

CITY OF MILFORD
COUNCIL WORKSHOP MINUTES
February 22, 2023

The City Council of the City of Milford convened in a Workshop Session on Wednesday, February 22, 2023, beginning at 6:06 p.m.

PRESIDING: Mayor Archie Campbell

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

STAFF: City Manager Mark Whitfield, Police Chief Cecilia Ashe, and Deputy City Clerk Katrina White

COUNSEL: Solicitor David Rutt, Esquire

City Manager Mark Whitfield informed Council he is changing the order of the agenda by moving the Strategic Plan discussion to follow the fire company.

Carlisle Fire Update/Siren

City Manager Whitfield provided the following information Local Government Fellow Melody Barger prepared in relation to other local fire companies:

Dear Mayor and City Council,

The following contains the survey results of a survey that was conducted across 22 cities and towns in Delaware regarding fire sirens. The participating towns included Milton, South Bethany, Blades, Newark, Seaford, Selbyville, Frankford, Delaware City, Townsend, Newport, Georgetown, Felton, Henlopen Acres, Ocean View, Fenwick Island, Harrington, Laurel, Bridgeville, Rehoboth Beach, Middletown, New Castle City, and Cheswold.

1. Does your municipality own, operate, and maintain fire sirens within the city/town?

Yes	No
1	21

Yes: Seaford

No: Milton, South Bethany, Blades, Newark, Selbyville, Frankford, Delaware City, Townsend, Newport, Georgetown, Felton, Henlopen Acres, Ocean View, Fenwick Island, Harrington, Laurel, Bridgeville, Rehoboth Beach, Middletown, New Castle City, Cheswold

2. How many sirens are in operation within the city or town?

# Sirens	0	1	2	3	Unknown
Towns	10	8	2	1	1

0: South Bethany, Newark, Selbyville, Delaware City, Townsend, Felton, Henlopen Acres, Fenwick Island, New Castle City, Cheswold

1: Seaford, Frankford, Newport, Georgetown, Ocean View, Bridgeville, Rehoboth Beach, Middletown

2: Milton, Laurel

3: Harrington

Unknown: Blades

Note: Ocean View siren is out of town and is owned by Millville Fire

3. Are there any time restrictions about when the siren CANNOT be blown?

Yes	No	Other
1	16	3

Yes: Seaford

No: Selbyville, Frankford, Delaware City, Townsend, Newport, Georgetown, Felton, Henlopen Acres, Ocean View, Fenwick Island, Harrington, Laurel, Bridgeville, Middletown, New Castle City, Cheswold

Unknown: Blades

Note: Both Rehoboth Beach and Newark report that the siren was turned off by the fire department

President Tor Hazzard reviewed the following statistics for Council:

Carlisle Fire Company's Presentation

EMS Improvements/Challenges

- Four additional EMT's in process of being hired which will place full time EMS staffing to (8)
- Seeking fulltime EMS Supervisor
- Increased starting rate for EMS staff. Carlisle paved the way with higher wages for EMT's from which, surrounding companies following with increases which reformed the Employee Committee to expand on needs
- Researching family medical and pension plans
- We offer 100% paid medical for Employee's
- We do not cover Family medical however, is available at a very high premium
- No current retirement or pension package is available
- We lost one employee due to no family medical coverage and pension offered and countless potential new employees
- Increased call volume resulting in EMS staff becoming overwhelmed
- Last year EMS calls 4,010
- Continue to serve in a dual role as EMT/Firefighter (when needed)
- Increased response rate at several facilities which include, Milford Center, Milford Place, Delaware Veterans Home, and most of all Milford Wellness Village that includes 3-4 calls each shift
- EMS staff are overwhelmed daily with numerous means of transport from these facilities. On any given day, respond to an average of 3 calls per shift to one of these facilities

Fire Response Improvements/Challenges

- A total of 5 new volunteers have joined
- Increase with new member applications
- Several inactive members have increased their response rates becoming active again
- Alarm attendance has improved 50%
- Drill participation has increased 50%
- Improved relations with surrounding, neighboring companies with monthly meetings being held with area Fire Department Chiefs
- Increased Fire Company tours of area businesses including Nutrien AG, Milford Wellness Village, Dentsply Sirona and Aldi Grocery
- Call volumes continue to increase
- As of today, Carlisle has responded to 119 alarms
- 40% of responses have been the result of automatic fire alarms
- Increased community development has resulted in the increased volume of calls

Fire Chief Shawn Hinton discussed the following information:

- Since 1802 The Carlisle Fire Company continues to Protect and Serve the Citizens of Milford and surrounding communities
- The public has been misinformed for too long now due to ineffective news and social media platforms
- Need for increased public education relating to the Volunteer Fire Company and surrounding companies
- The fire siren alerts not only for fire alarms but also for the ambulance on manpower assists
- The fire siren does not alert on calls where a business is placed on officer's call; in 2023, we ran over 780 calls and the fire siren was not set off for 100 of those calls
- The fire siren is not only for fire and ambulance calls but, also natural disasters i.e., increase of tornado warnings, etc.
- The Carlisle Fire Company wants to work with the City of Milford, but are looking for the City of Milford to work with us

The Chief then talked about the role the siren plays within the department. The siren alerts the department that there is an emergency some type of emergency that we are going out to investigate what it should mean to the citizens of Milford

is that the volunteers are leaving from their homes and responding to the firehouse with their hazard lights on, in order to get to the firehouse, get our gear on and get the fire trucks out. With that, the sirens are meant to inform our residents of the emergency and to be aware that all this activity is occurring.

He added that every time the siren blows, that takes the volunteers away from their full-time jobs and away from their families to serve the citizens of Milford. The fire department is asking that the Council work with the fire department. The fire department prefers to maintain the control over the fire siren and hope this can be worked out with Council.

Councilmember Culotta asked the policy when the fire alarm goes off, noting that where he lived before, the first time a home alarm went off, the first time they come out, that is not a problem. The second time there is a \$50 charge and the third time there is a \$100 charge, and the fourth time it was \$500. The intent was to manage the alarm to prevent false alarms.

