

CITY OF MILFORD  
COUNCIL MEETING MINUTES  
June 27, 2022

The City Council of the City of Milford met in Regular Session on Monday, June 27, 2022.

PRESIDING: Mayor Archie Campbell

IN ATTENDANCE: Councilmembers Daniel Marabello, Mike Boyle, Andrew Fulton, Todd Culotta, Nirmala Samaroo, Brian Baer, Jason James Sr., and Katrina Wilson

STAFF: City Manager Mark Whitfield, Police Captain Edward Huey, and City Clerk Terri Hudson

COUNSEL: Solicitor David Rutt, Esquire

Per the Limited Public Health Emergency Declaration issued by Governor John Carney on March 1, 2022, and the virtual meeting provisions provided in Senate Bill 94, Milford City Council Meetings and Workshops are being held in the Council Chambers at City Hall, with attendees also participating virtually.

PUBLIC COMMENTS

No one signed up for the Public Comment Session.

CALL TO ORDER

Mayor Campbell called the meeting to order at 6:03 p.m.

INVOCATION AND PLEDGE

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

ROLL CALL

All Councilmembers present.

ORDINANCE ACTION/PUBLIC COMMENTS

*Adoption/Ordinance 2022-25/Amendment to Chapter 84/Bicycles, Skateboards and Other Conveyances*

ICMA Fellow Melody Barger provided another presentation related to the proposed ordinance.

The big change to Chapter 84 was the removal of bike registrations by Milford Police Department. Some antiquated language was also removed. Bikes are also required to be parked at bike racks. Definitions were cleaned up and motorized scooter and a mobility scooter were added with applicable definitions.

The skateboarding requirements will remain with designated facilities and privately owned lots allowed to be used with the property owner's permission. They are prohibited from all other public spaces.

Councilman Boyle pointed out that the ordinance only allows skateboards in designated skateboarding facility. He suggests Parks and Recreation look into the feasibility of creating and providing one considering a lot of kids like to skateboard.

Councilman Culotta asked if skateboarders are not permitted anywhere except in a skatepark; Ms. Barger said in a private parking lot with permission.

Councilman Fulton also asked what occurs if a bike rack is not available, can the bike be left on the sidewalk or some nearby area. Ms. Barger explained the idea of the bike rack is to prevent bicycles from being attached to signs and poles and not

obstruct pedestrians. It states when bike racks are not available, no bike shall be attached to a post, tree, bench or fence location on sidewalk, street, or public place, in a manner that would impede pedestrian travel.

Councilman Marabello noted the ordinance states a white light lamp is required and asked why the same is not required in the rear; Ms. Barger explained that a reflective red light is required in the rear. It was also noted the different colored lights indicate the travel direction of the biker.

Captain Huey added that the lights on a motor vehicle have to be specific colors based on the direction they shine. Headlights can only be white; the front marker lights can only be amber, and the rear lights have to be red with the exception of the tag light.

Further concern was expressed about the mandate to park bikes in bike racks due to the lack of bike racks in town. Confirmed were the penalties of a written warning for the first offense, second offense is a fine of \$10, third offense is a fine of \$25, fourth offense is a fine of \$50, and fifth offense includes a fine of \$100. Fines may be doubled in areas where signs are posted.

Councilmember Wilson recalled the many meetings involving the skateboard ordinance with input from all parties. At one time, the City provided a skateboard park to accommodate them. Unfortunately, that came with a number of maintenance, noise, and other related items, that the skateboarders and their families agreed to take care of initially. As a result, the park was closed, and the equipment removed.

The consensus of Council was that skateboarding opportunities be included in the recreational plan for future parklands.

Councilman Baer asked if there were any meeting with skateboarders before this ordinance was submitted; Ms. Barger explained there were no changes to the skateboard section so there was no outreach as a result. However, scooters were added to the ordinance.

The floor was open for public comments. No one responded and the floor was closed.

It was agreed to revisit the matter at a later date to address the skateboarding restrictions.

Councilmember Baer moved to postpone action on Ordinance 2022-25, seconded by Councilmember Culotta. Motion carried by a unanimous roll call vote.

#### *Adoption/Ordinance 2022-19/Amendment to Chapter 88//Building Code*

City Planning Director reviewed a history of the proposed amendment to Chapter 88 – Building Construction that would adopt the 2018 International Residential Code (IRC), the 2018 International Building Code (IBC) and the 2018 International Swimming Pool and Spa Code (ISPSA). The City currently operates under the 2012 version of the IRC and IBC and pools and spas are governed under an appendix to the 2012 IRC.

The amendment includes additions, insertions and changes to the IRC, IBC and ISPSA. Below is a breakdown of those changes.

#### 2018 IRC

##### Chapter 1, Administration

- Added language to the permitting section authorizing the requirement for State agency approvals as part of the permit review process.
- Defined construction activities that would be exempt from needing a building permit.
- Added “clean hands” language.
- Added the requirement for an as-built survey between the foundation and framing inspections to ensure the building is constructed in the proper location.

