



FINANCE DEPARTMENT
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To: Mayor and City Council
 Cc: Mark Whitfield, City Manager; Finance Department
 From: Louis C. Vitola, Finance Director
 Date: July 20, 2023
 Re: Financial Reporting Package – June 2023

The Financial Reporting Package for the fiscal year ended June 30, 2023 is enclosed. The following paragraphs highlight this month’s notable developments and touch on the fiscal year as a whole.

The City’s FY23 financial performance should be remembered positively despite the normalization following two incomparably strong fiscal years prior. City-wide revenue remained strong and predictable, operating expenses were well-controlled, remaining within budget, and the City’s capital program surged forward with the force of enthusiastic leadership and formidable grant funding behind it.

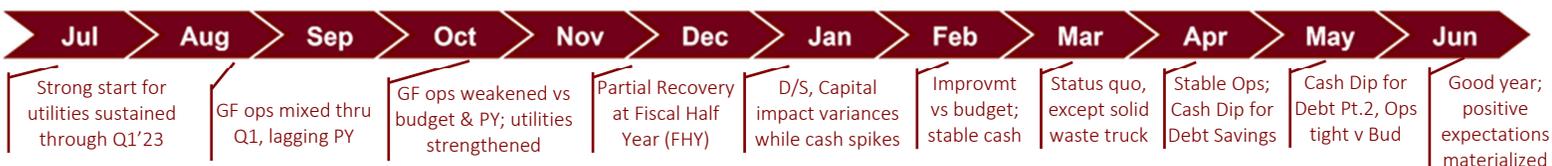
The enterprise funds finished the year with a strong June to stay ahead of FY23 budget expectations in total with positive budget variance in the water, sewer, and electric funds. Solid waste operations likewise posted a strong June, but results for the year remained short of the FY23 total budget target. The solid waste operating budget variance was driven primarily by vehicle-related expenses: vehicle maintenance, both labor and non-labor, as well as fuel comprise the entire operating budget variance. Otherwise, the budget was largely predictable (revenue was within 0.02%) and well-controlled (all other OpEx was within 0.6% of budget, after adjusting for equally offsetting variance for contract services and personnel, as an overage in the former was the result of and the cure for the shortage in the latter). While enterprise funds exceeded budget expectations, results fell short against the strong FY22 financial performance. This year’s increased staffing levels, higher wholesale power costs, strong progress on a more aggressive capital plan, and general inflation all contributed to the lower surplus and tighter budget variance.

The general fund finished the year as expected. June results were individually behind the seasonalized June budget, which pushed the cumulative, YTD positive variance down for the fourth consecutive month, this time from 6.7% in May to 5.5% to close the year. The June results are not materially impacting the full-year performance, as we still anticipate the general fund surplus of roughly \$200k to roll into FY24 to help relieve cost pressure in the general fund operating budget.

Cash and investments were stable this month, with the overall decrease of \$0.4 million driven entirely by project funding in the reserves and almost \$0.1 million in ARPA-funded projects. We expect continued cash outflows from special purpose funds and reserves throughout FY24 in support of the ongoing projects approved in FY23 and the ambitious capital campaign slated for the coming year. Strong utility receipts should help offset the impact of project-driven cash outflows in July and August, and property tax receipts will boost cash balances in September and October to set the bar for the City’s cash position in the second half of the year.

Quick Reference for FY23 Financial Developments and Report Upgrades

Recap FY23 Financial Highlights





Financial Reporting Package
As of and For the Period Ended June 30, 2023

Net Cash and Funding Availability Summary (*in thousands*)

Cash & Investment Balance Rollforward

Restricted Cash Reserves Report

Enterprise Funds YTD Revenue & Expenditure Report

General Fund YTD Revenue & Expenditure Report

Appendix: ARPA Funding Plan vs Actual Expenses

Appendix: Milford Police Facility Project Spending vs Budget

Legacy Revenue Report with MTD & YTD vs Annual Budget

Legacy Expenditure Report with MTD & YTD vs Annual Budget

Legacy Interservice Department Cost Allocation

City of Milford, Delaware
 Net Cash and Funding Availability Summary (in thousands)¹
 For the Period Ended June 30, 2023

Operating Cash Balances

▼ Marks Ref Closing Bal³

Description	Opening Balance (May 31, 2023)	Closing Balance (Jun 30, 2023)	Projected Cashflows	Commitments & Restrictions	Minimum Cash Requirement/ERR	Uncommitted / Unrestricted
General Fund	\$ 2,677 ↓	\$ 2,032	\$ -	\$ (494)	\$ (1,491)	\$ 47
Electric Fund	3,994 →	3,868	-	2,506	(1,652)	4,722
Water Fund	3,172 →	3,258	-	(726)	(294)	2,238
Sewer Fund	1,942 →	1,941	-	(636)	(205)	1,100
Solid Waste Fund	331 →	347	-	72	(190)	229
Operating Cash Totals³	\$ 12,116	\$ 11,445	\$ -	\$ 723	\$ (3,831)	\$ 8,337

Federal, State and Other Special Purpose Cash Balances

Description	Opening Balance (May 31, 2023)	Closing Balance (Jun 30, 2023)	Projected Cashflows	Commitments & Restrictions	Minimum Cash Requirement/ERR	Uncommitted / Unrestricted
General Improvement	\$ 1,603 →	\$ 1,610	\$ -	\$ (1,610)	\$ -	\$ -
Municipal Street Aid (MSA)	649 →	653	-	(653)	-	-
Realty Transfer Tax (RTT)	551 ↑	610	5,000	(2,995)	(1,203)	1,412
Economic Development	515 →	515	89	(419)	-	185
Lodging Tax Fund	597 →	609	99	(708)	-	-
ARPA Grant Fund	625 ↓	527	-	(527)	-	-
Special Purpose Cash Totals³	\$ 4,540	\$ 4,525	\$ 5,188	\$ (6,913)	\$ (1,203)	\$ 1,597

