

CITY OF MILFORD  
COUNCIL WORKSHOP MINUTES  
January 17, 2024

The City Council of the City of Milford convened in a Workshop Session on Wednesday, January 27, 2024, beginning at 6:04 p.m.

PRESIDING: Mayor Arthur J. Campbell

IN ATTENDANCE: Councilpersons Dan Marabello, Mike Boyle, Todd Culotta, Brian Baer, and Jason James Sr.

STAFF: City Manager Mark Whitfield, Police Chief Cecilia Ashe, and City Clerk Terri Hudson

COUNSEL: Solicitor David Rutt, Esquire

ABSENT: Councilmember Daniel Marabello and Nirmala Samaroo

*PUBLIC COMMENT PERIOD PRIOR TO MEETING*

No one signed up to speak, so Mayor Campbell proceeded with the Workshop Session.

*Main Street America Thriving Communities Presentation*

Economic Development & Community Engagement Administrator Sara Bluhm introduced representatives of Main Street America who are partnering for the Thriving Communities Program. Milford applied with Slaughter Beach for a USDOT grant in 2022/2023 and was one of the sixty-four communities awarded a Technical Assistance Grant from the federal Department of Transportation. Twenty were put into the Main Street America cohort based on the community size.

The plan is to use the funding for the creation of a bike path between Slaughter Beach and Milford, which required DelDOT as a partner as well.

Earlier today, they spent time in Slaughter Beach with a focus group and the Town Council followed by a tour of the beach, boardwalk, and the DuPont Nature Center. A walking tour of Milford's downtown preceded a focus group at City Hall.

They will return to Slaughter Beach tomorrow for another group consisting of regional partners.

Shane Hampton, Driving Communities Manager of Main Street America, introduced himself.

Mr. Hampton then talked about Downtown Milford Incorporated (DMI) is a program accredited by Main Street as part of their 1,600 organizations throughout the country that are pursuing the Four-Point Main Street Approach. Main Street America is linked to local level programs through our coordinating programs. Most states and some metropolitan areas have a coordinating program that is the umbrella for several local neighborhood programs. Anastasia Jackson, who is from Milford, but is also the Coordinator for Delaware.

Main Street partnered with six other organizations to be able to deliver technical services to our twenty communities.

Milford and Main Street both applied to DOT successfully. Part of the visit is a matchmaking process with Main Street's approach that included the six diverse partners that each bring different skill sets. E.L. Robinson is a full-service planning and engineering firm, Equiticity is a community engagement group, the National Association of Development organization has a lot of COGS and regional development organizations, and Project for Public Spaces is probably the leading voice on the concept of placemaking and are known for creating great urban spaces where people can gather.

Because they knew the nature of the project, two partners were invited to help assess what Milford and Slaughter Beach needed to move the project forward.

Kevin Belle of Rails to Trails Conservancy out of Washington, DC said he is a trail planner by trade. He works on the Great American Rail Trail, which is a cross country multi-use trail project, and is here to help with this project. They are the nation's largest trails organization in general. Multi-use, non-motorized trail specifically. He feels good about where this project can do for the communities.

Elias Mathes of the Rural Community Assistance Partnership (RCAP), a nonprofit network of more than 350 consultants or technical assistance providers around the country. They provide technical assistance and training to smaller rural communities for a range of different programs in water and wastewater projects through agencies such as US Department of Agriculture and EPA. This is the first time there has been federal funding for technical assistance for transportation projects through the new Thriving Communities Program.

Mr. Bell then talked about their network and program that fosters strong local economies and the enhancement of distinctive character that makes communities attractive. He also described the current assessment stage and capacity building with their partners.

There is an opportunity for Milford to receive two subgrants of \$45,000 *to contract additional services as needed.*

He concluded by asking about the city's recent accomplishments that centered around open space, recreation, and land acquisition, in addition to information on the next business park and its planned walkable paths.

#### *Kent Economic Partnership (KEP) Presentation/Executive Director Linda Parkowski*

Executive Director Parkowski addressed Council explaining that KEP is a public private partnership, meaning they get money from public entities and private money from certain businesses that contribute. They submit sites for project leads.

Ms. Parkowski recalled when Milford was originally involved in KEP, Milford did not have a corporate business park of the scale they have now with the Corporate Center which provides them with more to market.

They have submitted 75 of the Milford sites. They receive leads through the website in a robust manner and were named one of the top ten economic development websites in the country. It includes zoom prospector and both commercial and industrial are included throughout the county. Demographic information is also provided. Site selectors are on their website all hours of the night doing their own data research before KEP knows they are looking.

They represent the entire county including all of Smyrna and Milford at a lot of conferences and are in direct contact with both big and large site selectors. Site visits and tours are also conducted.

She shared that KEP has brought several projects into Milford.

Quarterly Town Managers and Planners meetings are held to bring awareness to the resources and services available throughout the county. Included are workforce development, business outreach programs, and regulatory assistance in addition to the site selection assistance and tours.

Since the public/private partnership was created, 35 projects have been located, 1,413 new jobs, \$299 million in capital investment of which 45% was new business and the remaining involved business expansion.