##### Chapter 3, Building Planning

- Updated the Climatic and Geographic Design Criteria table.
- Added a requirement for the installation of an egress window in sleeping rooms that are being added or gutted due to renovations.
- Added language requiring a 36" clearance along all edges of a roof and at the ridge pertaining to the placement of solar panels.
- Staff has currently proposed to make automatic fire sprinklers optional for townhouse, one-family and two-family dwellings.

#### Chapter 4, Foundations

- Added language to allow exceptions to the minimum footing sizes for decks, residential accessory structures less than 300 square feet and prefabricated room enclosures.
- Modified the language for concrete or masonry foundations and drainage systems to include both crawlspaces and basements, as opposed to just basements.

#### Chapter 5, Floors

- Added language for deck floor joist and deck girder spans to be constructed in accordance with the American Forest and Paper, Design for Acceptance #6, Prescriptive Residential Wood Deck Construction Guide.

#### Chapter 6, Wall Construction

- Added an exception to the wall bracing language for walls constructed of translucent or transparent plastic not more than 0.125 inches thick.
- Added requirements for post frame buildings.

#### Appendices

- Adopted Appendix C, Exit Terminals of Mechanical Draft and Direct-Venting Systems without changes.
- Adopted Appendix E, Manufactured Housing as Dwellings without changes.
- Adopted Appendix J, Existing Buildings and Structures without changes.
- Adopted Appendix Q, Tiny Houses without changes.

### 2018 IBC

#### Chapter 1, Administration

- Added language to the permitting section authorizing the requirement for State agency approvals as part of the permit review process.
- Defined construction activities that would be exempt from needing a building permit.
- Added "clean hands" language.
- Added the requirement for an as-built survey between the foundation and framing inspections to ensure the building is constructed in the proper location.

### 2018 ISPSC

#### Chapter 1, Administration

- Changed the language for permitting procedures, violation procedures and appeal procedures to the IRC or IBC depending on if the application is for a residential or commercial project.

City Council held workshops on January 10, 2022, and February 23, 2022, to discuss a proposed amendment to Chapter 88 Building Construction that would adopt the 2018 International Residential Code (IRC), the 2018 International Building Code (IBC), and the 2018 International Swimming Pool and Spa Code (ISPSC). The discussions involved several stakeholders, including representatives from the Delaware Fire Sprinkler Coalition, State Fire Marshal's Office, and Carlisle Fire Company.

Adoption of the 2018 IRC would include a requirement to install automatic fire sprinkler systems for new one- and two-family dwellings and townhouses.

The City currently operates under the 2012 version of the IRC and IBC, which was adopted by City Council in March 2018. The City elected not to require automatic fire sprinkler systems for residential dwellings and deleted this code section in its entirety during the 2012 code adoption.

Kent County operates under the 2018 IRC and IBC but does not mandate automatic fire sprinkler systems for residential dwellings. Sussex County recently adopted the 2021 IRC and IBC and voted not to require automatic fire sprinkler systems for residential dwellings. The City of Newark, City of Lewes, and Town of Milton are the only three jurisdictions in the State of Delaware that mandate automatic fire sprinkler systems for one- and two-family dwellings. There are a total of 57 municipalities and 3 county jurisdictions in Delaware.

Councilman Fulton asked if sprinklers would be required when renovations were done to a home; Mr. Pierce pointed out that 2018 IRC states an automatic residential fire sprinkler system shall not be provided where additions or alterations are made to a townhouse and for one and two-family dwellings and it would only be required with new construction. However, if a home were stripped down to the studs or gutting the entire building would warrant the installation of the sprinkler system.

When asked about historic preservation houses, Mr. Pierce said the previous exemptions would apply.

Councilwoman Wilson asked about insurance savings, Councilman Culotta reported that there will not be an actual savings if a home has a sprinkler system, however, there are insurance company that will refuse to insure a home without the system. There are some savings options available if the system is installed.

When asked about multi-family buildings, Mr. Pierce explained that apartment buildings are treated as commercial properties and are already required to have sprinklers. Row homes and townhouses and are exempted at this time. The differential is a residential and commercial use. Multi-units fall under the commercial code.

All mobile homes and tiny houses fall under the residential code and the new requirement, if adopted, for a sprinkler system. Presently, the City requires any mobile home to be in a mobile park though he is unaware of any in City limits.

Councilman James pointed out that the proposed ordinance, if adopted, would not become effective until January 1, 2023. He asked if any thought had been given to the current economic state and whether the delay should be pushed out even further. Mr. Pierce said the intent of the delay was to allow the building industry time to adapt to the new requirement though Council has the power to prolong the adoption date.

It was noted the actual amount of additional costs of construction that include utility impact fees, Kent County sewer fees, Carlisle Enhancement Fund, Municipal Enhancement Fund, and the building permit is around \$11,000 on a \$250,000 home.