Reserve Fund Cash Balances¹

Description	Opening Balance (May 31, 2023)	Closing Balance (Jun 30, 2023)	Projected Cashflows	Commitments & Restrictions	Minimum Cash Requirement/ERR	Uncommitted / Unrestricted
General Fund Capital Reserves	\$ 2,018 →	\$ 2,019	\$ 2,494	\$ (3,158)	\$ (356)	\$ 999
Water Fund Capital Reserves	2,116 →	2,066	726	(495)	(2,245)	51
Sewer Fund Capital Reserves	4,510 →	4,503	636	(234)	(3,437)	1,467
Solid Waste Fund Capital Reserves	257 ↓	133	-	(85)	-	48
Electric Fund Capital Reserves ²	12,252 →	12,265	2,506	(5,553)	(4,753)	4,465
Operating Cash Totals³	\$ 21,154	\$ 20,986	\$ 6,361	\$ (9,525)	\$ (10,792)	\$ 7,031

Impact Fees and Police/General Facilities Cash Balances

Description	Opening Balance (May 31, 2023)	Closing Balance (Jun 30, 2023)	Projected Cashflows	Commitments & Restrictions	Minimum Cash Requirement/ERR	Uncommitted / Unrestricted
Police & General Gov't Facilities	\$ 240 ↑	\$ 456	\$ -	\$ (456)	\$ -	\$ -
Carlisle Fire Co Permit Fund	619 ↑	691	-	(691)	-	-
Parks & Recreation Facilities	148 →	149	-	(149)	-	-
Water Impact Fee Reserves	5,076 →	5,156	-	(5,156)	-	-
Sewer Impact Fee Reserves	2,895 →	2,937	-	(2,937)	-	-
Electric Impact Fee Reserves	1,197 →	1,211	-	(1,211)	-	-
Impact Fees & Police/GF Totals³	\$ 10,175	\$ 10,599	\$ -	\$ (10,599)	\$ -	\$ -

Grand Totals³	\$ 47,984	\$ 47,555	\$ 11,549	\$ (26,314)	\$ (15,826)	\$ 16,964
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¹New report merges Cash Roll (p.2) and Restricted Reserves (p.3) into one single reference for net funds available after commitments & restrictions.

²Realty Transfer Taxes (RTT) and Electric Fund Reserves totaling \$7.5 million are being temporarily consumed to offset interest costs associated with the PD Facility construction. The recovery of the funds through project financing is reflected in the Projected Cashflows columns for RTT and Electric (\$5 million and \$2.5 million, respectively).

³Closing Balance Indicator sets Red, Yellow and Green signify month-to-month cash variance as follows:



-10% ≤ Variance ≤ 10%



-5% ≤ Variance ≤ 5%



-2.5% ≤ Variance ≤ 2.5%

City of Milford, Delaware
Cash and Investment Balance¹ Rollforward
For the Period Ended June 30, 2023

▼ Marks Ref Closing Bal⁴

1 **Operating Cash Balances**

Description	Opening Balance (May 31, 2023)	Receipts	Interest Earned	Disbursements	Closing Balance (Jun 30, 2023)
General Fund ²	\$ 2,676,504	\$ 1,098,592	\$ 1,275	\$ (1,744,476) ↓	\$ 2,031,895
Electric Fund	3,994,437	2,243,295	12,613	(2,382,448) →	3,867,897
Water Fund	3,172,285	299,846	18,638	(233,168) →	3,257,601
Sewer Fund	1,942,355	427,273	6,470	(435,440) →	1,940,658
Solid Waste Fund	330,528	133,075	265	(116,822) →	347,047
Operating Cash Totals⁴	\$ 12,116,109	\$ 4,202,081	\$ 39,261	\$ (4,912,354) ●	\$ 11,445,097

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

Description	Opening Balance (May 31, 2023)	Receipts	Interest Earned	Disbursements ³	Closing Balance (Jun 30, 2023)
General Improvement	\$ 1,602,757	\$ 133	\$ 6,910	\$ - →	\$ 1,609,800
Municipal Street Aid (MSA)	649,297	334	3,084	- →	652,715
Realty Transfer Tax (RTT)	550,606	81,027	3,705	(25,000) ↑	610,338
Economic Development	515,247	-	-	- →	515,247
Lodging Tax Fund	597,095	12,372	-	- →	609,467
ARPA Grant Fund ³	624,886	-	-	(97,581) ↓	527,305
Special Purpose Cash Totals⁴	\$ 4,539,888	\$ 93,866	\$ 13,698	\$ (122,581) ●	\$ 4,524,872

18 **Reserve Fund Cash Balances**

Description	Opening Balance (May 31, 2023)	Receipts	Interest Earned	Disbursements ³	Closing Balance (Jun 30, 2023)
General Fund Capital Reserves	\$ 2,018,450	\$ 13,731	\$ 962	\$ (14,149) →	\$ 2,018,994
Water Fund Capital Reserves	2,116,448	-	12,434	(63,368) →	2,065,515
Sewer Fund Capital Reserves	4,510,321	-	15,024	(22,077) →	4,503,268
Solid Waste Fund Capital Reserves	256,903	-	-	(123,875) ↓	133,028
Electric Fund Capital Reserves ²	12,251,524	800	38,686	(25,839) →	12,265,171
Reserve Fund Cash Totals⁴	\$ 21,153,647	\$ 14,531	\$ 67,106	\$ (249,308) ●	\$ 20,985,976

