Improvement Plan. Director Pierce added that the City should consider being a participant in construction

regional infrastructure with repayment provisions (Aid-In-Construction Fee), similar to what was done for the SE Regional/Route 30 Pump Station that serves Bayhealth.

Director Pierce stated that the City is required to submit an annual report on the implementation of the Comprehensive Plan to the Office of State Planning Coordination.

City Manager Whitfield commented about the creation of another industrial park. He would like to get Council's input on that idea to see if there is a desire to move that forward. Inquiries are coming in, typically for large warehouse-type structures that the City currently cannot accommodate at this time.

Councilman Culotta directed Council to read the Comprehensive Plan in detail so it is well known by everyone. He added that the City needs to be competitive to create business and industrial opportunities within the City.

Councilman James pointed out that having big industrial sites is a need if the City is looking to create a large number of jobs. He believes that it is a worthy initiative to explore the option if we wish to be competitive in those areas.

Councilman Boyle asked how the City is geographically competitive with other cities; Councilman James replied that the logistics business is changing daily because of increasing e-commerce. Therefore, a business no longer needs as much space but prefers being close to major roadways such as Route 113, Route 14, and Route 1.

Councilwoman Wilson feels that large industrial facilities make sense. She added that the City should be prepared in case someone is ready to purchase. She likes the information to be available so the developer is well versed and does not have to take steps backward.

Councilman Fulton agreed that looking into another industrial park with warehouse abilities is a great idea. He suggested looking at the many vacant spaces available throughout the City as well. He added that the City of Milford is in a prime location as a hub for e-commerce.

Councilman Culotta asked how the Council could be better prepared for potential opportunities that come before the City and what the Mayor and Council can do to help these developers; Director Pierce explained there is not always contact information available. He added that there are times developers do not want their plans or names revealed. If there are serious projects that come up, the City Manager, Mayor, and other qualified people become involved.

City Manager Whitfield shared there is roughly \$47 million in the reserve account that could be leveraged in an industrial park which would provide a return on that investment. There is currently a large demand for industrial land and large parcels that can be used by the entity. Director Pierce added that there could be some conceptual planning funds that might be set aside.

Councilman Boyle suggested looking at what is available and develop a land-use plan designed to increase the industrial capabilities within the city.

Councilman Baer asked about the vacancies are in the warehouses on Marshall and McColley Streets; Director Pierce replied that there was one that was recently renovated by taking multiple buildings and combining them into one. He added that he would consider some of the properties are underutilized and has been in contact with the property owner to provide as much help as possible.

Mayor Campbell shared that in the summer months, there is a lot of traffic in and around the city. So, unless the trucks are going west, they will likely experience problems with traffic. Councilman Culotta added that is a great point because traffic is an issue in the summertime. However, there are many metropolitan areas nearby and the cost to work or store in this area would be cheaper and more appropriate for those industries.

Director Pierce then reviewed the Downtown Master Plan and Rivertown Rebirth that was completed in September of 2015 and incorporated into the City's 2018 Comprehensive Plan.

The main recommendations of this plan to better engage the river and to consider ways to make stronger connections to the river. Director Pierce shared overall exhibits that were included in the packet. There were large and small-scale projects discussed and included in the packet.

He said the Master Plan includes a strategy board to designate responsibility and provide a guide for implementation.

The Rivertown Rebirth was formed in 2017 to assist with the identification and prioritization of publicly funded projects from the Rivertown Rebirth master plan. The committee was composed of representatives from DMI, the Chamber of Commerce, the Entrepreneurs Network, two private property owners and two business owners. The group identified 32 projects, developed descriptions and rough cost estimates and prioritized those items. Director Pierce then shared a table of the projects by ranks of the projects. The majority of the 32 ranked projects are included in the City's five-year Capital Improvement Plan.

Director Pierce then discussed Milford's Downtown Development District (DDD) projects. Since September 2016, there have been 71 total projects of which 7 are large and 64 small projects. There has been \$22.1 million in total private investment and \$2.68 million reserved or awarded in state grant funds. To date, the City has waived \$346,000 in fees for completed projects. Director Pierce then shared pictures of some of the DDD projects.

Mayor Campbell asked when the DDD program expires; Director Pierce replied that it is good for ten years and would expire in 2026. However, the Governor and the state can re-up the City for additional periods of funding.

Mayor Campbell asked when the Opportunity Zone expires though Director Pierce is unsure and falls under the federal tax relief program.

Director Pierce then discussed the Bicycle and Pedestrian Master Plan that was updated in 2020. City Council will need to review and adopt the master plan upon completion of the final draft, which he anticipates in the next few months. It is intended to create a sidewalk master plan exhibit showing where sidewalks are most desired after the adoption of the Bicycle Master Plan.

Councilman Marabello if there was any resistance from homeowners regarding the bicycle plan as to which streets will be involved. Director Pierce replied not yet though the comments received to date are they want to see more of such a plan.

2. *Specific Economic Development Incentive Programs (SEDIP)*

https://library.municode.com/de/milford/codes/code_of_ordinances?nodeId=PTIADLE_CH19ECDERE

Greater Milford Business Park

Downtown Development District Program

City-wide Job Creation & Capital Investment Program

Director Pierce also reviewed Specific Economic Development Incentive Programs that have been established. He then reviewed the incentives provided for the Greater Milford Business Complex. The Downtown Development District incentives were also reviewed.

Director Pierce then discussed the City-Wide Job Creation and Capital Investment program. Councilman Culotta asked the threshold for the number of jobs that need to be created. Director Pierce replied that it is 25 or more full-time jobs, defined as a minimum of 30 hours per week.

3. *Parks and Open Space*

State Comprehensive Outdoor Recreation Plan -

www.destateparks.com/wwwroot/downloads/SCORP/SCORP%202018.pdf

Parks by Wards/Neighborhoods/Developments

Delaware Nature Society Partnership

WIIN grant (Mispillion and Cedar Creek Watershed Study)

Riverwalk Expansion

Washington Street Recreational Development

Lear Hall & Marshall Pond Property

Parks and Recreation Director Dennehy then discussed the four key plans his department abides by--the Comprehensive Plan, the Strategic Plan, the State Outdoor Plan and the Rivertown Plan. The important key is funding which comes from the capital improvement plan.

Director Dennehy reviewed the State Comprehensive Recreation Plan that is needed to receive federal funding. This document helps guide investment at a state-level specifically in the distribution of the Federal Land and Water Conservation Trust Fund and the Delaware Outdoor Recreation, Parks and Trails Program monies.

Director Dennehy pointed out that there is a real sense of ownership for what is being offered in Milford for outdoor recreation. For instance, he receives numerous calls about the dog park which he said is good. It is important to figure out what people want in our community.

If a vibrant community is desired, then more parks and recreation facilities are needed in Milford.

Milford has been awarded over \$2 million for 22 different park projects from the ORPT state program.

Director Dennehy then reviewed the parks by wards, neighborhoods and developments. He referenced the importance of where the parks are located and where development is occurring.

Director Dennehy shared information about the Play Outside app available on iphones that show all amenities throughout the State. If you plug in a specific address, it will give you the public parks within a three-mile radius.

Director Dennehy asked the Council to think about what is currently in their wards and what they feel that their constituents would like to see.

Director Dennehy then talked about the issues and challenges for his department. They include a growing population, figuring out what different demographics people would like to see, accessibility of parks for all residents, a trail system that promotes connectivity and relationships between existing amenities, and the need for on-going maintenance.

Director Dennehy spoke about the partnership the City has with the Delaware Nature Society. He reviewed the many reasons why it is important to partner with them and included them in the packet.

The Parks and Recreation Department is proposing several activities for Spring 2021. They include a monthly family canoe series for the Mispillion River Watershed Mispillion River and the surrounding ponds, a bird banding session on Goat Island in May, a monthly adult nature lecture series accompanied by field trips, and the Annual Delaware Bay Horseshoe Crab Spawning Survey in May and June. He added that moving forward there is a huge growth potential for all ages in Milford to discover nature in hands-on nature educational programs, summer camp, school/group programs, and more.

A discussion was held about the pandemic and how that is affecting the current programs and what the plan would be once the pandemic is over.

Director Dennehy then talked about the WIIN (Waterways Infrastructure and Investment Network) Grant (Mispillions and Cedar Creek Watershed Study) which is a partnership between the City of Milford, Slaughter Beach, Sussex and Kent Counties, the Resilient and Sustainable Communities League (RASCL) and the Pew Charitable Trusts. The program will explore ecotourism and nature-based investments that produce "win-win" benefits of economic opportunity and community resilience to climate and land-use changes.

There was \$110,042 awarded by the National Fish and Wildlife Foundation with matching funds or in-kind support from the Pew Charitable trusts, Sussex County and the Delaware Sea Grant for a total of \$220,090 committed to the project.

Director Dennehy discussed plans for an expansion at the Riverwalk. Mispillion River Greenway (Riverwalk) with the inclusion of the nature trail on Goat Island, is the largest municipal park in the state. The entire gateway stretches from Silver Lake in the west to Goat Island in the east and includes close to three miles of walking trails and multiple bridges. Goat Island was the last section to be developed but the first purchased in 1976. The idea was the greenway should help protect and prepare the city's natural resources, help develop the inner community by establishing a corridor, provide water-based

recreation, and help preserve and protect existing fish and wildlife habitat. Last year, the city completed an almost two-year project of removal and replacement of an elevated wooden section of the Riverwalk at a cost of almost \$375,000.

Director Dennehy emphasized that maintenance is a key component and needs to be budgeted, which should include any expansion plans.

Director Dennehy reviewed the Living Shoreline section of the Rivertown Rebirth Steering Committee plan. A discussion about the causeway of Goat Island followed.

Director Dennehy shared pictures of the riverwalks' maintenance issues that have occurred over the years.

Director Dennehy asked for input from Council regarding the rebirth plan. He discussed potential items to be included in the plan and items that had been identified. Many ideas have been thought about but it all depends on funding.

He also talked about the potential in the Lear Hall and Marshall Pond Property. There are about eight acres of which about six acres have open space. There are some issues with the property that include overgrowth around the shoreline, no access to the water, unknown water quality, and the lack of a picnic pavilion, seating nor bathrooms. There has been some interest shown by the Milford Rotary Club about taking it on as a project and trying to restore it to some of its former glory.

Councilman Fulton asked if the pond is still contaminated or if that was being taken care of. Director Dennehy replied that the first step needed is a water quality assessment.

City Manager Whitfield commented that he has had discussions with Director Dennehy about access to various parks. In addition, the need for each ward to have a park available to citizens that live within that ward. He believes it is also important to create connectivity with the walking paths and bicycle paths that would connect to downtown.

4. *City Properties*

Repurposing City property

Former M&T Site

Walnut/Front Parking Lot

Armory

City facilities

Customer Service

Police

City Hall

Public Works

Parks & Recreation

City Manager Whitfield shared some ideas about repurposing city properties including the Walnut/Front Street parking lot and the Armory, as well as the M&T Bank area.

City Manager Whitfield then discussed the best use of several facilities through these long-term items that need to be considered for the future.

There being no further business, the Workshop/Retreat concluded at 9:05 p.m.

Tracy N. Torbert
Transcriptionist

MILFORD CITY COUNCIL
Minutes of Public Works & Finance Meeting
January 11, 2021

The Public Works and Finance Committee of the City of Milford convened by the way of video conferencing which was available for public view and participation as permitted.

PRESIDING: Chairman Jason James, Sr.

IN ATTENDANCE: Mayor Archie Campbell

Committee/Councilmembers Daniel Marabello, Andrew Fulton and Douglas Morrow

STAFF: City Manager Mark Whitfield and City Clerk Terri Hudson

CALL TO ORDER

Chairman James called the Committee Meeting to order at 6:05 p.m.

Capital Project Update

Director Svaby shared that in the absence of City Engineer James Puddicombe, he has a profile tonight. As far as capital projects are concerned, we have settled seven water/sewer projects and three are street projects. The street projects are centered around water lines that are lead concrete and the altitude valve at the Caulk tower.

On the sewer projects, research is continuing on the I&I in terms of what our fees will be to Kent County.

Public Works Director Svaby has combed all the records here and he is unable to provide some more specific details at this time. However, Finance Director Lou Vitola will be following and will report on those financial balances.

However, in terms of capital projects, the department has a good identification of what the three disciplines-- the water, sewer and street projects.

The Director noted that the City Engineer will be back and can report in further detail at that time.

CIP Financial Update

Finance Director Lou Vitola reviewed the CIP financials provided in the packet with information through December 31st. At that time, only \$1.3 million, or about 28% of the \$4.7 million authorized has been spent. This budget year due to a very uncertain economic environment, the City Manager directed staff at that time to delay non-essential purchases and projects until the second half of the year or as long as possible. Currently, there are no less than fourteen concurrent projects ongoing.

There is currently \$34,989 that will come out of the MSA fund for engineering services. This work has been authorized by the Council in July for KCI to do engineering work. The work was done from July 24 to October 1st, and KCI billed for the work on October 28th.

Councilman Marabello asked if all of the numbers shown were included in the budget; Director Vitola replied that the information is not part of the budget. They are a part of the CIP discussions as they are developed. Unfortunately, there are many unknown costs so they are not usually part of the budget.

Councilman Marabello asked why everything, including the 21 capital items, are not reflected on the restricted funds of the cash investment balances. Director Vitola replied that many of them are and then referenced a few examples.

Mayor Campbell asked what the \$899,000 total approved under vehicles in the Electric Department was for and Director Vitola explained the line truck was budgeted a few years ago, along with some other equipment that needed replacing.

When asked if all of this equipment was going to be purchased for FY21, Director Vitola said his understanding is that it needs to be a significant need if authorized. City Manager Whitfield added that roughly \$610,000 of that amount was equipment that was purchased or encumbered in FY20. Therefore, most of those pieces are ordered, but typically take almost a year to come in. For FY21, there was roughly \$289,000 worth of equipment and again, most has been ordered but is still in a holding pattern.

Director Svaby stated that 80-90% is done with a longer-term replacement schedule. The schedule will then overlay.

Chairman James pointed out that the replacement schedule is an extremely important document and the best guiding document that provides disclosure and a valuable forecast.

Director Svaby confirmed that the depreciation schedule is incorporated into CIP timeline.

A discussion was held about the number of projects being assigned a standardized name and number which makes it easier to track. It was also suggested to separate the fiscal years going forward to avoid confusion.

Audit Update

Director Vitola shared that there are still some issues being worked through at this time. He is hoping to have it completed by the end of February. He has made contact with the auditors who advised that they are able to do their part as long as the financial statements are published by January 31st.

Chairman James stressed that he values accuracy when it comes to the audit report and thanked Director Vitola for taking the time to fix errors that need to be corrected.

Director Vitola reported that it is intended to issue the RFP for audit service as soon as possible.

Fund Policy/Utility & General Fund

Director Vitola shared that a lot of the work and recommendations came from either the GFO or our independent third-party professional rate consultants. The rate consultants have provided the cost-of-service studies along with water, sewer,

electric and solid waste in recent years. Many of this work was already completed by heavily accredited professionals. This information was specific to Milford's needs based on input from City Staff and the City Manager.

Director Vitola discussed the draft report that was included in the packet. Director Vitola talked about the goals and benefits of putting a policy like this in place. A discussion was held about the benefits to the Finance Department and the elected officials and the importance of having a replacement schedule and a policy such as the one that is proposed.

Director Vitola explained that there is not a real rush to get this policy put into place. He would suggest to have the members of this Finance Committee, in addition to the Department Directors, further review the policy. Then, have it come back in March when the CIP plans are being reviewed along with the early phases of the FY22 budget.

City Manager Whitfield agreed that this will continue to be worked on for the next two to three months. He would like to get something adopted by fiscal year end though he and the Finance Director want to make sure the policy is precise.

Mayor Campbell expressed that he felt that Council should focus on the balance in the reserve accounts and restricted funds along with long-term large projects. City Manager Whitfield agreed that is what the City is gearing towards; the City has a healthy reserve balance at this time.

Mayor Campbell added that he believes it needs to be transparent and the funds treated in a very cautious manner.

Chairman James pointed out that transparency is important to show all of the account balances along with the expenditures. He added that all of this information is available for anyone that desires to view it, though the bottom-line numbers are often misleading.

Councilman Marabello agreed noting how important it is that all of the elected officials understand it this so that they can respond to any questions when asked.

Councilman Morrow feels that this is a good structure to have especially for newly elected officials.

Director Vitola stated that he is going to add the purpose of the policy and circulate it to Department Directors for more review and comments.

Chairman James asked for any additional comments or questions and there were none.

Adjournment

Due to the time and the scheduled Council Meeting, the sidewalk project update was postponed until the next committee meeting.

As a result, the Finance and PW Committee meeting concluded at 6:58 p.m.

Tracy N. Torbert
Transcriptionist

MILFORD CITY COUNCIL

Minutes of Meeting

January 11, 2021

The City Council of the City of Milford convened their regular meeting by the way of video conferencing which was available for public view and participation as permitted.

PRESIDING: Mayor Archie Campbell

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

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

COUNSEL: Solicitor David Rutt, Esquire

CALL TO ORDER

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

INVOCATION AND PLEDGE

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

APPROVAL OF PREVIOUS MINUTES

Included in the packet were minutes from the November 9, 2020 Finance and Public Works Committee Meeting, November 9 & 23, 2020 Council Meetings and November 23, 2020 Police Committee Meeting. Motion made to approve by Councilmember Boyle, seconded by Councilmember Fulton seconded. Motion carried.

RECOGNITION

Proclamation 2021-01/Honoring Martin Luther King, Jr. was provided.

PROCLAMATION 2021-02/HONORING DR. MARTIN LUTHER KING JR.

Whereas, Dr. Martin Luther King Jr. devoted his life to advancing equality, social justice, and opportunity for all, and challenged all Americans to participate in the never-ending work of building a more perfect union; and

Whereas, Dr. King's teachings can continue to guide and inspire us in addressing challenges in our communities; and

Whereas, the King Holiday and Service Act, enacted in 1994, designated the King Holiday as a national day of volunteer service, and charged the Corporation for National and Community Service with leading this effort; and

Whereas, since 1994 millions of Americans have been inspired by the life and work of Dr. Martin Luther King Jr. to serve their neighbors and communities on the King Holiday; and

Whereas, serving on the King Holiday is an appropriate way to honor Dr. King, meet local and national needs, bring our citizens together, and strengthen our communities and nation; and

Whereas, the King Day of Service is the only federal holiday commemorated as a national day of service, and offers an opportunity for Americans to give back to their communities on the holiday and make an ongoing commitment to service throughout the year; and

Whereas, King Day of Service projects are being organized by a wide range of nonprofit and community organizations, educational institutions, public agencies, private businesses, and other organizations across the nation; and

Whereas, each of us can and must contribute to making our communities better with increased opportunity for all our citizens, and

Whereas, the residents of the City of Milford have the opportunity to participate in events throughout our city on the King Day of Service, January 18, 2021, as well as create and implement community service projects where they identify the need.

NOW, THEREFORE, I, Arthur J. Campbell, Mayor of the City of Milford, Delaware, proclaim the Martin Luther King Jr. Holiday as a Day of Service in our City and call upon the people of Milford, Delaware to pay tribute to the life and works of Dr. Martin Luther King Jr. through participation in community service projects on Martin Luther King Day and throughout the year.

Public Hearings & Final Determination

ORDINANCE 2020-18

Misphillion Gateway LLC on behalf of Grant Shane, t/a Clear Definition Detailing, for a Conditional Use Permit to allow a Car Detailing Operation in a portion of an existing commercial building located at 301 Northeast Front Street. The property is currently zoned C-3 and consists of 1.494 +/- acres on the north side of Northeast Front Street between East Street and Northeast Fourth Street in Kent County. Present Use: Vacant Building Proposed Use: Car Detailing Operation Tax Map & Parcel MD-16-183.10-04-23.01

Director Pierce reviewed the staff report and application that was included in the packet. The applicant is seeking permission within a C3 Highway Zoning Commercial district to place a car detailing operation located at 301 NE Front Street.

Mr. Grant Shane was present to represent the application.

The Planning Commission reviewed the conditional use application at the December 15, 2020 meeting and recommended upon unanimous vote of five to zero to approve the conditional use with it being limited to the 3,000 square feet on the west end of the building as shown on the drawing.

When asked about the impact of water on the City's water system, Mr. Grant stated that the products he uses are environmentally friendly and do not contain hazard materials, which is standard in the industry today. He had a body shop at 110 North DuPont Boulevard where he has to have containers that contain chemicals that must be removed by a hazardous waste company.

Mr. Pierce noted that there is nothing in the conditional use or ordinance that would relieve Mr. Shane of any water or other ordinance requirements for illegal discharges. Those types of things will be reviewed during the building process though he does not anticipate any problems.

Councilman Marabello asked if there was specific drainage so that there will not be anything flowing out onto the street; Mr. Shane replied that the water will be mostly be contained within the building though he would be washing the vehicles inside the building through most of the car washing would occur at his other building.

Mayor Campbell asked if there was appropriate drainage in the building; Mr. Shane replied that there are functioning drains in the building that are already installed.

Councilman Culotta pointed out that in the application, it states that “the applicant may not store excessive amounts of vehicles on the property” and believes that statement is vague. He asked for a clearer amount so that it can be better understood by Council and the applicant.

Director Pierce replied that there are two overhead doors on the end of the building. All of the work will need to be done within the building. As discussed during the Planning and Zoning meeting, the cars are to be cleaned and moved off-site pretty quickly. The intent would not be to have vehicles stored outside for a long period of time.

Mr. Shane added that only one person can work on a vehicle at a time and there will be four employees at this location. As a result, there should not be more than ten cars in the shop at any time. Councilman Culotta asked if that was enough capacity to keep a steady flow of customers and Mr. Shane replied yes, he does not have a need for storage.

Councilman James asked if the ceramic seal or coating applied to the car is a hazardous material and Mr. Shane explained it is not and reiterated there will not be bottles of chemicals that will be sitting around.

It was confirmed the hours of operation would be 7:00 a.m. until 9:00 p.m. Solicitor Rutt then confirmed that Mr. Shane heard the presentation by the Planning and Zoning commission who recommended the conditional use to be limited to the 3,000 square feet on the west end of the building. He asked Mr. Shane if he agreed to that condition. Mr. Shane confirmed he agreed to that condition.

Mayor Campbell opened the floor to public comment; no one responded and the public hearing was closed at 7:23 p.m.

Councilman Fulton made a motion to adopt Ordinance 2020-18 for a conditional with a limit of 14 vehicles on site which coincides with the number of parking spaces available. Councilwoman Wilson seconded the motion.

