



Milford City Hall Council Chambers 201 South Walnut Street Milford DE 19963

CITY COUNCIL AGENDA Monday, December 12, 2022

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 will be held in the Council Chambers at City Hall. Attendees are welcome to participate virtually as well. Public Comments are encouraged on the agenda items designated with a ®. Virtual attendees may alert the City Clerk that they wish to speak by submitting their name, address, and agenda item via the Zoom Q&A function or by using the Raise Your Hand function during the meeting. Those attending in person may comment when the floor is opened for that purpose.

All written public comments received prior to the meeting will be read into the record.

This meeting is available for viewing by the public by accessing the following link:

<https://zoom.us/j/99156131279>

or

<http://www.cityofmilford.com/553/Watch-Public-Meetings>

Members of the public may also dial in by phone using the following number:

Call 301 715 8592 Webinar ID: 991 5613 1279

6:00 PM

15-Minute Public Comment Period*

Virtual attendees must register prior to start time of meeting by calling 302-422-1111 Extension 1300 or 1303, or by sending an email to cityclerk@milford-de.gov and providing your name, address, phone number, and the specific agenda item you wish to comment on.

COUNCIL MEETING

Call to Order – Mayor Arthur J. Campbell

Invocation

Pledge of Allegiance

Roll Call

Approval of Previous Minutes

Recognition

Introduction/New City Employees

2022 Excellence Award Winners

2022 Delaware Leadership Academy Graduates

2023 Leadership Delaware ²

Staff Reports

Monthly Police Report
City Clerk
Monthly City Manager Report:
Public Works Department
Electric Department
Planning & Zoning Department
Parks & Recreation Department
Human Resources
Economic Development & Community Engagement
IT Department
Finance Department

Communications & Correspondence

Unfinished Business

Acceptance/FY2021 City of Milford Audit
USDA RD Obligation of Funds & Letter of Intent to Comply with Police Facility Letter of Conditions¹

New Business

FY22 Budget Adjustment/Planning & Zoning/Property Maintenance
Contract Award/Solid Waste Department/Refuse Truck Replacement
Bid Award/Electric System Field Inventory Project

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, OR UTILIZED DURING
MEETING ONCE PACKET HAS BEEN POSTED ON THE CITY OF MILFORD WEBSITE.**

[Ⓟ] Designated Items only; Public Comment, up to three minutes per person will be accepted.

**Comments restricted to same date's Council agenda items.*

The time limit is three minutes per speaker, not to exceed a total of fifteen minutes for all speakers.

113022 110422 111622 112222 113022 120122 120522

¹120922 Late Addition/Finance Director/USDA Requirement Rec'd this Date/Deadline 123022

120922 Item Moved to 010923 Meeting

120922 Multiple Items Removed

121222 Item Removed

²121222 Same Day Addition/City Manager Requested



CITY OF MILFORD
COUNCIL MEETING MINUTES
October 24, 2022

The City Council of the City of Milford met in Regular Session on Monday, October 24, 2022.

PRESIDING: Mayor Arthur 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, Acting Chief 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.

CALL TO ORDER

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

INVOCATION AND PLEDGE

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

AMENDMENT OF AGENDA

Councilmember James made a motion to amend the agenda, by moving the city employee recognition to be addressed at this time, seconded by Councilmember Wilson. Motion carried.

Councilmember James also moved to defer any action on Ordinance 2022-40 amending Chapter 197 Streets, Sidewalks, Storm Sewers, and Other Public Places/Article I General Provisions/Section 197-5 Pedestrian Safety, scheduled for a final determination tonight. He believes we should lead with our hearts and because Council has not had a full opportunity to examine all new activity, nor has had the proper time to discuss the additional information that has been provided. Instead, he is recommending that Ordinance 202-40 be reviewed at a future workshop so that all comments and opinions can be considered. Councilmember Culotta seconded the motion, which carried with no one opposed.

RECOGNITION (partial)

Water/Wastewater Operator of 2022

Public Services Superintendent Steve Ellingsworth stated that he is present to recognize Shawn O'Neill, who has worked for the past sixteen years as the City's Water/Wastewater Technician and was just awarded with Delaware Rural Water Association's Water Operator of 2022.

Superintendent Ellingsworth then read the following letter of recommendation submitted on his behalf:

I am writing this letter to recommend Shawn O'Neill for the Delaware Rural Water Association (DRWA) Water and Wastewater Operator of the Year.

Shawn has been with the city for sixteen years and has received an increasing number of responsibilities that includes dealing with the public to make sure that the city provides good quality drinking water and ensures that all state requirements are followed. He also takes care of the day-to-day readings as part of the state monitoring mandate. He oversees three employees daily.

Shawn has completed many hours of training related to both the water and wastewater utilities. A few of them include the National Incident Management System, IC100, IC200, and IC300, Cyber Security awareness training, along with many sessions offered through DRWA Office of Drinking Water.

The city has five treatment plants, consisting of twelve wells, four water towers, and twenty pump stations. Shawn handles complaints from the residents treating them with urgency and a great deal of regard.

He also attends and serves on the City Safety Committee.

Over the past sixteen years, Shawn has grown into a caring young man that is well respected by his peers. Mr. Ellingsworth has witnessed firsthand how he treats our residents and fellow employees with dignity and respect.

Lastly, Shawn does anything he is asked to do. He never complains and simply gets the job completed. Mr. Ellingsworth said they take a lot of pride when addressing our resident and businesses' complaints, and considering the increase in population and businesses, there are four additional operators. This is massive responsibility to ensure the city provides safe drinking water.

Superintendent Ellingsworth then read the following letter of recommendation submitted on his behalf:

I am writing this letter to recommend Shawn O'Neill for the Delaware Rural Water Association (DRWA) Water and Wastewater Operator of the Year.

Shawn has been with the city for sixteen years. He has a lot of responsibilities dealing with the public to make sure that the city provides good quality drinking water and ensures that all state requirements are followed. Shawn also takes care of the day-to-day readings as part of the state monitoring mandate. He oversees three employees on a daily basis.

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He also attends and serves on the City Safety Committee.

Over the past sixteen years, Shawn has grown into a caring young man that is well respected by his peers. Mr. Ellingsworth has witnessed firsthand how he treats our residents and fellow employees with dignity and respect. Lastly, Shawn does anything he is asked to do. He never complains and simply gets the job completed.

Mr. Ellingsworth said their employees take a lot of pride when addressing our resident and businesses' complaints, and considering the increase in population and businesses, there are four additional operators. This is massive responsibility to ensure the city provides safe drinking water.

Public Works Director Mike Svaby then talked about the benefits of good mentorship and long-term commitment to a career and the need for recognition and acknowledgement. He said he sees that commitment with both Mr. Ellingsworth and Mr. O'Neill which results in an overall benefit to the city and its residents.

Mr. O'Neill then thanked all those involved and spoke about how much it means to him and looks forward to a long career with the city and appreciates the assistance he has received from Mr. Svaby and Mr. Ellingsworth, along with many others that have helped him over the past sixteen years.

Mayor Campbell then presented and read into record the following proclamation:

PROCLAMATION 2022-27

Shawn O'Neill Water Operator of 2022

Whereas, the City of Milford Department of Public Works is engendered with the work of providing and maintaining a drinking water system that is safe for the public and complaint with the United States Environmental Protection Agency and State of Delaware standards; and

Whereas, the comprehensive responsibility falling to the City as a licensed Water Utility requires the professional employment, training, and licensure of Water Operators to productively operate the City’s Drinking Water System; and

Whereas, the Delaware Rural Water Association has been and continues to remain a partner with the City of Milford in the endeavors of technical training, seeking, and securing funding opportunities for the City’s Water System, as well as providing a network of valuable resources including people, equipment, and relevant information; and

Whereas, Shawn O’Neil, Water/Wastewater Technician, is one of multiple individuals who serves in this official capacity for the City of Milford; and

Whereas, every year, the Delaware Rural Water Association recognizes the performance, contribution, and value of the day-to-day consistent efforts in support of Municipal Water System Operations.

NOW, THEREFORE, I, Arthur J. Campbell, Mayor of the City of Milford, Delaware, do hereby proclaim that Shawn O’Neill, City of Milford Water/Wastewater Technician, be commended for his commitment to excellence and superior allegiance to our residents and businesses, and for the bestowment of the highest recognition of distinction by Delaware Rural Water Association as the Water Operator of the Year.

New Employees-Police

Later during the meeting, Acting Police Chief Huey introduced Matthew Planner, who comes to Milford with twenty-five years of experience where he served with the Western Berks Regional Police Department at the Penn State Berks Campus in Reading, Pennsylvania. He is currently working on his Delaware Certification and when completed, will be seen on our streets.

He is the inventor of the restraint chair, which is a device police use to restrain them to prevent any injury to themselves.

Officer Planner spoke to Council thanking the Mayor and Council for the opportunity to work here. He comes with a lot of experience and was involved in a lot of community activities and also teaches firearms instruction. He commended Captain Huey the way he is overseeing the department, adding it is very organized and extremely well run.

PUBLIC HEARINGS

Adoption/Ordinance 2022-35/Redistricting of Wards – Provides for the Readjustment of Ward Boundaries in the City of Milford Pursuant to Article II, Section 2.07 of the City of Milford Charter

Though Council has seen this several times over the past few months, City Clerk Hudson reminded Council of the work that Davis, Bowen and Friedel’s Principal and Professional Engineer Ring Lardner have completed over the past twelve plus months, as well as the requirements of the Charter and its relation to the 2020 US Census.

PE Lardner recalled the work that began on this project in September of 2021. The first step was to download all the census tracts data though that information was delayed in part because of the restrictions related to the Covid pandemic. This was a slightly later start as a result, though it is usually started the year in which the Census information is compiled.

Mr. Lardner presented the Census map from 2014 that shows the current wards in the City of Milford.

He noted the following ward changes, noting that most of the growth has been in the southern areas of Milford:

<u>Ward</u>	<u>2010</u>	<u>2020</u>
One	2,442	3,207
Two	2,331	2,895
Three	2,368	2,468

Four 2,418 2,634

After a review of the data, they realized the population difference in some of the wards was more than ten percent of the smallest ward. As a result, the redistricting was required to be addressed. The language in charter states as follows:

The wards shall be formed of compact, contiguous territory, and boundary lines shall follow the centerline of the streets, and/or other natural boundaries or survey lines as required.

He emphasized that his data is retrieved from census tracts and can only be used in whole and cannot be split to ensure accurate numbers. Using that information, the only areas contiguous within the city are those downtown, because ward one, for example, does not touch ward three, ward four does not touch ward two on the outskirts, etc.

The downtown areas were used to adjust the boundaries. There were four different iterations were considered and what is being presented today is the committee's recommendation.

The teal boundary on the electronic map represents the old ward boundaries and the color boundaries represent the new ward districts being proposed. The recommended boundary is in teal on the printed maps.

The recommended boundary resulted in the final populations:

Ward One – 2,823 residents
Ward Two – 2,727 residents
Ward Three – 2,725 residents
Ward Four – 2,933 residents

The wards meet the requirements of the charter, ward four is within the allowable ten percent of ward three by 66 residents.

Though anticipated growth cannot be factored in, it is acknowledged. The hope is the lines were moved sufficiently so that the growth over the next ten years, this redistricting may not be needed.

Mr. Ringer concluded by stating the map before Council is the recommendation to be adopted. If adopted this evening, the City Clerk will advertise the ordinance in the newspaper per the Charter protocols, and the city will be prepared to move forward with the 2023 election next April.

He also noted that the slowest growth is in ward four and the fastest growing wards were one and two.

It was confirmed that the redistricting map will become effective in advance of the April 2023 election. The City Clerk added that the new wards must be adopted by Council six months prior to the next regular election.

Once the information is sorted out by City Staff, residents who will change wards will receive a notification by mail. They increased ward four as much as possible, while still meeting the ten-percentage point deviation. Ward three will also grow with Windward on the River community and a couple other smaller development. With the Fry Farm being purchased by the city for use as an industrial/business park, the growth opportunities in ward four are not as great as the other wards, unless additional properties are considered for future annexation in the northwestern portion of Milford.

There was a typographical error noted though that had no impact on the total numbers.

Mayor Campbell opened the floor to public comment. No one responded and the public comment session was closed.

Councilmember Boyle moved to adopt Ordinance 2022-35 readjusting the boundaries of the four wards in the City of Milford, pursuant to Article II, Section 2.07 of the City of Milford Charter, seconded by Councilmember Baer.

Solicitor Rutt then reviewed the public hearing procedures for each of the four land use applications before Council, noting the applicant's presentation is limited to fifteen minutes unless it involves a detailed and complicated matter.

Adoption/Ordinance 2022-36

*Application of Buccaneer Carwash**Revised Conditional Use*

0.989 +/- acres of land located along the east side of N. Dupont Boulevard and the west side of N. Walnut Street

Comprehensive Plan Designation: Commercial

Zoning District: C-3 (Highway Commercial District)

Present use: Carwash Proposed Use: Carwash

Tax Parcel: MD-16-174.14-01-16.00

Planner Pierce reviewed the application included in the packet beginning on page twelve. The applicant submitted a preliminary application that was reviewed by the Planning Commission this past March. Because the Planning Commission recommended not granting the sidewalk waiver at that time, the application was withdrawn. A revised plan was created that includes sidewalks on both Walnut Street and Dupont Boulevard.

Mr. Pierce then read Chapter 230(14)(c)(13) regarding conditional uses and Chapter 230(48) related to the criteria used for evaluation.

The application went before the Board of Adjustment and received a variance approval for a reduction of the side setbacks which was down to 1.9 feet, though support of the neighboring property owner was obtained that a tunnel was going to be constructed nearby. That has been accepted and a revised application submitted due to no longer needing the 1.9-foot setback and is slightly larger.

Other than the variance, the application meets all minimum requirements of the City Zoning Code and Subdivision Code.

The various maps included in the packet were referenced, as well as the preliminary site plan, agency comments, and the public notice, also included in the Council packet, after proper publication in the Delaware State News on October 2, 2022, and all property owners within two hundred feet notified of the application.

The Planning Commission reviewed the current application at their October 19, 2022 meeting and recommended approval by a vote of four to zero.

The applicant's representative Chris Carbaugh of the Atlantic Group and Associates of 10044 Old Ocean City Boulevard, Berlin, Maryland and Charles Highland from Carwash Milford LLC of 26700 Quantico Creek Road, Hebron, Maryland.

Mr. Carvell noted the existing carwash is planned at 916 North Dupont Highway is planned to be replaced with an updated modern car wash. As part of this new project two, new touchless car wash tunnels and eight vacuum stations are proposed as is illustrated on the proposed site plan.

Plans were submitted earlier this year, and the Planning Commission stipulated that a sidewalk would be required on both Route 113/DuPont Highway and North Walnut Street. To accommodate this request, the team prepared redesigned plans which required the relocation of existing storm water components that were adjacent to Route 113 and North Walnut Street.

As part of the plan redesign, their team was able to increase the side yard setback on the north property line from 7.9 to 1.9 feet. With the latest changes, the proposed site plan complies with City zoning ordinance.

Mr. Carvell respectfully requests Council provide a favorable recommendation and approval.

Council did not have any questions.

The floor was opened for public comment. No one responded either for or in opposition of the application and the floor was closed.

Councilman James said it appears the landscaping is being enhanced with additional trees and shrubbery. Mr. Carvell stated landscaping will be added and presently there is no landscaping at the site. Trees will be added to the site and landscaping to the bioretention areas.

Councilmember Fulton moved to adopt Ordinance 2022-36 for the revised conditional use, seconded by Councilmember James. Motion carried by the following unanimous roll call vote:

Marabello-approves the application and this is an existing car wash at the site though this will improve that area, in addition to the four to zero vote of the Planning Commission.

Boyle-votes yes as it meets the minimum standards of Chapter 230 Zoning and Chapter 200 Subdivision of Land, and this will add a little competitiveness and perhaps improve current services for the citizens of Milford.

Fulton-votes yes, it complies with Chapter 230 and Chapter 200 requirements with the variance board input, of course. It will be a welcome asset to the City of Milford.

Culotta-votes yes and he looks forward to the new and approved car wash, and he is excited to see it completed.

Samaroo-votes yes, based on Chapter 230 Zoning Code and the recommendation of four to zero by the Planning Commission.

Baer-votes yes, based on the Planning Commission recommendation to approve of four to zero.

James-votes in favor of this ordinance as it re-establishes a business back in that location, and the enhanced landscaping that will come along with it, as well as the recommendation of Planning and Zoning.

Wilson-votes yes based on Planning and Zoning and its enhancement to that piece of property as well as the Fourth Ward.

Adoption/Ordinance 2022-37

Application of Knight Crossing -- Amended Conditional Use-- Planned Unit Development

25.80 +/- acres of land located south of Cedar Beach Road,

east of Beaver Dam Road and west of Route 1

Comprehensive Plan Designation: Moderate Density Residential

Zoning District: R-3 (Garden Apartment & Townhouse)

Present use: Vacant Proposed Use: Planned Unit Development

Tax Parcel: 3-30-7.00-035.00, 036.00 & 037.00 (portion)

Director Pierce stated this is also in the Council packet beginning on page 36, noting the next two items both involve the Knight Crossing Development. However, the final subdivision that's next on the agenda is not contingent upon this application. The amended PUD (Planned Unit Development)/Conditional Use will allow Phase 2B to move forward with final subdivision.

This ordinance amends the existing PUD/conditional use. The applicant received preliminary major subdivision approval, and conditional use approval from City Council in February 2020. Copies are included in the packet.

The applicant received final major subdivision approval for phase one in June 2021, after which Council granted a one-year extension of the preliminary approvals for phases 2A and 2B.

The applicant is requesting the amendment of the previously approved PUD to allow eighty-seven single family detached condominiums and thirty-five townhouse condominiums for a total of 122 units.

The Planner noted that the previous plan showed the single-family units about ten feet apart. Council denied that and required them to separate their single-family homes by sixteen feet to meet our Zoning Ordinance. Doing so caused the loss of several single-family units proposed in the first version. The main change in this PUD is the addition of five townhouse units which increases that total to thirty-five due to the loss of several single-family homes to meet Council's separation requirement.

The balance of the conditions remains unchanged.

On page forty-two of the packet is the updated PUD sheet, showing the six clusters of townhouses that flank the southern side of the property were shifted slightly to the west, and another cluster of five townhouses were added at the end of the cul de sac to the east.

The Planning Director talked about the other materials in the packet including the PLUS comments from the original submission.

The Public Notice was published in the Delaware State News on October 2, 2022, and owners of properties with two hundred feet, were mailed a copy. The property was also posted with a sign to meet all advertising requirements.

After a review by the Planning Commission at their October 18th meeting, they recommended approval by a unanimous vote of four to zero.

Ben Culp of Duffield Associates of 5400 Limestone Road, Wilmington, stated he is also here in favor of their applicant. He stated the only reason they are here today is to revise the plan by accepting Council's recommendation to widen the separation between units. That resulted in a loss of units and went from 131 down to 122 units.

More townhomes were added which added a better mix of units to this plan.

It was confirmed the units would be sixteen feet apart and this is directly across the road Windward on the River. The entrance on this side lines up with their entrance.

When asked if the developer will be widening the roads, Mr. Culp confirmed that both entrances have been reviewed by DelDOT and includes a turn lane at one and widening on the other which continues to the curved portion of the roadway.

Mr. Culp stated that the landscaping plan meets Milford's code. All the ponds are also landscaped. An extensive buffer also exists on the plan's right-hand side.

They hope to start construction on the approved Phase 1A as soon as possible.

Councilmember Boyle recalled the recent public hearing on the Westwood Development. During the discussion, Council was informed that because construction is occurring on land that was once the border of the city, it involved wooded areas. Much of this outskirt-type area undeveloped and often near the river or other waterway. In this case, he questioned if a survey was done and the status of the active eagle's nest in this area.

Mr. Culp said that on this portion of the site, there are very few trees. This project has been through PLUS which includes a review by DNRECT and would trigger a native species if it existed.

Mr. Pierce then reviewed the PLUS comments adding there were no comments related to an endangered species associated with this submission. He emphasized those comments were made by the public and by the state agencies, though it was determined the eagle's nest is not located within a development.

Councilman Boyle noted that it is not the location, but the distance from an active nest to a construction site is the concern. Depending on the time of year, the distance varies and ranges from 300 to 600 feet. He asked this be a consideration to the federal law.

He asked this be considered as we move closer to wetlands, rivers, and wooded areas and that any future applications be considered.

Solicitor Rutt said that an amendment to the Code would be required before that can be requested. As such, it is inappropriate to require that. If the applicant meets all the requirement in the Code, City Council is obligated to approve the plan.

The applicant is also required to meet all state regulations and in such a case, DNREC could step in for enforcement purposes.

Because the elevation of this property is higher than Route 1, Mr. Culp explained that Route 1 sits somewhat higher. As one comes over the overpass, this will not have soundwalls. A noise study was done that was included in the preliminary submission. Landscaping will be along the Route 1 corridor as he previously explained that will keep the noise down.

The floor was open to public comment.

Lucius Webb stated he lives across Route 1 from this property. He sees no plan for any bike path or similar. The road

to Slaughter Beach from Milford is a highly traveled road by people who want to stay fit. But there are no plans, no responsible behavior on the City of Milford to include bike lanes on the edge of a development.

He encouraged Council to consider that and think to the past and know the history of this property. It was the James Farm and Mrs. James was a sister to Hugh Rodney Sharp. He was a gentleman who restored Odessa and an executive at DuPont. His people came and designed the landscaping around the James home on that property. The landscaping remains, but the homes does not.

He asked Council to think about the past and what should be preserved and think of the future. Right now, there is nothing for people to do in Milford and there is no golf course, and the City has not been responsible about that though that needs to be considered.

Brenda Watson said she totally understands the application before Council. She lives at 35 Beaver Dam Drive in Milford and has lived there for twenty-five plus years.

Before when she received notices, they stated it was proposed for a fifty-five plus community. She has not heard those words used in any of the recent correspondence and wondered if the plans were still for a fifty-five plus community.

Ms. Watson also noted the two entrances on Beaver Dam Road of which one is directly across from Windward and the other may be directly across from her property. She asked if there is another entrance and exit on Route 36 which is where the property aligns on the north side.

She also did not hear a definitive date on the construction.

When asked if the plans are to make this a 55 plus community, Mr. Culp stated not that he is aware of at this point.

He also added there is no entrance on Route 36 to this development.

Mr. Culp is unable to provide a date for the construction start, though he knows the developer is anxious to move forward.

The Planner then stated this project area only involves a part of the Marina properties that are on the south side of Route 36. A residual piece of land will exist between this development and Route 36 and the reason there is no entrance on Route 36. The north side of the property is all zoned commercial.

He also believes there is a shared use path proposed along the frontage of this development on Beaver Dam Road. Any commercial construction on the northern part will require a shared use path be constructed.

No other persons responded, and the floor was closed.

Councilmember Fulton moved to adopt Ordinance 2022-37 for the amended conditional use of the Planned Unit Development, seconded by Councilmember Boyle.

Motion carried by the following unanimous vote:

Marabello-votes yes based on the approval of the Planning Board and conformance to the City Code.

Boyle-votes yes as the application complies with Chapter 230 Zoning and Chapter 200 Subdivision of Land.

Fulton-votes yes because the applicant complied with Council's request in creating the separation, even though it was a loss to them financially by going down 131 to 122 so giving the different mix with the condos and town homes is a good move.

Culotta-votes yes based on the Planning Commission and something he wants Council to consider in the future. The reason Council is here to vote on this tonight is because Council denied the application before with the five-foot setbacks on either side of the house for a total of ten feet between structures. If Council wants to talk about affordable housing, this is something Council needs to consider those any criteria change which adds to the cost of the home. He appreciates the modification to the plan.

Samaroo-votes yes based on the Planning Commission's recommendation.

Baer-votes yes based on Planning voting four to zero.

James-he could say yes because he concurs with Councilman Fulton, but he is going say what he has written. He is voting yes because of the increase separation between the homes from eight to sixteen feet and the reduction in the density from 131 to 122.

Wilson-votes yes based on everyone's comments before her and in concurrence with the Planning Commission.

Adoption/Ordinance 2022-38

Application of Knight Crossing – Phase 2A for a Final Major Subdivision

25.80 +/- acres of land located south of Cedar Beach Road,

east of Beaver Dam Road and west of Route 1

Comprehensive Plan Designation: Moderate Density Residential

Zoning District: R-3 (Garden Apartment & Townhouse)

Present use: Vacant Proposed Use: Planned Unit Development

Tax Parcel: 3-30-7.00-035.00, 036.00 & 037.00 (portion)

Director Pierce said the materials on this application begin on page 64. This is a final major subdivision application for Knight Crossing Phase 2A. The only modifications on the previous PUD sheet were in 2B and unrelated to the previous approval.

The Planner again reviewed the history of the subdivision.

The request is for approval of Phase 2A, final major subdivision, which consists of fifty-one single family, detached dwellings and twenty townhouses, arranged in a condominium format.

The plans are consistent with the Zoning and Subdivision Codes and conditions approved as part of the original PUD approval.

He continued to read from the packet materials, noting the applicant is still required to execute a subdivision agreement for this project prior to final signatures on the record plan drawings enter into a cost sharing agreement with Windward on the River for the sewage pumping station.

Planner Pierce again referenced each document included in the packet.

The public notice was advertised in the Delaware State News on October 2nd and owners of properties within two hundred feet were mailed copies. The site was posted with a public hearing notice.

The Planning Commission recommended approval of this application at their October 18th meeting by a vote of four to zero.

Benjamin Culp of 5400 Limestone Road, Wilmington, Delaware, was also representing this application. He noted that Mr. Pierce has reviewed the complete application and he is asking for final approval of Knight Crossing Phase 2A.

When asked of any changes in comparison to the preliminary approved plan, Planning Director Pierce said he believes the townhouses may have slid down slightly on the sheet and further to the west to make room at the end of the cul-de-sac.

A landscaping plan is included on page seventy-three of the packet and sidewalks installed.

The floor was open to public comment.

No one responded and the floor was closed.

Councilmember Fulton moved to adopt Ordinance 2022-38 Phase 2A for final major subdivision, seconded by Councilmember James. Motion carried by the following unanimous roll call vote:

Marabello-votes yes based on the Planning and Zoning approval, and it conforms to the code requirements.

Boyle-votes yes as it is consistent with Chapter 230 Zoning and Chapter 200 Subdivision of Land.

Fulton-votes yes because there is no change from the preliminary approval though some slight movement, but no actual changes to the plan, and it still maintains concurs with 230 and 200.

Culotta-votes yes based on the Planning Commission.
Samaroo-votes yes based on Chapter 230 Zoning and Chapter 200 Subdivision of Land.
Baer-votes yes based on Planning Commission's recommendation of four to zero.
James-votes yes it does comply with Chapter 230.
Wilson-votes yes based on Planning and Zoning.

Adoption/Ordinance 2022-39

Application of Becker Morgan Group, Inc.-- Red Cedar Farms, Inc

Preliminary Major Subdivision

101.42 +/- acres of land located along the east side of Bucks Road and north of Cedar Neck Road

Comprehensive Plan Designation: Low Density Residential

Zoning District: R-2 (low density residential)

Present Use: Vacant Proposed Use: 200-unit Single-family Detached Dwelling Subdivision

Tax Parcel: 3-30-11.00-068.00

Planning Director Pierce states this application begins on page 113 of the Council packet and is for the preliminary major subdivision of a property designated low density residential within our comprehensive plan.

The applicant is proposing a two-hundred-unit single family detached dwelling subdivision on a little over one hundred and one acres of land.

He then referenced the maps in the council packet.

The development includes a clubhouse that will be reviewed under a separate site plan submission with the Planning Commission.

Mr. Pierce then read section two of the staff report noting the applicant is seeking a waiver from Chapter 200(8)(d) that requires block widths shall not be less than 275 feet, nor more than 450 feet. four hundred and fifty feet. The applicant is seeking permission to exceed the width for blocks A, B, and C as shown on the waiver exhibit.

Requested is 595 feet for block A, 559 feet for block B, and 640 feet for block C. This is due to the low density of the development.

The remaining plan is consistent with Chapter 230 and Chapter 200. The preliminary major subdivision plans have been reviewed for general compliance with the city's construction standards and specifications with the associated comments in the packet.

The applicant will construct a sewage pump station and force main to serve this project and connect to the existing water main located on Cedar Neck Road and extend the main through the site to the west side of Bucks Road.

The Planner said there was a commitment by the city to construct the regional water infrastructure at the time the Southeast Master Plan was approved, including the water tower and other water mains. The city is responsible for the water main connection from the northern point of this project under Route 1 for Beaver Dam Road to complete the loop for the city system.

Other applicant responsibilities are included in the packet.

The Planning Director continued reading that the applicant shall also be responsible for right of way improvements, either through direct construction of the entrance road, widening and shared use path by way of a contribution to the Southeast Milford Transportation Improvement District which has not yet been finalized.

He then reviewed each of the documents included in the packet.

The public notice was published in the Delaware State News on October 2nd, and property owners within two hundred feet of the subject parcel were mailed copies. The Planning Commission reviewed the application on October 18th recommending approval by a vote of four to zero.

Milford Council Chambers: and the Planning Commission did review this at our October eighteenth meeting as well, and recommended approval upon a vote of four to zero

Mike Ryman of Becker Morgan Group at 309 South Governors Avenue, Dover, Delaware, introduced Director of Land Development Tim Green of Schell Brothers.

Mr. Ryman provided a synopsis of the project on the approximate 100 acres zoned R-2 which allows single family and duplex homes. The City's Comprehensive Plan and Future Land Use map calls for this area to be low density residential

The comp plan includes several zoning districts which fall within the low density residential, and one is R-2 and exactly what the comp plan calls for. It is zoned appropriately and the proposed development consistent.

Mr. Ryman referenced a map showing the site location in proximity to Cedar Neck Road, Bucks Road, and Route 1.

The property has no floodplain nor wetlands. It is adjacent to some property in ag land preservation just to northeast and that property owner is in attendance this evening.

The property also is in part of the Southeast Master Plan done a few years ago. A portion of the property on the northwest corner was designated as a potentially a TDR receiving area which would have allow a much higher density on the property than what is being proposed.

In August of last year, Council approved the city to design and install a casing under Route 1 associated with bringing utilities over into this area consistent with the overall growth plan in this particular area.

He reviewed the design of the site for the 200 single family lots that are just under 2/3 of an acre. Under the City code, the lots could be as small as 8,000 square feet and this is significantly over that minimum size. The total density results in just under two units per acre though it could go up to eight units per acre um on a portion of the property.

Significant open space of 29% is included though at 25% percent is required by the City Code.

The roads will have significant pedestrian connectivity with sidewalks on both sides of the road and interconnecting with various portions of the development and open spaces. A share use path will be installed along Bucks Road and Cedar Neck Road and are a relatively standard requirement of DelDOT and will be implemented either via the TID or directly.

Access will be on Bucks Road lining across the road with the adjacent neighborhood. The central open space that leads into the development would have a pool, a clubhouse, and the entry way would be via a boulevard style entry way with landscaping

Utilities include water, sewer and electric through the City of Milford. KCI performed a study at the same time City Council approved the utility extensions.

A 26-foot-wide easement will be dedicated along Bucks Road which would be available to the city for future extension of utilities in the area as well. There would also be a dedication of five feet of right away along Bucks Road for DelDOT to widen the right-of-way.

The property drains to the east and the central pond is the low part of the site. There is an existing drainage feature there with stormwater collected through the stormwater facilities as shown. They anticipate those to be wet pond facilities, though they are at the preliminary stage of this design and would need to work with DNREC and Sussex Conservation District to review the stormwater design and approach and would have the final say of their design.

The road is in accordance with the City's specifications. They are 26-foot wide exclusive of the curb, and fifty foot right of way. The boulevard is a wider at 36-feet given the boulevard design.

The project is in the Southeast Milford TID created in 2019 and is not completely finalized at his point. They will either be entering or participating in that TID which will result in widening Bucks Road and Cedar Neck Road. If not, the application

be responsible through the DelDOT application process. From conversations with DelDOT, they are a couple of months away from completing the TID.

The plan shows a roadway interconnection to a parcel to the east that is not an ag preservation, and a request of the city Planner that could be used for possible future interconnection. It is not for any future growth of this project and something that came up with some of the neighboring property conversations.

If that property were developed at some point in the future, it would have its own access to Cedar Neck Road, but the interconnection would allow the two properties to connect with each other.

Landscaping would be in accordance with the City Code as well.

This project went to PLUS in August of 2021 with no major comments or concerns.

A waiver is being requested related to the maximum block width of 450 feet of the three blocks. Those blocks involve the stormwater pond and the clubhouse and are 595, 559, and 640. The City Code is created to allow lots to back up to one another which creates the maximum block width. In this project, there is open space and stormwater between the lots. They could have been filled in with more lots and/or roadways, but Schell communities typically back up to open space and stormwater features, which creates a much nicer community and better drainage.

Lot backing up to each other without any open space between them often creates some drainage easements and related issues. Having that open space creates a much better design and the reason for the waiver to exceed that width.

He then discussed the architectural elevations. Anyone familiar with the Schell communities agree the design are very nice and aesthetically pleasing. The drawing provides a sense of the homes, which are approximately 3,000 square foot size homes, which can vary based on the buyers' desires.

Similar communities with similar style architecture would be the Coastal Club in Lewes, or Independence, or Saddle Ridge on Route 24.

A detailed site plan of the clubhouse and pool will be presented later, though Schell does well and with great pride is the quality of their amenities. They are also included very early in the design and anticipate the clubhouse to be approximately 2,500 feet, plus or minus a pool, lounge area and a playground.

There are trees in the northeast corner of the site there is some open space and only a very minor portion of the site that has an existing wooded area though the intent is to save as many trees as possible.

Around the clubhouse and pool are some larger trees that could be potentially saved and intend to implement that as part of the plan as well.

Howard Webb had some concerns about being next to the ag land use, which Mr. Ryman understands. He is a farmer and there will be dust and activities, including early morning work, and he wants everyone to understand that. The developer understands that.

There was a request there be documentation on the plans and in the governing documents so that it is known by the folks buying homes that Mr. Webb is going to be out there farming and doing what he does so well. The developer is fine with that and completely agree and have no problem with that. They will work to implement that as well.

So, we are fine. With that we completely agree. We have no problem with that. Um, and we'll work to implement that as well.

Mr. Ryman also shared that James Clingan was at the Planning Commission hearing and owns the house that is on Cedar Neck Road this development surrounds. He is most likely more impacted than anyone else and had a great discussion that evening, in addition to some follow-up discussions. He has requested some additional landscaping be added around his home and they are happy to accommodate that request and make it part of their plan.

Landscaping will be done along the rear of the lots on Bucks Road though they do have a very wide buffer. There is also a utility easement which is intended to benefit the city for any future utility easement needs. But it does provide the opportunity to landscape as well in their final plan.

Overall, the project complies with the Comprehensive Plan and the Zoning Code, other than the request for the one waiver but will improve the design of the project. City utilities will service the community and it is in the TID and road improvements will come as a result.

The project is significantly less dense than what the City Code allows and a favorable recommendation of four to zero was received by the Planning Commission.

Councilman James loves the idea of the low density and likes the design. This is a very large parcel and is the one entrance adjacent to Thawley Lane. It was confirmed there is only one entrance. Councilman James said he is not the expert, though all the 200 residents will be using the one entrance onto Bucks Road adjacent to Knollac Acres, whose vehicles are coming in and out.

Mr. Ryman said another entrance was considered but liked the idea of that portion of the community having a little secluded, which is why a lot of people prefer to buy on a cul-de-sac.

A traffic analysis of the entrance was done and there will be auxiliary lanes, right turn and left turn lanes. With the 200 units based on DelDOT's formulas, it would not exceed the requirements. They are confident that 200 lots on one entrance is sufficient. As part of the PLUS review and DelDOT meetings, a second entrance has not been requested.

Regardless, Bucks Road will end up being widened. Today it is about 19-20 feet wide and will be expanded to allow 11-foot lanes and 5-foot shoulders.

When asked if any fountains are being planned for the stormwater ponds for water movement, Mr. Ryman said that is typically done.

Councilmember Fulton asked if the ponds would be available to provide water in the case of the fire; Mr. Ryman said that is possible. That has been done with a project for the Boy Scouts and involved some intricate planning.

Councilmember Baer asked if the residents would have some other amenities as he has noticed at other Schell communities such as dog parks, pickle ball, tennis, etc.

Mr. Ryman said dog parks or pickle ball has not been discussed and the focus on this community is the clubhouse pool, lounge area, playground, and walking paths are anticipated for a community of this size.

Mr. Green of Schell Brothers, 20184 Phillips Street, Rehoboth Beach, stated that at this point, it is too early to determine the amenity offering. However, they will review other communities in the geographic area for things their residents may enjoy. There are no other communities here so they will need to look around and see what is available.

He added they are always expanding their amenity offerings in their communities to activities like pickleball. They are beginning to travel throughout the Mid-Atlantic region to consider what other developers are offering that might be added to this package.

At this point, it is still a little vague, though as they get closer, they will be able to dial that in.

Mr. Green also confirmed that their anticipated date is approximately a year unless there is a drastic turn in the market. At that point, it would be prudent to put the project on hold to prevent a project from being partially developed.

When asked about basements, Mr. Green explained that the feasibility of a basement is determined mostly by groundwater. At this point, he is unsure if they have enough information to determine that though approximately 50% of their buyers enjoy basements.

Councilmember Marabello asked the estimated cost of the homes though that has yet to be determined and will be based on the cost of construction, what the TID fees are, infrastructure cost, etc.

When asked about disclosing the impact of the Webb Farm, it was also noted that at the Planning Commission hearing last week, Schell Brothers made a commitment to communicate the fact there are surrounding lands in ag preservation, which has also been done in other communities in Sussex County. That can be done in governing documents as well as seller's disclosure.

Milford Council Chambers: and we do that, and we have done that in other communities. Um in in Lower Sussex County, uh via our governing documents, as well as our seller's disclosure that does not survive the first buyer. Um, However, the governing documents do and will be provided at the time of the contract.

Lucious Webb of 29516 Sapp Road, Milford, stated he was not in attendance at the Planning Commission hearing. He is concerned about the over development of this area, and whether it's all growth good, and does Milford want to be the pariah that Lewes has become where we have one Stepford home community after another. Which results in not much of a jewel of a community where you must fight through traffic upon traffic, to get to the center of the town. He feels it is a challenge and questions if continual growth is always beneficial.

He added he did grow up on the Webb Farm which has been in the family now six generations and in Sussex County, starting in the 1600's in Lewes.

The concern is will there be setbacks, and I understand from the State there should be an approximate fifty-foot set back if you have land and farm preservation for the housing that backs up to it. Schell Brothers will benefit greatly by backing up to beautiful open land, and they normally charge anywhere from forty thousand to one hundred thousand, an up charge, for premium lots

The farm does not benefit from that, and it is totally a benefit of the Schell Brothers when they sell a community to be able to have premium lots. Now the farmer is not being encouraged to maintain it in a premium way and could put a pig farm in like they did on Route 16 going east from Milton, which would not make it a premium lot any longer. But he does not think this farmer has that kind of irresponsible behavior.

His other concern is the status of the roadway, which as a child was used by his school bus by also for bike riding and even horseback riding which were dirt and had crowns at that time. Besides Bucks Road, there will be an impact where it wraps around to Sapp Road. He also noted the number of people who ride their bicycles in this area.

All those roads need to be totally redone and widened to make them safe roads. They are hardly passable and unlevel because they were made for dirt traffic years ago.

Mr. Webb also shared that in 2011, there was a major earthquake in Virginia, and there were tremors felt in Delaware. From his office in Rehoboth, one could see the cars swaying. In that same year in May, there was another earthquake. The earthquake was the downfall of Wilmington Trust Company, because they were very irresponsible, and a lot of those executives were sentenced to prison though they never served time. There were people they lent money to on personal guarantees, and some of the personal guarantees were to Sussex County developers of the name of Schell. He said they are good people, and it is not their fault that Wilmington Trust was irresponsible. But his family suffered personally and lost about a million dollars in investment. The Lingo family that Mr. Webb works for, lost millions of dollars in investment.

This farm has been in his family since 1867 and he enjoyed growing up there as a kid and being able to look west at the beautiful sunsets. But looking west in the future will show a sea of houses. The value and beauty of the land will be highly devalued, yet the Schell Brothers will again be enriched at the expense of the common mans.

He said that Preston Schell has been interviewed many times, and says he believes in impact fees. He also believes in open land, and he helped found the Sussex County Land Trust with Craig Hudson, and at one point promised at one point, promised that half of one percent of what he makes in sales would be contributed to open land. He no longer does that, but if the city can do anything to encourage his contribution. There is a comment about pickleball courts and Milford is irresponsible in their development of open space. The only pickleball courts you can play on publicly is in Slaughter Beach.

Howard Webb of 5536 Cedar Neck Road said he has been here slightly longer than his brother. He agrees that Bucks Road is not going to handle a lot of traffic very well, and that will be the city's responsibility. There are already safety concerns but fortunately the hospital is very close for those hurt in vehicle accidents.

He shared that the line between his properties and the proposed development have a hedgerow that straddles that line and creates somewhat of a natural fence. He referenced the old saying 'that good fences make for good neighbors' though he will need neighbors. He is going to ask the city for a covenant that the hedgerow stays intact as it is today, except for removal of fallen limbs.

Ronald Espersen of 6342 Bucks Road stated they are going to put two hundred houses over there and at least one car for each house, or two hundred cars. Bucks Road right now does not allow a big truck going one way and a car to pass safely and instead must go off the road to pass it.

Bucks Road is either a state or county road because state plows maintain it. He asked who is going to widen it and right now, if a school bus is on it, the other vehicle almost must go off the road to go straight.

Two hundred houses, two hundred cars and possibly four hundred cars because most houses have two cars. Bucks Road is not going to be able to handle all that traffic. And they will be entering off Bucks Road into the development.

Mr. Espersen has nothing against the development, but the roads are too narrow to handle it. He suggested going on Bucks Road with a truck coming the other way to see if you can stay on the road.

Raymond Hendrick of 6422 Bucks Road, Milford, said he appreciates this opportunity to speak and did attend the Planning Commission last week. He wanted to thank the Schell Brothers for acknowledging some of the comments he made last week. They are going to remove a great deal of the vegetation that he sees every morning when he goes to his mailbox. The biodiversity of that area he has hiked through it. He has never trespassed but never found anyone he could speak to about denying him access to it. The biodiversity in there is tremendous.

The only comment he would like to make is that when they do the landscaping proposal, he hopes it is native Delaware trees and shrubs, and not Leyland cypress and burning bushes and Bradford pears. There are a lot of oak, maple, redbud, and flowering dogwood. He hopes that that would be a consideration in the planning.

He expressed his appreciation for the opportunity to speak this evening.

Richard Baer of 6470 Bucks Road asked what the developer plans to do with the cemetery plot on that property. Solicitor Rutt said he will try and get an answer for Mr. Baer.

Peter Goldring of 6436 Bucks Road said he sent each of the Councilmembers an email today with his comments. Many of them have been covered already. He, as other people, are concerned with the potential traffic, but particularly concerned with the corner where it intersects Cedar Neck Road, where I believe there have been some accidents prior. Until recently, there was even a sign that said, 'please look twice when you get to this corner', because you really can't see from Bucks Road into Cedar Neck Road in both directions in a safe way to make that turn.

He understands the ultimate development is sitting with the state right now with DelDOT, but the developer doesn't really own that corner and the state doesn't own that corner. That leaves a question of how to accommodate this when no one can say, oh, we will carve it out and cut it differently. The houses on both sides will still remain.

People have already commented on the tree removal, and he would love to see when they get done with the development plans for them to indicate what will remain of the existing trees. There are several older trees, and it would be nice to see them remain.

The landscape buffers were discussed and hopefully Schell will be able to achieve those.

Those last thing Mr. Goldring commented on is the notifications that went out from the City of Milford and impact people within 200 feet of the development. And yet, the development directly proposes to enter directly opposite Thawley Lane,

which is the state's preference, though no one in Knollac Acres was informed of what was going on. He does not think that is appropriate and one of two entrances into their development. Someone is proposing to double the traffic on that road easily.

The only other way to go, if someone decides not to go down Bucks Lane, is across to Thawley Lane, through Knollac Acres and out onto Cedar Neck Road. That might make more sense than the opposite way of travel.

Carol Goldberg of 6436 Bucks Road has concerns. They hardly have any traffic right now. We don't get very much, but some of the traffic we get is really going fifty, sixty miles an hour down Bucks Road which is very narrow. She is hoping that that once the road is widened and will look like a highway compared to what we have now, there will be some speed limit signs and have the speed limits enforced. People are always in a hurry which is why they moved down to Milford from the Philadelphia area three years ago.

She would hate to see her road turned into a raceway, which was starting to happen to their road in the Philadelphia suburbs, which is one of the reasons they left. Most people come down here because they have gotten to the age in life where they don't want the noise, or craziness. She is hoping that some of the peace can be preserved which is why they retired here.

Solicitor Rutt asked Mr. Ryman to address the questions that were asked, and initially requested Mr. Ryman address the improvements on Bucks Road and the TID.

Mr. Ryman reiterated that Bucks Road is going to end up being widened one way or another. There are two paths they will proceed down. One is the TID path where DelDOT will do the project themselves, and this development will be required to pay fees into that project to help pay for those improvements.

The other path is the developer would simply do it themselves as a requirement of the entrance plan approval through DelDOT. The TID path makes a lot more sense and is a better DelDOT project by implementing it that way. Given where the state of the TID is in the process and the work and effort that has gone into that, they are hopeful that is where this ultimately goes. One way or another, the roadway will be widened and will end up with eleven-foot-wide travel lanes and five-foot shoulders for a total of thirty two feet. By comparison, it is about nineteen to twenty feet right now.

It is common that DelDOT requires the frontage of projects to be widened, so the entire length of Bucks Road along the entire frontage. It will not matter where the access point is. That will extend along Bucks Road out to Cedar Neck Road.

Mr. Ryman also confirmed there will be a landscaped plan as he described in his presentation.

Solicitor Rutt asked if they typically plant native vegetation and native trees; Mr. Ryman stated yes.

The Solicitor referenced the comment about the cemetery. Mr. Ryman said they are unaware of it, though there are state laws governing burial plots that are marked or unmarked. They were unaware of that and not a comment that came up in any of the research through PLUS in their databases. But something is encountered, there are state laws that govern the process they will need to go through though they are unaware of them on this property.

There being no further persons wishing to speak, the floor was closed to public comment.

Solicitor Rutt informed those present that this is a by-right subdivision. That means that because this complies with all the requirements under the Code for an R2 subdivision, under Delaware law, Council must approve it. The only deviation is a request for a waiver of the length of the blocks. That would need to be part of Council's consideration.

Councilmember Fulton moved to approve Ordinance 2022-39, approving the Red Cedar Farm Incorporated preliminary major subdivision, seconded by Councilmember Boyle.

Motion carried by the following unanimous roll call vote:

Marabello-votes yes for the approval. He knows it will be a big change for that area, and he can understand the people's feelings there, but it could have been a lot denser than the R2 and he sort of appreciates it is down to this limit. Though he understands the feelings though it could be a lot worse. So, he is happy the density is not as great as some of the other areas.

Boyle-votes yes and will echo the comments of Councilmember Marabello. He has lived through development coming to his backyard and it is not great, but it happened. In fact, where he is living now, there is a farm right behind him and he knows that someday it will become something. He sympathizes with the residents but as Solicitor Rutt has said, it is a by-right and meets all the requirements of the City code.

Fulton-votes yes. The density factor is a major factor in this consideration. Schell Brothers is performing, based upon their presentation, should be giving the residents something good to look. He understands the residents like open land out there, and he looked out there and was going to purchase out there when he first came to this area. But unfortunately, when someone finally puts their land up for sale, they have a right to sell their land to whomever they want. It was zoned R2 which means the density could be twice as heavy as what this is saying right now. That means traffic is reduced by 50% already. With the changes to Bucks Road and he does know that road needs a lot of improvements. He feels for what those residents are going to lose, but this is a good project for that area.

Culotta-votes yes. It has been stated before that the lot sizes are in some cases twice what is required and is a benefit. He imagines the TID will accommodate a lot of the concerns of speed, with the road and for growth in the future. Given it is by-right, it is his duty to approve it based on what the law is. He also believes that Schell Brothers has a very good reputation throughout many communities and would be to have a neighbor like that and votes yes.

Samaroo-votes yes based it meeting all the zoning codes. She knows there are some traffic issues but thinks that widening the road from nineteen feet to thirty-two will help with the traffic.

Baer-votes yes based on the recommendation of the Planning Commission with four to zero vote. He has seen very high quality from Schell Brothers in their other developments and appreciates that.

James-votes yes, this is a by-right project and meets all the requirements of the code. With the variances that are included in this request is an enhancement to lower the density. He does desire that there is consideration for another entrance but votes yes to adopt this ordinance.

Wilson, votes yes, based on Planning and Zoning, and it meets and is compliant with our ordinance. She also appreciates the developers reaching out to the neighbors and already trying to establish that good neighbor partnership that we all need. Hopefully, that will continue, and we will have a beautiful project out there.

Adoption Ordinance 2022-33

Amends Chapter 204 Taxation Code/Article I/Section 204-1/Property Tax Relief-Seniors Citizens

Finance Director Vitola referenced the ordinance materials that began on page 205. The original intent of the changes introduced in September were simple and just to advance the threshold for senior property tax exemption resulting from inflation.

Everything else was left the same as intended in the original code.

Following the presentation in September, Mr. Vitola received comments regarding the original code. The first related to the railroad pension exemption in lieu of social security, and whether that could relate to other forms of government-sponsored post-retirement benefits, such as military pensions.

He was then informed after the meeting by two members of City Council that the \$15,000 income threshold for individual property owners was not exactly half of the exemption amount for joint or married owners of property, which mirrors a feature of the federal income tax code that had the potential to give rise to a “marriage penalty” or “marriage tax” depending on taxable income levels, and that the feature was largely eliminated in the federal income tax code.

Mr. Vitola was asked to research the exemption language and the threshold levels in the original City Code, which resulted in two key findings.

The Federal Income Tax Code has five to six different progressive marginal tax rates depending on a taxpayer’s taxable income. Beginning in 1987 and extending through 2017, the ratio of the taxable income breakpoints for single filers to married/joint filers were not equal to exactly a half (0.5). In other words, the taxable income breakpoints for two married/joint filers were not equal to exactly two times the taxable income breakpoint for single filers.

Depending on how the tax rates for given income levels work out, there is either a “marriage tax” (penalty), or a “marriage bonus” (benefit). It appears that when the City Code was initially written, or most recently revised, it looks like the ratio was borrowed from that common part of the tax code. Even though the tax code since 2017 equalizes that and attempts to erase any type of marriage bonus or marriage penalty, the city should not peg to the tax code.

We should not use that ratio, even though coincidentally now they're both 2 to 1 or 50%, because the impact on this exemption threshold is the opposite. If a marriage bonus exists in the tax code, there is technically a marriage penalty for the city, because we're gauging a maximum amount of income that will qualify for a rebate, whereas it's the opposite in the tax code. The more you make, the more income taxes you will be assessed.

Though a lot of research was done on this topic, it was not confirmed whether the City's thresholds were truly pegged to the tax code or not, but further research was moot, as the City's thresholds should be independently determined separately from the income tax code.

One of the changes made in addition to the initial amendment was to equalize or neutralize any type of disparity there.

As for the railroad pensions and other versions of pensions, earned in lieu of social security, we basically expanded the code, and added through subtraction. The reference, specifically to the railroad pension, was removed and replaced with language that allows anybody with any type of government-sponsored post-retirement income, in lieu of social security, to also exempt that from their earnings in determining the tax exemption, subject to the limit of social security.

Not specifically addressing any one type of pension or the universe of them, we feel like we "future proof" the code and adjusted it in a way that that catches it up with inflation, makes it fair for individuals versus married people or joint owners of property, while also making the exemption open to anybody who does not have the ability to exempt social security wages because they have some other type of government wage.

Director Vitola feels this has addressed Council's concerns with the code and recommends approval.

When asked, Director Vitola confirmed this is every level of government and not just federal. He further explained there are police officers, first responders, firefighters, and possibly people who had private sector careers though they are not receiving social security benefits because they're in some other government benefit.

It was noted that the postal workers used to have a postal pension but did not collect or pay into social security.

Solicitor Rutt questioned the 'proposal is exclusive of social security benefits and government-sponsored post-retirement benefits'. And the last sentence says, 'the exclusion will be limited to the maximum social security benefit'.

He asked if it should include to the maximum social security or government-sponsored benefit; Director Vitola stated not adding that social security should drive the bus, and those wages should not be included when factoring it in. A person could have some very lucrative government-sponsored post retirement pension program. That is a substitute for social security that is huge. There is a need to limit their exemption of that to what their social security benefit otherwise would have been based on the social security rules and regulations.

Solicitor Rutt said he does not want a person to come in and say they don't receive social security. And the way it is worded says to the maximum social security benefit for the owner claiming it, as opposed to which the owner would be entitled.

Director Vitola said that can be done if Solicitor Rutt wants to propose it and Council authorize the amendment.

When questioned, Solicitor Rutt stated... 'such exclusive shall be limited to the maximum social security benefit for which the owner claiming such exclusion would be entitled'.

Councilman James responded stating he wants to be careful, because the way it is written, the exclusion he is speaking of is the property tax exclusion, based on the maximum social security. If this is changed, he emphasized there is a need not to lose the essence of the original intent. Director Vitola agreed.

Mayor Campbell asked if the \$15,000 becomes \$20,000 now per individual and \$40,000 even for joint property owners.

Councilmember Fulton then questioned the last line stating 'such exclusion should be limited to the maximum amount of the social security exemption as listed above. It was agreed that would not work because the maximum social security benefit would be based on the table provided by the Social Security Administration. It is a known number and not the exemption. The exclusion is the \$40,000 but not the maximum social security benefit.

Solicitor Rutt then proposed ‘such exclusion shall be limited to the maximum social benefit to which the owners claiming such exclusion would be entitled’.

Director Vitola believes it will confuse people that are just social security earners and know nothing about any forms of pension that are offered in lieu of it, because their exemption is limited to that amount.

Mayor Campbell opened the floor for public comment. No one responded and the floor was closed.

Councilmember Fulton moved to adopt Ordinance 2022-33, with the following amendment:

Solicitor Rutt then read into the record the proposed new language ‘~~such~~ exclusion shall be limited to the maximum ~~social~~ benefit to which the owners claiming such exclusion would be entitled’.

Motion seconded by Councilmember Culotta and carried with no one opposed.