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

Description	Opening Balance (May 31, 2023)	Receipts	Interest Earned	Disbursements	Closing Balance (Jun 30, 2023)
Police & General Gov't Facilities ³	\$ 240,158	\$ 216,136	\$ -	\$ - ↑	\$ 456,294
Carlisle Fire Co Permit Fund	618,782	72,045	-	- ↑	690,828
Parks & Recreation Facilities	148,100	400	-	- →	148,500
Water Impact Fee Reserves	5,076,335	79,752	-	- →	5,156,087
Sewer Impact Fee Reserves	2,894,579	42,144	-	- →	2,936,723
Electric Impact Fee Reserves	1,196,790	13,800	-	- →	1,210,590
Impact Fees & Police/GF Totals⁴	\$ 10,174,745	\$ 424,278	\$ -	\$ - ●	\$ 10,599,022

Grand Totals⁴	\$ 47,984,389	\$ 4,734,755	\$ 120,066	\$ (5,284,243) ▲	\$ 47,554,967
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¹Balances are not indicative of funding availability; see enclosed Restricted Cash Reserves and Net Cash & Funding Availability Reports for detail.

²General Fund Operating Cash (Row 3) is down as a result of cyclical cash receipts. Electric Fund Reserves (line 24) of \$2.5 million are temporarily applied to the PD bond to reduce interest costs related to the PD Facility.

³\$96k in ARPA funding (Line 16) is related primarily to the NE Front St Water Line, building security and phone system upgrades. \$249k disbursed from reserves (lines 20-24) reflects progress on ongoing FY23 projects in streets, parks & rec, police, admin and all utility funds.

⁴Closing Balance Indicator sets **Red**, **Yellow** and **Green** signify month-to-month cash variance as follows:



-10% ≤ Variance ≤ 10%



-5% ≤ Variance ≤ 5%



-2.5% ≤ Variance ≤ 2.5%

City of Milford, Delaware
Restricted Cash Reserves Report
As of June 30, 2023

General Fund Capital Reserves		Amount
Cash/Investment Balance (6/30/23)	\$	2,018,994
Expected Contributions & Interest		493,887
Restricted Funds:		
Vehicle & Equipment Replacement		(199,695)
Street Repair		(675,491)
Parking Enhancements		(320,000)
Parkland, Trails & Recreation		(524,446)
Other Proj, Incl MCC Design		(600,565)
OpEx Support (PD R/M)		(837,986)
Support Policy with RTT ¹		2,000,000
Reserve (MCR) Policy ²		-
Equipment Replacement Reserve ²		(355,800)
Uncommitted Reserve Balance	\$	998,899

Electric Fund Capital Reserves		Amount
Cash/Investment Balance (6/30/23)	\$	12,265,171
Expected Contributions & Interest		2,505,901
Restricted Funds:		
Electric Vehicles & Equipment		(47,306)
Lighting & System Improvements		(342,060)
Traffic Signal Upgrades		(289,464)
Citywide Projects		(814,027)
Redeem / Defeasement Bond ⁷		(4,060,000)
Reserve (MCR) Policy ^{3,6}		(4,693,372)
Equipment Replacement Reserve ³		(60,000)
Uncommitted Reserve Balance	\$	4,464,843

Water Fund Capital Reserves		Amount
Cash/Investment Balance (6/30/23)	\$	2,065,515
Expected Contributions & Interest		725,783
Restricted Funds:		
Vehicle & Equipment Replacement		(136,859)
Streets 2020 Utility Engineering		(201,000)
		-
Milford Business Campus		-
Sum of FY23 Projects		(157,271)
Reserve (MCR) Policy ^{3,6}		(2,099,788)
Equipment Replacement Reserve ³		(145,164)
Uncommitted Reserve Balance	\$	51,216

Solid Waste Reserves		Amount
Cash/Investment Balance (6/30/23)	\$	133,028
Expected Contributions & Interest		-
Restricted Funds:		
Solid Waste Vehicles & Equipment ⁴		-
Solid Waste Alloc of PW Projects		(84,838)
Reserve (MCR) Policy ^{4,6}		-
Equipment Replacement Reserve ⁴		-
Uncommitted Reserve Balance	\$	48,190

Sewer Fund Capital Reserves		Amount
Cash/Investment Balance (6/30/23)	\$	4,503,268
Expected Contributions & Interest		635,666
Restricted Funds:		
Sewer Vehicles & Equipment		(37,112)
Citywide Projects & Engineering		(2,869)
Utility Engineering		-
Sum of FY23 Projects		(194,103)
Reserve (MCR) Policy ^{3,6}		(3,327,474)
Equipment Replacement Reserve ³		(110,000)
Uncommitted Reserve Balance	\$	1,467,376

MSA & RTT Reserves		Amount
RTT Balance (6/30/23)		610,338
MSA Balance (6/30/23)		652,715
MSA & RTT Est Receipts thru FY23:		5,000,000
MSA: Street & Bridge Improvements		(1,190,958)
RTT: Transfer to Police Dept		-
RTT: Sidewalk Project Funding		(426,170)
MSA & RTT: 2020 Combined St-Util		(31,000)
		-
RTT: Support GF Policies ¹		(2,000,000)
RTT: Reserve Policy ⁵		(1,203,346)
Uncommitted Reserve Balance	\$	1,411,579

¹Approved GF Reserve Policies permit support from an eligible funding source; portion of RTT balance pledged to support GF Reserves for foreseeable future

²Approved GF Reserve Policies recommend MCR of 45 days OpEx & Equip Repl Res minimum of 110% of upcoming CIP budget

³Approved Reserve Policies split Minimum Cash Req'd from COS study into new MCR & Equip Repl Reserve (20% of CIP)

⁴Solid Waste Reserves initiated in FY22 with seed funding from interfund loan forgiveness. Through at least FY23, 100% reserved for purchase of new vehicle per FY23-27 CIP; moved from MCR to Restricted

⁵Approved Reserve Policies recommend dynamic MCR based on average of trailing-three-year RTT receipts; FY23 increase related to strong FY22 vs FY19, which fell out of T3 Avg

⁶The Days Operating Expenditures (Days OpEx) piece of MCRs reclassified from Reserve balances here to Operating Cash; the Total MCR has not changed, except Solid Waste (\$170k added to MCR for OpEx)

⁷The interest rate environment was changing as we entered December 2021, which coincided with \$7 million property investment cash outflows, prompting a review of the value of the redemption. Economic or "artificial" defeasement of the debt was introduced to the electric rate consultants and the City's new investment managers; revised plan for defeasement being evaluated now.