Chief Hinton confirmed there is no similar policy, though in the case of commercial alarms, they submit a report to the fire marshal's office, who investigates why that alarm continues to sound. After three false alarms, he believes there is a fine assessed through the State Fire Marshal's Office.

Councilmember James agreed that education and clarity are important. He has been on Council for four years and pointed out there has never been any mention of Council being in opposition to Carlisle Fire Company, though that seems to be the perception, though that is not true. Council has always been important, and as far as the fire alarm goes, he asked if there is a misunderstanding by Council or the public. He does not hear there is a problem with the alarm from the public, but instead is the location and the volume. He asked if it can be heard in the outskirts of Milford, and he often does not hear it.

It seems to be a matter of location to serve the intended purpose and having one alarm where it is located it not working.

He also pointed out that Council has a responsibility to provide fire safety and are pleased that Carlisle provides that service and will continue to support the fire department and its efforts in any way possible that is advantageous to our taxpayers and residents. Unfortunately, they do not have free will to do what they want, but are governed to use the taxpayers' money in the best possible manner.

Councilmember Fulton said he has been talking to a lot of his constituents and people are more worried about not being able to hear the alarm in all areas of the citizens and that people recognize the intent is to alert the public of emergency vehicles. He, too, only heard complaints from those that live in the immediate area closest to the siren. Expanding the range without increasing the volume may work.

Councilman Culotta said if all the comments are combined, there are people that feel like we don't need it at all. Others understand the need but say it is too loud. He lives two houses over from the siren, and with the windows closed, it tested at 50 decibels and when open, it is about 90 to 95. He agrees that is loud especially in the middle of the night.

The argument to him is location and proximity and Council's plan to put the sirens closer to the corners of the city is a good one, besides bringing that volume to reasonable as it used to be.

He recalled it being placed on top of the tower in 2015 and that is when the sounds really increased. Prior to that, there were four fire alarms. He questioned why the city got lazy and let the balance of those alarms fall apart and rely on one as a result.

To him, placing them in better locations is ideal, which will allow them to be heard in the greater Milford area, which is also part of Carlisle's fire district.

Chief Hinton stated the education to the public is what is lacking. The department does not disagree with the relocation of the fire sirens and especially adding three more sirens. He noted the siren on Marshall Street has been inoperable for some time, as well as other locations, which leaves the department with only one siren.

He continued by stating the education in those areas in which the fire sirens are proposed, is where the education needs to be expanded. At that point, there will be four sirens with 90 decibels sitting right at the center. For example, adding one at the substation will place it adjacent to a group home of underprivileged residents and very close to the hospital. He has also heard of the possibility of placing one near US 113 and Route 36, which is going to be sitting in the backyard of somebody who has never had a fire siren. If we have five complaints coming to the Council, he asked them to consider these four other locations.

They want the community to be alerted so that they can provide the right of way to get Carlisle's responders to the fire company. They agree with that, but thinks education is needed to provide the businesses and residences in these four outer locations they will have 90 decibels that will reverb out to 60 decibels into the city is where the department wants to make sure the entire community is ok with these new locations.

Councilwoman Wilson recalled the communication breakdown a few years ago. The Council worked through that, but she does not think that was the result of most of the City Council, adding they have always been supportive and proud of Carlisle Fire Company.

When she first heard these siren complaints from some of the downtown residents, she did not understand the big deal. She did not understand but does not live where Councilmember Culotta lives. She agrees it is not loud at her house either. She appreciates knowing and being aware of the warning and is grateful that this could possibly save someone's life. She is willing to relocate the sirens, but only if the fire company agrees. She also thinks it is important that the Carlisle Fire Company continue to control the sirens and not City Council.

Councilman Marabella asked if the four locations will have the same decibel as the sole siren in downtown now. Chief Hinton confirmed that all four will have the same decibel. What is proposed currently, is in the center of the four locations is 90 decibels just as it is today, and will reverberate out to 60 decibels within the center of the city coming in from the four locations.

Chief Hinton confirmed that the City of Milford currently owns the sirens and it is their responsibility to maintain them.

It was noted that the City of Milford let them go over the years instead of providing regular maintenance.

It was suggested that the fire company own and maintain them as the ones that are related to them versus the City maintenance crews.

Councilmember Boyle asked about the need for fire sirens today when there is technology that could instantly notify the emergency personnel, in addition to the upgraded equipment of automobiles with flashing lights that can better alert the drivers on the road. He is very aware when he is in a vehicle when an emergency vehicle is approaching though he does not hear the siren.

Councilmember Culotta feels that the upkeep and maintenance of the sirens should be the responsibility of the city. The volunteers are there to fight fires and not for maintenance. The city already has personnel in place to handle those duties. If a paid force, there may be an argument, but at this point, it is a public notification that should be the City's charge.

City Manager Whitfield says he has no one on staff to maintain the sirens other than running electricity to them. That work would need to be contracted out. Currently, there has been no need for this work since he was hired by the city.

President Hazzard noted there is technology, and the firefighters have pagers, cell phones with a cheap, mobile app, and Pulse Point. The pagers do not always go off nor do Pulse Point or Chiefs Mobile (mobile communication). NFPA's (National Fire Protection Association) standard is two forms of reliable communication, one being the fire siren.

He again referenced the lack of public education is not only the fire sirens, and the last three group settings he has been involved with, a member of the public has always wanted to know why our response rate is so low, and why other departments are coming into the city and fighting Carlisle's fires. Or questions about neighboring fire companies assisting with ambulance calls.

President Hazzard explained that on all motor vehicle accidents with reported entrapment, the closest neighboring company is automatically dispatched with their rescue truck as a rescue assist. Carlisle has three ambulances but only the ability to staff two. The third is only used as a backup.

Recently, there were 21 calls in 24 hours, or a call almost every hour. When out on multiple calls, and a third, fourth, fifth or sixth emergency comes in, Kent Center 911 will automatically dispatch the next closest company to that call. That is why these other companies are seen coming into Carlisle's district and something the public needs to be informed about.

Chief Hinton also talked about the misconception about Carlisle's response being low. He noted that every form of traffic or construction jeopardizes the responder's response time. At present, it is hard to get those living in the middle of town to volunteer. As is seen at Route 113 and Route 14, there is a complete traffic jam that jeopardizes the members getting to the fire station, as well as congested traffic created by the bridge closure that is being rerouted downtown.