RECOGNITION (continued from beginning of meeting)

Mayor acknowledged the following two proclamations:

Proclamation 2022-20/Extra Mile Day

EXTRA MILE DAY

WHEREAS, the City of Milford is a community that acknowledges that an exceptional vibrancy exists within the community as a whole when its individual citizens collectively “go the extra mile” in personal effort, volunteerism, and service; and

WHEREAS, Milford is a community that encourages its citizens to maximize their personal contribution to the community by giving of themselves wholeheartedly and with total effort, commitment, and conviction to their individual ambitions, family, friends, and community; and

WHEREAS, Milford is a community that chooses to shine a light on and celebrate individuals and organizations within its community who “go the extra mile” in order to make a difference and lift fellow members of their community; and

WHEREAS, the City of Milford acknowledges the mission of Extra Mile America to create 550 Extra Mile cities in America and is proud to support “Extra Mile Day” on November 1, 2022.

NOW THEREFORE, I, Arthur Campbell, Mayor of the City of Milford do hereby proclaim November 1, 2022, to be Extra Mile Day and urge each individual in the community to take time on this day to not only “go the extra mile” in his or her own life, but to also acknowledge all those who are inspirational in their efforts and commitment to make their organizations, families, community, country, or world a better place.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Official Seal of the City of Milford to be affixed this 24th day of October in the Year of Our Lord, Two Thousand Twenty-Two.

Proclamation 2022-25/Veterans Day 2022

VETERAN'S DAY CELEBRATION

WHEREAS, it has long been our custom to commemorate November 11th, the anniversary of the ending of World War I, by paying tribute to the heroes of that tragic struggle and by rededicating ourselves to the cause of peace; and

WHEREAS, in the intervening years the United States has been involved in two other great military conflicts, which have added millions of veterans living and dead to the honor rolls of this Nation; and

WHEREAS, Congress passed a concurrent resolution on June 4, 1928, calling for the observance of November 11 with appropriate ceremonies, and later provided in an act approved on May 13, 1938, that the eleventh of November should be a legal holiday and should be known as Armistice Day; and

WHEREAS in order to expand the significance of that commemoration and in order that a grateful nation might pay appropriate homage to the veterans of all its wars who have contributed so much to the preservation of this Nation, the Congress, by an act approved June 1, 1954, changed the name of the holiday to Veterans Day.

NOW THEREFORE, I, Arthur Campbell, Mayor of the City of Milford do hereby call upon all our citizens to observe Friday, November 11, 2022, as Veterans Day. On that day let all Milfordians solemnly remember the sacrifices of all those who fought so valiantly, on the seas, in the air, and on foreign shores, to preserve our heritage of freedom, and let us reconsecrate ourselves to the task of promoting and enduring peace so that their efforts shall not have been in vain.

AND BE IT FURTHER DECREED that Veterans day be a day of celebration and honor and that our nation's flag be flown at full staff, with POW/MIA/Military flags to show support of all our Veterans.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Official Seal of the City of Milford to be affixed this 24th day of October in the Year of Our Lord, Two Thousand Twenty-Two.

COMMUNICATIONS & CORRESPONDENCE

The packet included information on the upcoming SCAT meeting.

Council will have a Special Meeting/Executive Session on November 7, 2022 to discuss police chief candidates.

The City Manager reported that he received \$1 million in site readiness funds for the State of Delaware Council of Development Finance thanks to Director Rob Pierce who handled the application process.

Councilmember Boyle announced he has received multiple emails regarding the Pedestrian Safety Ordinance that was deferred tonight. Councilmember Fulton shared that he had received many phone calls from people in favor of its adoption.

Councilmember Boyle reported that West Shores Homeowners' Association contacted him about the status of the street paving and sidewalk project though it was handled by City Engineer James Puddicombe.

MONTHLY FINANCE REPORT

Finance Director Vitola discussed the September 2022 report. The executive summary highlights this month's notable developments. The "Quick Reference" section recaps key financial highlights and changes made in FY23 to help shorten the executive summaries. So far, the only change in FY23 is last month's addition of a second appendix to report the progress on the new Police Facility Construction Project in terms of the final budget versus actual spending.

The strong start in the utility funds continues through the first quarter of FY23. Gross margin across all utilities was slightly lower compared to the same period last year. Operating income and net surplus exceeded the YTD seasonalized budget and the first quarter performance last year in total and individually for each of the four major utilities.

Electric consumption remained strong through the quarter, which is typical of the summer months but not always sustained into September, while water and sewer results remained strong. Sewer operating expenses are low across the board, in part to the continued trend of low inflow and infiltration costs.

The results in the general fund are mixed. The YTD September results exceed the seasonalized FYTD budget in total, but administration results individually lag. The opposite is true with respect to quarter one results this year versus last year. Public Safety, Parks & Recreation, Planning, Finance, and IT are behind the quarter one 2022 results. Only administration and council results combine for positive variance of \$142,000 over the first quarter last year.

General fund operating cash receipts were seasonally strong with the annual property tax payment deadline of September 30.

ARPA activity picked up in September with the arrival of the first police take-home vehicles and related equipment, though progress was made on several ARPA-funded projects. Economic development fund reserves were utilized in accordance with the FY23 budget to meet the City's 20% matching obligation to DelDOT for the estimated construction costs for the NE/NW Front Street Streetscape Project.

The police facility construction is moving along well; expenditures are being met primarily with the Bond Anticipation Note (BAN), as summarized in the new Appendix on page 7 tracking project expenditures versus budget.

Councilmember James moved to accept the September 2022 Finance Report, seconded by Councilmember Fulton. Motion carried with no one opposed.

UNFINISHED BUSINESS

None.

NEW BUSINESS

Project Award/Northwest Milford Water Test Wells

City Engineer James Puddicombe recalled Council being informed during the Capital Improvement Plan presentation, the water extension is being evaluated in the northwest are of the city to alleviate some pressure issues as well as looking at sources of additional water wells.

The city will be drilling a single borehole to determine viability followed by a test well to further evaluate. Should the first well prove viable, no additional investigation will be necessary, and the cost would total \$42,101. Should the first bore prove unviable, funding has been allotted for up to two additional bores and one additional production test to ensure the best possible location is selected.

These additional wells are planned for in the City's Capital Improvement Plan under line item 67, "New NW Area Tower/Wells/Treatment" with a total planned cost of \$300,000.

Staff would then be evaluating the need for a water tower and treatment facility in the Fry Farm area. That would serve both the new industrial park and older commercial areas, and some potential residential areas in that region, while alleviating some pressure issues.

A quote from A.C. Schultes of Delaware Inc. was obtained for the drilling and testing of a 4" test well to a depth of 500'. The following is a breakdown of expected costs for drilling the test wells.

- 1) \$84,202 for the drilling and testing of up to two wells.
- 2) \$13,540 for an additional borehole if needed.
- 3) \$7,258 for farm restoration and cover crop planting.

Engineer Puddicombe confirmed the funding is available in that account.

Councilmember Marabello moved to authorize the use of up to \$105,000 from Water Impact Fees for the drilling of test wells in the northwest area with work to be performed by A.C. Schultes, seconded by Councilmember James. Motion carried.

Bid Award/Solid Waste Department/Waste Management Contract

Public Works Director Mike Svaby provided a presentation regarding the Waste Management Analysis that was performed.

He stated that on September 23rd, bids were opened because of the notice of bid publication, advertised two consecutive weeks prior to that date in the Delaware State News, on the City of Milford website, and through an email blast to all regional licenses waste haulers that were of a public nature.

Two bids were received with a clear low bid from Republic Trash Services.

The Director then provided a synopsis of the current services:

Four solid waste collection trucks

Four authorized fulltime positions; three are currently filled and one is vacant

Weekly collection of trash, recycle, yard waste, and bulk pickups

Serve 4,200 +/- accounts

FY22: 672 tons trash; 151 tons recycle; 148 tons yard waste; 164 bulk pickups.

FY23 post quarter one projections:

Trash is expected to double, recycle will be flat, and yard waste is decreasing

In the process of conducting the analysis of the operation itself, there were challenges and advantages to both propositions - the city operated waste management program and one that would be contracted out.

The main challenge from a city operated service, maintaining the required staff and vehicle issues. He recalled when last summer, only one truck was available for more than a week.

He stated this industry has a minimum efficiency scale, and the City of Milford, does a great job through effort and commitment while trying to carry that out. Unfortunately, the city does not meet the minimum efficiency scale for this industry. Large providers of waste management services have that minimum efficiency scale. When a truck goes down, they have a replacement vehicle to use. When a person calls out or quits, there is another operator that can be substituted.

When replacements are needed, it affects other parts of our operation substantially. We do that primarily from the streets and utility section and have had full staffing used from the streets and utilities at various times.

Any impact in the city directly creates a major disruption. Two examples are some of the supply chain failures across the board and all parts of our business. Then some very erratic changes to petroleum, based fuel and rubber components that are used in maintaining the vehicles.

This is a critical service to the appearance and the quality of life living here in Milford. One of the advantages of running the services is we are still in charge of our own housekeeping. Everyone in public works is prepared to, and in most cases, has served as a backup to run the service.

This department is staffed for norms and not peaks. When we have very busy times of the year. We run late or throw extra resources at it where we can. We like to be policymakers that can decide to collect recycling every week, even though we only must collect it twice a month by state law.

Another advantage of providing the service ourselves is that the people supporting the local community are in many cases those that live in our community.

On the other hand, there are some clear challenges and advantages to contracted waste management. Some of the challenges involve potential delays and coordinating changes or responding that same day. Today, if I get a phone call at two o'clock in the afternoon, a customer reports his container was missed. That could be the result of not getting to that street yet, or the person did not put the can out at the curb. But they make every attempt to rectify every call they receive.

In a larger operation, we are paying for overhead. One of the benefits of engaging a contractor is that they have that minimum efficiency scale, but it comes with a price. Working with a contractor, we must mesh our policies and rules about collection with theirs.

Mr. Svaby has collection through a private collector in Kent County unincorporated jurisdiction. In his neighborhood, people put out refrigerators, tires, furniture, etc. and they always take it. He asked the collector if they get clearance to pick the items up. His response was no, he just takes it.

Milford has a system of rules, and by large those rules are observed successfully. That helps control the operation and adds to its efficiency.

The advantages are providing a more sustainable service when supported with an operation of scale. The contractor the size of the one that is the successful low bidder would be able to do that. If they had a challenge, they are so familiar and so well resourced, it is not a hinderance to the operation. They are so well resourced through available excess capacity and know what is needed to continue providing that sustainable service.

All things considered, the larger contractors are better equipped to handle staff callouts, employee injuries, truck maintenance, etc.

Finance Director Vitola then referred to the financial presentation, noting the green text represents the status quo. It starts with a three nine projection of FY23. Then projecting forward, seven years after that, to arrive at the end of FY30.

Though there is the 5-year CIP, the five, seven-to-ten-year operating plans, so that when opportunities like this arise, it can be measured quickly and efficiently.

He began by looking back to FY16 or 17, to move forward with the analysis to establish certain trends—how does revenue move, how do personnel expenses move, how do salary and wages move, how does O&M move, and how have landfill fees changed over time. This was used to project forward though there was a lot of nuances and changes in different things that could happen.

A conservative estimate in revenue was taken. If solid waste is outsourced, the city would still control the billing, customer service, and would be charging the customers the established rates for service. Rate studies would continue, and the surpluses or deficits will allow the adjustment of rates down or up.

The revenue projection is the same in both scenarios which is seen on the following page of the presentation.

The major changes are the expenses, and the need to understand what expenses would be avoided, which would be retained, and whether there would be a mix.

Things like variable O&M, and variable costs of service in direct proportion to our provision of service would be avoided. Operating personnel that are and the fuel needed to retain one truck.

There is still a need to carry the risk of operating to the magnitude of one fourth for a truck and insurance would be down by a fourth. When deciding on alternatives, operating cash flow is key metric to consider, because you can run it on a net present value basis and compare two different alternatives with uneven cash flows, even over unequal time periods.

What is seen from the green net present value of operation which is negative \$219,335 over those years. That is not great but not horrible either, according to Director Vitola. That compares with the net present value of the stream of operating cash flows in an outsourced environment of more than \$1.8 million.

He anticipated the scale and efficiency of an operation like Republics would overcome any of the city's advantages of being small and right sized. We also have the right capital structure and are not subject to income taxes.

A third-party provider has the scale and efficiency the city does not have. They also have a capital structure that requires them to provide a return to shareholders but are also subject to income taxes and efficiencies lost there.

We do have tax exempt financing if needed. Historically, we have not financed the solid waste operations other than an interfund loan from the water fund in 2019 and was forgiven in 2021.

The good news is that our rates are established so that the equivalent of that interfund loan repayment builds the reserves needed to buy the next truck.

If the net present value of the operations is a disadvantage for outsourcing, the capital side was considered to determine how to avoid the cash finance at best or finance with debt, or a lease. And how much better is to buy three or four, or 75% of the fleet over this analysis period. That did not remedy the Delta and the \$1.6 million change between the two scenarios and avoiding the purchases of those trucks in the next seven years, which is typically their lifespan.

In perpetuity, they expected to avoid three quarters of the solid waste fleet forever, it would have more value. But discounting the cash flows back, does not add the bang expected.

Director Vitola commented that based on the midterm analysis, there is not a compelling case to render a strong positive decision. The outcome is to avoid a transition to a new model and outsource and the alternative is better.

He was surprised in that it is usually in favor the other way, and more the subjective things like operations. And one may say despite the savings, we have decided to keep It in house or despite the dis-savings, we don't care and instead need to change models.

From a financial standpoint, the numbers are not there though he looks forward to having an opportunity to revisit in the future.

Councilmember Fulton said that originally, this was considered as an emergency stop gap, in case the same situation occurred when the trucks were down, and very few employees. That turned into a replacement of the service completely.

He asked what the study of the augmentation is and instead a replacement plan was considered, which does not work based on the numbers.

Councilman Fulton, you are correct, but to the Public Works' Director credit, Council did ask if it would be better to continue with the current fleet, with all the existing problems or outsource. However, there are still the questions of how to remedy the down time, the service interruptions, staffing, and managing and the opportunity for cost reductions.

Director Svaby shared that pricing a la carte was requested and those scenarios could be considered, where only yard waste or recycling would be contracted out. That information is available.

If a decision is made to retain the services, there are some real changes being considered. Currently, there are two candidates on hold. If employed that would provide four full time operators.

We have negotiated and settled in principle with the City of Newark for a temporary truck loan agreement which can be done anytime. Pulling that agreement would allow another truck to be here withing an hour.

Council's prior approval of the FY23 budget includes another new solid waste truck priced at this point of \$425,000, though that may be obsolete today.

Finally, he is working with those in charge of this department on the reorganization of leadership. Currently that duty is divided between one that has the administrative lead of it and the other with the operations lead. This would put one person being fully in charge of the responsibility.

When asked whether to go out or retain the services inhouse, Director Svaby said it is a risky business, but he is listening to the economics. The risks are known though steps have been taken to bridge them. Currently the risks of contracting out are unknown, though the economics are not really pointing in the right direction. The decision to go to contract operations would be despite the economic analysis is saying.

Right now, he is saying to continue operating this service.

A discussion regarding the advantages of keeping the service in house occurred, with the thought that outsourcing the service gives up the control.

Councilman James said he has gone over the analysis with the Finance Director and City Manager. All the inputs that are known and quantified have been captured. There are some comparisons of financial viability exclusions, and some things cannot be quantified. He feels the financial analysis right now speaks loudly that outsourcing is not the better choice.

Both Finance Director Vitola and Public Works Svaby confirmed it is their recommendation to stay with the current operations for the immediate future.

Councilmember Wilson moved to reject the two bids, seconded by Councilmember James. Motion carried.

ADJOURNMENT

There being no further business, Councilmember Marabello moved to adjourn, seconded by Councilmember Boyle. Motion carried.

Mayor Campbell adjourned the meeting at 9:22 pm.

Respectfully submitted,

Terri K. Hudson, MMC
City Clerk/Recorder

CITY OF MILFORD
COUNCIL MEETING MINUTES
November 14, 2022

The City Council of the City of Milford met in Regular Session on Monday, November 14, 2022.

PRESIDING: Mayor Arthur Campbell

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

STAFF: City Manager Mark Whitfield, Acting Chief Edward Huey, and City Clerk Terri Hudson

COUNSEL: Solicitor David Rutt, Esquire

ABSENT: Councilmember Nirmala Samaroo

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.

CALL TO ORDER

Mayor Campbell called the Council meeting to order at 6:02 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 October 10, 2022 Council Meeting and November 7, 2022 Special Council Meetings. Motion to approve made by Councilmember Fulton, seconded by Councilmember James. Motion carried.

RECOGNITION

Introduction/New City Employees

Public Works Director Mike Svaby was pleased to introduce the last two vacant positions in the Solid Waste Department.

Mikky Tolson was introduced as the newest Public Works Equipment Operator who was hired on October 31, 2022. He previously worked at 84 Lumber in Lakewood, New Jersey, after which he was transferred to their Milford location.

Terry White was hired as a Public Works Equipment Operator on November 7, 2022. He is a former US Marine from Brooklyn, New York and retired from the New York City Transit Authority after 24 years where he last served as a superintendent.

Both gentlemen addressed Council briefly after which Council welcomed them and expressed the importance of their positions within the city.

Proclamation 2022-22/Lung Cancer Awareness Month

Mayor Campbell proclaimed November 2022 as Lung Cancer Awareness Month in Milford:

PROCLAMATION 2022-22
Lung CANCER Awareness Month

WHEREAS, lung cancer is the leading cause of cancer death among men and women in the United States and in 2021, accounted for more deaths than colon cancer, breast cancer, and prostate cancer combined; and WHEREAS, the five-year survival rate for localized lung cancer is about 60%, yet only about 18% of lung cancers are diagnosed at this stage; and

WHEREAS, funding for lung cancer research trails far behind funding for research of many other cancers, and additional research is needed in early diagnosis, screening, and treatment for lung cancer as well as in lung cancer affecting women and lung cancer health disparities; and

WHEREAS, lung cancer incidence is decreasing twice as fast in men as it is in women, each year more women die from lung cancer than breast cancer and by 2035, more women will die from lung cancer than men; and

WHEREAS, African Americans have the highest lung cancer incidence and mortality of all races, and disparities in lung cancer screening, diagnosis, treatment, and mortality are well characterized among African Americans and other racial minorities; and

WHEREAS, lung cancer in never smokers is the 7th leading cause of cancer-related death and accounts for 17,000-26,000 deaths in the United States every year, 60-70% of never smokers diagnosed with lung cancer are women, and the proportion of lung cancers diagnosed in never smokers is increasing in the United States; and

WHEREAS, organizations such as the American Lung Cancer Screening Initiative and Women's Lung Cancer Forum are committed to educating people about lung cancer and lung cancer screening and working to increase lung cancer screening rates in this country.

NOW THEREFORE, I, Arthur J. Campbell, Mayor of the City of Milford, do hereby proclaim the month of November 2022, as "Lung Cancer Awareness Month" in the City of Milford and encourage all citizens to learn about lung cancer and early detection through lung cancer screening.

Proclamation 2022-23/World Pancreatic Cancer Day

Mayor Campbell then proclaimed the 17th day of November 2022 as "World Pancreatic Cancer Day" in the City of Milford:

PROCLAMATION 2022-23
Declaring November 17, 2022 as World Pancreatic Cancer Day

WHEREAS, in 2022 an estimated 62,210 Americans will be diagnosed with pancreatic cancer in the U.S., and more than 49,830 will die from the disease.

WHEREAS, pancreatic cancer is the 11th most commonly diagnosed cancer and the third leading cause of cancer-related death in the United States.

WHEREAS, pancreatic cancer is the world's toughest cancer, with a five-year survival rate of just 11% and even for the small percentage (13%) of people diagnosed with local disease, the 5-year survival rate is only 42%.

WHEREAS, the good health and well-being of the residents of the City of Milford are enhanced as a direct result of increased awareness about pancreatic cancer and research into early detection, causes and effective treatments.

NOW, THEREFORE, BE IT PROCLAIMED, that I, Arthur J. Campbell, Mayor of the City of Milford, on behalf of the residents and City Council, do hereby proclaim the 17th day of November 2022 as "World Pancreatic Cancer Day" in the City of Milford and take this opportunity to shine a light on this disease, to elevate our voices to raise awareness and invite others to answer our call-to-action.

Proclamation 2022-24/Small Business Saturday

The Mayor also declared November 26, 2022 as Small Business Saturday in the community:

PROCLAMATION 2022-24
Small Business Saturday

WHEREAS, the government of the City of Milford, Delaware, celebrates our local small businesses and the support of our local economy and community; and

WHEREAS, small businesses were responsible for creating 62 percent of new jobs since 1995; and small shops and stores with 50 or fewer employees make up 98 percent of all U.S. retailers, according to the U.S. Bureau of Labor Statistics.; and WHEREAS, to honor their commitment, 58 percent of American consumers reported that they shopped at an independently owned retailer on Small Business Saturday in 2021; and

WHEREAS, a nearly equal number – about 54 percent – said that they had dined or ordered take-out from a small restaurant, bar, or café on that day; and

WHEREAS, that patronage on Small Business Saturday resulted in business amounting to receipts of a record \$23.3 billion for small businesses and restaurants, according to the 2021 Small Business Saturday Consumer Insights Survey conducted by American Express; and

WHEREAS, the Mayor and City Council of the City of Milford, Delaware take this opportunity to commend our local businesses who contribute to their communities by employing nearly 40 percent of all retail workers and reinvesting more of their profits into local economies than big-box chain stores.

NOW, THEREFORE, I, Arthur J. Campbell, by virtue of the authority vested in me as Mayor of the City of Milford, do hereby declared November 26, 2022 as:

SMALL BUSINESS SATURDAY

and urge the residents of our community, and communities across the country, to shop or eat at small, independently owned businesses not just on Small Business Saturday and throughout the holiday season, but all year long.

STAFF REPORTS

Complete staff reports were included in the packet.

Police Report

Captain Huey then talked about the Behavioral Health Unit Specialist being out of the office on leave, in addition to instructing a class, which is the reason the stats are slightly below normal.

He also spoke of a recent incident in which some crisis intervention training was utilized successfully.

It was asked that a status report on the new police department construction be included monthly, which Project Manager Mike Svaby will incorporate in future staff reports. A sign acknowledging the new station at the construction was also recommended.

Councilmember James moved to accept the police report, seconded by Councilmember Wilson. Motion carried.

City Manager Report

City Manager Whitfield then reported on the Annual Council Retreat held October 15, 2022. Updating the strategic plan was discussed in addition to the recommendation by the UD Institute of Public Administration for Council to select participants from each ward to oversee some related community conversations.

A meeting was held with Milford School District about the creation of an EMT training program at the suggestion of Councilmember James.

The City Manager also discussed the need to relocate the fire company sirens and presented a Relocation License Agreement, which is under review by Carlisle's attorney.

Public Works Report

Director Mike Svaby stated that the City Engineer James Puddicombe held a meeting with the EPA Regional official on the city's effort toward lead and copper removal in the water lines.

A Notice to Proceed was issued on test well work for the northwest test well locations. Century Engineering was approached to submit a proposal for the downtown restroom project and the fencing design for the Seabury site. Their response was received, and the design work should begin soon.

The restroom will be directly across from the library on South Washington Street at the entrance to the riverwalk.

Electric Report

Director Tony Chipola reported the visual inspection oil sampling of three substations through a contract with SD Myers LLC and are awaiting their report.

A working group was created to review the net metering policy changes and the related ordinance is on the agenda for introduction.

The Joint Promotion Committee was convened with city staff and IBEW which concluded with the promotions of Jay Clark to Line Tech Third Class, Ben Lewis Line Tech Second Class, and Ryan Evans Line Tech First Class.

Planning and Code Report

Director Rob Pierce reviewed the items in his report.

It was confirmed the residential new construction starts are down with only thirty received the first ten months of 2022 compared to over two hundred last year.

Councilwoman Wilson asked Planner Pierce about who is responsible for the ordinance updates, though she is unsure it is him. City Clerk Hudson explained that part of her report this evening included a review of the final codification for 2022. However, she will work with the city's new code company to have the codes updated on the website as they are adopted. She will contact them to discuss a new process to have the code book publication step put on hold, and the electronic versions revised in a more frequent manner.

Parks and Recreation Report

Director Brad Dennehy was not in attendance and is out of the country because of some family issues.

Human Resources Report

HR Director Williams reported she is continuously working to fill the current vacancies before the end of the year.

The 2022 Service Awards event were held with many employees in attendance. Council commended Ms. Williams on the event adding that the food was exceptional, and the turnout was fantastic.

Councilman James stated that he, along with Councilman Boyle, and Mayor Campbell attended and encouraged other councilmembers to attend next year.

Economic Development & Community Engagement Report

Administrator Sara Bluhm said the TIF application was reviewed with DelDOT, and Becker Morgan Group will be making several adjustments. Final approval is expected this Wednesday. The total application is up to \$2.7 million.

An electric department video was published on the city website, as well as our social channels. The city's videographer worked with the electric department and the result is very professional and educational. She encouraged people to view it on the electric department's website page.

Ms. Blum also announced that Harbor Freight is going in half of the previous Peebles site, and no lease has been signed for the other half yet.

Councilman James commended the video and asked if other videos are planned with the other department heads. She confirmed she has a list and learned today at her conference that a video series for new customers is very beneficial.

Information Technology Report

Director Bill Pettigrew reported Cybersecurity Month was celebrated throughout October and included several activities as well as security warning emails that were sent to City employees.

He was also asked to join the State of Delaware's Cybersecurity Committee which is a pre-requisite for the Homeland Security's Cybersecurity Grant.

A dedicated staff member has been assigned and is training for the ERP implementation as we prepare to transition from Central Square to the Tyler implementation.

The electric outage experienced today are items that will be addressed as part of the City's Disaster Recovery and Business Continuity Plan.

Director Pettigrew also talked about a PBX (private branch exchange) in the Cloud solution that will remove the current single point of failure and allow city employees to work remotely with access to their city telephones.

He then deferred to Director Chipola for more information on the power outage.

Electric Director Chipola shared the outage was the result of some lawnmowing along Elks Lodge Road. It appears a communications cable was struck, that was flung up into the primary and called a momentary interruption on two city circuits at the main substation.

During a transient outage, generators kick on, as intended to do, with an approximate fifteen second delay between reclose operations. They then run for a short period before they transfer back over.

Director Chipola stated all customers were back on with the only call from a customer whose main breaker tripped off.

Also, while that was occurring, an issue was observed at the main substation with one of the breakers that was also resolved that afternoon.

Finance Report

Director Lou Vitola reported that October is the second month he has included some police facility construction stats. Though it is not a construction progress update, he will continue to provide the latest financial information.

With respect to tax collections, \$4.77 million has been collected in FY23. Not all of that is related to the FY23 levy, though about 96% of the \$4.9 million billed was collected.

Councilmember Fulton moved to accept the Monthly City Manager reports as provided, seconded by Councilmember James. Motion carried.

City Clerk Report

City Clerk Hudson reported that a great deal of time continues to be spent assisting our residents with election information. Though her office is not directly affiliated with the mid-term elections, many of our residents have moved here from other states are accustomed to the City Clerk's Office overseeing all elections.

She emphasized they do not mind providing the information and citizens really appreciate their efforts.

She has also been working with the Customer Service staff to address the city's rate issues, and mainly those accessible on the website. Most of this is the result of various resolutions being submitted and the need to ensure those numbers are correct throughout the city website.

As initially stated, the final codification update has been prepared and is being submitted to the Civic Plus.

The City Clerk also informed Council that the special meeting on Wednesday has been changed to 7:00 pm to accommodate the Tree Preservation and Advisory Council, previously scheduled for 5:30 pm on that same date.

Councilmember Marabello noted that a Special Pre-Holiday Saturday Farmer's Market will be held this Saturday though it was not included in the list of year-end events.

Councilmember Fulton moved to approve the City Clerk report as presented, seconded by Councilmember Baer. Motion carried.

COMMUNICATIONS & CORRESPONDENCE

City Manager Whitfield reminded Council of the Holiday SCAT Dinner scheduled on December 7, 2022, at Victoria's in Rehoboth Beach.

Councilmember Marabello said he recently visited the Stone and Sage at the old bicycle shop, and the owner was ecstatic to be at the new location.

Mayor Campbell reported that he attended the Return Day event in Georgetown and was disappointed to announce that he lost the hatchet toss to the Seaford Mayor after retaining the title for three years. IT Director Pettigrew also attended, noting that the national election/campaign should take some lessons from the comradery associated with the event.

NEW BUSINESS

Milford Food Bank/Impact Fee Waiver Request

Food Bank Director of External Affairs Chad Robinson submitted the following request:

As you know, the Food Bank of Delaware has been working with the City of Milford over the past year regarding our new facility at 102 Delaware Veterans Boulevard (Parcel ID: MD-16-173.00-01-02.08-000) in the Independence Commons Business Park. In July of 2021, we purchased the 11.5-acre parcel from the City of Milford and since that time have contracted with The Whiting-Turner Contracting Company to provide construction management services and The Becker Morgan Group for engineering and architectural design of a new facility. We appreciate the numerous meetings that City officials have held with us, including the Planning Commission and City Council, in order to move forward on conditional use applications, zoning designations and site plan approvals. As we have now begun construction, we are looking forward to the next phase of our construction process.

Recently, we met with you, City Manager Mark Whitfield, and Planning Director Rob Pierce to discuss fees that would be paid to the City of Milford to obtain our building permit. It was our understanding that these fees amounted to over \$500,000 and we wanted to discuss the possibility of any of these fees being waived, given our non-profit status and unique mission of providing emergency food assistance in the State of Delaware. To date, we have paid approximately \$49,000 in permit and municipal fees, as well as fees collected for Carlisle Fire Company. During our meeting, we learned that City Council had the ability to waive the collection of some of these fees on our project. In particular, the city water and sewer impact fees, as well as the police department and fire company fees. Our understanding that these fees amount to approximately \$354,000. To that end, we are respectfully requesting that the City of Milford waive the collection of these fees for our current project.

This new facility is desperately needed in southern Delaware. In FY21, the Food Bank of Delaware distributed over 16.5 million pounds of food statewide, with Kent and Sussex counties accounting for 50% of that total. Since FY19, total poundage distributed in Kent and Sussex counties has increased 124%. This represents the incredible need that exists in

our community. Since we completed our last major renovation of the Milford branch facility in FY14, food distribution downstate has increased 210%. The growth that our organization is experiencing is profound and our current Milford facility can no longer effectively serve the community.

We know that our organization will continue to be called upon in the years ahead, as Delawareans recover from the pandemic and the economic impacts it has had on so many. This assistance from the City of Milford would represent your continued support in standing beside us in the important work of ending hunger and food insecurity in the First State.

Director Pierce then read portions of his memo, included in the packet:

Chapter 19 of the City Code entitled Economic Development and Redevelopment establishes a Specific Economic Development Incentive Program (SEDIP) titled Citywide Job Creation and Capital Investment Program which provides City staff the ability to waive all or portions of the sewer and water impact fees based on projected capital investment amounts and full-time equivalent jobs created. These waivers and project details would be outlined in an Economic Incentive Agreement that would be executed between the Incentive Beneficiary and the City prior to the issuance of a building permit.

The Food Bank has indicated that their capital investment will be approximately \$25 million dollars, which based on Chapter 19-10, would result in the waiver of thirty (30) EDUs worth of City water and City sewer impact fees. The Food Bank has indicated they anticipate an EDU assessment of twenty-one (21) EDUs for the entire building based on the anticipated number of plumbing fixtures. The City waiver value of the twenty-one (21) EDUs is \$106,659.00.

The Police and General Government Facilities Enhancement Fund and the Carlisle Fire Company Equipment and Facilities Enhancement Fund are established by Chapter 26 of the City Code entitled Enhancement Funds. New construction projects, expansion projects or other building projects that increase building size are subject to these charges.

The Police and General Government Facilities Enhancement Fund is calculated at a rate of 0.75% of the construction cost for the building, which would amount to approximately \$187,500 for the Food Bank project. The Carlisle Fire Company Equipment and Facilities Enhancement Fund is calculated at a rate of 0.25% of the construction cost for the building, which would amount to approximately \$62,500 for the Food Bank project.

Staff recommends executing an Economic Incentive Agreement based on Chapter 19-10 providing the appropriate Equivalent Dwelling Unit (EDU) waiver for City Sewer and City Water impact fees based on the actual capital investment made by the Food Bank.

He noted that no action is needed on the following two waivers:

- City Sewer Impact Fee - \$1,756 per Equivalent Dwelling Unit (EDU)
- City Water Impact Fee - \$3,323 per EDU

Planning Pierce remarked that City Council consider a full or partial waiver of the Police and General Government Facilities Enhancement Fund:

- Police and General Government Facilities Enhancement Fund – 0.75% of Construction Costs - \$187,000

He said the City also recommends Council table any action on the Carlisle Fire Company Equipment and Facilities Enhancement Fund waiver request until written approval of the waiver is provided by the Carlisle Fire Company:

- Carlisle Fire Company Equipment and Facilities Enhancement Fund – 0.25% of Construction Costs - \$62,000

Mr. Robinson then spoke to Council by providing a synopsis of the request. Concluding, he stated that he hopes to receive a favorable response from Council. He did provide Carlisle Fire Company with a letter asking for the relief, though he has not received a response, and will follow-up when he returns from his vacation.

Councilman James referenced the interaction between the City of Milford and the Food Bank to confirm that no incentives have been provided.

He also commented on the shortage when compared to what was expected in the police enhancement fund to this point. This was considered at the time of the referendum along with the tax increases approved by our citizens and associated funding.

Councilman James then talked about the numerous conversations with the fire company regarding their many needs and large expenses that will be incurred over the next couple of years. He noted that those funds are a pass through and are used as a helpful tool with capital expenses. As a result, he prefers this waiver decision be made solely by the fire company.

Councilman Culotta then pointed out there have been no incentives up to this point. He then explained the purpose of impact fees and stated that an impact fee is charged for each sink or toilet installed. Municipalities charge different fees though it is essentially a cost to contribute to the municipality that provides water or electric or some other utility. However, as a contractor, he believes the impact fees often are not always necessary.

He would like to hear what Carlisle says.

The police fee is newer and though police equipment and resources are just as important to support the Food Bank, that is more flexible. He would also like to hear from Chief Huey on the request.

City Manager Whitfield reported that the water and sewer fees were already waived.

Councilmember Culotta asked if Council action is needed because staff is recommending the execution of the economic incentive agreement; the City Manager said no, other than the direction of any other fee waivers. He does not have the authority to waive impact fees regarding the police and fire enhancement funds.

He also said the police fee is related to capital expenses. Part of the budget for the new police station anticipated the use of income from that fee to lower the amount of money that needs to be borrowed.

Councilmember Fulton pointed out that Council already approved the take-home vehicles which is a major capital expense. The new police department is a very large portion of the capital budget. Money has been borrowed and a referendum was approved by our residents. He understands the importance of the Food Bank, but also understands all citizens deserve something fair. He suggests Council not waive the fee and hold off on Carlisle until they have responded. He does not believe they can afford to lose another \$62,000.

Councilman Culotta suggested meeting in the middle of the waiver request. He noted that the city will not collect a quarter million dollars in its revenue coffers to support the Food Bank and thinks the city should be proud of that. But the other money needs to be kept for the police while allowing Carlisle to speak for themselves. Otherwise, it is a pass thru fund.

Planner Pierce confirmed it is around \$470,000 though he does not have all the electric charges, which could increase it to \$500,000. The water and sewer waivers were \$106,000 of the half million. There is also an impact fee for Kent County of \$70,000 which cannot be waived, and the permit charge that is collected in the general fund.

When asked if there will be an electric service agreement with a special load rate, the City Manager said that is a request the Food Bank could make if they meet the requirements.

The City Manager also talked about the many upgrades that are needed, including another northwest water tower and new wells. He emphasized that is the reason for the impact fees. Finance Director Vitola also noted that the impact fee collections can only be used for the infrastructure of each specific utility that they are collected for.

He also shared that there has been a downturn in construction that has impacted the police enhancement fund which was anticipated to be a million dollars. That will result in using more bond monies to complete the project and will impact every taxpayer in the city.

Councilman Culotta pointed out that the Food Bank also made the decision to stay in Milford and had the option of moving to another town.

Councilmember Fulton moved to defer action on the waiver of Carlisle Fire Company enhancement fund collection, seconded by Councilmember Culotta. Motion carried.

Councilmember Culotta moved to leave the police and general fund facilities enhancement fee as required, seconded by Councilmember Fulton. Motion carried.

Authorization Funding Source/Caulk Water Tower/Gillespie Precast LLC/Valve & Altitude Valve

City Engineer Puddicombe referenced the installation of the altitude valve at the Caulk Tower and some smaller items needing repair such as asphalt, curbing, and similar items. That project ran over \$5,050 from the original budget of \$75,000.

Some was the result of price increases on the parts required. He is asking for authorization for the additional \$5,050 to be paid from water reserves.

Councilmember James moved to authorize an adjustment of the FY23 operating budget in the amount of \$5,050 for the Caulk Tower Altitude Valve Installation Project, to be paid from water fund reserves, seconded by Councilmember Marabello. Motion carried with no one opposed.

*Authorize Ratification/Banking Agreements/Loan Proceeds Account
Authorize Ratification/Banking Agreements/MPD Asset Forfeiture Account*

Finance Director Vitola explained that two checking accounts are needed.

One checking account is required for the administration of the Police Facility Bond Anticipation Note (BAN). A checking account tethered to the BAN will better serve certain contractors and vendors working on the construction of the new police facility.

The packet includes the BAN checking account memo on pages 185 to 186. The previous support is found on pages 62 to 184.

He stated we have the administrative authority by virtue of the BAN resolution to do whatever is required to effectuate the borrowing and construction process. While PNC wanted to do an extra checking account at the beginning, he thought it was unnecessary and recommended that wires and checks be sent out of the BAN lending account directly to vendors to manage the construction costs up front. .

Unfortunately, they no longer cut checks or ACH's (transfers from one bank account to another) anymore out of loan accounts and can be wired only. There was a need to pair the BAN/loan account with the checking account to send a wire and cut checks from the checking account.

A second checking account is recommended to improve the security and internal controls associated with the State of Delaware asset forfeiture process administered by Milford Police Department in the ordinary course of police operations. It is recommended that Council authorize the establishment of a commercial depository account with PNC Bank to serve the exclusive purpose of holding restricted cash associated with police activity. This action does not require funding approval.

With the police account, he wanted to have the FDIC insurance of another banking institution, because it's going to be in a non-interest-bearing account pursuant to state requirements. That funding cannot be at any risk and is a pass-thru only.

Both accounts will follow the same internal controls and procedures as the city's WSFS accounts, with the same three signers--the Mayor, Vice Mayor, and City Manager. Accountant Sandra Peck and Mr. Vitola will have the authority to do electronic transactions and provide PNC the ability to pay vendors.

Councilmember Fulton moved to authorize ratification of the PNC Bank Master Resolution and Authorization for Depository Accounts and Treasury Management Services, seconded by Councilmember Boyle. Motion carried with no one opposed.

Councilmember Fulton moved to authorize the establishment of a commercial depository account with PNC Bank to serve the exclusive purpose of holding restricted cash associated with police activity, seconded by Councilmember Wilson. Motion carried with no one opposed.

Bid Award/Refuse Truck Replacement

Deferred until the November 28, 2022 Council Meeting.

Contract Award/Sewer CCTV Project

Deferred until the November 28, 2022 Council Meeting.

Introduction/Ordinance 2022-41

Application of 27 South Walnut QOZB, LLC on behalf of Avery Properties, LLC

0.15 +/- acres of land located at the northeast corner of SE Front Street & S Walnut Street

Address: 27 S. Walnut Street

Comprehensive Plan Designation: Commercial

Zoning District: C-2 (Central Business District)

Present Use: Retail – Single Occupancy Proposed Use: Commercial – Multiple Occupancy

Tax Parcel: 3-30-6.20-002.00

Director Pierce provided a synopsis of Ordinance 2022-41 adding that the previous applicant had received approval for a mixed-use building and the current applicant is seeking to convert a single occupancy retail building into multiple commercial occupancies within that structure.

Council will make a final determination after the Planning Commission's review on November 15th.

Introduction/Ordinance 2022-42

Application of 1st State Self Storage OZ, LLC for a Preliminary Conditional Use

9.0 +/- acres of land

located along the east side of S Dupont Boulevard approximately 350 feet south of Route 14 intersection

Comprehensive Plan Designation: Commercial

Zoning District: C-3 (Highway/Commercial District)

Present use: Vacant Proposed Use: Self Storage

Tax Parcel: MD-16-183.09-01-58.00

Director Pierce provided a summary of Ordinance 2022-42 stating this had been previously by Council though the applicant has made some changes and is seeking approval of the modifications to the layout, though the previous approval expired.

Council will make a final determination after the Planning Commission's review on November 15th.

Introduction/Ordinance 2022-43

Electric Tariff Amendment

Appendix B of the City of Milford Code

Section 24-13 Net Metering Service

Electric Director Chipola referenced Senate Bill 298 signed into law in July 2022, which involves three significant mandates for municipal electric utilities. He reviewed each noting that the intent is to disincentive solar customers and developers from oversizing solar systems.

It will be back before Council on November 28th for final action.

ADJOURNMENT

There being no further business, Councilmember Marabello moved to adjourn, seconded by Councilmember Boyle. Motion carried.

Mayor Campbell adjourned the meeting at 7:31 pm.

Respectfully submitted,

Terri K. Hudson, MMC
City Clerk/Recorder



2022 Excellence Award Winners



At the City of Milford, we like to recognize employees through our Employee Recognition Program. The Program objectives include recognizing and promoting positive behaviors that support individuals, groups, divisions and departments in achieving the City's mission, vision and values.

Nominations from peers, supervisors and customers are submitted to the Human Resources Department using the electronic Employee Recognition Nomination Form on the City's website.

Darryl Tilghman, Public Works Equipment Operator- Solid Waste

When SW collection equipment was down to one - and later - two vehicles recently, Darryl Tilghman demonstrated Performance Excellence and high levels of commitment to Customer Service by working full days during adverse heat conditions on Saturday, July 2, 2022, as well as Monday, July 4, 2022, when in both cases, the rest of staff was off from work for the weekend/holiday.

Darryl is always ready to make a pledge to go above and beyond his ordinary scope of work and working hours and with these values shows a high degree of work ethic and organizational commitment.

This high level of character reflects very well on Mr. Tilghman, himself, as well as the image of Milford City Government.



Brandon Brown, Public Works Equipment Operator- Streets & Utilities

Recent challenges with maintenance and repair on SW collection equipment led to a dramatic reduction in available vehicles to collect Solid Waste, Recycling and Yard Waste. Equipment Operator Brandon Brown went outside of his usual day-to-day work scope in the Streets and Utilities Division and joined the Solid Waste staff to assist in special catch-up collections. Brandon worked a full day in challenging heat conditions on Saturday, July 2, 2022, while most of the rest of City staff were at home enjoying the weekend.

In supporting the efforts of the Solid Waste staff, Brandon showed commitments to Customer Service and Performance Excellence, going outside his usual City responsibilities and demonstrating a pledge to teamwork and great work ethic.

This level of dedication reflects very well on Mr. Brown, himself, as well as the image of Milford City Government.



Brandon Keller, Public Works Equipment Operator- Streets & Utilities

When the City of Milford recently was greatly challenged by limited availability of Solid Waste collection vehicles, Equipment Operator Brandon Keller stepped up to the plate and joined the Solid Waste staff to assist in special catch-up collections during non-working hours. Mr. Keller is a new employee to the City of Milford who started his job with Public Works on Monday June 6th, 2022. In just several weeks, he has already shown a high level of commitment to Customer Service and Performance Excellence.

Brandon agreed to accept this extra work assignment in support of the best interest of the City and its residents. By working a full day on Saturday, July 2, 2022, and under extreme heat conditions, Mr. Keller showed great promise as a solid and reliable team member for Public Works.

This level of devotion to his work signifies a positive reflection of Brandon himself as well as the City of Milford.





2022 Delaware Municipal Supervisory Management Academy Graduates



Instructors & Topics

Dr. Frank Ingraham, SHRM

- Managing Performance, Perf. Appraisals, SMART Goals
- Employee Benefits and Onboarding

Dr. Rob Resigno, AVP Partnerships & Community Affairs

- Leadership

Dr. Roxanne Satterfield, WilmU Professor, COB

- Building A Culture of Trust and Accountability

Jen Cohan, CEO Leadership Delaware, INC.

- Motivating Employees & Customer Service
- Quality Interviews and Candidate Selection

Dr. Kathy Kennedy-Ratajack, Dean, College of Business

- Strength Finders

Nancy McGee, Trainer for the Center for Prevention Science

- Developing a Trauma-Informed Mindset

2022 Participants

- City of Wilmington
- Kent County Levy Court
- Town of South Bethany
- City of Newark
- Town of Milton
- City of Lewes
- City of Dover
- Town of Cheswold
- City of Milford





Katrina White, Deputy City Clerk

(pictured with City Clerk, Terri Hudson at Wilmington University, Dover Campus)

Joseph Balog, Arborist/Urban Forestry Coordinator

(pictured with Parks and Recreation Director, Brad Dennehy at Wilmington University, Dover Campus)





Lisa Levis,
Permit
Technician I



Shelly Muise,
Administrative
Assistant-Public
Works

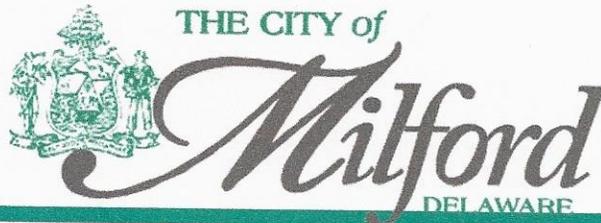


Julie Eisenbrey,
Billing Clerk I

All graduates received 3 credit hours towards a degree program with Wilmington University.



POLICE DEPARTMENT
400 NE Front Street
Milford DE 19963



Phone 302.422.8081
Fax 302-424.2330
www.milfordpolicede.org

TO: Mayor and Members of City Council
FROM: Edward A. Huey, Captain *H. Del Wells for Capt. Huey*
DATE: December 8, 2022
RE: Activity Report/November 2022

Monthly Stats:

A total of 546 arrests were made by the Milford Police Department during November 2022. Of these arrests, 151 were for criminal offenses and 395 for traffic violations. Criminal offenses consisted of 41 felony and 110 misdemeanors. Traffic violations consisted of 65 Special Duty Radar, 15 Drunk-Driving charges, 315 others.

Police officers investigated 60 accidents during the month and issued 149 written reprimands. In addition, they responded to 1294 various complaints including city requests and other agency assistance.

Monthly Activities:

Throughout the month of November, participated in numerous conference calls and virtual meetings including the monthly DE Association of Chiefs of Police meeting, Sussex County Chiefs meeting, Kent County Chiefs meeting, City Council and Workshop meetings, bi-weekly City Manager’s meeting with Department Heads, and PD Staff meetings. Also, **numerous** working meetings throughout the month for the new CAD build and go live.

Attended the Vest Presentation given to K9 Raven held in Wilmington on November 1, 2022.

Attended the DE Juvenile Probation Update meeting held via Microsoft Teams on November 10, 2022.

Met with Becker Morgan Group for a Interior Finish Review meeting for the new police facility held at the Police Department on November 15, 2022.

Met with DRMO in reference to returning Ballistic Blankets on November 17, 2022.

Attended a follow-up meeting in reference to potential grant funding opportunities held via Microsoft Teams on November 18, 2022.

Attended a meeting in reference to the revitalization of S. Walnut Street held via Microsoft Teams on November 18, 2022.

Attended a meeting in reference to a signal removal for the intersection of Walnut Street and Front Street/Causey Avenue held via Microsoft Teams on November 18, 2022.

Met with Lt. Jefferson and our Attorney at the Police Department on November 21, 2022, in reference to on-going litigation.

Phone conference call with our Attorney for case review in reference on an on-going litigation case on November 23, 2022.

Participated in Coffee with a Cop at Starbucks on November 29, 2022.

Met with City Attorney, City Manager and Human Resources in reference to Special Duty Pay held via Zoom on November 29, 2022.

SwiftReach meeting on November 30, 2022.

Training –

One officer attend Counter Surveillance training at the Dover Police Academy on November 3, 2022.

One officer attended Basic SWAT training held in Howell, NJ. from November 6, 2022 – November 11, 2022.

One officer attended De-Escalation training held at the University of Delaware on November 9, 2022.

One officer attended Law Enforcement Fire Orientation held in Dover on from November 15, 2022 – November 16, 2022.

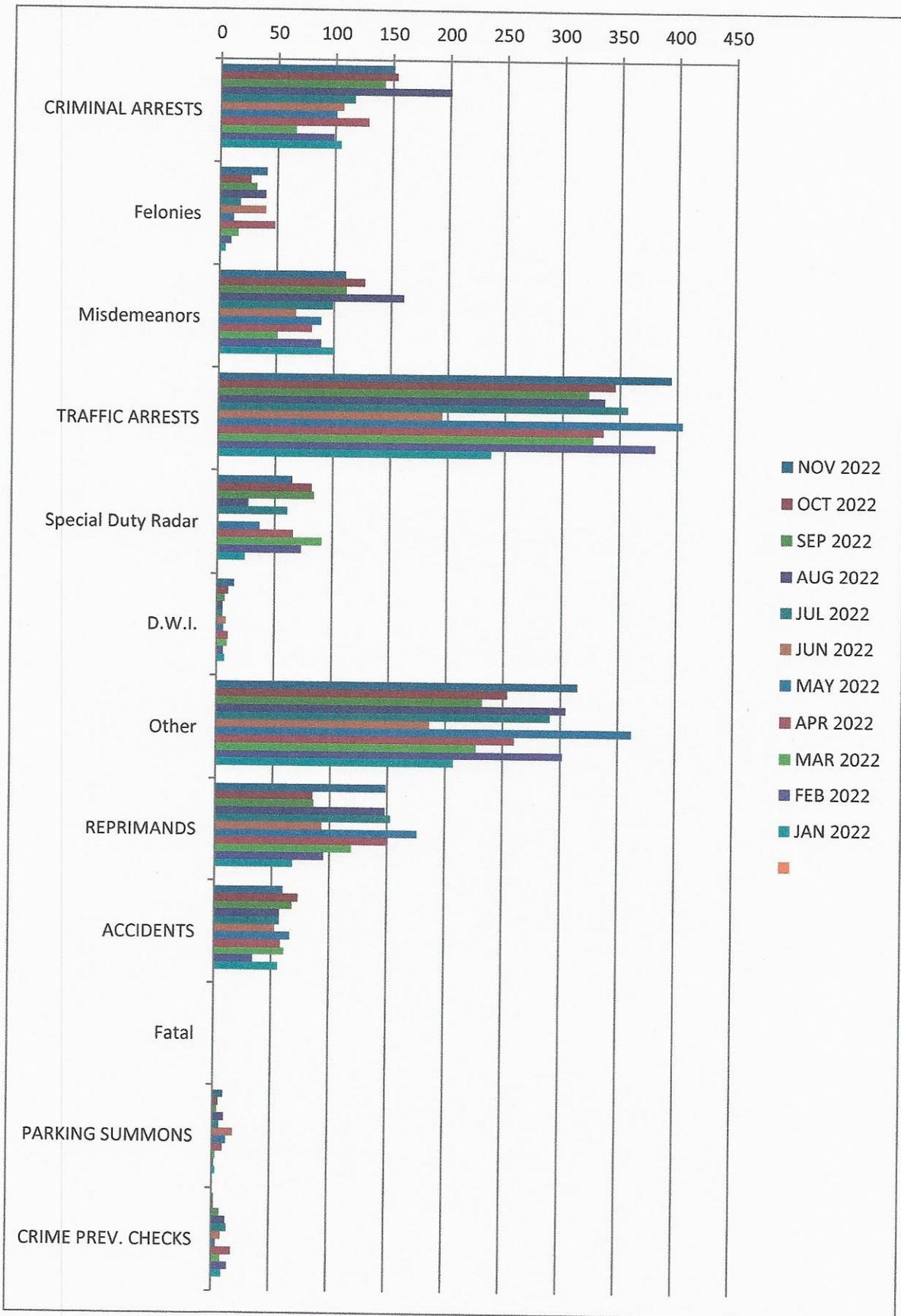
Public Information/Social Media Update –

November statistics are as follows: Our Nextdoor made 386 impressions during the month. Nextdoor reaches 1761 households in 15 neighborhoods according to statistics provided by the website. Our Facebook page has 12,139 followers. Posts during the month reached 35,452 people. On Twitter our Tweets made 1546 impressions and our followers are at 1382. Our Instagram account has 1765 followers and posts during the month reached 1732 users. Below are links to news article from area media outlets.

https://www.wrde.com/news/milford-police-department-makes-arrests-in-chicken-theft-case/article_361836ec-6aad-11ed-b6bf-2f8c1c617fdf.html

NOVEMBER 2022 ACTIVITY REPORT

	NOV 2022	TOTAL 2022	NOV 2021	TOTAL 2021
COMPLAINTS	1294	13161	1151	12631
CRIMINAL ARRESTS	151	1373	145	1154
Felonies	41	289	46	226
Misdemeanors	110	1085	99	928
TRAFFIC ARRESTS	395	3640	403	3656
Special Duty Radar	65	611	50	691
D.W.I.	15	88	5	84
Other	315	2941	348	2881
REPRIMANDS	149	1323	114	1042
ACCIDENTS	60	643	70	567
Fatal	0	0	0	1
PARKING SUMMONS	9	81	8	33
CRIME PREV. CHECKS	2	96	10	116
FINES RECEIVED	\$5,951.23	\$ 67,247.43	\$10,434.44	\$58,975.25



Dates	Hours Worked	Meetings Attended/Hosted	Trainings Attended	# of NEW Contacts	New Contact Notes	# of Diversions from Arrest	# of Diversions from ER	# of Follow-Up's
October 31- November 6, 2022	53.5	1. Rural Subcommittee Meeting	1. Childhood Depression & Suicide Risk	15	Referrals to Services: Victims Services Check the Welfare Disorderly 10-81 Domestic DUI	1	0	9
November 7- November 13, 2022 Election Day, Returns Day, Veterans Day	38	1. Meeting w/ Courageous Hearts	1. First Responders Autism Training	7	Referrals to Services: Public Assistance 10-81 Check the Welfare	0	1	6
November 14- November 20, 2022	52	1. Opioid System of Care Meeting	1. Code Purple Volunteers Training	11	Referrals to Services: 10-81 Check the Welfare Public Assistance Overdose	1	2	8
November 21- November 27, 2022 Thanksgiving	39	N/A	N/A	8	Referrals to Services: 10-81 Domestic Check the Welfare	1	0	6
November 28- November 30, 2022	34.5	1. Delaware Housing Authority Meeting	1. Veterans and Service Members Behavioral Health Series Training	6	Referrals to Services: 10-81 Harassment Victims Services Check the Welfare	1	0	5
Totals:	217			47		4	3	34
Overall Totals:	3477.6			736		58	76	711

Milford Police Department - November 2022 BHU Statistics
Jenna Haines, LMSW, MSW, DE-CMHS
Gregory Bisset, LCSW, C-AADC
Danielle Blackwell, LMSW

SRO –

Sgt. Masten attended the Milford Central Academy "Tech Night" and participated in a discussion with parents about internet and social media safety topics.