Motion carried with the following 8-0 roll call vote:

Councilman Marabello voted yes due to it being approved by the Planning Board and it has no adverse effect on the surrounding area;

Councilman Boyle voted yes in agreement with the recommendation put forth by the Planning Commission and the terms stipulated in the motion;

Councilman Fulton voted yes as it is an acceptable use for the C-3 area and the Planning Commission voted unanimously for the conditions and limits for the stipulations that were set;

Councilman Culotta voted yes based on the Planning Commission’s recommendation and the fact that Mr. Shane is a great businessman that already has a great business located around the corner from this proposed location;

Councilman Baer voted yes in support of the Planning Commission and agrees with the limitation of 14 parking spaces;

Councilman Marrow voted yes based on the recommendation of the Planning Commission;

Councilman James voted yes based on the conditions stipulated by the Planning Commission and agreed to by Council;

Councilwoman Wilson voted yes based on the recommendation of the Planning Commission.

ORDINANCE 2020-26

Davis, Bowen & Friedel on behalf of Milford Ponds LLC for a Final Major Subdivision (Phase II Only) of 28.06 +/- acres into 89 single-family units in R1, R2, and R3 Zoning Districts. Property is located along Patchwork Drive and Round Robin Drive in the Milford Ponds Subdivision, Milford, Delaware. Present Use: Subdivision known as Milford Ponds; Proposed Use: Same. Tax Map: 1-30-3.00-264.01, 1-30-3.00-558.00, 1-30-6.00-600.00 through -691.00

Director Pierce reviewed the staff report and application that was provided in the packet. The Planning Commission recommended approval of the final major subdivision upon a unanimous vote at their November 17, 2020 meeting. Director Pierce stated that the applicant has met all requirements that were requested of them by the Planning Department and the City Engineer.

Director Pierce asked for any questions from Council.

Councilman Fulton asked if they took care of the waterway problems that they were having; Director Pierce answered that they addressed all of the plan review comments. His recommendation was to separate any construction issues from the administrative process while reviewing the subdivision. He is unsure if they have reconciled their construction side though he sees that as a separate issue. He added that they will not be able to get any building permits issued until they get the utility and street issues addressed. Director Pierce feels that this application should be reviewed separately from any concerns.

Solicitor Rutt added that he agrees with Mr. Pierce; there is case law to the effect that if a site plan meets all of the technical requirements of an ordinance or code, then there is no basis to deny it. He added that the site plan itself meets those requirements and the approvals have been provided. The issue of the construction site can be dealt with through the issuance of the building permits or occupancy permits.

Councilman Boyle asked if a condition be added that no permits would be issued until those matters have been resolved and Director Pierce said the building permits are withheld until the streets and utilities are addressed in any subdivision in the City of Milford. These things are laid out in ordinances and construction standards and qualifications. Solicitor Rutt added there are separate sections of the code that address those issues.

Mr. Tim Metzner from Davis, Bown and Friedel was present to represent the application. He pointed out the owner and contractor have worked with the city and are working on fixing those concerns. They have begun to move forward with construction. He wants to stress there everyone is working together to resolve those earlier problems. As far as this application, they have received all the necessary approvals to proceed with the final.

Councilman Fulton asked if this was being connected with bike paths with the other areas and Mr. Metzner replied that a portion of the entrance plan approval for the overall development is to include a shared-use path connecting to the Simpsons Crossing Subdivision.

Mayor Campbell then opened the floor to public comment; hearing none, the public hearing was closed at 7:37 p.m.

Councilman Fulton made a motion to approve the final major subdivision through the adoption of Ordinance 2020-26, seconded by Councilman Marabello. The motion carried by the following unanimous roll call vote of Council:

Councilman Marabello voted yes because it conforms to the plan and is an enhancement of what they formerly had;

Councilman Boyle voted yes based on the recommendation put forth by the Planning Commission;

Councilman Fulton voted yes based on it meeting the requirements of the final major subdivision and because they are working on their construction issues;

Councilman Culotta voted yes based on the Planning Commission recommendation;

Councilman Baer voted yes based on the Planning Commission recommendation;

Councilman Morrow voted yes based on the Planning Commission recommendation;

Councilman James voted yes based on all conditions having been met;

Councilwoman Wilson voted yes based on the Planning Commission recommendation.

Staff Reports

Monthly Police Chief Report

Councilman Boyle provided the police department monthly activity report that was included in the packet.

City Manager's Report

City Manager Whitfield provided his report that was included in the packet.

Finance Report

Director of Finance Vitola provided the finance report that was included in the packet.

Public Works Report

Director Svaby provided the report that was included in the packet.

Councilman Boyle asked about the agreement made with DelDOT for the overpass lights on Front Street that light up the Milford logo. At this time, there are some red lights there though it is not a good reflection of the City's image in his belief. He asked if there is anything that can be done to change them to white lights to light up the logo; Director Svaby replied that he can look into that to change to something more presentable. City Manager Whitfield added that the City does have the capability of changing the color of those lights.

Councilman Culotta asked who was responsible for the lettering of the exits noting that the Milford logo on the northbound lane logo is extremely low and difficult to read and is often not seen because of the wild grasses and flowers that grow in that area. Director Svaby replied that it is a project that belongs to his department though it is through DelDOT and he will follow-up and express those concerns.

Parks & Recreation Department

Director Dennehy provided the report that was included in the packet.

Councilman Marabello asked when the handrail repair would be completed at the State Service building and Director Dennehy replied that the contractor was looking into it over the holidays. He will follow up with them to get some additional information on the timeframe.

Councilman James stated that he received a call from a resident that complimented the City on the work that was done on the basketball courts. He added that it would be a great area for pickleball courts as well. Director Dennehy replied that there is a Parks and Recreation Advisory Committee meeting scheduled this week and that is one of the items on the agenda.

Human Resources Office

City Manager Whitfield read the report that was provided in the packet.

Planning & Economic Development Department

Director Pierce shared the report that was provided in the packet.

Councilman Marabello asked if impact fees (water, sewer, and electric) were paid at the same time; Director Pierce informed Council they are paid at the time the building permit is issued.

Councilman Baer asked for an update on the bike survey for Marshall Street and Director Pierce replied that he has connected the University of Delaware with Life Cycle as was previously discussed. Once the project gets closer to rolling out, it will come back to Council for feedback.

Councilman Boyle made a motion to accept the monthly City Manager's report that includes the various departments, seconded by Councilman Culotta. Motion with all ayes.

MONTHLY FINANCE REPORT

Councilman James reported that the FY22 budget process is expected to start later than last year. The CIP information will start rolling out as early as March and the financials will come later. The RFP for audit firms will go out in February to allow for a transition period.

Finance Director Vitola then reviewed the monthly finance report included in the packet.

Director Vitola discussed the format of the reports in the future. Mr. Vitola pointed out that the amount in the reserve account is extraordinarily low. This is not a concern as interest income earned is not reported until the securities mature and there were none in November.

Councilman Marabello asked about the bond on page six and if the total is over \$4 million; Director Vitola stated that is the outstanding principal balance, but at the time of maturity, an additional principal payment will be made which will bring it down to \$1,060,000.

A discussion about interest, savings and capital reserve restrictions followed.

Councilman Boyle then made a motion to accept the Monthly Finance Report for November 2020, seconded by Councilmember Marabello. Motion passed with all ayes.

COMMITTEE & WARD REPORTS

Councilman Cullota received some emails that were forwarded to City Manager Whitfield that took care of those issues.

Councilman Fulton also received some emails concerning a solid waste pickup that was forwarded to the City Manager and he took care of the matter.

Councilman Baer reported that he is receiving emails regarding the upcoming police bond. Mayor Campbell replied that once everything is finalized, any new information will be presented to the City Council.

COMMUNICATIONS & CORRESPONDENCE

Scheduling Pre-Retreat Workshop (Public Safety & Infrastructure)

City Manager Whitfield reported that this was one of the last items of the strategic plan that has not been discussed. There has been some interest in having a pre-retreat workshop to cover these items. He recommended having the pre-retreat the week of January 19, 20, 21, 27, or 28th. He asked for follow-up by Council as to their preference.

Scheduling of On-Site Retreat

City Manager Whitfield has been in contact with the University of Delaware who has finally received the authorization. Tentatively, January 30, 2021 is under consideration. However, Council felt that January 21st may be more appropriate though they will check their calendars and let the City Manager or City Clerk know their availability.

UNFINISHED BUSINESS

None to report.

NEW BUSINESS

Bid Award/Milford NE Front Street Waterline Replacement Project

Director Svaby shared that in the capital improvement plan, there was a project replacing 35 linear feet of any water line. The funding for this project is coming from water reserves and it is estimated at \$1.5 million. The firm of Davis, Bowen and Friedel evaluated the seven bids received. The lowest bid received was from ECM Corporation from Port Washington, MD in the amount of \$1,155,810. The construction for the project is expected to start after the pre-construction meeting with a project duration of 150 days. Staff is recommending to award this contract to the apparent low bidder with funding to be paid from water reserves.

City Manager Whitfield confirmed the project begins at Washington Street and extends to the other side of Rehoboth Boulevard.

Councilman Fulton made a motion to accept the bid from ECM Corporation for the Waterline Replacement Project for \$1,155,810.00 with funding from the water reserve account. Councilman Cullotta seconded the motion that passed with all ayes.

Adoption/Resolution 2021-01/DEMEC Executive Board Appointment

City Manager Whitfield reviewed the Resolution that was included in the packet. His recommendation was for the City Manager to continue as the Director and the Finance Director Lou Vitola be made the alternate.

Mayor Campbell asked for any public comment or questions on the resolution; hearing none he closed the public hearing at 8:38 p.m.

Councilwoman Wilson made a motion to adopt Resolution 2021-1 to reconfirm the City Manager serves as the Director representing the City of Milford on the DEMEC Board of Directors and that the Finance Director serves as the Alternate Director in the absence of the Director. Councilman Baer seconded the motion that carried with all ayes.

Adoption/Fund Balance Policy

Finance Director Vitola requested that it be postponed to a future meeting due to several revisions that are needed. e. Councilman Fulton made a motion to postpone any action, seconded by Councilman Morrow. Motion carried with no one opposed.

Police Facility Citizens Advisory Committee

Mayor Campbell informed Council that he will be appointing a group of seven people representing all four wards within the City to meet with the Police Chief, Finance Director and himself to discuss the numbers being considered in the upcoming January 26th police referendum.

Introduction/Ordinance 2021-01/Mahadev LLC on behalf of Comfort Inn & Suites at 699 N. DuPont Boulevard Request to amend a previously-approved Conditional Use Permit to allow a hotel on 2.287 +/- acres located along the west side of North Dupont Boulevard, currently zoned C-3 (Highway Commercial). Tax Map & Parcel MD-16-183.05-01-03.00

Director Pierce shared that this is an amendment to the previously approved conditional use permit for the Comfort Inn Hotel. It will be before the Planning Commission at their January 19th meeting and will be back before City Council on the 25th for a final review.

EXECUTIVE SESSION

Councilmember Wilson made a motion to go into Executive Session reference below statutes, seconded by Councilmember Culotta:

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

Property Sale/Lease:

Pursuant to 29 Del. C. §10004(b)(2) Preliminary discussions on-site acquisitions for any publicly funded capital improvements, or sales or leases of real property;

Personnel:

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

Motion carried.

Mayor Campbell recessed the Council Meeting at 8:43 p.m. for the purposes as are permitted by the Delaware Freedom of Information Act.

Council returned to Open Session at 9:27 p.m.

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

ADJOURNMENT

There being no further business, Councilmember Fulton moved to adjourn, seconded by Councilmember James. Motion carried. Mayor Campbell adjourned the meeting at 9:28 p.m.

Tracy N. Torbert
Transcriptionist

Downtown Milford Inc
Balance Sheet Prev Period Comparison
As of January 31, 2021

| | Jan 31, 21 | Dec 31, 20 | \$ Change |
|--|-------------------|-------------------|------------------|
| ASSETS | | | |
| Current Assets | | | |
| Checking/Savings | | | |
| 1010 · Petty Cash | 100.12 | 100.12 | 0.00 |
| 1015 · Eventbrite | 12.68 | 12.68 | 0.00 |
| 1020 · M&T Checking 3009-7084 | 29,091.12 | 31,328.38 | -2,237.26 |
| 1030 · M&T Checking 9878494609 | 4,948.79 | 4,948.79 | 0.00 |
| 1100 · M&T Money Market 15004228118673 | 40,081.63 | 40,080.04 | 1.59 |
| 1110 · WSFS M/M Restricted x5460 | | | |
| 1112 · WSFS M/M Loan Fund | 8,020.78 | 13,020.78 | -5,000.00 |
| 1114 · WSFS Facade Fund | 3,093.66 | 3,093.66 | 0.00 |
| Total 1110 · WSFS M/M Restricted x5460 | 11,114.44 | 16,114.44 | -5,000.00 |
| Total Checking/Savings | 85,348.78 | 92,584.45 | -7,235.67 |
| Other Current Assets | | | |
| 1220 · Security Deposit | 880.00 | 880.00 | 0.00 |
| Total Other Current Assets | 880.00 | 880.00 | 0.00 |
| Total Current Assets | 86,228.78 | 93,464.45 | -7,235.67 |
| Fixed Assets | | | |
| 1500 · Branding Street Banners | 18,660.00 | 18,660.00 | 0.00 |
| 1510 · Farmer's Market | | | |
| 1511 · Market Canopies | 4,604.90 | 4,604.90 | 0.00 |
| 1512 · Market Tables | 1,871.64 | 1,871.64 | 0.00 |
| 1513 · Market Tents | 4,963.53 | 4,963.53 | 0.00 |
| 1514 · Popcorn Equipment | 497.57 | 497.57 | 0.00 |
| 1515 · Entertainment Equipment | 1,700.00 | 1,700.00 | 0.00 |
| Total 1510 · Farmer's Market | 13,637.64 | 13,637.64 | 0.00 |
| 1630 · Kiosk | 18,181.00 | 18,181.00 | 0.00 |
| 1650 · Buildings-Santa House | 11,511.34 | 11,511.34 | 0.00 |
| 1660 · Art Display Boats | 32,342.47 | 32,342.47 | 0.00 |
| 1700 · General Office | | | |
| 1704 · Office Equipment | 6,311.19 | 6,311.19 | 0.00 |
| 1706 · Display Sign | 726.00 | 726.00 | 0.00 |
| 1708 · House Equipment | 1,332.98 | 1,332.98 | 0.00 |
| 1710 · L/H Improvements | 5,386.10 | 5,386.10 | 0.00 |
| Total 1700 · General Office | 13,756.27 | 13,756.27 | 0.00 |
| 1790 · Accumulated Depreciation | -90,145.51 | -90,145.51 | 0.00 |
| Total Fixed Assets | 17,943.21 | 17,943.21 | 0.00 |
| Other Assets | | | |
| 1800 · L/R Nancy Chirdon Forster <i>NOPYMT</i> | 2,300.88 | 2,300.88 | 0.00 |
| 1820 · L/R PSShoppe LLC (Petite Sweet) | 4,122.87 | 4,122.87 | 0.00 |
| 1850 · L/R Cookies Paper Petals, LLC <i>START PYMT 2/1</i> | 5,000.00 | 0.00 | 5,000.00 |
| 1900 · Major Project Investments | | | |
| 1905 · PNC Bank CD @.002% due 03/20/20 | 5,060.37 | 5,060.37 | 0.00 |
| 1910 · M&T CD 3556468 @.10% - 06/15/21 | 20,807.58 | 20,807.58 | 0.00 |
| 1915 · M&T CD 3556476 @.15% due 01/07/ | 21,048.70 | 21,038.15 | 10.55 |
| 1920 · Artisans Bank - CD | 10,499.22 | 10,499.22 | 0.00 |
| Total 1900 · Major Project Investments | 57,415.87 | 57,405.32 | 10.55 |
| Total Other Assets | 68,839.62 | 63,829.07 | 5,010.55 |
| TOTAL ASSETS | 173,011.61 | 175,236.73 | -2,225.12 |

3:15 PM

02/02/21

Cash Basis

Downtown Milford Inc
Balance Sheet Prev Period Comparison
As of January 31, 2021

| | Jan 31, 21 | Dec 31, 20 | \$ Change |
|--|-------------------|-------------------|------------------|
| LIABILITIES & EQUITY | | | |
| Liabilities | | | |
| Current Liabilities | | | |
| Other Current Liabilities | | | |
| 2110 · 941 Tax Liability | 693.07 | 750.61 | -57.54 |
| 2120 · DWT Tax Liability | 124.01 | 294.04 | -170.03 |
| 2400 · Ice Cream Security Deposit | 400.00 | 400.00 | 0.00 |
| Total Other Current Liabilities | 1,217.08 | 1,444.65 | -227.57 |
| Total Current Liabilities | 1,217.08 | 1,444.65 | -227.57 |
| Total Liabilities | 1,217.08 | 1,444.65 | -227.57 |
| Equity | | | |
| 3600 · Restrictive Funds | | | |
| 3610 · Low Interest Loan Fund Balance | 8,020.78 | 13,020.65 | -4,999.87 |
| 3630 · WSFS Facade Grant | 3,093.66 | 3,093.66 | 0.00 |
| 3640 · Bike Rack Matching Grant | 4,335.75 | 4,335.75 | 0.00 |
| 3660 · Vineyard Project | -4,122.18 | -4,122.18 | 0.00 |
| Total 3600 · Restrictive Funds | 11,328.01 | 16,327.88 | -4,999.87 |
| 3900 · Retained Earnings | 137,244.23 | 132,244.36 | 4,999.87 |
| Net Income | 23,222.29 | 25,219.84 | -1,997.55 |
| Total Equity | 171,794.53 | 173,792.08 | -1,997.55 |
| TOTAL LIABILITIES & EQUITY | 173,011.61 | 175,236.73 | -2,225.12 |

Downtown Milford Inc
P&L Budget vs. Actual
 July 2020 through January 2021

| | Jul '20 - Jan 21 | Budget | \$ Over Budget | % of Budget |
|--|------------------|------------------|------------------|---------------|
| Ordinary Income/Expense | | | | |
| Income | | | | |
| 4000 · Operations Income | | | | |
| 4010 · Grant Income | | | | |
| 4020 · City of Milford | | | | |
| 4022 · Annual Operations Grant | 45,860.00 | 45,860.00 | 0.00 | 100.0% |
| Total 4020 · City of Milford | 45,860.00 | 45,860.00 | 0.00 | 100.0% |
| Total 4010 · Grant Income | 45,860.00 | 45,860.00 | 0.00 | 100.0% |
| 4060 · Ice Cream Rental | 800.00 | 1,600.00 | -800.00 | 50.0% |
| 4185 · Miscellaneous Income | 1,370.08 | 0.00 | 1,370.08 | 100.0% |
| 4190 · Interest Income - Bank Interest | 172.38 | 145.83 | 26.55 | 118.2% |
| 4195 · Interest Income-Low USDA Intere | 60.56 | 116.67 | -56.11 | 51.9% |
| Total 4000 · Operations Income | 48,263.02 | 47,722.50 | 540.52 | 101.1% |
| 4200 · Organization Committee Inc | | | | |
| Music Bond Bill Reimbursement | 10,000.00 | 0.00 | 10,000.00 | 100.0% |
| 4210 · Corporate Sponsors | 0.00 | 2,916.67 | -2,916.67 | 0.0% |
| 4300 · General Sponsors | 0.00 | 291.67 | -291.67 | 0.0% |
| 4340 · Board support | 100.00 | 408.33 | -308.33 | 24.5% |
| 4200 · Organization Committee Inc - Other | 0.00 | 875.00 | -875.00 | 0.0% |
| Total 4200 · Organization Committee Inc | 10,100.00 | 4,491.67 | 5,608.33 | 224.9% |
| 4400 · Promotion Committee Inc | | | | |
| 4440 · Santa House | | | | |
| 4442 · Donations | 1,370.00 | 0.00 | 1,370.00 | 100.0% |
| 4440 · Santa House - Other | 408.00 | 2,500.00 | -2,092.00 | 16.3% |
| Total 4440 · Santa House | 1,778.00 | 2,500.00 | -722.00 | 71.1% |
| 4450 · Holiday Stroll | 595.00 | 500.00 | 95.00 | 119.0% |
| 4460 · St. Patrick's Pub Crawl | | | | |
| 4462 · Bib Sales | 1,530.00 | 0.00 | 1,530.00 | 100.0% |
| 4460 · St. Patrick's Pub Crawl - Other | 400.00 | 0.00 | 400.00 | 100.0% |
| Total 4460 · St. Patrick's Pub Crawl | 1,930.00 | 0.00 | 1,930.00 | 100.0% |
| 4551 · We Are Milford Signs | 241.49 | 0.00 | 241.49 | 100.0% |
| Total 4400 · Promotion Committee Inc | 4,544.49 | 3,000.00 | 1,544.49 | 151.5% |
| 4600 · Design Committee Inc | | | | |
| 4605 · Tree & Grate Sponsorship | 0.00 | 291.67 | -291.67 | 0.0% |
| 4610 · Milford In Bloom | | | | |
| 4611 · MIB Flower/Wreath Sales | 0.00 | 1,500.00 | -1,500.00 | 0.0% |
| 4612 · MIB Sponsors | 1,000.00 | 0.00 | 1,000.00 | 100.0% |
| 4613 · Wreath Sales | 2,530.00 | 2,000.00 | 530.00 | 126.5% |
| 4610 · Milford In Bloom - Other | 1,524.40 | 0.00 | 1,524.40 | 100.0% |
| Total 4610 · Milford In Bloom | 5,054.40 | 3,500.00 | 1,554.40 | 144.4% |
| Total 4600 · Design Committee Inc | 5,054.40 | 3,791.67 | 1,262.73 | 133.3% |
| 4800 · EV Committee Inc | | | | |
| 4810 · Farmers Market | | | | |
| 4811 · Sponsorships | 0.00 | 1,142.86 | -1,142.86 | 0.0% |
| 4812 · Vendors | 626.00 | 4,285.72 | -3,659.72 | 14.6% |
| 4814 · Shopping Bags | 10.00 | 57.14 | -47.14 | 17.5% |
| 4816 · Miscellaneous Income | 0.00 | 285.72 | -285.72 | 0.0% |
| Total 4810 · Farmers Market | 636.00 | 5,771.44 | -5,135.44 | 11.0% |
| Total 4800 · EV Committee Inc | 636.00 | 5,771.44 | -5,135.44 | 11.0% |
| Total Income | 68,597.91 | 64,777.28 | 3,820.63 | 105.9% |