Chief Hinton lives two blocks away from the firehouse and it takes at least six minutes for him to arrive, regardless of the time of day. On a confirmed entrapment and ambulance response, or confirmed working fire, they get four minutes to respond. There is no way with the construction, congestion, and traffic rerouting they will make that response, though most of the time they do, but with very limited staffing.

When asked if the current location is a problem, Chief Hinton stated yes, it is a problem and there is a need to research other locations. They have a lot of members from the southern part of Milford that have been hindered by the Mispillion bridge closing which causes them to go through the center of town. The change of traffic patterns throughout town is going to be a problem for them.

They hope to work with the City on at a minimum, the location for a substation.

Councilman James talked about getting back to normalcy when there was not all the work on these intersections and roadwork, he is pleased to hear there are new firefighters and some that have reactivated their service. However, prior to that, he has heard that lack of volunteerism does affect the response time. He is hoping for more volunteers, adding that the City is willing to do anything to help this volunteer effort.

The Councilman pointed out the City has been open to that, in addition to active in that, for many years.

When discussing the need for a substation, there is a need to talk about a funding mechanism for that. He has talked about this before and would like Council to work with the fire company to determine a time line, and how can the City help get there. There needs to be money available for a substation, and right now, the money is not there.

He wants to see that discussion occur.

Councilman Fulton said there is current grant-in-aid and they will be receiving another \$64,000 a year for that substation, if the pattern is followed for other companies. That is after it is operational, and also get money for apparatuses and training, ladders, rescues, ambulances, and so on and so forth, through the Grant-in-Aid Bill though no assistance for constructing it.

Mayor Campbell recalled discussing another substation by the hospital, adding that additional personnel will be needed for that as well. He agrees that recruitment of volunteers is needed and suggested signs be installed advertising the need.

Chief Hinton announced that the recruitment and retention team has been working on that since their new officers took over in January. As mentioned, they have five new members as well as the reactivation of some previous members, the result of this team and other officers.

They have other plans to attract younger bodies, noting that many active members have forty years of service.

He emphasized the importance of persuading younger ladies and gentlemen to become members and hope that one day they would be addressing this Council.

They then spoke about grant submissions though no new grants have been submitted this year, though they continue to search what is available.

When asked about the implementation of the fire sirens, Electric Director Tony Chipola said he obtained some estimates though they do not have an implementation time line. He is willing to do some work to determine the lead times for the material.

He did a ride-along with one of the contractors the other day, and found there are not a lot of delays in terms of equipment that they have seen on the electrical side in the past couple of years. But they have managed to get through a lot of those and he no longer anticipates any major issues in getting material and equipment.

With Milford having its own electric utility, they can set the polls and get the electricity there. They can work with the contractor to get the controls hung and tested out.

Councilman Marabello asked if Chief Hinton could get an estimate for a new substation so Council has something work with moving forward.

It was confirmed there is a contractor the electric department can work with to get this accomplished.

Council's desire is to work as one team, as pointed out by Councilman James, and not as two separate entities.

Councilmember Baer stated he agrees with the comments about the consideration of new technologies aiding in making the community a little less noise. Though people argue about the fire siren going off too often, that does not mean the community does not support the fire department and instead a discussion about the reduction in noise.

He also referenced the information that Local Government Fellow Melody Barger reporting that ten different cities have zero fire sirens in Delaware. He noted those fire departments seem to be working well without the sirens.

Chief Hinton noted that the fire departments in New Castle are all within a quarter mile of each other, and most, if not all, with ambulance and fire crews paid. That is how they operate successfully without a fire siren. In Carlisle's district, only the ambulance personnel are paid.

It was also noted that no other town, on the list prepared by Ms. Barger, has four sirens. In response, Milford is a community that is spread out with much more landmass, and most of the towns on the list are very small and compact.

Chief Hinton referenced Kirkwood Highway that has approximately six departments that are very close. One fire siren would be heard by five departments in that area.

Dover has thirteen sirens with a paid fire department.

A conversation followed regarding the need for meetings with the fire company to discuss needs, as well as funding.

It was suggested that perhaps quarterly meetings be planned in a workshop setting. Councilman James said that will ensure a true partnership through regular communication.

Mayor summarized the meeting stating that the four sirens need to be installed and operating with reduced decibels, make sure Councilmembers are invited to the Fire Company meetings, and vice versa, and then reconsider committee meetings to review these items.

Chief Hinton asked who will be controlling the fire sirens.

City Manager Whitfield said he can put this on an upcoming agenda. Right now, he needs Director Chipola to handle the bid process to know the costs and for Council to act at that time. When questioned, he said anytime a bid is awarded, public comment is taken.

In conclusion, a decibel map showing the four locations was included in the packet. They will be located at the solar field on Route 14, one at the Shawnee Pump station at the intersection of Route 36 and 113, substation at Elks Lodge Road, and the water pump station at the Perdue facility.

Director Chipola added that he did not have time to include the data in the packet, sharing that from the existing versus proposed, looking at the 90 to 100 decibel levels, it will now go from 53 to 73 with only about 20 additional households that will be impacted as shown in the red zones.

The most significant is from the 80 to 90 range, where it goes from 372 to just under 1,200 customers from 80 to 90. Then anywhere from 70 to 80. Though it jumps up significantly, though that is more of a toggle level that goes from 17 to 20 to 47,33. The increase of 60 and 70 decibel levels, which is about normal city volume, goes from 1,288 to 1,799 so not a significant change in that green area.

The City Manager said he, Chief Hinton, and President Hazzard will follow up on this matter and will bring back the information to Council in terms of an agreement, including the upkeep and maintenance of the sirens.

Strategic Plan Update

University of Delaware/Public Innovator Bill McGowan referenced Milford's last Strategic Plan was in 2018. Four Community Conversations have been held since the Council Retreat in October. At that time, Council was asked to invite some residents representative of the four wards. They broke the different conversations into the elements of your strategic plan--neighborhoods and community services, economic development, public safety, and infrastructure.