With the assistance of Take My Hand Ministries and Mountaire Farms, our Community Policing Unit was able to provide Thanksgiving meals to dozens of area families in need.

Sgt. Masten met with staff at Delaware Hospice about potential changes in their safety plans.

With the assistance of the staff at Starbucks, we participated in our first "Coffee with a Cop". There are discussions about making this a quarterly event in 2023.

S/Cpl. Bloodsworth attended the Lulu Ross Elementary Family Night.

S/Cpl. Bloodsworth assisted staff at Mispillion Elementary School with their annual "Table Top" exercise as required under the Delaware Omnibus School Safety Act.

K9 Unit –

For the month of November 2022, the Milford Police Department K9 Unit had the following stats:

K9-1 (Mason):

- Crowd Control 1
- Track 1

* K9-1 was off most of the month for scheduled vacation.

K9-2 (Raven)

- CP/Demo 1
- Building Search 1
- Track 1
- Assist Other Agency 5
- No Bite Apprehension 1

<u>Seized Items</u>	<u>Amount</u>
• Currency	\$2,278.00



OFFICE of the City Clerk
201 South Walnut Street
Milford, DE 19963

Teresa K. Hudson, MMC
O 302.422.1111 | F 302.424.3558
www.cityofmilford.com

DATE: December 1, 2022
TO: Mayor and Members of City Council
FROM: Terri Hudson, City Clerk
RE: November 2022

My office remains busy with end-of-the year activities. As we talked about at the last Council meeting, all 2022 ordinances have been reviewed, finalized, and forwarded to Civic Plus for final codification.

I have presented them with our plan to recodify the electronic code (on our website) in a timelier manner to coincide with ordinance adoptions. I also requested they postpone the associated printing process, and reducing that to no more than twice, but ideally one time a year. It takes a conscientious effort on the part of my office, as well as those with code books, to keep them updated as each supplement is distributed. I cannot express the importance of keeping each book current.

Anyone that does not keep a code book for their personal use, but has expressed an interest to have one, should contact me. We will issue the book and that person then becomes responsible to stay current with the supplements. As was explained, it is very important to manage each supplement as they are received. Holding off and combining old supplements does not work and is the reason most people choose to use the on-line version. Thus, another important reason for that version to always be up to date.

There has been a substantial increase in the number of our ordinances this year. See below:

<u>Year</u>	<u>#</u>
2022	43
2021	28
2020	26

Under the current recodification process, when an amendment is sent to the code company, the book and electronic versions are changed simultaneously and combined, become the associated supplement number. Because I will be sending ordinance adoptions, at a minimum of twelve times a year, we do not want printed book copies mailed that need immediate assistance twelve plus times a year. Asking for the reduction to one or two times a year, makes the task much less burdensome and leaves less room for error.

I am hoping we can work this out with CivicPlus and will keep you updated as we receive more information.

As an additional tool, the adopted ordinances will be kept in a separate file on the city website. On the home page, go to YOUR GOVERNMENT (top left), on the drop-down display CITY CLERK, the third item is appropriately named ADOPTED ORDINANCES. If anyone has questions, you can always refer people to our office, though our goal is to have the electronic code version updated each time Council adopts an ordinance.

A shoutout to Sara for her expertise and help in setting up the new ADOPTED ORDINANCE tool page now available for view.

Melody has assisted me with public notices related to findings and/or dispositions of older applications before the Board of Adjustment and Planning Commission. This was a duty handled by a previous employee, and because we have been unable to find all associated affidavits, we felt republishing those outcomes would be the better option. That also ensures the 60-day appeal window is satisfied.

I am continuing to work with James Puddicombe, who with the assistance of GIS Tech Zach, are working on the coordinates of the new wards needed as a result of the recent redistricting. Once I have the complete list of voters who will be transferred to or from different wards, I will provide those lists to you.

To give you a heads up, it is also time to start the annual election process. The 2023 election will be held on April 22nd (there are five Saturdays in April), with the deadline for candidates to file being February 21st.

I will be working on those notices beginning next week. Once the candidate packet is complete, I will send out an email. It is hard to believe that it is almost time again for another election.

And lastly, those that did not attend Wednesday's SCAT meeting, a decision to cancel the meeting in January was made to allow SCAT members to spend more time with their families over the holidays.

Deputy City Clerk attended the Local Government Training Class and the Region II Conference Committee Meeting.

She attended four on-site Delaware Municipal Supervisory Management Academy Classes during the month at Wilmington University at their Dover campus.

- University of Delaware Institute for Local Government Leaders
- Received the University of Delaware Institute Local Government Planning Certificate
- Attended Women Leading Government Meeting
- Coordinated SCAT Dinner registrations and payments (9)
- Coordinated SCAT Breakfast registrations and payments (3)
- Coordinated DLLG September Dinner registrations and payments (5)
- Attended a Virtual Meeting with IIMC President
- As Co-Chair, participated in a IIMC Resource & Research Committee Virtual Meeting
- Preparations made for May International Conference in Minneapolis, Minnesota
- Assisted several Delaware Municipalities with policy, procedural and related items

- ❑ Record requests/assistance from City Departments (7)
- ❑ FOIA requests have increased to 122 for the Year; worked with other departments to fulfil and especially the Finance and Customer Service Departments
- ❑ Created/prepared 11/07 Council Meeting Agenda/Executive Session
- ❑ Created/revised/reloaded 11/14 Council Meeting Agenda (7)
- ❑ Created/revised/reloaded 11/14 Council Meeting Packet (12)
- ❑ Created/prepared 11/16 Council Meeting Agenda/Executive Session
- ❑ Created/revised/reloaded 11/28 Council Meeting Agenda (7)
- ❑ Created/revised/reloaded 11/28 Council Meeting Packet (10)
- ❑ Created/revised/reloaded Planning Commission Notices (2)
- ❑ Created/revised/reloaded Planning Commission Agenda (1)
- ❑ Created/revised/reloaded Board of Adjustment Notices (1)
- ❑ Created/revised/reloaded Board of Adjustment Agenda (1)
- ❑ Provided Notary Public Services (8)
- ❑ Transcribed and proofread Minutes from City Council Meetings (7)
- ❑ Transcribed and Proofread Minutes from Board of Adjustment (2)
- ❑ Transcribed and proofread Minutes from Planning Commission (1)
- ❑ Proclamations Created, Signed, Sealed, and Distributed 27 for the Year
- ❑ Resolutions Created, Signed, Sealed, and Distributed 19 for the Year
- ❑ Oversaw Bid Opening and Recorded Bid on behalf of Parks & Recreation
- ❑ Special Event Permits Requested to Date (43)
- ❑ Ongoing Research Continues on Records Management & Storage Contractor



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: November Monthly Report
Date: December 8, 2022

- We received word that the City will receive \$2.7 million in Transportation Infrastructure Investment Funds through DELDOT for intersection improvements to Canterbury Road (RT 15) and Milford-Harrington Highway (RT 14) needed as part of the Milford Corporate Center (Fry Farm) project. This funding along with other funding received, brings the total of grants dollars to the project to \$3.8 million.
- Rob, Councilman James and I met with Pastor Jonathan Dukes and others about potential land and/or buildings that could be used for temporary housing shelter for the homeless. The meeting was very productive and there appears to be sufficient non-profit monies to address the need for temporary housing.
- Mayor Campbell, Rob and I met with Meir Gelley from Nationwide Healthcare regarding their interest for a potential housing project on their property. We discussed several options with them, including the various housing needs within the City.
- On November 10, I attended the Executive Board meeting of DEMEC. As part of the meeting, the DEMEC Board approved the 2023 operating budget which included a 2.87% rate increase. The continued high cost of fuel as well as expiration of hedging are the primary drivers of the increase. The City will need to once again adjust the Power Cost Adjustment (PCA) on utility bills for consumption in January and billed in February. The \$0.00238 increase will represent a 1.7% overall increase for the average residential customer. With the increase, Milford's rate will continue to be the 3rd lowest rate in the state, and below both the other major electric suppliers in the state.
- I attended the monthly APWA Delaware Chapter meeting.
- Jamesha and I held interviews for the Executive Assistant position.
- Brad and I attended the first meeting of the Tree Preservation Advisory Board.
- We received bids for the lighted handrail project this week. While we received only one bid, it appears there are sufficient funds to complete the project.
- Rob, James, Sara and I met with Century Engineering regarding their work on the S. Walnut Traffic Calming and Bike Path project. They have made good progress and provided good alternatives. A public meeting to obtain input will be held on December 15 from 6pm to 8pm.
- Bill, Captain Huey, Lou and I met with University of Delaware IPA and SHI regarding potential grants for IT security projects. SHI is a state supported company that completes grant applications for cities at no cost.
- We received permits for well drilling on the Fry Farm to complete water exploration wells. There soon will be a drill rig set up just past Airport Road along Route 15 in the field.

- Electric crews as well as parks and rec crews have been decorating the town for the holidays over the past two weeks.
- Bill continues to look at Cloud PBX which will allow us redundancy as well as mobility for the future with our phone system.
- The date has been set for the Chief of Police interviews.
- Captain Huey and I met as part of our monthly police update meeting
- Jamesha, Captain Huey and I met with Mike Stafford, our labor attorney, regarding special duty pay for lieutenants
- I met with the Carlisle fire chief regarding the siren location as well as use of the fire police
- Various staff met to review the capital project schedule
- We are nearing completion of the city wide broadband/wifi study being conducted by Uptown Solutions
- We awarded a proposal from Chad Carter of Becker Morgan Group to complete several City gateway designs in DELDOT rights-of-way. Our hope is to implement several designs this spring.
- We received word that the NE Front Street TAP project design has finally been completed and the project is ready for bidding.



TO: Mayor and City Council
THRU: Mark Whitfield, City Manager
FROM: Michael Svaby, Director, Public Works
DATE: December 12, 2022
RE: November 2022 - Public Works Department Staff Report

The following input represents a high-level list of activities and accomplishments for the month of November.

Director's Office

- Completed all Senior-level NIMS/ICS Training including levels 100, 200, 300, 400, 700, and 800.
- PD Project Update: Met with A/E firm for final finish surfaces approval. Working on metering installations for all utilities – including electric, water and natural gas, final conduit installations occurring for paving and concrete/curbing that will affect Waste Management containment. Signage installation beginning for a project sign as well as a sign to divert all materials deliveries to the proper location.
- Met with Hearthstone Condo ownership to coordinate information session with residents about trash at corals.

Facilities Section

- HVAC project at P&R Completed
- City Hall exterior paint project completed
- Had Envirotamp install return duct for upstairs IT room to help with the heat
- Blower Motor was fixed in Howard and CC's office
- Front Gate has been fixed, the Bar codes on the Vehicles was not working

Public Services Division

- Streets and Utilities Division transiting out of Solid Waste
- Fixed three major water leaks
- Began picking up leaves
- Assisted Engineering in providing new water service for PD and Surf Bagels
- Wells 4 and 5 Chlorine machine repaired. New pumps are on the way.
- Baltimore Air Coil PS cleared of obstruction – spoke to Manager there about non-waste products being put into sanitary sewer.

Engineering- Division

- Continued field inspections and as-built reviews for Milford Ponds, Cypress Hall and Simpsons Crossing
- Participated in a meeting regarding the South Walnut Traffic Calming Study
- Performed a field inspection of Brookstone for remaining paving area. Developer is working to mill and pave the remaining area prior to winter, weather depending
- Began the sidewalk program to complete sidewalk repairs throughout the City.
- Sent a representative to the ESRI Infrastructure Management and GIS Conference.

New Employee Starts

- None



PUBLIC WORKS FACILITY

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Anthony J. Chipola III, Electric Director
PHONE 302.422.1110, Ext 1137
achipola@milford-de.gov

To: Mayor and City Council
From: Anthony Chipola, Electric Director
Subject: October 2022 Electric Dept Staff Report
Date: December 8, 2022

Director's Office

- DEMEC
 - Participate in TVPPA Apprentice Training Discussions
 - Attended DEMEC Board Mtg
- Attended Osmore Webinar on Contact Voltage and Mitigation for underground systems
- Received Proposals for Field Inventory Services of Electric Assets and development of a connected utility model within GIS environment
- Received quotes for Substation Electrical Testing of Delivery 1 (Main Substation)
- Participated in Quarterly AMI call w/ AMP
 - Discussed issues with Master Meter Wall mounts
 - Identified issues with data quality and dashboard issues
- Participated in Multiuse Path Discussions with City Planner and others
- Held internal site meeting to review Fiber Extension project for Parks and Rec Building by the Armory
- Met with Lou and Finance Dept to discuss charge out process for large equipment (IE Transformers)
- Completed requests for additional information on RP3 Application
- Held Kick-off mtg for EV Charger Project
 - Identified conflict in proposal and charger capabilities
 - Discussed challenges in location regarding potential flooding
- Attended PD Site Mtg to review electrical requirements
- Participated in Utility/ROW Permit discussions with City Planner and others
- Received results of analysis of substation oil filled equipment
 - Several issues identified which will require processing / repair
- Continued discussions regarding Siren Relocation Project

Electric Lines

- Monthly Substation Inspections completed – No Issues Noted
- Completed Installation of Holiday Lighting and Decorations
- Developed various estimates for new developments
- Responded to various outages

Technical Services

- Worked w/ Public Works on 10th St Pump Station Controls
- Work with AMP to resolve issues with AMI devices and software
- Met with various contractors to specify metering equipment and advise on installation.
- Developing Displays for SCADA
- Reviewed Solar interconnection requests

Electric Department -November 2022	November 2021	November 2022	FY22 YTD (07/01/21-11/30/21)	FY23 YTD (07/01/22-11/30/22)
Electric Division				
Trouble Service Call	18	15	103	95
Work Orders Completed	21	24	176	187
Outages	0	7	37	43
LED Street Lights Replaced	0	4	47	88
New Service Install	5	6	31	21
Poles Replaced	1	3	7	22
After Hours Calls	8	6	51	83
Trees Cut (Days)	1	0	7	19
Technical Services Division				
New Electric Service Installed/Meter Set	7	8	113	80
New Water Service Installed/Meter Set	5	5	40	20
Electric Meter Replacement	3	7	22	36
Water Meter Replacement	54	39	283	267
Work Orders Completed	639	613	2,791	3,247
After Hours Calls	6	5	20	29

TO: Mayor and City Council

FROM: Rob Pierce, AICP - Planning Director

DATE: December 1, 2022

RE: November 2022 – Planning Department Staff Report

- During the first eleven months of the 2022 calendar year, the City has issued 40 new residential construction permits. The total construction investment in Milford through the end of November 2022 based on issued building permits was \$28,130,460.
- The City of Milford has seen 149 projects with a committed investment of over \$32.3 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 \$3.5 million in grant funds for both large and small commercial and residential projects in Milford. The City has waived over \$650,00 in permit fees and taxes associated with these projects in accordance with Chapter 19 Economic Development and Redevelopment and DDD program guidelines (click the below link to see project locations).
<https://milfordde.maps.arcgis.com/apps/MapSeries/index.html?appid=ab3ecb0d8cbc44d884b7c3063f75125c>
- The Planning Commission will not meet during the month of December.
- The Board of Adjustment will review two variance applications at the December meeting. One is a lot coverage exceedance for the construction of a residential addition at 314 S. Rehoboth Blvd and the other is for a wetland buffer encroachment for the construction of a stormwater outfall associated with the expansion of the Teal Creek Plaza on Route 113.
- The City received two Accessory Dwelling Unit conditional use applications that should be reviewed at the January Planning Commission and City Council meetings.
- The City received the resubmission for the Masten Circle, LLC preliminary conditional use site plan and is currently reviewing.
- The City received a conditional use amendment application for the Milford Mini Storage, Inc. property on Marshall Street. The request involves expanding the self-storage use onto the adjacent industrially zoned property. This will be reviewed by the Planning Commission and City Council in January.
- The City received a final site plan resubmission for the Teal Creek Plaza Expansion project and provided plan review comments to the applicant.
- The City received a final site plan resubmission for the PAM Milford project and is currently reviewing.
- The City reviewed a construction plan revision submission for the Wash It, LLC project.
- Attended FEMA National Flood Insurance Program training put on by FEMA and the State of Delaware.
- Presented information related to the functions of the Planning Department at the November Community Conversation meeting at the First Presbyterian Church of Milford.

- Volunteered to judge Statewide project submissions for American Council of Engineering Companies of Delaware annual awards, representing the Kent County region, with two other public sector employees.
- Met with DelDOT representatives to review the latest SE Milford Transportation Improvement District concepts and estimates.
- Attended the State of Delaware Transportation Infrastructure Investment Fund (TIIF) Council meeting related to the City's grant application for the Milford Corporate Center.
- Mailed notices to properties in the vicinity of the S. Walnut Street Traffic Calming & Bike/Ped Study regarding the upcoming open house to be held at City Hall on 12/15 from 6-8 pm.
- Mailed notices to properties in the vicinity of the 10th Street/N. Walnut Street Intersection Study regarding the upcoming open house to be held at Public Works on 12/13 from 6-8 pm.
- Attended and presented at the Downtown Development District Fall Workshop. The State has increased the maximum acreage for Districts of Milford's size to 200 acres, which may allow us to submit a request to expand our area by an additional 15 acres. The City is also approaching the end of our 10 year DDD designation period and will have the ability to submit a renewal application to the State of Delaware after 8/1/23 and before 2/2/26.
- Staff continue 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	14
Closed Cases	314
Open Cases at Start of Period	471
Open Cases at End of Period	172

*1 open case is for tall grass, which stays open the entire growing season.

Violation Activity:

New Violations Cited	Total
Abandoned Vehicle	2
Dangerous Tree	0
Furniture Violation	2
Generic Violation	5
Property Maintenance Violation	4
Rubbish & Garbage	0
Weeds & Grass	0
Zoning Use Violation	1
Total	14

Rental Licenses Issued: 24

Vendor Licenses Issued: 0

Contractors Licenses Issued: 13

Business Licenses Issued: 9

Building Permits Issued:

Permits Issued by Type	Count
Commercial Demolition	0
Commercial Foundation	0
Commercial Building Permit	8
Construction Trailer	0
Residential Demolition	1
Residential Building New Construction	10
Residential Renovation/Accessory	17
Roof/Siding Permit	8
Sign Permit	3
Solar Panel Permit	0
Utility Permit	0
Total	47

Inspections Performed:

Inspections Performed by Type	Count
Footer	7
Foundation	2
Framing	9
Insulation	2
Final	22
Residential Rental	38
Total	80

PARKS & RECREATION DEPARTMENT
207 Franklin Street
Milford, DE 19963



PHONE 302.422.1104
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www.cityofmilford.com

TO: Mayor and City Council

FROM: Brad Dennehy-Parks and Recreation Director

DATE: December 7th, 2022

RE: November 2022 – Parks and Recreation Staff Report

Parks

- Weekly trash runs of all municipal trash cans continued.
- Grass cutting concluded on all City owned facilities, right of ways, and parklands in the month of November.
- Wood chips were spread on the remainder of the trails at Goat Island, in preparation for the November 5^K run.
- Parks staff assisted the arborist with trimming and chipping trees alongside Marshall Pond, near Lear Hall.
- All the flowers, potting soil and water reservoirs were removed from the hanging baskets on the light poles, and from the planters on the bridges.
- Leaves were raked up and removed from the farmers market area of the park.
- A four-foot section of railing on the Riverwalk was vandalized and had to be removed and replaced.
- A large amount of trash was removed underneath a section of the Riverwalk from which appeared to be from homeless. There was also a section of graffiti in the same area which had to be removed and the concrete slab power washed as a result.
- Bushes were trimmed at City Hall and on Walnut street outside of the Jesus Love Temple.
- Seasonal Garland was wrapped around 27 light poles in the downtown.
- Aqua foam was installed in the baskets on the light poles and in the hanging basket on the bridges in preparation of the seasonal greenery.
- Park staff decorated City Hall with installing the garland on the pillars, handrails, and front door, installing the colored lights on the bushes, installing wreaths on the windows, and erecting holiday decorations out front.
- Crews installed holiday lights on all the trees on Walnut Street and North East Front Street. This was a several days as a project.
- On Sunday November 20th staff assisted with the annual holiday greenery “planting”. This includes 64 half moon light poles planters and 12 planters on the bridges and railings. Approximately 25 volunteers turned up to assist.

- Santa's sleigh was taken over to the Customers service building too be displayed for the holidays.
- All the holiday lighting was troubleshot in preparation for the tree lighting the Saturday of Thanksgiving.
- Veteran banners were removed and replaced for the season with holiday banners in the downtown area.
- A large amount of trash was removed by park staff from the peninsula on Silver lake, in what appeared to be some sort of homeless camp.
- Park Superintendent attended the Award and Recognition committee meeting.

Arborist

- Trimmed and reshaped the evergreen bushes at the Pop Warner fields along Lemule Street.
- Also trimmed the trees around the Lear Hall parking lot that were impeding traffic and obstructing mowing operations.
- Worked with the parks crew to remove and chip several pine trees at the Lemule street which were interfering with a three-phase electric pole.
- Trimmed and reshaped the evergreen bushes at the "north point" coming into town on Route 113.
- Trimmed trees that had grown into the electric lines next to the library.
- Removed vegetation overgrowth and trimmed trees on Tenth Street that were affecting the electric lines.
- Trimmed tree limbs away from the electric lines on electric customer on Woodland drive.
- Trimmed pine trees out of and away from the main phase electric lines at Warner Road behind the movie theater. Also removed large vegetation overgrowth on customers triplex feeder line off the transformer and uncovered the security photocell light on the customers riser pole.
- Assisted parks crew with installing holiday lights in the downtown areas, used the bucket truck to help install lights on the upper parts of the trees.
- Removed a tree and trimmed several additional trees on McColley Street that potentially could have caused power outages.
- Conducted vegetation control at the ballpark (removal of previously sprayed dead vines along the fence line.
- Arborist continued to attend and participate in the Municipal Supervisors training program.

Recreation

- Because of MPR efforts to open registration early for the community, we have seen a huge turnout in signups for our programs as compared to last year.
 - All basketball programs are completely maxed out in all registrations.
 - Beginner Instruction basketball had so many people on the waitlist that MPR was able to secure a 2nd location to accommodate the demand and better serve our community.
 - Wrestling program maxed out in registration.
 - Taekwondo program maxed out in registration.

- Our 5-6 yr. old beginner Instructional indoor soccer maxed out in registration
- The rest of our soccer program is 77% filled out with still a month to go before the first games.
- Our adult programs are slowly gaining traction towards new signups.
- Altogether, MPR has added over 35 additional participants when comparing last year's registration numbers.
- Conclusion for the Fall survey that was given out.
 - All responses from the surveys were overly positive across the board. Phrases such as, "1. Great coaching 2. Keep kids active and skills improving 3. They make it well worth the money between uniforms and medals", is some of the positive things that the community had said about recreation programs.
 - Some of responses requested expansion to some of our programs such as longer practice times for soccer, more levels of Taekwondo, and more programs for under 6.
- While working closely with our Community Engagement Administrators our in-house video promo (commercial) highlighting our current programs is now complete and will be ready to launch in the spring.
 - This initiative should improve our digital presence online and help continue to expand our programs.
 - Special thanks to Sarah Blum and Kent Milligan for their efforts for the MPR promo.
- Our department has officially transitioned to our updated registration software Webtrac 3.1 as of November 28th.
 - This upgrade has revamped our existing registration platform. With the existence of our new system, 61% of our registrants utilized new software.
 - Part of the upgrade to Webtrac is that our website has been updated to look more modern and to be very user-friendly.

Other

- A site survey was conducted at the Parks and Rec. maintenance shop to determine getting fiber optic connectivity to this building.
- The lighted handrail project was successfully bid and awarded in the month of November.
- The first Tree preservation advisory board meeting was held on November 16th.



HUMAN RESOURCES
10 SE Second Street
Milford, DE 19963

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www.cityofmilford.com

TO: Mayor and City Council
FROM: Jamesha C. Williams, MBA, MSL- Human Resources Director
DATE: December 5, 2022
RE: November 2022 –Human Resources Department Staff Report

- Onboarded new hires for the following positions:
Public Works Equipment Operator-Solid Waste-1 employee
- Interviews were conducted for the following job positions:
Executive Assistant-City Manager
Network Technician
Technical Support Specialist I-Police
- A job offer was accepted for the positions of Technical Support Specialist I-Police and Executive Assistant-City Manager. Both start dates are pending.
- DFIT 5th Annual SNOFLOW ROAD-E-O Event-City staff participated in this event on November 9, 2022, at the University of Delaware's Star Campus in Newark, Delaware. The winners will be announced at the DFIT meeting in December.

CDL Division Participants: Scott Gerardi, Public Works Equipment Operator-Streets & Utilities
Anthony DeMora, Public Works Equipment Operator-Streets & Utilities

Non CDL Division Participants: Lendon "CC" Dennis, Code Enforcement Official I

Event Volunteers: Ashley Waller, Permit Technician II
Lendon "CC" Dennis, Code Enforcement Official I

Event Video Links:

Main Event: https://youtu.be/43khl_bVubk

Small Equipment Event: <https://youtu.be/tJ558Sc-23E>

Sandi Wolfe, Delaware T2/LTAP Center also interviewed operators- <https://youtu.be/Q9bwPuYMxgE>

- Promotions: Brian Jester, Building Operations & Refuse Supervisor, effective November 7, 2022.

- Retirement: Chris Hitchens, Electric Line Technician, Troubleperson after 32 years of service. Chris' retirement was effective December 1, 2022.



- Veterans Day: November 11, 2022

Your inspiring bravery, service and dedication serve as an example to all.



A Special Thank-You to All the Veterans with the City of Milford

Sergeant Kirk Marino - Army
 Senior Corporal Nigel Golding - Navy & Army
 Senior Corporal Mikhail Stanton - Army
 Senior Corporal Cory Swan - Air Force
 Corporal Kyle Breckner - Air Force
 Lieutenant Dwight Young - Army
 Lieutenant Richard Jefferson - Army
 Patrolman First Class Richard DaFonte - Army
 Patrolman Leah Brasure - Air Force
 Patrolman First Class Anthony Quiroz - Army
 Patrolman James Matthews - Army
 Police Terminal Agency Coordinator/Evidence Custodian
 Lawrence Simpkins - Army
 Police Dispatcher Valerie Springer - Air Force
 Police Dispatcher Daniel Washinski - Marines
 Police Dispatcher Lance Lane - Marines
 Executive Assistant - Police Victoria Sessoms - Air Force

Police Maintenance/Custodial Technician Kenneth
 Perry - Army
 Senior Patrol Chaplain Jerald Howard - NAVy
 Senior Patrol Robert VanGorder - Army
 Senior Patrol Jay Bailey - US Coast Guard
 Contractor - Mental Health Clinician Gregory Bisset -
 Marines
 Public Works Director Michael Svaby - Air Force
 Human Resources Director Jamesha Williams - Air Force
 Public Works Equipment Operator - Streets and Utilities
 William Hughes - Army
 City Engineer James Puddicombe - Army
 Technical Support Specialist I Paul Beebee - NAVy
 Council Michael Boyle - Army
 Councilman Andrew Fulton - Army
 Councilman Todd Culotta - Marines

To: City Council and Mayor
From: Sara Bluhm, Economic Development & Community Engagement Administrator
Subject: November Monthly Report
Date: Dec. 7, 2022

Economic Development

- Attended and presented with Planning Director at Annual DDD Workshop
- Attended DE Institute for Local Government Leaders and heard panels on industry recruitment and workforce needs and local workforce issues, as well as received program certificate in Planning Education
- Attended TIF Council Meeting for application review. Happy to report the City of Milford was awarded \$2.7M for MCC entranceways.
- Met with Efficiency Smart representative and key Perdue staff to address cost-effective ways to reduce their electric usage
- Kicked off DNREC EV Charging grant with a meeting to discuss supplier and electric needs, site placement, etc. with Electric Director and staff
- MCC Meetings: monthly check-in with project engineers and partners
- Included growinmilford.com blurb in the December utility newsletter. A reminder that website guides prospective business owners on how to open a business Milford and provides many grant and business resources.

Community Engagement

- Participated in MSD Steering Committee Planning Session – drafted potential mission statement and graduate profile
- Attended APPA Customer Connections Conference in Minneapolis, MN connecting and learning from other public power communicators. Also attended sessions on EV infrastructure.
- Received notification of acceptance into the 2023 Leadership Delaware cohort and attended the Joint Fellows Reception between the 2022 and 2023 classes. Very appreciative of the City's support of my participation in the competitive program.
- Attended Courageous Hearts Focus Group to address child/teen drug use and how the city can proactively provide alternatives for school aged children through open space, recreation programs, etc.
- Planned, coordinated and attended City Hall Tree Lighting. Shared recap video on social media and webpage.
- Videography/Photography intern spent most of the month completing a promotional video for the Recreation staff. They will use the finished product for spring program recruitment.
- Continued to deliver KKAD25 signs. To date: 75 sign requests; 66 approved requests (9 didn't qualify); 0 to be distributed. Ward breakdown: 9% - ward 1; 51.5% - ward 2; 24.2% - ward 3; 15.1% - ward 4

Meetings/Trainings

- Attended Slaughter Beach Bridge Renovation Open House
- Completed ESET Cybersecurity Training
- Attended monthly Kent County Tourism Board meeting

- Met with Walnut St. bridge engineer and designer to discuss focal elements of the bridge design; identified the desire for a Kent/Sussex County dividing line/photo stop
- Met with new website representative and IT Director to review current contract, support tickets and potential website redesign
- Reviewed S. Walnut St. traffic calming plans at meeting with engineers, MPD, Planning Director and City Manager in preparation for Dec. 15 Public Open House
- Reviewed S. Walnut St./SE Front St./Causey Ave. intersection changes with project engineer, City Engineer, and Streets Supervisor
- Reviewed SeeClickFix software with Public Works Director
- Attended DEMEC Customer Service Working Group Webinar and updated Electric webpage with solar information provided in the webinar
- Interviewed by DE Public Radio regarding Memorial Park and Riverwalk upgrades
- Attended training on new Reverse 911 system

Social Media/Website

- Nov. 2022 Insights:
 - City of Milford Facebook: 11 new likes (total: 2,838); 8,819 reached (5,772 last month); 851 page visits (1,344 last month)
 - Parks & Rec Facebook: 6 new likes (total: 2,802); 3,948 reached (4,150 last month); 263 page visits (657 last month)
 - Instagram: 21 new likes (total: 1,080); 807 accounts reached (1,023 last month); 51 profile visits (129 last month)
 - Twitter: 1 tweet, 252 impressions, 133 profile visits, 4 mentions, 1,341 followers
 - COM Website: 8,881 users (9,534 last month); 12,994 sessions (14,181 last month); 27,115 pageviews (30,050 last month)
 - ED Website: 124 users (149 last month); 144 sessions (186 last month); 288 pageviews (414 last month)
 - ChatBot: 75 self-service resolutions; 63.6% self-service resolution rate; \$375 cost savings
 - MyMilford: 44 issues created; 36 issues closed; Average Days to Close: 4.5
 - App Store: 14 downloads (751 all-time downloads)
 - Google Play: 180 all-time downloads

Email Campaigns

- Nov. utility newsletter to full database (customers and business license holders) (4,763): 54% open

Press Releases & Coverage

- Annual City Hall Tree Lighting set for Nov. 26 (11/4/22)
 - MilfordLIVE: Annual City Hall Tree Lighting set for Nov. 26 (11/5/22)
- City of Milford invites Public to S. Walnut Street Concept Plan Open House (11/21/22)
 - MilfordLIVE: City of Milford invites Public to S. Walnut Street Traffic Calming & Bike/Pedestrian Concept Plan Open House (11/21/22)
 - 47ABC: Public meeting scheduled for Milford to discuss new traffic study (11/28/22)
- City of Milford invites Public to N. Rehoboth Blvd & 10th Street Intersection Study Open House (11/23/22)

Public Utility Education

Solid Waste Update

The City of Milford, Department of Public Works (DPW) operates its own waste hauling efforts using City of Milford employees. In recent months, an effort was undertaken to review the viability of conducting this operation using a bid contractor.

The determination has been made to continue the current level of trash, recycle, yard waste and bulk collection using the City's own workforce. In the course of continuing this service, Milford residents should expect to see the following additional efforts undertaken in the next few months:

- A container inventory, accounting for full count of trash, recycle, yard waste and 3-cubic yard containers remaining in account holders' possession
- A review of current route alignments to ensure the most productive and efficient collection procedures;
- An audit of rates paid to support the proper assignment of containers
- A review and accounting of the appropriateness of household container use by commercial enterprises
- Compliance checks for container contents
- Additional education releases about 1) staging of containers - pre- and post-collection - and 2) proper contents for each type of refuse container

These measures will be taken in order to ensure that the City can provide a solid waste service of the highest quality and efficiency. If you have any questions about your solid waste service in the City of Milford, please contact Building Operations and Refuse Supervisor Brian Jester at 302-422-1111 or bjester@milford-de.gov.

Employee Spotlight

Charlie Nordberg

Streets & Utilities Supervisor

1. How long have you worked for the City of Milford? **December 10 will start my 20th year with the city.**
2. Have you always worked in this role? **No, I started as a Laborer then Equipment Operator then Assistant Supervisor and now Supervisor.**
3. What is your favorite thing about working for the City? **It is working with the city employees and the residents of the City of Milford.**
4. What do you enjoy doing in your free time? **I enjoy relaxing with friends and family and especially taking trips on the motorcycle.**



Charlie is a well-established member of the Milford community as well as Milford's Public Works Department. He has become the 'go-to guy' for snow removal, hydrant flushing, paving repair and sewer maintenance.

- Mike Svaby, Public Works Director

Benefits to LED Holiday Lights

A big benefit to LED holiday lights is that they use less energy than your typical holiday lights, saving you nearly 35x more in energy costs. But there are even more benefits to switching that you may not know.

LEDs are Safer

Significantly less of a hazard than traditional lights that can burn fingers or create a fire hazard.

LEDs are Sturdier

LED lights are made with plastic, not glass, so they are less likely to break.

LEDs Last Longer

A typical LED light string could be used up to 40 holiday seasons!

LEDs are More Convenient to Install

Up to 25 LED light strings can be connected to each other using one plug without overloading the wall socket.

Did you know?

Powering traditional incandescent lights for one season costs nearly 35X more than LED lights.

Report Concerns on MyMilford

The City of Milford launched the MyMilford app in mid-February 2022. The MyMilford app is the fastest, easiest way to submit non-emergency requests. Please download the app to your smartphone or submit a request at www.cityofmilford.com/535/MyMilford

Do you have what it takes to be a public servant?

Join the City of Milford for a career that matters!
Now hiring the following positions:

Cash Operations Clerk II

\$37,398.44

Network Technician

Starting Salary: commensurate with experience

Water & Wastewater Technician

\$45,252.11

Executive Assistant - City Manager

\$49,777.32

Mechanic

\$54,755.06

Apply Online @ www.cityofmilford.com

Date: December 12th 2022
To: Mayor and City Council
From: Bill Pettigrew
Re: December 2022 Information Technology Department Staff Report

Delaware's ongoing Cybersecurity Committee which I am a member of is developing a plan to receive the cybersecurity grant funds from the Department of Homeland Security, we are structuring a plan for Milford and the other municipalities to utilize those funds.

We are waiting for the new IT tech who will be assigned mainly to the police department to be cleared by DELJIS, they will be able to start two weeks after that.

Training is coming along nicely with the staff member we dedicated to be our Tyler Munis ERP specialist. It is my goal that once we bring on the new IT tech, we will assign them as a backup for the new system.

We had a presentation with department heads last week with Netcarrier, a company we currently utilize for our phone circuits. After working with Milford IT, doing extensive research, and on-site visits we were given a proposal for a PBX in the cloud solution for our city-wide phone system. When implemented, it will be a great step towards having a formal disaster recovery & business continuity solution for Milford. The cloud PBX solution integrates with Microsoft Teams and will provide a better mobile workforce, while maintaining the functionality of call groups needed for certain departments to function remotely. Finance discovered we will be able to move forward.



FINANCE DEPARTMENT
10 SE Second Street
Milford, DE 19963

PHONE 302.424.5140
FAX 302.424.5932
www.cityofmilford.com

To: Mayor and City Council
From: Louis C. Vitola, Finance Director
Date: December 12, 2022
Re: November 2022 Finance Department Staff Report

- Monthly Financial Reporting
 - The Report for FY23 through October 2022 was distributed to Council and approved
- Staffing
 - The Finance Department engaged a CPA firm to assist with the FY22 financial statement preparation and audit processes
 - The Cash Operations Clerk recruitment remains open
- Training and Improvement Efforts
 - The Finance and Customer Service Teams participated in a collective total of 36.5 training hours in the areas of accounting (GFOA¹), Tyler ERP Implementation, cyber security and customer engagement with energy programs
- Police Facility Project Financing
 - USDA Officials have been participating in weekly project update meetings when available
 - Final Application submitted in November; vetted by USDA Regional & National Offices December
 - Construction activity – “blind” summary:

Police Facility Project: Budget & Payment Activity		Through 11/30/2022
Construction & CM: Total Bid Awards	\$	13,650,954
Plus (Less) Proposed Change Orders		4,949
Construction & CM: Total Authorized Budget	\$	13,655,903
Expenses Incurred	\$	3,288,211
Less: Retainage Withheld	\$	(157,146)
Less: Current Month Unpaid	\$	(769,751)
Total Payments Made	\$	2,361,315

Project Stats & Progress		Through 11/30/2022
Total Contracts (including RYJ CM)		17
Contracts with Activity		14
Contracts with Activity this Month		9
Open Project with Most Progress:		
Steelwork: RC Fabricators		90.7%
Closed Contracts		-
Overall Progress (Billing-Based)		24.1%

- External Reporting Requirements
 - FY21 Audit: the financial statements and audit documentation are complete and ready for approval at the December 12, 2022 meeting of Council
- Investment Management RFP
 - Participation Options with the State were confirmed in October; the State Treasurer’s Office is coordinating contact with investment management and custodial firms on behalf of Milford
- Billing & Customer Service Department
 - Participated in exploratory meetings with IT related to cloud deployment of VOIP system
 - Advanced in house billprint & kiosk selection & deployment process by scheduling demonstrations & opening discussions with IT
 - Past Due Property Tax Statistics for **Current** and Prior Years are reported in the following tables:

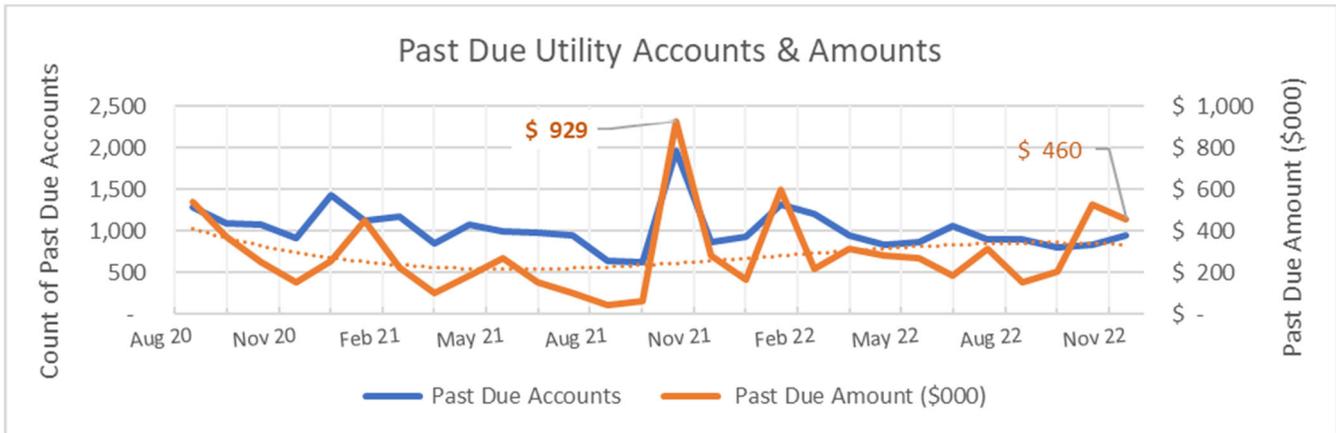
Property Tax Levy	Past Due (\$000) as of:		As % of Levy 12/1/22
	11/1/22	12/1/22	
2022 (FY23)	\$237	\$208	4.3%
2021 & Prior	\$202	\$196	4.0%
Total	\$439	\$404	8.3%

Property Tax Levy	Past Due (\$000) as of:		As % of Levy 12/1/21
	11/1/21	12/1/21	
2021 (FY22)	\$279	\$189	4.1%
2020 & Prior	\$213	\$185	4.0%
Total	\$491	\$374	8.1%

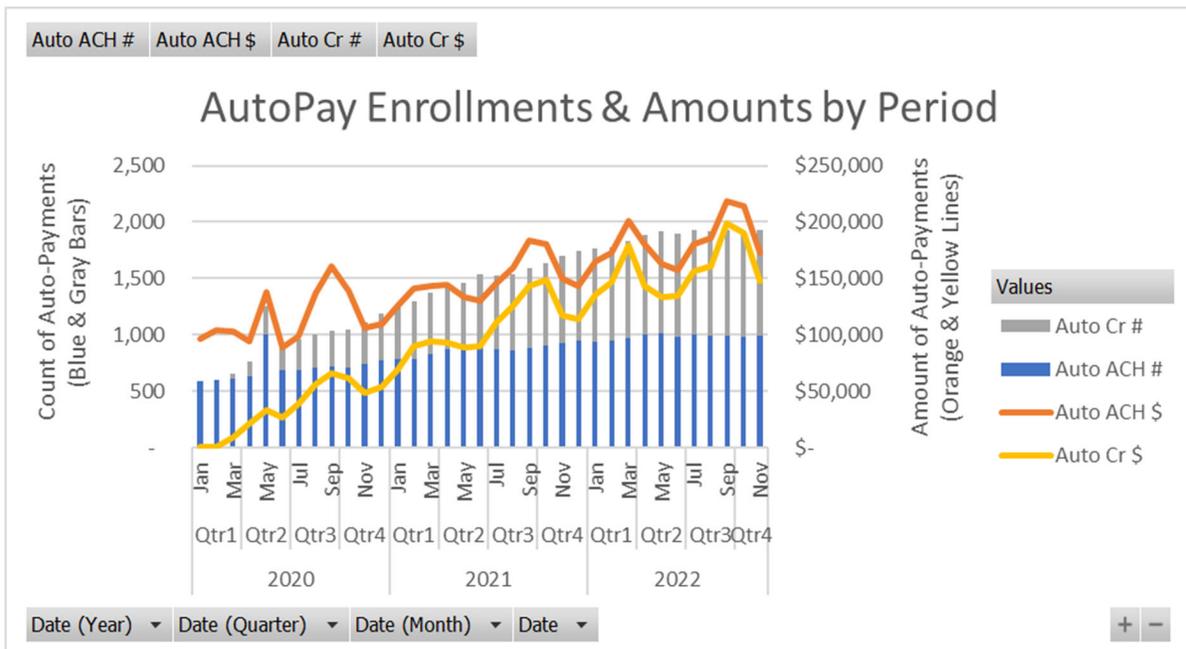
¹ Government Finance Officers Association (GFOA) Training

- Billing & Customer Service Department, Continued

- Past due utility balances recovered slightly from the spike in October due in part to reduced service interruption as the cash and credit card payment processing software was being upgraded
- This month's results compare unfavorably to averages and to last November



- The dollar amount past due (solid orange line) is 63% over the average for graphed periods and 61% higher than last November
- The accounts with any amount past due (blue line) is 8% below the long-term average
- The graph below exhibits the number and dollar amount of automatic payments by type and period from 2020 through the month ended November 30, 2022
 - The report data for October and November is skewed downward in the wake of the payment processing software upgrade
 - A consultant with the new processing company advised most clients experience at least a 10% reduction in processing volume following an upgrade
 - Dollar volumes decreased 23% following the upgrade, although volumes are higher than the prior year period in both count and amount (volume)



[View this email in your browser](#)



Please share this E-News with your colleagues!



Executive Director's Message

Season's greetings! Welcome to all newly elected State and local government leaders! The 2023 legislative session is just weeks away! With the 152nd Delaware General Assembly session starting on January 10, 2023, we'll see nine new faces in Legislative Hall—three in the Senate and six in the House.

Since 1963, the nonprofit Delaware League of Local Governments (DLLG) has worked in a nonpartisan role on behalf of Delaware's localities. Every year, Delaware's municipalities and counties make substantial financial commitments to administer a wide array of services and programs on behalf of Delawareans. Our member communities look to the Delaware General Assembly, and Delaware's Congressional Delegation, as valued partners to meet the challenges of governing and provide services/programs to ensure the health, safety, and welfare of our residents. The coming year promises many opportunities to better the lives of the citizens of Delaware.

Connections, among League members, State legislators, and our Congressional Delegation is essential to make progress on important issues. We look forward to meeting and remaining connected in 2023. Kudos to all our dedicated elected officials, local leaders, public employees, and volunteers for your commitment to ensuring a great quality of life for all Delawareans! Thank you to all our FY23 [commercial](#) and [government/academic](#) partners for supporting great local government in Delaware!

Warm wishes for a healthy and happy holiday!

Marcia S. Scott, DLLG Executive Director



 Training and Events



**Delaware League of Local Governments
Monthly Dinner Meeting**
Thursday, January 26, 2023
Maple Dale Country Club
180 Maple Dale Drive, Dover, DE
5:30 - 8:00 p.m.



Matt Meyer
New Castle Co.



Michael Petit de Mange
Kent Co.



Todd Lawson
Sussex Co.

**ARPA Investments:
Success Stories from Delaware's
County Executives and Administrators!**

Thank you to our Gold-level partner & Dinner Meeting sponsor!



DLLG January 26 Dinner Meeting

Join us at the Delaware League of Local Governments' monthly dinner meeting on Thursday, January 26, 2023 at the Maple Dale Country Club in Dover! The

- **Matt Meyer**, County Executive, New Castle County;
- **Michael Petit de Mange**, County Administrator, Kent County Levy Court;
- **Todd Lawson**, County Administrator, Sussex County

In addition to the featured presentation, the evening's agenda also includes the election of DLLG Officers and Executive Committee members for the new term. Please note that only DLLG member towns, cities, or counties are eligible to vote in elections.



The total cost of the dinner meeting is \$41. [Register by 1/23 via Eventbrite.](#)

[Register here](#)



RASCL Summit
**Overcoming Roadblocks to Resilience
and Sustainability**
Dec. 6, 2022 | 10:00 AM-4:00 PM
Del-One Conference Center | Dover, DE



**U.S. Treasury Briefing on Housing
Using ARPA Funds**
Thursday, Dec. 8, 2022 | 3:00 PM EST

NLC will host a discussion with the US Treasury on how cities can use their State and Local Fiscal Recovery Funds (SLFRF) from the American Rescue Plan Act (ARPA) for investments in affordable housing production, preservation, and to

Sustainability." Discussions will address capacity issues in Delaware, the Infrastructure Investment and Jobs Act (IIJA), and projects that are improving the resilience and sustainability of our local communities.

[Learn more and register >>](#)

about recent updates to the program guidance enhancing flexibility, including for long-term loans such as LIHTC programs.

[Register here >>](#)



Showcasing Your City's Workforce & Economic Development Initiatives
Dec 7, 2022, 2:00 - 2:30 PM ET

Looking for an innovative way to highlight your city's workforce and economic development initiatives? Join NLC on 12/7 at 2 PM ET for virtual session to learn how the NLC Community Showcase Video Program can enhance your local economy by using the power of video.

[Learn more and register >>](#)



National Civility Summit
Dec. 7, 2022, 11:00 AM (Virtual)

The National League of Cities, the Iowa League of Cities, and The Center for Public Democracy at Drake University are partnering on a summit that focuses on providing local governments and the officials that lead them with the tools and best practices they need to facilitate and provide engaged and participatory government. [Learn more and register >>](#)



Reinventing Democracy: How Hometowns are Strengthening America

Dec. 7 – 9, 2022 11:30 AM - 4:00 PM



Ready to Rebuild: Clean Energy Project Eligibility for Local Governments in the Inflation Reduction Act

Dec. 8, 2022, 12:00 - 1:00 PM ET

The Inflation Reduction Act provides a variety of clean energy tax credits and for

American Academy of Arts & Sciences, is hosting a free, three-day virtual symposium for mayors, city and town managers, and other local leaders to learn about pragmatic approaches to reforms like ranked choice voting, participatory governance, clean elections laws, and civic education. The symposium is part of the Academy's ongoing work to advance the recommendations made by its bipartisan Commission on the Practice of Democratic Citizenship in its 2020 report, [Our Common Purpose: Reinventing American Democracy for the 21st Century](#). Learn more and [register >>](#)

these directly. With investments in clean commercial vehicles and renewable energy projects at municipal utilities, local governments have the option for a direct payment in lieu of tax credit. Participants will hear from legal experts and others on how local governments can take advantage of this new opportunity to help meet their clean energy goals. [Register for webinar >>](#)



DRWA Continuing Education

[Onsite Disposal Systems: Inspection and Maintenance Guiding Practices](#)

Dec. 8, 2022, 7 AM – 5 PM

The Delaware Rural Water Association's (DRWA) specialized training sessions provide water professionals with an opportunity to resolve problems by sharing ideas with state and federal agencies, engineers, contractors, manufacturers, supplies, and other water system personnel. Upcoming sessions include: For more details and registration website, visit [DRWA's continuing education calendar >>](#)



Bipartisan Safer Communities Act Implementation

Dec. 8, 2022, 12:00 PM – 1:00 PM

The Office of Justice Programs (OJP) is hosting a virtual briefing to provide an update on Bipartisan Safer Communities Act implementation efforts. During the



Extreme Weather and Climate Preparedness Webinar

Dec. 8, 2022; 4:30 PM ET

Want to know innovative ways that the National Oceanic and Atmospheric Administration (NOAA) supports decision makers in states and local communities? Join Dr. Rick Spinrad, NOAA

opportunities:

- National Criminal History Improvement Program
- Community Violence Intervention and Prevention Initiative
- BJA STOP School Violence Program
- Byrne State Crisis Intervention Program
- Extreme Risk Protective Order and Firearm Crisis Intervention Training and Technical Assistance Initiative

Service who will discuss how states and local communities can use NOAA information and data, and partner with service provision outlets, to make sound decisions and be better prepared for extreme weather and climate impacts.

[Register for briefing >>](#)

[Register for webinar >>](#)



Delaware Affordable Housing Webinar Series

Healthier Housing: Addressing Substandard Housing for Delaware Homeowners

Understand the findings of the Habitat for Humanity-sponsored report, *A Needs Assessment for Repairs to Low-Income Owner-Occupied Housing in Delaware*, in a regional and national context and the needs, gaps, and potential policy, funding, and practice approaches to addressing these needs

December 13, 10–11:30 a.m.

Register for this free event online:
www.bidenschool.udel.edu/ipa/events/upcoming

UNIVERSITY OF DELAWARE
 BIDEN SCHOOL OF PUBLIC
 POLICY & ADMINISTRATION

Healthier Housing: Addressing Substandard Housing for Delaware Homeowners

Dec. 13, 2022, 10:00–11:30 a.m. via Zoom

This webinar will present the findings of the recently completed Habitat for Humanity-sponsored report, *A Needs Assessment for Repairs to Low-Income Owner-Occupied Housing in Delaware*. It will place its findings in a regional and national context, and discuss needs, gaps, and potential policy, funding, and practice approaches to addressing these needs. [Learn more and register >>](#)



Delaware T2/LTAP Center Training & Update



MUTCD Training

Dec. 14, 2022, 8:30 AM - 12:30 PM

Office of Performance Management
Edgehill Shopping Center, 43 S. DuPont Hwy., Dover

The Federal Manual on Uniform Traffic Control Devices (MUTCD) revision is underway and a Delaware MUTCD will follow shortly behind it. In the interim, this workshop will serve as an introduction to the manual and it will focus strictly on the organization of the manual and the fundamental concepts of traffic control devices.

[Learn more and register >>](#)



Delaware Update to Entry Level Driver Training

We are nearly a year into the “new” Entry-Level Driver Training (ELDT) and many local agencies have sorted out their approach, but there remains some pain, struggling, and confusion here and there. If you have employees that require a Commercial Driver’s License (CDL) to carry out their work, you are aware of the ELDT requirements for new licensure that took effect February 7, 2022. We figured we would complain about it a bit and then explain what we found out about instructor qualifications and approaches to the training. [Read more >>](#)



NLC NATIONAL LEAGUE OF CITIES

CONGRESSIONAL CITY CONFERENCE

March 26-28 2023

EXECUTIVE EDUCATION AND PRE-CONFERENCE ACTIVITIES MARCH 24-25, 2023

Registration is **now open!**

The banner features a dark blue background with white stars. The NLC logo is on the left. The main title 'CONGRESSIONAL CITY CONFERENCE' is in large white letters on a red background. The dates 'March 26-28 2023' are on the right. Below that, it says 'EXECUTIVE EDUCATION AND PRE-CONFERENCE ACTIVITIES MARCH 24-25, 2023'. At the bottom, there is a red bar with a white registration icon and the text 'Registration is now open!'.

NLC Congressional City Conference

March 26 - 28, 2023 Washington, D.C.

The National League of Cities Congressional City Conference (CCC) brings local leaders' voices to Washington, DC and provides them with the necessary tools and connections to help build a brighter future for our nation's cities, towns and villages. NLC

[Learn more >>](#)



Local Government and Partner News

Grant Assistance Program

from the Institute for Public Administration | IPA



UNIVERSITY OF DELAWARE
BIDEN SCHOOL OF PUBLIC
POLICY & ADMINISTRATION

Who We Support

The Grant Assistance Program (GAP) provides FREE technical assistance to Delaware's local governments, especially smaller communities with limited resources and staff capacity.

What We Do

- Grant Research
- Grant Writing
- Grant Proofreading
- Project Development
- Implementation Support
- Training Opportunities
- Resource Identification

● **Contact Us: ipa-grants@udel.edu**

Visit Us Online: www.bidenschool.udel.edu/ipa/serving-delaware/grant-assistance

UD IPA FREE Grant Assistance Program

Thanks to Delaware Governor Carney's Office, the University of Delaware's Institute for Public Administration (IPA) has launched a new program to provide FREE technical grant assistance to local governments in Delaware! The IPA Grant Assistance Program (GAP) provides free technical grant assistance to local governments for infrastructure initiatives and other competitive and formula grant opportunities.

In addition to exploring the website, local governments may:

- Schedule an appointment using [IPA's direct booking page](#).
- View the [Funding Opportunities Portal](#).
- View [upcoming events](#), including workshops and monthly virtual drop-in hours.
- Contact ipa-grants@udel.edu with questions.

Read the UDaily article "[Filling the GAP](#)," which features the new program and introduces the IPA GAP team.