Downtown Milford Inc
P&L Budget vs. Actual
 July 2020 through January 2021

| Expense | Jul '20 - Jan 21 | Budget | \$ Over Budget | % of Budget |
|--|------------------|------------------|-------------------|---------------|
| 5000 · Operations Exp | | | | |
| 5010 · Accounting Fees - Tax | 750.00 | 408.33 | 341.67 | 183.7% |
| 5015 · Administrative Assistant | | | | |
| 5016 · Administrative PR Taxes | 0.00 | 192.50 | -192.50 | 0.0% |
| 5015 · Administrative Assistant - Other | 3,667.50 | 1,458.33 | 2,209.17 | 251.5% |
| Total 5015 · Administrative Assistant | 3,667.50 | 1,650.83 | 2,016.67 | 222.2% |
| 5020 · Bank Charges | 287.72 | 29.17 | 258.55 | 986.4% |
| 5030 · Computer & Software | 104.93 | 145.83 | -40.90 | 72.0% |
| 5060 · Donations | | | | |
| 5064 · Milford Parade | 0.00 | 29.17 | -29.17 | 0.0% |
| Total 5060 · Donations | 0.00 | 29.17 | -29.17 | 0.0% |
| 5080 · Dues & Subscriptions | 89.97 | 58.33 | 31.64 | 154.2% |
| 5100 · Insurance | 1,634.00 | 1,458.33 | 175.67 | 112.0% |
| 5120 · Internet and Domain Name | 787.52 | 583.33 | 204.19 | 135.0% |
| 5130 · Website Enhancements | 0.00 | 233.33 | -233.33 | 0.0% |
| 5200 · General Administrative Exp | 0.00 | 1,166.67 | -1,166.67 | 0.0% |
| 5250 · Postage and Delivery | 236.55 | 291.67 | -55.12 | 81.1% |
| 5260 · Rent Expense | 2,640.00 | 0.00 | 2,640.00 | 100.0% |
| 5300 · Repairs & Maintenance Eqpmt | 0.00 | 291.67 | -291.67 | 0.0% |
| 5350 · Stationary & Printing | 113.48 | 466.67 | -353.19 | 24.3% |
| 5360 · Supplies | 243.31 | 583.33 | -340.02 | 41.7% |
| 5380 · Taxes & Licenses | 0.00 | 29.17 | -29.17 | 0.0% |
| 5390 · Telephone | 1,198.80 | 1,166.67 | 32.13 | 102.8% |
| 5400 · Travel, & Training | | | | |
| 5404 · Local Tadd Meetings | 41.17 | 233.33 | -192.16 | 17.6% |
| Total 5400 · Travel, & Training | 41.17 | 233.33 | -192.16 | 17.6% |
| 5800 · Executive Director Exp | | | | |
| 5810 · Salary | 15,813.92 | 26,250.00 | -10,436.08 | 60.2% |
| 5820 · Payroll Taxes | 1,563.89 | 2,625.00 | -1,061.11 | 59.6% |
| 5830 · Health Insurance | 961.50 | 0.00 | 961.50 | 100.0% |
| Total 5800 · Executive Director Exp | 18,339.31 | 28,875.00 | -10,535.69 | 63.5% |
| 5900 · New Office/House Exp | | | | |
| 5920 · Repairs & Maintenance | 300.00 | 525.00 | -225.00 | 57.1% |
| 5930 · Utilities | | | | |
| 5932 · Electric | 562.21 | 1,283.33 | -721.12 | 43.8% |
| 5934 · Fuel Oil | 591.78 | 1,750.00 | -1,158.22 | 33.8% |
| 5940 · Refuse | 0.00 | 175.00 | -175.00 | 0.0% |
| 5950 · Water/Sewer | 94.79 | 233.33 | -138.54 | 40.6% |
| Total 5930 · Utilities | 1,248.78 | 3,441.66 | -2,192.88 | 36.3% |
| 5900 · New Office/House Exp - Other | 576.55 | 0.00 | 576.55 | 100.0% |
| Total 5900 · New Office/House Exp | 2,125.33 | 3,966.66 | -1,841.33 | 53.6% |
| 6110 · Board Training | 0.00 | 145.83 | -145.83 | 0.0% |
| 6180 · DMI Fixed Asset Purchase | 0.00 | 291.67 | -291.67 | 0.0% |
| Total 5000 · Operations Exp | 32,259.59 | 42,104.99 | -9,845.40 | 76.6% |
| 6200 · Organization Committee Exp | | | | |
| 6210 · Annual Volunteer Appreciation | 0.00 | 291.67 | -291.67 | 0.0% |
| 6270 · Ice Cream | 325.00 | 0.00 | 325.00 | 100.0% |
| 6290 · Printing & Mailing | 0.00 | 466.67 | -466.67 | 0.0% |
| 6200 · Organization Committee Exp - Other | 0.00 | 583.33 | -583.33 | 0.0% |
| Total 6200 · Organization Committee Exp | 325.00 | 1,341.67 | -1,016.67 | 24.2% |

Downtown Milford Inc
P&L Budget vs. Actual
 July 2020 through January 2021

| | Jul '20 - Jan 21 | Budget | \$ Over Budget | % of Budget |
|---|------------------|-----------|----------------|-------------|
| 6400 · Promotion Committee Exp | | | | |
| 6440 · Santa House Exp | | | | |
| 6442 · Candy | 335.80 | 500.00 | -164.20 | 67.2% |
| 6443 · Casual Labor | 0.00 | 350.00 | -350.00 | 0.0% |
| 6447 · Instant Photos | 0.00 | 500.00 | -500.00 | 0.0% |
| 6448 · Utilities | 134.14 | 125.00 | 9.14 | 107.3% |
| 6449 · Supplies & Materials | 236.23 | 500.00 | -263.77 | 47.2% |
| Total 6440 · Santa House Exp | 706.17 | 1,975.00 | -1,268.83 | 35.8% |
| 6450 · Holiday Stroll | 296.25 | 1,000.00 | -703.75 | 29.6% |
| 6452 · DE Turf | | | | |
| 6454 · Buttons DE Turf/Printing | 0.00 | 291.67 | -291.67 | 0.0% |
| 6456 · Bags | 0.00 | 875.00 | -875.00 | 0.0% |
| Total 6452 · DE Turf | 0.00 | 1,166.67 | -1,166.67 | 0.0% |
| 6460 · St. Patrick's Pub Crawl | | | | |
| 6462 · Advertising/Promotional | 203.31 | 0.00 | 203.31 | 100.0% |
| Total 6460 · St. Patrick's Pub Crawl | 203.31 | 0.00 | 203.31 | 100.0% |
| 6510 · 3rd Thursday Events | | | | |
| 6519 · Buttons | 0.00 | 300.00 | -300.00 | 0.0% |
| Total 6510 · 3rd Thursday Events | 0.00 | 300.00 | -300.00 | 0.0% |
| 6530 · Gift Certificate Expenses | 0.00 | 233.33 | -233.33 | 0.0% |
| 6570 · Advertising/Promotional | | | | |
| 6571 · TV Advertising | 0.00 | 1,166.67 | -1,166.67 | 0.0% |
| 6572 · General Advertising | 150.00 | 408.33 | -258.33 | 36.7% |
| 6573 · Internet Advertising | 0.00 | 3,150.00 | -3,150.00 | 0.0% |
| 6574 · Print Advertising | 0.00 | 2,333.33 | -2,333.33 | 0.0% |
| 6575 · Radio Advertising | 0.00 | 145.83 | -145.83 | 0.0% |
| 6576 · Activity Advertising | 0.00 | 583.33 | -583.33 | 0.0% |
| Total 6570 · Advertising/Promotional | 150.00 | 7,787.49 | -7,637.49 | 1.9% |
| Total 6400 · Promotion Committee Exp | 1,355.73 | 12,462.49 | -11,106.76 | 10.9% |
| 6600 · Design Committee Exp | | | | |
| Rotary Tree Expense | 2,031.39 | 0.00 | 2,031.39 | 100.0% |
| 6610 · Milford in Bloom | | | | |
| 6616 · Plants/Wreaths Purchased | 1,792.15 | 0.00 | 1,792.15 | 100.0% |
| 6617 · Miscellaneous G&A | 124.00 | 0.00 | 124.00 | 100.0% |
| Total 6610 · Milford in Bloom | 1,916.15 | 0.00 | 1,916.15 | 100.0% |
| 6630 · Signage - Directional | 155.30 | 0.00 | 155.30 | 100.0% |
| 6640 · Facade Grants WSFS | 0.00 | 583.33 | -583.33 | 0.0% |
| 6645 · Five For Free Paint | 109.90 | 145.83 | -35.93 | 75.4% |
| Total 6600 · Design Committee Exp | 4,212.74 | 729.16 | 3,483.58 | 577.8% |
| 6800 · EV Committee Exp | | | | |
| 6810 · Farmer's Market Exp | | | | |
| 6812 · Entertainment | 0.00 | 685.71 | -685.71 | 0.0% |
| 6816 · Misc Expenses | 571.50 | 1,328.57 | -757.07 | 43.0% |
| Total 6810 · Farmer's Market Exp | 571.50 | 2,014.28 | -1,442.78 | 28.4% |
| 6890 · Recruiting Pamphlets | 0.00 | 466.67 | -466.67 | 0.0% |
| Total 6800 · EV Committee Exp | 571.50 | 2,480.95 | -1,909.45 | 23.0% |

4:36 PM

02/02/21

Cash Basis

Downtown Milford Inc
P&L Budget vs. Actual
July 2020 through January 2021

| | <u>Jul '20 - Jan 21</u> | <u>Budget</u> | <u>\$ Over Budget</u> | <u>% of Budget</u> |
|--|-------------------------|------------------------|-------------------------|----------------------|
| 6830 · Big Ask Expense | 123.28 | 0.00 | 123.28 | 100.0% |
| 6880 · Vineyard Shipyard - Feasibility | 6,527.78 | 0.00 | 6,527.78 | 100.0% |
| Total Expense | <u>45,375.62</u> | <u>59,119.26</u> | <u>-13,743.64</u> | <u>76.8%</u> |
| Net Ordinary Income | <u>23,222.29</u> | <u>5,658.02</u> | <u>17,564.27</u> | <u>410.4%</u> |
| Net Income | <u>23,222.29</u> | <u>5,658.02</u> | <u>17,564.27</u> | <u>410.4%</u> |

4:36 PM

02/02/21

Cash Basis

Downtown Milford Inc
P&L Budget vs. Actual Collapsed
July 2020 through January 2021

| | Jul '20 - Jan 21 | Budget | \$ Over Budget | % of Budget |
|--|------------------|------------------|-------------------|---------------|
| Ordinary Income/Expense | | | | |
| Income | | | | |
| 4000 · Operations Income | 48,263.02 | 47,722.50 | 540.52 | 101.1% |
| 4200 · Organization Committee Inc | 10,100.00 | 4,491.67 | 5,608.33 | 224.9% |
| 4400 · Promotion Committee Inc | 4,544.49 | 3,000.00 | 1,544.49 | 151.5% |
| 4600 · Design Committee Inc | 5,054.40 | 3,791.67 | 1,262.73 | 133.3% |
| 4800 · EV Committee Inc | 636.00 | 5,771.44 | -5,135.44 | 11.0% |
| Total Income | 68,597.91 | 64,777.28 | 3,820.63 | 105.9% |
| Expense | | | | |
| 5000 · Operations Exp | 32,259.59 | 42,104.99 | -9,845.40 | 76.6% |
| 6200 · Organization Committee Exp | 325.00 | 1,341.67 | -1,016.67 | 24.2% |
| 6400 · Promotion Committee Exp | 1,355.73 | 12,462.49 | -11,106.76 | 10.9% |
| 6600 · Design Committee Exp | 4,212.74 | 729.16 | 3,483.58 | 577.8% |
| 6800 · EV Committee Exp | 571.50 | 2,480.95 | -1,909.45 | 23.0% |
| 6830 · Big Ask Expense | 123.28 | 0.00 | 123.28 | 100.0% |
| 6880 · Vineyard Shipyard - Feasibility | 6,527.78 | 0.00 | 6,527.78 | 100.0% |
| Total Expense | 45,375.62 | 59,119.26 | -13,743.64 | 76.8% |
| Net Ordinary Income | 23,222.29 | 5,658.02 | 17,564.27 | 410.4% |
| Net Income | 23,222.29 | 5,658.02 | 17,564.27 | 410.4% |

Downtown Milford Inc
Profit & Loss
January 2021

| | Jan 21 |
|---|-----------------|
| Ordinary Income/Expense | |
| Income | |
| 4000 · Operations Income | |
| 4185 · Miscellaneous Income | 1,050.00 |
| 4190 · Interest Income - Bank Interest | 12.14 |
| | |
| Total 4000 · Operations Income | 1,062.14 |
| 4200 · Organization Committee Inc | |
| 4340 · Board support | 100.00 |
| | |
| Total 4200 · Organization Committee Inc | 100.00 |
| 4400 · Promotion Committee Inc | |
| 4440 · Santa House | |
| 4442 · Donations | 500.00 |
| | |
| Total 4440 · Santa House | 500.00 |
| Total 4400 · Promotion Committee Inc | 500.00 |
| 4600 · Design Committee Inc | |
| 4610 · Milford In Bloom | |
| 4612 · MIB Sponsors | 500.00 |
| 4610 · Milford In Bloom - Other | 1,524.40 |
| | |
| Total 4610 · Milford In Bloom | 2,024.40 |
| Total 4600 · Design Committee Inc | 2,024.40 |
| Total Income | 3,686.54 |
| Expense | |
| 5000 · Operations Exp | |
| 5015 · Administrative Assistant | 1,963.50 |
| 5020 · Bank Charges | 1.75 |
| 5030 · Computer & Software | 14.99 |
| 5120 · Internet and Domain Name | 39.90 |
| 5250 · Postage and Delivery | 1.05 |
| 5260 · Rent Expense | 1,760.00 |
| 5390 · Telephone | 13.30 |
| 5800 · Executive Director Exp | |
| 5810 · Salary | 672.00 |
| 5820 · Payroll Taxes | 231.04 |
| 5830 · Health Insurance | 384.60 |
| | |
| Total 5800 · Executive Director Exp | 1,287.64 |
| 5900 · New Office/House Exp | |
| 5930 · Utilities | |
| 5932 · Electric | 133.84 |
| 5950 · Water/Sewer | 27.25 |
| | |
| Total 5930 · Utilities | 161.09 |
| Total 5900 · New Office/House Exp | 161.09 |
| Total 5000 · Operations Exp | 5,243.22 |
| 6200 · Organization Committee Exp | |
| 6270 · Ice Cream | 0.00 |
| | |
| Total 6200 · Organization Committee Exp | 0.00 |
| 6400 · Promotion Committee Exp | |
| 6440 · Santa House Exp | |
| 6448 · Utilities | 60.97 |
| 6449 · Supplies & Materials | 81.25 |
| | |
| Total 6440 · Santa House Exp | 142.22 |

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02/02/21

Cash Basis

Downtown Milford Inc

Profit & Loss

January 2021

| | Jan 21 |
|--------------------------------------|-----------|
| 6450 · Holiday Stroll | 181.25 |
| Total 6400 · Promotion Committee Exp | 323.47 |
| 6600 · Design Committee Exp | |
| 6645 · Five For Free Paint | 109.90 |
| Total 6600 · Design Committee Exp | 109.90 |
| 6800 · EV Committee Exp | |
| 6810 · Farmer's Market Exp | |
| 6816 · Misc Expenses | 7.50 |
| Total 6810 · Farmer's Market Exp | 7.50 |
| Total 6800 · EV Committee Exp | 7.50 |
| Total Expense | 5,684.09 |
| Net Ordinary Income | -1,997.55 |
| Net Income | -1,997.55 |

Downtown Milford Inc

Spending of City Funds

7/1/20 to 6/30/21

City of Milford

Funds Received 45,860.00

| Allocation of Funds Spent/Projected | Salary Director | Payroll Taxes | Rent | Health Insurance Costs | Insurance | Phone/ Internet | Utilities | Total Non Event Spending |
|--|--------------------|------------------|-----------------|------------------------------|-----------------|--------------------|-----------------|--------------------------------|
| Jul-20 | 3,461.54 | 264.81 | | | 836.00 | 190.81 | - | 4,753.16 |
| Aug-20 | 3,461.54 | 264.80 | | | 798.00 | - | 90.96 | 4,615.30 |
| Sep-20 | 2,458.84 | 188.11 | | | - | 188.93 | 124.91 | 2,960.79 |
| Oct-20 | 2,317.50 | 177.29 | | | - | 597.63 | 600.93 | 3,693.35 |
| Nov-20 | 2,259.00 | 187.53 | | 192.30 | - | - | - | 2,638.83 |
| Dec-20 | 2,887.50 | 250.31 | | 384.60 | - | 955.75 | 270.89 | 4,749.05 |
| Jan-21 | 2,635.50 | 231.04 | | 384.60 | - | 53.20 | 161.09 | 3,465.43 |
| Feb-21 * | | 174.00 | 880.00 | 384.60 | - | 245.29 | 250.00 | 1,933.89 |
| Mar-21 * | | 240.00 | 880.00 | 384.60 | - | 250.00 | 250.00 | 2,004.60 |
| Apr-21 | 1,250.00 | 240.00 | 880.00 | 576.90 | - | 250.00 | 250.00 | 3,446.90 |
| May-21 | 2,500.00 | 240.00 | 880.00 | 384.60 | - | 250.00 | 250.00 | 4,504.60 |
| Jun-21 | 2,500.00 | 240.00 | 880.00 | 384.60 | - | 250.00 | 250.00 | 4,504.60 |
| | <u>25,731.42</u> | <u>2,697.89</u> | <u>4,400.00</u> | <u>3,076.80</u> | <u>1,634.00</u> | <u>3,231.61</u> | <u>2,498.78</u> | <u>43,270.50</u> |

* Federal Paycheck Protection Funds Used for Salary

Downtown Milford Inc

Request for Funding

7/1/21 to 6/30/22

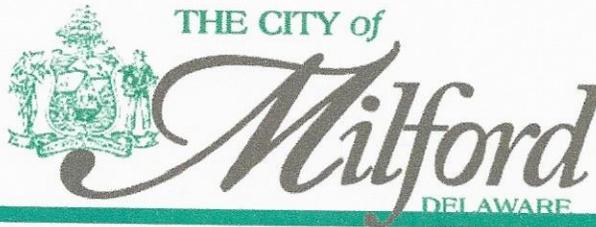
City of Milford

Funds Requested

| Allocation of Funds Requested | Salary Director | Payroll Taxes | Rent | Health Insurance Costs | Insurance | Phone/Internet | Utilities | Total Non Event Spending |
|-------------------------------|------------------|-----------------|------------------|------------------------|-----------------|-----------------|-----------------|--------------------------|
| Jul-21 | 2,500.00 | 240.00 | 880.00 | 384.60 | 1,650.00 | 200.00 | 150.00 | 6,004.60 |
| Aug-21 | 2,500.00 | 240.00 | 880.00 | 384.60 | - | 200.00 | 150.00 | 4,354.60 |
| Sep-21 | 2,500.00 | 240.00 | 880.00 | 384.60 | - | 200.00 | 150.00 | 4,354.60 |
| Oct-21 | 2,500.00 | 240.00 | 880.00 | 576.90 | - | 200.00 | 150.00 | 4,546.90 |
| Nov-21 | 2,500.00 | 240.00 | 880.00 | 384.60 | - | 200.00 | 150.00 | 4,354.60 |
| Dec-21 | 2,500.00 | 240.00 | 880.00 | 384.60 | - | 200.00 | 150.00 | 4,354.60 |
| Jan-22 | 2,500.00 | 240.00 | 880.00 | 384.60 | - | 200.00 | 150.00 | 4,354.60 |
| Feb-22 | 2,500.00 | 240.00 | 880.00 | 384.60 | - | 200.00 | 150.00 | 4,354.60 |
| Mar-22 | 2,500.00 | 240.00 | 880.00 | 384.60 | - | 200.00 | 150.00 | 4,354.60 |
| Apr-22 | 2,500.00 | 240.00 | 880.00 | 576.90 | - | 200.00 | 150.00 | 4,546.90 |
| May-22 | 2,500.00 | 240.00 | 880.00 | 384.60 | - | 200.00 | 150.00 | 4,354.60 |
| Jun-22 | 2,500.00 | 240.00 | 880.00 | 384.60 | - | 200.00 | 150.00 | 4,354.60 |
| | <u>30,000.00</u> | <u>2,880.00</u> | <u>10,560.00</u> | <u>4,999.80</u> | <u>1,650.00</u> | <u>2,400.00</u> | <u>1,800.00</u> | <u>54,289.80</u> |



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



400 NE Front Street
Milford Delaware 19963
302.422.8081 Fax 302.424.2330

TO: Mayor and Members of City Council
FROM: Kenneth L. Brown, Chief of Police
DATE: March 3, 2021
RE: Activity Report/February 2021

Monthly Stats:

A total of 368 arrests were made by the Milford Police Department during February 2021. Of these arrests, 146 were for criminal offenses and 222 for traffic violations. Criminal offenses consisted of 14 felony and 132 misdemeanors. Traffic violations consisted of 58 Special Duty Radar, 3 Drunk-Driving charges, 161 others.

Police officers investigated 31 accidents during the month and issued 37 written reprimands. In addition, they responded to 837 various complaints including city requests and other agency assistance.

Monthly Activities:

Throughout the month of December, participated in numerous conference calls and virtual meetings in reference the COVID-19 and the Governor's Emergency Order for the State of Delaware. This includes weekly Fire and Police conference calls, calls with the Governor, Municipalities of Sussex Co. conference call and numerous calls with City Government Officials, the City Manager and the public. Also, participated in monthly State, Kent and Sussex Chiefs meetings, DPCC Meeting, City Council and Workshop meetings, and the weekly City Manager's Meeting with Department Heads.

Met with US Attorney on February 3, 2021, in reference to an on-going investigation.

Attended new Police Department Facility Kick Off meeting with Becker Morgan via Zoom held on February 4, 2021.

Interview with police officer applicant held on February 4, 2021.

JJAG monthly meeting held via Zoom on February 8, 2021.

Attended the Milford/326 Police Dispatcher mediation pre-meeting held via Zoom on February 9, 2021.

Attended the Teamsters 326 Police Dispatcher mediation held via Zoom held on February 10, 2021.

Met with Amy Kevis in reference to Mental Health Clinician for the department via Zoom held on February 11, 2021.

Attended the Dover Police Academy Graduation held at Dover High School on February 12, 2021.

Attended Accreditation Presentation for Seaford Police Department via Zoom held on February 17, 2021.

Attended meeting via Zoom in reference to needs for new Police Department Facility held on February 19, 2021.

Met with Amy Kevis in reference to Mental Health Clinician for the department via Zoom held on February 19, 2021.

Training –

Training for the department was either cancelled or performed via webinars for the Month of February 2021 due to the COVID-19 Pandemic.

SRO –

Sgt. Masten has worked with Milford Senior High School staff on this year's Senior Cruise. Following last year's event there was a lot of positive feedback about holding the cruise in the evening, so again this year it's being planned for 6 pm. The date set for the event is June 8th. MHS staff is preparing permit applications for both the City and the Delaware Department of Transportation.