The Mayor opened the floor to public comment.

Derec Parker of 11010 Sunnyside Road, Bridgeville, stated he has built many homes in Milford and throughout Delaware. He has also built 78 homes in Maryland where sprinklers are mandated. The vast majority of the homeowners he has built homes for did not want them nor pay for them. He has actual numbers related to sprinkler system. The average cost for a sprinkler system is \$4 to \$5 a square foot and an average 2,200 square foot home will cost approximately \$10,000.

Mr. Parker also reported that some of his homeowners' insurance premiums were increased with the sprinkler system due to insurance companies realizing these homes are at a great risk of a claim due to the potential for water damage.

Sprinkler systems also do not increase home values in a home appraisal. That makes it even more difficult particularly for a first-time home buyer to qualify for a home mortgage.

He also noted that in the 2022 Code, there are already additional items required that will increase the overall cost of the home aside from the sprinklers. Concluding, he pointed out that if affordable housing is a concern in Milford, adding the cost of a mandated sprinkler system will only make it more difficult for homebuyers.

Jeff Bowers of 606 Hopkins Cemetery Road, Harrington, stated he would live in Milford, though it does not have 30 acres in town for him to put his milk farm on. His children live in Milford, and he hopes his grandchildren will live in Milford someday. His daughter and her husband are building a house in Milford, and Milford has a lot of great employees, including Mr. Pierce and especially City Building Inspector Fred Coppock.

Mr. Bowers mentioned the various municipalities and counties that have voted against the mandated sprinkler system for several reasons, but he will only talk about three. He is also a home builder stating that there has been an astronomical amount of increased engineering over the past ten to fifteen years. He has been building affordable housing for the past twenty-eight years. He was also a state trooper and very much believes in safety and believes what it stands for. He noted that a new home is already very safe. It is not the new homes that are creating fires, but instead the older homes that have the knob and tube wiring. He will take the \$10,000 average cost for a sprinkler system and invest in \$10,000 worth of smoke detectors, because he feels that is what saves lives.

What the sprinkler installation guys do on new electrical systems is fire stopping. They are required to fill every teeny hole in a new home with fire blocking materials. He noted that is what prevents fires. He cannot imagine someone forcing him to install a sprinkler system and his family going away for a few days, knowing he has thousands of gallons of water in his ceiling. If his electric would go out, that water would end up in his basement.

He also reported that new construction homes had a 64% decrease in fires because of all the rules already in place.

They just built a home on North Church Street, and if he had to add another \$10,000, he does not think these nice folks would be able to afford it anymore. This is taking away from programs such as the Downtown Development District and erasing that savings with a bigger increase to pay for sprinklers. As an investor, he is going to build in towns that don't have this requirement. This is not greed, but he is already embarrassed with how much he has to charge now because prices have gotten so crazy. He does not think adding another \$10,000 to a home is going to make it impossible for a lot of people to become homeowners. He would rather use that money to invest in smoke detectors which he knows will save lives in these situations.

Nina Pletcher of 428 South Walnut Street, stating she appreciates hearing these comments and she agrees with Mr. Bowers and would not want all that water in her basement either. She recalled at one of the recent workshops when the Fire Chief talked about the problem with manpower and the response time of these volunteers. She does not have an opinion one way or another, but just wants to make sure the big picture is being looked at in terms of response time. She especially thinks about Simpsons Crossing and how close those homes are, and the one gentleman said that if one of the homes go up, they may all go up.

Ms. Pletcher just thought that it was important enough to bring up again this evening.

Paul Eichler, Chairman of the Delaware Fire Sprinkler Coalition then addressed Council noting he is also a firefighter in the City of Dover and is employed by the Anne Arundel County Fire Department in Maryland.

He asked Council to keep in mind the 2018 IRC is the 4<sup>th</sup> edition and includes the requirement for residential sprinklers. It has gone through the code process several times and has remained in the code.

Mr. Eichler said regardless of the techniques employed in construction, they encounter contents fire that extend to the structure. As great as the drywall maybe, his primary concern is the items in the house that will immediately catch fire and extend to the structural components. These days, polyester covered/polyurethane foam type furniture burns hotter and faster. The intent of a residential fire sprinkler system is flat out for life safety. The design of the systems takes into consideration costs and are specifically designed around where fire fatalities take place.

The State of Delaware has suffered fifteen fire fatalities so far this year. For all of 2021, there were only ten. Though all fifteen people may not have been saved by sprinkler systems, but it would have decided in some of the fires.

He also asked Council to consider the aspect of smoke alarms. They are wonderful devices and specifically notification devices in the event they are properly maintained. There are many times a fire marshal's investigator finds his investigators are on scene specific to smoke detectors not being in a working condition to be able to provide the early notification. The smoke alarms are simply a sound and no other suppression reaction which is what the sprinklers are designed to do and operate within a very quick time frame. They will activate and control a fire prior to the arrival of the firefighter and will do so at a minimum water flow that has been discussed in the past with City Council.