City of Milford, Delaware
Enterprise Funds: Statement of Revenues & Expenditures
For the YTD Period Ended June 30, 2023 vs Prior FYTD & Current Budget (in thousands)

Enterprise Funds Profit & Loss (P&L) Statement	Electric	Water	Sewer	Solid Waste	Total	FY23 Total (as % of Rev)	FY22 Total (as % of Rev)
1 Operating Revenue	\$ 27,752	\$ 3,489	\$ 5,173	\$ 1,557	\$ 37,971	100.0%	100.0%
2 Cost of Revenue ¹	(20,169)	(344)	(2,757)	(336)	(23,607)	-62.2%	-60.1%
3 Gross Margin	7,583	3,145	2,416	1,220	14,364	37.8%	39.9%
4 Operating Expenses							
5 Operations & Maintenance	(2,854)	(1,108)	(956)	(834)	(5,751)	-15.1%	-14.7%
6 Personnel	(1,493)	(367)	(359)	(320)	(2,539)	-6.7%	-6.2%
7 Total Operating Expenses	(4,347)	(1,474)	(1,315)	(1,154)	(8,290)	-21.8%	-20.8%
8 Operating Income	\$ 3,235	\$ 1,671	\$ 1,101	\$ 66	\$ 6,074	16.0%	19.1%
9 Non-Operating Revenue (Expense)	547	286	136	12	981	2.6%	0.2%
10 Surplus (Deficit) for debt service & capital	3,782	1,957	1,236	78	7,054	18.6%	19.3%
11 Debt Service - Principal & Interest	(324)	(365)	(412)	(71)	(1,173)	-3.1%	-3.1%
12 Capital Spending / Contributions from (to) Reserves	(680)	(652)	(344)	(146)	(1,821)	-4.8%	-0.6%
13 Surplus (deficit) available for transfers	2,778	940	480	(139)	4,060	10.7%	15.5%
14 Transfers Out	(2,500)	(300)	-	-	(2,800)	-7.4%	-8.0%
15 Net Surplus (Deficit) - FYTD through Jun 2023	\$ 278	\$ 640	\$ 480	\$ (139)	\$ 1,260	3.3%	7.5%
16 Net Surplus (Deficit) - FYTD through Jun 2022	\$ 1,228	\$ 791	\$ 403	\$ 190	\$ 2,611	7.5%	
17 Current vs Prior - Favorable (Unfavorable)²	↓ \$ (949)	↓ \$ (150)	↑ \$ 78	↓ \$ (329)	↓ \$ (1,351)	↓ -4.2%	
18 Net Surplus (Deficit) - Current FYTD Budget	\$ 91	\$ 78	\$ -	\$ -	\$ 169	0.5%	
19 Current vs Budget - Favorable (Unfavorable)²	↑ \$ 187	↑ \$ 562	↑ \$ 480	↓ \$ (139)	↑ \$ 1,090	↑ 2.9%	

¹Cost of Revenue reported in the electric fund reflects wholesale cost of power and serves as an ideal revenue offset to arrive at gross margin. Cost of revenue in the water, sewer and solid waste funds are estimated based on a limited set of known, direct inputs to the cost of providing the utility services billed. Aside from Kent County sewer treatment charges, costs of revenue in the water, sewer and solid waste funds are likely understated.

²Comparative Indicators **Green**, **Yellow** and **Red** signify favorable variance greater than 5%, marginal variance within ±5%, and unfavorable variance below -5%, respectively, for departmental comparisons. Total variance carries tighter bounds of >2.5%, ±2.5% and <2.5%, while the percentage variance uses >1.0%, ±1.0% and <1.0%, respectively.

City of Milford, Delaware
 General Fund: Statement of Revenues & Expenditures¹
 For the YTD Period Ended June 30, 2023 vs Prior FYTD & Current Budget (in thousands)