Sgt. Masten typically has our Milford's Night Out plans complete in the early spring each year, but current COVID-19 restrictions on crowd sizes are still in place. As of now we're still monitoring guidelines, but we're accepting the reality the event may have to return in 2022. The event each year tends to have crowd estimates well over 1000 people. Last years cancelled event would have been our 26th annual.

K9 Unit –

For the month of February 2021, the Milford Police Department K9 Unit had the following stats:

K9-1 (Mason)

- Building Search 1
- Drug Sniff 1
- Assist Other Agency 1
- Track 1

Seized Items

Amount

Value

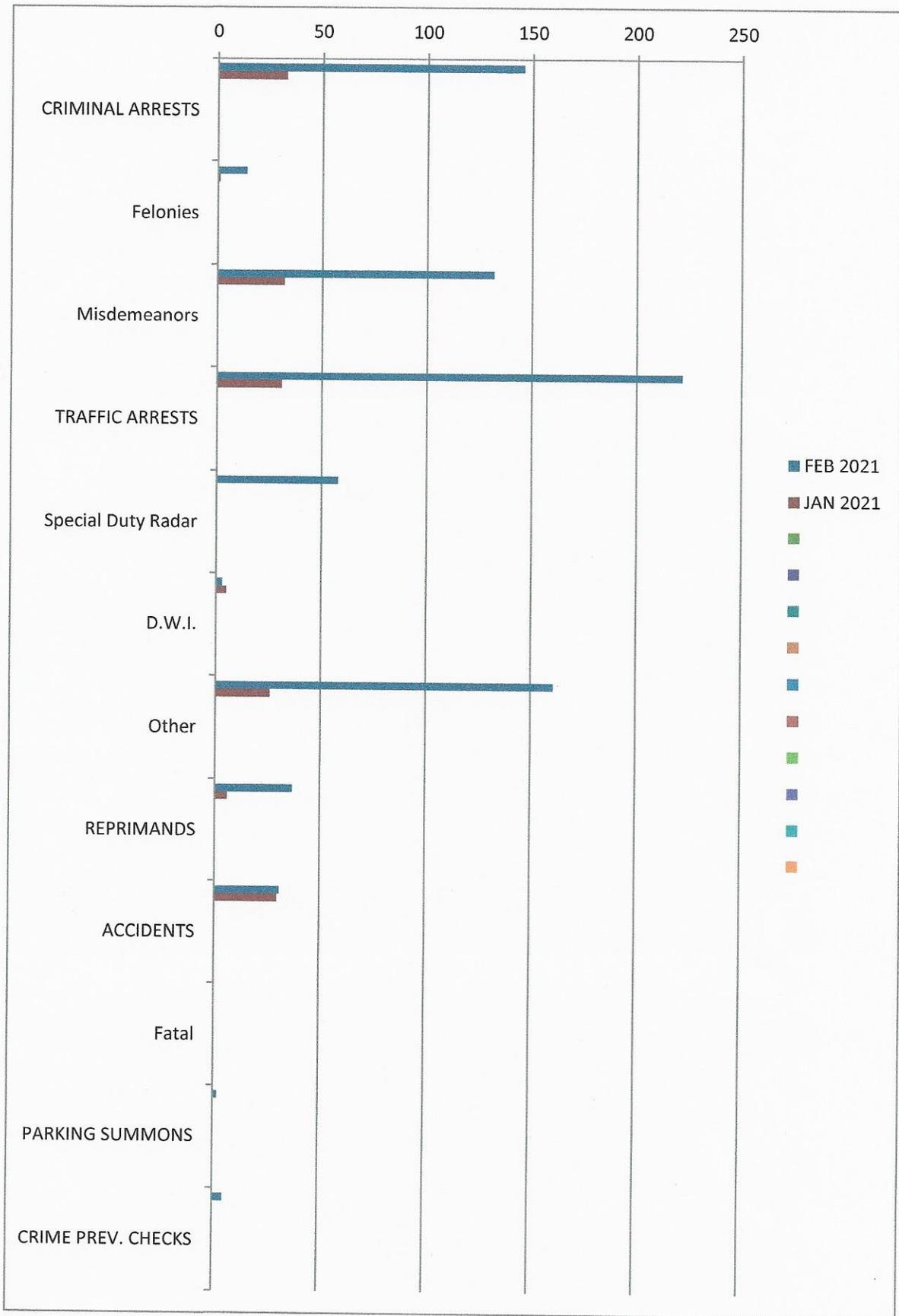
- Marijuana 1.0 Grams

K9-2 (Audie)

- Building Search 1
- Demo 1
- Assist Other Agency 1
- Area Search 2
- Burglary 1
- No-Bite Apprehension 1

FEB 2021 ACTIVITY REPORT

| | FEB 2021 | TOTAL 2021 | FEB 2020 | TOTAL 2020 |
|--------------------|------------|-------------|------------|-------------|
| COMPLAINTS | 837 | 1558 | 1291 | 2684 |
| CRIMINAL ARRESTS | 146 | 179 | 149 | 389 |
| Felonies | 14 | 15 | 31 | 81 |
| Misdemeanors | 132 | 164 | 118 | 272 |
| TRAFFIC ARRESTS | 222 | 253 | 503 | 1109 |
| Special Duty Radar | 58 | 58 | 94 | 160 |
| D.W.I. | 3 | 8 | 5 | 12 |
| Other | 161 | 187 | 404 | 937 |
| REPRIMANDS | 37 | 43 | 178 | 340 |
| ACCIDENTS | 31 | 61 | 42 | 83 |
| Fatal | 0 | 0 | 0 | 0 |
| PARKING SUMMONS | 2 | 2 | 14 | 29 |
| CRIME PREV. CHECKS | 5 | 5 | 34 | 51 |
| FINES RECEIVED | \$2,893.80 | \$ 8,343.06 | \$8,949.18 | \$17,424.81 |





MARK A. WHITFIELD, CITY MANAGER
201 South Walnut Street
Milford, DE 19963

PHONE 302.422.1111
FAX 302.424.3553
www.cityofmilford.com

To: City Council and Mayor
From: Mark A. Whitfield, City Manager
Subject: January Monthly Report
Date: March 4, 2021

- Our employee Covid numbers continue to decrease. Of the 23 people infected, all employees have recovered and are back to work.
- We held interviews for the Economic Development/Community Engagement Administrator and IT Director this past month. We will hold in person interviews in March.
- Rob and I met with the State Planning Office on development in the Southeast part of the City.
- The Mayor, Councilperson Culotta, and I attended the first meeting of the Water Infrastructure and Investment Network along with members from Slaughter Beach.
- Sussex County town managers met to discuss Sussex County building permit system that duplicates most City/Town systems.
- Jamesha, Chief Brown and I attended several meetings with the Teamsters Union regarding the contract for the dispatchers.
- The Chief, Mayor, Public Works Director and I met with the Police Station architect to discuss several items.
- We met with EDiS regarding the basement fit out project.

To: Mayor and City Council
From: Louis C. Vitola, Finance Director
Date: March 3, 2021
Re: February 2021 Finance Department Staff Report

- Monthly Financial Reporting
 - The January 2021 Month-to-Date (MTD) and Fiscal Year-to-Date (YTD) Financial Reporting Package was distributed to Council with a narrative addressing financial results.
 - No significant changes were made to the financial reporting package this month.
- Capital Improvement Planning
 - The Fiscal Year 2022-2026 Capital Improvement Plan (CIP) budgeting process was launched internally in February; the Finance Department is organizing submissions from department heads and will work according to the following schedule:
 - March 2021 – Finance & Management Staff to review, question, build spreadsheet, prepare presentation
 - April 12, 2021 – CIP to Finance & Public Works Committee and City Council
 - April 26, 2021 – Council adopts CIP with funding addressed in 2022 Operating Budget
- Operating Budget
 - The Fiscal Year 2022 Operating Budget process kicked off on Monday, March 1 with the distribution of spreadsheet templates, internal projections and guidance to department heads; we will work according to the following schedule:
 - March 24, 2021 – All worksheets and supporting documentation due to Sandra Peck
 - April – Review and update spreadsheets (Sandra/Lou/Mark)
 - April 12-16, 2021 – Supervisors meetings/questions (Mark/Lou/Sandra)
 - April 19 – May 3, 2021 – Finalize and prepare budget for presentation (Sandra/Lou/Mark)
 - May 7, 2021 – Draft FY22 Operating Budget to Clerk for distribution to City Council
 - May 17-20, 2021 – Evening budget workshops with City Council (two evenings)
 - June 7, 2021 – Final FY22 Budget distributed to City Council
 - June 14, 2021 – FY22 Budget adoption by City Council
- FY20 Financial Statement Preparation and Audit
 - All outstanding issues delaying the preparation of the financial statements and the audit were resolved in February
 - Drafts of all audit communications indicated an unmodified opinion (“clean audit”), as well as a successful audit of federal funds and internal controls
 - The final draft of the FY20 Annual Report has been distributed to Council and is scheduled for review and approval on March 8, 2021
 - Following Council approval, the Auditors will finalize quality control, date and execute all required communications and merge audit disclosures with the approved document to render the final report for publication, printing and submission to satisfy disclosure requirements
 - A Request for Proposals (RFP) for the provision of independent financial statement audit services for FY 2021-23 was released on February 3, 2021. Nine proposals from qualified firms received on March 2, 2021 are being evaluated by staff to formulate a recommendation to the FPWC and City Council on March 8, 2021.

- Enterprise Resource Planning (ERP) Vendor Demonstrations
 - The City of Milford ERP Scoring Team and staff representing functions throughout City operations participated in software demonstrations from the two finalists in the process over the course of six full days the last week of February and the first week of March.
 - All staff participating in any demonstration were asked to evaluate the vendor presentations and software functionality
 - The project management team is compiling staff evaluations for incorporation into the broader scoring model, which will assist in the development of a software platform recommendation
- Billing & Customer Service Department
 - After suspending utility service interruptions from December 10, 2020 through January 28, 2021 due to reduced staffing levels and weather conditions, past due volumes approached levels

| As of | Past Due Accounts | Past Due Amount |
|------------|-------------------|-----------------|
| 8/31/2020 | 1,286 | \$ 540,365 |
| 9/10/2020 | 1,097 | 371,460 |
| 11/5/2020 | 1,081 | 247,905 |
| 12/11/2020 | 916 | 152,802 |
| 1/8/2021 | 1,429 | 260,088 |
| 2/2/2021 | 1,134 | 452,622 |
| 3/3/2021 | 1,171 | 227,082 |

consistent with the spike observed last spring resulting from statewide restrictions on utility disconnections. Staffing and conditions returned to normal in February. Our ability to contain credit risk and limit exposure to losses improve substantially with the ability to interrupt service delivery, which is evident in the table at left. At the same time, we continue to monitor past due accounts carefully, offering extended payment plans, COVID-19 relief funds, and referrals to charitable resources.

- The 2020 tax levy was due September 30, 2020. The table below highlights past due property tax data since then. The formal monitions process began this week to address the initial group of properties, individually having the greatest and longest past due balances and collectively totaling almost \$95,000 in past due tax balances. Our intent is to recover unpaid property taxes in phases so as not to contribute to oversupply of distressed property sales. The monitions process will become a more regular part of the Department's collection cycle going forward to encourage payment, improve the property tax collection rate and signal a standardized set of regular tax collection procedures.

| Property Tax Levy | Past Due Amounts as of: | | | | |
|-------------------|-------------------------|------------|------------|------------|------------|
| | 11/5/2020 | 12/11/2020 | 1/8/2021 | 2/1/2021 | 3/3/2021 |
| 2020 | \$ 229,290 | \$ 132,511 | \$ 108,200 | \$ 102,144 | \$ 95,069 |
| 2019 & Prior | 249,788 | 229,831 | 221,023 | 218,418 | 208,083 |
| Total | \$ 479,078 | \$ 362,342 | \$ 329,223 | \$ 320,562 | \$ 303,152 |

- The annual stormwater billing and the initial sidewalk billing processes were completed and mailed on Friday, February 5, 2021. During February, the vast majority of stormwater charges were received, while \$37,580 was collected for sidewalk improvements.

cc: Mark Whitfield, City Manager
Finance Department



TO: Mayor and City Council

FROM: Michael Svaby

DATE: March 8, 2021

RE: February 2021 - Public Works Department Staff Report

Director's Office

- Engaged Duffield Associates in Phase II Environmental Investigation at the Rookery; Informally spoken with various candidate concessionaires about a prospective RFP for management of the Golf Course and Hospitality operation at same;
- Participated in Kickoff meeting and began crafting an RFP for Construction Manager/Agency to complement Becker Morgan's continued Architectural/Engineering Design work on the new Police Station;
- Compiled and submitted Public Works Department Capital Budget plan to Finance.

Electrical/Technical Services Division

- Performed substation switching to accommodate DPL maintenance of transmission supply;
- Posted Ground Technician job for vacant position;
- Coordinated with Milford Wellness Village for planning of new service to feed electric vehicle charging stations;
- Developed guidelines for interconnection and net metering;
- Used new software to program new 2-inch Kamstrup water meters;
- Helped identify issue with pump controls at Shawnee Acres Pump Station.

Public Services Division

Streets/Utilities Section

- Repaired water line leak on Berry Lane;
- Remove snow and ice from snow storms in February including includes parking lots, roadways, sidewalks, and stairs at all of the City properties. Used approximately 50 tons of salt for paved roads and parking lots and ~500 pounds of sidewalk salt for stairs and sidewalks;

- Continued working on sign replacement for the Downtown District;
- Replace vents tubes on wet well at Well #9;
- Street-Swept all of the Communities in the City's jurisdiction.

Water/Sewer Section

- Coordinated Fence installation with Grasso fence Company at Lighthouse Pump Station;
- Pulled pump at Fork Landing Pump Station to remove debris;
- Oversaw CES Company clean a total of six (6) sanitary sewer pump stations (Watergate, Wendy's, Knotts Landing, BAC, American Inn, and North Shores);
- Repaired seal around incoming sanitary sewer pipe at Washington Street Pump Station.

Engineering Division

- Completed field walk of 2020 Streets Conflicts;
- Began Final Plans for 2020 Streets Utility work;
- Continued Data analysis of last year's pump station flows to determine approximate locations and quantity of I&I;
- Continued revision of City Constructions Standards and associated code recommendations;
- Reviewed several issues with sidewalk billing and continued to make corrections in conjunction with customer service.

Operations Division

- Finalized ERP Software submission review and coordinated demonstrations for two responsive and qualified vendors;
- Updated vehicle replacement list and integrated it to PW Capital Budget submission

| Public Works Department -February 2021 | February 2020 | February 2021 | FY20 YTD (07/01/19-02/28/20) | FY21 YTD (07/01/20-02/28/21) |
|---|---------------|---------------|---------------------------------|---------------------------------|
| Electric Division | | | | |
| Trouble Service Call | 12 | 9 | 78 | 114 |
| Work Orders Completed | 20 | 22 | 215 | 217 |
| Outages | 8 | 5 | 61 | 53 |
| Poles Replaced | 18 | 2 | 61 | 35 |
| After Hours Calls | 7 | 8 | 79 | 64 |
| Trees Trimmed | 6 | 2 | 26 | 47 |
| Technical Services Division | | | | |
| New Electric Service Installed/Meter Set | 25 | 10 | 135 | 212 |
| New Water Service Installed/Meter Set | 14 | 13 | 105 | 164 |
| Electric Meter Replacement | 31 | 2 | 53 | 55 |
| Water Meter Replacement | 68 | 27 | 302 | 233 |
| Work Orders Completed | 803 | 721 | 6,129 | 5,563 |
| After Hours Calls | 7 | 6 | 60 | 41 |
| Streets/Utility Division | | | | |
| Signs Installed/Replaced | 23 | 25 | 123 | 131 |
| Curb Miles Swept | 42 | 212 | 904 | 1,105 |
| Sewer Lines Flushed (in feet) | 8,480 | 2,000 | 126,694 | 19,530 |
| Sewer Back-up Response | 2 | 6 | 39 | 26 |
| Sewer Line Repaired | 0 | 0 | 1 | 8 |
| Water Hydrants Flushed | 4 | 4 | 148 | 155 |
| Fire Hydrants Replaced/Installed | 0 | 0 | 2 | 1 |
| Water Line Repair | 0 | 1 | 8 | 16 |
| Water Valves Exercised | 2 | 5 | 44 | 92 |
| De-icing Salt Used (tons) | 0 | 60 | 0 | 61 |
| Potholes Filled - Cold Patch | 24 | 30 | 165 | 320 |
| Potholes Filled/Spray Patch - Gallons Emulsion Used | 3 | 0 | 14 | 102 |
| Leaves Collected (Tons) | 0 | 0 | 73 | 31 |
| After Hours Calls | 1 | 11 | 43 | 46 |
| Crack Sealing (pounds of sealant used) | 0 | 0 | 120 | 650 |

| | | | | |
|--|------------|------------|-------------|-------------|
| Work Orders Completed | 41 | 2 | 114 | 148 |
| Storm Sewer Inlets Cleaned | 32 | 140 | 134 | 812 |
| Street Closures/Festivals | 1 | 0 | 11 | 22 |
| Engineering Division | | | | |
| Utility Locates Completed | 226 | 213 | 2042 | 1,608 |
| Operations Division | | | | |
| Fleet Work Orders Completed | 45 | 34 | 294 | 215 |
| Fuel Use-Diesel (Gallons) | 1818 | 1,854 | 19442 | 19,534 |
| Fuel Use-Gas (Gallons) | 3,768 | 3,550 | 30,786 | 35,747 |
| Solid Waste & Facilities Division | | | | |
| Refuse Collected (Tons) | 296 | 268 | 1,974 | 2,214 |
| Recycle Collected (Tons) | 74 | 71 | 450 | 501 |
| Yard Waste Collected (Tons) | 18 | 14 | 375 | 377 |
| Diversion Percentage (%) | 24 | 24 | 30 | 29 |
| Bulk/Brush Collection Requests Completed | 47 | 72 | 460 | 523 |
| Containers Delivered | 62 | 92 | 455 | 396 |
| Containers Serviced (Swap, Replacement, Removed) | 64 | 15 | 101 | 167 |
| Water & Waste Water Facilities Division | | | | |
| Water Treated (Millions of Gallons) 2 Month | 72,280,300 | 74,094,300 | 157,694,600 | 144,145,500 |
| Waste Water Transferred (Millions of Gallons) 1 Month Jan. | 76,363,620 | 92,725,000 | 76,363,620 | 92,725,000 |
| Work Orders Completed | 0 | 52 | 42 | 326 |
| Pump Stations Cleaned | 0 | 0 | 1 | 7 |
| After Hours Calls | 0 | 1 | 0 | 47 |

| Public Works Projects - January 2021 | Planning Stage | Bid/PO Award | In Progress | Complete |
|---|----------------|--------------|-------------|----------|
| Electric | | | | |
| DEL1 Substation Testing | | | | X |
| DEL2 Substation Testing | | | X | |
| Traffic Signal Head Refurbish. - Church/Walnut/Washington | X | | | |
| GIS/Mapping - Smart Metering | | | | X |
| DEL2 Relay Replacement | | | | X |
| Riverwalk Light Pole Powdercoat/Retrofit Phase II | | | | X |
| Wilbur Street Line Reconductor | | | | X |
| RP3 Application | | | | X |
| Water | | | | |
| Install Automated Blow-off Valves | | | | |
| Protection Upgrades Caulk & 10th Street Towers | | | X | |
| Water Tower Altitude Valve at Caulk Tower | | | X | |
| Tenth St Water Treatment Facility Test Well, etc. | | | | X |
| Water Trtmnt. Monitoring & Process Control Upgrades (4&5) | | | X | |
| City-wide Valve & Hydrant Replacement/Improvements | | | | |
| Standardized Water Treatment Facility Controls | | | | |
| SE 2nd Street Lead Service Line Replacement | | | | X |
| NE Front Street Water Lines | | | X | |
| DNREC Water Allocation Permit | | | X | |
| Washington Street WTF Lot Consolidation | | | | |
| Sewer | | | | |
| Truitt Avenue PS Groundwater Investigation & Repair | | | X | |
| SCADA Instrumentation Upgrades & Integration | | | | |
| Targeted Inflow and Infiltration Investigation & Repair | | | X | |
| SE 2nd Street Sewer Line Replacement | | | | X |
| Silicato Grinder Pump Installation | | | | |
| North Shore Pump Station Hatch Replacement | | | X | |

| | | | | |
|---|---|---|---|---|
| Shawnee Acre Pump Station | | | | X |
| Streets | | | | |
| Mispillion, McColley, Marshall Streets Reconstruct/Paving | | X | | |
| Roosa, Masten, SE 5th St Repaving | | | | X |
| Plum Street Reconstruct | | X | | |
| SE 2nd Street Curb | | | | X |
| Fisher Ave | X | | | |
| West Street Curb and Sidewalk Project | | | | |
| Financing for Private Sidewalk Improvements | X | | | |
| Street Resurfacing and Rehabilitation, ADA Ramps | X | | | |
| Installation of ADA Compliant Ramps | X | | | |
| Walnut Street Pedestrian Crossing (Landscaping) | X | | | |
| Pennsylvania Street Gutter/Drainage Improvement | | | | X |
| Truck Turning Study | X | | | |
| US 113 Welcome Sign Relocation/Replacement (south end) | X | | | |
| Sidewalk Project | | | X | |
| Buildings | | | | |
| Council Chambers Recording System Upgrade | X | | | |
| Monitors in Council Chambers | X | | | |
| City Hall Video Monitoring System Replacement | | | | X |
| City Hall Basement Renovation Phase 1-IT | | | | X |
| City Hall Basement Renovation Phase 2-Training Rm/Ofc | X | | | |
| PW Breakroom/Lockeroom Renovations | | | | X |
| PW-Complex Security | x | | | |
| City Wide-LED Replacement Project | | | X | |
| City Hall Exterior Step Repair | | | | X |
| Customer Service Video Monitoring System Replacement | | | | X |
| DMI Project | X | | | |
| City Hall File Storage Project-Vault | | | | X |
| Customer Service-Basement Waterproofing | | X | | |

| Public Works Equipment & Vehicles - January 2021 | Planning Stage | Bid/PO Award | In Progress | Complete |
|---|----------------|--------------|-------------|----------|
| Electric | | | | |
| SCADA/Smart Metering Wall Monitor | | | | X |
| Replace Fork Lift (WH-1) | | | | X |
| Replace 2005 Excursion with similar 4x4 vehicle (E-106) | | | | X |
| Replace 2000 International Line Truck (E-110) | | | | X |
| Replace 2005 Ford F-250 Pickup (E-115) | | | | X |
| Replace 2003 International Material Handler (E-103) | | | | X |
| Water | | | | |
| Replace W-16 IR Compressor | | | | |
| Replace W-8 Ford F450 2022 | | | | |
| Replace W-10 FN 150 Pump & MGS Trailer | | | | |
| Replace S-5 Kod C70 Dump Truck | | | | X |
| Replace S-9 GMC Dump with Hook truck | | | | X |
| Replace W-14 Chevy Astro Van | | | | X |
| Sewer | | | | |
| Replace SE-2 Ford F250 Pickup | | | X | |
| Replace S-4 with Hook Truck with Dump/Flatbed & Plow | | | | X |
| Solid Waste | | | | |
| Replace Refuse Truck SW-12 with Split Body Collection Truck | | | | X |

| Active Developments -January 2021 | Plan Review | Utility Mains Installation | Utility Service Line Inspection | Complete |
|-----------------------------------|-------------|----------------------------|---------------------------------|----------|
| Fork Landing | X | X | X | |
| Hearthstone Manor I | X | X | X | |
| Lighthouse Estates | X | X | X | |
| Willows Phase II | | | | |
| Brookstone Trace | X | X | X | |
| Orchard Hill | X | X | X | |
| West Shores at New Milford | X | X | X | |
| Watergate | X | | X | |
| Walnut Village | X | X | X | |
| Milford Ponds Phase I | X | X | X | |
| Hearthstone Manor II | | | X | |
| Milford Ponds Phase II | | | | |
| Simpson's Crossing | X | X | X | |
| Cypress Hall Phase I | X | X | | |
| Wichersham | X | | | |
| Misphillion Landing | X | | | |
| Riverwalk Villas | X | | | |
| Windward on the River | X | X | X | |
| Cypress Hall Phase II | X | | | |
| Milford Ponds Phase III | X | | | |
| Marina Del | | | | |
| 200 NW Front | X | | X | |
| Hickory Glen | X | | | |
| Knights Crossing | X | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

| Commercial Developments -January 2021 | Plan Review | Utility Mains Installation | Utility Service Line Inspection | Complete |
|--|-------------|----------------------------|---------------------------------|----------|
| Nemours | X | X | | |
| Nutrien Ag | X | X | X | X |
| Surf & Turf | | | X | |
| Delaware Veterans Home | | | | |
| Delaware Rural Water | X | X | X | X |
| Gator & Associates | | | | |
| Microtel | X | X | X | |
| DNREC Mosquito Control | | | X | |
| Growmark FS - Redevelopment of Warehouse | X | X | | |
| Misphillion River Brewery | | | | |
| Milford Wellness Village | | | | |
| Touch of Italy Business Park | | | | |
| 10th Street Medical Office | X | X | | |
| Beach Babies | X | X | | |
| Bright Nest LLC | | | | |
| Milford Transfer Station DSWA | | | | |
| Mavis Discount Tires | | | | |
| Mid-Delaware Professional | | | | |
| Milford Ponds Clubhouse | X | X | X | X |
| Kidz Ink | X | X | X | X |
| Windward on the River Commercial | X | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