The economics is important, and he sympathizes with that. At the same time, think about the backside of an expenditures into a dwelling. As long as the interest write-off is still there, a person will have a very minor benefit.

Speaking to State Farm Insurance, one of the larger insurance companies in Delaware, he was told there is a 7% discount off the homeowners policy. As a result, there are savings on the backend with the initial cost.

With the popularity growing, as the City of Lewes and the Town of Milton have done, the demand for sprinkler installation is growing. The economies of scale with regard to those installation is going to come down. The prices being charged these days are only going to come down with a level of competition that increases with more contractors vying for that business.

He added that the State has worked toward variations for the availability of installers, as in allowing plumbers to do this work as well.

To provide fire protection throughout the State, the City has received information about recruitment and retention, and the Carlisle Firefighters were involved with the Dewey Beach fire several months ago, along with 13 other fire companies from Kent and Sussex Counties. While that did a lot to assist Rehoboth Beach and Bethany Beach, it took Milford's firefighters out of this City and raises the aspect of the ability of the fire company to provide protection for those people who were the second to call and needed that assistance. That is the environment throughout the State and continually strip regions now for that first response to get enough firefighters to the site.

That trend will continue to transition to combination fire departments throughout the State, because the volunteers are just not available.

Having those residential sprinkler systems installed with 24/7 coverage and minimal water flowing from them so the conversation with regard to water damage is minimized and a 90/10 conversation. They use about 10% of what the firefighters are going to use when they drag water hoses into the house.

Mr. Eichler is very much in support of leaving the sprinkler requirement in the code and believes this trend will continue throughout the State.

While Sussex County took the initial steps to remove the requirement out of their latest IRC code, they are also working toward an ordinance that will be effective though it is open ended right now. That conversation continues.

The City of Dover is in the same process as Milford and are updating their building codes and taking the sprinklers into consideration.

Dustin Parker of 7660 Hidden Meadow Lane, Greenwood, stated he is an investor in Milford on several residential and commercial properties. He was also a volunteer firefighter for about ten years and sees this from both the economic and the safety perspective.

He owns a real estate brokerage and insurance brokerage and sells roughly 1,000 homes each year. From an economic perspective, sprinklers do not add values to those homes. Not a single penny is added when they look at a home as far as the market analysis or appraisal. That is something a homeowner will not recoup.

When they insure homes, about 90% of the providers they use for their insurance actually do charge more for the home to be insured because of the sprinkler systems and the possibility of malfunctioning.

He asked Council to take this into strong consideration and the economic impact it will have though that does not mean the safety perspective should not be considered. In ten years as a firefighter, there were very few instances where he went to a new home construction and there was a serious fire. Most of the incidents are happening in older, historic homes and involve the older method of wiring which is not built to today's standards.

Tyler Nichols of 408 Northwest Front Street, Milford, and has lived her for many years. He and his wife love the town and they are currently building their dream home on Silver Lake in Milford and have a very vested interest in the City's future.

He is in deep opposition to enforcing sprinkler systems in these homes. He is an investor and a real estate agent and has done full gut renovations in the City of Milford and built new construction homes in Milford over the past year and is currently building multiple homes in the City limits. If this added cost becomes a reality, investors, including himself, will be looking elsewhere to build. Places where the costs are lower and where it will be easier to build.

Mr. Nichols is currently building two homes on Canterbury Road just outside the City but is also building some within the jurisdiction. But he will go outside the City all day long if this is enacted.

The City has done a lot to pull investors in such as the Downtown Development program. This is going to be something to push and noted the builders in attendance, who will be pushed outside the City. He thinks that home renovations will no longer be done to the standard as in other Cities, so Milford homes will be reduced in value and as a place where people want to live.

He noted that \$10,000 will not completely stop it, but it will greatly impact it.

As a real estate agent, he has sold over 25 homes this year, and have not had a single client ask if a home had a sprinkler system. It is not something buyers want and will only be an added cost that is forced on people and will be ultimately passed down to the buyer and will impact affordability.

In the City of Milford in May of 2021, the average home price was \$279,000. This past May, it was \$311,000 which is an 11% in the City alone and interest rates have more than doubled. Affordability has been reduced and this will be massive to push potential homebuyers out.

Mr. Nichols noted that he owns a building with a sprinkler system, and he has spent more than \$7,000 this year alone in maintenance. He has had to replace the sprinkler heads, sprinkler panel and had to flush and inspect all the lines. Not only is this an added cost initially, but it is also an ongoing annual inspection and applicable maintenance.

He believes it will hurt this City which will be devastating for those that live here.

Delaware State Fire Marshal Office's Duane Fox said he lives in Milford just outside the jurisdiction at 6217 Old Shawnee Road.