Attend the GAP Virtual Drop-In Hours

IPA's Grant Assistance Program provides virtual drop-in hours from 11:00 a.m. to 1:00 p.m. on one Thursday of every month for local government representatives and stakeholders. Meet with a staff member over Zoom to receive immediate assistance or feedback on potential projects, grant-writing basics, and funding opportunities. The next session is: [Thursday, December 15, 2022, 11:00 AM to 1:00 PM](#)



**Delaware Institute
for Local Government Leaders**



Delaware Planning Education Program
Certificate Awardees



Delaware Local Government Leadership
Certificate Awardees

Congratulations to UD IPA Local Government Training Certificate Awardees!

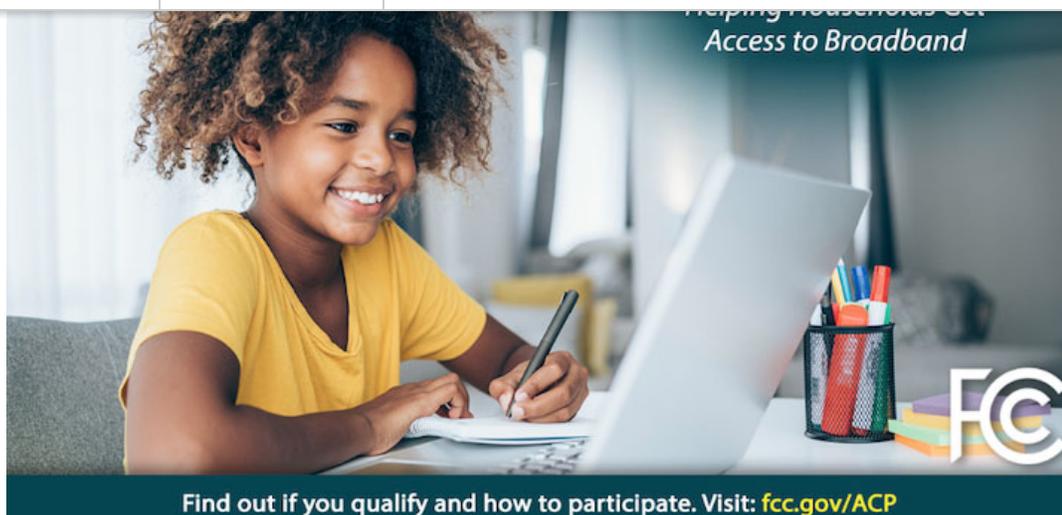
Local Government Training Certificate Awardees

At the Delaware Institute for Local Government Leaders event in Dover on November 3, 2022, the University of Delaware Institute for Public Administration (IPA) presented Local Government Training Certificates to several awardees.

[Read article >>](#)



General News



Affordable Connectivity Program

Local Governments – Help Spread the Word on the Affordable Connectivity Program (ACP) to your Residents! Please view resources at the online [ACP Consumer Outreach Toolkit](#) and/or include the following information in your newsletters, websites, or emails:

The Affordable Connectivity Program is a [Federal Communications Commission program](#) that helps connect families and households struggling to afford internet service. This new benefit provides a discount of up to \$30 per month toward broadband service for eligible households and up to \$75 per month for households on qualifying Tribal lands. Eligible households can also receive a one-time discount of up to \$100 to purchase a laptop, desktop computer, or tablet from participating providers.

Eligible households can enroll through a [participating broadband provider](#) or directly with the Universal Service Administrative Company (USAC) using an [online](#) or mail in application.

You can learn more about the benefit, including eligibility and enrollment information, by visiting www.fcc.gov/ACP, or by calling 877-384-2575.

Comcast Internet Essentials

Comcast is offering free and discounted Internet options through the Affordable Connectivity Program, a federal benefit for eligible low-income households.

[Learn more >>](#)

Verizon Forward

As part of its ongoing mission to help ensure equal and affordable access to internet for all, Verizon has announced that select 5G Home and LTE Home Internet services are available for free to qualifying households through the new [Verizon Forward Program](#). Now, qualified customers can take advantage of fast, reliable Verizon Home Internet via 5G Home, LTE Home or Fios at no cost. [Learn more >>](#)





Hometown Grants

T-Mobile has partnered with Smart Growth America and Main Street America, two consulting partners with a combined experience of over 60 years working to help build stronger, more prosperous small towns and rural communities. The Hometown Grant program is investing big in small towns by awarding up to 100 towns a year with project funding—up to \$50,000 each. [Learn more and apply >>](#)



2023 All-America City Award

Creating Thriving Communities through Youth Engagement



2023 All-America City Award

Application Deadline: Feb. 15, 2023

The [National Civic League](#) (NCL) is now accepting applications for the 2023 All-America City Award. This year's theme is, 'Creating Thriving Community through Youth Engagement,' and we are seeking to identify communities that are breaking down barriers to meaningful youth participation and enacting programs that will improve quality of life for youth, and all residents, by extension.

Over 500 communities have been named an All-America City since the program began in 1949, including 1 from Delaware. Optional letters of intent are due on December 15, 2022.



2022 Public Art Challenge for Large Cities

Application Deadline: Feb. 15, 2023

Bloomberg Philanthropies has announced the launch of the 2022 Public Art Challenge, which invites mayors of U.S. cities with 30,000 residents or more to apply for up to \$1 million in funding to create temporary public art projects that address important civic issues. The application for the 2022 Public Art Challenge, as well as more information on criteria, and process, can be found [here](#).



State News



DNREC - Community Environmental Project Fund (CEPF) Restoration Grants

Deadline: Dec. 16, 2022

Grants of up to \$25,000 are available to affected communities to fund restoration projects that result in reduced pollution, enhanced natural resources, and enhanced recreational opportunities. The projects funded in this grant cycle can begin on July 1, 2023 and should be completed by June 30, 2024.

DNREC will hold a [virtual public workshop](#) focused on the CEPF program at 7 p.m. Wednesday, Nov. 16. The [grant application](#), workshop details and more information about CEPF are available online at de.gov/cepf.

Mitigation Grant Programs



DEMA Mitigation Grant

Deadline: Dec. 31, 2022

The Delaware Emergency Management Agency (DEMA) is seeking applicants to submit projects for potential funding under the following mitigation grant programs: Hazard Mitigation Grant Program (HMGP), Building Resilient Infrastructure and Communities Grant Program (BRIC), and the Flood Mitigation Assistance Grant Program (FMA).

Applications are being accepted now and all projects must be submitted to DEMA no later than December 31, 2022.

[Learn more >>](#)





[Deadline: Dec. 31, 2022](#)

The primary purpose of the POSDC grant awards program is to implement abatement and remediation strategies to repair the harm done to communities in Delaware by opioid misuse. Grant recipients are awarded funds to deliver evidenced-based solutions to this public health crisis. Nonprofit organizations, faith-based organizations, for-profit organizations, State, County, City, Town or other Local Government organizations are eligible to apply. [Learn more & apply >>](#)



[RASCL Survey](#)

RASCL invites community members to fill out a brief survey by Dec. 31 to help identify research projects that would benefit your local area or region. Please help us identify research needs that your community may have (topics that RASCL focuses on are: coastal or inland flooding, sea level rise, sustainable land use planning, nature-based solutions, hazard mitigation and emergency preparedness).

[Take the survey >>](#)

Low-Income Household Water Assistance Program (LIHWAP)



[Low-Income Household Water Assistance Program \(LIHWAP\)](#) **ATTENTION WATER PROVIDERS:**

The Delaware Division of Public Health is offering LIHWAP through the American Rescue Plan Act. This program provides assistance to eligible households to pay water and wastewater bills for those that qualify. LIHWAP applications will be accepted through March 1, 2023 with Water Provider reimbursement requests accepted through April 15, 2023. Questions? Call 302-744-4546 or view/download the [LIHWAP Application](#).





Grants for Community-Based Organizations

Deadline: March 1, 2023

The Delaware Division of the Arts has opened its annual online application process for grants for arts programming and projects taking place during FY 2024 (Sept. 2023 – Aug. 2024). Applications will be submitted through the smARTDE online system and are due by 4:30 p.m. EST on Tues., March 1, 2023. Guidelines for all grant programs are available online at arts.delaware.gov/grant-overview. Non-profit Delaware organizations, colleges, universities, and government entities (including local governments) that do not have the arts as their primary mission may apply for [Grants for Community-Based Organizations](#).



Delaware Urban Forestry Grants

Deadline: March 3, 2023

Delaware's Urban and Community Forestry Program offers annual grants of up to \$5,000 for tree planting or tree management projects on public land. Grants are open to all Delaware municipalities, homeowner associations, and certified 501(c)(3) non-profits, including schools and churches. Grants require a 50-50 match in either cash (non-federal funds) or in-kind services. Tree planting grants are also available to applicants in the Chesapeake Bay Watershed. [Learn more and apply >>](#)



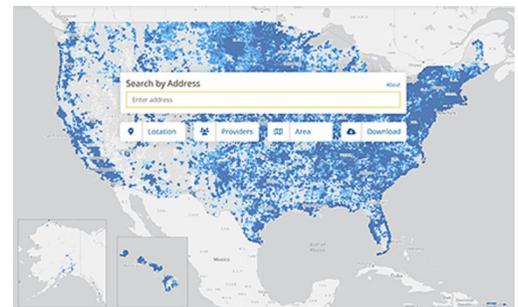
Federal News

New bootcamp registration is live.

Register today for trainings in energy efficiency projects, EV charging, safe streets and roads, and brownfields grants!

Local Infrastructure Hub Grant Application Bootcamps Registration Deadline – Dec. 9, 2022

The Local Infrastructure Hub and NLC are launching five new bootcamps aimed at helping small and mid-sized cities with populations up to 150K develop competitive funding applications for federal grants available through the



Launch of National Broadband Map

The FCC National Broadband Map has launched. Search for your address at <http://broadbandmap.fcc.gov> to learn more about the services providers reported available. Members of the public can now

five grant opportunities, including energy efficiency and conservation, EV and charging infrastructure, roadway safety planning, roadway safety implementation, and brownfields activities.

[Learn more and register >>](#)

the deployment of the BIL broadband and digital equity program funds.

[Learn more >>](#)

[Submit a location challenge >>](#)



Federal Funding Opportunities



U.S. DOT's Thriving Communities Program

Deadline: Dec. 6, 2022

The U.S. Department of Transportation (DOT) invites Letters of Interest (LOIs) from eligible applicants (including local governments) interested in receiving technical assistance, planning, and capacity building support from the Thriving Communities Program (TCP) to help them compete for federal aid and deliver quality infrastructure projects that enable their communities and neighborhoods to thrive.

This [Call for Letters of Interest](#) is intended for teams of community partners that may lack the staffing or technical expertise to scope, fund, and develop infrastructure projects that advance broader community goals.

For selected communities, TCP will provide two years of deep-dive assistance to help them plan and develop a pipeline of comprehensive transportation, housing, and community revitalization activities.

[Learn more >>](#)

[View previously recorded webinars on program >>](#)



Federal Funding Opportunities

Deadline: January 9, 2023

Housing

[Hope VI Main Street Grant Program](#)

Deadline: January 23, 2023

Transportation

US DOT Thriving Communities Program

Letters of Interest Due Dec. 6, 2022

The Thriving Communities Program will provide technical assistance, planning, and capacity building support to communities that may lack the staffing or technical expertise to scope, fund and develop infrastructure projects that advance broader community goals. View and submit [Letter of Interest Form >>](#)

Water, Sewer, Storm Sewer Infrastructure

[U.S. DOT Culvert Removal, Replacement & Restoration Grant](#)

Deadline: February 6, 2023

Environmental

FY 2023 Technical Assistance to Brownfields (TAB) Grants

Deadline: Feb 14, 2023

This solicitation is anticipated to be \$5 million over a 5-year period of performance for each geographical region that corresponds to EPA's 10 Regions, and \$3 million for Nationwide Technical Assistance. Five entirely new Nationwide TAB grants will be awarded, which will focus on five different areas of technical assistance and research. Award amounts will range from \$500,000 to \$1 million over a 4-year or 5-year period of performance, depending on the subject area of focus. The five focus areas are:

- Revolving Loan Fund Technical Assistance
- Nonprofit Technical Assistance
- Local Government Leaders Technical Assistance
- Minimizing Displacement Research
- Land Bank Research

For more information, view: [FY 2023 Technical Assistance to Brownfields \(TAB\) Grants](#)

Apply Now: [FY 2023 Guidelines for Technical Assistance to Brownfields Communities \(EPA-I-OLEM-OBLR-22-11\)](#)

Other Opportunities

[USDA Farm to School Grant Program](#)

Deadline: January 6, 2023





FEMA Funding Opportunities

Deadline: January 27, 2023

FEMA's hazard mitigation assistance provides funding for eligible mitigation measures that reduce disaster losses. A Notice of Funding Opportunity (NOFO) for hazard mitigation assistance program was released on September 30 and includes the FY22 Building Resilient Infrastructure and Communities (BRIC) program and the FY 22 Flood Mitigation Assistance (FMA) Program. The funding level for the BRIC annual grant program will more than double to nearly \$2.3 billion while the FMA funding level will see a five-fold increase to \$800 million. View the:

- [Fact sheet for the BRIC program >>](#)
- [Information on the FMA Program >>](#)

Find information on [hazard mitigation program funding here >>](#).



Green Streets, Green Jobs, Green Towns Grant Program

Deadline: March 8, 2023

This grant program aims to help communities develop and implement plans that reduce stormwater runoff, increase the number and amount of green spaces in urban areas, improve the health of local waters and the Chesapeake Bay, and enhance quality of life and community livability. Example projects include design and construction of green streets, rain gardens, green roofs, tree plantings, white papers/tools on green infrastructure, and more. Delaware communities within the Chesapeake Bay watershed are eligible to apply. [Learn more >>](#).

Attend virtual info session: Dec. 20, 5:00 - 6:30 PM. [Register here >>](#)

Thank you to DLLG's FY23 Silver- and Gold-level Commercial Partners

Silver-Level Commercial Partners

- AECOM
- Moore and Rutt, P.A.
- PNC Bank
- Santora CPA Group
- Strategic Insurance Partners
- Verdantas

Gold-Level Commercial Partners

- Delea Founders Insurance Trust
- Delmarva Digital

DLLG appreciates all its FY23 partners!

View FY23 commercial partners at:
www.dllg.us/commercial-partners.htm

View govt/academic partners at:
www.dllg.us/government-partners.htm



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BEACH BABIES CHILD CARE OF MILFORD

GRAND OPENING

DEC. 20TH
9AM-1PM

RIBBON CUTTING
11AM!!

MEET



TOUR



LOCATION

PLAY

6251 radian circle milford, de 19963; 302-265-2881
beachbabieschildcare.com

City of Milford, DE

City Council Meeting

December 12, 2022

PRESENTED BY:

ZELINKOFSKE AXELROD LLC

KIMBERLY STANK, CPA, CGMA

SANDRA REGUERA, CPA



City of Milford, DE

June 30, 2021 Audit

In relation to the audit of June 30, 2021, we are presenting two deliverables to City Council:

- **Audited Financial Statements**
 - Transmittal Letter
 - Auditor's Report
 - MD&A
 - Basic Financial Statements and Notes
 - Required Supplementary Information
 - Additional Information
 - Single Audit
- **Letter to Council**

City of Milford, DE

June 30, 2021 Audit

Audit Results

- We expressed an unmodified opinion on the financial statements.
- The financial statements are fairly presented, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- We reported a material weakness in internal controls over financial reporting related to the accounting records and financial statement close process.
- We expressed an unmodified opinion on compliance for major federal programs and internal controls over compliance.



City of Milford, DE

June 30, 2021

Financial Results – Net Position

- Governmental Activities Net Position
 - Total Net Position is \$28 million
 - This is a \$1.8 million increase from 2020
- Business-Type Activities Net Position
 - Total Net Position is \$74 million
 - This is a \$6.2 million increase from 2020



City of Milford, DE

June 30, 2021

Financial Results – Fund Balance

- General Fund
 - Total Fund Balance is \$5.5 million
 - This is a \$541k increase from 2020

- Total Governmental Funds
 - Total Fund Balance is \$11.5 million
 - This is a \$1.8 million increase from 2020



City of Milford, DE

June 30, 2021

New Accounting Principles

- GASB No. 84, *Fiduciary Activities*.
 - *Resulted in a Restatement of Net Position/Fund Balance of \$580k*
- GASB No. 93, *Replacement of Interbank Offered Rates*
- GASB No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*
- GASB No. 98, *The Annual Comprehensive Financial Report*



City of Milford, DE

June 30, 2021

Future Considerations

- Implementation of GASB 87, *Leases* – Effective for 2022
- Other GASB pronouncements will be required to be adopted but should not have a dramatic effect on the City's financial statements.



City of Milford, DE

June 30, 2021

Single Audit

- Report On Internal Controls over Financial Reporting
 - Identified a Material Weakness related to the Accounting Records and the Financial Statement Close Process
- Report on Compliance and Internal Controls over Compliance
 - Major Program – Community Facilities Loans and Grants Program
 - No Findings related to the program.



City of Milford, DE

June 30, 2021

Other Required Communication

- Auditor's responsibilities
- Qualitative Aspects of the Statements
- Significant difficulties encountered in performing the audit.
- All material adjustments have been made.
- No disagreements with management.
- Management Representations have been obtained.
- No management consultations with other accountants to our knowledge.
- No other audit issues.



City of Milford, DE

- June 30, 2022 Audit
 - Single Audit Deadline - March 31, 2023



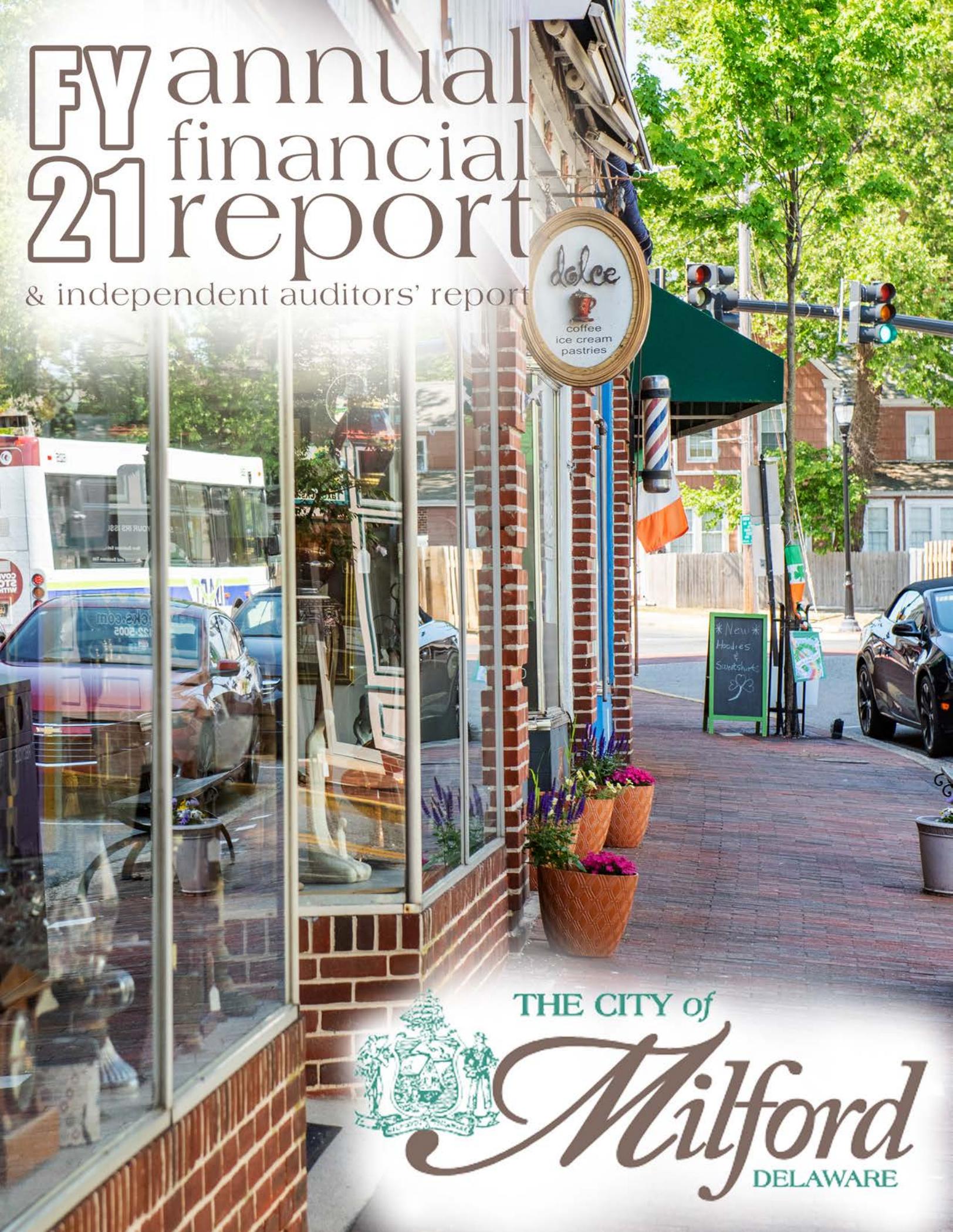
Questions

Please feel free to contact us if you have any further questions.



FY annual financial 21 report

& independent auditors' report



THE CITY of

Milford
DELAWARE



The City of Milford, Delaware

Annual Financial Statements

Including Independent Auditor's Report

As of and for the Year Ended June 30, 2021

The City of Milford, Delaware
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The City of Milford, Delaware

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TRANSMITTAL LETTER

December 9, 2022

The Honorable Mayor and Members of the City Council
City of 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, 2021.

This report is published to provide the City Council, City staff, our citizens, 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 data presented 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 sufficiently inform that data 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 addition information and reports, as well as the independent auditor's report on the basic financial statements. Zelenkofske Axelrod LLC has issued an unmodified opinion on the City's financial statements for the year ended June 30, 2021. 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 Account 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 11,000 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 composed of the Mayor and eight Council members, who enact local laws, determine policies and adopt the annual budget. The City Manager is appointed by the City Council and is responsible for the daily management of the City. The Basic Financial Statements of the City include all government activities, organizations and functions for which the City is financially accountable as defined by the GASB. Based on these criteria, no other governmental organizations are included in this report.

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 judgements 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 the City Council shall adopt the annual budget prepared by City Management. This budget is reviewed by the City Council and is formally adopted by the passage of a budget ordinance. The City Manager is authorized to transfer budgeted amounts between the items and departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.

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

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

OTHER INFORMATION

Independent Audit

The City Charter requires an annual audit of the accounts, financial records and transactions of the City by independent certified public accountants selected by the City Council. This requirement has been complied with, and the independent auditor's report has been included in this report. Additionally, the City of Milford's Director of Finance hears and reviews all recommendations made by the independent auditors.

Acknowledgements

The preparation of this report 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.

We sincerely thank the members of City Council and the Finance 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



Zelenkofske Axlerod LLC

CERTIFIED PUBLIC ACCOUNTANTS

EXPERIENCE | EXPERTISE | ACCOUNTABILITY

Independent Auditor's Report

City Council
City of Milford, Delaware

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 the City of Milford (City) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedule and the pension schedules on pages 3 to 13 and 56 to 59, respectively, be presented to supplement the basic financial statements.



Zelenkofske Axlerod LLC

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City Council
City of Milford, Delaware

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's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, (Uniform Guidance), the transmittal letter and other information 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 the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The transmittal letter and the other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2022 on our consideration of the City's internal control over financial reporting and 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 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 the City's internal control over financial reporting and compliance.

Zelenkofske Axlerod LLC

ZELENKOFOSKE AXELROD LLC

Harrisburg, Pennsylvania
December 9, 2022

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, 2021. In the broadest context, the financial well-being of a government lies in the underlying means and willingness of its citizens and property owners to fund their pro rata allocation of taxes to support the vision of the government's elected and appointed leadership to deploy tax receipts strategically to ensure 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? Has net position (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 small differences across different financial statements and tables may differ due to rounding. In addition, the Independent Auditor's Report describes the auditor's association with the various sections of this report and that all additional information from the website and other City sources is unaudited and has not been updated for events that may have occurred following the issuance of the respective report.

IN BRIEF

The assets and deferred outflows of resources of the City on a "government wide" or consolidated basis exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by approximately \$102.1 million (net position). This number must be viewed in the context that a significant portion of the City's net position (\$47.4 million, or 46.4%) 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 position restricted for specific purposes total \$8.7 million (8.5%), while another \$8.7 million was assigned by City Council for certain ongoing projects and planned initiatives. The remaining \$37.3 million represents unrestricted, unassigned net position 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 \$10.7 million (30%) during fiscal year 2021, while unrestricted, unassigned net position increased by \$2 million (5.6%).

As of the close of the past fiscal year, the City's governmental activities (a subset of the government-wide information reported in the preceding paragraph) reported \$28 million combined ending net position. Within this total, \$17.4 million (62%) is invested in capital assets, net of related debt, \$5.9 million is assigned by City Council and \$4.7 million represents unrestricted, unassigned net position.

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 \$6.2 million increase in net position to \$74.2 million, \$30 million of which is invested in capital assets, net of related debt and \$8.7 million of which is restricted by specific legal requirements and \$2.9 million of which has been assigned by City Council for certain ongoing projects and planned initiatives. The remaining \$32.6 million is unrestricted and unassigned.

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.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves to introduce the City's basic financial statements, which are composed 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, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between them reported as net position (similar to a private sector balance sheet). Net position can be divided into restricted and unrestricted net position, with the former representing balances that are legally or contractually reserved for a particular purpose. Over time, increases or decreases in net position 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 position changed during the fiscal year. All changes in net position 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). When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the City's policy is to apply restricted net position first.

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 culture and recreation. The business-type activities of the City include water, sewer, electric and solid waste operations. The government-wide financial statements can be found on pages 15 and 16 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 City funds 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. Governmental fund balance can be divided into restricted, committed, assigned, and unassigned fund balance categories. In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended by fund balance class follows: restricted, followed by committed, assigned and lastly unassigned. Non-financial assets such as governmental buildings, roads, drainage ways, park land and long-term liabilities such as bonds payable or long-term liabilities that will not be paid with current assets are excluded. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and activities. The governmental financial statements can be found on pages 17 and 19.

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 solid waste 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 solid waste funds, because all are major funds of the City. All internal service funds are combined into a single aggregated presentation in the basic proprietary fund financial statements, which can be found on pages 21 through 23.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government wide and fund financial statements. The notes to the financial statements can be found on pages 24 through 54.

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.

CITY OF MILFORD, DELAWARE
MANAGEMENT’S DISCUSSION AND ANALYSIS, CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2021 (UNAUDITED)

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, 2021, including comparative tools as of June 30, 2020, as restated pursuant to the implementation of GASB Statement No. 84 and a restatement of government-wide noncurrent liabilities.

MDA Schedule 1

CITY OF MILFORD NET POSITION (*Unaudited*)
(Amounts in Thousands)

	Governmental Activities		Business-Type Activities		Total	
	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>
	<i>(as Restated)</i>		<i>(as Restated)</i>		<i>(as Restated)</i>	
Current and other assets	\$ 10,894	\$ 15,872	\$ 42,163	\$ 48,529	\$ 53,057	\$ 64,401
Capital assets, net	17,233	17,438	45,548	46,176	62,781	63,614
Total Assets	<u>28,127</u>	<u>33,310</u>	<u>87,711</u>	<u>94,705</u>	<u>115,838</u>	<u>128,015</u>
Deferred outflows of resources	<u>1,583</u>	<u>1,593</u>	<u>311</u>	<u>289</u>	<u>1,894</u>	<u>1,882</u>
Long term liabilities	2,515	1,799	15,260	15,474	17,775	17,273
Other liabilities	642	4,297	4,764	5,366	5,406	9,664
Total Liabilities	<u>3,157</u>	<u>6,096</u>	<u>20,024</u>	<u>20,840</u>	<u>23,180</u>	<u>26,936</u>
Deferred inflows of resources	<u>423</u>	<u>829</u>	<u>-</u>	<u>-</u>	<u>423</u>	<u>829</u>
Net Position						
Net investment in capital assets	17,233	17,438	29,157	29,958	46,390	47,396
Restricted	2,474	-	9,923	8,688	12,397	8,688
Unrestricted	<u>6,423</u>	<u>10,540</u>	<u>28,918</u>	<u>35,508</u>	<u>35,341</u>	<u>46,048</u>
Total Net Position	<u>\$ 26,130</u>	<u>\$ 27,978</u>	<u>\$ 67,998</u>	<u>\$ 74,154</u>	<u>\$ 94,128</u>	<u>\$ 102,132</u>

Over time, a government’s net position (especially *changes in net position by category*) may serve as a useful indicator of the organization’s financial condition. The City of Milford is no different; the \$8 million (8.5%) improvement in Milford’s total net position from \$94.1 million as of June 30, 2020 (as restated) to \$102.1 million as of June 30, 2021 reflects positive financial performance (See *MDA Schedule 1*). The City’s net position in FY21 was impacted by the implementation of GASB Statement No. 84 (“GASB 84”) and to a lesser extent, the FY21 allocation of \$3.2 million in funding through the American Rescue Plan Act of 2021 (“ARPA”). The adoption of GASB 84 required a prior period adjustment to incorporate net position formerly reported separately as agency funds into the FY21 opening net position.

The largest portion of the City's net position, \$47.4 million (46.4%) reflects investments in capital assets (e.g., land, building, equipment, improvements and infrastructure), less any outstanding debt used to acquire those assets. The City uses its capital assets and equipment to provide services to citizens; consequently, these assets are not available for future spending, and with the exception of business type assets, do not generate direct revenue for the City. They do, however, represent an obligation on the part of the City to maintain these assets into the future.

CITY OF MILFORD, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2021 (UNAUDITED)

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, as the capital assets themselves cannot be used to liquidate these liabilities. In addition to the capital assets, another \$17.4 million (17.1%) of the City's net position is subject to legal and local restrictions; the 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 City's ongoing obligations to citizens, employees and creditors. The following table ("*MDA Schedule 2*") provides a summary of the City's operations for the years ended June 30, 2021 and 2020, as restated pursuant to GASB Statement No. 84 and a restatement of government-wide noncurrent liabilities.

MDA Schedule 2

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

	Governmental Activities		Business-Type Activities		Total	
	2020	2021	2020	2021	2020	2021
	<i>(as Restated)</i>				<i>(as Restated)</i>	
Revenues						
Program Revenues:						
Fees, fines and charges for services	\$ 197	\$ 154	\$ 33,434	\$ 34,242	\$ 33,631	\$ 34,396
Operating grants and contributions	812	1,507	83	-	895	1,507
General Revenues:						
Property taxes	4,196	4,340	-	-	4,196	4,340
Real estate transfer taxes	954	1,243	-	-	954	1,243
Franchise taxes	1,044	1,647	-	-	1,044	1,647
Impact fees	-	-	885	2,555	885	2,555
Capital grant	580	177	517	1,405	1,097	1,582
Gain on sale of property	(214)	138	-	-	(214)	138
Investment earnings	156	43	584	284	740	327
Miscellaneous	689	234	126	25	815	260
Total revenues	\$ 8,414	\$ 9,483	\$ 35,630	\$ 38,511	\$ 44,044	\$ 47,996
Expenses						
General government	3,102	2,640	-	-	3,102	2,640
Public safety	6,080	5,790	-	-	6,080	5,790
Public works	678	750	-	-	678	750
Culture and recreation	953	956	-	-	953	956
Interest on long-term debt	-	-	336	340	336	340
Electric	-	-	21,083	21,275	21,083	21,275
Water	-	-	2,198	2,130	2,198	2,130
Sewer	-	-	4,322	4,828	4,322	4,828
Trash	-	-	1,327	1,284	1,327	1,284
Total expenses	\$ 10,813	\$ 10,135	\$ 29,268	\$ 29,856	\$ 40,081	\$ 39,991
Increase (decrease) in net assets before transfers and special items	(2,399)	(652)	6,362	8,656	3,963	8,004
Transfers	2,556	2,500	(2,556)	(2,500)	-	-
Change in net position	157	1,848	3,806	6,156	3,963	8,004
Net position, July 1	25,973	26,130	64,193	67,999	90,166	94,129
Net position, June 30	\$ 26,130	\$ 27,978	\$ 67,999	\$ 74,154	\$ 94,129	\$ 102,132

CITY OF MILFORD, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2021 (UNAUDITED)

Total net position increased by \$8 million (8.5%) during fiscal year 2021, marking the City's strongest improvement in government-wide net position in the last three years. The FY21 performance exceeded the year-over-year increase of \$4 million, or 4.4% achieved during the prior fiscal year (See *MDA Schedule 2*) and the \$5.7 million (6.8%) achieved two years prior (not included in exhibit). This year's overall increase in net position consists of a \$1.8 million increase in governmental activities (+7.1%) and a \$6.2 million increase in business-type activities (+9.1%), the former of which is boosted by higher one-time and potentially unsustainable revenue sources, such as realty transfer taxes and grant revenue. The improvement in business-type activities is attributable to utility revenue growth through a combination of organic growth in volume/consumption as well as rate adjustments prescribed by multi-year utility rate studies. Additional detail is provided for the governmental and business-type activities in the following paragraph and the next two sections.

The 2021 government-wide increase of \$8 million is composed of growth in current assets (about \$11.3 million) offset by \$4.2 million increases in current liabilities, netting \$7.1 million in positive growth in liquid net position. Growth in the City's total capital assets, net of accumulated depreciation, combined with a reduction in long-term liabilities widened net position by about \$1.3 million, further reflecting a healthy year for the City's consolidated balance sheet. Changes in deferred inflows and outflows (net reduction of \$0.4 million) partially offset the positive increases in short- and long-term components of net position to arrive at the net increase of \$8 million, \$5 million of which pushed restricted funds from \$12.4 million to \$17.4 million this year. The remainder of \$3 million represents growth in both net investment in capital assets and unrestricted net position. Net investment in capital assets grew in a relatively balanced way, with governmental and business-type activities posting minor gains of 1.2% and 2.7%, respectively (\$1.0 million in total). However, the \$2 million increase in government-wide unrestricted net position was mixed across governmental activities (\$1.7 million *reduction*) and business-type activities (\$3.7 million *growth*). The reduction in unrestricted net position across governmental activities during FY21 is attributable to reduced reliance on restricted funding sources, such as realty transfer taxes and economic development funding, and a greater reliance on internal, unrestricted sources of funding, such as operating cash and general fund reserves, to meet operating and capital needs.

Government Activities – The two leftmost columns in *MDA Schedule 2* summarize the City's governmental revenues, expenses, transfers and changes in net position, which ties from *MDA Schedule 2* back to *MDA Schedule 1*.

Revenues generated by governmental activities increased 13% versus the prior year, excluding transfers from business-type activities and special items. While revenue increases are nearly always positive, the governmental revenue increase in FY21 must be couched with the reality that the increases were driven primarily by franchise fees and leases, operating grants and realty transfer taxes, the latter two of which are not guaranteed, reliable sources of recurring revenue. While franchise fees and other lease revenues are more reliable and stable income sources, they are also subject to long- and mid-term market pressures, regulatory risk and technological obsolescence, and are not guaranteed to recur at the level of previous years. Property tax revenue, perhaps the City's most reliable and sustainable revenue source, increased in FY21 by

CITY OF MILFORD, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2021 (UNAUDITED)

\$144,000 (3%). The increase in property tax revenue was commensurate with the FY19-20 increase, resulting from the combination of parcel growth (count) and growth in assessed value (new construction, not reassessment-driven). The City's property tax rate did not change from 2007-2021, so property tax growth has been driven entirely by new development in Milford, which is a positive sign. In addition, the City increased the property tax rate from \$0.46 to \$0.48275 per \$100 of assessed value effective FY22, so we expect property tax revenue growth to stabilize the City's revenue in the event we face volatility in other revenue sources.

Governmental expenditures decreased by \$0.7 million in FY21, representing improvement of \$1.6 million compared to last year's increase of \$0.9 million from FY19 to FY20. On a percentage basis, the overall decrease was mixed, as public works expense increases of \$0.1 million (11%) were offset by reductions in general governmental and public safety decreases of \$0.46 million (-15%) and \$0.29 million (-5%), respectively. Parks & recreation operational expenditures were slightly higher than FY20 expenditures.

Business – Type Activities – Net position from business-type activities increased by \$6.2 million, or 9.1% from \$68.0 million to \$74.2 million during fiscal year 2021 (See *MDA Schedule 2*). All four major utilities contributed to the positive change in net position across business activities, with the water fund's \$2.1 million (9.3%) increase in net position pacing the electric and sewer funds' increases of 1.9 million (6.4%) and \$1.6 million (10%), respectively, followed by the solid waste fund's increase of \$0.6 million. The positive changes started with top-line revenue as all four utilities posted revenue increases over FY20. The City's revenue growth was balanced and healthy, comprised of steady, organic growth in rate base and controlled, phased increases in usage rates determined through cost-of-service studies conducted for all business-type activities. Further, aside from the sewer fund's 12% increase in operating expenses, the utilities otherwise controlled operating expenses, posting a year-over-year increase of \$0.1 million, or 0.3% (excluding sewer) and 2.0% overall (including sewer). As a result, business-type activities combined to close the year with strong positive operating income of \$4.7 million. In FY20, operating income approached \$4.9 million across the four major utilities, representing an operating margin of 14.4% versus the 13.8% operating margin posted in FY21, which was primarily attributable to the reported operating loss of \$0.16 million in the sewer fund. The sewer fund achieved revenue expectations driven by the aforementioned growth in the customer base and rate increase, but higher costs of service drove the operating loss. The cost increase in the sewer fund was primarily the result of infiltration and inflow costs registering 49% higher than FY20 and nearly 59% higher than the previous five years. Management views this as a one-time anomaly resulting from high activity on residential and commercial development projects, active sewer projects and higher than average rainfall. While infiltration and inflow occur regularly in sewerage systems and can be impacted by weather and ground conditions beyond the control of the City public works and sewer personnel, there are certain initiatives the City has been undertaking on an ongoing basis to identify and address potential sources of infiltration and inflow. As of the preparation of this report, infiltration and inflow costs tracked significantly lower in FY22. Finally, adjusted for non-operating items, all four utilities, including the sewer fund, generated positive income before transfers.

CITY OF MILFORD, DELAWARE
MANAGEMENT’S DISCUSSION AND ANALYSIS, CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2021 (UNAUDITED)

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 continued the initiative started in fiscal year 2021 to reallocate investment balances to more heavily weight money market funds in response to changes in the market to capture additional yield without being exposed to incremental risk. Additional information about the City’s investments can be found in Note 8 on page 35. MDA Schedule 3 exhibits a breakdown of the City’s investments by broad asset type as of June 30, 2021 and 2020.

MDA Schedule 3

Description	Category	Carrying Values as of June 30,	
		2021	2020
Money Market Funds			
PFM Asset Management, LLC	1	\$ 9,432,721	\$ 15,729,139
Wilmington Savings Fund Society, NA	1	20,000,000	-
Certificates of Deposit			
PFM Asset Management, LLC	1	-	12,671,000
Total Investments		\$ 29,432,721	\$ 28,400,139

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 combined governmental funds reported ending balances of \$11.5 million (See Governmental Funds Balance Sheet on page 17). Within this total, a small amount is categorized as “nonspendable” (prepaid expenses), \$5.9 million is restricted by specific legal requirements, primarily for (a) capital investments in infrastructure and other eligible expenditures pursuant to the US Treasury’s Final Rule governing the use of \$2.9 million in funding advanced through the American Rescue Plan Act of 2021 (“ARPA”) and (b) street improvements, and \$0.2 million has been committed and assigned to specific types of expenditures. The remaining \$5.3 million represents unassigned fund balance in the general fund and can be used for any lawful purpose. In the general fund, the City budgeted a fund balance decrease in the current year of \$2.0 million prior to the use of cash and reserves, although the actual general fund balance exceeded budget expectations to the extent that cash was added to general fund reserves. Actual general fund expenditures were significantly below total budgeted expenses due to cost control measures and staffing below targeted budget.

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 21-23). Unrestricted net position in the enterprise funds totaled \$35.5 million, made up of the electric fund (\$18.8 million), water fund (\$11 million), sewer fund (\$5.1 million) and solid waste fund

CITY OF MILFORD, DELAWARE
MANAGEMENT’S DISCUSSION AND ANALYSIS, CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2021 (UNAUDITED)

(\$0.6 million). The total net position across all enterprise funds at the end of the fiscal year was \$74.2 million, representing an increase of \$6.2 million versus fiscal year 2020 as a result of positive increases in net position in the electric, water, sewer, and solid waste funds of \$1.9 million, \$2.1 million, \$1.6 million, and \$0.6 million, respectively versus the prior period.

General Fund Budgetary Highlights – City Council made revisions to the original appropriations approved by the Council before the start of the fiscal year. Overall, these changes resulted in an increase in budgeted operating expenditures of \$0.8 million, net of offsetting increases in anticipated revenues of \$0.6 million. The changes were primarily driven by grant-funded projects, and general administration and public safety expenditures that are added to budget controls when grant revenue is received and spent through the ordinary requisition, purchase order and accounts payable processes.

DEBT ADMINISTRATION

As of June 30, 2021, the City’s bonded indebtedness and outstanding note obligations (See *MDA Schedule 4*) totaled \$16.1 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	
	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>
General Obligation Bonds	\$ -	\$ -	\$ 7,127	\$ 6,710	\$ 7,127	\$ 6,710
DE Revolving Fund Loans	-	-	2,851	2,667	2,851	2,667
USDA Loans	-	-	4,791	5,673	4,791	5,673
Kent County Note	-	-	1,122	1,096	1,122	1,096
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,891</u>	<u>\$ 16,147</u>	<u>\$ 15,891</u>	<u>\$ 16,147</u>

During fiscal year 2021, the City's outstanding debt increased by \$0.26 million as a result of scheduled payments of debt obligations totaling \$0.74 million offset by \$1.0 million in the new issuance related to phase two of the City’s USDA sewer loan program.

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 roll-forward of long-term liabilities can be found in Note 10 on pages 41 to 44 of this report.

In connection with the City’s January 2021 referendum, which was approved by the requisite majority of Milford voters, the City issued a bond anticipation note in FY22, the details of which are discussed in Note 19 – Subsequent Events on page 54 of this report.

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2021 amounts to \$63.6 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 \$0.8 million representing an increase of 1.3% versus fiscal year 2020. Additional information on the City's capital assets can be found in Note 9 on pages 38 to 40 of this report. Major capital asset purchases and projects initiated during fiscal year 2021 included the following:

General Fund

- \$606 thousand in street and parking lot paving and construction in progress
- \$198 thousand in building improvements, technology upgrades, vehicles and equipment

Internal Service Funds

- \$45 thousand for billing equipment and public works vehicle replacement
- \$87 thousand in ongoing building improvements to City Hall

Electric Fund

- \$609 thousand for a bucket truck, material handler and other equipment
- \$340 thousand in electric distribution infrastructure
- \$164 thousand for transformers, switches, and other distribution upgrades
- \$102 thousand for building improvements, LED streetlights, and GIS mapping software

Water Fund

- \$152 thousand for vehicles and equipment
- \$549 thousand to upgrade wells and service lines on SE 2nd St, Mispillion St, Lovers Ln

Sewer Fund

- \$1 million in sewer line upgrades, primarily NE and NW Front St sewer line replacement
- \$237 thousand in sewer equipment and vehicle replacement.

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ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

The fiscal year 2022 budget for general fund activity is 9.85% higher than fiscal year 2021. The balance between cost control and the delivery of broad services demanded by Milford residents was struck well during the 2022 budget process. Personnel costs in support of our valuable employees represent the largest contribution to general fund costs. Increases in personnel costs, capital expenditures and nonrecurring expenditures, such as a compensation study, citizen survey and property reassessment, contributed to the budget increase in FY22. While a portion of the higher general fund costs will be offset with expected proceeds through the American Rescue Plan Act of 2021 (“ARPA”), economic development initiatives, organic growth in the City’s tax base, and the inaugural water fund transfer to the general fund, the City was not immune from a property tax increase following a period of more than a decade without any increase. The COVID-19 pandemic has continued to cause disruptions in all manner of City operations, but staff remain steadfast in their dedication to service excellence, fiscal responsibility and efficiency. Moreover, City leadership and staff are aligned in efforts to uphold and improve the quality of life in Milford through citywide accessibility to high-quality services, infrastructure, public safety, parks and recreation, backed by strategic investments in property, capital projects and infrastructure to support the City’s growing population and thriving business community.

TIMING OF FY21 FINANCIAL STATEMENTS AND INDEPENDENT AUDIT REPORT

Staffing shortages in the City’s Finance Department, exacerbated by a 42% reduction in third-party contract support contributed to delayed financial statement production and audit processes in FY21. Internal and third-party staffing have rebounded ahead of FY22, promising a return to the City’s normal reporting cycle going forward. The City’s FY23 budget includes provisions to maintain current staffing while increasing contractual services to augment financial reporting and audit requirements. Milford conducted a wage study to promote retention and recruitment through role-based and market-based wage scale realignment. In addition, City Council instituted a pay scale adjustment effective July 1, 2022 to combat the turnover risk associated with cost and wage escalation. The lessons learned during the ‘great resignation’ combined with the swift and meaningful changes instituted by City leadership will significantly reduce the risk of delayed reporting going forward. The City’s financial and operating results were strong in FY21, as increases in revenue and net position outpaced those of FY19 and FY20. The City’s financial position remained healthy throughout FY22. Monthly, unaudited financial reports, the City’s audits, budgets, capital improvement plans and other documents are reported regularly on the City’s website for the benefit of Milford citizens and City stakeholders.

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.

BASIC FINANCIAL STATEMENTS

CITY OF MILFORD, DE
STATEMENT OF NET POSITION
JUNE 30, 2021

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Current Assets			
Cash and Equivalents	\$ 7,233,701	\$ 15,632,433	\$ 22,866,134
Restricted Cash	5,867,781	-	5,867,781
Investments - Unrestricted	1,829,774	18,914,490	20,744,264
Investments - Restricted	-	8,688,456	8,688,456
Receivables	857,603	3,941,606	4,799,209
Inventories	33,030	1,351,963	1,384,992
Prepaid Expenses	49,720	-	49,720
Total Current Assets	<u>15,871,609</u>	<u>48,528,949</u>	<u>64,400,557</u>
Non-Current Assets			
Capital Assets			
Assets Not Depreciated			
Land	8,145,959	2,522,399	10,668,358
Construction in Progress	986,118	283,893	1,270,011
Utility System & Infrastructure	10,467,446	66,222,531	76,689,977
Buildings and Improvements	5,263,295	7,348,799	12,612,094
Equipment and Vehicles	6,781,340	8,715,542	15,496,881
Less: Accumulated Depreciation	(14,205,952)	(38,917,088)	(53,123,040)
Net Capital Assets	<u>17,438,206</u>	<u>46,176,076</u>	<u>63,614,282</u>
Total Assets	<u>33,309,815</u>	<u>94,705,025</u>	<u>128,014,839</u>
DEFERRED OUTFLOWS OF RESOURCES			
	<u>1,593,059</u>	<u>288,794</u>	<u>1,881,853</u>
LIABILITIES			
Current Liabilities			
Accounts Payable and Accrued Expenses	990,919	3,816,800	4,807,719
Customer Deposits	250,779	722,993	973,772
Unearned Revenue	2,947,371	-	2,947,371
Bonds and Notes Payable	-	797,185	797,185
Compensated Absences	108,406	29,155	137,561
Total Current Liabilities	<u>4,297,475</u>	<u>5,366,134</u>	<u>9,663,609</u>
Noncurrent Liabilities			
Net Pension Liability	608,858	-	608,858
Bonds and Notes Payable	-	15,349,560	15,349,560
Contingent Liabilities	203,516	-	203,516
Compensated Absences	986,479	124,120	1,110,599
Total Noncurrent Liabilities	<u>1,798,853</u>	<u>15,473,681</u>	<u>17,272,533</u>
Total Liabilities	<u>6,096,328</u>	<u>20,839,814</u>	<u>26,936,142</u>
DEFERRED INFLOWS OF RESOURCES			
	<u>828,554</u>	<u>-</u>	<u>828,554</u>
NET POSITION			
Net Investment in Capital Assets	17,438,206	29,957,901	47,396,107
Restricted for Capital Improvements:	-	8,688,456	8,688,456
Unrestricted:			
Assigned by City Council	5,867,781	2,862,555	8,730,336
Unassigned	4,672,005	32,645,090	37,317,095
Total Net Position	<u>\$ 27,977,992</u>	<u>\$ 74,154,002</u>	<u>\$ 102,131,994</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, 2021**

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental Activities							
General Government	\$ 2,639,928	\$ 120,070	405,530	\$ -	\$ (2,114,329)	\$ -	\$ (2,114,329)
Public Safety	5,789,587	-	604,486	133,880	(5,051,221)	-	(5,051,221)
Public Works	750,052	-	326,420	-	(423,632)	-	(423,632)
Culture and Recreation	955,591	33,680	170,819	42,700	(708,392)	-	(708,392)
Total Governmental Activities	10,135,158	153,750	1,507,255	176,580	(8,297,574)	-	(8,297,574)
Business-Type Activities							
Electric Fund	21,381,213	25,152,252	-	252,337	4,023,377	4,023,377	4,023,377
Water Fund	2,240,440	3,047,543	-	175,456	982,559	982,559	982,559
Sewer Fund	4,950,452	4,668,212	-	977,633	695,393	695,393	695,393
Trash Fund	1,283,960	1,373,646	-	-	89,686	89,686	89,686
Total Business-Type Activities	29,856,064	34,241,652	-	1,405,427	5,791,015	5,791,015	5,791,015
Total Primary Government	\$ 39,991,222	\$ 34,395,402	\$ 1,507,255	\$ 1,582,006	(8,297,574)	5,791,015	(2,506,559)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					4,340,239	-	4,340,239
Real Estate Transfer Taxes					1,243,007	-	1,243,007
Franchise Taxes & Fees					1,646,754	-	1,646,754
Gain(Loss) on Disposal of Capital Assets					137,722	-	137,722
Impact Fees					-	2,554,860	2,554,860
Unrestricted Investment Earnings					43,498	284,295	327,793
Miscellaneous					229,525	25,000	254,525
Change in Net Position in Internal Service Fund					4,908	-	4,908
Transfers					2,500,000	(2,500,000)	-
Total General Revenues, Special Items, and Transfers					10,145,653	364,155	10,509,808
Change in Net Position					1,848,079	6,155,169	8,003,249
Net Position- Beginning of Year (Restated)					26,129,913	67,998,833	94,128,746
Net Position - End of Year					\$ 27,977,992	\$ 74,154,002	\$ 102,131,994

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



**CITY OF MILFORD, DE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021**

	<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	\$ 4,221,518	\$ 2,529,602	\$ 138,839	\$ 6,889,959
Restricted Cash	-	5,247,109	620,672	5,867,781
Investments	1,829,774	-	-	1,829,774
Taxes Receivable, net of allowance for doubtful accounts	58,283	140,749	-	199,032
Other Receivables	205,268	340,001	-	545,269
Prepaid Expenses	49,720	-	-	49,720
Total Assets	<u>\$ 6,364,563</u>	<u>\$ 8,257,461</u>	<u>\$ 759,511</u>	<u>\$ 15,381,535</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	233,180	\$ 68,156	\$ 1,817	303,153
Compensated Absences - Current	106,500	-	-	106,500
Unearned Revenue	5,175	2,942,196	-	2,947,371
Other Accrued Expenses	286,613	-	-	286,613
Other Payables	273,734	-	131	273,865
Total Liabilities	<u>905,204</u>	<u>3,010,352</u>	<u>1,948</u>	<u>3,917,503</u>
Fund Balances:				
Restricted	-	5,247,109	620,672	5,867,781
Nonspendable	49,720	-	-	49,720
Assigned	93,401	-	136,891	230,292
Unassigned	5,316,240	-	-	5,316,240
Total Fund Balances	<u>5,459,360</u>	<u>5,247,109</u>	<u>757,563</u>	<u>11,464,032</u>
Total Liabilities and Fund Balances	<u>\$ 6,364,563</u>	<u>\$ 8,257,461</u>	<u>\$ 759,511</u>	<u>\$ 15,381,535</u>

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

CITY OF MILFORD, DE
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021

Total Fund Balance, Governmental Funds	\$	11,464,032
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Position.		17,225,194
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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, including Capital Assets net of accumulated depreciation.		210,224
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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 and contingent liabilities.		(921,458)
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Net Position of Governmental Activities	\$	27,977,992
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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, 2021

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Non-Major Governmental Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Property Taxes	\$ 4,340,239	\$ -	\$ -	\$ 4,340,239
Real Estate Transfer Taxes	-	1,243,007	-	1,243,007
Fees and Fines	135,538	15,913	-	151,451
Licenses and Permits	1,138,216	-	133,880	1,272,096
Franchise and Lease Revenue	399,787	-	-	399,787
Intergovernmental	508,131	999,124	-	1,507,255
Charges for Services	120,070	-	33,680	153,750
Investment Earnings	33,528	9,970	-	43,498
Miscellaneous	229,525	-	-	229,525
	<u>6,905,034</u>	<u>2,268,014</u>	<u>167,560</u>	<u>9,340,608</u>
EXPENDITURES				
Current:				
General Government	1,815,022	-	-	1,815,022
Public Safety	5,560,531	229,056	-	5,789,587
Public Works	644,166	105,886	-	750,052
Culture and Recreation	929,293	-	26,298	955,591
Capital Outlay	563,038	316,869	-	879,907
	<u>9,512,050</u>	<u>651,811</u>	<u>26,298</u>	<u>10,190,159</u>
(Deficiency) Excess of Revenues Over Expenditures	<u>(2,607,016)</u>	<u>1,616,203</u>	<u>141,262</u>	<u>(849,551)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	3,367,635	-	-	3,367,635
Transfers Out	(367,635)	(500,000)	-	(867,635)
Proceeds from Asset Sales	147,795	-	-	147,795
	<u>3,147,795</u>	<u>(500,000)</u>	<u>-</u>	<u>2,647,795</u>
Net Change in Fund Balances	540,779	1,116,203	141,262	1,798,244
Fund Balances - Beginning (Restated)	<u>4,918,581</u>	<u>4,130,906</u>	<u>616,301</u>	<u>9,665,788</u>
Fund Balances - Ending	<u>\$ 5,459,360</u>	<u>\$ 5,247,109</u>	<u>\$ 757,563</u>	<u>\$ 11,464,032</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, 2021

Net change in fund balances - total governmental funds: \$ 1,798,244

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, compensated absences and other differences in noncurrent items do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (50,354)

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 change in the Internal Service Net Position 4,908

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 \$879,907 exceeded depreciation expense of \$774,552 in the current period. 105,355

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. (10,073)