TO: Mayor and City Council

FROM: Rob Pierce, AICP - Planning Director

DATE: March 1, 2021

RE: February 2021 – Planning Department Staff Report

- Through the first two months of the 2021 calendar year, the City issued 28 new residential construction permits. The total construction investment in Milford from January through the end of February based on issued building permits was \$9,147,601.
- The City of Milford has seen 77 projects with a committed investment of over \$23.0 million within the Downtown Development District (DDD) area since September 2016 (based on permit valuations from submitted applications). The State of Delaware has committed or awarded over \$2.81 million in grant funds for both large and small commercial and residential projects in Milford. The City has waived over \$356,000 in permit fees and taxes associated with these projects in accordance with Chapter 19 Economic Development and Redevelopment and DDD program guidelines.
- The Planning Commission and City Council will review a conditional use request for an indoor recreation use on Lot 8 of Independence Commons.
- The Planning Commission has begun reviewing Chapter 230 Zoning and Chapter 200 Subdivision of Land in an effort to address the goals and recommendations from the 2018 Comprehensive Plan, reduce the number of potential Board of Adjustment applications, provide clarity on ambiguous language and modernize portions of the ordinances. The Planning Commission reviewed several administrative articles within Chapter 230 Zoning at the February meeting and provided feedback. The Commission will review Off-street Parking, Landscape Screening and other Miscellaneous provisions at the March meeting and prepare for discussion regarding Definitions and Use and Area Regulations for the April meeting. The workshops will be held prior to each Planning Commission regular meeting over the next few months with the intent of having final edits for consideration this Summer.
- The Board of Adjustment will review four new variance application at the March meeting. Applications involve infill development, redevelopment of non-conforming dwellings in the DDD area, a lot line adjustment and the construction of an oversized commercial accessory building.
- During the month of February, the City completed final construction plan reviews for the Knights Crossing Phase I project. Review comments have been sent to the applicant and the City is awaiting revised plans and response letter before conducting further review.
- Century Engineering, DeIDOT and Planning Staff continue to work on updating the Bicycle Master Plan. A list of projects has been developed by the team and DeIDOT is working on prioritizing these segments based on criteria used by the State. The Bicycle Advisory Committee will review the prioritization efforts and project list at the March 10th meeting from 4 to 6 pm.

- Staff attended a Downtown Development District website and marketing meeting conducted by the State of Delaware and will be working with the State during the month of March to update online content related to the program.
- Staff attended 3-day online FEMA floodplain management training.
- Staff attended the Downtown Milford, Inc. Economic Vitality committee meeting.
- Staff continues to work towards implementing the goals and objects of the 2018 Comprehensive Plan, SE Master Plan, Downtown Development District (DDD) application, Rivertown Rebirth Master Plan and Strategic Plan (see below links).
 - [2018 Comprehensive Plan & SE Master Plan \(Click Here to View\)](#)
 - [Downtown Development District Plan \(Click Here to View\)](#)
 - [Rivertown Rebirth Master Plan \(Click Here to View\)](#)
 - [Strategic Plan – Press Play: Vision 2023 \(Click Here to View\)](#)

Case Activity:

| | Total |
|-------------------------------|-------|
| New Cases | 11 |
| Closed Cases | 10 |
| Open Cases at Start of Period | 106 |
| Open Cases at End of Period | 107 |

Violation Activity:

| New Violations Cited | Total |
|--------------------------------|-----------|
| Abandoned Vehicle | 0 |
| Dangerous Tree | 1 |
| Furniture Violation | 1 |
| Generic Violation | 5 |
| Property Maintenance Violation | 2 |
| Rubbish & Garbage | 1 |
| Weeds & Grass | 0 |
| Zoning Use Violation | 1 |
| Total | 11 |

Rental Licenses Issued: 330

Vendor Licenses Issued: 0

Contractors Licenses Issued: 67

Business Licenses Issued: 80

Building Permits Issued:

| Permits Issued by Type | Count |
|---------------------------------------|-----------|
| Commercial Demolition | 0 |
| Commercial Foundation | 0 |
| Commercial Building Permit | 5 |
| Residential Demolition | 0 |
| Residential Building New Construction | 16 |
| Residential Renovation/Accessory | 17 |
| Roof/Siding Permit | 7 |
| Sign Permit | 2 |
| Solar Panel Permit | 0 |
| Utility Permit | 5 |
| Total | 52 |

Inspections Performed:

| Inspections Performed by Type | Count |
|-------------------------------|-----------|
| Footer | 2 |
| Foundation | 2 |
| Framing | 4 |
| Insulation | 3 |
| Final | 16 |
| Residential Rental | 0 |
| Total | 27 |

Note: Proactive rental inspections have been placed on hold due to COVID-19

PARKS & RECREATION DEPARTMENT
207 Franklin Street
Milford, DE 19963



PHONE 302.422.1104
FAX 302.422.0409
www.cityofmilford.com

TO: Mayor and City Council

FROM: Brad Dennehy-Parks and Recreation Director

DATE: March 3rd, 2021

RE: February – Parks and Recreation Staff Report

- Please attached update from the Recreation Supervisor regarding winter recreation programming and some attached photos.
- Park staff salted parking lots and pushed snow (minor) on at least four occasions the month of February.
- Signs were installed at the Milford cemetery for annual clean up, 2nd and 3rd week of March.
- Additional signage was installed at the Dog Park to remind visitors to clean up after their dogs.
- A leaking hydrant was addressed at the Dog Park and new landscaping/drainage stones will be placed around the hydrant.
- Weekly trash runs continued for all of the park facilities.
- A number of parks and rec. vehicles and mowers were serviced by the mechanic.
- Preparations began for the return of seasonal staff in March.
- Park Superintendent completed the Tree City USA application on behalf of the City.
- Remainder of winter greenery was removed from hayracks and planters in the Downtown.
- Two staff members (RJ Skinner and Doreen Wrightsman) were recommended to the Awards and Recommendation committee for their exceptional customer service, and for assistance with the referendum.
- The Memorandum of Understanding (MOU) with the Delaware Nature Society, was completed in February, and was presented to the Council for review and approval. This highlighted Milford on the front page of the Delaware State News and another additional article in Milfordlive.
- Director assisted Delaware Nature Society with a grant application for the Delaware Sea grant research project.
- Director coordinated a meeting with the State Parks planning office to begin developing a plan for some existing park areas and potential connectivity with walking trails, etc.
- A meeting was held with members of the Rotary organization to being discussions on the redevelopment of Marshall's pond, specifically how the Rotary can help in the coordination of cleaning up the banks of the pond and how the development of this park could benefit current and future residents.

- Director met with the Planning Director to discuss amendments to chapter 200 of the City municipal code (Subdivision of land) in regards to establishing further park needs in new subdivisions.
- Director met with the City Engineer to begin discussions on creating a citywide tree planting plan. I have since reached out to the Department of Forestry (urban forestry) to see how they can assist the City with this process.
- Director attended (virtually) the monthly Kent County Tourism meeting.
- Director completed the grass cutting bid for the Milford Community Cemetery, and it is out to bid. Contract will be awarded in March by the Milford Community Cemetery board.



We had a wonderful Winter sports season for both Basketball and Soccer. The measurement of this success was evident in the way the kids learned and displayed their incredible improvement in their skills. It was also evident by how well they worked together in their teams. We had both veteran and new coaches in our basketball program, and they adapted well to the delayed schedule and the COVID guidelines. Our soccer coaching staff was excellent- they utilized members of the high school staff as assistant coaches, and their rapport and instruction made for a great experience for all involved. All of the practices and games were held at the Boys and Girls Club.

We had around 80 kids participate in soccer. The basketball league had about the same number. Of course, everything was different this Winter due to the pandemic- and we are VERY proud that we were able to provide such great experiences for the youth of Milford. They virtually had no other outlet for fun, camaraderie and exercise. Parents were very grateful that we were able to provide their children with this experience.

Overall, we feel that we were able to offer an excellent program, despite COVID limitations and guidelines. We worked with the situation that was presented to us and communicated the constantly changing situation very well. We are excited to begin registration for our Spring programs starting March 5, begin all them on April 10.

Nan Martino

Parks and Recreation
Recreation Coordinator

Parks and Rec Winter Youth Programming-Instructional Basketball/Youth Basketball league/Indoor Soccer



Parks and Rec Winter Youth Programming-Instructional Basketball/Youth Basketball league/Indoor Soccer



Parks and Rec Winter Youth Programming-Instructional Basketball/Youth Basketball league/Indoor Soccer





HUMAN RESOURCES
10 SE Second Street
Milford, DE 19963

PHONE 302.424.5142
FAX 302.424.5932
www.cityofmilford.com

TO: Mayor and City Council

FROM: Jamesha C. Eaddy, MBA, MSL- Human Resources Administrator

DATE: March 1, 2021

RE: February 2021 –Human Resources Department Staff Report

- Interviews were conducted for the positions of Economic Development and Community Engagement Administrator, Information Technology Director and Administrative Assistant, Public Works.
- A job offer was extended for the position of Administrative Assistant, Public Works.
- 3 onsite tours are scheduled for the position of Economic Development and Community Engagement Administrator on March 5, 8-9, 2021.
- 1 onsite tour is scheduled for the position of Information Technology Director on March 18, 2021.
- Onboarded new hire for the position of Part-Time Police Dispatcher.
- February 2021 Excellence Award Nominations: Katrina White, Deputy City Clerk (Winner), Ralph Skinner (Parks Superintendent) and Doreen Wrightsman (Administrative Assistant, Parks and Recreation)
- The Reward and Recognition Committee designed custom City T-Shirts for all employees to celebrate National Employee Appreciation Day on March 5, 2021.
- COVID-19: As of February 28, 2021, the City has 0 positive employee cases.
- DeLea Founders Insurance Trust Safety Committee Meeting: Ralph Skinner, Parks Superintendent will be the speaker for a 5-minute Safety Tool Box Talk on Riding Mower Safety at the March 16, 2021 meeting.
- A firm will be selected in March to begin the 2021 Job and Classification and Compensation Study.

To: Mayor and City Council
From: Louis C. Vitola, Finance Director
Date: March 3, 2021
Re: January 2021 Financial Reporting Package

The January 2021 Month-to-Date and Fiscal Year-to-Date (YTD) Financial Reporting Package is enclosed for your review. The following executive summary highlights this month's notable developments. No significant changes were made to the presentation of the financial data or the report layout this month.

- Pages 1-2: Cash and Reserve Balances
 - Cash and investment balances (page 1) remain strong through the first seven months of the year, but the standard caution is that reserve requirements and funding commitments (page 2) encumber a significant portion of the balance in each fund, most notably the general fund, sewer fund, the Municipal Street Aid (MSA) fund and Realty Transfer Tax (RTT) fund.
 - Disbursements were made from all four major reserve accounts (page 2, lines 18-21) during January. Aside from the \$236,000 disbursed from electric reserves for the acquisition of the budgeted and council-approved material handler and the nominal investment fees drawn from sewer reserves, the water and general fund activity consists of transfers to the operating cash accounts to reimburse accumulated capital expenditures initially disbursed through the ordinary accounts payable process in support of reserve-funded initiatives.
 - Transfers were made to record installment payments related to two interfund loans initiated from reserves:
 - Line 19 on page 1 reflects a transfer from solid waste operating funds to water fund reserves to satisfy the first of seven annual installments of \$71,430 to repay the water fund for a FY20 interfund equipment loan
 - Line 21 reflects a transfer from general operating funds to electric fund reserves to satisfy the second of four annual payments to satisfy a FY19 interfund loan to support garage equipment
- Page 3-6: Revenue & Expenditures
 - General fund revenues continue the strong trend into the New Year, as YTD revenue as a function of the annual budgeted revenue is almost 76%, but the figure is skewed by the annual property tax billing and the controlled recognition of transfers in and reserve-funded projects, which occur regularly to match the budget. Adjusted for property tax billing, incoming transfers and reserve-funded initiatives, YTD general fund revenue is still a healthy 67% of the annual budget, while expenditures are being monitored closely, again measuring under the levelized budgeted expenditures through the end of January.
 - Enterprise fund revenues likewise remain strong through the first seven months of the year. After December's light results, revenue rebounded in January to exceed budget for all but the water fund and pushed the YTD revenue variance ahead of the levelized revenue budget by more than 5%.
 - In December, higher than expected power purchases (given the level of sales) in the electric fund, high infiltration and inflow (I&I) costs in the sewer fund and debt service payments in each of the two funds contributed to last month's weak results. By contrast, January's expenses tallied nearly \$0.8 million less than that recorded in December, helping push YTD expenditures almost 5% below the levelized YTD budget to mirror the success on the revenue side of the equation.
 - Despite the positive rebound from December's foreboding results, controllable operating expenses and capital spending funded by current operations have been held deliberately low through the fiscal year so far. Necessary operating and capital expenditures deferred to the second half of the year have the potential to contribute to a reversal of the positive budget variance experienced throughout the fiscal year.

cc: Mark Whitfield, City Manager
Finance Department



Financial Reporting Package
As of and For the Period Ended January 31, 2021

Cash & Investment Balance Rollforward
Restricted Cash Reserves Report
Revenue Report with MTD & YTD vs Annual Budget
Expenditure Report with MTD & YTD vs Annual Budget
Interservice Department Cost Allocation

City of Milford, Delaware
Cash and Investment Balance¹ Rollforward
For the Period Ended January 31, 2021

1 **Operating Cash Balances**

| Description | Opening Balance (Dec 31, 2020) | Receipts | Interest Earned | Disbursements | Closing Balance (Jan 31, 2021) |
|-------------------------------|-----------------------------------|---------------------|-----------------|-----------------------|-----------------------------------|
| General Fund | \$ 4,808,528 | \$ 1,074,147 | \$ 5,871 | \$ (1,392,662) | \$ 4,495,884 |
| Electric Fund | 2,140,341 | 1,897,572 | 2,179 | (1,899,751) | 2,140,341 |
| Water Fund | 956,960 | 255,654 | 1,221 | (143,561) | 1,070,275 |
| Sewer Fund | 1,039,244 | 396,061 | 604 | (437,056) | 998,854 |
| Solid Waste Fund ⁵ | 395,143 | 124,414 | 61 | (165,258) | 354,360 |
| Operating Cash Totals | \$ 9,340,215 | \$ 3,747,849 | \$ 9,937 | \$ (4,038,288) | \$ 9,059,713 |

9 **Federal, State and Other Special Purpose Cash Balances**

| Description | Opening Balance (Dec 31, 2020) | Receipts | Interest Earned | Disbursements ³ | Closing Balance (Jan 31, 2021) |
|------------------------------------|-----------------------------------|-------------------|-----------------|----------------------------|-----------------------------------|
| General Improvement | \$ 379,413 | \$ - | \$ 66 | \$ - | \$ 379,479 |
| Municipal Street Aid (MSA) | 478,883 | 68,284 | 95 | - | 547,261 |
| Realty Transfer Tax (RTT) | 3,200,574 | 53,580 | 555 | (41,667) | 3,213,043 |
| Economic Development | 32,289 | - | - | - | 32,289 |
| Special Purpose Cash Totals | \$ 4,091,159 | \$ 121,864 | \$ 715 | \$ (41,667) | \$ 4,172,071 |

16 **Reserve Fund Cash Balances²**

| Description | Opening Balance (Dec 31, 2020) | Receipts ⁵ | Interest Earned | Disbursements ⁴ | Closing Balance (Jan 31, 2021) |
|---------------------------------|-----------------------------------|-----------------------|------------------|----------------------------|-----------------------------------|
| General Fund Capital Reserves | \$ 1,865,261 | \$ - | \$ 1,505 | \$ (23,419) | \$ 1,843,347 |
| Water Fund Capital Reserves | 9,577,152 | 71,430 | 10,097 | (12,906) | 9,645,773 |
| Sewer Fund Capital Reserves | 3,971,847 | - | 4,087 | (104) | 3,975,831 |
| Electric Fund Capital Reserves | 14,416,039 | 10,000 | 11,081 | (235,914) | 14,201,206 |
| Reserve Fund Cash Totals | \$ 29,830,300 | \$ 81,430 | \$ 26,770 | \$ (272,343) | \$ 29,666,157 |

23 **Impact Fees and Police/General Facilities Cash Balances**

| Description | Opening Balance (Dec 31, 2020) | Receipts | Interest Earned | Disbursements | Closing Balance (Jan 31, 2021) |
|---|-----------------------------------|-------------------|-----------------|---------------|-----------------------------------|
| Police & General Gov't Facilities | \$ 482,978 | \$ 25,150 | \$ - | \$ - | \$ 508,128 |
| Carlisle Fire Co Permit Fund | 569,775 | 8,383 | - | - | 578,158 |
| Water Impact Fee Reserves | 3,925,541 | 78,950 | - | - | 4,004,491 |
| Sewer Impact Fee Reserves | 2,287,158 | 41,711 | - | - | 2,328,869 |
| Electric Impact Fee Reserves | 962,390 | 14,400 | - | - | 976,790 |
| Impact Fees & Police/GF Totals | \$ 8,227,842 | \$ 168,595 | \$ - | \$ - | \$ 8,396,437 |

| | | | | | |
|---------------------|----------------------|---------------------|------------------|-----------------------|----------------------|
| Grand Totals | \$ 51,489,516 | \$ 4,119,737 | \$ 37,422 | \$ (4,352,297) | \$ 51,294,379 |
|---------------------|----------------------|---------------------|------------------|-----------------------|----------------------|

¹Balances reflect banking and investment account statements and are not indicative of funding availability

²See enclosed Restricted Cash Reserves Report for breakdown of reserve funding commitments

³Transfer to Police to support operating expenditures (line 13)

⁴Disbursements from Reserves include Council-approved Capital Spending, including Armory Renovations (line 18) and the Electric Division's Material Handler (line 21)

⁵Solid Waste Operating Cash Disbursements (line 7) and Water Fund Reserves Receipts (line 19) include loan payment of \$71,430 from Solid Waste to Water to satisfy installment 1 of 7 annual payments against FY'20 interfund loan of \$500,000 for equipment purchase.