He has 129 13-b systems that have been installed over the past three to four years. He is only able to go on what clients tell him about the installation costs and the square footage. His numbers say it is around \$2 a square foot without a pump and tank and about \$250 with a pump and a tank. It does not take into consideration the infrastructure that has to come into the house because the sprinkler company does not do that work. Though that is a pipe that already comes to the house, depending on what the City does for an impact fee will be based on the size pipe, so there is a cost there.

Mr. Fox agreed that no one is arguing there is a cost and there is maintenance, just like anything else. The sprinkler system gets a bad rap when a pipe freezes and breaks. There are ways to make that not happen including anti-freeze. The pipe should not be in the attic unless there are no other options with pipe. If it is there, there is a need to make sure it is insulated properly. The pipe on top of the insulation does not stand a chance because the heat in the house has to get up there.

He noted there is already water in the house without the sprinklers. There should not be a pipe in the attic unless the home has a big cathedral ceiling and there is no other way to get in the ceiling.

He also agreed there is new technology, new engineering that allows a home that is massive. The reason the prices are up in the \$300,000 to \$400,00 not because it is a 1,500 square foot building. It is because someone is living in a McMansion. That is the reason for the high cost.

When Mr. Fox built and his parent and grandparents built, because that is what his family did for a living, they built with conventional lumber. In the fire service, that means the house has about twenty minutes before it is going to flashover and that is where someone dies. Today, with the construction materials used today, that is five minutes.

The fire trucks do not hit the street in five minutes. The house is going to flashover in three minutes before the firefighters pull out of the fire house potentially. The sprinklers are there to save lives. Mr. Fox has no idea what a life costs, though there was a lot of discussion about costs relating to the sprinklers and the homebuyers are not going to get the entire discount. But Mr. Fox's children and grandchildren are invaluable, and he does not know how to put a price on that.

He agrees with the builders that it typically involves older homes, but new homes burn as well. They burn from unattended cooking and similar causes. He referenced the fatality caused by a fire that was started by a live Christmas tree though they had smoke detectors.

Mr. Fox said the houses here, there is a potential to burn down. The houses that are not here will eventually be 10, 15, 20 years old and that is where some of that malfunction and electric problems occur. There is a need to think about the longevity of the town and the safety that goes with that.

He recalled in 1993, smoke detectors were encouraged. There were a lot of opposition to smoke detectors because it was going to cost more money to build and remodel. Houses built since 1993 have smoke detectors of some sort. Eleven people died with no smoke detector in one home in Long Neck. About 15 years ago, there was a big push to put smoke detectors in home. They also pushed to require landlords to put at least battery-operated smoke detectors in homes.

Slaughter Beach has houses that are built very close as the homes in the Simpsons Crossing. Slaughter Beach had three houses burnt down, two different times over the past five years. Legislators need to think about what is going to happen in the future. Though the fire department representatives are not in attendance, Mr. Eichler already talked about the lack of volunteer firefighters. All that needs to be considered.

Right now, Mr. Fox said there are only about five contractors installing sprinklers in homes. There are 129 systems in Sussex County itself. The County requires sprinklers, but only on residential homes that are four stories or more. At four stories, the home has to be sprinklered and that changed in 2005 when they went to the IRC/IBC. He was doing a lot of townhomes because under the Southern Building Code, which was their legislation, said a three-story townhouse had to be sprinklered. Now it is a four-story townhouse. When they went with the IRC, that became less restrictive.

Brendan Warfel of 968 Northeast Front Street, Milford, stated he is a local contractor that started his business in Milford. Most are familiar with the home he is building on Lakeview Avenue. He received a price on the sprinkler system because by law, he is required to offer it to every homeowner he builds for. In this case, it was \$17,885 to install sprinklers in that home. He does not care, and he will add that to the home and mark it up 10%.

He is not here saying it is all about money, but asked if this is only money, why isn't it already required in every home and why isn't it in your home.

Mr. Warfel agrees it is a deep question when putting a dollar on a life. He asked Council to wait to see how the Counties react to this, with Milford in Kent and Sussex. That will provide a little more guidance on how to move forward.

When asked if anyone else wished to speak, no one responded. The floor was then closed.

Council then discussed the options adding there is not argument about the cost of losing a loved one.

Councilman Culotta said it will cost the builders more and will have an impact on people who want to build a new home. He suggests Milford follow the lead of the County. Comparing Milford to Lewes and Milton, who requires it, but the average home in Lewes is considerably higher in Milford, as well as Milton. Milford is a growing City that is attracting investors and people to relocate here and are not yet bursting at the seams yet.

If it is agreed to do this, he suggests incentivization. If the average home is \$11,000 in impact fees, he suggests crediting back \$2,000 or higher.