After those conversations, they went back out to an open workshop. Provided were an overview of what they learned with an opportunity for those present to comment. They were provided with completed boards for each area, and were asked to either reinforce, add, or to dispute.

Starting with neighborhoods and community services, the overall feeling was positive. The meetings were well attended, and conversations rolled with meaningful and respectful comments.

Growth –Growth is a major concern of all residents and is a contributing factor to an emerging identity challenge. Residents want to see controlled growth and limited sprawl and wanted more stores and amenities.

There is a lot coming with housing, and what does it look like and who can afford it and who cannot and is this what we really want.

Aesthetics and beautification throughout the town is desired. There is a beautiful downtown, but they ask if it is really being taken care of and does it look like you really care.

Issues such as litter and rundown housing were discussed. The visual is Milford is beautiful when you drive through it, but sometimes you just don't want to look too hard or too closely. Is that being taken care of.

Activities and amenities and are we taking care of. There is a Boys and Girls Club and there is an athletic league. But can everyone participate; is there more room for opportunities for people to engage. Things like a public bathroom downtown, more parking downtown were always a topic.

There is a downtown development plan. They went into this knowing there are multiple plans and how you can pay attention to all of them and keep everyone on the same place.

Some folks feel there is a need for more youth activities, and they are willing to step up monetarily.

Economic health and development involved discussions about a better mix of businesses. There is a downtown but does it provide enough to keep someone in town for a day. There are some issues with the government issues on Main Street which come with challenges. That works from 8 am to 5 pm but provides nothing after that.

It includes some industries naturally coming here that include healthcare and culture. Perhaps there is a way to piggyback on them to keep things moving.

Current lack of jobs is seen as a deterrent to young people which is unfortunately universal right now.

There were some comments on public infrastructure as well.

There is a high rate of crime when discussing public safety and preparedness, as well as a lack of community policing. Community policing means a lot of things and in many cases means getting the cops out of the car, put them on the street, get to know their neighborhood and things like that. He believes that is where the conversation was going.

The notion of homelessness came up numerous times. Everyone is looking at Georgetown right now to see how that goes.

Code enforcement that flips back to are you really taking care of your town, and do you have someone walking the talk and making sure the buildings stay up to code.

Lighting issues came up several times as well.

There were a couple of things related to infrastructure and transportation. Driving and walking seems to be okay though there were some conversations around biking.

He knows Milford has a bike and pedestrian plan, but this was more related to safety, safety, safety.

Most residents are comfortable driving and walking around Milford. There is a lot of interest in cycling. However, residents do not feel safe using streets and roads without separate bike facilities.

Concerns were expressed about large truck traffic and congested intersections.

Residents want more transportation options that connect Milford with the larger community / regional destinations, such as DE Turf and the hospital.

Many are skeptical about streets in developments being properly graded and repaved when construction concludes.

There are issues with so many years before the final paving is required, and there is an issue with the one-inch gap with the curve and utilities came up several times.

Residents rate Milford's infrastructure as good and reliable, especially with snow removal.

Some concerns included the lack of expanded gas service, lack of ISP competition, and the effectiveness of solid-waste removal.

Residents are also acutely aware that increased development might strain City resources when it comes to infrastructure.

Reassurance is needed that essential infrastructure is properly secured from vandalism and domestic terrorism.

Major across the board concerns were whether Milford is very anxious for the growth and can it be controlled. There was some good strong conversation about the relationship between the city and the development community, which is something the city needs to pay attention to. Most residents recognize the positive attributes of the City and its government. However, there are areas they feel could be improved. They want to know what the city is doing. There were folks in attendance that love Milford and are participating. One of things that came up is the number of opportunities to volunteer, but where are they. They don't know what the city is doing and what is coming and any opportunities or events that are happening. There is a perception they want to know and are unable to find things out.

Milford is at an identity crossroads; there is a difference of opinion about the vision of Milford’s future has emerged between newer residents and legacy residents.

There is a need to determine why people are picking Milford and then figure out how to keep people here. There is concurrence. What is needed now is to extrapolate what was heard. That was put together with the plan and develop some recommendations for the plan rewrite.

A workshop should be scheduled before the end of March to get Council’s input. After that it goes into the updated plan, and then a public workshop should be scheduled.

Customer Service Update

Finance Director Lou Vitola introduced Cash Operations & Revenue Supervisor Suzannah Frederick to provide the annual update, noting the outstanding job she does.

After providing a brief description of what each employee does in the Billing Operations and Cash Operations, she then spoke about each individual and their various strengths in a multitude of areas and the efficiency within the department as a result. Each possesses skills that go beyond the typical customer service roles with a mindset that puts customers first.

Also discussed was the advantage of having two Spanish speaking and bilingual employees who have been a tremendous asset to the city to the point that some of our customers ask for them when they come into the department.

An activity comparison was also presented.

Non-Payment Statistics:

	2022	2021	2020
Electric Accts	8,200	7,992	7,476
Water/Sewer Accts	5,186	5,117	4,786
Trash Accts	4,364	4,277	3,960
Solar Accts	197	172	154
Tax Parcels	7,225	7,065	6,514
Settlements	260	600	350
Elec Meter Setup	320	420	347
Water Meter Setup	765	681	622
Leak Work Orders	887	400	350
Initial Read Work Orders (new accounts)	2,023	2,564	2,218
Disconnected for Nonpay	1,071	763	505

Payment Statistics

Method	2022 Count	2022 Amount (\$ million)	2021 Count	2021 Amount (\$ million)
Cash	7,674	\$1.5	7,642	\$1.5
Check	34,959	\$23.1	37,649	\$24.7
Credit Card	8,103	\$1.6	5,948	\$1.1
Online Credit Card	35,510	\$6.1	29,332	\$5.6
Online eCheck	8,456	\$2.2	7,668	\$1.6
Bank EFT	440	\$14.1	419	\$13.7
Auto Pay	22,578	\$4.1	18,070	\$3.1

- 2022 Phone Volume
- 17,600 inbound calls
 - 8,700 outbound calls
 - **26,300 total**
 - 110 per day
 - 20 per person per day

Ms. Frederick explained this is by calendar year.