City of Milford, Delaware
Restricted Cash Reserves Report
As of January 31, 2021

| General Fund Capital Reserves | | Amount |
|--|-----------|----------------|
| Cash/Investment Balance (1/31/21) | \$ | 1,843,347 |
| Restricted Funds: | | |
| FY'19 Approved with Budget | | (21,659) |
| FY'19 Capital - Council Approved | | (55,830) |
| FY'20 Approved with Budget | | (230,165) |
| FY'20 Capital - Council Approved | | (7,300) |
| FY'21 Approved with Budget ¹ | | (580,606) |
| FY'21 Capital - Council Approved | | (244,690) |
| Funding for 5 Police Officers - Yr 3 | | (436,800) |
| Support Policy with RTT ² | | 2,000,000 |
| Draft Reserve (MCR) Policy ³ | | (1,835,293) |
| Equipment Replacement Reserve ³ | | (293,902) |
| Uncommitted Reserve Balance | \$ | 137,102 |

| Water Fund Capital Reserves | | Amount |
|--|-----------|------------------|
| Cash/Investment Balance (1/31/21) | \$ | 9,645,773 |
| Restricted Funds: | | |
| NW & NE Front Street Waterline | | (125,343) |
| Streets 2020 Utility Engineering | | (3,226) |
| SE Second Street - Lead Gooseneck | | (152,562) |
| Two Test Wells - 10th Street | | (50,800) |
| Automated Blow-Off Valves | | (48,628) |
| Lovers Lane & Mispillion St Group | | (184,278) |
| Fencing & Water Source Study | | (74,250) |
| SE Regional Water Quality Study | | (36,750) |
| Front Street Water Lines | | (1,500,000) |
| Draft Reserve (MCR) Policy ⁴ | | (887,632) |
| Equipment Replacement Reserve ⁴ | | (1,546,200) |
| Uncommitted Reserve Balance | \$ | 5,036,104 |

| Sewer Fund Capital Reserves | | Amount |
|--|-----------|---------------|
| Cash/Investment Balance (1/31/21) | \$ | 3,975,831 |
| Restricted Funds: | | |
| Vehicles: F250 Svc & H/D w/Plow | | (42,524) |
| I&I Studies: & Shawnee/Truitt | | (141,634) |
| DNREC Surface Water Grant | | (50,000) |
| Mill Street - Line Rerouting | | (5,439) |
| Streets 2020 Utility Engineering | | (3,226) |
| Fencing - Lighthouse Pump Station | | (28,000) |
| Upgrade Line - Mispillion St Group | | (28,618) |
| Backup Generator | | (40,950) |
| Draft Reserve (MCR) Policy ⁴ | | (2,948,637) |
| Equipment Replacement Reserve ⁴ | | (613,000) |
| Uncommitted Reserve Balance | \$ | 73,803 |

| Electric Fund Capital Reserves | | Amount |
|--|-----------|------------------|
| Cash/Investment Balance (1/31/21) | \$ | 14,201,206 |
| Restricted Funds: | | |
| SCADA / Smart Metering Wall | | (100,000) |
| FY'19 Budgeted Capital | | (297,150) |
| FY'20 Budgeted Capital | | (181,961) |
| Early Redemption of Bond (1/1/22) | | (4,060,000) |
| Draft Reserve (MCR) Policy ⁴ | | (5,185,486) |
| Equipment Replacement Reserve ⁴ | | (1,241,200) |
| Uncommitted Reserve Balance | \$ | 3,135,409 |

| Municipal Street Aid Reserves | | Amount |
|--------------------------------------|-----------|--------------|
| Cash/Investment Balance (1/31/21) | \$ | 547,261 |
| Projected Receipts through FY'21: | | 69,964 |
| Restricted Funds: | | |
| Mispillion Street Group | | (434,440) |
| Street Improvement Plan: 2020 | | (98,011) |
| Street Improvement Plan: 2019 | | (72,000) |
| Balance of Fisher, Plum, Masten, etc | | (1,094) |
| Balance of Lovers Lane Project | | (3,125) |
| Restricted for Bridge Improvements | | (6,552) |
| Uncommitted Reserve Balance | \$ | 2,003 |

| Realty Transfer Tax Reserves | | Amount |
|------------------------------------|-----------|---------------|
| Cash/Investment Balance (1/31/21) | \$ | 3,213,043 |
| Projected Receipts through FY'21: | | 254,583 |
| Restricted Funds: | | |
| Transfer to Police Dept | | (208,331) |
| Sidewalk Project Funding | | (140,000) |
| Mispillion Street Group | | (80,000) |
| Support GF Policies ² | | (2,000,000) |
| Draft Reserve Policy ⁵ | | (1,000,000) |
| Uncommitted Reserve Balance | \$ | 39,295 |

¹Includes \$347,899 for FY'21 General Fund Operating Budget Deficit-Funding
²Per discussions held at 11/17/2020 Council Retreat, implementation of GF Reserve Policies would require support from an eligible funding source
³Per 11/17 Retreat, initial draft of GF Policies recommend MCR of 60 days OpEx & Equip Repl Res of PY Equipment Depreciation Expense
⁴Per 11/17 Retreat, initial drafts of Enterprise Fund Policies recommend dynamic MCR based on formula developed in COS study, with separate Equip Repl Reserve of 20% of 5-yr CIP
⁵Per 11/17 Retreat, initial draft of RTT Fund Policy recommends dynamic MCR based on average of trailing-three-year RTT receipts

City of Milford, Delaware
 Revenue Report: MTD and YTD Actual vs Annual Budget
 For the YTD Period Ended January 31, 2021

58.3% of Year Elapsed

| Account / Function | FY'21 Budget, as Approved | MTD Actual | YTD Actual | YTD Actual as % of Annual Budget |
|--|------------------------------|---------------------|----------------------|-------------------------------------|
| General Fund: | | | | |
| Economic Development Fund | \$ 70,860 | \$ - | \$ 70,860 | 100.0% |
| General Fund Reserves | 813,099 | 32,946 | 467,433 | 57.5% |
| General Fund Reserves - New Officers | 436,800 | 36,400 | 254,800 | 58.3% |
| Realty Transfer Tax - Police | 500,000 | 41,667 | 291,667 | 58.3% |
| Real Estate Tax | 4,316,000 | 4,111 | 4,245,653 | 98.4% |
| Business License | 50,000 | 29,750 | 41,690 | 83.4% |
| Rental License | 100,000 | 58,600 | 79,050 | 79.1% |
| Building Permits | 250,000 | 38,193 | 254,939 | 102.0% |
| Planning & Zoning | 47,000 | 16,400 | 36,750 | 78.2% |
| Grasscutting Revenue | 16,000 | 1,333 | 9,333 | 58.3% |
| Police Revenues | 508,375 | 6,905 | 355,977 | 70.0% |
| Misc. Revenues | 417,100 | 56,296 | 195,933 | 47.0% |
| Transfers In | 3,486,525 | 290,543 | 2,033,806 | 58.3% |
| Total General Fund Revenue | \$ 11,011,759 | \$ 613,144 | \$ 8,337,891 | 75.7% |
| Enterprise Funds: | | | | |
| Water Fund Revenues | \$ 2,984,929 | \$ 244,485 | \$ 1,860,152 | 62.3% |
| Sewer Fund Revenues | 2,528,345 | 217,629 | 1,523,810 | 60.3% |
| Kent County Sewer | 1,900,000 | 167,426 | 1,173,449 | 61.8% |
| Solid Waste Fund Revenues | 1,314,770 | 111,088 | 809,694 | 61.6% |
| Electric Fund Revenues | 24,310,398 | 2,247,469 | 14,902,001 | 61.3% |
| Total Enterprise Fund Revenue | \$ 33,038,442 | \$ 2,988,097 | \$ 20,269,106 | 61.4% |
| Other Enterprise Expense | | (2,445) | (4,171) | |
| Other Enterprise Revenue | | 1,685 | 8,380 | |
| Total General & Enterprise Fund Revenue | \$ 44,050,201 | \$ 3,600,481 | \$ 28,611,206 | 65.0% |

City of Milford, Delaware
Expenditure Report: MTD and YTD Actual vs Annual Budget
For the YTD Period Ended January 31, 2021

58.3% of Year Elapsed

| Fund / Account / Divisional Groupings | FY'21 Budget, as Approved | MTD Actual | YTD Actual | YTD Actual as % of Annual Budget | Unexpended Balance |
|---|------------------------------|----------------|----------------|-------------------------------------|-----------------------|
| General Fund | | | | | |
| City Administration | | | | | |
| Personnel | \$ 623,686 | \$ 40,745 | \$ 320,461 | 51.4% | \$ 303,225 |
| Operation & Maintenance (O&M) | 191,289 | 5,360 | 71,555 | 37.4% | 119,734 |
| Capital | - | - | - | | - |
| Subtotal: City Administration | 814,975 | 46,105 | 392,016 | 48.1% | 422,959 |
| Planning & Zoning | | | | | |
| Personnel | 158,111 | 12,462 | 89,041 | 56.3% | 69,070 |
| O&M | 82,647 | 5,695 | 27,412 | 33.2% | 55,235 |
| Capital | - | - | - | | - |
| Subtotal: Planning & Zoning | 240,758 | 18,157 | 116,453 | 48.4% | 124,305 |
| Code Enforcement & Inspections | | | | | |
| Personnel | 288,296 | 21,883 | 156,639 | 54.3% | 131,657 |
| O&M | 91,722 | 2,998 | 32,153 | 35.1% | 59,569 |
| Capital | 32,000 | - | - | 0.0% | 32,000 |
| Subtotal: Code Enforcement & Inspections | 412,018 | 24,881 | 188,792 | 45.8% | 223,226 |
| Council | | | | | |
| Personnel | 32,295 | 1,820 | 17,074 | 52.9% | 15,221 |
| Legal | 45,000 | - | 9,415 | 20.9% | 35,585 |
| City Hall Building Expense | 30,014 | 2,501 | 17,508 | 58.3% | 12,506 |
| Insurance | 20,400 | - | 16,417 | 80.5% | 3,983 |
| Christmas Decorations | 7,000 | - | - | 0.0% | 7,000 |
| Council Expense | 34,200 | 2,445 | 13,227 | 38.7% | 20,973 |
| Employee Recognition | 28,000 | - | 13,566 | 48.5% | 14,434 |
| Codification | 15,000 | - | 6,728 | 44.9% | 8,272 |
| Carlisle Fire Company | 140,000 | 140,000 | 140,000 | 100.0% | - |
| Museum | 30,000 | - | 30,000 | 100.0% | - |
| Downtown Milford, Inc. | 45,860 | - | 45,860 | 100.0% | - |
| Milford Public Library | 25,000 | - | 25,000 | 100.0% | - |
| Economic Development | 2,000 | - | - | 0.0% | 2,000 |
| Armory Expenses | 9,000 | - | 4,259 | 47.3% | 4,741 |
| Kent Economic Partnership | 30,000 | - | - | 0.0% | 30,000 |
| Election - Wages | 6,000 | - | - | 0.0% | 6,000 |
| Election - Supplies | 2,000 | - | - | 0.0% | 2,000 |
| Community Festivals | 60,000 | - | - | 0.0% | 60,000 |
| Subtotal: Council | 561,769 | 146,766 | 339,054 | 60.4% | 222,715 |

City of Milford, Delaware
Expenditure Report: MTD and YTD Actual vs Annual Budget
For the YTD Period Ended January 31, 2021

58.3% of Year Elapsed

| Fund / Account / Divisional Groupings | FY'21 Budget, as Approved | MTD Actual | YTD Actual | YTD Actual as % of Annual Budget | Unexpended Balance |
|---|------------------------------|-------------------|---------------------|-------------------------------------|-----------------------|
| Finance | | | | | |
| Personnel | 504,477 | 77,858 | 336,401 | 66.7% | 168,076 |
| O&M | 86,400 | 1,780 | 24,725 | 28.6% | 61,675 |
| Capital | - | - | - | | - |
| Subtotal: Finance | 590,877 | 79,638 | 361,126 | 61.1% | 229,751 |
| Information Technology | | | | | |
| Personnel | 274,394 | 32,536 | 110,105 | 40.1% | 164,289 |
| O&M | 276,418 | 9,051 | 85,299 | 30.9% | 191,119 |
| Capital | 62,000 | 2,306 | 28,536 | 46.0% | 33,464 |
| Subtotal: Information Technology | 612,812 | 43,893 | 223,940 | 36.5% | 388,872 |
| Police Department | | | | | |
| Personnel | 4,969,863 | 391,033 | 2,674,517 | 53.8% | 2,295,346 |
| O&M | 724,875 | 26,511 | 361,450 | 49.9% | 363,425 |
| Capital | 105,700 | - | 93,987 | 88.9% | 11,713 |
| Subtotal: Police Department | 5,800,438 | 417,544 | 3,129,954 | 54.0% | 2,670,484 |
| Streets & Grounds Division | | | | | |
| Personnel | 353,451 | 26,199 | 187,478 | 53.0% | 165,973 |
| O&M | 440,195 | 28,972 | 192,435 | 43.7% | 247,760 |
| Capital | - | - | - | | - |
| Subtotal: Streets & Grounds Division | 793,646 | 55,171 | 379,913 | 47.9% | 413,733 |
| Parks & Recreation | | | | | |
| Personnel | 550,946 | 32,360 | 249,752 | 45.3% | 301,194 |
| O&M | 368,020 | 7,943 | 205,161 | 55.7% | 162,859 |
| Capital | 265,500 | 9,482 | 125,047 | 47.1% | 140,453 |
| Subtotal: Parks & Recreation | 1,184,466 | 49,785 | 579,960 | 49.0% | 604,506 |
| Total General Fund Expenditures | \$ 11,011,759 | \$ 881,940 | \$ 5,711,208 | 51.9% | \$ 5,300,551 |

City of Milford, Delaware
Expenditure Report: MTD and YTD Actual vs Annual Budget
For the YTD Period Ended January 31, 2021

58.3% of Year Elapsed

| Fund / Account / Divisional Groupings | FY'21 Budget, as Approved | MTD Actual | YTD Actual | YTD Actual as % of Annual Budget | Unexpended Balance |
|---|------------------------------|---------------------|----------------------|-------------------------------------|-----------------------|
| Enterprise Funds: | | | | | |
| Water Division | | | | | |
| Personnel | \$ 319,598 | \$ 24,307 | \$ 170,580 | 53.4% | \$ 149,018 |
| O&M | 1,542,611 | 116,400 | 772,987 | 50.1% | 769,624 |
| Capital | 757,445 | - | - | 0.0% | 757,445 |
| Debt Service | 365,275 | - | 182,636 | 50.0% | 182,639 |
| Subtotal: Water Division | 2,984,929 | 140,707 | 1,126,203 | 37.7% | 1,858,726 |
| Sewer Division | | | | | |
| Personnel | 307,738 | 23,611 | 167,776 | 54.5% | 139,962 |
| O&M | 1,814,277 | 80,880 | 1,075,727 | 59.3% | 738,550 |
| Capital | - | - | - | - | - |
| Debt Service | 406,330 | 17,962 | 303,129 | 74.6% | 103,201 |
| Subtotal: Sewer Division (excl. Kent County) | 2,528,345 | 122,453 | 1,546,632 | 61.2% | 981,713 |
| Kent County Sewer | 1,900,000 | - | 1,006,383 | 53.0% | 893,617 |
| Subtotal: Sewer Division (Comprehensive) | 4,428,345 | 122,453 | 2,553,015 | 57.7% | 1,875,330 |
| Solid Waste Division | | | | | |
| Personnel | 315,705 | 19,714 | 154,051 | 48.8% | 161,654 |
| O&M | 999,065 | 137,628 | 631,801 | 63.2% | 367,264 |
| Capital | - | - | - | - | - |
| Subtotal: Solid Waste Division | 1,314,770 | 157,342 | 785,852 | 59.8% | 528,918 |
| Subtotal: Water, Sewer & Solid Waste | 8,728,044 | 420,502 | 4,465,070 | 51.2% | 4,262,974 |
| Electric Division | | | | | |
| Personnel | 1,135,845 | 85,220 | 645,828 | 56.9% | 490,017 |
| O&M | 2,605,859 | 161,489 | 1,366,067 | 52.4% | 1,239,792 |
| Transfer to General Fund | 2,500,000 | 208,333 | 1,458,333 | 58.3% | 1,041,667 |
| Capital | 947,529 | 8,471 | 77,449 | 8.2% | 870,080 |
| Debt Service | 321,165 | - | 274,208 | 85.4% | 46,957 |
| Subtotal: Electric Division (excl. Power) | 7,510,398 | 463,513 | 3,821,885 | 50.9% | 3,688,513 |
| Power Purchased | 16,800,000 | 1,535,422 | 10,078,770 | 60.0% | 6,721,230 |
| Subtotal: Electric Division (Comprehensive) | 24,310,398 | 1,998,935 | 13,900,655 | 57.2% | 10,409,743 |
| Total Enterprise Fund Expenditures | \$ 33,038,442 | \$ 2,419,437 | \$ 18,365,725 | 55.6% | \$ 14,672,717 |
| Grand Total Operating Budget | \$ 44,050,201 | \$ 3,301,377 | \$ 24,076,933 | 54.7% | \$ 19,973,268 |

City of Milford, Delaware
 Interservice Department Expenditures: MTD and YTD Actual vs Annual Budget
 For the YTD Period Ended January 31, 2021

58.3% of Year Elapsed

| Account / Divisional Groupings | FY'21 Budget | MTD Actual | YTD Actual | YTD Actual as % of Annual Budget | Unexpended Balance |
|--|-----------------------|---------------------|-----------------------|-------------------------------------|-----------------------|
| Interservice Departments | | | | | |
| Garage | | | | | |
| Personnel | \$ 94,752 | \$ 6,720 | \$ 48,626 | 51.3% | \$ 46,126 |
| Operation & Maintenance (O&M) | 120,672 | 16,581 | 76,191 | 63.1% | 44,481 |
| Capital | - | - | - | | - |
| Subtotal: Garage | 215,424 | 23,301 | 124,817 | 57.9% | 90,607 |
| Public Works | | | | | |
| Personnel | 727,521 | 53,584 | 362,644 | 49.8% | 364,877 |
| O&M | 270,155 | 12,139 | 100,801 | 37.3% | 169,354 |
| Capital | 216,773 | - | - | 0.0% | 216,773 |
| Subtotal: Public Works | 1,214,449 | 65,723 | 463,445 | 38.2% | 751,004 |
| Tech Services | | | | | |
| Personnel | 249,059 | 20,662 | 143,223 | 57.5% | 105,836 |
| O&M | 445,181 | 27,700 | 213,358 | 47.9% | 231,823 |
| Capital | - | - | - | | - |
| Subtotal: Tech Services | 694,240 | 48,362 | 356,581 | 51.4% | 337,659 |
| Billing & Collections | | | | | |
| Personnel | 662,726 | 44,107 | 325,924 | 49.2% | 336,802 |
| O&M | 282,655 | 26,187 | 132,661 | 46.9% | 149,994 |
| Capital | 49,500 | - | 20,479 | 41.4% | 29,021 |
| Subtotal: Billing & Collections | 994,881 | 70,294 | 479,064 | 48.2% | 515,817 |
| City Hall Cost Allocation | | | | | |
| O&M | 70,620 | 3,165 | 26,033 | 36.9% | 44,587 |
| Capital | - | - | - | | - |
| Subtotal: City Hall Cost Allocation | 70,620 | 3,165 | 26,033 | 36.9% | 44,587 |
| Interdepartmental Cost Allocation | \$ (3,189,614) | \$ (210,845) | \$ (1,449,940) | 45.5% | \$ (1,739,674) |
| Net Interdepartmental Costs¹ | \$ - | \$ - | \$ - | | \$ - |

¹All costs reported here are allocated to and entirely funded by the various departments that use the services provided internally by these shared departments.

City of Milford, Delaware
Cash and Investment Balance¹ Rollforward
For the Period Ended January 31, 2021

1 Operating Cash Balances

| Description | Opening Balance (Dec 31, 2020) | Receipts | Interest Earned | Disbursements | Closing Balance (Jan 31, 2021) |
|-------------------------------|-----------------------------------|---------------------|-----------------|-----------------------|-----------------------------------|
| General Fund | \$ 4,808,528 | \$ 1,074,147 | \$ 5,871 | \$ (1,392,662) | \$ 4,495,884 |
| Electric Fund | 2,140,341 | 1,897,572 | 2,179 | (1,899,751) | 2,140,341 |
| Water Fund | 956,960 | 255,654 | 1,221 | (143,561) | 1,070,275 |
| Sewer Fund | 1,039,244 | 396,061 | 604 | (437,056) | 998,854 |
| Solid Waste Fund ⁵ | 395,143 | 124,414 | 61 | (165,258) | 354,360 |
| Operating Cash Totals | \$ 9,340,215 | \$ 3,747,849 | \$ 9,937 | \$ (4,038,288) | \$ 9,059,713 |

9 Federal, State and Other Special Purpose Cash Balances

| Description | Opening Balance (Dec 31, 2020) | Receipts | Interest Earned | Disbursements ³ | Closing Balance (Jan 31, 2021) |
|------------------------------------|-----------------------------------|-------------------|-----------------|----------------------------|-----------------------------------|
| General Improvement | \$ 379,413 | \$ - | \$ 66 | \$ - | \$ 379,479 |
| Municipal Street Aid (MSA) | 478,883 | 68,284 | 95 | - | 547,261 |
| Realty Transfer Tax (RTT) | 3,200,574 | 53,580 | 555 | (41,667) | 3,213,043 |
| Economic Development | 32,289 | - | - | - | 32,289 |
| Special Purpose Cash Totals | \$ 4,091,159 | \$ 121,864 | \$ 715 | \$ (41,667) | \$ 4,172,071 |

16 Reserve Fund Cash Balances²

| Description | Opening Balance (Dec 31, 2020) | Receipts ⁵ | Interest Earned | Disbursements ⁴ | Closing Balance (Jan 31, 2021) |
|---------------------------------|-----------------------------------|-----------------------|------------------|----------------------------|-----------------------------------|
| General Fund Capital Reserves | \$ 1,865,261 | \$ - | \$ 1,505 | \$ (23,419) | \$ 1,843,347 |
| Water Fund Capital Reserves | 9,577,152 | 71,430 | 10,097 | (12,906) | 9,645,773 |
| Sewer Fund Capital Reserves | 3,971,847 | - | 4,087 | (104) | 3,975,831 |
| Electric Fund Capital Reserves | 14,416,039 | 10,000 | 11,081 | (235,914) | 14,201,206 |
| Reserve Fund Cash Totals | \$ 29,830,300 | \$ 81,430 | \$ 26,770 | \$ (272,343) | \$ 29,666,157 |

23 Impact Fees and Police/General Facilities Cash Balances

| Description | Opening Balance (Dec 31, 2020) | Receipts | Interest Earned | Disbursements | Closing Balance (Jan 31, 2021) |
|---|-----------------------------------|-------------------|-----------------|---------------|-----------------------------------|
| Police & General Gov't Facilities | \$ 482,978 | \$ 25,150 | \$ - | \$ - | \$ 508,128 |
| Carlisle Fire Co Permit Fund | 569,775 | 8,383 | - | - | 578,158 |
| Water Impact Fee Reserves | 3,925,541 | 78,950 | - | - | 4,004,491 |
| Sewer Impact Fee Reserves | 2,287,158 | 41,711 | - | - | 2,328,869 |
| Electric Impact Fee Reserves | 962,390 | 14,400 | - | - | 976,790 |
| Impact Fees & Police/GF Totals | \$ 8,227,842 | \$ 168,595 | \$ - | \$ - | \$ 8,396,437 |

| | | | | | |
|---------------------|----------------------|---------------------|------------------|-----------------------|----------------------|
| Grand Totals | \$ 51,489,516 | \$ 4,119,737 | \$ 37,422 | \$ (4,352,297) | \$ 51,294,379 |
|---------------------|----------------------|---------------------|------------------|-----------------------|----------------------|

32 ¹Balances reflect banking and investment account statements and are not indicative of funding availability

33 ²See enclosed Restricted Cash Reserves Report for breakdown of reserve funding commitments

34 ³Transfer to Police to support operating expenditures (line 13)

35 ⁴Disbursements from Reserves include Council-approved Capital Spending, including Armory Renovations (line 18) and the Electric Division's Material Handler (line 21)

36 ⁵Solid Waste Operating Cash Disbursements (line 7) and Water Fund Reserves Receipts (line 19) include loan payment of \$71,430 from Solid Waste to Water to satisfy installment 1 of 7 annual payments against FY'20 interfund loan of \$500,000 for equipment purchase.