The normal setback in Milford is eight feet off the property line or sixteen feet between structures. That is a good distance according to Councilman Culotta. The comparison is Slaughter Beach, but he noted that Milford does not have the high

winds and as often as Slaughter Beach does. If allowing closer setbacks as in Simpsons Crossing, then he agrees to mandate sprinklers. But at the current setbacks for the single homes there is adequate space not to require them.

Councilman Boyle agrees and reducing the impact fees would incentivize the homebuilder. He has lived long enough to understand that every time a standard has been proposed, they hear the same complaints that it costs too much money. Then we lose sight of the fact of what the intention is. He can remember when seatbelts were going to cost too much to put in vehicles. The technology is there and the ability to enhance living conditions, and he believes the costs will come down as more homes are built. He understands the intent of the sprinklers and likes the idea of a reduction in the impact fees to incentivize this.

He also agrees with Councilman James that this should be delayed until the next fiscal year.

Councilman James stated his concern is life and safety compared to the response time. Mr. Fox pointed out some important timelines and the time to get to the station, when you can get enough firefighters, the time it takes to get to the fire. If a person can buy additional time by enacting that sprinkler system and suppressing that fire, thus giving the person more time for life, he thinks that is priceless. While in an unprecedented, in his lifetime, economic situation, and the City is trying to stimulate homeownership and encourage Carlisle Fire Company to focus on putting more effort toward recruiting and response. But Milford has an obligation to fire safety and if really focused on it, why don't we incentivize it and put some skin in the game to make it happen if it is that important, which he believes it is.

Councilman Fulton said he has gone back and forth on this. When fire equipment is moved to one fire, there is a thing called backfill and part of the normal command process where once the units are dispatched, then the emergency dispatcher starts calling additional fire companies to start sending resources to the area/station affected. He agrees that all fire companies have a problem with response time. Perhaps it will get better with more recruitment and retention, but the volunteer system is becoming harder to fill as most of the volunteers are getting older.

Other points were the cost of building, the initial cost of homeownership. Those are all things that say perhaps we should not do sprinklers. But compare that to the safety and lifesaving side.

Councilman Fulton noted that most people die from smoke inhalation than the fire itself. The fire sprinklers are really there to put out the fire which is damaging the structure and while that may reduce the smoke, the smoke will be generated first because the heat releases it. The first warning should be the smoke alarms that sound off to give people the time to get out and get to safety. He sees a lot of people trying to stay inside and fight the fire. Most people do not even have a fire extinguisher in their kitchen.

He also noted that the smoke and water damage are the two biggest thing that occur during a fire, besides the fire itself. If someone stops a small fire in the house, the smoke will remain, plus any water that was brought into the home.

Councilman Fulton also agrees with incentivizing, and he feels that up to \$5,000 on a graduated system on how large the home is because that requires a larger sprinkler system. However, he does not think in this economy a mandate is good at this time, but an incentive program to allow people to voluntarily install a sprinkler system is a good first step.

Councilman Marabello agrees with incentivizing and one feasible way, instead of taking a big lump sum, perhaps tax abatement over a ten-year period could be considered and the impact would not be as harsh. Many people buying homes here are coming from out of state where they were paying exorbitant taxes. They move here and have to pay \$2,000 in property taxes and he does not believe that would impact someone from putting in a sprinkler system.

He is also concerned about the decreasing number of firefighters.

The Councilman suggests deferring this matter until at least July 1, 2023, or January 1, 2024, though to him the most important thing is safely though he understands the safety issue. He referenced hearing impaired people who may not hear the smoke detector and would need the sprinklers. However, he is in favor of the sprinklers but prefers to defer it and provide some form of incentivization.

Councilman Boyle moved to postpone action until a future meeting to incorporate some of the ideas suggested for this ordinance, seconded by Councilman Culotta. Motion carried by roll call vote and the matter was deferred.

Councilman Culotta asked to take a break. The meeting was temporarily recessed at 7:33 pm.

The meeting resumed at 7:38 pm.

## RECOGNITION

### *New City Employees*

City Engineer James Puddicombe introduced one of his Engineering Interns A.J. Nash. He graduated from Milford High School and will be attending the University of Delaware this fall.

Public Works Director Mike Svaby introduced two new full-time Equipment Operators in the Streets/Utilities Section.

Brandon Keller worked at DelDOT as an equipment operator II and resides in Milford. His first day was June 6<sup>th</sup>.

Scott Girardi also worked at DelDOT as an equipment operator II also resides in Milford. His first day was today, June 27<sup>th</sup>.

## MONTHLY FINANCE REPORT

Finance Director Lou Vitola reported the eleven months thru May is closely following the trend established the second half of the year, if not all year.

The general fund in total, and all five funds including utilities, remain favorable to the budget. The four utility funds are also ahead of the prior year, but the general fund is lagging the prior year. There was some minor improvement in May with personnel costs the driver. The negative variance will not correct itself through the end of FY22.

The 2020 Combined Streets and Utilities Project, which involved a number of CIP items, has been gaining steam through the spring. As we wait for the second tranche of ARPA funding, the first tranche has been expended with the progress on that project.