General Fund Sources and Uses of Funding	Admin & Council	Public Safety	Parks & Rec	Planning & All Other	Total	FY23 Total (as % of Rev)	FY22 Total ² (as % of Rev)
Sources of Funding:							
Real Estate (Property) Taxes	\$ 5,021	\$ -	\$ -	\$ -	\$ 5,021	41.6%	41.4%
Permits, Licensing & Franchise Fees	406	-	-	655	1,061	8.8%	7.3%
Fines, Fees & Misc Revenue	127	394	-	-	521	4.3%	4.6%
General Revenue Subtotal	5,555	394	0	655	6,604	54.7%	53.3%
Utility Transfers & Cost Allocation	3,100	-	-	-	3,100	25.7%	34.3%
Grant Revenue	158	1,147	752	-	2,058	17.1%	8.9%
Application of Reserve Balances	-	300	-	-	300	2.5%	3.5%
General Fund Operating Support	3,258	1,447	752	0	5,458	45.3%	46.7%
Total Sources of Funding	\$ 8,813	\$ 1,841	\$ 752	\$ 655	\$ 12,062	100.0%	100.0%
Uses of Funding:							
Operations & Maintenance	789	1,068	472	1,020	3,349	27.8%	27.0%
Personnel	832	5,367	635	1,819	8,652	71.7%	72.3%
Total Operating Expenses	1,620	6,435	1,107	2,839	12,002	99.5%	99.3%
Surplus (Deficit) for Debt Svc & Capital	\$ 7,193	\$ (4,594)	\$ (354)	\$ (2,184)	\$ 60	0.5%	0.7%
Debt Service - Principal & Interest	-	-	-	-	-	0.0%	0.0%
Capital Spending / Transfers from (to) Reserves	73	980	1,014	114	2,181	18.1%	2.1%
Net Surplus (Deficit) - FYTD through Jun 2023	\$ 7,120	\$ (5,574)	\$ (1,368)	\$ (2,298)	\$ (2,121)	-17.6%	-1.4%
Net Surplus (Deficit) - FYTD through Jun 2022	\$ 8,356	\$ (5,221)	\$ (1,197)	\$ (2,100)	\$ (162)	-1.4%	-1.4%
Current vs Prior - Favorable (Unfavorable)²	↓ \$ (1,236)	↓ \$ (353)	↓ \$ (171)	↓ \$ (199)	↓ \$ (1,959)	↓ -16.2%	
Net Surplus (Deficit) - Current FYTD Budget	\$ 7,480	\$ (5,394)	\$ (2,571)	\$ (1,977)	\$ (2,462)	-23.1%	
Current vs Budget - Favorable (Unfavorable)³	→ \$ (360)	→ \$ (180)	↑ \$ 1,202	↓ \$ (321)	↑ \$ 340	↑ 5.5%	

¹This Statement presents the same general fund financial performance available in the legacy Revenue and Expenditure Reports in a one-page consolidated executive summary. The common size reporting (two rightmost columns) benefits readers in two ways; first, each line is scaled with total revenue to add context, and second, the common size format is comparable across fiscal years and budgets. This report should be considered a working draft that will be improved over time to improve its usefulness to readers.

²This format presents expenditures in the context of funding sources while comparing subtotals (rightmost column) and the net surplus (deficit) to the prior YTD period (rows 19 & 20)

³Comparative Indicators **Green**, **Yellow** and **Red** signify favorable variance greater than 5%, marginal variance within ±5%, and unfavorable variance below -5%, respectively, for departmental comparisons. Total variance carries tighter bounds of >2.5%, ±2.5% and <2.5%, while the percentage variance uses >1.0%, ±1.0% and <1.0%, respectively.

Appendix: Planned Use of Funding vs Spending by Category
American Rescue Plan Act of 2021 ("ARPA")

<i>Actual Spending by Category vs Plan, as Amended</i>							
ARPA Eligibility Categories	Plan (6/30/23) ¹	Actual (5/31/23) ¹	Actual (6/30/23)	Jun 2023 Activity	Remaining	Notes	
COVID-19 Health Impact	\$ 1,135,462	\$ 1,023,840	\$ 1,041,491	\$ 17,651	\$ 93,971		
Operational Facilities	778,000	745,981	763,632	17,651	14,368	PD Vehicles, City Hall/IT Upgrades	
Administering COVID-19 Response	31,152	24,000	24,000	-	7,152	Pro Rata portion of DE Treasury ARPA Attorney	
Behavioral Health Care	180,000	180,000	180,000	-	0.46	Primarily Personnel Costs	
Air Quality & Ventilation	145,712	73,262	73,262	-	72,450	HVAC Repair in Finc & P&R Offices; PW Areas Tentative	
COVID-19 Mitigation	598	598	598	-	-	Vaccination Incentive; COVID test kits	
COVID-19 Economic Impact	\$ 854,098	\$ 851,752	\$ 851,752	\$ -	\$ 2,346		
Assistance to Community (Annual)	322,114	322,114	322,114	-	-	DMI, Armory, Museum, CFC (Misp Art Lg R/C to Signage)	
Assistance to Community & Households	255,394	255,394	255,394	-	-	MHDC, CFC, Food Bank, Library	
Critical Ops Staffing / Retention	236,476	236,476	236,476	-	-	December 2021 Initiative	
Aid Tourism Recovery	22,815	20,469	20,469	-	2,346	Signage / Banner Upgrade	
Operational Facilities	14,674	14,674	14,674	-	-	City Hall Access Panel Upgrades	
Parks & Rec Programming	2,625	2,625	2,625	-	-	Signage cost share with DMI	
Infrastructure	\$ 4,329,459	\$ 3,577,390	\$ 3,652,979	\$ 75,588	\$ 676,480		
Water Quality	2,877,074	2,753,060	2,827,074	74,014	50,000	Misp St Proj; NE Front St Water Line Replacement; 2020 Combined Utilities / Streets Proj	
Flood/Pollution Control	724,527	212,729	212,729	-	511,798	4th St Drainage & Mispillion St Project	
Improve Resilience to Disasters	435,000	318,744	320,318	1,574	114,682	Pump Station Upgrades, Spare Pumps & IT Initiatives	
Improve Wastewater Treatment	292,858	292,858	292,858	-	-	Sewer part of Mispillion St Proj; NW Front Sewer	
Revenue Recovery	\$ 14,874	\$ 271	\$ 4,614	\$ 4,343	\$ 10,260		
Parks & Rec Programming	7,112	271	4,614	4,343	2,498		
Economic Development	7,762	-	-	-	7,762		
Public Safety Operations	-	-	-	-	-	Public Safety Revenue Recovery reassigned to Vehicles	
Grand Total	\$ 6,333,893	\$ 5,453,254	\$ 5,550,836	\$ 97,581	\$ 783,056		