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Phone 302.422.1111
Fax 302.424.3553
www.cityofmilford.com

Police Facility Citizens Advisory Committee

In accordance with the City of Milford Charter, the Mayor has the authority to create special committees and make appointments to those committees. With the approval of a borrowing bond of up to \$20 million by the voter referendum in January, the selection of a design professional has been completed and the design of the new police facility has begun. While the voters approved up to \$20 million, the cost of the new facility is expected to be much less. To ensure the design meets both today's needs and future needs of the police department and the community, the Police Facility Citizens Advisory Committee was created to provide oversight and direction to the design professional. Final plans shall be submitted to City Council for approval, following a recommendation by the Police Facility Citizen's Advisory Committee prior to the solicitation for bids being issued. Upon the start of construction, the Citizen's Advisory Committee shall meet to receive updates on the construction of the building, until the time of completion.

Committee Name

Police Facility Citizens Advisory Committee

Membership

Mayor shall be the Chair with seven appointed members consisting of residents from Ward 1-Gloria Markowitz, Vivian Erickson, Charles Temparali; Ward 2-David Mills and Gary Downes; Ward 3-Nicolas Brannon; Ward 4-Janelle Starling.

Term

The Committee shall provide a recommendation to Council on the final building plans before the project is bid, an estimated period of 30 months.

Charge

Provide recommendations to design professionals to bring the project in at the lowest and most cost-effective means while meeting the goal of providing a facility for today's police department, and at least 25 years into the future. Provide a final recommendation of plan approval to City Council. Be apprised of building construction and relay information to citizens.

Meetings

Committee shall meet at least monthly, and more often if necessary. All meetings are subject to FOIA requirements that include proper meeting notifications, agendas, recordings and minutes.

Council Liaison

Police Committee Chair Mike Boyle shall attend and provide updates to City Council.

Staff Support

Staff support shall consist of Police Chief, Finance Director, Public Works Director, City Manager and Police Administrative Assistant.

Agendas

Agendas shall be created and posted/published by the Police Chief and Police Administrative Assistant, with input from the design professional, other staff liaisons and Mayor.

Minutes

Meeting minutes shall be recorded by the Police Chief Administrative Assistant and provided to City Council on a monthly basis.

March 1, 2021

Application for Boards and Commissions

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

Which Board or Commission are you applying for? Parks and Recreation Advisory Board

Applicant Name: Nicholas Brannan

Street Address: 8 Little Pond Dr.

City, State, Zip:
Milford, DE 19963

Home Phone Number: *Field not completed.*

Email Address: nbrannan@msd.k12.de.us

How long have you been a resident of Milford? 13 years

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

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

Occupation and Employer: Teacher in Milford School District

Describe any special knowledge, education, experience, qualities or talents you have that are relevant to the Board or Commission on which you are interested in serving:
2 sport varsity coach
Masters in Teacher Leadership

Community and/or civic groups of which you are a member: Citizen Advisory Committee for potential new police station

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

I'm a resident and a coach in our community. I also have children in the district who actively participate in programs organized and run by Parks and Rec.

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

No

If yes, please describe:

Field not completed.

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

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

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

Which Board or Commission are you applying for? Planning Commission

Applicant Name: charles t. hammond, jr.

Street Address: 608 NORTH ST EXT

City, State, Zip:
Milford, DE 19963

Home Phone Number: XXXXXXXXXX

Personal Phone Number: N/A

Email Address:

How long have you been a resident of Milford? 40 + years

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

Are you a plot owner in the Milford Community Cemetery? Yes

Occupation and Employer: Retired

Describe any special knowledge, education, experience, qualities or talents you have that are relevant to the Board or Commission on which you are interested in serving: COMMANDING OFFICER, U.S. MARINE CORPS, 21 YRS. SERVICE, ASSOCIATE PROFESSOR, (SOUTHERN UNIVERSITY A&M COLLEGE), BRANCH HEAD, OFFICERS' MILITARY FORMAL SCHOOLS

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

BOARD PRESIDENT MILFORD MUSEUM, BOARD PRESIDENT MILFORD SENIOR CENTER, CHURCH TRUSTEE PRESIDENT.

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

CIVIC RESPONSIBILITY TO SERVE, AND HAVE A VOICE IN HELPING THE RESIDENTS AND BUSINESS AND PROPERTY OWNERS ARTICULATE, AND ACHIEVE A VISION FOR HOW THEY WANT THEIR COMMUNITY TO LOOK AND FUNCTION IN THE FUTURE.

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

Yes

If yes, please describe:

FAMILY MEMBER LOOKING TO PURCHASE PROPERTY FROM THE CITY

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

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

CITY OF MILFORD
NOTICE OF PUBLIC HEARING

Planning Commission Hearing: Tuesday, March 16, 2021
City Council Hearing: Monday, March 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 2021-03

Equitable Owners/Applicant Jason L. Sr. & Pamela T. James, on behalf of the City of Milford, submitted a Conditional Use petition to construct a 4,000 square foot building to be used as a personal fitness business on 1.0 +/- acres of land at Lot 8 of Independence Commons.

Address: 206 Liberty Way

Present Comp Plan Map Designation: Commercial Present Zoning District: OC-1 (Office Complex District)

Present Use: Vacant Proposed Use: Personal Fitness

Tax Parcel: MD-16-173.00-01-02.12

WHEREAS, Chapter 230-18(D)(4) states “indoor recreation (tennis, racquetball, handball, swimming, etc.)” is a conditional use subject to special requirements set forth by City Council within the OC-1 (Office Complex District) zoning category; and

WHEREAS, the equitable owners/applicants of the property, as described herein, have petitioned the City of Milford for a conditional use permit to allow a personal fitness facility at 206 Liberty Way in Independence Commons; and

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

WHEREAS, Milford City Council held a Public Hearing on Monday, March 22, 2021, to allow for additional public comment and review of the ordinance at which time a final determination was made; and

WHEREAS, the notice as required by Chapter 230, has been published in the Milford Beacon on February 24, 2021, and provided to property owners within 200 feet of the subject parcel; and

WHEREAS, the equitable owners/applicants entered into a sales agreement with the City of Milford to purchase the property, contingent upon conditional use and preliminary site plan approvals; and

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

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

Section 1. Upon the adoption of this ordinance, Equitable Owners/Applicants Jason L. Sr. & Pamela T. James, on behalf of the City of Milford, are hereby granted a Conditional Use Permit to permit a Personal Fitness Facility in an Office Complex Zoning District on 1.0 +/- acres at 206 Liberty Way in Independence Commons, 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 permit becomes void.

City Council Introduction: Monday, March 8, 2021

Planning Commission Review & Public Hearing: Tuesday, March 16, 2021

City Council Public Hearing: Monday, March 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: *Milford Beacon 02/24/2021*

From: Vitola, Louis

Sent: Monday, March 1, 2021 4:55:08 PM

To: Archie Campbell; Campbell, Archie; Fulton, Andrew P.; James, Jason; Wilson, Katrina; Culotta, Todd; Baer, Brian; Boyle, Mike; Morrow, Doug; Marabello, Daniel

Cc: Mark Whitfield (mwhitfield@milford-de.gov)

Subject: FY20 Financial Report & Annual Audit - Final Draft for March 8, 2021 Consideration

Dear Mayor Campbell and members of City Council,

Please see the attached final draft of the FY20 Financial Report & Annual Audit. Certain changes were made since the review of the initial draft on February 22, 2021. A summary of changes follows:

- Content in the Management's Discussion & Analysis (MDA) section (p. 3-11) was reorganized, and the tables in the MDA were labeled and referenced within the applicable narratives to improve the clarity for readers
- Error corrected on p. 9, Proprietary Funds section
- P. 52 was omitted in initial draft; it was restored in this final draft
- Minor formatting was done to improve consistency
- Minor edits were done to simply or improve the wording in narratives
- Front and rear covers were added
- The Table of Contents was updated to account for the aforementioned changes
- Blank inserts and pictures were added to improve the layout for ultimate production of bound copies

Next steps:

- The auditors are unable to continue their final processes in the absence of Council Approval
- Once Council approves the draft, the auditors will
 - Conduct final engagement quality control
 - Sign and Date the required audit communications
 - Assist in the production of the bound copies
- When the final electronic version is available, we will
 - Publish the report to the City's website
 - Submit the report to the required public securities disclosure portal to comply with our 2016 General Obligation bond covenants
- When bound copies are produced, we will distribute them to Council

Please let me know if you have any questions in the meantime. Thank you!

-Lou

Louis C. Vitola | Finance Director
City of Milford, Delaware
10 SE 2nd St, Milford, DE 19963
O: (302) 725-2066 | C: (302) 300-7137
<http://www.cityofmilford.com>

FY ANNUAL FINANCIAL 20 REPORT

& independent auditors' report



CITY HALL



THE CITY of

Milford
DELAWARE

[Inside Front Cover]



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 xx, 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 leveled 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 progressive improvements to the transparency and comprehensiveness of the City's financial planning and reporting processes.

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 FISCAL YEAR ENDED 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 FISCAL YEAR ENDED 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 FISCAL YEAR ENDED 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

The following table ("*MDA Schedule 1*") 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.

MDA Schedule 1

CITY OF MILFORD NET POSITION
(Amounts in Thousands)

| | Governmental Activities | | Business-Type Activities | | Total | |
|----------------------------------|-------------------------|------------------|--------------------------|------------------|------------------|------------------|
| | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 |
| 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> |

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

The following table ("*MDA Schedule 2*") 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.

MDA Schedule 2

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 | <u>1,032</u> | <u>(36)</u> | <u>4,710</u> | <u>3,806</u> | <u>5,742</u> | <u>3,770</u> |
| 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> |

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 (See *MDA Schedule 1*).

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;

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

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, lagging the more robust increase of \$5.7 million (6.8%) achieved during the prior fiscal year (See *MDA Schedule 2*). This year's increase, while positive, falls short of last year's increase by nearly \$2 million, which is spread relatively evenly between governmental activities (\$1.1 million) and business-type activities (\$0.9 million), the former of which is driven by increases in 2020 expenses versus 2019 and the latter of which is attributable to decreases in 2020 revenue versus 2019. The increased expenses in governmental activity and the reduced revenue among business-type activities are discussed individually in the two following sections.

In terms of the composition of the 2020 increase in net position, the 2020 increase of \$3.8 million is composed of 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 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 (See *MDA Schedule 2*).

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 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 revenue. The increase in property tax revenue of \$0.2 million resulted from the combination of parcel growth (count) and growth in assessed value (new construction, not reassessment-driven). 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.

Governmental expenditures increased by \$0.9 million in fiscal year 2020 versus 2019, approximately \$0.6 million of which is attributable to personnel expenses, \$0.2 million of which is related to claims and contingencies and \$0.1 million of which is directly related to operating and safety initiatives in response to the coronavirus pandemic.

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

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 (See *MDA Schedule 2*). 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.

Investment Policies – The City’s accumulated cash surplus and reserves attributable to governmental and business-type activities are combined and invested pursuant to the City’s investment policies, as amended. During the year, the City reallocated its investment balances to more heavily weight money market funds in response to changes in the market to capture additional yield without being exposed to any incremental risk. Additional information about the City’s investments can be found in Note 8 on page 33. *MDA Schedule 3* exhibits a breakdown of the City’s investments by broad asset type as of June 30, 2020 and 2019.

MDA Schedule 3

| Description | Category | Carrying Values as of June 30, | |
|----------------------------------|----------|--------------------------------|----------------------|
| | | 2020 | 2019 |
| Money Market Funds | | | |
| PFM Asset Management, LLC | 1 | \$ 15,729,139 | \$ 9,009,826 |
| <i>As % of Total Investments</i> | | 55% | 33% |
| Certificates of Deposit | | | |
| PFM Asset Management, LLC | 1 | 12,671,000 | 18,616,000 |
| <i>As % of Total Investments</i> | | 45% | 67% |
| Total Investments | | <u>\$ 28,400,139</u> | <u>\$ 27,625,826</u> |

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

FUND FINANCIAL STATEMENT ANALYSIS

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 (See Governmental Funds Balance Sheet on page 14). 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 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 (See pages 18-19). 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 \$3.8 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 (See page 50 for a detailed schedule).

DEBT ADMINISTRATION

As of June 30, 2019, the City’s bonded indebtedness and outstanding note obligations (See *MDA Schedule 4*) totaled \$15.9 million, all of which is backed by the full faith and credit of the City of Milford taxing authority.

MDA Schedule 4

**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 |

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

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 AA- 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 37 to 40 of this report.

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
- \$148 thousand for streets, planning and public safety vehicles and equipment

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 BUDGET

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. However, despite labor and other personnel costs that often increase in excess of 5% year-over-year, the City capped the fiscal year 2021 budget growth at 1.1% as compared to the 6% increase from 2019 to 2020. Cost control efforts have been largely successful halfway through the current fiscal year on a cash basis. 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 FISCAL YEAR ENDED 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.



MILFORD

**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 | \$ | 25,937,415 |

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) |
| Amounts reported for Governmental Activities in the Statement of Activities are different because: | |
| Some items reported in the statement of activities, including changes in deferred outflows and inflows of resources, pension liability, and compensated absences do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. | (156,131) |
| 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. | 67,963 |
| 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. | 622,817 |
| 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. | <u>(214,369)</u> |
| Change in net position of governmental activities | <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 (CONTINUED):

The following schedule presents the capital activity of business-type 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 |
|------------------------------|----------------------|------------------|----------------|----------------------------|----------------------|
| 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 | - | 1,473,128 |
| 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:

| | June 30, 2019 | June 30, 2018 | Increase (Decrease) |
|-----------------------|---------------|---------------|------------------------|
| 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 | 337,347 |
| 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:

| | Police & Fire | | Other Employees | |
|---|----------------------|---------------------|----------------------|---------------------|
| | Deferred Outflows | Deferred Inflows | Deferred Outflows | Deferred Inflows |
| 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 | 1,010,262 | 225,127 | 661,546 | 198,025 |

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> | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|----------------|----------------|----------------|----------------|----------------|
| 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> | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|---------------|---------------|---------------|---------------|---------------|
| 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.

**CITY OF MILFORD, DELAWARE
SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION PLAN
FOR THE LAST FIVE FISCAL YEARS**

| County & Municipal Police and Firefighters' Pension Plan | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|--------------|--------------|--------------|--------------|--------------|
| Contractually required contribution | \$ 358,149 | \$ 217,625 | \$ 269,023 | \$ 240,395 | \$ 251,302 |
| Contributions in relation to the contractually determined contribution | 358,149 | 217,625 | 269,023 | 240,395 | 251,302 |
| Contribution (excess) deficiency | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered-employee payroll | \$ 2,412,111 | \$ 2,147,178 | \$ 1,905,658 | \$ 1,944,111 | \$ 1,735,698 |
| Contributions as a percentage of covered-employee payroll | 14.85% | 10.14% | 14.12% | 12.37% | 14.48% |

| County & Municipal Other Employees' Pension Plan | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|--------------|--------------|--------------|--------------|--------------|
| Contractually required contribution | \$ 306,752 | \$ 284,307 | \$ 259,355 | \$ 225,472 | \$ 235,458 |
| Contributions in relation to the contractually determined contribution | 306,752 | 284,307 | 259,355 | 225,472 | 235,458 |
| Contribution (excess) deficiency | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered-employee payroll | \$ 4,106,578 | \$ 4,205,852 | \$ 3,476,349 | \$ 3,628,008 | \$ 3,630,778 |
| Contributions as a percentage of covered-employee payroll | 7.47% | 6.76% | 7.46% | 6.21% | 6.49% |

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.



MAJOR GENERAL
ALFRED A. TORBERT

The City of Milford, Delaware

Additional Information

As of and for the Year Ended June 30, 2020

DRAFT

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, Delaware

Page 1 of 2
[TO BE PREPARED BY AUDIT FIRM]

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PAGE 2 of 2
[TO BE PREPARED BY AUDIT FIRM]

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

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

Page 1 of 1
[TO BE PREPARED BY AUDIT FIRM]

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**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 Loan Grant | 10.766 | n/a | \$ - - | \$ 1,545,764 517,467 |
| 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

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THE CITY of

Milford

DELAWARE



small town feel - big time opportunities

To: Mayor and City Council
From: Louis C. Vitola, Finance Director
Date: March 4, 2021
Re: Audit Engagement Recommendation

EXECUTIVE SUMMARY

The scoring committee recommends that Council authorize a three-year engagement for audit services with Zelenkofske Axelrod LLC (ZA) for an amount not to exceed \$142,695 consistent with the terms set forth in the Request for Proposals (RFP) for Independent Audit Services and the proposal submitted in response.

BACKGROUND

Finance and Administration staff issued the RFP for Independent Financial Statement Audit Services on February 3, 2021. A total of nine proposals were received by the 3:30 p.m. deadline on March 1, 2021, all of which met the submission criteria and all of which were reviewed and scored.

EVALUATION

Accountant Sandra Peck and I served on the two-member scoring committee, with City Manager Mark Whitfield standing by as a passive scorer in the event of a tie. Sandra and I scored the proposals independently pursuant to the enclosed Scoring Rubric (p.8) for the qualitative categories (a) through (d), representing 75% of the total score. The cost proposal category (e) accounted for the remaining 25% of the total score; fee schedules were objectively calculated based on the relative distance from the total proposal value to the actual cost of the FY'20 audit engagement¹. A total score summary (p.2), comprehensive scoring grid for the top three firms (p.3-5), fee proposals by firm (p.6) and fee tabulations by firm (p.7) are all enclosed for your reference.

RATIONALE

The scoring committee independently arrived at nearly identical scores for the top two firms and even reached comparable segmentation of the top, middle and bottom third of the proposals. Scoring aside, the committee landed in a state of near indifference among the top three highest-scoring firms. However, ZA is being recommended for the engagement due to several standout components in its proposal. First, nearly all of the firm's governmental clients and 75% of its municipal clients report on a calendar year end. The firm's resources are therefore underutilized and widely available during our audit timetable, lending additional assurance that our needs will be met promptly and attentively. Second, the firm's fee proposal was stated as a "not-to-exceed, all-inclusive maximum cost" based on discounted hourly rates and an estimate of hours, which presents a savings opportunity versus a fixed rate without any corresponding risk. Third, the firm put forth an optional fee schedule for renewal years 4 and 5 of the engagement noted (but not required) in the RFP. The fees are consistent with the three base years and represent the potential for stability and continuity in the event the engagement is successful through the initial term. Finally, while headquartered in Pennsylvania, the firm maintains a regional office in Frankford, DE, and the committee believes in supporting investment in Delaware resources.

cc: Mark Whitfield, City Manager
Finance Department

¹ The lowest total, all-inclusive, three-year cost received a perfect score of 25. Each subsequent proposal received a score adjustment equal to the square of its relative difference from the FY20 actual cost, such that the magnitude of the score adjustment was akin to the magnitude of the difference in fees (versus an ordinal or linear scoring method)

City of Milford, DE

RFP for Auditor Services - March 1, 2021 - Total Scoring

| Firm ID | Scorer 1 | Scorer 2 | Avg Score | Rank |
|---------|----------|----------|-----------|------|
| Firm 2 | 96.06 | 96.06 | 96.06 | 1 |
| Firm 1* | 96.50 | 92.28 | 94.39 | 2 |
| Firm 6 | 88.72 | 91.22 | 89.97 | 3 |
| Firm 8 | 82.62 | 82.62 | 82.62 | 4 |
| Firm 9 | 82.00 | 64.50 | 73.25 | 5 |
| Firm 5 | 70.42 | 70.42 | 70.42 | 6 |
| Firm 4 | 67.86 | 67.86 | 67.86 | 7 |
| Firm 7 | 75.34 | 58.62 | 66.98 | 8 |
| Firm 3 | 54.09 | 43.59 | 48.84 | 9 |

*Recommended Firm

City of Milford, DE
RFP for Auditor Services - March 1, 2021 - Comprehensive Scoring
Firm 1*

*Recommended Firm

| Ref | Abbrev | Description | Max Score | Score 1 | Score 2 | Avg Score | Rationale - Scorer 1 | Rationale - Scorer 2 |
|--------------|-------------------------|--|---------------|--------------|--------------|--------------|--|---|
| a. | Exp: Like Organizations | Experience working with similar government organizations; experience with municipal public power distribution systems and other public utility systems preferred | 30.00 | 28.50 | 26.00 | 27.25 | Clients and offices extend into MD, PA and NJ, firm has a local office 30 miles away in DE. Niche firm EXCLUSIVELY serves public sector and nonprofit clients; NO PRIVATE CLIENTS. The firm supports and participates in DELLG and SCAT events, boasts staff from both large big 4 firms but also from public sector roles. Lead auditor assigned would be same as that assigned to our very comparable peer in DE. Significant experience participating in regional and national professional associations. High level of confidence in this firm. Only factors pulling score down from 30 are less descriptive bios of audit team; would like to know educational background and specific involvement in DE communities. | Only public sector clients. I am not sure how many of the PA Twp and Counties have utilities. I believe Harve de Grace MD is similar to COM. They have been actively trying to grow DE business in recent years and have a few of the small towns listed. |
| b. | References | Relationships with prior clients, as demonstrated with listed References | 10.00 | 8.00 | 9.00 | 8.50 | Robust list of references, 3 of which in DE and one of which is strong comparable. Most reliable reference indicated positive recommendation, but not a "strong positive recommendation" which resulted in score impact. | Provided list of clients, including GFOA cert achievement prog. Lewes positive reference. |
| c. | Exp: Recent & Relevant | Examples of previous work (i.e., relevant portfolio) | 10.00 | 10.00 | 9.00 | 9.50 | Perhaps the most extensive list of Gov't & Nonprofit clients shared; One very strong DE comp, several other DE municipalities and units of State government, ie DE Auditor of Accounts and DE State Treasury (AUP only), in addition to counties, districts, authorities, etc in MD, PA and NJ. Interesting comparable is Havre de Grace, MD, which operates solid waste, water and sewer utilities and provided a strong peer review among a decent variety of strong peer reviews. | Scope of work is packed with municipal exp; though believe many PA entities wouldn't include utilities. Involvement w/ AICPA Govt Audit Quality Control. |
| d. | Abilities | Ability to meet the project deliverables and deadlines | 25.00 | 25.00 | 24.00 | 24.50 | 75% of their gov't audit clients have Dec 31 FYE, so proposal notes particular confidence in their ability to meet our deliverables. Also, despite the flattening of the world and the acceleration of virtual platforms to facilitate productivity during the COVID era, the firm's location 30 miles away in DE served to push this score to 25/25. | Fieldwork complete in Aug seems overly aggressive. 75% of audit work has 12/31 year-end. Team includes members of GFOA Cert Prog Special Review Committee. Firm active with PA & MD GFOA, AGA, +. Continuous communication throughout year. Provides C.E. to clients. |
| e. | Cost Proposal | Cost proposal | 25.00 | 25.00 | 24.28 | 24.64 | Initial Score Auto-Calculated based on relative distance from baseline fee (FY'20 actual fee); Scorers free to adjust scoring based on perceived value of fee. Cost proposal is already strong based on calculation, but rounding up to perfect score for (1) extending proposal through optional years FY24 & FY25 at nominal increases of 2% and (2) noting that the quotes are all-inclusive, maximum fees, including out-of-pocket expenses, with a rate schedulee to bill on actual hours, such that actual fees may be less if their efforts are less than anticipated. | Initial Score Auto-Calculated based on relative distance from baseline fee (FY'20 actual fee); Scorers free to adjust scoring based on perceived value of fee. |
| Total | | | 100.00 | 96.50 | 92.28 | 94.39 | | |