It was noted that Milford qualified for \$6,333,000+ in ARPA funding, with \$3.17 million has been received and consumed. The balance is expected sometime in June.

Councilmember Boyle moved and Councilmember Marabello seconded a motion to accept the May 2022 Finance Report. Motion carried with no one opposed.

## WARD REPORTS & COMUNICATIONS

### *South Walnut Street Speeding*

Councilmember Culotta reports he continues to receive complaints about the speeding issue on South Walnut Street.

City Manager Whitfield reported that DelDOT has confirmed that South Walnut between McCoy and Jefferson Street does qualify for traffic calming. With the adoption of the new budget, there are monies set aside for a traffic calming solution to discuss with Century Engineering who handles these situations to provide a concept. One problem with South Walnut is the number of competing interests in 1) the road is in bad shape and needs attention; 2) there is missing curb and sidewalks and is also included in the City's Bike Plan list. Several improvements are looming for the area over the next couple of years.

In the meantime, he has asked the City Engineer the Public Works Department to look at some possible short-term solutions to implement, as well as long term solutions.

*North & Church Street Intersection*

Councilmember Wilson reported it is a slightly better situation with the stop sign being relocated. However, she is still receiving complaints about drivers coming from Church Street driving south and turning the corner headed towards Route 113. They continue to run over the curb. She asked that it be reviewed again to determine if anything else is possible to improve it.

Councilmember James also acknowledged the work that was done adding that many of the residents were pleased. However, there are still some issues making a right off Church going toward Route 113. He was behind one of the City trucks today who could not make the turn completely without going over the sidewalk on the south side of North Street. He had to back up in order to head toward Route 113.

*Juneteenth Holiday*

Councilmember Wilson also thanked the City for acknowledging Juneteenth as a legal holiday in the City on behalf of herself, her ancestors, and other people of color throughout the world.

*Seawatch Factory*

Councilmember Baer said he continues to receive complaints about the smell coming from Seawatch and asked if the City could encourage some sort of smell abatement program.

It was noted that in the past when that occurs, a phone call was made by City Hall to Seawatch, and they have reacted quickly over the years.

## UNFINISHED BUSINESS

*Adoption/Resolution 2022-07/Final Clarification/Council Rules & Procedures*

City Clerk Hudson explained that the packet includes an updated Exhibit to Resolution 2022-07 and simply incorporates Council comments from the last meeting and adds language to the Public Comment Session area. There were some questions as she read it, and this should make the process more distinct in the exhibit.

Councilmember Wilson moved to re-adopt Resolution 2022-07, seconded by Councilmember Boyle:

## UPDATES MILFORD CITY COUNCIL RULES OF PROCEDURE

WHEREAS, Resolution 2018-01 was approved by unanimous vote of City Council on February 12, 2018, adopting the Milford City Council Rules of Procedure; and

WHEREAS, Resolution 2022-02 was approved by unanimous vote of City Council on February 14, 2022, adopting amended Milford City Council Rules of Procedure; and

WHEREAS, Council has requested a 15-minute Public Comment Period be added prior to the start of the official Council Meeting; and

WHEREAS, some additional agenda items have also been incorporated based on comments of City Council during reviews of the Rules of Procedure; and

WHEREAS, exhibit A5 provides final clarification of the Rules of Procedure for future Council meetings.

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Milford, during a lawful session duly assembled on the 27th day of June 2022, by a favorable majority vote adopt the Procedural Rules hereto attached as Exhibit A(3), as amended, are hereby adopted.

Motion carried with no one opposed.

*City of Milford FY21 Audit Draft*

Finance Director Vitola presented a final draft of the Fiscal 21 Financial Statements noting that Kimberly Stank is the Lead Auditor with Zelenkofske Axelrod LLC, the new audit firm, and is available on the phone in case anyone has any questions. There is still some time before the opinion is rendered for the audit and testing.

FY21 was as strong as expected and as was reported back on June 21 YTD finances were presented to City Council. Citywide revenue exceeded the FY21 budget with expenses below. Compared to FY20, revenues were up by 10% (general fund, utility funds and minor funds) and expenses were held to a 5% increase. If the net position can be increased in all four utilities and the general fund, that result is a good year.

GASB 84 required a prior period adjustment that boosted the City's opening balancing net position in the general fund. It also added revenue to FY21 that was not previously reported as revenue.

Director Vitola then reviewed MDA (management, discussion, analysis) Schedule 1 noting it is an important component of the audited financial statement package. The tables do not show the variance, but the bottom lines show net position. The first two columns compared FY20 and FY21 for just the governmental activities. The net position increased by \$1.2 million from \$26,518 to \$27,679 or 4.4%.

The next two columns show the same (FY20 & FY21) but for the business type activities or utility/enterprise funds. That net position was a positive movement of \$67,998 to \$73,915 or \$5.9 million or 8.7% increase.