Customer Service employees continue to process 43% of our payments in-house with cash, check, and credit cards. Bank EFTs are also processed in-house. They last they were at 48% while continuing to push the online bill, the automatic bill so there is has been a slight improvement.

The biggest change was during Covid when customers did not come in and noted the increase from 2021 to 2022 with auto pay.

Monthly, 9,000 bills are processed of which 43% are still paid in the office or just below 4,500 accounts.

In relation to nonpayment statistics, all electric accounts, water accounts, trash and solar accounts have increased.

Tax parcels continue to grow, when with the subdivisions that are being sold as individual lots, and each generated a tax bill. However, settlements in 2023 have decreased due to increased housing prices and interest rates. Last year, there was an upsurge in property sales.

Building the meter in the system relates to electric meter and water meter set up.

Leaks have been a huge focus of her staff over the past couple of years. They have really become accustomed to using the software to the customer’s advantage. A leak report can be run, sorted, cross off the 24-hour facilities and industrial plants, after which staff reviews for discrepancies. They locate those numbers found to be unusual.

Staff found several leaks during the freezing temperatures during the holidays. They ran the report Monday morning to Sunday and caught a very high number of leaks quickly. No longer do customers have to wait for the billing cycle.

The initial read work orders will signify how many accounts are set up. Of the 2,000 accounts, she estimates 1,700, or more, are tenants, that move in and out of various properties. They are required to bring in their lease, their identification, pay their deposit, which involves a substantial amount of staff’s time.

The new phone system has been beneficial and IT had them up and running when staff returned to work. The reporting and the metrics will be much better than the old software.

It was confirmed that the system that customers use to pay by phone is still inoperable. Ms. Frederick explained that the margin service provider was switched in October from the former company and is the result of the new software requirements. That was switched to Central Square’s payment portal. When that was done, the upgrade does not allow manual payments until future upgrades have been completed.

IT is aware of that issue. And she understands it is a huge benefit to customers especially when making collection calls. Though she is anxious to get it up and running. However, she has no timeline.

When asked if the department has requests for French Creole, Ms. Frederick stated they started DEMEC customer service training, live and in person. They were closed for one day last month and they only came back to six voice mails in response to the out of office message.

Other towns use an interpreter, and she plans to put that in her budget this year. A translation phone would be set up for the customer to use. However, often the creole community brings someone that speaks English to communicate with staff.

Ms. Frederick has also used Google Translate, which has helped in various situations.

She again reviewed the billing cycle and workload management for the month. It used to correlate with the four wards, though that has changed with the boundaries changing this past year. Bills are always due on a Monday, with each ward on a different week.

Read dates can vary from Friday to Monday, and sometimes during the holidays, it may occur on a Friday and then the following Tuesday, if the holiday falls on a Monday. Delinquent letters are mailed on the second day after the due date. Nine days are required before a disconnect.

However, the department is very customer friendly and allows payment plans, attempt phone calls to inform customers, Swift 911 was being used until the city no longer allowed it for collection calls. The first-time offender will be called.

On average, Ms. Frederick said typically there are about 25 disconnects per week.

Also reviewed were the various resources and partnerships that customers can be referred to. Delaware State Service Center is one that is located down the street. Catholic Charities and First State Community Action are other resources used on a regular basis. Many times, customers are unaware of what is available, and her staff is happy to provide the information.

She talked about their alignment to the City's Strategic Plan. That information is used in the staff's evaluation as a reminder.

Ms. Frederick talked about the advantage of the drive-thru window and the number of customers that use that service.

Councilmember Samaroo recalled talking about the problems with setting up new accounts last year and understood there were some updates occurring. Ms. Frederick said there has been very little progress with the on-line bill payment process though they hope that may improve with the software update.

They do walk customers through the process and get them set up. They also provide step-by-step directions, but it is not always successful. That is a planned software update with the new Tyler system, though again, she does not have a timeline.

The one update is the ability for a customer to make a one-time payment without setting up an account using the customer number and last name.

Investment Management Policy

Finance Director Vitola Lou provided an intro stating that our investment policy has been in place for many years. The most recent update was in 2012 and leaned heavily on the State of Delaware's cash management and policy boards.

He made some changes he thought were appropriate to simply tweak and tailor it, based on some best practices that aligned with the GFOA (Government Finance Officers Association).

He took that to the Finance Committee for review before taking it to council for their final recommendation and approval which occurred at the end of 2021. In 2022, he had planned to solicit proposals. But then the State Treasurer, at the Sussex County Association of Towns meeting, pledged to assist municipalities in the form of leveraging investment management services and leveraging debt issuance using the State's providers.

Because there is not a lot of interest for something like investment management, when there is not a lot of cash in the bank. Recently, DEMEC put out a bid for investment management services and got three responses. That resulted in a clear winner, and this is the two gentlemen in attendance tonight. Dover and the City of Newark did the same and got some interest, and both chose PFM. The State of Delaware, who has billions of dollars under management with several firms, of which one is PFM.

In order to leverage the State of Delaware's contracts, in the absence of the typical state procurement contract, which they put out and required the vendors to work with any county, municipalities, and any other political subdivision, the treasury does not have it for its investment contracts. Instead, they were just looking out for themselves. It took an Attorney General's ruling that said, per State Code, cities, counties, towns, political subdivisions, can piggyback, on a State of Delaware contract if the Delaware State Treasury, and the vendor agree to serve that unit.

As a result, he got the Treasury's approval to hop on the contract and PFM has expressed interest, and have already looked at the policy with some improvements they would like to do if City Council will follow the recommendation to hire PFM and run the funds.

PFM Asset Management's Managing Director Marty Hammond, Jr. and Senior Managing Consultant Zach O'Grady| Senior Managing Consultant then provided the presentation.

Mr. Hammond provided some background noting that he is the head of the Northeast Region which spans from Maine down to Delaware and works with both State Treasurers. Both he and Mr. O'Grady work out of the central New Jersey office near Trenton.

They go out to the market and buy and sell securities on behalf of their clients. That means that at the end of the day, the client will get the best price possible on any transaction they are handling on the client's behalf. They have approximately 42 years of experience and work with almost 300 employees.