Change in net position of governmental activities \$ 1,848,079

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

CITY OF MILFORD, DE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Business Type Activities - Enterprise Funds					<i>Governmental Activities - Internal Service Fund</i>
	Electric	Water	Sewer	Solid Waste	Total	
ASSETS						
Current Assets						
Cash and Cash Equivalents	\$ 5,186,835	\$ 6,020,424	\$ 3,911,689	\$ 513,485	\$ 15,632,433	\$ 343,742
Investments - Unrestricted	13,172,522	4,782,910	887,627	71,430	18,914,490	-
Investments - Restricted	1,047,790	4,574,502	3,066,164	-	8,688,456	-
Accounts Receivable, net of allowance for doubtful accounts	1,992,033	267,278	420,473	94,810	2,774,594	113,302
Other Receivables	21,908	175,456	967,183	2,465	1,167,012	-
Inventories	1,333,086	18,877	-	-	1,351,963	33,030
Total Current Assets	22,754,174	15,839,448	9,253,137	682,190	48,528,949	490,074
Non-Current Assets						
Capital Assets						
Land and Improvements	2,460,507	33,254	28,638	-	2,522,399	-
Construction in Progress	100,008	175,456	8,429	-	283,893	87,912
Utility System	19,952,164	22,842,223	23,428,144	-	66,222,531	-
Buildings and Improvements	7,056,014	123,078	164,057	5,650	7,348,799	21,340
Vehicles and Equipment	4,043,044	1,893,756	1,443,371	1,335,371	8,715,542	253,404
Less Accumulated Depreciation	(18,249,981)	(9,462,784)	(10,440,025)	(764,298)	(38,917,088)	(149,644)
Net Capital Assets	15,361,756	15,604,983	14,632,614	576,723	46,176,076	213,012
Total Non-Current Assets	15,361,756	15,604,983	14,632,614	576,722	46,176,076	213,012
Total Assets	38,115,930	31,444,431	23,885,751	1,258,912	94,705,025	703,086
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Charges On Refundings	166,880	-	121,914	-	288,794	-
LIABILITIES						
Current Liabilities:						
Accounts Payable	1,808,286	240,046	780,725	37,296	2,866,354	104,149
Salaries and Wages Payable	20,786	9,297	9,030	5,792	44,905	23,138
Other Accrued Expenses	463,737	-	441,804	-	905,541	-
Customer and Other Deposits	668,043	-	-	54,950	722,993	250,779
Compensated Absences	23,058	190	190	5,717	29,155	1,906
Bonds and Notes Payable	231,024	258,334	307,827	-	797,185	-
Total Current Liabilities	3,214,934	507,868	1,539,576	103,755	5,366,133	379,972
Non-Current Liabilities:						
Compensated Absences	69,769	24,564	24,564	5,223	124,120	112,892
Bonds and Notes Payable	4,075,355	5,942,226	5,331,980	-	15,349,560	-
Total Non-Current Liabilities	4,145,123	5,966,790	5,356,544	5,223	15,473,680	112,892
Total Liabilities	7,360,057	6,474,658	6,896,119	108,978	20,839,812	492,864
NET POSITION						
Net Investment in Capital Assets	11,055,378	9,404,423	8,992,808	505,292	29,957,901	213,012
Restricted for Capital Improvements	1,047,790	4,574,502	3,066,164	-	8,688,456	-
Unrestricted:						
Assigned by City Council	362,000	1,946,899	482,226	71,430	2,862,555	-
Unassigned	18,457,585	9,043,947	4,570,347	573,211	32,645,090	(2,788)
Total Net Position	\$ 30,922,753	\$ 24,969,771	\$ 17,111,545	\$ 1,149,933	\$ 74,154,002	210,224

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, 2021

	Business Type Activities - Enterprise Funds					<i>Governmental Activities - Internal Service Fund</i>
	Electric	Water	Sewer	Solid Waste	Total	
REVENUES						
Charges for Services	\$ 24,830,790	\$ 2,972,221	\$ 4,667,142	\$ 1,345,758	\$ 33,815,911	\$ 2,647,117
Miscellaneous	321,462	75,322	1,070	27,888	425,741	-
Total Operating Revenues	25,152,252	3,047,543	4,668,212	1,373,646	34,241,652	2,647,117
OPERATING EXPENSES						
Personnel Services	2,584,069	313,390	519,127	382,521	3,799,107	1,641,971
Contractual Services	16,851,873	62,042	3,034,654	345,737	20,294,307	167,603
Utilities	4,913	222,640	282	-	227,834	3,745
Repairs and Maintenance	383,411	99,713	22,159	135,395	640,678	630,441
Other Supplies and Expenses	61,303	818,280	640,289	278,135	1,798,006	156,996
Insurance Claims and Expenses	81,218	20,663	12,181	10,322	124,385	8,428
Bad Debt Expense	23,780	82	1,355	3,436	28,653	-
Depreciation	1,284,002	593,031	597,769	128,414	2,603,216	23,025
Total Operating Expenses	21,274,569	2,129,841	4,827,816	1,283,960	29,516,186	2,632,209
Operating Income (Loss)	3,877,683	917,702	(159,606)	89,686	4,725,465	14,908
NON-OPERATING REVENUES (EXPENSES)						
Interest and Investment Revenue	133,603	105,133	44,631	928	284,295	-
Impact Fees	203,650	1,539,487	811,723	-	2,554,860	-
Capital Grant	252,337	175,456	977,633	-	1,405,427	-
Miscellaneous	10,000	-	15,000	-	25,000	(10,000)
Interest Expense	(106,643)	(110,599)	(122,635)	-	(339,877)	-
Total Non-Operating Revenues (Expenses)	492,947	1,709,477	1,726,352	928	3,929,704	(10,000)
Income Before Transfers	4,370,630	2,627,179	1,566,746	90,614	8,655,169	4,908
Transfers In (Out)	(2,500,000)	(500,000)	-	500,000	(2,500,000)	-
Change in Net Position	1,870,630	2,127,179	1,566,746	590,614	6,155,169	4,908
Net Position - Beginning of Year	29,052,123	22,842,592	15,544,799	559,319	67,998,833	205,316
Net Position - End of Year	\$ 30,922,753	\$ 24,969,771	\$ 17,111,545	\$ 1,149,933	\$ 74,154,002	\$ 210,224

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, 2021

	ENTERPRISE FUNDS					<i>Governmental Activities - Internal Service Fund</i>
	Electric	Water	Sewer	Solid Waste	Total	
Cash Flows from Operations:						
Receipts from Customers	\$ 24,512,159	\$ 2,923,888	\$ 4,572,739	\$ 1,340,924	\$ 33,349,710	\$ 2,793,014
Other Operating Receipts	321,412	76,072	5,079	25,923	428,486	-
Payments to Suppliers	(17,154,955)	(1,358,580)	(2,978,308)	(759,709)	(22,251,552)	(907,513)
Payments to Employees	(2,610,703)	(309,739)	(515,719)	(377,582)	(3,813,742)	(1,662,786)
Insurance Premiums Paid	(81,218)	(20,663)	(12,181)	(10,322)	(124,385)	(8,428)
Net Cash Provided by Operating Activities	4,986,695	1,310,978	1,071,610	219,233	7,588,516	214,288
Cash Flows from Non-Capital Financing Activities						
Operating Transfers In (Out)	(2,500,000)	(500,000)	-	500,000	(2,500,000)	-
Net Cash Flows Provided by (Used in) Non-Capital Financing Activities	(2,500,000)	(500,000)	-	500,000	(2,500,000)	-
Cash Flows Provided by (Used in) Capital and Related Financing Activities:						
Net cash for additions to Capital Assets	(1,226,977)	(722,880)	(275,385)	-	(2,225,242)	(133,024)
Principal Paid on Debt	(225,000)	(254,675)	(263,105)	-	(742,780)	-
Interest Paid on Debt	(106,643)	(110,599)	(122,635)	-	(339,877)	-
Interfund Loan Repayments	10,000	500,000	-	(500,000)	10,000	(10,000)
Capital Grant	252,337	-	30,596	-	282,933	-
Impact Fees and Other Development Fees	203,650	1,539,487	811,723	-	2,554,860	-
Net Cash Flows Provided by (Used in) Capital and Related Financing Activities	(1,092,633)	951,333	181,194	(500,000)	(460,106)	(143,024)
Cash Flows from Investing Activities						
Net Proceeds/(Purchases) from Sales and Maturities of Short-Term Investments	(2,615,710)	563,511	409,821	(71,430)	(1,713,807)	-
Income on Investments	133,603	105,133	44,631	928	284,296	-
Net Cash Flows Provided by (Used in) Investing Activities	(2,482,107)	668,644	454,452	(70,502)	(1,429,512)	-
Net Increase (Decrease) in Cash and Cash Equivalents	(1,088,045)	2,430,956	1,707,256	148,732	3,198,899	71,264
Cash and Cash Equivalents - Beginning of Year	6,274,880	3,589,468	2,204,433	364,753	12,433,534	272,478
Cash and Cash Equivalents - End of Year	\$ 5,186,835	\$ 6,020,424	\$ 3,911,689	\$ 513,485	\$ 15,632,433	\$ 343,742
Cash Flows from Operating Activities						
Operating Income (Loss)	\$ 3,877,683	\$ 917,702	\$ (159,606)	\$ 89,686	\$ 4,725,465	\$ 14,908
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:						
Depreciation and Amortization	1,284,002	593,031	597,769	128,414	2,603,216	23,025
Effect of Changes in Operating Assets & Liabilities:						
Accounts Receivable, net	(282,855)	(47,501)	(89,037)	(6,913)	(426,306)	(104,881)
Inventory	(80,058)	(3,881)	-	-	(83,938)	(13,228)
Accounts Payable & Accrued Expenses	226,603	(152,025)	719,075	(442)	793,211	64,500
Salaries Payable	(6,504)	2,407	2,165	(462)	(2,394)	(14,944)
Customer Deposits	(12,047)	-	-	3,550	(8,497)	250,779
Liability for Compensated Absences	(20,129)	1,243	1,243	5,401	(12,241)	(5,871)
Net Cash Provided by Operating Activities	\$ 4,986,695	\$ 1,310,978	\$ 1,071,610	\$ 219,233	\$ 7,588,516	\$ 214,288

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



NOTES TO THE BASIC FINANCIAL STATEMENTS

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. GAAP 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, 2021. Please note that slight differences may exist due to rounding.

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 GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results may differ from those estimates.

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 control 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 following year. As of June 30, 2021, 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.

The City uses Fund Accounting to provide separate financial statements for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements, while non-major funds are consolidated and reported in a single column 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.

Non-Major Governmental Fund – This fund accounts for revenues derived from activities provided by the City's parks and recreation department, which include primarily youth and adult sports leagues, summer camps and clinics. In addition, the fund accounts for building permit revenue levied for specific recreational and public safety initiatives, the latter of which are restricted for local fire and ambulance companies.

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.

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.

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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.

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 internal service fund consists of garage supplies, meter parts and fittings, gasoline and diesel fuel 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.

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 activities, the liability for compensated absences is split between current and non-current liabilities in the government-wide financial statements. Only the current portion of compensated absences is reported on the governmental funds balance sheet. 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 statements 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 are reported as debt service expenditures.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Subsequent Events

Subsequent events were evaluated through the opinion date, which is the date the financial statements were available to be issued. Management of the City have disclosed (1) the execution of a bond anticipation note (BAN) directly placed with a commercial bank as approved by City Council and authorized following 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, (2) the \$6.5 million acquisition of 182.3 acres of land on December 15, 2021 for the purpose of developing a business campus within the City of Milford, and (3) the \$0.5 million acquisition of 19.4 acres of land on December 15, 2021 for the purpose of assembling a greenway through Milford. Please see note 19: Subsequent Events for additional detail. 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 position that relate 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 generally include pension contributions made subsequent to the measurement date but may also include differences in pension plan actuarial data between measurement dates, such as differences between expected and actual plan experience, the effect of actuarial assumption changes, actual investment earnings below expected earnings on plan assets, and changes in the City's proportion of the broader plan. 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 position that apply to future periods are recorded as deferred inflows of resources in a separate section of the City's government-wide statement of net position. Deferred inflows of resources may include differences in pension plan actuarial data between measurement dates, such as differences between expected and actual plan experience, the effect of actuarial assumption changes, actual pension plan investment earnings in excess of projected amounts, and changes in the City's proportion of the broader plan.

Deferred outflows and inflows of resources, excluding employer-specific amounts, will be recognized as pension expense over a total of five years, including the current year.

Government-Wide and Proprietary Fund Net Positions

Net position represents the extent to which the sum of assets and deferred outflows of resources differ from the sum of liabilities and deferred inflows of resources. 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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the City's policy is to apply restricted net position first.

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 due to the City Charter, 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.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended by fund balance class follows: restricted, followed by committed, assigned and lastly unassigned.

Interfund Transactions

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 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 necessary to prepare the capital asset for its intended use are in progress.
- Interest expense is being incurred.

No capitalizable interest was incurred during the year ended June 30, 2021.

CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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 Position

The governmental fund balance sheet includes a reconciliation between total governmental fund balances and net position of governmental activities in the government-wide statement of net position. The difference results from the long-term economic focus on the statement of net position 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 position. The details of these differences are presented below:

	All Governmental	Internal Service Funds	Governmental, excluding Internal Service Funds
Land	\$ 8,145,959	\$ -	\$ 8,145,959
Construction in Progress	986,118	87,912	898,206
Utility System & Infrastructure	10,467,446	-	10,467,446
Buildings and Improvements	5,263,295	21,340	5,241,955
Equipment and Vehicles	6,781,340	253,404	6,527,936
Less: Accumulated Depreciation	(14,205,952)	(149,644)	(14,056,308)
Net Difference in Capital Assets	<u>\$ 17,438,206</u>	<u>\$ 213,012</u>	<u>\$ 17,225,194</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	\$ (873,589)
Deferred Outflow of Resources - Pension	1,593,059
Deferred Inflow of Resources - Pension	(828,554)
Net Pension Liability	(608,858)
Contingencies, net of Other Changes in Liabilities	(203,516)
Total Current and Long-Term Liability Differences	<u>\$ (921,458)</u>

Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities.

The governmental fund financial statements include a reconciliation between changes in fund balances in the governmental funds and changes in net position in the government-wide statement of activities. The differences primarily result from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental fund financial statements.

CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 2: RECONCILIATION OF GOV'T-WIDE AND FUND FINANCIAL STATEMENTS, CONTINUED

Capital Outlay Differences

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

	All Governmental	Internal Service Funds	Governmental, excluding Internal Service Funds
Capital Outlay	\$ 1,012,931	\$ 133,024	\$ 879,907
Depreciation and Amortization	(797,577)	(23,025)	(774,552)
Net Difference	<u>\$ 215,354</u>	<u>\$ 109,999</u>	<u>\$ 105,355</u>

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	\$ 25,435
Net Change in Pension Liability and Pension Deferred Inflows/Outflows	127,727
Other Liabilities	(203,516)
Total Current and Long-Term Liability Differences	<u>\$ (50,354)</u>

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, 2021 does not differ materially from the aggregate carrying values of its financial instruments as reported in the accompanying balance sheet and statement of net position.

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, 2021 was 4.60 mills (\$4.60 per \$1,000 of assessed valuation, or "AV"), and is commonly expressed as \$0.46 per \$100 of AV. The City executes the annual tax billing, periodic supplemental billing and all real estate tax payment collection internally, though property assessment is conducted by a professional firm through a contractual arrangement. Delinquent taxes are subject to lien by the City. The schedules of real estate taxes levied for the fiscal year 2021 follow:

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, 2021 were \$3,072 and \$1,623 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 Position and in the government-wide Statement of Activities the impact fee monies, as required by GASB No. 33. Restricted net position as of June 30, 2021 attributable to cumulative impact fee collections is \$8,688,456.

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, 2021, no transfers qualified as interfund loans, and one interfund transaction among subsidiary funds related to funding of capital expenditures nets to \$0 in the governmental funds.

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

It is the policy of the City of Milford to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City, while conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objective of the policy is safety (preservation of capital), followed by liquidity, and lastly yield.

The City of Milford utilizes a pooled cash and investment concept for all funds to maximize transactional efficiency and the effectiveness of its investment management program. Investment income from this internal pooling is allocated to the respective funds based upon the sources of funds invested. The deposits and investments associated with the City's participation in the State of Delaware Police and Firefighters' Pension Fund and the State of Delaware County and Municipal Pension Plans are held and managed separately.

CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 8: CASH AND INVESTMENTS, CONTINUED

Custodial Credit Risk

Custodial credit risk is the risk of loss of City deposits in the event of financial institution failure. The City maintains a formal deposit policy within its broader Investment Policy Statement to manage custodial credit risk. As of June 30, 2021, the City of Milford's bank balances totaled \$29,178,660. FDIC insurance applied to \$250,000 of the deposits, while the remainder of \$28,928,660 was hedged against custodial credit risk because it was collateralized with securities pledged by the City's financial institution and held by its custodian in the name of the City of Milford. Deposits are classified as Category 1 if fully insured, registered or held by the agent in the City's name. The carrying amount of the deposits as of June 30, 2021 was \$28,733,915 and is reported in the financial statements as follows:

Government-wide Statement of Net Position	
Governmental Activities	\$13,101,482
Business-type Activities	<u>15,632,433</u>
Total carrying amount of deposits	<u><u>\$28,733,915</u></u>

Investments

The City of Milford investment policy authorizes the City to invest in obligations of the U.S. Treasury, Federal Agencies, mutual funds invested in securities issued or guaranteed by the U.S. Government and any Federal Agencies, mutual funds invested in corporate debt instruments, registered investment companies (money market funds), repurchase agreements, certificates of deposit, time deposits, taxable and tax-exempt municipal bonds, commercial paper, corporate bonds, and any State of Delaware local government investment pool.

Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the City of Milford manages its exposure to declines in fair values by limiting the maximum maturity length of investments by security class and investment objective. Certain short-term corporate debt instruments are limited to final maturity of 270-365 days, while certificates of deposit, municipal and corporate bonds are limited to three years or five years depending on the investment objective.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The City of Milford investment policy requires that fixed income securities have a dollar-weighted average credit rating no less than the minimum credit rating at the time of purchase, as rated by Moody's, S&P Ratings and/or Fitch Ratings. The policy has no rating restrictions on the securities issued by the U.S. Government or any of its agencies. Unless FDIC insured, short-term corporate debt instruments must be issued by domestic institutions and carry a short-term rating of A-1 or P-1 by S&P Ratings or Moody's, respectively. Issuers of long-term corporate and municipal debt must hold a long-term rating of at least BBB+, Baa1 or BBB+ by S&P Ratings, Moody's or Fitch Ratings, respectively.

CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 8: CASH AND INVESTMENTS, CONTINUED

Custodial credit risk - investments

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City of Milford will not be able to recover the value of its investments or collateral securities that are in the possession of a third party. To limit its exposure, the City’s investment policy requires all security transactions that are exposed to custodial credit risk to be processed before the release of City funds on a delivery versus payment (DVP) basis with the underlying investments held by an independent third-party custodian acting as the City of Milford’s agent, in the name of the City of Milford, and evidenced by safekeeping receipts in the City’s name.

Concentration of credit risk

The concentration of credit risk is the risk of loss that may be caused by the City of Milford’s investment in a single issuer. The City’s investment policy limits the amount of the portfolio that can be invested in any one investment vehicle to no more than 20% of the portfolio, except for U.S. Treasury obligations or securities issued by agencies of the U.S. Government.

The City of Milford’s investment policy specifically prohibits the use of or the investment in derivatives and tri-party repurchase agreements.

Fair value of investments

The City of Milford measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than those in Level 1; and
- Level 3: Unobservable inputs.

As of June 30, 2021, the Government had the following investments:

Year Ended June 30, 2021			
Description	Category	Market Value	Carrying Value
Money Market Funds			
PFM Asset Management, LLC	1	\$ 9,432,721	\$ 9,432,721
Wilmington Savings Fund Society, NA	1	20,000,000	20,000,000
Total Investments		\$ 29,432,721	\$ 29,432,721

CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 9: CAPITAL ASSETS

The following schedule presents the capital activity of governmental activities for the fiscal year, including Internal Service Funds:

Year Ended June 30, 2021					
Asset Categories by Function	Balances 7/1/2020	Additions	Reductions	Adjustments & Transfers	Balances 6/30/2021
<u>Total Governmental</u>					
Capital Assets:					
Land	\$ 8,144,967	\$ 11,065	\$ 10,073	\$ -	\$ 8,145,959
Street Improvements	10,367,446	100,000	-	-	10,467,446
Buildings and Improvements	5,155,254	108,041	-	-	5,263,295
Vehicles and Equipment	6,557,847	330,310	106,817	-	6,781,340
Construction in Progress	522,603	463,515	-	-	986,118
Total Governmental Capital Assets	30,748,117	1,012,931	116,890	-	31,644,158
Accumulated Depreciation	(13,515,191)	(797,577)	(106,816)	-	(14,205,952)
Total Governmental Capital Assets, Net	\$ 17,232,926	\$ 215,354	\$ 10,074	\$ -	\$ 17,438,206

The following schedule presents the capital activity of governmental activities for the fiscal year, excluding Internal Service Funds:

Year Ended June 30, 2021					
Asset Categories by Function	Balances 7/1/2020	Additions	Reductions	Adjustments & Transfers	Balances 6/30/2021
<u>Governmental, excluding Internal Service Funds</u>					
Capital Assets:					
Land	\$ 8,144,967	\$ 11,065	\$ 10,073	\$ -	\$ 8,145,959
Street Improvements	10,367,446	100,000	-	-	10,467,446
Buildings and Improvements	5,133,914	108,041	-	-	5,241,955
Vehicles and Equipment	6,349,555	285,198	106,817	-	6,527,936
Construction in Progress	522,603	375,603	-	-	898,206
Total Governmental Capital Assets	30,518,485	879,907	116,890	-	31,281,502
Accumulated Depreciation	(13,388,572)	(774,552)	(106,816)	-	(14,056,308)
Total Governmental Capital Assets, Net	\$ 17,129,913	\$ 105,355	\$ 10,074	\$ -	\$ 17,225,194

CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 9: CAPITAL ASSETS, CONTINUED

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

Asset Categories by Function	Year Ended June 30, 2021				
	Balances 7/1/2020	Additions	Reductions	Adjustments & Transfers	Balances 6/30/2021
<u>Electric Fund:</u>					
Land	\$ 2,460,507	\$ -	\$ -	\$ -	\$ 2,460,507
Construction in Progress	-	100,008	-	-	100,008
Buildings and Improvements	7,056,015	-	-	-	7,056,015
Electric System	19,400,654	551,510	-	-	19,952,164
Vehicles and Equipment	4,084,171	575,197	616,323	-	4,043,045
Total Capital Assets	33,001,347	1,226,714	616,323	-	33,611,738
Accumulated Depreciation	(17,582,301)	(1,284,002)	(616,323)	-	(18,249,980)
Net Book Value	15,419,046	(57,288)	0	-	15,361,758
<u>Water Fund:</u>					
Land	27,369	5,885	-	-	33,254
Construction in Progress	-	175,456	-	-	175,456
Buildings and Improvements	118,251	4,827	-	-	123,078
Water System	22,468,335	373,888	-	-	22,842,223
Vehicles and Equipment	1,878,608	162,824	147,676	-	1,893,756
Total Capital Assets	24,492,563	722,880	147,676	-	25,067,767
Accumulated Depreciation	(9,017,428)	(593,031)	(147,676)	-	(9,462,783)
Net Book Value	15,475,135	129,849	0	-	15,604,984
<u>Sewer Fund:</u>					
Land	28,638	-	-	-	28,638
Construction in Progress	-	8,429	-	-	8,429
Buildings and Improvements	159,229	4,828	-	-	164,057
Waste Water System	22,386,158	1,041,986	-	-	23,428,144
Vehicles and Equipment	1,432,172	231,867	220,668	-	1,443,371
Total Capital Assets	24,006,197	1,287,110	220,668	-	25,072,639
Accumulated Depreciation	(10,062,924)	(597,769)	(220,668)	-	(10,440,025)
Net Book Value	13,943,273	689,341	0	-	14,632,614
<u>Solid Waste Fund:</u>					
Buildings and Improvements	5,650	-	-	-	5,650
Vehicles and Equipment	1,473,128	-	137,757	-	1,335,371
Total Capital Assets	1,478,778	-	137,757	-	1,341,021
Accumulated Depreciation	(767,902)	(128,414)	(137,757)	(5,740)	(764,299)
Net Book Value	\$ 710,876	\$ (128,414)	0	\$ (5,740)	\$ 576,723

CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 9: CAPITAL ASSETS, CONTINUED

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

Asset Categories by Function	Year Ended June 30, 2021				Balances 6/30/2021
	Balances 7/1/2020	Additions	Reductions	Adjustments & Transfers	
<u>Total Enterprise Funds</u>					
Land	\$ 2,516,514	\$ 5,885	\$ -	\$ -	\$ 2,522,399
Construction in Progress	-	283,893	-	-	283,893
Buildings and Improvements	7,339,145	9,655	-	-	7,348,800
Electric System	19,400,654	551,510	-	-	19,952,164
Water System	22,468,335	373,888	-	-	22,842,223
Waste Water System	22,386,158	1,041,986	-	-	23,428,144
Vehicles and Equipment	8,868,079	969,887	1,122,424	-	8,715,542
Total Fixed Assets	82,978,885	3,236,703	1,122,424	-	85,093,164
Accumulated Depreciation	(37,430,556)	(2,603,216)	(1,122,424)	(5,740)	(38,917,088)
Net Book Value	\$ 45,548,329	\$ 633,487	\$ 0	\$ (5,740)	\$ 46,176,076

The following schedule summarizes the activity of internal service fund activities for the fiscal year:

Asset Categories by Function	Year Ended June 30, 2021				Balances 06/30/21
	Balances 7/1/2020	Additions	Reductions	Adjustments & Transfers	
<u>Internal Service Funds:</u>					
Land	\$ -	\$ -	\$ -	\$ -	\$ -
Buildings and Improvements	21,340	-	-	-	21,340
Vehicles and Equipment	208,292	45,112	-	-	253,404
Construction in Progress	-	87,912	-	-	87,912
Total Internal Service Funds	229,632	133,024	-	-	362,656
Accumulated Depreciation	(126,619)	(23,025)	-	-	(149,644)
Total Internal Service Funds, Net	\$ 103,013	\$ 109,999	\$ -	\$ -	\$ 213,012

Depreciation expense for governmental activities, which amounted to \$774,552 (exclusive of internal service funds) for the year ended June 30, 2021, was charged to the general government function of the primary government. Depreciation expense of \$2,603,216 for the business-type activities was charged to the funds as noted above.

CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 10: LONG-TERM DEBT OBLIGATIONS

Long-Term liability activity for the year ended June 30, 2021 is summarized as follows:

	Year Ended June 30, 2021				
	Balances 06/30/20	Additions	Reductions	Balances 06/30/21	Current Portion
Governmental Activities:					
Net Pension Liability	\$ 1,131,610	\$ 223,362	\$ (746,114)	\$ 608,858	\$ -
Compensated Absences	1,244,448	-	(149,563)	1,094,885	108,406
Governmental Activities					
Total Debt Obligations:	<u>\$ 2,376,058</u>	<u>\$ 223,362</u>	<u>\$ (895,677)</u>	<u>\$ 1,703,743</u>	<u>\$ 108,406</u>
Business-Type Activities:					
General Obligation Bonds					
Series 2016	\$ 7,100,000	\$ -	\$ (415,000)	\$ 6,685,000	\$ 425,000
Bond Premium	26,562	-	(1,856)	24,706	1,856
Total General Obligation Bonds	7,126,562	-	(416,856)	6,709,706	426,856
State of Delaware					
DNREC WPC RF, 2010	592,820	-	(26,924)	565,896	55,203
Water SRF, 2012A	2,258,670	-	(157,078)	2,101,592	158,653
Note Payable, Kent County	1,121,991	-	(25,914)	1,096,077	26,502
USDA Notes Payable					
Water Facilities, 2013	4,196,565	-	(97,597)	4,098,968	99,681
Sewer Facilities, 2019	594,772	-	(9,702)	585,070	19,553
Sewer Facilities, 2020	-	1,000,000	(10,564)	989,436	10,737
Total Bonds and Notes Payable	<u>15,891,380</u>	<u>1,000,000</u>	<u>(744,636)</u>	<u>16,146,744</u>	<u>797,185</u>
Other Liabilities					
Compensated Absences	165,517	-	(12,241)	153,276	29,155
Business-Type Activities					
Total Debt Obligations:	<u>\$ 16,056,897</u>	<u>\$ 1,000,000</u>	<u>\$ (756,877)</u>	<u>\$ 16,300,020</u>	<u>\$ 826,340</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.

NOTE 10: LONG-TERM DEBT OBLIGATIONS, CONTINUED

General Obligation Bonds, Series 2016

On December 6, 2016, the City issued General Obligation Bonds, Series 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, 2021. The current refunding resulted in net cash outflows of \$261,788 in fiscal year 2017 while representing an economic gain (difference between the present values of the debt service payments on the old and new debt) of about \$1.3 million.

United States Department of Agriculture (USDA)

Water Facility 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, 2021 is \$4,098,968, 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 2.125% on the outstanding balance, which the remainder of each payment applied to the principal balance. The note is scheduled to mature June 28, 2053.

Sewer Facility Loans

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 related 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%; the actual rate as determined at final loan closing in December 2020 was 1.25%. 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 2021 and the City expended a cumulative total of \$1 million through June 30, 2021 under phase two of the loan program to reach the cumulative total of \$1.6 million across both

NOTE 10: LONG-TERM DEBT OBLIGATIONS, CONTINUED

phases. The balance of the 2019 facilities loan as of June 30, 2021 is \$585,070, representing the balance attributable to phase one project financing. The balance of the 2020 facilities loan as of June 30, 2021 is \$989,436, representing the balance attributable to phase one project financing. Under terms of the notes, the City is required to make quarterly payments in the amount of \$5,226 and \$7,960, which include interest calculated at the fixed annual rate of 1.75% and 1.25% on the outstanding balance of the phase one and two loans, respectively, with the remainder of each payment applied to the corresponding principal balance. The notes underlying loans phase one and two are scheduled to mature on December 31, 2059 and 2060, respectively.

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, 2021, is \$565,896. Semi-annual payments of \$32,852 include interest calculated at an annual rate of 2.0%. The note is scheduled to mature of 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 Funding 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 balancing 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, 2021 is \$2,101,592. 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

CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 10: LONG-TERM DEBT OBLIGATIONS, CONTINUED

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, 2021 is \$1,096,077 and is scheduled to mature November 10, 2050.

Long-Term Debt outstanding as of June 30, 2021 is summarized as follows:

Obligation	Interest Rate (%)	Issue Date	Maturity Date	Amounts Outstanding as of June 30, 2021 (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	\$ 4,290	\$ -	\$ 2,395	\$ 6,685
Premium, Series of 2016	2.00-2.55	12/6/16	1/1/37	16	-	8	25
USDA							
Note Payable, 2013	2.125	6/28/13	6/28/53	-	4,099	-	4,099
Note Payable, 2019	1.750	12/31/19	12/31/59	-	-	584	584
Note Payable, 2020	1.250	12/31/20	12/31/60	-	-	990	990
State of Delaware							
DNREC WPC RF, 2010	2.00	12/22/09	7/1/30	-	-	566	566
Drinking Water SRF, 2012A	1.00	3/15/12	9/1/33	-	2,102	-	2,102
Kent County, 2012	2.25	11/12/12	11/10/50	-	-	1,096	1,096
Total Long-Term Debt Obligations				\$ 4,306	\$ 6,201	\$ 5,640	16,147

The annual requirements to amortize all debt outstanding as of June 30, 2021 follow:

Year Ending June 30	Principal	Interest	Total
2022	\$797,185	\$302,972	\$1,100,157
2023	812,519	288,493	1,101,012
2024	823,451	273,801	1,097,252
2025	839,554	258,787	1,098,341
2026	855,733	243,497	1,099,230
2027-2031	4,477,371	977,363	5,454,734
2032-2036	3,163,089	594,990	3,758,079
2037-2041	1,423,334	350,193	1,773,527
2042-2046	1,219,667	228,455	1,448,122
2047-2051	1,287,874	98,693	1,386,567
2052-2056	239,764	23,955	263,719
2057-2061	207,203	7,245	214,448
Total	\$16,146,744	\$3,648,444	\$19,795,188

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.

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 \$299,713 for the year ended June 30, 2021.

NOTE 13: ADOPTION OF GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS

The City adopted the provisions of GASB Statement No. 84, *Fiduciary Activities* which resulted in a restatement which is further described in Note 16.

The City also adopted GASB Statement No. 93, *Replacement of Interbank Offered Rates*, GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, and GASB Statement No. 98, *The Annual Comprehensive Financial Report*. The adoption of these Statements had no effect on previously reported amounts.

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NOTE 14: PENDING CHANGES IN ACCOUNTING PRINCIPLES

The GASB has approved the following:

- Statement No. 87, *Leases*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 99, *Omnibus 2022*
- Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*
- Statement No. 101, *Compensated Absences*

The City has not yet completed the various analysis required to estimate the financial impact of these new pronouncements.

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NOTE 15: POST-RETIREMENT BENEFITS

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.

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 and Firefighter and the General Employees Retirement Funds. In connection with this election, the City agreed to fund prior service costs up to the maximum of 15 years of service for all eligible employees. Funding was provided from the City’s Water and Sewer reserves and from assets of its existing retirement funds. Descriptions of the State of Delaware Plans, 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 the State Board of Pension Trustees. 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 composed 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 consecutive 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 State 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 2021 was 16.84% of payroll. In addition, employees are required to contribute 7% of compensation.

NOTE 15: POST-RETIREMENT BENEFITS, 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 the State Board of Pension Trustees. 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 composed 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 State Board of Pension Trustees. The employer contribution policy is set by State law and required contribution by active members and by participating employers. The contributions required by participating employers are based on 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 2021 was 7.28% 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, 2020 measurement date were as follows:

	<u>Police & Firefighters</u>	<u>Other Employees</u>
Total pension liability	\$ 461,752,000	\$ 69,593,575
Plan fiduciary net position	446,384,000	67,470,200
Employer net pension liability	<u>15,368,000</u>	<u>2,123,375</u>
Plan fiduciary net position as percentage of total pension liability	<u>96.67%</u>	<u>96.95%</u>
Proportionate share of net pension liability	<u>\$ 406,563</u>	<u>\$ 202,295</u>

CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 15: POST-RETIREMENT BENEFITS, CONTINUED

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate net pension liability was determined by rolling forward the DPERs total pension liability as of June 30, 2019 to June 30, 2020. The City's proportionate share of the net pension liability was calculated utilizing the employer's one-year reported covered payroll as it related to the total one-year reported covered payroll. As of June 30, 2020 and 2019, the City's proportion for each plan is as follows:

	June 30, 2020	June 30, 2019	Increase (Decrease)
Police & Firefighters	2.6455%	2.4289%	0.2166%
Other Employees	9.5271%	9.4728%	0.0542%

For the year ended June 30, 2021, the City recognized pension expense for the plans as follows:

Police & Firefighters	\$	401,073
Other Employees		303,727
Total	\$	704,800

As of June 30, 2021, 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	\$ 404,508	\$ 128,104	\$ 141,312	\$ 142,731
Change of assumptions	150,109	61,420	119,179	-
Net difference between projected and actual investment earnings	-	288,245	-	151,301
Change in proportion	33,332	17,152	1,279	39,601
Contributions subsequent to the measurement date	412,206	-	331,134	-
Total	\$ 1,000,155	\$ 494,921	\$ 592,904	\$ 333,633

CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 15: POST-RETIREMENT BENEFITS, CONTINUED

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year	Police & Fire	Other Employees	Total
2021	\$ (81,257)	\$ (49,853)	\$ (131,110)
2022	(22,951)	(20,796)	(43,747)
2023	35,700	17,218	52,918
2024	(7,421)	(5,457)	(12,878)
2025	53,081	(3,551)	49,530
Thereafter	115,876	(9,424)	106,452
Total	\$ 93,028	\$ (71,863)	\$ 21,165

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2019, and update procedures were used to roll forward the total pension liability to June 30, 2020. 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.

CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 15: POST-RETIREMENT BENEFITS, CONTINUED

Best estimates of geometric real rates of return for each major asset class as of June 30, 2020 are summarized in the following table:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	28.5%	5.7%
International Equity	15.2%	5.7%
Fixed Income	28.8%	2.0%
Alternative Investments	23.0%	7.8%
Cash & Equivalents	4.5%	0.0%

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 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Police and Firefighters	\$ 2,263,001	\$ 406,563	\$ (1,108,630)
Other Employees	\$ 1,228,704	\$ 202,295	\$ (640,027)

Pension Plan Fiduciary Net Position

Detailed information about DPERS’ fiduciary net position is available in DPERS Comprehensive Annual Financial Report which can be found on the System’s website at <https://open.omb.delaware.gov>.

CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 16: RESTATEMENT OF NET POSITION / FUND BALANCE:

IMPLEMENTATION OF GASB STATEMENT NO. 84, FIDUCIARY ACTIVITIES

The City implemented GASB Statement No. 84, *Fiduciary Activities*, for the period ended June 30, 2021. As a result, a prior period adjustment was required to recognize certain Parks and Recreation permit revenue totaling \$93,400 through June 30, 2020 previously accumulated and reported as a fiduciary obligation related to the development of parks and recreation facilities. Parks and recreation permit fees of \$42,700 collected during the fiscal year ended June 30, 2021 were reported as cash and assigned fund balance on the Governmental Funds Balance Sheet and Statement of Net Position, as licenses and permits revenue on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances, and as culture and recreation capital grants and contributions on the Government Wide Statement of Activities. Similarly, a prior period adjustment was required to recognize certain permit fee collections totaling \$486,792 through June 30, 2020 previously accumulated and reported as a fiduciary obligation to offset the impact of growth and development on local fire and rescue resources. Enhancement funding fees generated through building permit assessments totaling \$133,880 during the fiscal year ended June 30, 2021 were reported as cash and restricted fund balance on the Governmental Funds Balance Sheet and Statement of Net Position, as licenses and permits revenue on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances, and as public safety capital grants and contributions on the Government Wide Statement of Activities. Additionally, \$436,145 in sewer impact fees collected on behalf of Kent County in connection with the County’s investment in sewer infrastructure utilized by the City of Milford for the treatment and disposal of wastewater were reported as cash and restricted net position on the Proprietary Funds and Government Wide Statements of Net Position. Through the period ended June 30, 2020, sewer impact fees collected on behalf of Kent County were reported in the fiduciary funds.

UNDERSTATEMENT OF PAYABLES

Noncurrent liabilities understated in the Government-Wide Statement of Net Position as of June 30, 2020 are reflected in the Government-Wide Statement of Activities Net Position – Beginning of Year as Restated for the Year Ended June 30, 2021.

	Governmental Activities	General Fund	Non-Major Governmental Fund
Net Position/Fund Balance, as previously stated	\$ 25,937,415	\$ 4,825,181	\$ 129,509
Understatement due to change in custodial funds	580,192	93,400	486,792
Understatement of payables	(387,694)	-	-
Net Position/Fund Balance, as restated	<u>\$ 26,129,913</u>	<u>\$ 4,918,581</u>	<u>\$ 616,301</u>

NOTE 17: 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 dated January 1, 2004 (the "Agreement"), 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 & 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 energy markets.

NOTE 18: IMPACT OF CORONAVIRUS (COVID-19):

The World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The pandemic is affecting global markets, supply chains, labor, and communities, including the City of Milford. Specific to the City of Milford, COVID-19 may impact various 2022 operations and financial results, including but not limited to the City's utility and real estate tax collections, utility revenue, lodging tax revenue due to travel restrictions, Parks and Recreation activity due to safety and distancing requirements, and other events, as well as increases in expenditures for emergency preparedness. 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 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 2022. However, no events occurring during the reporting period and no events occurring during the period from July 1, 2021 through the opinion date 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. Further, the City of Milford was a

NOTE 18: IMPACT OF CORONAVIRUS (COVID-19), CONTINUED:

recipient of funding through the American Rescue Plan Act of 2021 (“ARPA”), which provided a significant level of support to defray any emergency expenditures, meet infrastructure needs and replace revenue shortfalls. Specifically, the City of Milford is categorized as a Non-entitlement Unit of Local Government in the US Department of the Treasury Final Rule governing Coronavirus State and Local Fiscal Recovery Funds. As such, the City’s ARPA funding allocation of \$6,333,892, payable in two equal, annual tranches, was population-driven. The first tranche in the amount of \$3,166,946 was received in June 2021. \$224,750 of the funding was utilized before June 30, 2021, leaving the balance of \$2,942,196 reported as restricted cash and unearned revenue in the special revenue fund in the governmental funds balance sheet on page 17. The second tranche payment of \$3,166,946 was received in June 2022.

NOTE 19: SUBSEQUENT EVENTS:

Bond Anticipation Note (BAN), Series 2021 – Police Facility Contract Award

The City closed on a bond anticipation note (BAN), series 2021 with PNC Bank, N.A. in an amount not to exceed \$20 million on November 30, 2021 as authorized by Council on December 14, 2020 and approved by referendum on January 26, 2021. The temporary, construction-period loan bears a variable rate of interest calculated daily based on the tax-exempt equivalent of the Bloomberg Short Term Bank Yield Index or “BSBY” plus a fixed margin, subject to a floor of 1.08%, billed monthly as applied only to outstanding principal balances drawn. The loan matures on November 30, 2024, at which point the entire principal balance is due and payable in full. The City anticipates satisfying the BAN in full on or before the maturity date with a permanent issuance of long-term, tax-exempt general obligation bonds at a fixed rate of interest. City Council awarded construction contracts totaling \$13,650,954 in April 2022 to build the police facility. As of the issue date, the City incurred construction expenses totaling \$1,686,461 on the project, of which \$80,899 was withheld as retainage, \$22,012 is payable, and \$1,583,550 was satisfied through draws against the BAN.

Property Acquisition – Business Campus

On December 15, 2021, the City acquired agricultural property containing 182 acres of land for the purpose of developing a business campus with commercial and industrial uses. The City’s cash reserves were utilized for the acquisition; no debt issuance or other financing was used to support the acquisition. The City expects to fund the utility and road infrastructure with a combination of utility reserves, intergovernmental grants, fees and other ongoing revenues.

Property Acquisition – Greenway/Trail System

On December 15, 2021, the City acquired agricultural property containing 19 acres of land for the purpose of preserving undeveloped lands and creating a greenway through a natural corridor to interconnect several areas of the City with a series of parks, trails and open space. The City’s cash reserves were utilized for the acquisition; no debt issuance or other financing was used to support the acquisition. The City expects to fund development of parks and trails with a combination of governmental fund reserves, intergovernmental grants, fees and other revenues.



The City of Milford

Required Supplementary Information

As of and for the Year Ended June 30, 2021

**CITY OF MILFORD, DE
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Taxes	\$ 4,316,000	\$ 4,316,000	\$ 4,340,239	\$ 24,239
Fees and Fines	114,000	118,000	135,538	17,538
Licenses and Permits	418,000	534,290	1,138,216	603,926
Franchise & Lease Revenue	369,100	369,100	399,787	30,687
Charges for Services	80,007	99,507	120,070	20,563
Intergovernmental	379,368	738,191	508,131	(230,060)
Investment Earnings	20,000	20,000	33,528	13,528
Miscellaneous	15,000	78,655	229,525	150,870
Total Revenues	<u>5,711,475</u>	<u>6,273,743</u>	<u>6,905,034</u>	<u>631,290</u>
EXPENDITURES				
Current:				
General Government	4,026,589	4,269,309	1,815,022	2,454,287
Public Safety	5,694,739	5,973,076	5,560,531	412,545
Public Works	793,646	793,646	644,166	149,480
Culture and Recreation	1,080,966	1,088,542	929,293	159,249
Capital Outlay	403,200	1,282,741	563,038	719,703
Total Expenditures	<u>11,999,140</u>	<u>13,407,314</u>	<u>9,512,050</u>	<u>3,895,264</u>
Deficiency of Revenues Over Expenditures	<u>(6,287,665)</u>	<u>(7,133,571)</u>	<u>(2,607,016)</u>	<u>4,526,554</u>
OTHER FINANCING SOURCES				
Real Estate Transfer Tax (from Special Revenue Fund)	500,000	500,000	500,000	-
Transfers In From Electric Fund	2,500,000	2,500,000	2,500,000	-
Proceeds from Sale of Assets	5,000	5,000	147,795	142,795
Other Transfers In	1,336,759	2,162,089	367,635	(1,794,454)
Transfers Out	(12,144)	(12,144)	(367,635)	(355,491)
Net Change in Fund Balance	<u>(1,958,050)</u>	<u>(1,978,626)</u>	<u>540,779</u>	<u>2,519,404</u>
DEFICIENCY FUNDED BY (SURPLUS DIRECTED TO)				
General Fund Balance and Reserves	<u>1,958,050</u>	<u>1,978,626</u>	<u>(540,779)</u>	<u>(2,519,404)</u>
Net Revenues, Other Financing Sources, Prior Fund Balances and Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MILFORD, DELAWARE
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 FOR THE LAST SIX FISCAL YEARS (DOLLAR AMOUNTS IN THOUSANDS)**

<u>County & Municipal Police and Firefighters' Pension Plan</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Proportion of the net pension liability (asset)	2.6455%	2.4289%	2.2946%	2.3779%	2.3824%	2.4964%
Proportionate share of the net pension liability (asset)	\$ 407	\$ 698	\$ 528	\$ 240	\$ 379	\$ (132)
Covered-employee payroll	\$ 2,412	\$ 2,147	\$ 1,906	\$ 1,944	\$ 1,736	N/A
Proportionate share of the net pension liability as a percentage of covered-employee payroll	16.9%	32.5%	24.6%	12.6%	21.8%	N/A
Plan's fiduciary net position	\$ 446,384	\$ 396,829	\$ 367,470	\$ 325,867	\$ 284,298	\$ 273,109
Plan fiduciary net position as a percentage of the total pension liability (asset)	96.7%	93.3%	94.1%	97.0%	94.7%	-102.0%
<u>County & Municipal Other Employees' Pension Plan</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Proportion of the net pension liability (asset)	9.5271%	9.4728%	10.0609%	10.3165%	10.8530%	12.1628%
Proportionate share of the net pension liability (asset)	\$ 202	\$ 434	\$ 317	\$ 668	\$ 672	\$ 5
Covered-employee payroll	\$ 4,107	\$ 4,206	\$ 3,476	\$ 3,628	\$ 3,631	N/A
Proportionate share of the net pension liability as a percentage of covered-employee payroll	4.9%	10.3%	9.1%	18.4%	18.5%	N/A
Plan's fiduciary net position	\$ 67,470	\$ 58,536	\$ 53,122	\$ 45,874	\$ 39,292	\$ 37,840
Plan fiduciary net position as a percentage of the total pension liability	96.9%	92.7%	94.4%	87.6%	86.4%	99.9%

The accompanying notes are an integral part of this schedule.

**CITY OF MILFORD, DELAWARE
SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION PLAN
FOR THE LAST SIX FISCAL YEARS (DOLLAR AMOUNTS IN THOUSANDS)**

	2021	2020	2019	2018	2017	2016
<u>County & Municipal Police and Firefighters' Pension Plan</u>						
Contractually required contribution	\$ 406	\$ 358	\$ 218	\$ 269	\$ 240	\$ 251
Contributions in relation to the contractually determined contribution	406	358	218	269	240	251
Contribution (excess) deficiency	<u>\$ -0-</u>					
Covered-employee payroll	\$ 2,485	\$ 2,412	\$ 2,147	\$ 1,906	\$ 1,944	\$ 1,736
Contributions as a percentage of covered-employee payroll	<u>16.35%</u>	<u>14.85%</u>	<u>10.14%</u>	<u>14.12%</u>	<u>12.37%</u>	<u>14.48%</u>
<u>County & Municipal Other Employees' Pension Plan</u>						
Contractually required contribution	\$ 340	\$ 307	\$ 284	\$ 259	\$ 225	\$ 235
Contributions in relation to the contractually determined contribution	340	307	284	259	225	235
Contribution (excess) deficiency	<u>\$ -0-</u>					
Covered-employee payroll	\$ 4,687	\$ 4,107	\$ 4,206	\$ 3,476	\$ 3,628	\$ 3,631
Contributions as a percentage of covered-employee payroll	<u>7.25%</u>	<u>7.47%</u>	<u>6.76%</u>	<u>7.46%</u>	<u>6.21%</u>	<u>6.49%</u>

The accompanying notes are an integral part of this schedule.

CITY OF MILFORD, DELAWARE
NOTES TO THE REQUIRED SUPPLEMENTARY SCHEDULES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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 15 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 2021 can be found in the June 30, 2019 actuarial valuation reports. The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule:

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

10-year Reporting Requirements

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

The City of Milford

Additional Information and Reports

As of and for the Year Ended June 30, 2021

CITY OF MILFORD, DELAWARE

ADDITIONAL INFORMATION

JUNE 30, 2021

Taxation

The City annually adopts 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 recorded sale data 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.

Tax Assessments

Year	Assessment	Ratio, Assessed to Market Value	Market Value
2021	\$ 1,322,462,352	69%	\$ 1,911,072,763
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

**Reassessment completed in September 2012*

The City's property tax rate was \$0.46 per \$100 of assessed value throughout the FY21 reporting period. City Council approved the rate of \$0.48275 per \$100 of assessed value effective FY22. Milford also collects a Realty Transfer Tax (RTT) of 1.50% of the consideration of all property transfers within City limits 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.

Ratable Classification	2021 Assessed Value (AV)	2021 Market Value (MV)*	AV ÷ MV
Public Utilities	\$5,401,952	\$7,806,289	
Agriculture	878,100	1,268,931	
Residential	610,189,400	881,776,590	
Multi-Family	43,996,300	63,578,468	
Commercial	310,143,000	448,183,526	
Industrial	11,488,400	16,601,734	
Exempt	340,365,200	491,857,225	
TOTAL	\$1,322,462,352	\$1,911,072,763	69%

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

CITY OF MILFORD, DELAWARE
ADDITIONAL INFORMATION, CONTINUED
JUNE 30, 2021

Top 20 Taxpayers

	2021 Assessed Value	Land Use	Parcel Owner	2021 Tax Levy
\$	31,529,800	COMMERCIAL	CLARK AVENUE REALTY	\$ 145,037
	18,827,600	COMMERCIAL	MILFORD PLAZA	86,607
	16,426,800	COMMERCIAL	WAL-MART STORES	75,563
	16,712,200	RESIDENTIAL	KEY PROPERTIES LLC	62,681
	9,447,900	MULTI-FAMILY	RESERVE AT SAW MILL	43,460
	9,203,100	MULTI-FAMILY	WATERGATE AT MILFORD	42,334
	8,252,800	COMMERCIAL	MILFORD CENTER	37,963
	6,869,500	COMMERCIAL	CYPRESS CAPITAL	31,600
	6,734,300	MULTI-FAMILY	CASCADES	30,978
	6,558,100	COMMERCIAL	BALTIMORE AIRCOIL COMPANY	30,167
	6,547,100	COMMERCIAL	US COLD STORAGE	30,117
	6,144,700	COMMERCIAL	HELMICK MILFORD	28,266
	5,302,800	MULTI-FAMILY	CASE EDWARDS MANAGEMENT	24,393
	5,162,300	INDUSTRIAL	PURDUE RE HOLDINGS	23,747
	4,899,500	MULTI-FAMILY	PURDUE RE HOLDINGS	22,538
	4,799,800	COMMERCIAL	TRAN CON BUILDERS	22,079
	4,763,300	COMMERCIAL	SW ACQUISITIONS	21,911
	4,530,600	COMMERCIAL	RIVERWALK CENTER AT MILFORD	20,841
	4,431,600	COMMERCIAL	SHAWNEE FARM	20,385
	4,280,000	MULTI-FAMILY	PARSON THORNE REALTY ASSOC	19,688

Tax Collections and Delinquent Taxes

Year Ended June 30	Tax Collection			Past Due
	Taxes Budgeted	Cash Collection	Collection as % of Budget	Outstanding as of June 30
2021	\$ 4,296,000	\$ 4,322,838	101%	\$ 180,783
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

CITY OF MILFORD, DELAWARE
 ADDITIONAL INFORMATION, CONTINUED
 JUNE 30, 2021

Selected Debt Ratios

Selected Demographic Data and Corresponding Direct Debt Ratios

	Direct Debt ¹	Population ²	Assessed Valuation (AV) ¹
	\$ 6,685,000	11,190	\$ 1,322,462,352
Direct Debt per Capita		\$ 597	
Direct Debt as % of AV			0.51%

¹ Debt and AV measured as of and for the period ended June 30, 2021, respectively

² Based on 2020 US Census

Largest Employers

The largest employers in and around the City of Milford follow:

Name	Description	Employee Count*
Perdue Farms, Inc.	Poultry Processing	1,550
Bayhealth, Inc.	Healthcare	800
Milford School District	Education	558
Dentsply Sirona, Inc.	Dental Supplies	525
Sea Watch International, Inc.	Seafood Processing	280
Kent-Sussex Industries, Inc.	Agricultural Products	117
City of Milford	Government	105
First State Manufacturing, Inc.	Industrial Sewing	100

***Employee counts represent estimates based on the City of Milford 2017 Comprehensive Plan**

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The City of Milford

Other Supplemental Information Single Audit

For Year Ended June 30, 2021



Zelenkofske Axlerod LLC

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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

INDEPENDENT AUDITOR'S REPORT

City Council
City of Milford, Delaware

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Milford (the "City"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 9, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



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City Council
City of Milford, Delaware

City's Response to Finding

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Zelenkofske Axlerod LLC

Zelenkofske Axlerod LLC

Harrisburg, Pennsylvania
December 9, 2022



Zelenkofske Axlerod LLC

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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

City Council
City of Milford, Delaware

Report on Compliance for Each Major Federal Program

We have audited the City of Milford's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2021. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinions on compliance for the City's major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on the Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal program for the year ended June 30, 2021.



Zelenkofske Axlerod LLC

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City Council
City of Milford, Delaware

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Zelenkofske Axlerod LLC

ZELENKOFKSKE AXELROD LLC

Harrisburg, Pennsylvania
December 9, 2022

**CITY OF MILFORD, DELAWARE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-through Grantor/Program	Federal AL Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
US Department of Agriculture Community Facilities Loans and Grants Loan	10.766	n/a	\$ -	\$ 54,236
Grant			-	883,468
Total			-	937,704*
US Department of the Treasury American Rescue Plan Act	21.027	n/a	-	224,750
US Department of Justice Coronavirus Emergency Supplemental Funding	16.034	n/a	-	79,839
US Department of Justice Bulletproof Vest Partnership	16.607	n/a	-	1,119
US Department of Justice Edward Byrne Memorial Justice Assistance	16.738	n/a	-	38,522
Total expenditures of federal awards			\$ -	\$ 1,281,934

*Denotes tested as a Major Program.

See Notes to the Schedule of Expenditures of Federal Awards which is an integral part of this Schedule.