¹Adjusted to reflect funding available through the CARES act, Sussex County RTT funds and Council approval of additional vehicle funding

Appendix: Milford Police Facility Project Spending vs Budget
Project Inception through June 30, 2023

Actual Spending by Category & Subcategory vs Budget									
Bid Category	Awarded Contracts / Budget	Project Activity	Less: Retainage	Total Payable	PNC BAN Payments	Facility Fund Payments	General Fund Payments	Notes	
Pre-Construction	\$ 835,265	\$ 827,311	\$ -	\$ 827,311	\$ -	\$ (789,786)	\$ (29,671)		
Design / Architecture	805,594	797,640	-	797,640	-	(789,786)	-	FY19-FY23	
Referendum / Administrative	29,671	29,671	-	29,671	-	-	(29,671)	FY19-FY22	
Construction Management	\$ 649,392	\$ 406,258	\$ -	\$ 406,258	\$ (363,865)	\$ -	\$ -		
Fixed/On-Stie Construction Mgmt: RYJ	266,260	239,458	-	239,458	(215,512)	-	-	FY23	
Variable Const Mgmt Fees: RYJ	383,132	166,800	-	166,800	(148,353)	-	-	FY23	
Construction: 16 Core Contracts	\$ 13,305,809	\$ 9,379,599	\$ 468,980	\$ 8,910,619	\$ (8,372,377)	\$ -	\$ -		
Sitework: Zack Excavating	1,976,508	1,149,513	57,476	1,092,037	(1,092,037)	-	-	FY23 / Current	
Concrete: Gullwing	293,000	293,000	14,650	278,350	(278,350)	-	-	FY23 / Current	
Masonry: L. Wilson	790,000	788,500	39,425	749,075	(749,075)	-	-	FY23 / Current	
Steel Work: R.C. Fabricators	868,000	856,082	42,804	813,278	(813,278)	-	-	June (FY22) - Current	
Carpentry & Gen: Conventional	1,076,360	455,656	22,783	432,874	(432,874)	-	-	Sept (FY22) - Current	
Roofing: Quality Exteriors	933,252	838,552	41,928	796,624	(752,164)	-	-	June (FY22) - Current	
Hardware: Precision	232,231	132,582	6,629	125,953	(125,953)	-	-	Jan (FY23) - Current	
Glasswork: Walker & LaBarge	183,600	163,560	8,178	155,382	(155,382)	-	-	Oct (FY22) - Current	
Drywall/Stud: Peninsula	1,317,000	1,238,211	61,911	1,176,300	(1,149,567)	-	-	FY23 / Current	
Acoustical: Master Interiors	259,080	126,332	6,317	120,015	(53,401)	-	-	June (FY22) - Current	
Floor Covering: Tri-State	492,124	177,858	8,893	168,965	(168,965)	-	-	June (FY22) - Current	
Caulk & Paint: M&S Painting	66,570	34,824	1,741	33,082	(27,332)	-	-	Feb (FY23) - Current	
Casework: Modular Concepts	108,125	-	-	-	-	-	-		
Mechanical: J.F Sobieski	2,081,649	1,672,686	83,634	1,589,051	(1,204,629)	-	-	June (FY22) - Current	
Fire Sprinkler: Bear Industries	98,780	86,323	4,316	82,007	(71,744)	-	-	FY23 / Current	
Electrical: Filec Services	2,529,530	1,365,920	68,296	1,297,624	(1,297,624)	-	-	FY23 / Current	
Construction: Other Activity	\$ 600,000	\$ 23,837	\$ -	\$ 23,837	\$ (23,837)	\$ 47,674	\$ (71,511)		
Technology	150,000	-	-	-	-	-	-		
Furniture, Fixtures & Equip	450,000	23,837	-	23,837	(23,837)	47,674	(71,511)		
Post-Construction / Contingencies	\$ 1,109,534	\$ 847,017	\$ 661,614	\$ 185,403	\$ (185,403)	\$ -	\$ -		
Builder's Contingency ¹	520,062	331,629	331,629	-	-	-	-	Jan/Feb (FY23) - Current	
Owner's Contingency ²	589,472	515,388	329,985	185,403	(185,403)	-	-	FY22 - Current	
Grand Total	\$ 16,500,000	\$ 11,484,022	\$ 1,130,594	\$ 10,353,427	\$ (8,945,482)	\$ (742,112)	\$ (101,182)		

^{1,2}Builder's and Owner's Contingency were established to account for anticipated but unknown project expenditures arising at the site as construction unfolded (Builder's) and a mix of known and unknown project expenditures related to project financing, permitting and administration. About \$270k of Builder's Contingency arose from Jan-Feb 2023 and was presented to Council February 27, 2023.

¹About \$270k of Builder's Contingency was related to the facility's electric service emerging in Jan-Feb 2023 and was presented to Council February 27, 2023.

²\$160k of Owner's Contingency consists primarily of interest on temporary financing and is paid monthly with loan proceeds, while about \$330k is the estimated cost of the communications upgrade.