They have had double-digit asset growth going back almost two decades, and now have \$202 billion in assets they manage on behalf of their clients, many of which are state and local governments. All of their clients are institutions like the City of Milford and do not work with individuals, 401K's, but work on behalf of folks in the municipality or state.

Mr. O'Grady will speak about how they work with client starting with their investment philosophy, The stated goals in the city's investment policy align with their general investment philosophy safety liquidity yield. They want to invest in very safe, fixed income securities, all within the realm and in compliance with the city's investment policy and your risk tolerance.

It is important for them to understand the liquidity needs to have enough funds to pay the bills on a daily basis and identify some of the funds that may be used to invest on a more long-term basis. After those two items are met in the order of priority, safety, liquidity, then comes yield, where they seek to earn a competitive rate of return on those investments over time.

They try to understand the client's cash flow needs and select investment investments based on relative value. There are many permitted investment sectors as a city fixed income securities that can be invested in.

The different sectors will be looked at over time and select investments based on the relative value available in those different sectors. That includes US treasuries, federal agency notes, corporate debt, and mortgage-backed securities.

They are competitively bidding out every trade as they seek to find the best price for those investments. Usually, at least three competitive bids on every security are bought and sold on the city's behalf.

He then talked about cash flow analysis noting that they will seek to understand the city's cash flow needs at the onset. This is a good foundational piece to any investment strategy identifying how much can be invested. They talked about liquidity and its importance.

The onset of any engagement is to look at a cash flow analysis, understand what is coming in and out, what the debt service schedule look like, and some of those more fixed payments in order to understand them.

They will update cash flow analysis very frequently and sometimes annually.

He talked about liquid funds that should be available the same day, next day. It should be considered like a bank balances and money in the bank or in a money market, mutual funds, and funds with access to with little notice.

Talking about reserves and core funds and that Milford has a really good investment policy. Those are funds that will be identified and can be invested in intermediate to longer term fixed income securities.

The federal reserve has been aggressive over the past year and seems to dominate the headlines in terms of raising interest rates. Rates have been raised seven times in 2022 and one time so far in 2023, and are expected to raise more.

The interest rate environment for fixed income securities is attractive right now. The ability to implement a fixed income portfolio like this can add value, especially now with fixed income security yields at almost 20 year highs.

He then talked about the present investment policy and the four components that should be part of any investment policy, includes GFOA best practices. Their value add is to talk about best practices. They mentioned the Delaware State Cash Management Policy Board, which many municipalities in Delaware follow. They work closely with the board to craft that policy and update those rules and regulations on an ongoing basis.

Mr. O'Grady also talked about some observations and considerations in the investment policy including corporate debt instruments, max maturity of fifteen years and just going into it blind.

Another thing they picked up was asset backed securities, but similar in function to a mortgage-backed security, though the city is allowed to invest in it per the State Code, though that is not specifically included in the investment policy.

He referenced some of their initial high-level observations found when the current policy was reviewed, though overall, it is a strong policy.

A lengthy discussion followed with asset back securities. It was noted they are buying them now, though they have not been purchased in the past, but are now adding them to client portfolios. Though they want to limit them too and not add 80 to 100%. Instead adding a little bit of diversification, a little bit of value, while trying to eke out some basis points.

Mr. O'Grady continued by stating once they have a good understanding of the cash flow needs, it is about setting the overall strategy and having conversations with staff on value in the market, length of investment, identifying the reserve funds and whether it is a one-to-three-year investment portfolio, to understand the strategy.

The structure of the city's portfolio in the current environment and taking advantage of all the permitted investment sectors. Provided were their best ideas on where they are seeing relative value in the market.

It is a one to five year portfolio with fixed income security, structured, referencing the duration distribution, average maturity, distribution. The yield of that portfolio in today's environment is around 4.5%, 6%. So very attractive in today's terms.

He talked about the fed's intent on raising rates aggressively over the past year, but think at some point, will get back to a sort of normalization. Overall, they find fixed income, at the 20-year high, is very attractive in the current environment and will seek to sort of lock in those yields as long as possible.

Councilman Culotta asked how quickly the investment velocity change, noting it is relative conservative, but in the case of the hard landing all the experts keep talking about.

Mr. O'Grady talked about the onset of the pandemic as an example and their reaction to what was happening in the markets and their ability to pivot. As mentioned, their investment committee approves purchases on behalf of their clients and many include high quality credit names such as Apple. That committee meets monthly and intermonth as needed during market events.

At the onset of covid, they put all credit issuers on hold and were not buying new credit names within client portfolios because they wanted to understand the different implications in certain areas of the fixed income market. And, are different areas of the corporate market going to be more effective than others, such as the financial or manufacturing sector.

He emphasized it changes on a monthly basis and what is happening in the market.

Finance Director Vitola added that the response that PFM will deliver is way faster than he or anyone on staff could, even with a very sound, thorough and clear policy in place. Even if talking monthly investment committee meetings, they will react and make adjustments before the Finance Director even knew.

Councilman Culotta said the risk is relatively low overall and there is not a lot of room for movement.

Director Vitola said that is true, and this conversation is not about the stock market. This is only fixed-income markets.

When asked about the 4% yield meaning they are making a good profit while being very comfortable; Director Vitola said they do well and PFM is one of the best firms in the industry. And the best with respect to municipal and government client service. But there will be a fee the city pays, as a percentage. If the city's portfolio earns 1%, 2% or 9%, they are only paid that fee.

The Director said it would be irresponsible to go find a money manager or broker that would take commissions or a percentage of the profit. And no one will share in a loss.

Councilmember James asked for clarity and how the firm is paid; Mr. O'Grady explained they are paid a net basis point fee--a percentage fee on assets under management. To directly answer the question right, if yields were 1% or 10%, the basis point fee would be the same, as long as the assets don't fluctuate throughout the year. In market value, their fee would be the same.

Councilmember James reiterated for those unfamiliar with financial language, regardless of how much yield received from the investments that PFM has made on the city's behalf, PFM's fee is only based on the dollar value of the city's assets PFM has under management. It does not fluctuate with what is made, more or less, but is the value of the city assets that PFM has under management.