CITY OF MILFORD, DELAWARE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 – BASIS OF PRESENTATION

The City of Milford, Delaware is the reporting entity for financial reporting purpose as defined in Note 1 to the City’s basic financial statements. 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, 2021. 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).

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 did not 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. Federal expenditures presented in the Schedule were incurred pursuant to direct loan 9 and grant 10 in the amounts of \$54,236 and \$883,468, respectively, for a total of \$937,704.

NOTE 5 – RISK-BASED AUDIT APPROACH

The 2021 threshold for determining Type A and Type B programs is \$750,000. The following program was audited as major:

<u>ALN</u>	<u>Name of Federal Program or Cluster</u>
10.766	Community Facilities Loans and Grants

The amounts expended under the program audited as a major federal program for the year ended June 30, 2021, totaled \$937,704 or 73.1% of total federal awards expended.

**CITY OF MILFORD, DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

Section I – Summary of Auditor’s Results:

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? X yes no
- Significant Deficiency(s) identified that are not considered to be material weaknesses? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes X no
- Significant Deficiency(s) identified that are not considered to be material weaknesses? yes X none reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes X no

Identification of major programs:

<u>ALN Number(s)</u>	<u>Name of Program or Cluster</u>
10.766	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? yes X no

CITY OF MILFORD, DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Section II – Financial Statement Findings and Questioned Costs

Finding 2021-001 Accounting Records/Financial Statement Close Process

Criteria: The accounts of the City should include all significant transactions in the period of benefit and reconciliations for all accounts. The year-end closing process including financial statement preparation and audit preparation should be performed in a timely manner.

Condition: During the audit, material audit adjustments were required, and significant delays occurred. Final closing and the preparation of trial balances were not completed until several months after the City’s year-end. Multiple versions of the trial balances and financial statements were provided. These various versions contained significant revisions from the previous versions of the trial balances and financial statements without any clear trail or notation of the changes made. Certain basic account reconciliations were not readily available at our request and had to be prepared after the request was made. The lack of timely reconciliation procedures and timely closing created a condition that may adversely affect the City’s ability to initiate, record, and process financial data reliably and could result in a misstatement in the financial statements that will not be prevented or detected. As part of the audit process, it was noted that adjustments to several accounts were necessary, and a prior period adjustment was needed to correct an error in the prior year’s financial statements.

Cause: The finance department experienced staffing issues throughout the year and the closing process. The issues and delays encountered by the City resulted in significant additional account reconciliation, review, and journal entries to correct balances after year-end.

Effect: Internal controls were not operating effectively, and the financial records did not reflect the correct financial activity of the period resulting in a material misstatement to the financial statements. This also resulted in significant delays in the financial reporting and audit process.

Questioned Costs: No known questioned costs

Recommendation: The City should review procedures in place with responsible employees and revise procedures, as necessary, to ensure accounts are reconciled, financial statements are prepared, and the audit may be completed in a timely manner.

**CITY OF MILFORD, DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Management's
Response:

Management agrees with the finding and is implementing procedures and staff augmentation to rectify the noted issues.

CITY OF MILFORD, DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Section III – Federal Award’s Findings and Questioned Costs

None noted.

**CITY OF MILFORD, DELAWARE
SUMMARY OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021**

The summary which follows indicates the current year status of findings identified in the prior year Single Audit Report.

<u>Program</u>	<u>Prior Year Finding</u>	<u>Brief Description of Finding</u>	<u>Current Year Status</u>
None			

Milford

River Town.

Art Town.

Home Town.



#wearemilford



Zelenkofske Axlerod LLC

CERTIFIED PUBLIC ACCOUNTANTS

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December 9, 2022

City Council
City of Milford

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Milford (the "City") as of and for the year ended June 30, 2021, and have issued our report thereon dated December 9, 2022. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated May 20, 2021, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, as part of our audit, we considered internal control of the City solely for the purpose of determining audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgement, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

The audit was not completed in accordance with the planned timing previously communicated due to the delays discussed further in the "Significant Difficulties Encountered in the Audit" section below and the finding included in the single audit report.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the City's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in Note 13 to the financial statements. In 2021, the City adopted the provisions of Governmental Accounting Standards Board's Statement No. 84, "Fiduciary Activities", Statement No. 93, "Replacement of Interbank Offered Rates", Statement No. 97, "Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32", and Statement No. 98, "The Annual Comprehensive Financial Report". The adoption of Statement No. 84 resulted in a prior period

830 Sir Thomas Court, Suite 100, Harrisburg, PA 17109
3800 McKnight East Drive, Suite 3805, Pittsburgh, PA 15237
34745 Burbage Road, Frankford, DE 19945

2370 York Road, Suite A-5, Jamison, PA 18929
420 Chinquapin Round Road, Suite 2-i, Annapolis, MD 21401
210 Tollgate Hill Road, Greensburg, PA 15601



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adjustment as described in Note 16. The other statements referenced above had no effect on previously reported amounts.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgements. Those judgements are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgements. The most sensitive accounting estimates affecting the financial statements are:

Management's estimate of the useful lives of capital assets used to calculate depreciation expense was based on the historical lives of similar assets. We evaluated the key factors and assumptions used to develop the useful lives of capital assets and determined that the useful lives of capital assets are reasonable in the calculation of depreciation expense in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Management's use of an actuary to estimate the net pension liability, deferred outflows of resources for pensions, and deferred inflows of resources for pensions.

We evaluated the key factors and assumptions used to develop the estimates and determined that they are reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgement and are particularly sensitive because of their significance to the financial statement users. The most sensitive disclosures affecting the City's financial statements relate to:

The disclosure of Capital Assets in Note 9 to the financial statements is a significant disclosure.

The disclosure of the City's pension plan in Note 15 is based upon information provided by an actuary.

Significant Difficulties Encountered during the Audit

Although we received cooperation of management and believe that we were given direct and unrestricted access to the City's officials and management, we experienced significant difficulties in the performance of the audit due to extensive delays by management in the overall audit process. These delays, such as delayed and revised trial balances, supporting schedules, financial statements and multiple revised versions of documents, significantly increased the hours required to complete the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior period on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all material misstatements.



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In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. Upon request, management can provide a listing of all adjustments that were made to the financial statements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management dated December 9, 2022.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountant about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing or accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our profession association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditors.

Other Information in Documents Containing Audited Financial Statements

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the City's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have applied certain limited procedures to the management's discussion and analysis, budgetary comparison schedules, and pension schedules which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during audit of the basic financial statements. We did not audit the transmittal letter, RSI or additional information and do not express an opinion or provide any assurance on those sections.

Restriction on Use

This report is intended solely for the information and use of the City Council and management of the City and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Zelenkofske Axlerod LLC

Zelenkofske Axlerod LLC



Date: December 12, 2022
To: Mayor and City Council
From: Louis C. Vitola, Finance Director
Re: Request for Obligation of USDA Loan Funding; Declaration of Intent to Comply with USDA Community Facilities Loan

EXECUTIVE SUMMARY

I'm thrilled to report that the City's application package for the USDA Police Facility Loan received initial approval through the agency. While the loan is now committed, the final, critical step of formal obligation requires approval of the enclosed Letter of Intent to Meet Conditions and Requests for Obligation of Funds. Staff recommend approval of the enclosed documents, which will satisfy the USDA requirement.

ADDITIONAL INFORMATION

Staff and the police facility project management team from the Becker Morgan Group, Richard Y. Johnson, and John Hynes have been working closely with the USDA Community Facilities Team on the final application package for long-term financing that will be put in place when the project is complete. The application was finalized early in December for USDA consideration as expected. The enclosed documents represent the first formal, written terms and conditions of the loan, which fall within the terms established by Council and approved by in the special election related to the PD Facility. All prior resolutions authorizing the debt issuance remain in force and unchanged. After this level of approval, our access to funding will be secured, the rate will be locked at the ceiling reported in the terms, and staff will be back in front of Council at least once more for the approval of the loan closing, but possibly twice or more if we close on the loan in increments and/or the rate drops by the time of any closing date.

RECOMMENDATION

Staff strongly recommend approval of the enclosed *Letter of Intent to Meet Conditions and Requests for Obligation of Funds*, establishing a term not to exceed 40 years, a rate not to exceed 3.5% and loan funding not to exceed \$16.5 million, amortized quarterly.

LETTER OF INTENT TO MEET CONDITIONS

Date _____

TO: United States Department of Agriculture

(Name of USDA Agency)

(USDA Agency Office Address)

We have reviewed and understand the conditions set forth in your letter dated _____. It is our intent to meet all of them not later than _____.

(Name of Association)
BY _____

(Title)

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a persons is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0015 and 0570-0062. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data. needed, and completing and reviewing the collection of information.



December 9, 2022

The Honorable Arthur J. Campbell
City of Milford
201 S Walnut Street
Milford, DE 19963

Subject: Letter of Conditions
Community Facilities Program Loan
City of Milford
2023 Police Facility

Dear Mayor Campbell:

This letter, with attachments, establishes conditions that must be understood and agreed to by the applicant before further consideration may be given to the application for Federal Assistance. The State and Area Office staff of USDA Rural Development (RD) will administer the loan and/or grant funds for this project on behalf of the Rural Housing Service. All parties may access information and regulations referenced in this letter at our website located at:

<https://www.rd.usda.gov/programs-services/community-facilities>. Any changes in project cost, source of funds, scope of services, or any other significant change (this includes significant changes in the Borrower's financial condition, operation, organizational structure or executive leadership) in the project or applicant must be reported to and approved by USDA Rural Development by written amendment to this letter. **Any changes not approved by USDA Rural Development will be cause for discontinuing processing of the application.** If you do not meet the conditions of this letter, the Agency reserves the right to withdraw Agency funding.

This letter is not to be considered as loan approval or as representation to the availability of funds. The application can be processed on the basis of a USDA Rural Development **loan not to exceed \$16,500,000**. Funds for this project are provided by the Rural Housing Service (RHS).

Please complete and return the attached Form RD 1942-46, "Letter of Intent to Meet Conditions," and Form RD 1940-1, "Request for Obligation of Funds," within the next five (5) days, if you desire that we give further consideration to your application. Obligation of funds for this loan will need to be completed by December 31, 2022. If this timeframe is not met, the Letter of Condition will expire and a new one can be issued, with a change in interest rate. New interest rates will become in effect January 1, 2023. The execution of these and all other documents required by USDA Rural Development must be authorized by appropriate resolutions of the applicant's governing body.

The loan will be considered approved on the date Form RD 1940-1, "Request for Obligation of Funds," is mailed by USDA Rural Development. This is also the date that the interest rate is

established. If the interest rate is lower at the time of loan closing, you must make a request in writing to receive the lower rate in effect.

The loan will be repayable over a period not to exceed forty (40) years from the date of loan closing at the **market interest rate**. The loan repayment will be made in amortized quarterly installments.

Project Budget—Based on Standard Form 424, “Application for Federal Assistance,” the project cost and funding will be as follows:

a.	<u>Project Cost</u>		<u>Total</u>
	Construction	\$	14,002,000
	Admin & Legal Expenses		422,000
	Design Architectural Fees		810,000
	Project Inspection Fees		123,000
	Equipment		500,000
	Interest		423,000
	Contingencies		1,220,000
	TOTAL:	\$	17,500,000

b.	<u>Source of Funds</u>		
	USDA Loan	\$	16,500,000
	Applicant Contribution		1,000,000
	TOTAL:	\$	17,500,000

Any changes in funding sources following obligation of Agency funds must be reported to the processing official. Project feasibility and funding will be reassessed if there is a significant change in project costs after bids are received. If actual project costs exceed the project cost estimates, an additional contribution by the borrower may be necessary.

The applicant will ensure projects are completed in a timely, efficient, and economical manner.

Section I of the attached conditions (**Items 1—9**) must be satisfied prior to interim loan closing or before construction begins, whichever occurs first, in either case not later than one (1) year from the date of this letter. **In the event the project has not advanced to the point of construction within one (1) year, USDA Rural Development reserves the right to discontinue the processing of the application.**

The Honorable Arthur J. Campbell
Letter of Conditions –2023 Police Facility
December 9, 2022
3

If you have any questions, feel free to contact me at terry.fearins@usda.gov.

Sincerely,

Terry S. Fearins

TERRY S. FEARINS
Community Program Director

cc: Marie Boys, Loans Specialist
Louis Vitola, Finance Director

ATTACHMENT TO LETTER OF CONDITIONS

SECTION I. CONDITIONS TO BE SATISFIED PRIOR TO LOAN CLOSING OR BEFORE CONSTRUCTION BEGINS, WHICHEVER OCCURS FIRST

1. Disbursement of Funds

- a. Interim loan financing during construction will be required in accordance with 7 CFR 1942.17 (n)(3) for all construction loans over \$50,000. The applicant must provide Rural Development a copy of the proposed interim financing package prior to execution. USDA Rural Development funds will not be provided before the execution of a construction contract if interim financing is not required/waived. Parity with the existing Agency loan(s) for the interim financing will not be authorized.
- b. The applicant will provide evidence that funds from other sources will be made available for the project cost in the amount of **\$1,000,000**. This evidence should include a copy of the loan/grant award that addresses how funds will be disbursed.
- c. The applicant's contribution of funds in the amount of **\$1,000,000** toward the project cost, shall be considered the first funds expended and must be deposited in its project account before construction is started. Please provide Rural Development evidencing applicant's contribution.
- d. Agency funds will not be used to pre-finance funds committed to the project from other sources.
- e. The Debt Collection Improvement Act (DCIA) of 1996 requires that all Federal payments be made by Electronic Funds Transfer/Automated Clearing House (EFT/ACH). Borrowers receiving payments by EFT will have funds directly deposited to a specified account at a financial institution with funds being available to the recipient on the date of payment. The borrower should complete Form SF-3881, Electronic Funds Transfer Payment Enrollment Form, for each account where funds will be electronically received. The completed form(s) must be received by Rural Development at least forty-five (45) days prior to the first advance of funds. Failure to do so could delay loan closing.

2. Security Requirements

- a. At loan closing the applicant will execute the attached Form RD 1942-47, "Loan Resolution (Public Bodies)". Please note the refinancing provision in paragraph 2. Also, on page 3 there is a certification to be executed at loan closing.

- b. The applicant is a legally organized under Sections of the applicable State Government and will evidence the loan with a General Obligation bond. The bond will be fully registered as to both principal and interest in the name of the United States of America, Rural Development. The General Obligation bond must be prepared in accordance with 7 CFR 1942, Subpart A, and State law. The assistance and opinion of a recognized bond counsel must be obtained.

The General Obligation bond and any ordinance or resolution relating thereto must not contain any provision in conflict with the Agency Loan Resolution, applicable regulations, or its authorizing law. In particular, there must be no defeasance or refinancing clause in conflict with the graduation requirements of 7 U.S.C. 1983.

3. **Insurance and Bonding Requirements**—The applicant must provide evidence of adequate insurance and fidelity bond coverage by loan closing or start of construction, whichever occurs first. Adequate coverage, in accordance with USDA Rural Development’s regulations, must then be maintained for the life of the loan and evidence must be submitted to Rural Development annually. Evidence that coverage is being maintained must be provided annually thereafter. It is the responsibility of the applicant and not that of USDA Rural Development to assure that adequate insurance and fidelity bond coverage is maintained. Applicants are encouraged to review coverage amounts and deductible provisions with their attorney, consulting engineer, and/or insurance provider(s).
 - a. Property Insurance—Fire and extended coverage will be required on all above-ground structures, including applicant-owned equipment and machinery housed therein. Provide USDA Rural Development with proof of coverage and attach Lender’s Loss Payable Endorsement (438 BFU or equivalent) naming the UNITED STATES OF AMERICA as lender.
 - b. Corporate Liability Insurance - The Applicant will provide public liability, and property damage insurance in an amount to adequately protect the applicant from civil action arising from the function of the applicant relative to the project.
 - c. Workers’ Compensation Insurance—The applicant will be required to carry workers’ compensation insurance for all employees in accordance with the State law. Provide USDA Rural Development with proof of coverage.
 - d. General liability and vehicular coverage must be maintained—Provide USDA Rural Development with proof of coverage.
 - e. National Flood Insurance —If the project involves acquisition or construction in designated special flood or mudslide prone areas, you must purchase a flood insurance policy at the time of loan closing. Applicants whose buildings, machinery,

- or equipment are to be located in an area which has been notified as having special flood or mudslide prone areas will not receive financial assistance where flood insurance is not available.
- f. Earthquake Insurance — If the project involves acquisition or construction in earthquake prone areas, you must purchase an earthquake insurance policy at the time of loan closing.
 - g. Fidelity Bond—Persons who have access to the funds and custody to any property will be covered by a fidelity bond or an adequate crime policy that protects the applicant from an employee crime. Coverage may be provided either for all individual positions or persons, or through “blanket” coverage providing protection for all appropriate employees and/or officials. The amount of coverage required by USDA Rural Development will be sufficient to cover the total annual debt and reserve service requirements for the loan. The United States of America will be named as co-obligee on the bond. A certified power-of-attorney with effective date will be attached to each bond. Provide USDA Rural Development with a copy of the bond and the power of attorney.
4. **Civil Rights & Equal Opportunity**— The borrower has received an award of Federal funding and is required to comply with U.S. statutory and public policy requirements, including but not limited to:
- a. **Section 504 of the Rehabilitation Act of 1973** – Under Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), no handicapped individual in the United States shall, solely by reason of their handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Agency financial assistance. The Standard for compliance is the Architectural Barriers Act Accessibility Standards (ABAAS).
 - b. **Civil Rights Act of 1964** – All recipients are subject to, and facilities must be operated in accordance with, Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and 7 CFR 1901, Subpart E, particularly as it relates to conducting and reporting of compliance reviews. Instruments of conveyance for loans and/or grants subject to the Act must contain the covenant required by Paragraph 1901.202(e) of this Title.
 - c. **The Americans with Disabilities Act (ADA) of 1990** – This Act (42 U.S.C. 12101 et seq.) prohibits discrimination on the basis of disability in employment, State and local government services, public transportation, public accommodations, facilities, and telecommunications.
 - d. **Age Discrimination Act of 1975** – This Act (42 U.S.C. 6101 et seq.) provides that no person in the United States shall on the basis of age, be excluded from participation in,

be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

- e. **Limited English Proficiency (LEP) under Executive Order 13166** - LEP statutes and authorities prohibit exclusion from participation in, denial of benefits of, and discrimination under Federally assisted and/or conducted programs on the ground of race, color, or national origin. Title VI of the Civil Rights Act of 1964 covers program access for LEP persons. LEP persons are individuals who do not speak English as their primary language and who have a limited ability to read, speak, write, or understand English. These individuals may be entitled to language assistance, free of charge. The recipient must take reasonable steps to ensure that LEP persons receive the language assistance necessary to have meaningful access to USDA programs, services, and information the recipient provides. These protections are pursuant to Executive Order 13166 entitled, “Improving Access to Services by Persons with Limited English Proficiency” and further affirmed in the USDA Departmental Regulation 4330-005, “Prohibition Against National Origin Discrimination Affecting Persons with Limited English Proficiency in Programs and Activities Conducted by USDA.”
- f. **Controlled Substances Act** - Even though state law may allow some activities, as a recipient of Federal funding, you are subject to the Controlled Substances Act. Specific questions about the Controlled Substances Act should be directed to the Servicing Official who will contact the Office of General Counsel, as appropriate.

Agency financial programs must be extended without regard to race, color, religion, sex, national origin, marital status, age, or physical or mental handicap. The recipient must display posters (provided by the Agency) informing users of these requirements, and the Agency will monitor the recipient’s compliance with these requirements during regular compliance reviews.

As a recipient of Rural Development funding, you are required to post a copy of the Non-Discrimination Statement listed below in your office and include in full, on all materials produced for public information, public education, and public distribution both print and non-print.

Non-Discrimination Statement

“This institution is an equal opportunity provider and employer.”

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at <https://www.ocio.usda.gov/document/ad-3027>, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400

Independence Avenue, S.W., Stop 9410, Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

If the material is too small to permit the full statement to be included, the material at a minimum includes the statement in print size no smaller than the text that “This institution is an equal opportunity provider and employer.”

5. **Written Agreements for Professional Services**

- a. The bond counsel services agreement submitted by the **Bond Counsel** is satisfactory to USDA Rural Development.
- b. The legal service agreement submitted by **the Legal Representative** is satisfactory to USDA Rural Development.
- c. An Agreement for Architectural Services with the **Architect** will have to be approved by USDA Rural Development.
- d. (For Design/Build Projects) – Agreement for **Project Manager Services** will have to be approved by USDA Rural Development.

9. **Land and Rights-of-Way**—The applicant must present satisfactory evidence that they have obtained, or can obtain, any and all lands, rights-of-way, easements, permits and franchises which are required by the architectural/engineering plan. Acquisitions of necessary land and rights must be accomplished in accordance with the Uniform Relocation and Real Property Acquisition Act. The following forms, copies of which are attached, may be used for these purposes:

- Form RD 442-21, “Right-of-Way Certificate” (with map attached)
- Form RD 442-22, “Opinion of Counsel Relative to Rights-of-Way”

10. **System Policies, Procedures, Contracts, and Agreements** – The facility must be operated on a sound business plan which involves adopting policies, procedures, and/or ordinances outlining the conditions of service and use of the proposed system.

- a. **Conflict of Interest Policy** – Prior to obligation of funds, you must certify in writing that your organization has in place up-to-date written standards of conduct covering conflict of interest. The standards of conduct must include disciplinary actions in the event of a violation by officers, employees, or agents of the borrower. The standards identified herein apply to any parent, affiliate or subsidiary organization of the borrower that is not a state or local government, or Indian Tribe. Policies and accompanying documents shall be furnished to Rural Development upon request.

You must also submit a disclosure of planned or potential transactions related to the use of Federal funds that may constitute or present the appearance of personal or organizational conflict of interest. Disclosure must be in the form of a written letter signed and dated by the applicant’s official. A negative disclosure in the same format is required if no conflicts are anticipated.

Sample conflict of interest policies may be found at the National Council of Nonprofits website, <https://www.councilofnonprofits.org/tools-resources/conflict-of-interest>, or in Internal Revenue Service Form 1023, Appendix A, “Sample Conflict of Interest Policy,” at <http://www.irs.gov/pub/irs-pdf/i1023.pdf>. Though these examples reference non-profit corporations, the requirement applies to all types of Agency borrowers.

Assistance in developing a conflict-of-interest policy is available through Agency-contracted technical assistance providers if desired.

- b) **Contracts for Other Services/Lease Agreement** – Drafts of any contracts or other forms of agreements for other services, including audit, management, operation, and maintenance, or lease agreements covering real property essential to the successful operation of the facility, must be submitted to the Agency for review and concurrence prior to advertising for bids.
 - c) **Parity/Intercreditor Agreement** – Projects with parity liens must have in place a written agreement between the parity lenders. The draft agreement must receive Agency concurrence prior to advertising for bids.
 - d) **Other agreements** with governments or other entities regarding joint operation of facilities, granting authority to Agency borrower for providing service within another entity’s service area, etc. The draft agreement must receive Agency concurrence prior to advertising for bids.
11. **Permits**—All permits involving Federal, State, and local agencies must be obtained and evidence thereof provided to USDA Rural Development prior to bidding. For Design/Build Projects - All permits involving Federal, State, and local agencies must be obtained and evidence thereof provided to USDA Rural Development prior to the start of the construction phase of the project.
12. **Environmental Reviews**— The project as proposed has been evaluated to be consistent with the National Environmental Policy Act. Other Federal, State, tribal, and local laws, regulations and or permits may apply or be required. During any stage of project development, including construction, should environmental issues develop which require mitigation measures, USDA Rural Development applicants are required to notify USDA Rural Development and comply with such mitigation measures. Failure by an applicant to implement mitigation measures may disqualify the project from Agency funding. Mitigation measures identified or prepared as part of the State Environmental Act if applicable and NEPA environmental process must be implemented. If the project or any project element deviates from or is modified from the originally approved project, additional environmental review may be required.

Mitigation: None

13. **Architectural and Construction**

- a. USDA Rural Development must approve any agreements or modifications to agreements for professional planning and design services. AIA Document "Standard Form of Agreement Between owner and Architect," may be used when appropriate or other Agency approved forms of agreement.
- b. All construction will be completed under contract. The planning, bidding, contracting, and construction must comply with 7 CFR 1942, Subpart A, and any additional requirements of the State's law and the requirements of other County, State, or Federal agencies.
- c. The following must be reviewed and approved by USDA Rural Development in the sequence indicated:
 - i. Preliminary Architectural Report
 - ii. Agreement for Architectural Services
 - iii. Final Plans and Specifications for the project
 - iv. Draft/Construction Bid Documents, prior to Going Out to Bid
 - v. Bid Award Information.
 - vi. Executed Contract Documents
- d. Affirmative steps should be taken to assure that small, minority and/or women-owned businesses are utilized as source of supplies, equipment, construction, and services.
- e. The Plans & Specifications must be reviewed and approved, when applicable, by any regulatory or other agencies that are required to review these documents.
- f. A representative of USDA Rural Development will attend all pre-construction conferences in connection with this project. These conferences must be held prior to the issuance of the Notice to Proceed to the contractors. The applicant's architect will conduct the conference and document the discussions and agreements.

For Design-Build Projects:

- a. The applicant is proposing a Design-Build procurement which must be approved by this Agency's National Office. The applicant will provide the required information needed to be submitted for concurrence to the Design-Build procurement method. Please see the attached Design/Build Concurrence Checklist.
- b. The applicant must retain a qualified Construction Project Manager who is independent of the Contractor/Design-Build firm. Credentials of the candidate must be submitted to the Agency for evaluation and concurrence prior to executing an agreement.

- c. All development will be completed by contract. The planning, bidding, contracting, and construction must comply with 7 CFR 1942, Subpart A, and any additional requirements of the State’s law and the requirements of other County, State, or Federal agencies.
- d. If approved for the Design-Build procurement method, the applicant’s construction budget will be noted in the RFP documents to set parameters for a Guaranteed Maximum Price (GMP) agreement to be awarded through an open and free solicitation process. The GMP will be established no later than at the completion of the Design Development stage.
- e. The following must be reviewed and approved by USDA Rural Development in the sequence indicated:
 - i. Preliminary Architectural Report
 - ii. Agreement for Architectural Services/Agreement for Project Manager Design-Build Procurement Method—Checklist Items
 - iii. Request for Qualifications (RFQ)
 - iv. RFQ Short List
 - v. Request For Proposals (RFP)
 - vi. Recommendation of Award
 - vii. Executed Contract Documents
 - viii. Final Plans and Specifications for the project

Contracts Awarded Prior to Pre-Application - Owners awarding construction or other procurement contracts prior to filing a pre-application with Rural Development must comply with the following:

- a. **Evidence.** Provide conclusive evidence that the contract was entered into without intent to circumvent the requirements of Rural Development regulations. The evidence will consist of at least the following:
 - i. The lapse of a reasonable period of time between the date of contract award and the date of filing the preapplication which clearly indicates an irreconcilable failure of previous financial arrangements; or
 - ii. A written statement explaining initial plans for financing the project and reasons for failure to obtain the planned credit.
- b. **Modifications.** Modify the outstanding contract to conform with the provisions of this subpart. Where this is not possible, modifications will be made to the extent practicable and, as a minimum, the contract must comply with all State and local laws and regulations as well as statutory requirements and executive orders related to the Rural Development financing. When all construction is complete and it is impracticable to modify the contracts, the owner must provide the certification

- required by paragraph (m)(4) of this section.
- c. **Consultant's certification.** Provide a certification by an engineer or architect that any construction performed complies fully with the plans and specifications.
 - d. **Owner's certification.** Provide a certification by the owner that the contractor has complied with all statutory and executive requirements related to Rural Development financing for construction already performed even though the requirements may not have been included in the contract documents.
14. **Electronic Funds Transfer**—All loan funds will be transferred to borrowers via Electronic Funds Transfer/Automated Clearinghouse Systems (EFT/ACH). Normal transfers will be ACH, with money being placed in Borrower's account two business days after the USDA processing office approves the pay request. The applicant must submit the Electronic Funds Transfer Form containing the banking (ACH) information to the USDA Servicing Office at least 90 days prior to the date of loan closing. Failure to do so could delay loan closing.
15. **Automatic Payments**—The applicant is required to participate in the Pre-Authorized Debit (PAD) payment process for all new and existing indebtedness to USDA Rural Development. It will allow for the applicant's payment to be electronically debited from its account on the date their payment is due. Form RD 3550-28, "Authorization Agreement for Pre-Authorized Payments," is attached. Please fill out and sign your "Individual/Company Information" section, then have your financial institution/bank fill out the bottom portion prior to submitting the form to the USDA Rural Development service office.
16. **Loan Closing**—The permanent loan will be closed in accordance with USDA Rural Development instructions, the legal requirements of the USDA Office of General Counsel, and this Letter of Conditions. All applicable closing documents, including bond documents, must be submitted to USDA Rural Development at least 90 days prior to the planned closing date. Prior to loan closing, a request for reimbursement must be submitted to USDA with all the supporting invoices.
17. **Operating Budget**— Prior to loan closing, USDA Rural Development must review the applicant's approved operating budget. The budget must balance and include the proposed USDA debt service and reserve obligations. Each year the USDA loan is outstanding, the applicant will adopt an annual budget which provides for the annual debt service and reserve payments.
18. **System for Award Management Registration and Unique Entity ID**—You as the recipient must maintain the currency of your information in the System for Award Management (SAM) until you submit the final financial report required under this award and all grant funds under this award have been disbursed or de-obligated, whichever is later. This requires that you review and update the information at least annually after the

initial registration, and more frequently if required by changes in your information or another award term. Recipients can register on-line at (<https://www.sam.gov>) You as the recipient may not make a sub-award to an entity unless the entity has provided its Unique Entity ID from SAM.gov to you.

19. **Suspension and Debarment Screening** – You will be asked to provide information on the principals of your organization. Agency staff must conduct screening for suspension and debarment of the entity, as well as its principals through the Do Not Pay Portal.
 - a. Principal –
 - i. An officer, director, owner, partner, principal investigator, or other person within a participant with management or supervisory responsibilities related to a covered transaction; or
 - ii. A consultant or other person, whether or not employed by the participant or paid with federal funds, who –
 1. Is in a position to handle federal funds;
 2. Is in a position to influence or control the use of those funds; or,Occupies a technical or professional position capable of substantially influencing the development or outcome of an activity required to perform the covered transaction. (2 CFR §180.995)
20. **Litigation.** You are required to notify the Agency within 30 days of receiving notification of being involved in any type of litigation prior to loan closing or start of construction, whichever occurs first. Additional documentation regarding the situation and litigation may be requested by the Agency.

SECTION II. LOAN CONDITIONS TO BE SATISFIED DURING CONSTRUCTION

1. **Inspections**— A full-time resident inspector/project manager is required during construction unless a written exception is made by the Agency upon your written request. This service is to be provided by the consulting architect or other arrangements as approved by the Agency. Prior to the pre- construction conference, a resume of qualifications of the resident inspector(s) will be submitted to the owner and Agency for review and approval. The owner will provide a letter of acceptance for all proposed observers to the architect and Agency. The inspection reports must be available to USDA, Rural Development for review at any time. These reports must be kept at the project site or borrower's office, if nearby.
2. **Monthly Reporting**—The applicant must monitor and provide a monthly report to USDA Rural Development on actual performance during construction for each project financed, or to be financed, in whole or in part with USDA Rural Development funds, to include Forms RD 1924-18, “Partial Payment Estimate”; RD 1924-7, “Contract Change Order”; SF-270, “Request for Advance or Reimbursement” (non-construction); SF-271, “Outlay Report and Request for Reimbursement for Construction Programs”; and Project Daily Inspection Reports.

3. **Final Inspection**—A final inspection will be made by USDA Rural Development on the component USDA is financing before final payment is made.
4. **Excess Funds**—Any remaining funds must be utilized for approved purposes within 60 days following the final inspection or the funds will be canceled without further notification from USDA Rural Development.

SECTION III. LOAN CONDITIONS TO BE SATISFIED AFTER PROJECT COMPLETION

1. **Financial Statements**—To be submitted on an annual basis in accordance with the following:
 - a. Borrowers and grantees that meet the Federal awards expended threshold established in 2 CFR 200, Subpart F, “Audit Requirements” (expends \$750,000 or more in federal financial assistance per fiscal year) shall submit an audit performed in accordance with the requirements of 2 CFR 200, Subpart F. Audits shall be submitted to USDA Rural Development in accordance with 2 CFR 200, Subpart F.
 - b. All borrowers exempt from USDA audit requirements and who do not otherwise have annual audits, will within 60 days following the end of the borrower’s fiscal year furnish USDA with annual financial statements, consisting of a verification of the organization’s balance sheet and statement of income and expenses. The recipient may use Form RD 442-2, “Statement of Budget, Income and Equity,” and 442-3, “Balance Sheet,” or similar format to provide the financial information.
 - c. An annual audit may be submitted in lieu of annual financial statements for any borrower or grantee that has an audit prepared at its own discretion and expense.
2. **Quarterly Reports**—A quarterly management report will be required for the first year for new borrowers and for all borrowers experiencing financial or management problems for one year from the date problems were noted. If the borrower's account is current at the end of the year, the processing office may waive the required reports. The recipient may use Form RD 442-2 or similar format to provide this information, and the reports are to be signed by the appropriate borrower official and submitted within 30 days of each quarter’s end.
3. **Audit agreement**—If you are required to obtain the services of a licensed Certified Public Accountant (CPA), you must enter into a written audit agreement with the auditor. The audit agreement may include terms and conditions that you and auditor deem appropriate.
4. **Limitations of Additional Debt**- You will not borrow any money from any source or enter into any contract or agreement or incur any other liabilities in connection with

making extensions or improvements to the Facility, exclusive of normal maintenance, without obtaining the prior written consent of the Agency.

5. **Compliance Reviews**—Rural Development will be required to periodically conduct a compliance review of this facility and operation. Compliance reviews will be completed one year after loan closing and every three years thereafter. You will need to provide the local office the statistical information as requested.

The Agency will conduct regular compliance reviews of the borrower and its operation in accordance with 7 CFR Part 1901, Subpart E, and 36 CFR 1191, Americans with Disabilities Act (ADA) Accessibility Guidelines for Buildings and Facilities; Architectural Barriers Act (ABA) Accessibility Guidelines. Compliance reviews will typically be conducted in conjunction with the security inspections described in this letter. If beneficiaries (users) are required to complete an application or screening for the use of the facility or service that the recipient provides, the recipient must request and collect data by race (American Indian or Alaska Native, Asian, Black or African American, White); ethnicity (Hispanic or Latino, Not Hispanic or Latino); and by sex. The Agency will utilize this data as part of the required compliance review.

6. **Security Inspections**—Rural Development is required to conduct an inspection of the facility a minimum of once every three years. The recipient must participate in these inspections and provide the required information.
7. **Graduation**—You may be required to refinance (graduate) the unpaid balance of the RD loan, in whole or in part, if at any time RD determines your entity is able to obtain a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time, the recipient will be requested to refinance. The ability to refinance will be assessed every other year for those loans that are five years old or older.
8. **Prepayment and Extra Payments** - Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of borrower, with no penalty.

Security instruments, including bonding documents, must contain the following language regarding extra payments, unless prohibited by State statute:

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of borrower. Refunds, extra payments and loan proceeds obtained from outside sources for the purpose of paying down the Agency debt, shall, after payment of interest, be applied to the installments last to become due under this note and shall not affect the obligation of borrower to pay the remaining installments as scheduled in your security instruments.

9. **Financial Covenants** - Beginning in the First Full Year of 2025, a debt service coverage ratio (DSCR) of a least 1.25 will be maintained with debt service to include the loan payments plus all required reserves. If the DSCR drops below 1.25 for any audited year, or quarterly financial report, then an independent management consultant shall be engaged at the expense of the Applicant to prepare a fiscal strategy report that documents how the debt service requirement will be met. This must be provided to the Agency no later than 90 days after any quarter in which the DSCR drops below 1.25.

Debt service coverage is defined as net income plus depreciation and amortization expense plus interest expense on structured debt divided by the sum of all structured debt payments including required reserve payments still due.

REQUEST FOR OBLIGATION OF FUNDS

INSTRUCTIONS-TYPE IN CAPITALIZED ELITE TYPE IN SPACES MARKED () Complete Items 1 through 29 and applicable Items 30 through 34. See FMI.			
1. CASE NUMBER ST CO BORROWER ID		LOAN NUMBER	FISCAL YEAR
2. BORROWER NAME		3. NUMBER NAME FIELDS (1, 2, or 3 from Item 2)	
		4. STATE NAME	
		5. COUNTY NAME	
GENERAL BORROWER/LOAN INFORMATION			
6. RACE/ETHNIC CLASSIFICATION 1 - WHITE 2 - BLACK 3 - AI/AN 4 - HISPANIC 5 - A/PI	7. TYPE OF APPLICANT 1 - INDIVIDUAL 2 - PARTNERSHIP 3 - CORPORATION 4 - PUBLIC BODY 5 - ASSOC. OF FARMERS 6 - ORG. OF FARMERS 7 - NONPROFIT-SECULAR 8 - NONPROFIT-FAITH BASED 9 - INDIAN TRIBE 10 - PUBLIC COLLEGE/UNIVERSITY 11 - OTHER	8. COLLATERAL CODE 1 - REAL ESTATE SECURED 2 - REAL ESTATE AND CHATTEL 3 - NOTE ONLY OR CHATTEL ONLY 4 - MACHINERY ONLY 5 - LIVESTOCK ONLY 6 - CROPS ONLY 7 - SECURED BY BONDS 8 - RLF ACCT	9. EMPLOYEE RELATIONSHIP CODE 1 - EMPLOYEE 2 - MEMBER OF FAMILY 3 - CLOSE RELATIVE 4 - ASSOC.
10. SEX CODE 1 - MALE 2 - FEMALE 3 - FAMILY UNIT 4 - ORGAN. MALE OWNED 5 - ORGAN. FEMALE OWNED 6 - PUBLIC BODY	11. MARITAL STATUS 1 - MARRIED 2 - SEPARATED 3 - UNMARRIED (INCLUDES WIDOWED/DIVORCED)	12. VETERAN CODE 1 - YES 2 - NO	13. CREDIT REPORT 1 - YES 2 - NO
14. DIRECT PAYMENT (See FMI)	15. TYPE OF PAYMENT 1 - MONTHLY 2 - ANNUALLY 3 - SEMI-ANNUALLY 4 - QUARTERLY	16. FEE INSPECTION 1 - YES 2 - NO	
17. COMMUNITY SIZE 1 - 10,000 OR LESS (FOR SFH AND HPG ONLY) 2 - OVER 10,000	18. USE OF FUNDS CODE (See FMI)		
COMPLETE FOR OBLIGATION OF FUNDS			
19. TYPE OF ASSISTANCE (See FMI)	20. PURPOSE CODE	21. SOURCE OF FUNDS	22. TYPE OF ACTION 1 - OBLIGATION ONLY 2 - OBLIGATION/CHECK REQUEST 3 - CORRECTION OF OBLIGATION
23. TYPE OF SUBMISSION 1 - INITIAL 2 - SUBSEQUENT	24. AMOUNT OF LOAN	25. AMOUNT OF GRANT	
26. AMOUNT OF IMMEDIATE ADVANCE	27. DATE OF APPROVAL MO DAY YR	28. INTEREST RATE %	29. REPAYMENT TERMS
COMPLETE FOR COMMUNITY PROGRAM AND CERTAIN MULTIPLE-FAMILY HOUSING LOANS			
30. PROFIT TYPE 1 - FULL PROFIT 2 - LIMITED PROFIT 3 - NONPROFIT			
COMPLETE FOR EM LOANS ONLY		COMPLETE FOR CREDIT SALE-ASSUMPTION	
31. DISASTER DESIGNATION NUMBER (See FMI)	32. TYPE OF SALE 1 - CREDIT SALE ONLY 2 - ASSUMPTION ONLY 3 - CREDIT SALE WITH SUBSEQUENT LOAN 4 - ASSUMPTION WITH SUBSEQUENT LOAN		
FINANCE OFFICE USE ONLY		COMPLETE FOR FP LOANS ONLY	
33. OBLIGATION DATE MO DA YR	34. BEGINNING FARMER/RANCHER (See FMI)		

If the decision contained above in this form results in denial, reduction or cancellation of USDA assistance, you may appeal this decision and have a hearing or you may request a review in lieu of a hearing. Please use the form we have included for this purpose.

Position 2

ORIGINAL - Borrower's Case Folder

COPY 1 - Finance Office

COPY 2 - Applicant/Lender

COPY 3 - State Office

CERTIFICATION APPROVAL

For All Farmers Programs

EM, OL, FO, and SW Loans

This loan is approved subject to the availability of funds. If this loan does not close for any reason within 90 days from the date of approval on this document, the approval official will request updated eligibility information. The undersigned loan applicant agrees that the approval official will have 14 working days to review any updated information prior to submitting this document for obligation of funds. If there have been significant changes that may affect eligibility, a decision as to eligibility and feasibility will be made within 30 days from the time the applicant provides the necessary information.

If this is a loan approval for which a lien and/or title search is necessary, the undersigned applicant agrees that the 15-working-day loan closing requirement may be exceeded for the purposes of the applicant's legal representative completing title work and completing loan closing.

35. COMMENTS AND REQUIREMENTS OF CERTIFYING OFFICIAL

36. I HEREBY CERTIFY that I am unable to obtain sufficient credit elsewhere to finance my actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near my community for loans for similar purposes and periods of time. I agree to use the sum specified herein, subject to and in accordance with regulations applicable to the type of assistance indicated above, and request payment of such sum. I agree to report to USDA any material adverse changes, financial or otherwise, that occur prior to loan closing. I certify that no part of the sum specified herein has been received. I have reviewed the loan approval requirements and comments associated with this loan request and agree to comply with these provisions.

(For FP loans at eligible terms only) If this loan is approved, I elect the interest rate to be charged on my loan to be the lower of the interest rate in effect at the time of loan approval or loan closing. If I check "NO", the interest rate charged on my loan will be the rate specified in Item 28 of this form. _____ YES _____ NO

WARNING: **Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years, or both."**

Date _____, 20 _____
(Signature of Applicant)

Date _____, 20 _____
(Signature of Co-Applicant)

37. I HEREBY CERTIFY that all of the committee and administrative determinations and certifications required by regulations prerequisite to providing assistance of the type indicated above have been made and that evidence thereof is in the docket, and that all requirements of pertinent regulations have been complied with. I hereby approve the above-described assistance in the amount set forth above, and by this document, subject to the availability of funds, the Government agrees to advance such amount to the applicant for the purpose of and subject to the availability prescribed by regulations applicable to this type of assistance.

(Signature of Approving Official)

Typed or Printed Name: _____

Date Approved: _____ Title: _____

38. TO THE APPLICANT: As of this date _____, this is notice that your application for financial assistance from the USDA has been approved, as indicated above, subject to the availability of funds and other conditions required by the USDA. If you have any questions contact the appropriate USDA Servicing Office.

REQUEST FOR OBLIGATION OF FUNDS

INSTRUCTIONS-TYPE IN CAPITALIZED ELITE TYPE IN SPACES MARKED ()			
Complete Items 1 through 29 and applicable Items 30 through 34. See FMI.			
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Typed or Printed Name: _____

Date Approved: _____ Title: _____

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TO: Mayor and City Council

FROM: Rob Pierce, Planning Director

CC: Mark Whitfield, City Manager
Lou Vitola, Finance Director

DATE: December 12, 2022

RE: Planning Department – Budget Adjustment – Property Maintenance

The Planning Department requests an appropriation of \$8,000 from General Fund Reserves to the Planning Department *Property Maintenance* budget line (101-1045-429.68-20) to cover projected expenses for the remainder of the fiscal year. The City has historically budgeted \$16,000 a year to perform grass cutting, property cleanup, dangerous tree removal and other services associated with code enforcement violations. The City has exhausted the fiscal year budget through the end of November due to increased tree trimming, grass cutting, rubbish removal and property cleanup activities. The majority of the expenses incurred under this line item are billed to the property owner and collected through property tax billing.

Staff recommends City Council authorize the appropriation of \$8,000 from General Fund Reserves be allotted to the Planning Department Property Maintenance budget line (101-1045-429.68-20)



PUBLIC WORKS DEPARTMENT
180 Vickers Drive
Milford, DE 19963

PHONE 302.422.1110
FAX 302.422.1117
www.cityofmilford.com

To: Mayor and City Council
Thru: Mark Whitfield, City Manager
Michael Svaby, Public Works Director
From: Rhiannon Slater, Operations Supervisor
Subject: Purchase of HEIL DUAL Tip Refuse Truck
Date: December 5, 2022

Staff requests City Council review and approve a request to purchase a replacement for SW-14, a 2015 Western Star Dual tip refuse truck. The current vehicle is 7 years old, has approximately 60,000 miles on it and has begun to approach its end of life as a primary daily operations vehicle. The purchase of the proposed unit was identified and approved in the 2023 Capital Improvement Plan.

The acquisition will be made through a Sourcewell/NJPA Contract. Specifications for the Heil refuse truck are attached. The Solid Waste Division budgeted \$405,000 for the purchase of this unit; the HGAC final cost is \$430,570.36.

Lead times are currently being quoted such that the new vehicle will not arrive until 2nd-3rd quarter of CY 2023.

RECOMMENDATION: Staff recommends City Council authorize a purchase order in the amount of \$430,570.36 to Mid-Atlantic Waste Systems, in accordance with the Sourcewell/NJPA Contract and submitted proposal. Supplementary funding of \$26,000 coming from an updated capital budget for FY 24 of \$431,000.



Division of THC Enterprises, Inc.

Easton, MD * Baltimore, MD * Chesapeake, VA Chester, PA *
 Clinton, MD * Cheswick, PA * Salem, VA
 Phone 800-338-7274 Fax 410-820-9916
 Visit us on the web! www.mawaste.com



PROPOSAL

Remittance Address for Deposits:

10641 Cordova Road
 Easton, MD 21601

SOLD TO
 Charlie Nordberg
 Milford, City of
 180 Vickers Dr
 Milford, DE

SHIP TO
 Charlie Nordberg
 Milford, City of
 180 Vickers Dr
 Milford, DE

Quote #: RSSQ38384
 Account:
 Terms:
 Date: 10/26/22

302-422-1110
 cnordberg@milford-de.gov

302-422-1110
 cnordberg@milford-de.gov

Sales Rep Colin Kraus

QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
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Sourcewell/NJPA Contract # 091219-THC HEIL

Milford Membership # 31321

1.00	HEIL High Performance Rear Automated Side Loader, MultiPack 24 Cubic Yard Eject -3.94 yd3 rear hopper -5.2 yd3 front hopper -108 in. Lift reach -Python Lift - 2-year limited structural warranty -Lift capacity up to 800 lbs -DuraPack 5000 tailgate -Street side access door with step and grab handle -Under hopper liquid sump with 2 clean-out doors and steel rake -Tailgate service props -Tailgate tumbuckle kit -O.I.G.A.I. Front mount tandem vane pump system -Cushioned up and down with chrome plated rods -Chassis frame-mounted oil tank with level/temperature gauge and oil suction shut-off valve -3-micron return line filter with magnetic trap & in-cab filter bypass monitor -100-micron suction line strainer -Abrasion resistant hydraulic hoses -In-cab packing controls, electric/air -In cab lift controls, air/electric, joystick -In-cab eject controls, electric/air -In-cab tailgate controls, air -Remote Packer Lube Kit -Severe Duty Packer wear bar kit-Hopper only -Cortex Controller with InSight diagnostic display -In-cab function and indicator lights -Select-O-Pack -AutoLift -Arm rest -Lift reach warning -Backup alarm -Backup and license plate lights -LED Center mounted brake light -LED Duplicate high and low mount stop, turn, and tail lights -LED Mid-body turn signals -LED FMVSS #108 clearance lights and reflectors -ICC reflective tape -Rear under ride guard -Rear camera bracket and flood lights - reverse activated -Cavity coat and joint sealer -Body undercoating -Customer's choice of one color finish paint from Color Smart brochure -Standard 1-year (2,000 hours of operation) warranty	\$184,232.64	\$184,232.64
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QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
	-ANSI Z 245.1-2012 compliant -5lb. in-cab fire extinguisher White in color		
1.00	New Mack 2023 LR64 Low Entry, cabover, dual drive, sit down right hand drive MP7-355A Mack 355 HP Allison 4500 RDS Trans 20,000 Front Axle, 31580R22.5 Tires, Michelin 46,000 Rear Axle, 31580R22.5 Tires, Michelin Aluminum Wheels all the way around 80 Gallon Fuel Tank White in Color	\$169,952.00	\$169,952.00
1.00	Extended Warranty's Engine and Aftertreatment 5 years/250K Miles and 5 year trans	\$4,445.00	\$4,445.00
1.00	Full Factory Mount	\$7,008.00	\$7,008.00
1.00	Belt Grabbers with Spring Loaded Inner Arm- to Accommodate 60/90 Gallon Round Automated Barrels	\$1,559.04	\$1,559.04
1.00	Hopper Hood- Not Available with 300 Gallon Grabbers	\$2,340.48	\$2,340.48
1.00	Remote Lift Controls- Air Toggles- Mounted Under Seat on Right Hand Side	\$1,828.80	\$1,828.80
1.00	Tailgate Hopper Work Light Kit- In-Cab Switch	\$420.48	\$420.48
1.00	Body Side Backing Assist Lights	\$599.04	\$599.04
1.00	Left Hand Buzzer Kit	\$202.56	\$202.56
1.00	Front Hopper & Lift Work Light Kit- Two Lights- In-Cab Switch	\$871.68	\$871.68
1.00	Peterson Multi-Function (SMART) LED Strobe / Turn Lamps- Includes LED Light Package for Entire Unit	\$724.80	\$724.80
1.00	15,000 lb Line Pull Reeving Cylinder with Control Kit- Non-Recessed	\$7,675.20	\$7,675.20
1.00	Lip & Latch Kit - with 20 degree, 7 inch sill extension with cutouts for cart tipper	\$1,944.00	\$1,944.00
1.00	Bayne MBTL180 Rotary Actuated Dual Cart Tipper, use for rear loading; no packer blade interference with proper installation	\$10,153.92	\$10,153.92
1.00	Tailgate Side Spill Troughs	\$851.52	\$851.52
1.00	Dual High Pressure Filter Kit	\$2,128.32	\$2,128.32
1.00	DP 5000 H.D. Contractors Package (includes 1/4" hopper floor, 3/16" hopper front face liner and tailgate spill troughs)	\$1,788.48	\$1,788.48
1.00	Fender Extension Kit	\$863.04	\$863.04
1.00	20 lb Fire Extinguisher with Bracket	\$587.52	\$587.52
1.00	Tool Box (18"x18"x36")- Frame Mounted	\$960.96	\$960.96
1.00	3rd Eye Digital System: Includes (Driver and forward Facing Camera (Window Unit), and Gateway - (In-Cab Monitor Not Included)	\$3,702.72	\$3,702.72
1.00	Add 3rd Eye Camera (Grabber)	\$639.36	\$639.36
1.00	Add 3rd Eye Camera (Hopper)	\$639.36	\$639.36
1.00	Add 3rd Eye Camera (LH Cab)	\$639.36	\$639.36
1.00	3rd Eye® Single Camera System with monitor and Single Camera Mounted on Tailgate	\$2,398.08	\$2,398.08
1.00	Special discount Mid-Atlantic Waste/Heil	(\$13,000.00)	(\$13,000.00)

QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
1.00	Heil Steel Surcharge	\$25,344.00	\$25,344.00
1.00	Chassis Modification Upcharge for Multipack	\$5,400.00	\$5,400.00

Price includes one standard color paint. Additional charges will apply if not a standard color paint from paint brochure or a metallic paint.

All built per manufacturer's standard specifications.

No title or tag fees included.

Due to the volatility of the fuel and steel markets, prices are subject to change without notice.

Price does not include any local, state, or federal excise tax.

Price includes freight.

Approximate Delivery: 2nd Qtr 2023

Terms: Net 15 Days

Subtotal	\$430,570.36
Federal Excise Tax	\$0.00
Sales Tax	\$0.00
TOTAL*	\$430,570.36

*Total does not include optional items

F.E.T will be charged on all applicable items unless current F.E.T Exemption form is on file.

Any cancellation or modification of order will result in a 20% restocking charge to Buyer.



TERMS AND CONDITIONS

1. General

No terms or condition of Buyer's purchase order which is different from or in addition to Seller's terms and conditions set forth herein shall bind Seller unless expressly agreed to in writing by Seller's duly authorized representative. Buyer's acceptance of any offer made by Seller is expressly limited to the terms and conditions provided herein. Unless otherwise stated, Seller's quotation may be modified or withdrawn prior to acceptance, and in any event, shall expire after 30 days from its date. This order is not binding on MID-ATLANTIC WASTE SYSTEMS until officially approved. The said machinery, equipment and/or parts are ordered and will be purchased subject to written contract only, and are not affected by any verbal representations or agreements, nor is this order subject to cancellation by the Purchaser without the Seller's consent. Any cancellation or modification of order will result in a 20% restocking charge to Buyer.

2. Price and Payment

**Payments Accepted: Cash, Checks, ACH & Wires. Credit Card payments above \$5,000 will incur a 3% fee.

(a) Prices quoted herein are exclusive of all taxes. Any taxes levied or which may become due, and other charges or assessments made by any taxing authority in connection with this contract or the sale, except those measured by Seller's net income, shall be the expense of the Buyer and shall be payable to Seller at or before such tax or other amount is due. When Buyer is entitled to exemption from any tax, Buyer shall furnish Seller with a tax exemption certificate acceptable to the taxing authorities.

(b) Interest at the rate of one and one-half per cent (1.5%) per month (18% per annum), or the maximum lawful rate allowable, will be charged, whichever is less, on all past due invoices. The undersigned agrees to pay all expenses, charges, costs and fees, including, without limitation, attorney's fees and expenses, of any nature whatsoever paid or incurred by, or on behalf of MID-ATLANTIC WASTE SYSTEMS, DIVISION OF THC ENTERPRISES, INC., in connection with any collection action brought hereunder. The invalidity of all or any part of any provision of this Agreement shall not render invalid the remainder of such provision or any other part of this Agreement.

(c) MID-ATLANTIC WASTE SYSTEMS, DIVISION OF THC ENTERPRISES, INC., shall retain ownership of and title to the above machinery, equipment and parts covered by this order until fully paid for in cash and until any note given in evidence of indebtedness, and any renewals thereof, have been fully paid. If any such note is not paid in full at its maturity, all other notes and obligations given in evidence of indebtedness hereof shall at once become due, and the said MID-ATLANTIC WASTE SYSTEMS, DIVISION OF THC ENTERPRISES, INC., shall have the right to take possession of said machinery wheresoever it may be situated and sell the same pursuant to the conditional sales statutes of the State of Maryland.