At Right:
Summary of PD Facility Activity Billed and Paid (\$ millions)



City of Milford, Delaware
 Legacy Revenue Report: MTD and YTD Actual vs Annual Budget
 For the YTD Period Ended June 30, 2023

100.0% of Year Elapsed

Account / Function	FY23 Budget, as Approved	MTD Actual	YTD Actual	YTD Actual as % of Annual Budget
General Fund:				
Economic Development Fund ¹	\$ 105,860	\$ -	\$ -	0.0%
General Fund Reserves ¹	837,986	-	-	0.0%
ARPA Funding - Operating Support	270,411	2,522	12,185	4.5%
Realty Transfer Tax - Police	300,000	25,000	300,000	100.0%
Real Estate Tax	4,941,100	4,288	5,021,209	101.6%
Business License	67,000	1,750	71,035	106.0%
Rental License	110,000	2,575	127,500	115.9%
Building Permits	215,000	79,572	311,642	144.9%
Planning & Zoning	85,100	1,000	128,672	151.2%
Leases and Franchise Fees ²	428,351	8,769	406,359	94.9%
Grasscutting Revenue	16,000	1,333	16,000	100.0%
Police Revenues	491,250	13,393	394,139	80.2%
Misc. Revenues ²	19,500	786	78,220	401.1%
Transfers In	4,046,909	258,333	3,100,000	76.6%
Total General Fund Revenue	\$ 11,934,467	\$ 399,322	\$ 9,966,961	83.5%
Enterprise Funds:				
Water Fund Revenues	\$ 3,138,348	\$ 353,608	\$ 3,692,988	117.7%
Sewer Fund Revenues	3,117,701	292,649	3,189,169	102.3%
Kent County Sewer	2,036,770	191,495	2,128,040	104.5%
Solid Waste Fund Revenues	1,609,208	131,842	1,568,841	97.5%
Electric Fund Revenues	27,538,891	2,289,874	28,173,380	102.3%
Total Enterprise Fund Revenue	\$ 37,440,918	\$ 3,259,467	\$ 38,752,418	103.5%
Other Enterprise Revenue	\$ -	\$ 32,296	\$ 99,474	
Other Enterprise Expense	-	(8,131)	(58,505)	
Total General & Enterprise Fund Revenue	\$ 49,375,385	\$ 3,682,953	\$ 48,760,348	98.8%

¹FY23 Budget required the \$0.9 million to meet all operating and capital needs, although funding was not consumed during FY23 and was committed to roll into FY24

²Recurring, budgeted revenue such as franchise fees, tower leases and pole attachment fees reclassified from miscellaneous revenues (line 14) to leases and franchise fees (line 11)

City of Milford, Delaware
 Legacy Expenditure Report: MTD and YTD Actual vs Annual Budget
 For the YTD Period Ended June 30, 2023

<i>100.0% of Year Elapsed</i>					
Fund / Account / Divisional Groupings	FY23 Budget, as Approved	MTD Actual	YTD Actual	YTD Actual as % of Annual Budget	Unexpended Balance
General Fund					
City Administration					
Personnel	\$ 822,844	\$ 94,481	\$ 797,029	96.9%	\$ 25,815
Operation & Maintenance (O&M)	254,591	59,735	256,406	100.7%	(1,815)
Capital	226,250	-	-	0.0%	226,250
Subtotal: City Administration	1,303,685	154,216	1,053,435	80.8%	250,250
Planning & Zoning					
Personnel	592,088	65,347	589,691	99.6%	2,397
O&M	136,943	13,624	132,056	96.4%	4,887
Capital	50,000	-	-	0.0%	50,000
Subtotal: Planning & Zoning	779,031	78,971	721,747	92.6%	57,284
Council					
Personnel	36,688	6,825	34,023	92.7%	2,665
Legal	29,300	6,216	30,816	105.2%	(1,516)
City Hall Building Expense	35,810	2,984	35,810	100.0%	-
Insurance	14,200	-	14,897	104.9%	(697)
Christmas Decorations	5,000	-	2,728	54.6%	2,272
Council Expense	44,000	2,056	25,919	58.9%	18,081
Employee Recognition	28,000	2,886	31,473	112.4%	(3,473)
Codification	10,000	812	10,714	107.1%	(714)
Carlisle Fire Company	205,000	-	140,000	68.3%	65,000
Museum	35,500	-	35,500	100.0%	-
Downtown Milford, Inc.	47,500	-	47,500	100.0%	-
Milford Public Library	26,750	-	26,750	100.0%	-
Transcription Service	-	-	-	-	-
Armory Expenses	50,000	-	9,780	19.6%	40,220
Community Festivals	70,000	-	70,000	100.0%	-
Election - Wages	5,000	-	720	14.4%	4,280
Election - Supplies	2,800	-	511	18.3%	2,289
Other O&M	59,516	28,225	43,917	73.8%	15,599
Capital	75,000	293	5,860	7.8%	69,140
Subtotal: Council	780,064	50,297	566,918	72.7%	213,146

City of Milford, Delaware
 Legacy Expenditure Report: MTD and YTD Actual vs Annual Budget
 For the YTD Period Ended June 30, 2023

				<i>100.0% of Year Elapsed</i>		
Fund / Account / Divisional Groupings	FY23 Budget, as Approved	MTD Actual	YTD Actual	YTD Actual as % of Annual Budget	Unexpended Balance	
33	Finance					
34	Personnel	508,442	56,938	502,562	98.8%	5,880
35	O&M	54,413	3,279	48,004	88.2%	6,409
36	Capital	-	-	-		-
37	Subtotal: Finance	562,855	60,217	550,566	97.8%	12,289
38	Information Technology					
39	Personnel	447,230	41,157	346,489	77.5%	100,741
40	O&M	254,156	16,117	324,798	127.8%	(70,642)
41	Capital ¹	65,837	(9,810)	66,854	101.5%	(1,017)
42	Subtotal: Information Technology	767,223	47,464	738,141	96.2%	29,082
43	Police Department					
44	Personnel	5,226,663	592,444	5,366,751	102.7%	(140,088)
45	O&M	958,611	61,165	931,064	97.1%	27,547
46	Capital	-	-	-		-
47	Subtotal: Police Department	6,185,274	653,609	6,297,815	101.8%	(112,541)
48	Streets & Grounds Division					
49	Personnel	376,673	42,072	379,900	100.9%	(3,227)
50	O&M	501,469	22,004	425,808	84.9%	75,661
51	Capital	720,000	4,343	114,088	15.8%	605,912
52	Subtotal: Streets & Grounds Division	1,598,142	68,419	919,796	57.6%	678,346
53	Parks & Recreation					
54	Personnel	688,620	74,133	635,452	92.3%	53,168
55	O&M	563,870	46,980	471,509	83.6%	92,361
56	Capital	1,085,443	6,979	1,014,014	93.4%	71,429
57	Subtotal: Parks & Recreation	2,337,933	128,092	2,120,975	90.7%	216,958
58	Total General Fund Expenditures	\$ 14,314,209	\$ 1,241,285	\$ 12,969,393	90.6%	\$ 1,344,816