City of Milford, DE
RFP for Auditor Services - March 1, 2021 - Comprehensive Scoring
Firm 2

| Ref | Abbrev | Description | Max Score | Score 1 | Score 2 | Avg Score | Rationale - Scorer 1 | Rationale - Scorer 2 |
|--------------|-------------------------|--|---------------|--------------|--------------|--------------|--|--|
| a. | Exp: Like Organizations | Experience working with similar government organizations; experience with municipal public power distribution systems and other public utility systems preferred | 30.00 | 30.00 | 30.00 | 30.00 | 4,150 government clients nationwide, with 184 in the northeast specifically listed, nine highlighted in DE and MD in close proximity to Milford, two of which are strong comparables in Delaware having nearly identical utility operations. Firm also noted 14 public utility clients, two of which are nearby in MD and several of which are situated in the PJM RTO footprint. Client also has audited the States of DE, MD, PA & NJ, the DE Lottery and DelDOT. Vast experience performing Single Audits; SARC award winner. Offers GFOA CAFR program assistance. Further, as largest gov't audit & acct practitioner in the US, firm is involved with the review & development of new GASB standards and participates on AICPA gov't expert panel. Clearly demonstrated experience with gov'ts & public utilities. | The list of clients on resumes included public sector from PA, MD & DE. Client list clearly broken down by area, including clearly stating utilities. Very high # of single audits completed compared to other firms. |
| b. | References | Relationships with prior clients, as demonstrated with listed References | 10.00 | 10.00 | 10.00 | 10.00 | Strong recommendation from a current client that is also one of the two strong comparables noted in category (a) above. | References are municipalities comparable to COM. |
| c. | Exp: Recent & Relevant | Examples of previous work (i.e., relevant portfolio) | 10.00 | 10.00 | 10.00 | 10.00 | See comments in category (a) above; firm clearly demonstrates both current and previous engagements that are relevant and similar to the needs and scope of Milford's audit requirements. | See a |
| d. | Abilities | Ability to meet the project deliverables and deadlines | 25.00 | 25.00 | 25.00 | 25.00 | Two pages (36-37) of the proposal dedicated to describing Milford's proposed engagement timetable, work plan and pre-engagement scheduling. Staff resumes and biographies highlight strong technical expertise as well as high levels of engagement with regional and national professional organizations, including GFOA, AICPA, CPA Associations, IIA (Institute of Internal Auditors), ISACA (Info Sys Audit & Control Assoc), and others. Only responding firm to include IT specialists on engagement team. One of only two responding firms to specifically incorporate advance IT analytics into the engagement; this firm leverages analytics programs to enhance the sampling and testing procedures through identification of targeted anomalies in G/L data. Again, firm clearly demonstrates the depth and breadth of engagement personnel and support staff as well as advanced IT tools. | Thorough proposal. Single Audit Resource Center (& award). GFOA Cert of Achievement for Excellence in Financial Reporting - team member on review committee. Provided GASB statements that could impact city in near future. Detailed audit approach. Timetable seemed reasonable. Clearly identified work plan. Strong team w/ detailed muni exp and involvement w/ GFOA. Yr round communication. |
| e. | Cost Proposal | Cost proposal | 25.00 | 21.06 | 21.06 | 21.06 | Initial Score Auto-Calculated based on relative distance from baseline fee (FY'20 actual fee); Scorers free to adjust scoring based on perceived value of fee. | Initial Score Auto-Calculated based on relative distance from baseline fee (FY'20 actual fee); Scorers free to adjust scoring based on perceived value of fee. |
| Total | | | 100.00 | 96.06 | 96.06 | 96.06 | | |

City of Milford, DE
RFP for Auditor Services - March 1, 2021 - Comprehensive Scoring
Firm 6

| Ref | Abbrev | Description | Max Score | Score 1 | Score 2 | Avg Score | Rationale - Scorer 1 | Rationale - Scorer 2 |
|--------------|-------------------------|--|---------------|--------------|--------------|--------------|---|---|
| a. | Exp: Like Organizations | Experience working with similar government organizations; experience with municipal public power distribution systems and other public utility systems preferred | 30.00 | 30.00 | 30.00 | 30.00 | Firm specializes in public sector engagements, including municipalities, single audits and public utilities. Particular expertise in public power sector (Milford is a public power city); firm has over 600 energy and utility clients across 46 states (& several Canadian provinces) with nationally recognized thought leadership. In addition, firm is involved in very broad areas of governmental and public utility industry groups: AICPA, APPA (public power), AWWA (water works), GASB ARO task Force, GASB technical committees, GFOA, IIA (institute of internal auditors), ISACA (information systems audit & control assoc), and many others at the state level. | not DE except for DEMEC, but quite extensive. 1k govt; 600 utilities. COM fits their niche. Top 3 nationally for # of single audits. |
| b. | References | Relationships with prior clients, as demonstrated with listed References | 10.00 | 9.00 | 10.00 | 9.50 | Staff from the closest and most related comparable in DE have shared a strong positive recommendation of the firm, though the reference (described in (c) below) is not perfectly aligned with the needs of an individual municipality with multiple public utilities at the retail (distribution) level, which resulted in a minor score reduction. | DEMEC: 2 vry positive references (prof, diligent, knowledgeable). Mount Horeb: strong positive (E, W, S) |
| c. | Exp: Recent & Relevant | Examples of previous work (i.e., relevant portfolio) | 10.00 | 9.00 | 10.00 | 9.50 | 24 of the firm's public utilities were listed in the proposal, one of which is a joint action agency/municipal electric corporation that is integral to Milford's electric utility operations. However, see (b) above for explanation of minor score reduction; references/previous work examples don't align well with City of Milford engagement. | See comments in a, b & d |
| d. | Abilities | Ability to meet the project deliverables and deadlines | 25.00 | 24.50 | 25.00 | 24.75 | Firm clearly demonstrates the ability to meet City's needs. Strong project team bios and resumes highlight advanced degrees, deep experience, participation & thought leadership in national industry associations, and a project timetable. One of only two responding firms to specifically incorporate advance IT analytics into the engagement; this firm employs an IT risk assessment to support the review process for internal controls but goes beyond to target specific business processes and test automated controls. Project timeline not as detailed, specific or comprehensive as some other responses, though only 0.5 points deducted due to expectation that firm would be successful meeting the City's required deadlines. | Team APPA & GFOA active participation. Share knowledge through articles, qtlly newsletter, webinars and APPA training. Like the phased approach described. Front load a lot of control and testing. |
| e. | Cost Proposal | Cost proposal | 25.00 | 16.22 | 16.22 | 16.22 | Initial Score Auto-Calculated based on relative distance from baseline fee (FY'20 actual fee); Scorers free to adjust scoring based on perceived value of fee. | Initial Score Auto-Calculated based on relative distance from baseline fee (FY'20 actual fee); Scorers free to adjust scoring based on perceived value of fee. |
| Total | | | 100.00 | 88.72 | 91.22 | 89.97 | | |

City of Milford, DE

RFP for Auditor Services - March 1, 2021 - Fee Proposals by Firm

| Sample/Baseline: FY'20 Actual Cost | | | |
|------------------------------------|----------------|---------------|----------------|
| | F/S Audit | Single Audit | Total |
| All Years | 49,500 | 8,000 | 57,500 |
| Total | 148,500 | 24,000 | 172,500 |
| Firm 1 | | | |
| Year 1 | 41,250 | 6,000 | 47,250 |
| Year 2 | 41,250 | 6,000 | 47,250 |
| Year 3 | 42,075 | 6,120 | 48,195 |
| Total | 124,575 | 18,120 | 142,695 |
| *Recommended Firm | | | |
| Firm 2 | | | |
| Year 1 | 47,500 | 5,000 | 52,500 |
| Year 2 | 48,500 | 5,100 | 53,600 |
| Year 3 | 50,000 | 5,200 | 55,200 |
| Total | 146,000 | 15,300 | 161,300 |
| Firm 3 | | | |
| All Years | 52,000 | - | 52,000 |
| Total | 156,000 | - | 156,000 |
| Firm 4 | | | |
| All Years | 51,980 | 8,690 | 60,670 |
| Total | 155,940 | 26,070 | 182,010 |
| Firm 5 | | | |
| Year 1 | 50,500 | 9,000 | 59,500 |
| Year 2 | 52,000 | 9,400 | 61,400 |
| Year 3 | 53,750 | 9,800 | 63,550 |
| Total | 156,250 | 28,200 | 184,450 |
| Firm 6 | | | |
| Year 1 | 50,000 | 9,000 | 59,000 |
| Year 2 | 52,500 | 3,000 | 55,500 |
| Year 3 | 55,125 | 3,000 | 58,125 |
| Total | 157,625 | 15,000 | 172,625 |
| Firm 7 | | | |
| Year 1 | 42,500 | 8,000 | 50,500 |
| Year 2 | 43,000 | 8,000 | 51,000 |
| Year 3 | 43,500 | 8,000 | 51,500 |
| Total | 129,000 | 24,000 | 153,000 |
| Firm 8 | | | |
| All Years | 45,000 | 5,000 | 50,000 |
| Total | 135,000 | 15,000 | 150,000 |
| Firm 9 | | | |
| Year 1 | 40,000 | 5,000 | 45,000 |
| Year 2 | 41,000 | 5,000 | 46,000 |
| Year 3 | 42,000 | 5,000 | 47,000 |
| Total | 123,000 | 15,000 | 138,000 |

City of Milford, DE
RFP for Auditor Services - March 1, 2021 - Fee Proposal Tabulations

| | Financial Statement Audit | | | | | Single Audit | | | | | Total | | | | |
|----------|---------------------------|-----------|-----------|------------|------|--------------|----------|----------|-----------|------|-----------|-----------|-----------|------------|------|
| | Year 1 | Year 2 | Year 3 | Total | Rank | Year 1 | Year 2 | Year 3 | Total | Rank | Year 1 | Year 2 | Year 3 | Total | Rank |
| Baseline | \$ 49,500 | \$ 49,500 | \$ 49,500 | \$ 148,500 | | \$ 8,000 | \$ 8,000 | \$ 8,000 | \$ 24,000 | | \$ 57,500 | \$ 57,500 | \$ 57,500 | \$ 172,500 | |
| Firm 1* | 41,250 | 41,250 | 42,075 | 124,575 | 2 | 6,000 | 6,000 | 6,120 | 18,120 | 6 | 47,250 | 47,250 | 48,195 | 142,695 | 2 |
| Firm 2 | 47,500 | 48,500 | 50,000 | 146,000 | 5 | 5,000 | 5,100 | 5,200 | 15,300 | 5 | 52,500 | 53,600 | 55,200 | 161,300 | 6 |
| Firm 3 | 52,000 | 52,000 | 52,000 | 156,000 | 7 | - | - | - | - | 1 | 52,000 | 52,000 | 52,000 | 156,000 | 5 |
| Firm 4 | 51,980 | 51,980 | 51,980 | 155,940 | 6 | 8,690 | 8,690 | 8,690 | 26,070 | 8 | 60,670 | 60,670 | 60,670 | 182,010 | 8 |
| Firm 5 | 50,500 | 52,000 | 53,750 | 156,250 | 8 | 9,000 | 9,400 | 9,800 | 28,200 | 9 | 59,500 | 61,400 | 63,550 | 184,450 | 9 |
| Firm 6 | 50,000 | 52,500 | 55,125 | 157,625 | 9 | 9,000 | 3,000 | 3,000 | 15,000 | 2 | 59,000 | 55,500 | 58,125 | 172,625 | 7 |
| Firm 7 | 42,500 | 43,000 | 43,500 | 129,000 | 3 | 8,000 | 8,000 | 8,000 | 24,000 | 7 | 50,500 | 51,000 | 51,500 | 153,000 | 4 |
| Firm 8 | 45,000 | 45,000 | 45,000 | 135,000 | 4 | 5,000 | 5,000 | 5,000 | 15,000 | 2 | 50,000 | 50,000 | 50,000 | 150,000 | 3 |
| Firm 9 | 40,000 | 41,000 | 42,000 | 123,000 | 1 | 5,000 | 5,000 | 5,000 | 15,000 | 2 | 45,000 | 46,000 | 47,000 | 138,000 | 1 |

| | Relative Distance from Baseline - F/S Audit | | | | | Relative Distance from Baseline - Single Audit | | | | | Relative Distance from Baseline - Total | | | | |
|---------|---|--------|--------|--------|------|--|--------|--------|--------|------|---|--------|--------|--------|------|
| | Year 1 | Year 2 | Year 3 | Total | Rank | Year 1 | Year 2 | Year 3 | Total | Rank | Year 1 | Year 2 | Year 3 | Total | Rank |
| Firm 1* | 44.7% | 44.7% | 42.0% | 43.8% | 2 | 57.7% | 57.7% | 55.4% | 57.0% | 5 | 46.6% | 46.6% | 43.9% | 45.7% | 2 |
| Firm 2 | 20.5% | 14.4% | -10.0% | 13.1% | 5 | 77.5% | 75.4% | 73.4% | 75.4% | 4 | 30.9% | 27.0% | 20.4% | 26.4% | 6 |
| Firm 3 | -21.9% | -21.9% | -21.9% | -21.9% | 7 | 0.0% | 0.0% | 0.0% | 0.0% | 6 | 32.5% | 32.5% | 32.5% | 32.5% | 5 |
| Firm 4 | -21.8% | -21.8% | -21.8% | -21.8% | 6 | -28.2% | -28.2% | -28.2% | -28.2% | 8 | -22.9% | -22.9% | -22.9% | -22.9% | 8 |
| Firm 5 | -14.1% | -21.9% | -28.1% | -22.3% | 8 | -33.3% | -38.6% | -42.9% | -38.6% | 9 | -18.3% | -25.2% | -30.9% | -25.5% | 9 |
| Firm 6 | -10.0% | -23.9% | -31.9% | -24.1% | 9 | -33.3% | 129.1% | 129.1% | 77.5% | 1 | -15.9% | 19.0% | -10.4% | -2.7% | 7 |
| Firm 7 | 40.6% | 38.9% | 37.1% | 38.9% | 3 | 0.0% | 0.0% | 0.0% | 0.0% | 6 | 37.2% | 35.7% | 34.1% | 35.7% | 4 |
| Firm 8 | 31.6% | 31.6% | 31.6% | 31.6% | 4 | 77.5% | 77.5% | 77.5% | 77.5% | 1 | 38.7% | 38.7% | 38.7% | 38.7% | 3 |
| Firm 9 | 48.7% | 45.5% | 42.3% | 45.5% | 1 | 77.5% | 77.5% | 77.5% | 77.5% | 1 | 52.7% | 50.0% | 47.3% | 50.0% | 1 |

| | Scoring - F/S Audit | | | | | Scoring - Single Audit (N/A) | | | | | Scoring - Total | | | | |
|---------|---------------------|--------|--------|-------|------|------------------------------|--------|--------|-------|------|-----------------|--------|--------|-------|------|
| | Year 1 | Year 2 | Year 3 | Total | Rank | Year 1 | Year 2 | Year 3 | Total | Rank | Year 1 | Year 2 | Year 3 | Total | Rank |
| Firm 1* | 24.8 | 24.8 | 24.3 | 24.7 | 2 | *Recommended Firm | | | | | 24.4 | 24.4 | 24.0 | 24.3 | 2 |
| Firm 2 | 20.7 | 19.6 | 15.4 | 19.4 | 5 | | | | | | 21.8 | 21.2 | 20.1 | 21.1 | 6 |
| Firm 3 | 13.4 | 13.4 | 13.4 | 13.4 | 7 | | | | | | 22.1 | 22.1 | 22.1 | 22.1 | 5 |
| Firm 4 | 13.4 | 13.4 | 13.4 | 13.4 | 6 | | | | | | 12.9 | 12.9 | 12.9 | 12.9 | 8 |
| Firm 5 | 14.7 | 13.4 | 12.3 | 13.3 | 8 | | | | | | 13.6 | 12.5 | 11.5 | 12.4 | 9 |
| Firm 6 | 15.4 | 13.0 | 11.7 | 13.0 | 9 | | | | | | 14.0 | 19.8 | 14.9 | 16.2 | 7 |
| Firm 7 | 24.1 | 23.8 | 23.5 | 23.8 | 3 | | | | | | 22.9 | 22.6 | 22.4 | 22.6 | 4 |
| Firm 8 | 22.6 | 22.6 | 22.6 | 22.6 | 4 | | | | | | 23.1 | 23.1 | 23.1 | 23.1 | 3 |
| Firm 9 | 25.5 | 25.0 | 24.4 | 25.0 | 1 | | | | | | 25.5 | 25.0 | 24.5 | 25.0 | 1 |

City of Milford, DE
RFP for Auditor Services - March 1, 2021 - Scoring Rubric

| Ref | Abbrev | Description | Max | [0%-10%] | (10%-20%) | (20%-50%) | (50%-85%) | (85%-100%) |
|---|-------------------------|--|------------|--|---|--|---|--|
| a. | Exp: Like Organizations | Experience working with similar government organizations; experience with municipal public power distribution systems and other public utility systems preferred | 30 | No governmental, municipal or public sector experience; no non-profit experience | Public sector experience limited to non-profit organizations and other government types, i.e. states, counties, territories, but no municipal experience and no meaningful utility experience | Limited public sector experience, but experience includes some municipalities having utility operations, or a combination of municipal experience and private sector utility experience | Substantial municipal experience, including those with varied utilities; overweight if experience includes municipalities with more than two of water, sewer, electric, trash and/or stormwater | Relevant, comparable municipal experience, including cities and towns of similar size, revenue characteristics, and comparable mix of utilities; overweight if experience includes municipalities with more than three of water, sewer, electric, trash and/or stormwater |
| Scoring Ranges for this Category | | | | [0 to 3.0] | (3.0 to 6.0) | (6.0 to 15.0) | (15.0 to 25.5) | (25.5 to 30.0) |
| b. | References | Relationships with prior clients, as demonstrated with listed References | 10 | References do not include any governmental, municipal or public sector or non-profit clients, or references returned include at least one remarkable negative | References of public sector clients are limited to non-profit organizations and other government types without municipal or meaningful utility experience, or references returned include at least two for which commentary was neutral or noncommittal | References include municipalities having utility operations or a combination of municipal experience and private sector utility experience, and references returned are supportive | References consist primarily of municipal clients with varied utility experience and references returned are supportive, or the references include clients listed in the 20-50% category and references returned are overwhelmingly positive | References consist almost entirely of municipal clients with similar revenue and demographic characteristics as Milford, including a comparable mix of utilities, and references returned are supportive; or the references include clients listed in the 50-85% category and references returned are overwhelmingly positive |
| Scoring Ranges for this Category | | | | [0 to 1.0] | (1.0 to 2.0) | (2.0 to 5.0) | (5.0 to 8.5) | (8.5 to 10.0) |
| c. | Exp: Recent & Relevant | Examples of previous work (i.e., relevant portfolio) | 10 | Firm's experience is less than 50% related to independent audit services, and/or work products referenced were for clients meeting the 0-10% criteria in categories a and b, or work products referenced were for clients meeting the criteria in the four categories >5% but are dated in excess of five years | Firm's experience is less than 50% related to independent audit services, and/or work products referenced were for clients meeting the 10-20% criteria in categories a and b, or work products referenced were for clients meeting the criteria in the three categories >20% but are dated in excess of three years | Firm's experience is greater than 50% related to independent audit services, and/or work products referenced were for clients meeting the 20-50% criteria in categories a and b, or work products referenced were for clients meeting the criteria in the two categories >50% but are dated in excess of one year | Firm's experience is greater than 50% related to independent audit services, and/or work products referenced were for current clients meeting the criteria in the two categories >50% | Firm's experience is greater than 50% related to independent audit services, and work products referenced were for current clients meeting the criteria in the two categories >50% and work products referenced demonstrate understanding of the public utility business model; bonus scoring for demonstrated single audit experience |
| Scoring Ranges for this Category | | | | [0 to 1.0] | (1.0 to 2.0) | (2.0 to 5.0) | (5.0 to 8.5) | (8.5 to 10.0) |
| d. | Abilities | Ability to meet the project deliverables and deadlines | 25 | Firm was unable to demonstrate the licensing and certification requirements outlined in the RFP or was not responsive in that area of the RFP; Firm was organized within the last 12 months or was unable to produce any relevant or positive references, or was unresponsive in multiple significant areas of the RFP | Firm's demonstration of licensing and certification requirements outlined in the RFP was inaccurate, errant, or unable to be confirmed; Firm was unresponsive to at least one significant area of the RFP | Firm demonstrated minimum licensing and certification requirements outlined in the RFP, but profiles of support staff, members / CPAs, partners and/or principals lacked the level of education, experience, certification, and other credentials judged to be critical to the successful completion of the City's audit requirements, or the firm was unresponsive to resume/bio requirements outlined in the RFP | Firm demonstrated minimum licensing and certification requirements outlined in the RFP; profiles of support staff, members / CPAs, partners and/or principals seemed to convey the level of education, experience, certification, and other credentials judged to be critical to the successful completion of the City's audit requirements | Firm demonstrated minimum licensing and certification requirements outlined in the RFP; profiles of support staff, members / CPAs, partners and/or principals clearly demonstrated the levels of education, experience, certification, and other credentials judged to be critical to the successful completion of the City's audit requirements; Bonus if Firm personnel are involved in regional or national municipal accounting / finance / utility groups such as the GFOA, APPA, ICMA, APWA, or other similar groups |
| Scoring Ranges for this Category | | | | [0 to 2.5] | (2.5 to 5.0) | (5.0 to 12.5) | (12.5 to 21.3) | (21.3 to 25.0) |
| e. | Cost Proposal | Cost proposal | 25 | See Cost tab for suggested methodology in ranking and scoring cost proposals | | | | |
| Scoring Ranges for this Category | | | | [0 to 2.5] | (2.5 to 5.0) | (5.0 to 12.5) | (12.5 to 21.3) | (21.3 to 25.0) |
| Total | | | 100 | [0 to 10.0] | (10.0 to 20.0) | (20.0 to 50.0) | (50.0 to 85.0) | (85.0 to 100.0) |

Ratification/mpd dispatchers/teamster's contract



The governing body has recessed to Executive Session. The regular meeting will resume shortly.