3. Delivery

(a) Delivery dates are estimated and not guaranteed by Seller and, in any event are conditioned upon receipt of all specifications and

4. WARRANTY AND LIMITATIONS OF LIABILITY

ANY EXPRESS WRITTEN WARRANTY PROVIDED BY THE MANUFACTURER OF THE EQUIPMENT DESCRIBED IN THIS QUOTATION IS GIVEN IN LIEU OF ALL OTHER WARRANTIES EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. SELLER SHALL NOT BE LIABLE FOR SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES RESULTING FROM DEFECTIVE GOODS, SELLER'S NEGLIGENCE, BREACH OF WARRANTY OR CONTRACT, OR CLAIMS BASED UPON STRICT LIABILITY. IN NO EVENT SHALL SELLER BE LIABLE FOR CONSEQUENTIAL DAMAGES COMMERCIAL IN NATURE.

5. Delays

Seller shall not be liable for the failure or delay in the performance of any term, condition, or obligation hereunder due to any cause beyond the Seller's control, including but not limited to Acts of God, acts of the Buyer, war, insurrections or riots, fires, floods, accidents, acts, orders or regulations of any government, inability to obtain necessary materials, services or facilities, strikes or other labor troubles.

6. Development Changes

Changes in design, specifications, construction or materials, may be made at Seller's discretion, and without Buyer's consent, where such changes do not materially affect price, delivery or guaranteed performance (if any) of the goods, or make unusable any other item of goods furnished hereunder.

7. Termination

No order may be terminated without Seller's written consent. Upon any termination Buyer shall pay reasonable termination charges, including but not limited to, manufacturing and sales costs, overhead, costs or goods and profit. Any cancellation or modification of order will result in a 20% restocking charge to Buyer.

ALL PRICES SUBJECT TO ANY APPLICABLE FEDERAL OR STATE TAXES AND TITLING FEES. QUOTE SUBJECT TO REVISION AFTER 15 DAYS.

FINANCING AVAILABLE

NOTE: Please read carefully. This quote becomes a sales order if signed by customer. Your order will be processed as written! Notify of any changes needed within five (5) days of signing. Financing available, subject to credit approval. I have read and understand the terms and conditions on this Order.

Customer Approval to Process Order EXEMPT NOT EXEMPT
Sales Tax Status - PLEASE INITIAL Date
MUST SELECT TO PROCESS ORDER

Thank you for the opportunity to earn your business!



PUBLIC WORKS DEPARTMENT
180 Vickers Drive
Milford, DE 19963

PHONE 302.422.1110
FAX 302.422.1117
www.cityofmilford.com

To: Mark Whitfield, City Manager
From: Tony Chipola, Electric Director
Subject: Field Inventory Services / GIS Mapping
Date: November 30, 2022

Staff requests City Council consider a recommendation for professional services to conduct an extensive survey and field inventory of the electric infrastructure and to obtain results in a format compatible with the City's existing ESRI GIS system with verified model connectivity from the feeder head to the customer meter.

Current paper records are outdated, inaccurate, limited in the ability to convey necessary information to field personnel, and lack the ability to develop automated reports / analyses.

The GIS network model will serve as the system of record which can be leveraged to support various asset management activities, allow for automated reports, aid in identifying 3rd party attachments, assist in underground locate activities, expedite fault location identification, and performance of reliability and Root Cause Investigations. This will result in decreased outage frequencies and durations for our customers while also allowing the city to work more effectively and efficiently.

The model will also serve as a starting point in developing customer facing outage maps and integration into an outage management system. Other future benefits would be the ability to import models into various load flow applications to assist with more in-depth engineering analyses (internal and external), such as load and distributed energy resource forecasting, Electric Vehicle and Electrification Impact studies, and other system planning tools and functions.

Proposed unit costs amount to \$21.15 per pole / padmount location to survey equipment, and \$2.68 per meter location to develop a network connectivity model. Based on estimated quantities from existing records, the extended price amounts to \$119,894.95.

RECOMMENDATION:

Staff recommend Council authorize award to Davey Resource Group, in the amount of \$125,000 (\$119,894.95 extended cost plus \$5,105.05 contingency) to conduct the requested inventory and mapping services as budgeted in the 2022 Approved CIP.

PUBLIC WORKS FACILITY

180 Vickers Drive
Milford, DE 19963
www.cityofmilford.com



Anthony J. Chipola III, Electric Director

PHONE 302.422.1110, Ext 1137

achipola@milford-de.gov

CITY OF MILFORD ELECTRIC SYSTEM FIELD INVENTORY SERVICES REQUEST FOR PROPOSAL

Submission Deadline

4:00pm EST on November 18, 2022

Question Submission Deadline

2:00pm EST November 8, 2022

RFP Contact

Anthony J. Chipola III, Electric Director
180 Vickers Drive
302-422-1110
achipola@milford-de.gov

Introduction

The City of Milford Electric Department invites and welcomes proposals for their Electric System Field Inventory project. Please take the time to carefully read and become familiar with the proposal requirements. All proposals submitted for consideration must be received by the time as specified above under the "SUBMISSION DEADLINE."

BIDDERS SHOULD NOTE THAT ANY AND ALL WORK INTENDED TO BE SUBCONTRACTED AS PART OF THE BID SUBMITTAL MUST BE ACCOMPANIED BY BACKGROUND MATERIALS AND REFERENCES FOR PROPOSED SUBCONTRACTOR(S) – NO EXCEPTIONS

Project Objective

The objective and goal of this project is to conduct an extensive survey and field inventory of the electric distribution and transmission infrastructure for the City of Milford Electric Department and to provide results in a format compatible with the City's existing ESRI GIS system with verified model connectivity from the feeder head to the customer meter.

Project Scope and Specifications

The consultant will conduct an extensive electric infrastructure survey originating from the two (2) Distribution Substations and one (1) Transmission Switching Station. The survey shall include

identifying and cataloging the various equipment and associated attributes as identified in Appendix A of this document.

The consultant will also be responsible for identifying joint use attachments and will coordinate with all joint use attachment companies to ensure accurate GIS records are furnished to the City as part of the project.

Schedule / Timeline

The following timeline has been established to ensure that our project objective is achieved; however, the following project timeline shall be subject to change when deemed necessary by management.

Activity	Timeframe
Distribute the Request for Proposal	10/21/2022
Close Request for Proposal and Begin Reviewing Proposals	11/18/2022
Select Engineering Consultant from the Candidates Obtained through the Request for Proposal Cycle	12/2/2022
Develop and Agree on Contract for the Consultant	12/16/2022
Consultant completes field assessment and all deliverables due	6/16/2023

PROPOSAL BIDDING REQUIREMENTS

PROJECT PROPOSAL EXPECTATIONS

The City of Milford shall award the contract to the proposal that best accommodates the various project requirements. The City of Milford reserves the right to award any contract prior to the proposal deadline stated within the "Scheduled Timeline" or prior to the receipt of all proposals, award the contract to more than one Bidder, and refuse any proposal or contract without obligation to any Bidder offering or submitting a proposal.

DEADLINE TO SUBMIT PROPOSAL

All proposals must be received by November 18, 2022 no later than 4:00 pm EST for consideration in the project proposal selection process.

PROPOSAL SELECTION CRITERIA

Only those proposals received by the stated deadline will be considered. All proposals, submitted by the deadline, will be reviewed and evaluated based upon information provided in the submitted proposal. In addition, consideration will be given to cost and performance projections. Furthermore, the following criteria will be given considerable weight in the proposal selection process:

- Proposals received by the stipulated deadline must be in the correct format.
- Bidder's alleged performance effectiveness of their proposal's solution regarding the Project Objective.
- Bidder's performance history and alleged ability to timely deliver proposed services.
- Bidder's ability to provide and deliver qualified personnel having the knowledge and skills required to effectively and efficiently execute proposed services.
- Overall cost effectiveness of the proposal.

The City of Milford shall reserve the right to cancel, suspend, and/or discontinue any proposal at any time they deem necessary or fit without obligation or notice to the proposing bidder/contractor.

PROPOSAL SUBMISSION FORMAT

The following is a list of information that the Bidder should include in their proposal submission:

Summary of Bidder Background

- Bidder's Name(s)
- Bidder's Address
- Bidder's Contact Information (and preferred method of communication)
- Legal Form of Bidder (e.g. sole proprietor, partnership, corporation)
- Date Bidder's Company Formed
- Description of Bidder's company in terms of size, range and types of services offered and clientele.
- Bidder's principal officers (e.g. President, Chairman, Vice President(s), Secretary, Chief Operating Officer, Chief Financial Officer, General Managers) and length of time each officer has performed in his/her field of expertise.
- Bidder's Federal Employee Identification Number (FEIN)
- Evidence of legal authority to conduct business in the City of Milford (e.g. business license number).
- Evidence of established track record for providing services and/or deliverables that are the subject of this proposal.

Financial Information

- State whether the Bidder or its parent company (if any) has ever filed for bankruptcy or any form of Reorganization under the Bankruptcy Code.
- State whether the Bidder or its parent company (if any) has ever received any sanctions or is currently under investigation by any regulatory or governmental body.

Proposed Outcome

- Summary of timeline and work to be completed.
- Project Management & Methodology
- Project Communication Plan

Cost Proposal Summary and Breakdown

- A detailed list of any and all expected costs or expenses related to the

proposed project.

- Break down of cost per unit
 - One unit shall be defined as a featured location from which all related attributes are gathered. Ex. A pole location shall be considered one unit, with attributes consisting of, but not limited to, conductors, OH Transformers, services, capacitor banks, switches, fuses, etc.
- Summary and explanation of any other contributing expenses to the total cost.
- Brief summary of the total cost of the proposal.

Appendix A:

Utility Statistics

Utility Statistics	Quantity
Substations	2
Circuits	9
Active and Inactive Meters	7482
Consumers Per Mile	
Miles of Transmission	3
Miles of Distribution Overhead*	159
Miles of Distribution Underground *	29
Poles (Primary, Secondary and Light)*	4007
Transformers Overhead*	844
Transformers Pad Mounted UG Equipment*	714
Protective Devices*	444
*estimated values	

Primary Poles

Attribute	Example
Pole Type	Primary, Secondary, Guy
Height	40
Class	4
Treatment Date	11/22/1968
Vintage	1998
Material	Wood
Pole Tag Number Collection	1234567
Joint Use Attachments Type	Cable
Joint Use Company	Verizon, Comcast
Joint Use Attachment Count	2
Pole Owner	Utility

Transmission Poles

Attribute	Example
Pole Type	Transmission
Height	40
Class	4
Vintage	1998
Material	Wood

OH / UG Transformer

Attribute	Example
-----------	---------

Transformer Number (URD Pad Mount Only)	1234
Transformer Size	25
Transformer Type	CSP / Conventional
Phase	A
GPS Coordinate (For Pad Mounted Only)	

Protection Devices / Switches

Attribute	Example
Device Number	12345
Device Size	15
Device Type	OCR
Phase	ABC
Status	NO or NC

Light

Attribute	Example
Light Type	High Pressure Sodium
Light Size	250
Fixture Type	Security, Acorn, Flood

Capacitors

Attribute	Example
Capacitor Number (If Visible)	12345
Capacitor Size (KVAR)	100
Type	FIXED, SWITCHED
Phase	ABC

Underground Equipment

Attribute	Example
Equipment Number (If Visible)	12345
Type	Junction Box, Switchgear, Pedestal, Vault
Phase	ABC

Primary Wire

Attribute	Example
Conductor Type	ACSR
Conductor Size	1/0
Neutral Type	ACSR
Neutral Size	1/0
Phase(S)	ABC

Feeder	B7114
Substation	
Phase Orientation	CTAB, BCA
Placement	OH or UG

Secondary Wire

Attribute	Example
Conductor Type	ACSR
Conductor Size	1/0
Type	Secondary, Service
Placement	OH or UG

Anthony J. Chipola

From: Anthony J. Chipola
Sent: Wednesday, November 9, 2022 10:22 AM
To: Anthony J. Chipola
Subject: RE: City of Milford Field inventory services - RFP
Attachments: Electric Export.zip

Hello,

Please find below, the questions received as of the cutoff date of 11/8 and the associated responses. I look forward to your proposals.

Questions:

1. Do you expect as a deliverable data that is a fully connected network or do you expect us to use the data collected from the field inventory to directly make updates to your GIS?
2. Are meters required to be collected for addition to the GIS and if so, what attributes need to be collected?
3. Please provide the current versions of your Esri environment. Are you using ArcFM as a component of your GIS? If not, how do you perform tracing to confirm connectivity?
4. Do you know what the percentage of back lot versus road side poles?
5. Can you provide us with an extract of your GIS data now?
6. Do you intend to provide an extract of your GIS data for use in collecting the data in the field? This is also related to the manner in which we provide the deliverable data product.
7. One of the bullets under the Summary of Bidder Background section is: Evidence of legal authority to conduct business in the City of Milford (e.g. business license number). Is it acceptable to state in our proposal that if awarded the work, we would obtain such a license?

Responses:

1. The deliverable shall be a fully connected model utilizing the ESRI Electric Utility Network Foundation model (<https://doc.arcgis.com/en/arcgis-solutions/latest/reference/introduction-to-electric-utility-network-foundation.htm>)
2. Meter Coordinates will be provided by the City of Milford. It will be the contractor's responsibility to determine phase, wire size, and to develop a connectivity model between the meter and associated transformer.
3. We're using ArcGIS Pro 3.0.2 and ArcGIS Enterprise 11.0. We currently do not use ArcFM nor do we currently perform traces.
4. A majority of poles are roadside. I would assume 85-90%, but this is a high level estimate only. Our GIS is dated and of questionable accuracy.
5. See attached. Note: The data is for reference only as the information is dated, incorrectly modelled, etc.
6. See response to Q1 and Q5.
7. This is acceptable

Thanks,
-Tony



Anthony Chipola | Electric Director
achipola@milford-de.gov | O: 302.422.1110 x1137 | F: 302.422.1117
180 Vickers Dr. | Milford, DE 19963 | www.cityofmilford.com



From: Anthony J. Chipola
Sent: Friday, October 21, 2022 8:52 AM
Subject: City of Milford Field inventory services - RFP

Good morning,

The City of Milford is currently soliciting proposals for services to perform a field asset inventory of the transmission and distribution electrical infrastructure and the development of a connected GIS model of said assets. Please find attached, the request for proposal outlining the scope of work and all other related information for submission.

Completed proposals must be received by 4pm EST on November 18, 2022 for consideration.

Thanks,
-Tony



Anthony Chipola | Electric Director
achipola@milford-de.gov | O: 302.422.1110 x1137 | F: 302.422.1117
180 Vickers Dr. | Milford, DE 19963 | www.cityofmilford.com





Response to Request for Proposal –
CITY OF MILFORD ELECTRIC SYSTEM
FIELD INVENTORY SERVICES

Prepared for: City of Milford, Delaware

November 18, 2022





Services for the Digital Utility®

November 18, 2022

Anthony J. Chipola III, Electric Director
City of Milford, DE
180 Vickers Drive
302-422-1110
achipola@milford-de.gov

RE: The City of Milford Electric Department Electric System Field Inventory Request for Proposal

Dear Mr. Chipola

UDC greatly appreciates this opportunity to respond to the City of Milford Electric Department's Request for Proposal (RFP) for Electric System Field Inventory services. UDC has prepared this proposal to best meet the City's requirements according to the project scope, specifications, and timeline defined in the RFP.

As described in the RFP, UDC understands that the objective of this initiative is to conduct an extensive electrical infrastructure survey and field inventory of the electric distribution and transmission infrastructure for the City of Milford Electric Department with results provided in a format compatible with the City's existing Esri GIS system using the Esri Utility Network model with full connectivity from the feeder head to the customer meter.

UDC has extensive field inventory experience for both electric distribution and electric transmission for clients that include:

- Pacific Gas and Electric Company
- Southern California Edison
- Kansa City Power & Light Company
- Excel Energy
- El Paso Electric
- We Energies
- Eversource Energy

With the advent of cost effective high-resolution imagery capture, the dynamic of how field inventories are performed has changed. Our approach is to partner with GeoCam to collect high-resolution imagery of the City's distribution and transmission system, and to process that imagery into a format to use for the collection, including all the required feature and attribution outlined in the RFP. Many of our recent field projects leveraged imagery to perform the collection of assets and attribution, including phasing and third-party attachments.

UDC - Corporate

82 Inverness Dr E #A1
Englewood, CO 80112

720-733-8862

UDC

Denver, CO
Oakland, CA
Oldsmar, FL
Waukesha, WI

UDC India

New Dehli - Corporate
Hyderabad
Parwanoo

UDCUS.COM



UDC's partner, GeoCam, is a services company headquartered in Manhattan Beach, CA. They focus on building technologies that enable precise mapping using cameras and imagery. The GeoCam system consists of aerial mapping pods and street-level 360 pods. They process imagery into GIS-ready information products. Together this platform is called the GeoCam Visual Mapping System.

The benefits to this approach include minimizing safety issues, minimal interaction with The City of Milford customers, and a significant cost savings up to 40% from a traditional field inventory. Furthermore, the imagery will provide the City with an option to perform any type of Data Acceptance Testing from the back office.

In addition to our field inventory experience UDC brings extensive Esri Utility Network technical expertise and relevant project experience successfully upgrading and converting our clients' GIS to the Utility Network platform. UDC is a Platinum partner in the Esri Partner Network, and one of the first companies to achieve the Esri Utility Network Specialty Certification, for both Electric and Gas.

UDC has been deploying GIS and related technology solutions to our clients since 2005. Our employees have GIS solutions experience that spans 25+ years, and UDC's executive management are key players in the industry. Above all, we strive to deliver and see to it that our clients and partners are successful. The City of Milford can be assured of UDC's full attention throughout the project, industry best resources, high-quality deliverables, and successful project completion on schedule and within project budget.

Sincerely,



Alan R Girten

Vice President – Data and Field Solutions

agirten@udcus.com



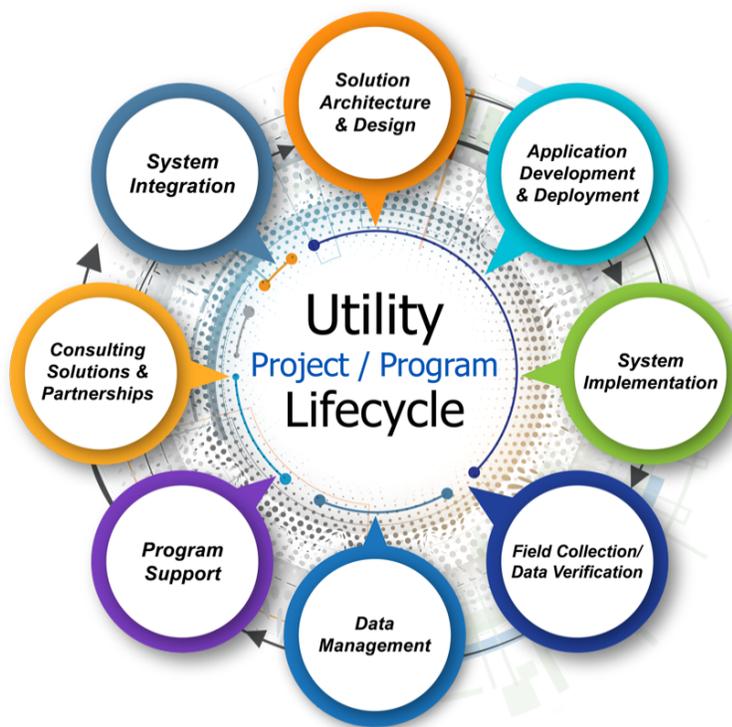
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SECTION 1 / SUMMARY OF BIDDER BACKGROUND

INTRODUCTION

UDC was founded in 2005 and has grown to well over 500 utility industry professionals. As a privately held company, we focus first and foremost on our customers' success, satisfaction and providing the best customer service. Focused on energy utilities in the US, we offer a range of services to enable and support your project challenges. UDC's hands-on experience spans all phases of the implementation lifecycle including full project management: from strategy, planning, and design to procurement, deployment, and benefits realization.



Official Registered Name
Utility Data Contractors, Inc.
D.B.A. UDC, Inc.

Address
82 Inverness Drive East Suite #A1
Englewood, CO 80112

Bidder Contact / Preferred Method of Communication
John Kelly; Proposal Manager
720-840-1970
jkelly@udcus.com

Legal Form of Bidder Corporation

Founded
May 5, 2005

Federal Employee Identification Number (FEIN)
202978937

UDC provides full lifecycle project and program support for electric, gas, and water utilities.

Principal Officers

Hamid Akhavan, Chief Executive Officer
Cofounded UDC in 2005;
35+ years of GIS and utility data experience

Rachel Benson, President
Cofounded UDC in 2005

Stan Trim, Chief Operating Officer
22+ years of GIS and business operations experience

Gail Chubb, Chief Financial Officer
25+ years of professional finance experience

Alan Girten, Vice President – Data & Field Solutions
25+ years of GIS and field data collection experience

Bill Larkin, Vice President – Business Development
25+ years of energy and utilities industry experience

Mitch Spichiger, Vice President – Systems Integration
25+ years of experience in information systems;
7+ years of utility industry experience

Joe Sanzo, Vice President – Utility Business Solutions
30+ years of GIS and IT services management experience;
former PG&E Director of Technology, Strategy and Solutions

With offices in Colorado (headquarters), California, Wisconsin, and Florida, we service utility customers in states across North America UDC's extensive client list follows.

UDC does not currently have a Business License to perform work in the City of Milford, but should we be awarded this work we will promptly obtain one.

UDC CLIENT LIST

US Multi-state Utilities

Ameren
American Electric Power
AVANGRID, Inc.
Dominion Energy
Duke Energy
Eversource Energy
Exelon Corporation
National Grid
NiSource Inc.
SCANA Corporation
Southern Company
Unitil
We Energies
Xcel Energy

Canada
ENMAX
Manitoba Hydro

California
Burbank Water and Power
City of Palo Alto
City of Pasadena /
Pasadena Water and Power
City of Riverside /
Riverside Public Utilities
Imperial Irrigation District
Modesto Irrigation District
Pacific Gas and Electric Company
San Diego Gas & Electric Company,
a Sempra Company
Southern California Gas Company,
a Sempra Company
Southern California Edison

Connecticut
Norwich Public Utilities
United Illuminating (UI),
an Avangrid Networks Company
Southern Connecticut Gas,
an Avangrid Networks Company

Delaware

Delmarva Power, an Exelon Company

Georgia

Atlanta Gas Light (subsidiary of SCG)
Southern Company Gas

Hawaii

Hawaiian Electric
(Hawaiian Electric Company, Inc.,
Hawai'i Electric Light Company, Inc.,
Maui Electric Company, Limited)

Idaho

Dominion Energy Idaho

Illinois

CILCO, now Ameren Illinois
ComEd, an Exelon Company

Indiana

NIPSCO / NiSource Inc.

Louisiana

Cleco

Maryland

BGE, an Exelon Company
Pepco Holdings, an Exelon Company
Southern Maryland Electric Cooperative

Massachusetts

Northeast Gas Association
Berkshire Gas,
an Avangrid Networks Company

Minnesota

Rochester Public Utilities

Missouri

Kansas City Power and Light

New Jersey

Atlantic City Electric, an Exelon Company

New York

ConEdison
National Grid

RG&E, an Avangrid Networks Company

North Carolina

Piedmont Natura Gas,
a Duke Energy Company

Ohio

Dominion Energy Ohio
The Energy Cooperative

Oklahoma

ONE Gas

Oregon

NW Natural
Portland General Electric

Pennsylvania

PECO, an Exelon Company
UGI Utilities, Inc.

Texas

CPS Energy
The El Paso Electric Company

Utah

Dominion Energy Utah

Vermont

Vermont Gas Company

Washington, DC

Pepco, an Exelon Company
Washington Gas, a WGL Company

Washington

Avista Utilities
Puget Sound Energy
Tacoma Public Utilities

West Virginia

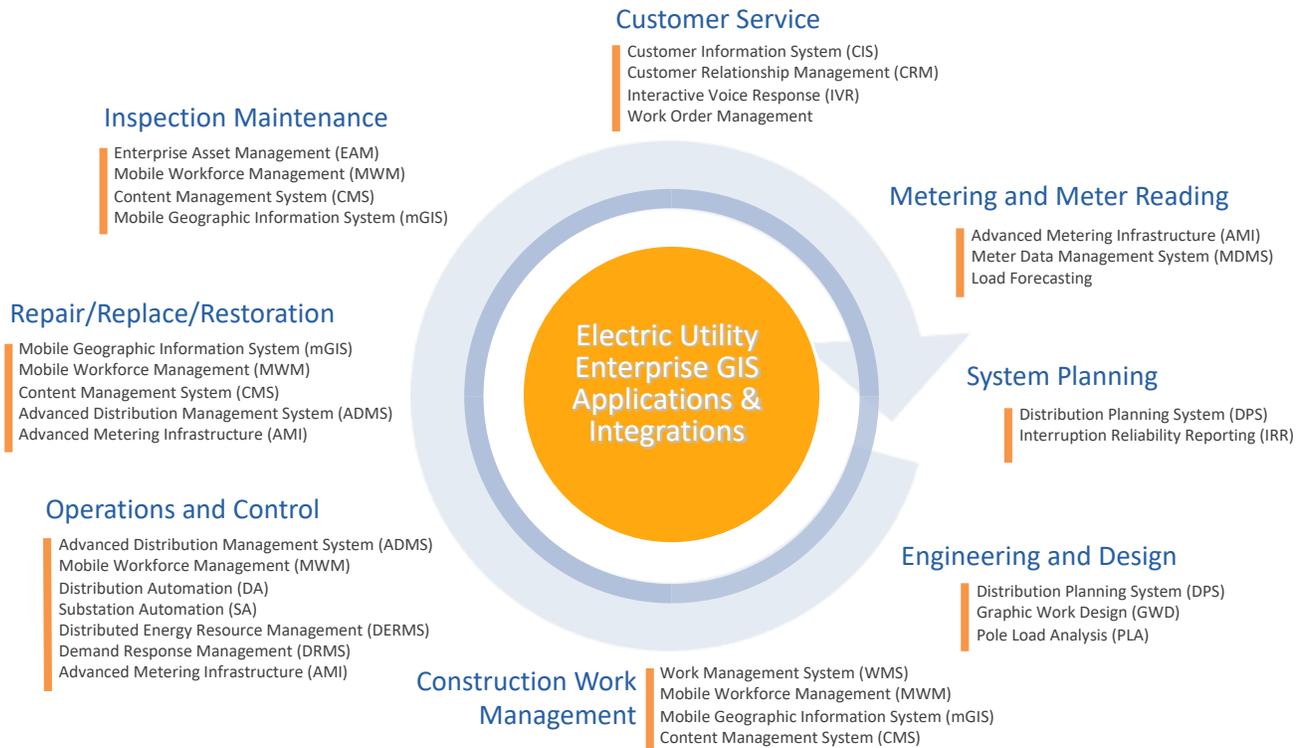
Dominion Energy West Virginia

Wyoming

Dominion Energy Wyoming

UDC GIS SERVICES FOR UTILITIES

UDC specializes in all aspects of the utility business: from customer service, metering, and billing to transmission and distribution system planning, network management, asset management, system operations, and outage management.



UDC also offers a suite of award-winning tools and frameworks to jump start, expedite, and support our client's projects and operational needs, including Utility Network Migration, Data Management, Compliance Management, Gas Outage Management, Reliability Management, and Secondary Network Enablement. An overview of our tools can be found at <https://www.udcus.com/solutions>.

At its heart, UDC is a GIS-focused systems integration and data company. Our core competencies are in GIS development, implementations, and upgrades. We specialize in preparation and migration of data for GIS projects at utilities with further support to enable data accuracy, latency, and enrichment.

Key Esri Technology Expertise

UDC offers extensive Esri technology subject matter expertise and has a long standing relationship with Esri. Since UDC's founding in 2005, UDC has advanced through the Esri Partner Network (EPN) program – from Silver in 2006 to Gold in 2018. In May 2022, Esri welcomed UDC to its highest level of EPN partnership, Platinum Esri Partner Network. UDC is one of only a handful of partners to receive the Platinum designation. Esri's Platinum program recognizes industry-leading firms demonstrating alignment with Esri's vision of supporting users in their work with geospatial data.



UDC's Data-centric Approach

Data, as part of the solution, is often not well understood and receives less attention than it should. UDC understands that getting the data "right" in planning a solution is essential for success; and maximizing opportunities for data enrichment and improvement in data maintenance can extend and sustain the value of technology investments that rely on that data. UDC's capability to holistically address the data component in a solution has differentiated our services for utilities.

Taking a data-centric approach, UDC consultants help our utility clients focus on asset management, encouraging them to use their good data to employ a risk based approach over a pure engineering or economic approach. We raise awareness in the value of GIS data and how it can be used as a reference to support utility operations such as outage communications, crew availability, reliability engineering and analysis, compliance planning, monitoring and reporting, and construction status reporting.

For utilities currently involved in or planning a data conversion project, UDC can serve as a third party to facilitate the overall administration of the quality of the data being delivered and help to administer the lifecycle of the data, including data acceptance testing (DAT).

UDC has evolved an industry leading methodology with procedures and tools around what we call Data Lifecycle Management (DLM). DLM provides procedures and tools for the management of data within the context of the conversion project. Built and refined based on 20 years of client experience, DLM enables our clients to address the data lifecycle based on a proven approach.

UDC's DLM Project Model has redefined the state of the industry's practices for how best to manage and engage off-shore data conversion companies, as well as creating a role for a seasoned conversion specialist in the day-to-day onsite direction in our client's conversion operations. This allows a utility to capitalize on the best practices in the industry while focusing on what it does best: delivering gas or electric services to its clients.

Utility Field Data Collection and Quality Assurance

UDC combines unique skillsets and foundational knowledge that distinguishes us in the field services industry. We take a data-centric approach to field collection based on our understanding of the data and the integrated systems utilizing this data, including GIS and its integrations. This distinguishes us from competitors who focus on vegetation management services or wood preservation, allowing us to quickly organize and implement field projects and deliver results before the competition.

UDC provides a complete program of field inventory and inspection services:

- **Field Asset Inventory for Electric and Gas Distribution and Transmission Assets**
 - Condition Assessment
 - GPS Location of Assets, GIS Data Verification, GIS Data Enhancement
- **Pole Load Analysis**
 - Smart Grid Readiness
 - Joint Use, Pole Ownership, Third-party Attachment
 - Post Design / As-built Verification
- **Meter Connectivity**
 - Phase Verification/Network Topology
- **Transmission Line Inventory and Inspection**
- **Advanced Distribution Applications**

UDC FIELD PROJECT EXPERIENCE

(partial list)

- American Electric Power — Electric Field Inventory
- Aquila (KCP&L) — Electric Distribution Network Field Verification
- El Paso Electric — Electric Field Inventory
- Eversource Energy — Field Connectivity Survey and Phase Verification
- Imperial Irrigation District — ArcGIS/ArcFM Data Modeling and Implementation
- Kansas City Power & Light Company — Overhead Electric Distribution Network Field Audit
- Manitoba Hydro / Winnipeg Central — Full Field Inventory, Field QA
- PSE Energy (Puget Sound Electric) — Electric Field Inventory / OH Data Verification
- Sempra: San Diego Gas and Electric (SDG&E) — Electric Distribution Overhead and Underground Phasing and Tagging
- Southern California Edison — Overhead and Underground Electric Field Verification
- Southern California Edison — Pole Load Analysis Field Collection
- Southern California Edison — Third Party Attachment Survey
- Southern Maryland Electric Cooperative — Contact Voltage Survey
- The United Illuminating Company — Meter GPS, Service Condition Assessment, Transformer Scoping

UDC services span the full utility asset lifecycle, from field collection of data to the applications and mobility applications, to complete the asset loop from the field and back to the field. We integrate our tools and process with our clients' day-to-day work process. Using modern up-to-date Esri-based field tools, UDC has built and customized tools for each assignment to ensure that field data is fully validated to provide required functionality and quality and can be successfully integrated with the client's IT initiatives.

In addition, we excel at helping our clients with the data check-in and check-out process. We don't just drop a bunch of spreadsheets, PDFs, dump files, shape files, and GDBs on the client and walk away. We build quality right into our process. We incorporate QA/QC right into our edit functions.

Data Migration

UDC provides data migration services to move GIS data and related integrated data between systems or to new systems. We have extensive hands-on experience with numerous utility systems and GIS systems and we can assist you with moving this data to the destination system. For large projects, where sizable capacity is required, UDC has access to the largest and most successful offshore data conversion partners who are also very familiar with our process.

Data Cleansing and Enhancement

Many clients have a need to address varying issues within their existing GIS data. These issues include:

- **Inherited/Legacy Issues:** It is not uncommon that errors in the GIS data or missing data aspects that were known to exist in the data source(s) used in the initial build of the GIS (or unknown aspects of a similar nature that reveal themselves as a result of the initial data conversion activities) require reconciliation and disposition.
- **Reconciliation Issues:** While many of the issues that may have been revealed and addressed during the initial build of the GIS, remnant unresolved issues that required research beyond the schedule limitations can now be addressed in a “post-initial GIS build” initiative.
- **Verification:** Questionable feature existence/spatial positioning and attribution values that may require verification and reconciliation in the field.
- **Enhancements:** Additional features but more often higher attribution fidelity to address the requirements of additional applications of the GIS such as ADMS.

We can assist you in doing the cleanup and enhancement or building tools and business processes you can use to achieve better data over time. We have had extensive experience with data enhancement for gas and electric utilities and our depth of experience with utility data and the host systems will help you reduce your time and risk and produce better data for the business sooner.

Ongoing Data Maintenance and Program Support

UDC provides tools to baseline the quality of data and to monitor and measure the quality of data once the utility’s design and as-built processes are in place for the maintenance of the data. We understand from our experience with data in the utility asset management lifecycle that keeping the data up-to-date is key to its value. In our experience, building the solution typically gets the majority of the attention; and often, after the initial build out, it is difficult for utilities to sufficiently maintain their data with the currency required. While each utility should be able to maintain its data and this is the preferred approach, in reality most utilities can use some help or extra hands at various times to maintain that data over time. With applications like ADMS requiring near real-time updates, data latency is more important than ever. For early GIS adopters, we are experienced with the issues around inaccurate landbases and can manage the data migration/data conflation process required to move all facility locations to be based on the newer landbase sources available. UDC can assist with data update projects or even continuous updates to utility asset data through data maintenance staff augmentation, tools development, and data cleansing initiatives. We can also augment this capability with our field services if needed.

UDC'S HISTORY OF PROJECT SUCCESS

UDC is proud of our history of project success, meeting or exceeding customer expectations for delivery. We have an enviable track record for delivering on schedule, within budget and in compliance with business and technical requirements. Our experience encompasses many of the most complex electric utility project assignments in the industry. Many of these projects pioneered new territory providing extensive industry knowledge and understanding from your peer utilities that we can bring to your projects.

Specifically, with regard to providing the electric field inventory the City of Milford has requested, the following representative project summaries demonstrate UDC's expertise and capability to ensure the City achieves the goals of this initiative. UDC has a history of project success and client satisfaction, establishing strong company and team relationships. UDC is proud to state that we have maintained adherence to the schedule and budget for each referenced project.

ELECTRIC FIELD CONNECTIVITY SURVEY AND PHASE VERIFICATION PROJECT (09/2020 – 12/2021)

CLIENT: EVERSOURCE ENERGY WESTERN MASSACHUSETTS

Eversource Energy operates in three states: Connecticut, New Hampshire, Massachusetts, providing electric and gas services to 4.3 million electric and natural gas customers.

UDC recently completed this field connectivity survey and phase verification initiative for Eversource Energy's Western Massachusetts operations, which began in September 2020 and included a two-month prototype and four-month pilot, with the production phase concluding in December 2021. The purpose of this project was to enhance the GIS data currently in place at Eversource to support the implementation of the new Enterprise Outage Management System (OMS). As a component of this, UDC drew upon our extensive field asset inventory and data collection expertise to field capture customer to overhead transformer connections for addition to the client's GIS. To gain greater accuracy for an OMS and DMS and thereby increasing the accuracy and fidelity of its GIS, Eversource needed to accurately identify: infrastructure GPS, connectivity including phasing, and the properties fed by each overhead transformer. When customer meters, (represented by Electric Service Points [ESPs]) were entered into the GIS, an algorithm was utilized attaching ESP's to the nearest transformer. UDC verified the customer to transformer connectivity for every Eversource overhead transformer and included phasing, transformer size (KVA) and its GPS location. During the field survey UDC captured the "Secondary Path", including the GPS of all secondary and service poles and the capture of the secondary and service path from transformer to customer.

UDC was responsible for collecting specific feature, attribute, and relationship data including:

- GPS locations and pole stencils for all primary, secondary, and service poles
- GPS locations for all overhead energized and typically energized equipment; including but not limited to: transformers, protective devices (cutouts, reclosers, sectionalizers, vipers, etc.), switches, by-pass switches, inline disconnects, capacitor banks, regulators, inductors, fault indicators, etc.
- Equipment size / rating / capacity as readable on device when visible (e.g., record overhead transformer size when visible)
- Primary conductor phasing and size; conductor sizing determined visually from the ground, +/- one AWG conductor size

- Phase validation for all customers served from an overhead transformer
- Phase validation for all overhead energized equipment
- Verification of connection to the proper transformer for all customers served from an overhead transformer (whether OH or UG service)
- Validation of customer to overhead transformer connectivity and secondary path for OH services
- Validation of customer to overhead transformer connection for underground service
- Field inspection of meter and collection of GPS points where address / parcel or customer is connected in field but not geo-located or correctly placed in GIS
- Overhead poles fed from UG
- Guy poles, and brace poles
- Capture of digital photos, a minimum of two for every pole surveyed, which include pole top and pole badge / stencil; transmittal of that data and hyperlinking the photos to the appropriate pole object within the GIS

UDC provided a tracking spreadsheet by delivery, containing discrepancies quantities of customer, transformer, overhead transformer to customer connection, transformer size, phasing, and missing / found unknown meters. Capturing of approximately 1,000 customer non-main meters (i.e., _2, _3, _4 meters) needing association, UDC associated specified items in a connected model within the EVS WMASS GIS.

UDC developed and executed QA/QC processes and tools for survey validation and recorded data to ensure that recorded data meets acceptance criteria; and UDC imported and validated the survey and verification data into the EVS WMASS GIS. And upon completion, UDC provided a document compiling the customer address and service poles so they can be corrected as part of a separate effort / project.

[ELECTRIC ADMS / GIS DATA CAPTURE \(PILOT: Q1 2017, FULL PROJECT: 2018 – 2023\)](#)

CLIENT: XCEL ENERGY, INC.

Xcel Energy, Inc. includes the activities of four wholly owned utility subsidiaries that serve electric and natural gas customers in eight mid-western, western, and southwestern states including Colorado. Xcel serves 5.1 million electric customer accounts with assets to support 106,681 miles of distribution and 18,466 miles of transmission.

Overhead and underground electrical distribution information in Xcel Energy's GE Smallworld GIS was known to be incomplete, and in some cases, inaccurate to thoroughly support full operational and planning business applications. For Xcel Energy to support the capabilities of their new Advanced Distribution Management System (ADMS) and make efficient use of it, higher quality data and verification of older data is required.

UDC completed a pilot to demonstrate the statement of work and the general specifications to successfully support ADMS, and started work on the full project in 2018. UDC is currently working in Colorado, Minnesota, and Texas. The work is schedule to complete in 2023.

ELECTRIC POLE LOADING ASSESSMENT (PLA) – DESKTOP REVIEW PLA (3/2021 – 3/2023)

CLIENT: PACIFIC GAS AND ELECTRIC COMPANY (PG&E)

PG&E provides natural gas and electricity to most of the northern two-thirds of California, from Bakersfield almost to the Oregon border.

The objective of the PG&E Electric Pole Loading Assessment – Desktop Review PLA project is to establish accurate digital twins of 495,000 electric distribution poles which represent how they are constructed in the field. UDC is updating the Pole Load Structural Models for all Tier 2 and Tier 3 High Fire Threat District (HFTD) poles using field collected data through a Desktop Review (DTR) process. The remaining Tier 2 and Tier 3 HFTD poles will be updated prior to the completion of the contract period.

UDC is using O-Calc Pro® v6.0 / Line Design in PG&E's environment to perform DTRs on distribution poles. LiDAR, hi-resolution imagery, satellite imagery, and other ground truth data will be used to correct pole positions and adjust span lengths and angles to their real-world counterparts. These data are then applied to the Pole Model's algorithmic generation (Baseline Poles) to provide an updated Pole Load Calculation without requiring a field visit to verify the data. Updates on a source pole will include updates to adjacent poles, attachment heights, pole positions, and spans.

UDC is leading the efforts for structure repositioning, DTR, and QA/QC as part of the DTR process in addition to project management, which includes:

- Verification of pole location using LiDAR, aerial imagery, or Google/ Bing Street View
 - Location adjusted as necessary, lat/long updated from LiDAR
- Updating adjacent poles, attachment heights, pole positions, and spans
- Performing DTR using:
 - Google satellite images, Google / Bing Street View
 - GIS (WebViewer)
 - PG&E's pole inspection reports (PRONTO)
 - Pole Test and Treat (PTT) investigation reports
 - LiDAR point clouds, aerial images, and street view images
- Verifying and updating pole data:
 - Dimensions: Ground Level Circumference (GLC) and Pole Height
 - Class, Species
 - Tip Height
 - Overturning Moment (OTM)
 - Guy data
- Adding/deleting equipment on poles when verified against the source imagery including:
 - Fuses, Switches, Cutouts
 - Streetlights
 - Regulators, Capacitors
 - Primary Risers
 - Transformers

- Adjusting equipment configuration for height and orientation using LiDAR if available, imagery if LiDAR is unavailable
- Updating attributes including construction grade updates based on imagery or pre-determined guidelines
 - Crossarms updates to match imagery / LiDAR, verify crossarm spacing
 - Conductor Count updates to match imagery / LiDAR
 - Line Attachment Point updates to match imagery / LiDAR
 - Spans Length and Azimuth (Angle) updates to match imagery / LiDAR
 - Conductor Size
 - Primary Spans / Tensions
 - Secondary Service Drops
 - Secondary Spans / Tensions updates to match imagery / LiDAR
 - Spans and Tensions – Span Linking
 - Attachments, verification of number of attachments, adjusting if any missing
 - Down Guys, add/remove based on imagery / LiDAR and verify:
 - Sidewalk Guy strut height, length
 - Anchor Lead angle, length, location
 - Span Guys

SECTION 2 / FINANCIAL INFORMATION

UDC has never filed for bankruptcy or any form of Reorganization under the Bankruptcy Code, nor has UDC received any sanctions or currently under investigation by any regulatory or governmental body.

SECTION 3 / PROPOSED OUTCOME

SUMMARY OF TIMELINE AND WORK TO BE COMPLETED

Initial Startup Phase

UDC understands that the final deliverable will be in Esri's ArcGIS Pro Utility Network enabled model with full connectivity from the substation circuit breakers to each meter.

During the project initiation phase UDC will meet with the City of Milford team to discuss the project scope, set expectations, understand roles and responsibilities, schedule and collaboratively define a communication plan between members of the UDC and City management resources. Additionally, during an initial kickoff meeting UDC will discuss the approach and all the steps/phases of the project. UDC will conduct a workshop to understand the City of Milford's requirements for moving to the target model to ensure alignment of the data model as well as the non-Utility Network features. Once we understand the requirements, UDC will establish a database to allow the collection of assets and their attributes. The database will contain the fields and domains required to build a working network after collection.

Imagery Capture Phase

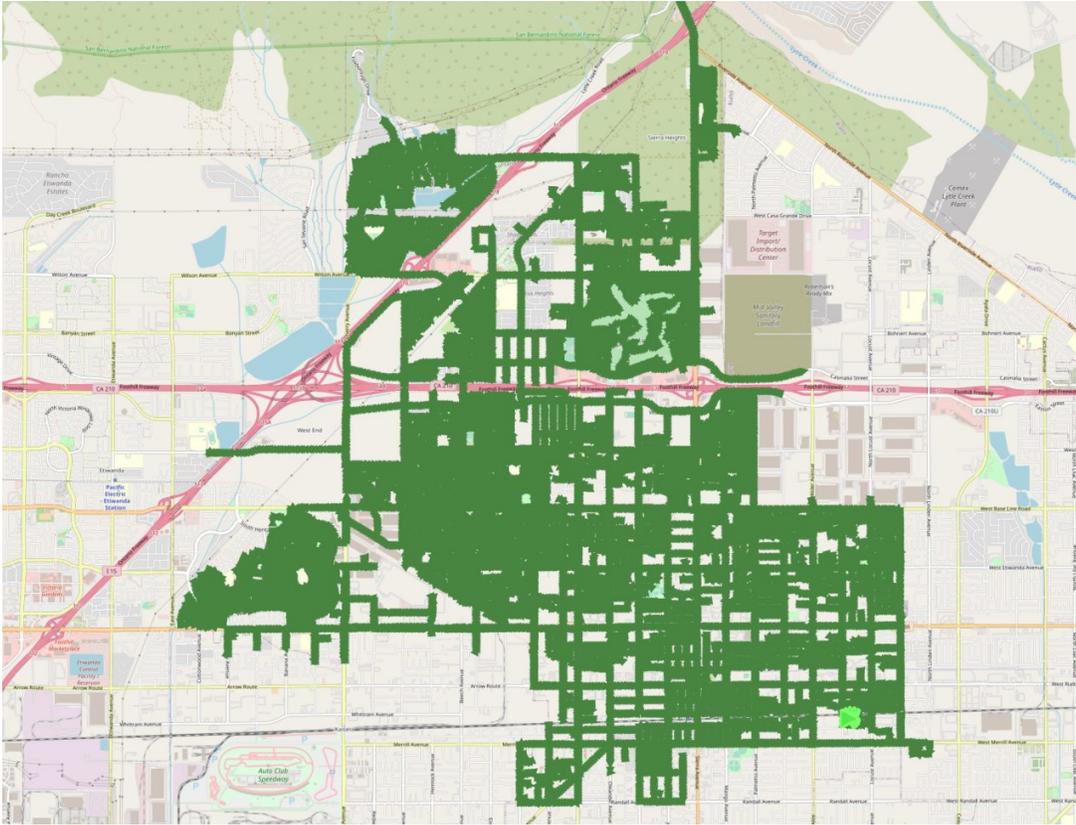
As noted in our cover letter, UDC takes an alternative approach to capturing the asset information in the field; using high resolution 360 spatially enabled imagery to collect much of the asset information. This approach helps to minimize cost while delivering imagery to the City for one year for the City's use in other initiatives.

UDC's partner GeoCam will perform field data capture using GeoCam 360 camera, smartphones, data processing, GIS feature mapping, and data hosting services.

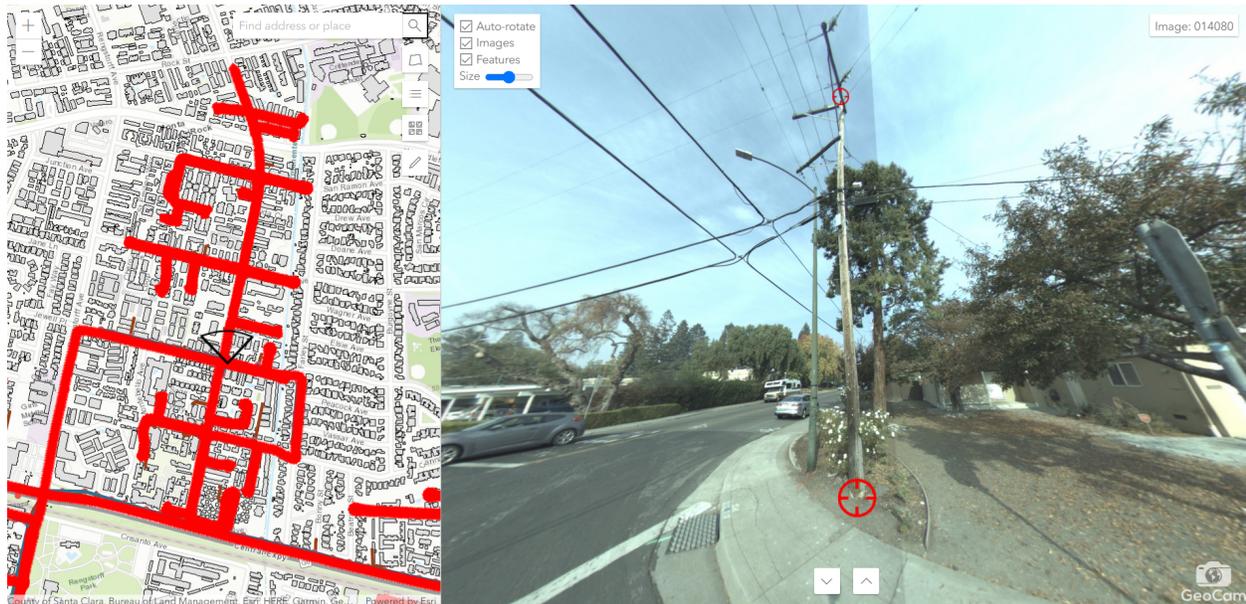
GeoCam, will deploy a single capture vehicle and 360 device to collect the foundational imagery. The provided City of Milford GIS data will be used as a guide for the capture area. The GeoCam team will drive all the streets inside of the city boundary (approximately 120 miles of centerline road that cuts across two counties – Kent and Sussex) ensuring all lines are captured in images. Additionally, the field team will deploy using smart devices and associate photos to each pole or underground feature in support of the data needed for the data capture.

Upon completion of the imagery capture, the field team will return to the GeoCam office and upload the imagery for processing.

The following image presents an example of a GeoCam GPS log from raw field collection.



Once the raw data is processed, the resulting imagery can be used to collect the required features and attributes, as shown in the example below.



Asset/Attribute Capture Phase

Using the derived data model provided, UDC’s back-office staff will initiate the collection of assets and perform required attribute updates by circuit, starting at the substation and following each circuit pole by pole, collecting all information required for each pole and any equipment and conductors and all required attribution. UDC will create/place the missing meters in the current data from the City’s CIS data extract using the GPS coordinates.

Using the GeoCam imagery, UDC will perform a second pass to collect all joint use attachments and attribution. UDC will coordinate with the joint use attachment companies to ensure accuracy of the joint use data that will be provided back to the City.

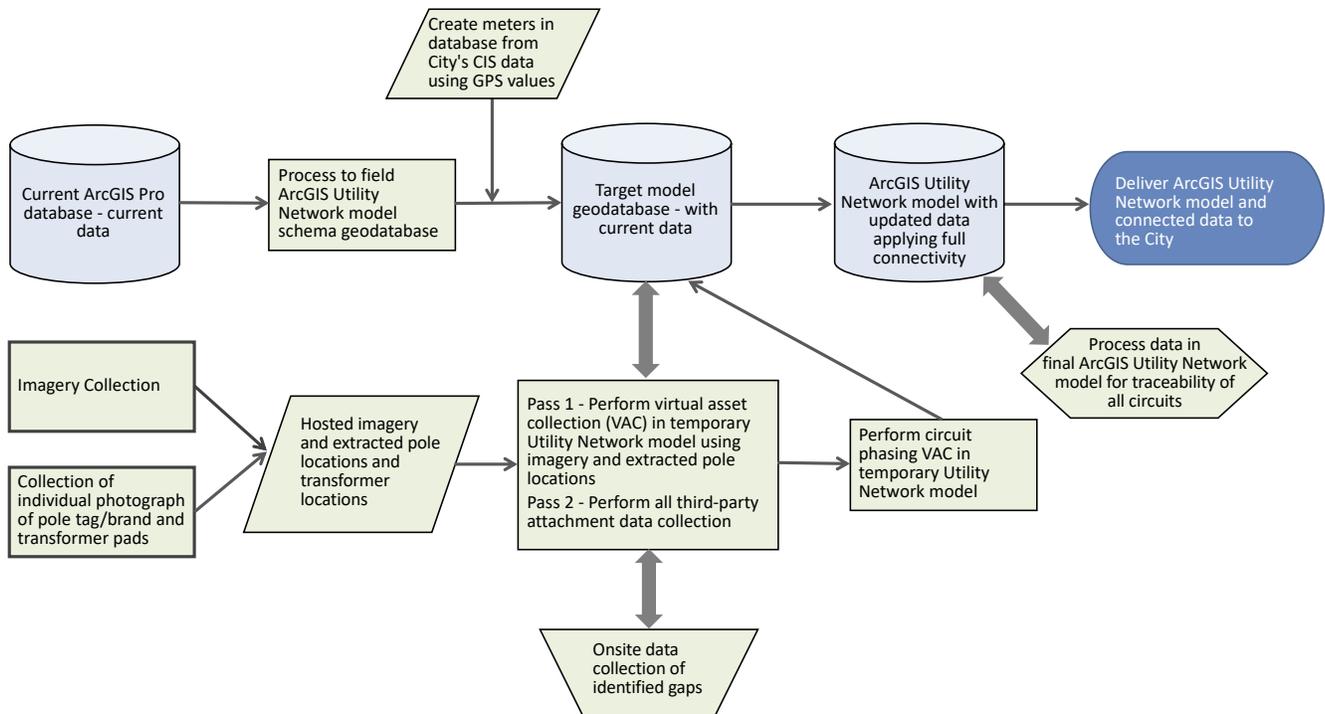
UDC will also capture the phasing of each circuit. Using the known phasing point from the substation get-away, UDC will traverse the circuit from pole to pole to verify and update phasing values on conductors, transformers, equipment, and finally each meter.

Any “gaps” encountered where the imagery information may not allow a definitive data capture, will be “flagged” and addressed in an onsite “gap” phase. An experienced field technician will be deployed to the City of Milford to collect the data flagged as a “gap” during the back-office collection.

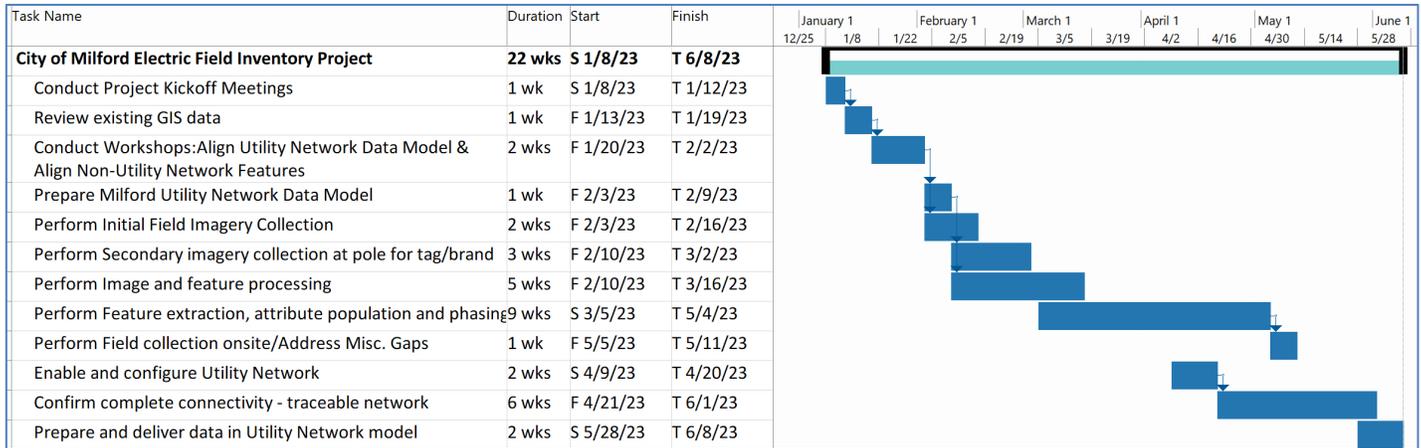
UDC will perform quality control (QC) and data acceptance testing (DAT) on each circuit during and at the completion of the data capture. Additional QC will be performed by the field technician during the onsite data capture for the “gaps.”