City of Milford, Delaware
 Legacy Expenditure Report: MTD and YTD Actual vs Annual Budget
 For the YTD Period Ended June 30, 2023

<i>100.0% of Year Elapsed</i>					
Fund / Account / Divisional Groupings	FY23 Budget, as Approved	MTD Actual	YTD Actual	YTD Actual as % of Annual Budget	Unexpended Balance
Enterprise Funds:					
Water Division					
Personnel	\$ 371,466	\$ 44,402	\$ 366,695	98.7%	\$ 4,771
O&M	1,710,659	108,833	1,451,493	84.8%	259,166
Transfer to General Fund	300,000	25,000	300,000	100.0%	-
Capital	1,052,900	3,641	90,199	8.6%	962,701
Debt Service	365,274	46,500	365,273	100.0%	1
Subtotal: Water Division	3,800,299	228,376	2,573,660	67.7%	1,226,639
Sewer Division					
Personnel	360,693	\$ 43,773	358,541	99.4%	2,152
O&M	1,858,390	137,110	1,471,285	79.2%	387,105
Capital	1,037,400	4,408	242,456	23.4%	794,944
Debt Service	412,478	61,356	412,476	100.0%	2
Subtotal: Sewer Division (excl. Kent County)	3,668,961	246,647	2,484,758	67.7%	1,184,203
Kent County Sewer	2,036,770	191,793	2,242,698	110.1%	(205,928)
Subtotal: Sewer Division (Comprehensive)	5,705,731	438,440	4,727,456	82.9%	978,276
Solid Waste Division					
Personnel	359,479	38,499	320,353	89.1%	39,126
O&M	1,181,700	96,147	1,241,578	105.1%	(59,878)
Capital	655,750	1,867	575,569	87.8%	80,181
Subtotal: Solid Waste Division	2,196,929	136,513	2,137,500	97.3%	59,429
Subtotal: Water, Sewer & Solid Waste	11,702,959	803,329	9,438,616	80.7%	2,264,343
Electric Division					
Personnel	1,598,456	\$ 159,868	1,582,945	99.0%	15,511
O&M	2,983,845	294,939	2,856,586	95.7%	127,259
Transfer to General Fund	2,500,000	208,333	2,500,000	100.0%	-
Capital	953,300	7,045	677,096	71.0%	276,204
Debt Service	324,315	44,657	324,315	100.0%	-
Subtotal: Electric Division (excl. Power)	8,359,916	714,842	7,940,942	95.0%	418,974
Power Purchased	19,484,755	1,685,857	20,169,499	103.5%	(684,744)
Subtotal: Electric Division (Comprehensive)	27,844,671	2,400,699	28,110,441	101.0%	(265,770)
Total Enterprise Fund Expenditures	\$ 39,547,629	\$ 3,204,028	\$ 37,549,056	94.9%	\$ 1,998,573
Grand Total Operating Budget	\$ 53,861,838	\$ 4,445,313	\$ 50,518,449	93.8%	\$ 3,343,389

¹The credit (reduction in expense) showing in line 41 related to IT capital is attributable to a credit issued by a vendor for returned equipment

City of Milford, Delaware
 Legacy Interservice Department Expenditures: MTD and YTD Actual vs Annual Budget
 For the YTD Period Ended June 30, 2023

100.0% of Year Elapsed

Account / Divisional Groupings	FY23 Budget, as Approved	MTD Actual	YTD Actual	YTD Actual as % of Annual Budget	Unexpended Balance
Interservice Departments					
Garage					
Personnel	\$ 134,110	\$ 19,289	\$ 116,953	87.2%	\$ 17,157
Operation & Maintenance (O&M)	128,475	8,640	99,538	77.5%	28,937
Capital	-	-	-		-
Subtotal: Garage	262,585	27,929	216,491	82.4%	46,094
Public Works					
Personnel	881,630	102,835	808,129	91.7%	73,501
O&M	237,282	12,977	211,804	89.3%	25,478
Capital	-	-	-		-
Subtotal: Public Works	1,118,912	115,812	1,019,933	91.2%	98,979
Tech Services					
Personnel	294,863	33,813	304,330	103.2%	(9,467)
O&M	461,599	36,116	393,161	85.2%	68,438
Capital	-	-	-		-
Subtotal: Tech Services	756,462	69,929	697,491	92.2%	58,971
Billing & Collections					
Personnel	760,557	84,376	696,163	91.5%	64,394
O&M	370,235	16,480	314,249	84.9%	55,986
Capital	-	-	-		-
Subtotal: Billing & Collections	1,130,792	100,857	1,010,412	89.4%	120,380
City Hall Cost Allocation					
O&M	84,875	2,922	79,593	93.8%	5,282
Capital	-	-	-		-
Subtotal: City Hall Cost Allocation	84,875	2,922	79,593	93.8%	5,282
Interdepartmental Cost Allocation	\$ (3,353,626)	\$ (317,449)	\$ (3,023,920)	90.2%	\$ (329,706)
Net Interdepartmental Costs¹	\$ -	\$ -	\$ -		\$ -

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