Councilmember Culotta said but what occurs if the city's asset increase; Councilman James said it is not based on the yield and does not want to confuse anyone listening.

Mr. O'Grady explained they are not a broker dealer or investment adviser. Instead, they work with 24 or 25 prime, large broker deals and are competitively bidding on every security on the city's behalf. And absolutely, no commissions on any security transactions.

When asked the return on the city's assets last year, Director Vitola stated somewhere around 55, 57 basis points or so. One the city's cash funds with our commercial bankers, we were earning 85 basis points. Everything over that hurdle to cover our banking fees, after applying 85 basis points to that balance, we earned what he believes is 35 basis points, that weighed somewhere a little more than a half percent.

Director Vitola further explained that every dollar in the city's account, the cash balances and the money market balances were collateralized at a level of like 108% with securities that WSFS pledged in the city's name in a separate account

should anything happen. That 85 blended down to 57 points, and was about 54 basis points better than our next best alternative. Money market funds were in the 3 to 5 basis point range.

He also noted that rates have gone up sharply in 2022, and naturally the question is what was left on the table in 2022 which Director Vitola said he would argue nothing. If invested in fixed income mutual funds, at the time those were bought, whether it was fixed income instruments with 3 to 5 to 7 to even more maturities, or if we were in funds consisting of such securities, as interest rates shot up, the principal value of those accounts were have gotten crushed.

As interest rates rise, the price of fixed income securities dropped. While receiving higher interest payments, but the principal value would have been absolutely obliterated, and there would have been probably in that negative, as he has seen in some of his municipal peers, but assets under management, even in fixed income, were badly hurt in 2022 for that reason.

Now is the perfect time to enter the market. He will admit the city was earning a decent return for how safe the cash was over the year, but this was only partially and intentionally done. Part of that has to do with the electric fund redemption money and the movement of the rates through 2022.

Part of it was timing with the State Treasurer's Office and the Attorney General, and part of it was just natural workflow and priorities.

Mr. O'Grady then talked about the feedback loop. They provide monthly reporting and if managing the funds to a benchmark, they provide quarterly performance reporting.

He also talked about the annual budgeting process and the assistance they can provide. They have an earnings projection tool that helps many of their clients and helps with the budgeting process.

Councilman James said this came out of the revision to the investment policy and seeking someone to actually perform the investment services for us. This will preserve principle, because we must do that, but also the timing of investments. The city has reserves, operating cash, and knows when some monies are planned to be spent. Some are shorter, though there is a need to tie the investment to those spending needs, gives a better yield. The purpose is to give the maximum earning potential to the taxpayer without putting them at unreasonable risk.

From what Councilman James has heard from Finance Director Vitola, this points in that direction.

Councilman James also recalled that the Finance Committee was going to be the de facto Investment Committee. If the city does not have a Finance Committee, there is no Investment Committee. Director Vitola said that was his recommendation because the Finance Committee was already in place, serving as the Audit Committee and the Finance Committee and the Accounting Committee. When he said he would like the Finance Committee to serve as the Investment Committee, Council said no and he thought the consensus was that the committee does enough and there should be another vehicle or it should be Council as a whole.

Councilmember James feels that was a misunderstanding and knows the value of Investment Committees which is different from other functions. Council should consider what they want as an Investment Committee and is too important not to be watched over.

Lead and Copper Rule Revision

The City's Professional Engineer (PE) James Puddicombe talked about the amendment which was revised by the EPA.

He said the two key points are the effective date of the regulations of December 21, 2021, which means they are officially in effect. The compliance date, which is the date the lead service inventory must be completed by, is October 16, 2024.

The general guidance by the EPA is as follows:

-  Estimated Population: **10,000 – 50,000**
-  Number of Schools and Childcares in the Town: **30 - 140**
-  Number of Homes in the Town: **3,200 – 13,500**
-  Number of Homes with Lead Service Lines: **1,200 – 1,500**

Their general guidance for a community of between 10,000 and 50,000 residents is somewhere around 30 schools, which is closer to the lower end. Milford has around 4,500 homes. The initial first swipe of homes with lead service lines is around 700, though about 100 of those were resolved with the last Streets Program.

Though not a detailed inventory, CE Puddicombe believes we have approximately 600 homes left with lead service lines to be addressed.

He will need to finish the inventory first to get some better numbers and locations, though there is some information that will need to be made publicly which is addressed later in this presentation and will answer some of the questions.

Councilwoman Wilson added that every child is given lead testing prior to preschool and it would be interesting to learn of those statistics. She confirmed that her former employer was required to report elevated lead levels of children to the State of Delaware.

Mr. Puddicombe referenced the following old and new rule:

New Rule	Old Rule
% of Schools and Childcares required to be tested for lead	
20% a year	0%
% of Lead Service Lines that will be fully inventoried	
100%	0%
Length of time the system can delay removing LSL	
0 – Must be prepared and have plans in place to start right away.	48 Months

He also talked about the inventory requirements. Previously, there was no inventory requirement. The new rule of the EPA requires every service in the city, whether it is a fire line, residential service, or commercial service, be marked as lead, unknown, galvanized, etc.

Following is the breakdown of the GIS system created that has the customer side/city side which must be tracked by the type of service:

Legend



Service Line

-  Lead | Lead
-  Lead | Galvanized Requiring Replacement
-  Lead | Non-Lead
-  Lead | Unknown
-  Galvanized Requiring Replacement | Lead
-  Galvanized Requiring Replacement | Galvanized Requiring Replacement
-  Galvanized Requiring Replacement | Non-Lead
-  Galvanized Requiring Replacement | Unknown
-  Non-Lead | Lead
-  Non-Lead | Galvanized Requiring Replacement
-  Non-Lead | Non-Lead
-  Non-Lead | Unknown
-  Unknown | Lead
-  Unknown | Galvanized Requiring Replacement
-  Unknown | Non-Lead
-  Unknown | Unknown
-  Other

Those lines need to be inventoried by October 16, 2024, and made publicly available. The EPA also wants any galvanized line that is downstream of lead to be categorized. To be safer, they plan to replace any galvanized lines, to prevent the risk of lead and the additional effort to try to prove that it didn't have lead downstream. The State may not accept it, so they will be replaced as well.