Once all back-office collection/update, field collection, and QC/DAT is complete, UDC will move the data into the final Utility Network model. UDC will validate and establish connectivity from the substation circuit breaker down to each individual circuit. After all circuits are fully traceable, UDC will then deliver the database containing the established model to the City.

The entire process as described is illustrated below.



UDC will complete the scope of work within the schedule defined in the City’s RFP. The major tasks and their durations are illustrated in a snapshot from Microsoft Project below.



PROJECT MANAGEMENT

UDC believes that applying first-rate project management and governance to a project is critical to ensure its success. UDC project managers provide a point of leadership, communication, and accountability for a project.



Across the four conceptual stages of project management shown in the diagram above, UDC will lead and/or support: project planning; managing scope, schedules, resources, and budgets; tracking progress; proactively addressing risks and issues, communication, and other aspects of organizational change management.

Key Project Management Activities

The table below provides additional detail on some of the key activities to be driven by the UDC and City project managers during the initiation, planning, execution and control, and closure stages.

PROCESS GROUP	KEY ACTIVITIES
Initiation	<ul style="list-style-type: none"> Review the contract, statement of work, project goals, and objectives. Identify project stakeholders. Gather planning inputs. Establish a centralized project repository for centralized records storage and sharing. Request project administrative setup as required for purposes of budget and actuals tracking, and to support deliverables tracking and billing.

PROCESS GROUP	KEY ACTIVITIES
Planning	<ul style="list-style-type: none"> • Verify scope and deliverables; identify all required work and resources (including people, process, and technology). • Develop Work Breakdown Structure (WBS) including task list, dependencies, sequence, and critical path. • Create and refine schedule, including estimated completion dates for project milestones and near-term detailed work plans. • Establish the project communication plan by identifying stakeholder communication needs (who needs what information and when, who provides it, and how it is provided). • Establish the project QA/QC plan, identifying the tools and techniques that will be used to define, measure, assess, and control quality; and by defining and agreeing to quality review and acceptance gates, and quality acceptance criteria. • Conduct risk analysis to identify and score project risks (e.g., high, medium or low likelihood of occurrence and impact levels) and define mitigation steps and/or contingency plans. • Define method(s)/procedures for issue tracking, prioritization, action planning, resolution, and escalation. • Define and agree to uniform change control processes for ensuring that the impact of a change on the project has been correctly assessed, and that informed approval decisions (with an understanding of project costs and benefits) have been made possible.
Executing Monitoring & Controlling	<ul style="list-style-type: none"> • Obtain and assign resources. • Direct and manage project execution to achieve scope requirements. • Direct and manage work to implement approved changes. • Coordinate vendor partner and subcontractor activities (as applicable). • Track and report project progress; progressively update the schedule. • Conduct status meetings on an ad hoc and regular basis, with individuals and the team. • Prepare and deliver status reports on an ad hoc and regular basis in accordance with the project communication plan. • Manage conflict and resolve issues. • Monitor risks. • Review change requests, lead change impact analysis (technical, cost, schedule, budget), and facilitate change control meetings. • Recommend corrective and preventive actions, defect repair, and other project changes.
Closing	<ul style="list-style-type: none"> • Gather deliverable acceptance sign-off. • Document and share lessons learned. • Complete final invoicing.

Project Communications

UDC thoroughly understands the crucial role of communication across the wide array of stakeholders and throughout all the phases of a project. For example:

- Change management/Awareness – Promoting awareness of the project and obtaining buy-in before, during and after the life of the project.
- Keeping stakeholders (internal and external to the project team, and internal and external to the City) up to date on a project’s current activities, progress to date, and upcoming tasks.
- Informing relevant parties about risks and issues, how these might impact them, and actions/help needed to mitigate or resolve.
- Most organization execute projects using some or all resources in a matrixed fashion. Without effective communication, it is easy for some stakeholders to be left “out of the loop. Communication should also keep informed the groups “owning” matrixed resources.
- Systems projects can notorious for having an “Business and IT divide”. Getting communication right goes a long way to avoiding those types of problems.

UDC will support the City in the definition of the Communications Strategy during project initiation as well as supporting execution of the Communications Strategy using a Communications Plan. These items may be documented in a “Project Handbook”. The Communications Plan is closely tied to (and/or guided by) a Stakeholder Matrix, which lays out the various stakeholder types, stakeholder individuals and their relationships with the project.

The Communications Plan takes into consideration: types of communication, stakeholders needing to receive communications, frequency of communications, and appropriate communications medium. The plan includes a table laying out the relationship between the communication types, stakeholders, frequency of communication, and the communication medium; providing the basis for a regular communication schedule. The plan may also assign responsibility for who will send each communication.

Project Management Tools, Techniques, and Best Practices

The UDC team will use standard project management tools, techniques and best practices throughout the project lifecycle to help keep the project goals, schedule and budget on track. UDC’s project managers typically have depth of experience successfully managing projects at utility companies from inception through to delivery.

The UDC Project Manager will collaborate with their City counterpart to tailor a combination of tools from the table below to “right-fit” with this engagement.

TOOL / TECHNIQUE	DESCRIPTION	BEST PRACTICE
Project Kickoff Meeting	<ul style="list-style-type: none"> • Project team initiation • Introduces stakeholders • Establishes working relationships and lines of communication • Reviews scope and project goals and objectives • Establishes individual and group responsibilities and accountabilities 	<ul style="list-style-type: none"> • Team building • Cross-team communication and awareness • Promoting shared expectations
Project Status Meetings	<ul style="list-style-type: none"> • Review and verify progress to date • Review risk and issue status • Typically, held weekly or may be ad hoc 	<ul style="list-style-type: none"> • Information gathering and sharing • Conduct “two-week look-ahead” to review short-term goals and assignments • Project performance assessment • Risk and issue review • Action plan development
Project Status Reports	<ul style="list-style-type: none"> • Share information about project performance, progress against plan, and highlight variances and any major risks or issues • Typically, prepared weekly 	<ul style="list-style-type: none"> • Stakeholder communication • Project records
Meeting Minutes	<ul style="list-style-type: none"> • Capture meeting conclusions and decisions • Record and communicate information for awareness, verification and future reference 	<ul style="list-style-type: none"> • Information sharing and verification • Project records
Risk List	<ul style="list-style-type: none"> • A centralized inventory of project risks including description, impact(s) on the project, probability, level of impact (such as high, medium, low), mitigation plan, owner, status • Monitored and updated over the life of the project 	<ul style="list-style-type: none"> • Risk management

TOOL / TECHNIQUE	DESCRIPTION	BEST PRACTICE
Issue List	<ul style="list-style-type: none"> • A centralized inventory of project issues including description, owner, corrective action(s), targeted resolution date, status 	<ul style="list-style-type: none"> • Issue management
Rolling Wave Planning	<ul style="list-style-type: none"> • A form of progressive project plan and schedule elaboration which involves defining short-term work in detail and further-out work at a high level 	<ul style="list-style-type: none"> • Schedule (time) management • Detailed planning
Milestone Schedule	<ul style="list-style-type: none"> • High-level schedule with targeted and actual start and/or end dates for key and/or critical project activities 	<ul style="list-style-type: none"> • Communication • Early planning
Critical Path Task and Dependencies Identification	<ul style="list-style-type: none"> • An assessment and identification of mandatory activities or milestones that have no slack (thus if impacted will have a ripple effect on the project schedule) 	<ul style="list-style-type: none"> • Risk management • Resource management • Early planning
Daily Stand-up meetings	<ul style="list-style-type: none"> • Brief touch-base meetings held to exchange status updates among team members • High frequency allows participants to promptly know about potential challenges as well as to coordinate efforts to resolve difficult, time-consuming, or high-risk situations, or critical issues 	<ul style="list-style-type: none"> • Collaboration • Risk and issue management
Impact Analysis Meetings	<ul style="list-style-type: none"> • An assessment of a change and the impact it will have on project scope, schedule or budget • Typically conducted with a team of subject matter experts and those who will be impacted by the change 	<ul style="list-style-type: none"> • Risk identification and assessment • Change planning
Change Control Meetings	<ul style="list-style-type: none"> • A meeting of project stakeholders authorized to make decisions on whether proposed changes to the project should or should not be made 	<ul style="list-style-type: none"> • Change management
Lessons Learned Reviews	<ul style="list-style-type: none"> • An information exchange between team members to review what worked well, what did not work well, and what adjustments to make going forward 	<ul style="list-style-type: none"> • Continuous improvement • Risk mitigation, issue prevention

SAFETY

UDC takes pride in promoting a “safety first” work environment. Historically UDC has maintained a strong safety record while working on our clients’ field asset inventory projects. We believe this has a direct correlation with the emphasis we put on training combined with our endorsement of safety-first practices. UDC has a Safety Manager on staff who compiles and reviews company-wide field safety reports on a weekly basis. We share this commitment with all our employees and new hires alike in a documented format and training classes that promote a safe and healthy environment on field projects.

UDC follows all rules and regulations set forth in our documented standards. UDC’s Field Safety Standards Manual has been developed in accordance with Utility Field Safety Standards and Procedures.

Each UDC employee will sign off on these Standard Rules and Regulations, carry a hard copy, and adhere to policies set forth in the document. Employees will attend required weekly meetings at the beginning of each week to review the Safety and Health Standards and to remind our field crews of their responsibilities while working on the project for their personal safety, coworkers’ safety, and the safety of the general public as well as the environment.

UDC is responsible for our impact to the environment in the City of Milford’s service territory during the inspection cycle. UDC will comply with any City environmental rules and regulations when driving or walking on any public or private lands. Respect and diligence will be a part of every employee’s commitment for the life of the project.

To further ensure the safety of our Field technicians, UDC field vehicles are equipped with the following items:

- Signage showing “Contractor for
- Vehicle decals stating “Caution: Frequent Stops”
- Roof mounted safety strobe lights for vehicles
- Fire extinguishers and first aid kits
- Vehicle safety cones
- Personal Protective Equipment (PPE) including high-visibility (hi-vis) vests

PROJECT ANOMALY REPORTING

It is important that questions and issues and their answers and resolution are communicated and documented in a timely manner to ensure minimal disruption in the workflow. UDC can implement and maintain our web-based Problem Action Resolution (PAR) system to log and track questions and issues that arise during the project, addressing data anomalies encountered during the field survey work as well as processing this data in the back office. The PAR system was designed as a web-based application to provide easy access for both UDC and the City to ask and answer questions. UDC will supply a link and instructions for the PAR system should its implementation be warranted.

SECTION 4 / COST PROPOSAL SUMMARY AND BREAKDOWN

As requested, UDC is providing a unit cost by location. The cost is inclusive of all work, travel, and expenses. It also includes one year of access to the high-resolution imagery.

The per-location cost includes the movement of data from ArcGIS Pro to a fully functional and enabled ArcGIS Utility Network, for an estimated cost of \$22,000.

LOCATION TYPE	NUMBER OF LOCATIONS	PER LOCATION COST	TOTALS
Poles	4,007	\$30.86	\$123,656.02
UG Transformer	714	\$30.86	\$22,034.04
Total			\$145,690.06

Assumptions

- Location counts are within +/- 5% of total provided.
- Wire size capture will be +/- AWG.
- Pole height capture will be +/- 1 ft, unless captured from pole tag or brand.

Optional (not included in unit price) – Year 2

- GeoCam Annual Subscription 8 GB per month for image storage (\$250 month, approx.)
- GeoCam Additional SaaS users \$100 Viewer (sold in packs of five \$500 each)
- GeoCam Image Capture + Processing @ \$50 per centerline mile \$6,000

November 18, 2022

Anthony Chipola
Electrical Director
City of Milford Electric
180 Vickers Drive
Milford, Delaware 19963

Dear Anthony:

RE: Field Inventory Services

Davey Resource Group Inc is pleased to submit this proposal for Electric System Inventory Services for City of Milford Electric.

Davey Resource Group has completed similar work throughout the United States and has a long track record of successfully providing comprehensive inventory services. DRG is very familiar with the scope of work City of Milford Electric has requested and has a clear understanding of the complexities involved in completing these types of projects. Our staff is committed to providing the City of Milford Electric with a successful, safe, accurate, and efficient system inventory,

"Disclaimer- Any data provided is not to be utilized as a survey product"

The principal point of contact for this proposal will be Scott Anderson, Sr. Project Developer, Phone: (904-237-5622);

e-mail: (Scott.anderson@davey.com)

Respectfully Submitted,



Scott Anderson
Senior Project Developer, Asset Management
Davey Resource Group

Scott Anderson
Project Developer
904-237-5622
Scott.Anderson@davey.com





ELECTRICAL SYSTEM INVENTORY SERVICES

City of Milford

November 18, 2022





PROPOSAL:

ELECTRIC SYSTEM INVENTORY

PRESENTED TO:
ANTHONY CHIPOLA
ELECTRIC DIRECTOR
CITY OF MILFORD
180 VICKERS DRIVE
MILFORD, DE 19963



CORPORATE OFFICE:
Davey Resource Group, Inc.
295 South Water Street, Ste. 300
Kent, OH 44240

TAX IDENTIFICATION NUMBER:
82-1948528

NAICS:
561730

D&B NUMBER:
10-544-6632

CONTACT PERSON:
Scott Anderson

CONTACT PHONE:
904-237-5622

EMAIL:
Scott.Anderson@davey.com



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SUMMARY OF BIDDER BACKGROUND

Bidder's Name(s)	Davey Resource Group, Inc.
Bidder's Address	295 S. Water St. Suite #300 Kent, OH 44240
Bidder's Contact Information (and preferred method of communication)	Scott Anderson 904-237-5622 Scott.Anderson@davey.com
Legal Form of Bidder (e.g. sole proprietor, partnership, corporation)	Corporation
Date Bidder's Company Formed	1992
Description of Bidder's company in terms of size, range and types of services offered and clientele.	Please see Company Background, page 6.
Bidder's Principal Officers	<ul style="list-style-type: none"> • Patrick M. Covey, President, 31 years • Joseph R. Paul, Chief Financial Officer, 17 years • Brent R. Reppening, Vice President, 28 years • Kenneth A. Joehlin, Vice President and General Manager, Environmental Consulting and Business Development 25 years • John J. McCabe III, Vice President and General Manager, DRG Utility Vegetation Management, 23 years • Scott Carlin, Vice President, Asset Management, 20 years • Thea R. Sears, Vice President and Controller, 29 years • Christopher Bast, Vice President and Treasurer, 9 years • Erika Schoenberger, General Counsel and Secretary, 4 years
Bidder's Federal Employee Identification Number (FEIN)	82-1948528
Evidence of legal authority to conduct business in the City of Milford (e.g. business license number).	2018607965
Evidence of established track record for providing services and/or deliverables that are the subject of this proposal.	Please see page 7 for our client references.





FINANCIAL INFORMATION

State whether the Bidder or its parent company (if any) has ever filed for bankruptcy or any form of Reorganization under the Bankruptcy Code.

No

State whether the Bidder or its parent company (if any) has ever received any sanctions or is currently under investigation by any regulatory or governmental body.

No



COMPANY BACKGROUND

Davey Resource Group's main office is located in Kent, Ohio, with regional offices in Alpharetta, Georgia; San Diego, California; and Albany, New York. Operational headquarters are also located in Michigan, Illinois, Delaware, Maryland, Florida, Texas, Louisiana, Mississippi, North Carolina, and Washington.

We are the utility and horticultural consulting division of The Davey Tree Expert Company. DRG had its beginnings providing our parent company with utility and horticultural consulting services as early as 1909. We have been providing right-of-way management services and asset management services to the utility industry since 1991.

DRG's major area of focus is asset management on the right-of-way. Our services in this field include pole inspections; field inventories/verifications; geographic information system (GIS) database development and data collection; and equipment inventories and audits that include joint use, streetlight, underground equipment, and NESC safety compliance. DRG's projects have spanned from the annual inspection of 10,000 poles to a joint use inventory project of 1,500,000 poles over a three-year period.

DRG is committed to the electric utility marketplace. We offer our dedicated and experienced staff to your important GIS data collection project. The following facts summarize why DRG is qualified and committed to providing the City of Milford Electric with this important GIS field inventory. DRG has 30 years of quality experience providing field inventories for electric utilities:

- DRG has over 200 experienced field technicians.
- DRG has multiple projects either utilizing or conforming to ESRI ArcView.
- DRG was named ESRI business partner of the year in 2001.
- DRG verifies and guarantees full connectivity in the data we collect.
- DRG has performed to successful completion over 150 field inventory projects over the last 30 years.

DRG has extensive knowledge and experience in the development of digital maps for electric utilities. Our experience includes all aspects of field data collection, data conversion, and GIS development described in this proposal. Over the past fifteen years, DRG has used various ESRI integrated applications in the development of GIS mapping systems including Futura; Milsoft WindMilMap; Schneider ArcFM; and NISC Mapwise.

We are committed to bringing the greatest accuracy, versatility, and electronic compatibility to all of our projects. Our highly trained personnel regularly utilize the most modern technologies such as Trimble GPS Receivers, laser rangefinders, web-based reporting systems, pen-based field computers, and personal digital assistants (PDAs). DRG also has designed specialized software (ROWKeeper) for the many needs of right-of-way management activities, including preplanning for work crews, reporting, organizing pole inventories, and collecting data on PDAs in the field.



CLIENT REFERENCES FOR SIMILAR WORK PERFORMED

Below is a list of contacts that have been delivered services similar to those requested by the City of Milford Electric. Additional references can be provided upon request.

Client	Client Contact Name	Contact Phone Number	Description
Grayson RECC	Robert Brown Robert.Brown@graysonrecc.com	(606) 474-2139	DRG recently completed a GPS inventory of all overhead and underground distribution for this cooperative in Futura GIS.
City of Henderson, KY	Brian Hardesty Brian@hmpl.net	270-631-0646	DRG performed a complete GPS inventory of the entire distribution system for this KY Municipal. Delivered in Futura GIS.
Upper Cumberland	Josh Schmitt-Matzen jschmitt-matzen@ucemc.com	(717) 924-3381	DRG is currently performing a complete GPS inventory of the entire electric system in Futura GIS for this electric cooperative.

PROJECT MANAGEMENT & METHODOLOGY

1. **Project Startup:** Once the City of Milford has determined the extent of the inventory based on the options that have been defined first step of the process will begin by meeting with the City of Milford personnel prior to fieldwork being performed. This meeting will be used to define data delivery specifications, clearly outline and understand City of Milford Electric's current data integration "hooks," and identify a clear process for the data integration and delivery process. This step will additionally serve multiple purposes and ensure DRG's staff understands the full scope of this project. In addition, DRG staff will clearly outline:

- a. Data collection specifications.
- b. City of Milford procedures.
- c. City of Milford guidelines.
- d. Data delivery specifications.

A Project Procedures manual will be developed and updated at this preplanning session and help to ensure consistency among data collectors and serve as a reference tool for field personnel. A copy of this manual will be provided to the City of Milford for their review and approval.

2. **Project Schedule and Proof-of-Concept (Pilot Project):** DRG plans to begin the project in 2022 and complete it within a 6 month project time frame depending on project scope and selection by the City of Milford. DRG will perform a one circuit pilot project and deliver it to The City of Milford Electric for review. This will ensure all systems and communications are functioning properly before starting full field production. After final delivery of the pilot, the City of Milford Electric will have 30 day review with project work through and DRG will maintain responsibility for any changes needing to be applied in regards to the work captured during pilot review that applies within the current scope of work. DRG will provide the City of Milford Electric with the completed pilot circuit. The project scheduled time frame will not begin until the City of Milford Electric signs off on the pilot project and gives notification to proceed.

3. **Data Collection:** Once the City of Milford Electric is comfortable DRG has an accurate understanding of their specifications, our team will utilize an efficient data collection methodology that has proven successful on the pilot project and on similar projects:

- a. **Data Dictionary** – The data dictionary will be based on the required features and attributes as indicated in the the City of Milford Electric data collection form and preliminary discussions that will occur in the project setup meeting. The data dictionary will be finalized after the Proof-of-Concept (pilot project). DRG understands there will probably be changes as the project moves forward, however, any significant changes could affect pricing and would need to be discussed in further detail.
- b. **Data Transfer** – DRG has the ability to link existing database information to equipment collected in the field. This will require a common link to be able to do so. DRG will load these files into our field data collection software utilizing rugged field computers.



4. **Data Collection Overhead and underground Distribution:** DRG field staff will GPS locate every pole, meter, substation corner, and underground feature with Clearion mobile software.
 - a. DRG technicians will GPS the substation fence corners.
 - b. Technicians will acquire phase coming out of the sub from the City of Milford Electric and continue correct phasing throughout each circuit.
 - c. Technicians will GPS each pole, meter and UGFAC to ensure spatially accurate data.
 - d. DRG technicians will collect service and secondary conductor and draw a line to the meter location.
 - e. DRG technicians will connect service conductor to the meter locations and establish connectivity.
 - f. Technicians will collect attributes as listed and agreed upon in the outline of attributes and the preliminary data dictionary. The estimate form will be the basis for initial review and data collection.
 - g. Field supervisors will monitor quality and production of team members and be in frequent communication with the City of Milford Electric Project Manager.
 - h. DRG Field Project Manager will also be monitoring quality and production. Project Managers will be in frequent communication with the City of Milford Electric Project Manager and also GIS Production Managers and Office Project Manager.
5. **Underground (UG) Facility Inventory:** DRG uses the same approach for UG that was used in the overhead inspection. UG facilities will be located by systematically following each circuit pole by pole. The GPS location and the required information will be collected. The mapping technician will complete the primary distribution mapping of the UG in the field. As they come to each piece of equipment, they will use any existing UG data provided by the City of Milford Electric to verify feed and open points. DRG will not open pad mounts or UG equipment. The primary and secondary distribution as it lies in the field will be mapped as accurately as possible. DRG uses all source materials available (e.g., existing databases, maps, UG diagrams and discussions with the City of Milford Electric UG line crews) to complete this inventory.
6. **Data Processing:** DRG's Project Manager will be responsible for running the custom programs and queries to validate the data collected in the field. This responsibility will include running custom queries and reports to check for data validity (e.g., missing, inconsistent, duplicate, non-unique and unmatched data). Programs will be run to check for phase consistency by color-coding the lines and any point features that carry a phase attribute. Connectivity is established by tracing from the substation out to all consumers or termination point using the GIS software. Outstanding questions go back to the field for verification and correction.

Quality Assurance: DRG will be using Clearion mobile software in the field. Using this tool in the field will ensure quality assurance procedures be performed on data collected by field personnel. the City of Milford Electric will benefit from a multi-tiered approach to quality control. This approach utilizes quality checks in three main areas:

- **Computerized Data Inventory** – Working together with GIS software company staff, DRG has developed custom queries. These queries run multiple data verifications to look for abnormalities in the data that could signal errors in the field.
- **Quality Assurance Records** – QA records will be completed in selected GIS software so that quality checks have a record of the data collected. This process ensures a detailed and documented approach to quality assurance.
- **Data Delivery/Deliverables** – DRG will deliver final in the existing the City of Milford Electric ESRI GIS format.

FIELD EQUIPMENT

GETAC F110 RUGGED TABLET

Processor	INTEL CORE I5-7Y57 1.20GHZ
Memory	8GB RAM
Hard Drive	512GB SSD
Display	10.1" WUXGA 10-PT GLOVED MULTI TOUCH+DIGITIZER
Communication	INTEL WIFI A/B/G/N/AC, TPM 2.0, BLUETOOTH, DUAL PASS (CH1:WWAN/CH2:DGPS), DGPS
Power Supply	AC ADAPTER (65W, 100-240VAC, 50/60Hz), DUAL ONBOARD HOTSWAPPABLE BATTERIES
Camera	8MP REAR CAMERA, 3MP WEBCAM
Operating System	WINDOWS 10 PRO
Warranty	3-YEAR NO FAULT WARRANTY
Rugged Rating	MIL-STD-810G, IP65

Davey Resource Group Data Collectors will be provided, at a minimum, with the following equipment:

- Pen-based computers on which DRG inspectors will collect all data in the field. Gathered data will be uploaded daily to a DRG project management web site.
- Two-wheel drive, company-owned vehicles with the Davey logo and contact information clearly marked on the vehicle. If required under contract to the City of Milford Electric, magnetic logos can be attached.
- All necessary safety equipment (i.e., cones, signs, etc.).
- Internet access for upload of data and communication.



TRIMBLE NAVIGATION GPS

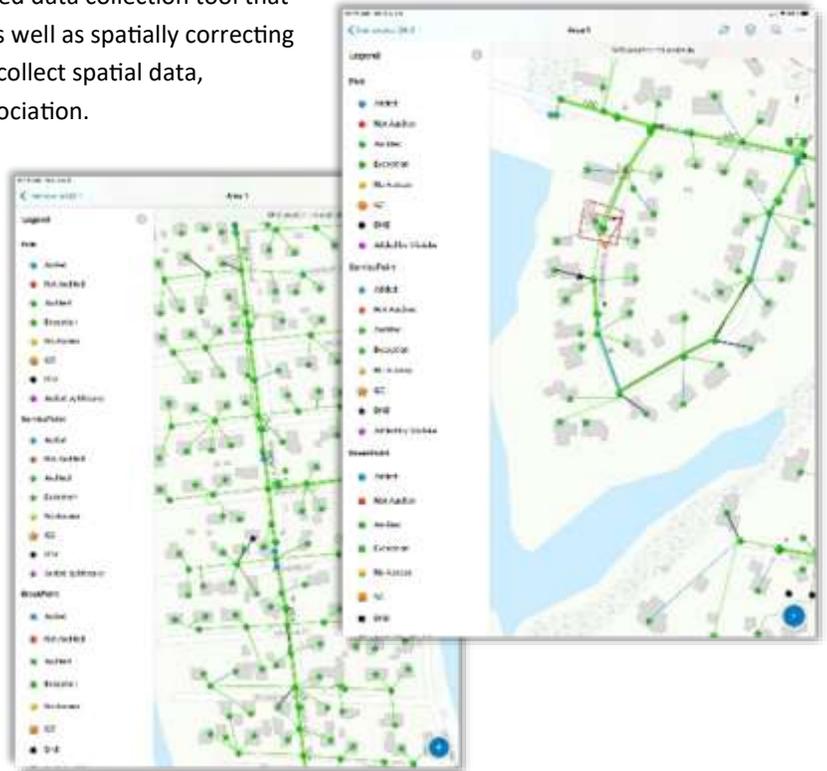
TRIMBLE R2

The Trimble® R2 is a compact, durable GNSS receiver that provides an easy-to-use solution for GIS and survey professionals who need to collect highly accurate data in a wide range of geospatial applications. Capable of delivering between submeter and centimeter positioning accuracy in real-time to any mobile device via a wireless Bluetooth® connection, the R2 receiver gives you total flexibility to choose a solution based on the accuracy and GNSS performance level that suits your application, letting you work the way you want

ESRI FIELD MAPS MOBILE DATA COLLECTION SOFTWARE

DRG's mobile data collection application is a multifaceted data collection tool that allows for the insertion of missing features using GPS as well as spatially correcting existing features with GPS. In addition to being able to collect spatial data, Collector allows for attribute collection and feature association.

Because Collector is part of the ESRI ArcGIS platform it is designed to quickly and easily communicate with other Esri products such as ArcGIS Online and Enterprise. This means it is able to support automated and manual syncing of data between the field and office to ensure efficient data transfer.



COMPANY ATTIRE AND VEHICLES

The team outfits its field staff with the best tools to perform the work at the highest level and work as safely as possible. Below is an example of DRG team company vehicle.



PROJECTED START AND END DATES

- Contingent on award of this contract, Davey Resource Group will commit to completing the Inventory in the required 6 to 12 month time frame.
- A pre-project meeting will be held on agreed date prior to start of work to finalize all details and deliverables of the Inventory.
- Davey Resource Group will provide appropriate staffing to complete the project within the time frame required.

QUALITY ASSURANCE/QUALITY CONTROL

- DRG takes a great deal of pride in providing quality data to its clients. In order to demonstrate to the City of Milford Electric our commitment towards quality data collection, DRG will complete the following steps to ensure accuracy:
- **Data Collection Specification** – A clear understanding of the data and the methods for collection and categorization ensure higher quality data. DRG will use the detailed specification provided by the City of Milford Electric before actual data collection begins to ensure that everyone (both the City of Milford Electric and DRG personnel) understands the data to be collected and how it will be categorized.
- **Training** – Training of personnel is intended to assure everyone understands how the data is to be collected. Proper training of qualified individuals at the start will create quality data from the onset of the project.
- **Field Quality Check** – At the beginning of the project, ten percent of an individual's information will be checked in the field. A person with a demonstrated record of collecting quality data will have at least three percent of their data checked in the field. Quality control is often completed the day after the data collection is completed, but it will always be completed by Tuesday of the week following data collection. Accurate and timely quality assurance checks are critical to the success of this project.
- **Locating Field Checks** – While our field checks are often random, we prefer a focused field check where auditors check areas where there are most apt to be mistakes. This may be where equipment is concentrated, where lines have difficult access, or where other unusual situations exist.
- **Documenting Field Quality Checks** – All errors found in the field are corrected and updated to the computers. Errors are also tallied in the computer so that error rates can be determined and documented. As this project progresses, we will have a field quality check each week for each data collector. These will be stored in a spreadsheet and delivered to the City of Milford Electric if requested.
- **Field Supervisors** will conduct the audits of the Field Auditors. The quality assurance field manager will ensure that trends are quickly corrected and communication takes place between auditors and supervisors.
- **Quality Assurance** will be completed electronically where possible so that quality checks are a permanent record of the data collected. This means there will be additional fields in the Field Software web site for quality assurance.
- **Quality Assurance Information** will be tallied by week ending date and provided to the client at least monthly, preferably by e-mail. More detailed delivery procedures can be defined if required. Accuracy rates and classification of any errors will be included as appropriate.



- **Computerized Data Inventory** is almost certainly the key to collecting successful data. The following computerized capabilities of our Field Software will ensure accurate and complete data collection:
 - ⇒ All attributes can be defined with drop down lists for data entry, or as free formatted text, if required.
 - ⇒ Attributes can be defined as uneditable for the City of Milford Electric system information.
 - ⇒ Intra-record data verification can be defined. For example, if a joint use company is entered, the quantity of attachments must be greater than zero.
- **Symbology** is a crucial tool for our auditors in the field.
 - ⇒ Symbols can be defined for each layer to allow users to see each pole.
 - ⇒ Symbols can be set for different conditions. For instance, different symbols are used when a pole is inspected.
 - ⇒ The software has colors and shapes that can also be used to ensure the field personnel have information displayed appropriately.
 - ⇒ Basemap information can also have sizes, shapes, and colors displayed for field use.
- **System Fields and Capabilities** help us manage our data collectors and our data on a real time basis.
 - ⇒ Capabilities are included for adding and deleting data within the system. A delete field is stored throughout the Field Software system so that the deletion information will be delivered to the City of Milford Electric. This will serve as the exception report.
 - ⇒ The software maintains all fields necessary to load information to a Field Software web site and download it to a field computer when required. These capabilities are included so that quality control can be completed from the web site, with updated information going back to the web as required.

Final Inventory is completed as each data set is completed and before it is delivered to the City of Milford Electric. This is an extensive process where we look for any abnormalities that may be in the data. Programs have been developed for this in the past, and we add to these programs as this project is implemented.



PRODUCTION REPORTING

EXAMPLE PROJECT SCHEDULE REPORT

The DRG team uses the reports and graphs below to track various stages of the project. These reports ensure that production is being met and that we are on schedule. These reports will be available to the City of Milford Electric during the project. Updated schedules and productions rates will be provided once the pilot project is completed and full production mode is in place.

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Month 13	Month 14	Month 15	Month 16
Verification (Miles of OV Distribution)	0	1,445	2,889	4,045	5,201	6,646	7,802	8,957	10,402	11,558	12,714	14,158	15,314	16,470	17,364	
Percentage Complete	0.00%	8.32%	16.64%	23.30%	29.96%	36.27%	44.03%	51.69%	60.91%	66.60%	73.22%	81.64%	88.20%	94.86%	100.00%	
Verification (Joint Use Distribution)	0	332	664	929	1,194	1,526	1,792	2,057	2,389	2,654	2,920	3,251	3,517	3,782	3,960	
Percentage Complete	0.00%	8.35%	16.76%	23.46%	30.16%	38.64%	46.24%	51.66%	60.32%	67.03%	73.73%	82.11%	88.81%	96.61%	100.00%	
Verification (poles)		7200	14400	21600	28800	36000	43200	50400	57600	64800	72000	79200	86400	93600	100800	108000
Percentage Complete	0.00%	6.67%	13.33%	20.00%	26.67%	33.33%	40.00%	46.67%	53.33%	60.00%	66.67%	73.33%	80.00%	86.67%	93.33%	100.00%

DAVEY EXPERIENCE

Davey Tree's founder, John Davey, founded the company in 1880. In many of his writings, he emphasized the phrase, "Do it right, or not at all." This has become our company motto and Davey Resource Group lives by it every day.

While we work to always do things right, occasionally an issue will arise. Our attitude is that if we make a mistake, we correct it as soon as possible. We also try to never surprise a client. If we do have to surprise a client, we do it earlier rather than later.

These traits have served us well in the development of digital maps for electric utilities. Our experience includes all the aspects of field data collection, data conversion, and GIS development. Over the past twenty-five years, our personnel have developed considerable experience with field inventory projects and have established procedures that are necessary to ensure a successful project. This project will use our standard procedures and software and personnel will be assigned to various tasks specific to the City of Milford Electric's project. Using standard procedures and software ensures quality work is completed on time and on budget.

To the extent that a project can be completed with standard procedures, this project will build on the success of approximately one hundred fifty projects over the last 29 years.



PROJECT COMMUNICATION PLAN

DRG will require weekly and as needed conference calls to discuss the project schedule and issues that may arise.

DRG project management staff will deliver a weekly progress report to the City of Milford Electric's Project Manager by 10:00 AM EST every Monday via e-mail, regardless of whether or not work was performed, throughout the duration of

Weekly status reports are provided to the City of Milford Electric by the DRG field operations manager and include:

- Feeder and substation being worked on.
- Consumer complaints.

Monthly reports of work completed and work in progress include:

- Facilities collected.

- Project schedule update.
- Data delivery schedules.
- Percent work completed per feeder.
- Percent worked total project to date.
- DRG works toward an industry standard accuracy rate of 97%.

the project. The report will include the following, at a minimum:

The DRG team uses the reports and graphs below to track various stages of the project. These reports ensure that production is being met and that we are on schedule. These reports will be available to the City of Milford Electric during the project. Updated schedules and productions rates will be provided once the pilot project is completed and full production mode is in place.

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Month 13	Month 14	Month 15	Month 16
Verification (Miles of OV Distribution)	0	1,445	2,889	4,045	5,201	6,646	7,802	8,957	10,402	11,558	12,714	14,158	15,314	16,470	17,364	
Percentage Complete	0.00%	8.32%	16.54%	23.30%	29.06%	35.72%	44.03%	51.59%	60.01%	65.69%	73.22%	81.64%	88.20%	94.56%	100.00%	
Verification (Joint Use Distribution)	0	332	664	929	1,154	1,526	1,792	2,057	2,389	2,654	2,920	3,251	3,517	3,782	3,960	
Percentage Complete	0.00%	8.35%	16.70%	23.45%	30.16%	38.64%	46.24%	51.96%	60.32%	67.03%	73.73%	82.11%	88.51%	96.61%	100.00%	
Verification (poles)		7200	14400	21600	28800	36000	43200	50400	57600	64800	72000	79200	86400	93600	100800	108000
Percentage Complete	0.00%	6.67%	13.33%	20.00%	26.67%	33.33%	40.00%	46.67%	53.33%	60.00%	66.67%	73.33%	80.00%	86.67%	93.33%	100.00%





ISSUES TRACKING AND MANAGEMENT

The following items, at a minimum, will be provided to the City of Milford Electric by the DRG Project Manager for project reporting:

- Weekly status reports that include accomplishments for the reporting period, tasks for the upcoming reporting period, action items, and key management concerns.
- Monthly executive reports summarizing the month's activities, raises current concerns, and tracks plan versus actual progress.
- Circuit status reports.
- Project schedule.
- Resource assignment.
- Implementation, planning and coordination.
- Data delivery and system integration activities.
- Data acceptance and testing.
- Migration and circuit cutover planning.

CHANGE CONTROL

Our experience has been that the best approach to change and change order management is to have clearly defined objectives and goals for the project. As long as the goals and objectives can be clearly stated by the the City of Milford Electric and DRG, change management should remain a lesser concern. Because this is a major project, however, change management will be addressed. Our plan is to identify change requirements early in the project and bring them to the City of Milford Electric's attention as soon as possible. We would prefer to address change issues during the pilot or earlier rather than address changes when a significant portion of the project is complete. We will also keep a database or log of all change processes.

PROJECT DEFINITION AND CLARITY

Our experience indicates that a sharp and specific project scope leads to a successful project. A clear project definition leads to a concise project that meets the needs of everyone involved. While City of Milford Electric has provided a good start on defining the project scope, there will be further substantive discussions to define and firm up expectations. Additional details will require attention by DRG and the City of Milford Electric managers together. The project startup meetings can last longer than expected, however this process has proven to be valuable in running smooth successful projects with less surprises for either DRG or the City of Milford Electric. Communication will be key throughout the project and especially during the startup process to ensure that expectations are clear and concise for all parties involved.

The City of Milford Electric has requested as an option a Comprehensive full the City of Milford Electric'S field Inventory of the electric distributions system. The information listed in the following table will be collected for each facility, when the information is visible from the ground.

Customer Information	Information
Utility Name	City of Milford
Utility Contact	Anthony Chipola
Address	180 Vickers Dr
Address	Milford, DE 19963
Office Phone	302-422-1110 x1137
E-Mail Address	achipola@milford-de.gov
Fax Number	302-422-1117
Project Time Frame (Ex: 18 – 24 Months)	12 Months
Project Year	2023
Proposal Or Budget Estimate	Proposal
Desired GIS Application	ESRI ArcView
Billing System Used	Naviline

UTILITY STATISTICS

Utility Statistics	Quantity
Substations	2
Circuits	9
Active and Inactive Meters	7482
Consumers Per Mile	
Miles of Transmission	3
Miles of Distribution Overhead	159
Miles of Distribution Underground	29
Poles (Primary, Secondary and Light)	4007
Transformers Overhead	844
Transformers Pad Mounted UG Equipment	714
Protective Devices	444
Estimated Total Overhead Construction Assemblies in Assembly List	N/A
Total Number of Unique Specifications – Not to Code C1-1XA	N/A

TERRITORY DESCRIPTION

Description of Territory	Percentage
Percentage Urban	0
Percentage System Municipal	75
Percentage System Rural	25
Percentage System Flat / Open	90
Percentage System Flat / Wooded	10
Percentage System Rolling Hills / Open	0
Percentage System Rolling Hills / Wooded	0
Percentage System Mountainous / Open	0
Percentage System Mountainous / Wooded	0

LANDBASE INFORMATION

Attribute		
Customer Provide Landbase		
Down Load Commercial Landbase		
Update Missing Landbase Features with GPS		
Create Landbase with GPS		

PRIMARY POLES

Attribute	Example	Yes /No or type
Pole Type	Primary, Secondary, Guy	Yes
Primary Assembly Codes Used	RUS or REA (C1-1)	No
Secondary Assemblies	J6, K11C	No
Unique Specifications – Not To Code	C1-1XA	No
Height	40	Yes
Class	4	Yes
Treatment Date	11/22/1968	Yes
Vintage	1998	Yes
Material	Wood	Yes
Pole Tag Number Collection	1234567	Yes
Joint Use Attachments Type	Cable	Yes
Joint Use Company	Verizon, Comcast	Yes
Joint Use Attachment Count	2	Yes
Pole Owner	Utility	Yes
Damaged	Broken Cross arm	No

ASSEMBLY UNITS TO BE COLLECTED

Attribute	Example	Yes /No or type
A – Single Phase Primary	A1	No
B – Two Phase Primary	B1	No
C – Three Phase Primary	C1-1	No
D - Double Circuit Primary		No
E- Guy Assembly	E1-1	No
F – Anchor Assembly	F1-2	No
G – Transformer Assemblies*	G105	No
H – Grounding Assemblies*		No
J – Secondary Assemblies	J6	No
K – Service Assemblies	K11C	No
M – Miscellaneous*	M2-5	No
U – Assemblies Non-Evasive		No
Estimated Total Overhead Construction Assemblies in Assembly List.	A, B,C, and D – 250 total	No
Total Number of Unique Specifications – Not to Code	C1-1XA – 15 total	No

**Indicates Cost Drivers*

TRANSMISSION POLES

Attribute	Example	Yes /No or type
Pole Type	Transmission	Yes
Miles Of Transmission Line	150	3
Transmission Assemblies	Yes	No
Total Number Of Transmission Assemblies	50	No
Height	40	Yes
Class	4	Yes
Vintage	1998	Yes
Material	Wood	Yes
Damaged	Comment	No

OH / UG TRANSFORMER

Attribute	Example	Yes/ No
Transformer Number (URD Pad Mount Only)	1234	Yes
Transformer Size	25	Yes
Transformer Type	CSP / Conventional	Yes
Transformer Assembly	G311	No
Phase	A	Yes
Damaged	Comment	No
GPS Coordinate (For Pad Mounted Only)		Yes

CONSUMER

Attribute	Example	Yes /No
Meter Number	1234	No
Consumer Type	Residential, Commercial	No
Phase	A, B, C, ABC	No
Meter Seal Integrity	O.K.	No
Damaged	Comment	No
Meter Assembly	M8	No

PROTECTION DEVICES

Attribute	Example	Yes /No
Device Number	12345	Yes
Device Size	15	Yes
Device Type	OCR	Yes
Device Assembly	M3-25A	No
Phase	ABC	Yes
Status	NO or NC	Yes
Damaged	Comment	No

LIGHT

Attribute	Example	Yes /No
Light Type	High Pressure Sodium	Yes
Light Size	250	Yes
Fixture Type	Security, Acorn, Flood	Yes
Damaged	Comment	No

CAPACITORS

Attribute	Example	Yes /No
Capacitor Number (If Visible)	12345	Yes
Capacitor Size (KVAR)	100	Yes
Type	FIXED, SWITCHED	Yes
Assembly	M3-25A	No
Phase	ABC	Yes
Damaged	Comment	No

REGULATORS

Attribute	Example	Yes /No
Regulator Number (If Visible)	12345	None deployed
Size (KVA)	76.2	None deployed
Type/Mounted	Platform/Pole	None deployed
Assembly	M3-25A	None deployed
Phase	ABC	None deployed
Damaged	Comment	None deployed

UNDERGROUND EQUIPMENT

Attribute	Example	Yes /No
Equipment Number (If Visible)	12345	Yes
Type	JunctionBox, Switchgear, Pedestal, Vault	Yes
Assembly	UK6	No
Phase	ABC	Yes
Damaged	Comment	No

DOWNGUYS

Attribute	Example	Yes /No
Guy / Anchor Quantity	2	No
Guy / Anchor Assembly	E & F Assemblies	No
Rotation	92	No

ARRESTORS

Attribute	Example	Yes /No
Assembly		No
Damaged	Comment	No

MARKERS

Attribute	Example	Yes /No
Type	Substation Corner, Misc	No
Comment	Comment	No

SPANGUYS

Attribute	Example	Yes /No
Quantity	2	No

PRIMARY WIRE

Attribute	Example	Yes /No
Conductor Type	ACSR	Yes
Conductor Size	1/0	Yes
Neutral Type	ACSR	Yes
Neutral Size	1/0	Yes
Phase(S)	ABC	Yes
Feeder	B7114	Yes
Substation		Yes
Phase Orientation	CTAB, BCA	Yes
Placement	OH or UG	Yes

SECONDARY WIRE

Attribute	Example	Yes /No
Conductor Type	ACSR	Yes
Conductor Size	1/0	Yes
Type	Secondary, Service	Yes
Placement	OH or UG	Yes

ADDITIONAL COSTING OPTIONS

Attribute	Example	Yes /No
Tag Poles	Random 6-digit tag 2 nails.	No
Tag Meters		No
Tag UG Equipment	Apply Stickers	No
Take Digital Picture of Pole Top	¾ Pole Top Picture	No
Transformer Nameplate Picture	Zoom High Quality	No
Measurements (Please Provide Detailed Description).	NESC / Clearances	No
Open Pad Mount Equipment	Dead Front Only	No
Hammer Sound Pole Inspection	24 strike processes	No

DISTRIBUTION INVENTORY PRICING

Electric Distribution Asset Payment Schedule:				
Deliverable / Service	Pricing			Notes
	Quantity	Price per	Price	
Inventory	4,721	\$21.15	\$99,858.96	GPS Pole location while capturing all related attributes listed in provided estimate form such as pole stamp information, attached equipment with related attributes and joint use with company and quantity. Primary wire phasing, wire size, type and connectivity will be modeled throughout the system. Deliverable will be in an Esri Utility Network format with 5 month completion from project start with no shut down during the review of the pilot feeder.
Service Line Connectivity	7,482	\$2.68	\$20,035.99	Price per meter to be provided meter data to apply to map and have auditors determine phase and wire size while modeling connectivity between meters and transformers. Meters will not be accessed to verify meter number but will determine necessary information from the last pole collected.
Hourly Field Rate			\$72.42	Hourly rate in the instance that personnel is asked to be on standby for issues found in the field such as safety hazards.

BILLING AND INVOICING PROCESSES

Invoices will be prepared monthly and sent to City of Milford Electric. the City of Milford Electric will have 30 days to review the data. Our experience has been that invoicing upon delivery and acceptance of work is the most efficient process. Net is due 30 days.

SAFETY

The DRG team is firmly committed to maintaining a safe and healthful working environment. To achieve this goal, we have implemented a comprehensive Safety and Loss Prevention Program. It is designed to prevent workplace accidents, injuries, and illnesses. This Program is an Industry Best Safety program called “The Road to Zero.”

The Company’s goal is attaining Zero accidents through consistent reduction of accident frequency per 10,000 labor hours. DRG’s Safety and Loss Prevention Program is a commitment to ensuring that all employees understand the key role that they play in achieving these objectives. The primary purpose of the program is to ensure the safety and health of our workers, provide a safe and healthful work environment, and protect property from damage.

To ensure the safety of all personnel that will be performing work on the the City of Milford Electric project, DRG will additionally define project specific safety requirements that will assist in meeting this goal. In addition, strict adherence to our Fire Safety Plan will be a critical part of our approach. These values are something that we strive for our employees to not only maintain on the job, but something that is internalized as part of their daily lives.

DRG maintains a complete Safety Manual that can be provided to the City of Milford Electric upon request. (This document is more than 200 pages in length, so addition here was not practical).

Any instance where personnel safety becomes an issue, our HTA (Hard to Access) pole approach will be utilized. In severe cases, the City of Milford Electric may be requested to provide security or personnel to assist in access.

For personnel in remote locations, the team has implemented the following procedures (these safety protocols are in addition to all standard safety protocols):

- Any personnel entering an area of inconsistent communications will coordinate call in/out times with immediate supervisory personnel.
- Supervisors will clearly identify daily all locations that may require these procedures.
- Supervisors will coordinate with the City of Milford Electric staff responsible for each local area to understand any specific safety hazards that may be present.
- Any person not contacted within two hours of identified time will be reported to supervisor for an escalated approach.



PERSONAL PROTECTIVE EQUIPMENT



A key component of preventing incidents is visibility and proper planning. Each employee will be clearly visible and identifiable to the public (see image below) Proper attire is required at all times after exiting the vehicle. This includes full length pants (jeans are not acceptable), boots above the ankle, DRG approved shirt, and proper identification. DRG data technicians will have in his/her possession and wear the following personal protective equipment (PPE):

Class III Safety Vest – While in the field, personnel will wear Class III safety vests any time work is being performed outside of the vehicle. This vest is worn due to the high visibility needed when working in close contact to heavy traffic and approved for use based on ANSI 107-2004.

Hard Hat – While in the field and outside of the vehicle, personnel will wear Company issued hard hat that meets ANSI Z89.1, 2003, TYPE I, Class “E” & “G” standards.

Safety Glasses – While in the field and outside of the vehicle, personnel will wear company supplied eye protection at all times. This eye protection meets OSHA standards for eye safety.

Field Employee Communications – All personnel have cell phones and can be contacted where service allows. When an individual enters a known area that has no reliable communication options, we will use a “call in/call out” procedure, meaning each auditor will touch base with their direct superior upon entry and exit from these areas. Cell phone contact lists will be used as the primary tool for contact during emergencies. The Project Manager has an updated list of these contacts always. Each employee will call their direct Supervisor at the end of every work day upon returning from their respective field location as an added safety measure.

SAFETY TAILGATES

DRG supplies all field personnel with monthly Safety Tailgates which are supplemented with additional Asset Management specific tailgates as needed. These tailgates are held weekly with field personnel as part of the ongoing DRG and OSHA safe work practices and training requirements.

JOB BRIEFINGS

To avoid accidents on the job site, DRG auditors will plan and communicate with one another. Personnel participate in ongoing job briefings in compliance with DRG and OSHA safe work procedure requirements. Ongoing discussions as part of the job briefing:

- Error precursors observed during field visits.
- Practical steps in job completion.
- Potential on the job hazards.
- Action steps to avert the associated on the job hazards.
- Active encouragement of crewmembers to participate in job briefing.
- Answer all questions thoroughly and be certain that crew members who ask questions understand the answers.

All crewmembers must understand how to complete their part of the job assignment safely. They are not allowed to start a job until supervising personnel are assured this is the case. The term “job briefing” has been introduced in recent years; however, evaluating, planning and communicating have long been part of a DRG coordinator’s responsibilities and daily activities. Job briefing remains one of our primary tools for on-the-job hazard identification, training and accident prevention.

DRG DEFENSIVE DRIVING

The DRG Defensive Driving Course (DDDC) is a key element of our driver safety education program. The goal of DDDC is to help you to defend yourself on the road, avoid collisions, and adjust driving to unpredictable conditions and, most importantly, how to save your life and lives of others through safe driving. Each driver is trained through the DDDC on a bi-annum basis.

FIRST AID/CPR

This DRG First Aid Course is designed to provide first aid training specific to the DRG employee. The level of training provided by DRG is intended to meet the requirements set forth by the Occupational Safety and Health Administration (OSHA) and be comparable to standards set by the American Red Cross. All DRG vehicles are equipped with company supplied First Aid kit and 2.5 lbs. ABC fire extinguisher. All field employees are trained in the full DRG First Aid Course every two years and in CPR every year.

HAZARDOUS MATERIALS TRAINING

DRG's Hazard Communication (HazCom) Standard Training Program is provided to field operations. The Program consists of eight written sessions, a video, and a Session #1 Test. DRG's HazCom is united with Department of Transportation (DOT) Hazardous Materials Law HM-126F to form a HazCom and HazMat compliance package. To achieve compliance, employees are educated in the components of the Occupational Safety and Health Administration (OSHA) standard and trained in safe hazardous materials usage, handling, and transport. Each employee is certified as being trained in HazCom and HazMat by a valid and certified Instructor/Trainer. DRG's monthly Safety Tailgates provide continuing education and training under the OSHA standard. All field employees are trained in the HazCom program on a two- year basis.

ELECTRIC/COMMUNICATION DISTRIBUTION IDENTIFICATION

Each DRG field technician is trained in the identification of electrical and communication distribution equipment in the classroom and field environments. Each DRG field technician is trained in the identification of electrical distribution hazards as well as minimum approach distances. Stray Voltage training is also provided, to ensure that contact with unnecessary facilities are avoided, unless strictly described by the scope of work.

VEHICLE INSPECTION

Each DRG driver inspects his vehicle daily before its first use and the vehicle surroundings before movement (after being parked).

TEMPORARY TRAFFIC CONTROL

Each DRG field technician when parking a vehicle will use at a minimum the 3-cone taper traffic control system.

COMPANY ATTIRE AND VEHICLES

The team outfits its field staff with the best tools to perform the work at the highest level and work as safely as possible. Below is an example of DRG team company vehicle.



REPORT DANGEROUS/HAZARDOUS FIELD CONDITIONS PATROL INSPECTION

DRG will report observed dangerous/hazardous field conditions to the City of Milford Electric. “Urgent” field conditions are those occurrences where equipment or structures are broken or negatively impacted by an outside force (e.g., tree limb on conductor, broken crossarm, wire down, wire laying on a crossarm).

When an “urgent” field condition is discovered, DRG will:

1. Immediately call the the City of Milford Electric representative and report the problem. All DRG personnel will have the contact information of the the City of Milford Electric representative.
2. Within 24 hours, DRG will submit an “urgent” field condition report to the the City of Milford Electric representative.
3. The “urgent” field condition report will accurately describe the nature of the dangerous condition and precisely identify its location. The report will also state the name of the person who discovered the condition and his contact information.
4. DRG will keep a log of all “urgent” reports submitted to the City of Milford Electric.
5. the City of Milford Electric and DRG will define the “urgent” conditions during project startup. They will include items such as:
 - Large tree limb on primary conductor.
 - Primary conductor off its insulator.
 - Primary conductor laying on crossarm/bracket.
 - Floating conductors.
 - Broken crossarms or braces.



DAVEY 
Resource Group



Resilient Grids. Strong Networks. Safe Energy.

November 10, 2022

Mr. Anthony J. Chipola III
Electric Director
City of Milford
180 Vickers Drive
Milford, DE 19963

RE: CITY OF MILFORD ELECTRIC SYSTEM FIELD INVENTORY PROJECT SERVICES – NO BID

Dear Mr. Chipola III:

Thank you for including Osmose Utilities Services, Inc. in your consideration for the Electric System Field Inventory Project. Unfortunately, we are unable to perform the work at this time.

We very much value our business relationship with the City of Milford and hope that you will continue to consider Osmose Utilities Services, Inc. for all future related services.

If you need further assistance or have any questions concerning this, please do not hesitate to contact our Director-Business Development, Mr. Mike Harris, at 678-488-1261.

Again, thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Jose Villalba". The signature is written in a cursive style with a stylized "J" and "V".

Jose Villalba
Vice President Customer Service

JV/kr

C: File