The two columns on the right show the totals and a citywide figure. The total increase in net position was \$7.1 million or 7.5%.

Though it is always good for the net position to increase, the quality of the components of the increase matter too. For governments (GASB), this involves assets minus liabilities equals net position. Breaking the component parts of assets into current and non-current and apply the same for liabilities, current and non-current, results in a figure referred to as working capital. Working capital in the governmental funds and working capital in the business type funds both increased from FY20 to FY21.

The vast majority of the non-current assets are investments in fixed assets—vehicles and equipment, land, buildings, infrastructure, etc. The increase in net fixed assets was greater than the increase in long term liabilities from FY20 to FY21 for both governmental funds and the business-type funds.

Director Vitola referenced MDA Schedule 2, a condensed version and summarizes revenues and expenses in the same format FY20 versus FY21 for governmentals, business-type, and totals. The top line revenue growth in FY21 was strong and higher in both governmental and enterprise fund activities. Top line revenue growth is always good, but more important than the direction of revenue alone are the corresponding movement and expenses and the quality of the revenue.

He believes that the increase in the revenue was healthy and sustainable. This is based on increased tax base in the form of assessed value growth. With that came natural growth in rate base—more electric meters, more water meters, more sewer accounts, increase number of trash customers.

One slice of the revenue growth was in volume driven by customers and taxpayers. The other part was not in the general fund, but in the utility funds' rate increases. Both type of increase is sustainable.

Citywide expenses, total consolidates expenses, increased just 5% compared to the 10% increase in revenue. However, the 5.1% is overstated. First one the utility side, we had a nominal year in sewer. Part of our sewer operating expenses are infiltration and inflow (I&I). The year we had in FY21 was 50% higher than the previous year and almost 60% higher than the five-year average and in the sixteen or so years of data compiled, this was the second worst. It is possibly attributed to weather and open job sites due to the large amount of construction.

About \$950,000 was spent on I&I in FY21 and about half that in FY22. He is viewing that as a one-time increase.

If the cost of utility service is backed out of the operating expenses, the change in cost from FY20 to FY21 was actually 2.3% lower. Items outside of the department director's control such as the volatile cost of electric, I&I costs, and water-related treatment costs could be volume based and removing them results in well controlled budgets in FY20-21.

The one-time charge in the general fund related to post-appointment benefits is a portion of our compensated absences and the sum of the second vacation time owed to employees. A portion of that is long term and traditional wasn't carried on RGL but was on the face of the financial. That was an amount that artificially inflated the general fund over and above our ordinance operating expenses as a non-cash charge. The Director noted they are very favorable in FY21 compared to FY20 on the cost side.

In summary, Director Vitola noted that revenue was strong, expenses were controlled, net position up and all in a good way.

The FY21 year to date that were presented in August 2021, were very close to the year end results. He disliked the delay, but mainly it was due to personnel. He followed up with a synopsis of what occurred due to the shortage of finance employees and duty reassignments, fill-ins, and the issues related to a new audit firm.

In the FY22 budget, the budget costs are allocated citywide, so there was just a marginal increase in a handful of accounts. If necessary, another firm may be needed for the production of the financial, so it does not fall on staff.

In addition, more cross training is needed across the board. The new payroll administrator is doing phenomenal in her first half year with a focus on cross training and be prepared in the event someone is missing in the department. Tyler Technology will be replacing Central Square and plans are being made for the reconstruction of the GL. A lot of progress has been made on the monthly reports, but if he was forced to produce something closer to what is done externally each month, it would be like clockwork doing it year end.

The audit firm will come in much stronger in year two and in a much better position to help.

It was recommended that someone from the audit firm be present when the final report is presented. Director Vitola said it could take the auditing team through July to get through the legwork. After that the peer and partner review will take place and it may easily be August before a signed version is received.

Ms. Stank then added they have received the drop to the financial so they will be digging through them and working to complete the audit. However, it will take a little bit of time to do that though they will try to get through it as fast as possible. They hope the field work will be done by the end of July and issue the audit in August.

Ms. Wilson moved to accept the report given by Finance Director Vitola, seconded by Councilmember Baer. Motion carried.

#### NEW BUSINESS

None.

#### EXECUTIVE SESSION

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

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

Motion carried.

Mayor Campbell recessed the Council Meeting at 8:29 p.m. for the purpose as is permitted by the Delaware Freedom of Information Act.

Return to Open Session

Council returned to Open Session at 8:44 pm.

Potential Vote/Authorization/Extension of Pay

*General Teamsters Local 326D*

Councilmember Fulton moved to authorize the City Manager carryout the plans, as discussed, in Executive Session. Councilmember James seconded the motion, which carried unanimously.

ADJOURNMENT

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

The Council Meeting adjourned at 8:49 p.m.

Respectfully submitted,

Terri K. Hudson, MMC  
City Clerk/Recorder