Once the inventory is complete, they are required to notify any customer, to include anybody renting, and the owner of the property within 30 days of the inventory completion if there is a lead, a galvanized downstream, or an unknown service line.

The city's goal is to have no unknown service lines if possible. They are working through that process through records review, etc. They will then be required to notify any of those people within 30 days of the completion of that inventory, as well as an annual notification in addition to an annual notification.

In addition, notification is required anytime there is a change/relocation of a resident. If there is a service to a house that is being rented when they transfer that service, the new person getting the service will also have to be notified.

It was noted that the lead line replacement was included in the Capital Improvement Plan and believes it was first added in FY21.

Mr. Puddicombe also talked about grant funding, adding there is a zero-match grant available through the EPA.

When Councilmember Fulton shared that the schools have not been tested, the City Engineer confirmed that the city is responsible for testing daycares and schools. Their new recommendation is 20% per year to ensure every daycare and

school is tested once every five years. Any exceedance would require immediate action by the city that includes 3 to 7% lead service removal.

He also confirmed that per the new EPA rule, that the city (utility) is now responsible up to the building and not the meter as the previous law.

PE Puddicombe then discussed what occurs after the inventory:

- Notification of all persons at the service connection where it is LSL, GRR or Unknown within 30 days of inventory completion.
- Must be repeated annually until all leads are removed and for any new customer at time-of-service initiation.
- Notice must be in appropriate languages or information for obtaining a translated version must be included.
- Water system must demonstrate that the notification was delivered and provide a copy as part of their report to the State on an annual basis.

- Lead Service Replacement
 - Residents must be notified 45 days prior to replacement of any part of a lead service. Notice must explain that the system will replace the portion of the line it owns and offer to replace the portion of the service line not owned by the water system.
 - The City must provide the consumer with a pitcher filter or point-of-use device certified by an American National Standards Institute accredited certifier to reduce lead, six months of replacement cartridges, and instructions for use before the affected service line is returned to service.
 - City must offer to perform follow up testing at each residence for three and six months after completion of the work. If only partially replaced the City is required to perform these tests.
 - If a customer informs the City or the City finds a replacement on the customer side has already been completed in the last six months or will be completed the City must complete the replacement of our side within 45 days.

When asked the negative of not getting credit, PE Puddicombe explained that if the city goes beyond October of 2024, and we have any remaining lead services, the city will have to replace a certain percentage per year of our unknown galvanized and led services.

The focus of the EPA was to force all utilities to take an inventory of their system. Mr. Puddicombe does not believe they thought too far beyond that.

The City Engineer believes the EPA is basically saying they are unaware of the full extent of the lead issue, but wants to force the issue by starting with an inventory. Then work out how to fix it down the line. He is certain that the Mayor and Council prefer to fix it and move forward.

It was noted that most meters are outside the homes when the city converted to the AMI meters, though there may be a handful within the basement of homes.

When asked if that makes the city responsible, PE Puddicombe believes the city is, because the city owns the meter and requires access.

PE Puddicombe reiterated that if the city suspects there is a lead service, even if not confirmed, or if it is unknown, if the city is going to be doing work on the service lines, the city must provide 45 day notice to the resident, as well as six months of filtering so with either Brita with the carbon filter or NSF approved for removing lead, instructions and several other that will need to be provided to the property owner.

He is working with the Economic Development staff to put together a small box that we can deliver to the homeowners. A video was also created with information on the lead replacement process.

A three and six-month follow-up test is also required. PE Puddicombe discussed this with Water Supervisor Steve Ellingsworth who is working to obtain some pricing. If a customer replaces their side, outside of a program of the city's, the city has 45 days to replace its side. Which will require an on-call contractor.

The Public Works group is doing:

- Replacement in conjunction with street projects to avoid having to return to recently paved streets.
- Inventory mapping has been created and the process to identify by property has begun.
- City has performed a cursory review of installation dates and main types to determine targeted areas of testing while simultaneously performing a records review.
- Looking into grant opportunities to offset the costs of replacing these lead services.
- Begun the process with Community Engagement to create an informational video and to determine the best course of action for public outreach.

State	Implemented Lead Ban	Method	Date Effective	Certification Signature	Requires Solder	Use of Flux	Lead Pipe	Notes
Delaware	Yes	State Plumbing Code, Section 119 Chapt. 79, Sec. 7906; Chapt. 1, Sec. 122e	06/17/88	Secy. Dept. Health & Social Services	X	X	X	Adopted BOCA

Over the next six months,

- City will source filtering devices to be procured and stored with Public Works for distribution as needed.
- On call contract creation and bidding for the replacement of lead service lines from the meter to within the home.
- Completion of an outreach box to be provided in advance of street projects to serve as 45 day notification, provide filtering and additional information.
- Grant submissions for funds to cover City costs associated with service line replacements.
- Continued inventory, records review, and digitization to properly document all service lines.
- Once inventory is complete, a project to eliminate the remaining lead services will be proposed in order to make the City lead free prior to the October 16, 2024 date. Eliminating additional reporting and tracking needs.

When asked how a copper pipe with a lead solder is, PE Puddicombe said that the city would replace it simply because we do not want it to go back into streets that were just paved. Generally, this is being done with paving. On the customer side, it would be up to the customer, but would offer the same service as the contractor performing the work. They would then work out the billing with the resident/property owner.

Department Role Policy

Mr. Whitfield reminded Council that they had asked him to create a Department Role Policy of what each department is responsible for so there is no interlap. Some of the things he looked at were where employees had opened checking accounts for their department. He pointed out that everything needs to go through the Finance Department and there should not be any ghost checking accounts.

He also found problems with ghost personnel files that are being kept in various offices though HR Director Jamesha Eaddy should be the keeper of all personnel files, with the exception of the police as he was informed.

He added it for Council to review and he will have it on the next agenda to pass as a resolution and asked Council to inform him of needed changes.

There being no further business, the Workshop Session concluded at 8:52 p.m.

Respectfully submitted,

Terri K. Hudson, MMC
City Clerk/Recorder