KEP has located four projects in Milford with \$30.5 million in capital and 250 new jobs. With Milford's new Corporate Center, she anticipates that will increase exponentially.

The Executive Director helped the Milford Wellness Village and so recent as this week with locating tenants, regulatory assistance, and connections. They just received a large federal grant she was involved in and are very pleased with that relationship.

Other projects included MammogramNow in Walmart, Southern States Milford Co-Op expansion and the Honey Meadery in downtown Milford.

Ms. Parkowski reviewed several businesses in Kent County KEP was involved with.

She talked about their support of the new Milford Corporate Center, assistance with the new modernization grant with Dentsply, site readiness grant funding of \$1 million at the Masten Circle Industrial Park, all in Milford.

Presently, KEP is involved in 24 active projects amounting to 663 new jobs, \$365 million of investment. Of that, 47% involves new business and 53% is existing business expansion.

Director Parkowski asked that Council consider bringing back Milford into the KEP family, adding that Ms. Bluhm does an amazing job.

When asked the cost of membership, she explained that the members determine the amount they want to pay. She said previously, it was up to the municipalities and Milford agreed to pay \$30,000, Dover pays \$50,000 and Smyrna pays \$25,000. Both Harrington and Clayton provide very small amounts.

### *Strategic Plan Update*

Executive Assistant Valerie Heritage is charged with updating the Strategic Plan and the update is included in the packet. She added that this involves meetings, handles updates, and updates Council.

When asked about potential roadblocks, she reviews that though she does not see that occurring.

### *Capital Improvement Plan Update*

The City Manager explained that staff starts putting together projects together in February and the document is put together in March and brought to Council in April for adoption.

Ms. Heritage pointed out it is a very large document and has been a team effort with the Department Directors. She talked about the Milford Corporate Center project that begins with a summary, photos, phasing plan, and costs. Because it is a living document, everyone will have access to the updates.

Her goal is to have a photo to go with each spreadsheet in the document. It will then be posted on the city website.

It was recommended that while it is readable and flows well, labels be added to the photos in the final document.

Council was asked for suggestions on any new projects that are not included in the CIP.

### *Purchase Power Cost Adjustment*

The following memo was submitted by Finance Director Vitola:

The City's Electric Tariff establishes the rules and regulations governing the City's electric distribution utility, including electric rates for all service classifications. Rates consist of both fixed and variable components, the latter of which are intended to recover the variable costs of power delivery. The wholesale cost of power – a variable cost – is chief among all power delivery costs, and while we endeavor to manage wholesale power costs, it is beyond complete control for all market participants. Most electric tariffs, including the City's Tariff, include a mechanism to adjust rates in all service classifications in response to increases or decreases in the actual cost of power as compared to a base rate assumed or anticipated in connection to a rate study or ratemaking process. The PCA is akin to a fuel surcharge or other similar allowance billed by firms operating in industries heavily dependent on a fuel or other commodity highly sensitive to short-term market forces.

The City's "Base Rate" was established by Utility Financial Services, the City's electric rate consultants, in connection with the 2020 Cost of Service Study based on DEMEC's then-current wholesale cost of power. Wholesale rates remained stable throughout 2020, and no change was required by the PCA in 2021. However, DEMEC's 2022 and 2023 operating budgets demanded wholesale cost increases, each of which necessitated adjustments to the City's PCA. Further, a ruling mandating a delay in the planned closure of the Indian River generating station resulted in a PJM-wide cost increase that impacted DEMEC's wholesale power costs, which in turn flowed to all end users through the PCA.

DEMEC's 2024 budget required an increase in the wholesale cost of power, which necessitated a PCA to pass the actual power costs through retail rates. The market rates for power transmission and energy are the two primary drivers of the 2024 increase, while congestion costs, operating costs and power cost stability contributed to the increase, net of decreases in capacity and other ancillary costs.

The burden of the Indian River mandate also remains a part of the cost equation, but the cost has not changed from 2023 to 2024. The calculation of the 2024 PCA, which was reviewed and confirmed by UFS, follows at right. Supporting documents are included in the packet.

Director Vitola added that he could have added in the press release that Milford would remain the second lowest in the State of Delaware and were 5.1% below Co-Op, and with this increase, we are still 0.7% below Co-Op, based on DEMEC's way of measurement at 750 kilowatts. Though Milford's average is 950 kilowatts, we would remain below the Co-Op.

It was also noted that the PCA can also be reduced, resulting in a power credit.

The City Manager then talked about the possibility of making the rate lower. He explained the transfer that is done every year from electric into the general fund. If Council wants to eliminate that transfer, Milford could have a much lower rate. However, property taxes would have to be increased significantly.

Mr. Whitfield talked about the flexibility of being able to take the profit, give back to the citizens in terms of services that are provided by the general fund. That helps fund the police department and parks and recreation. Without that transfer, Milford would not have the robust capital plan. He emphasized that Milford remains one of the lowest electric rates in the State of Delaware, in addition to having a lot of benefits in terms of giving back money and/or services to the community at a lower cost than most other communities. That is made possible because of the electric utility.

There being no further business, the Workshop Session concluded at 7:19 p.m.

Respectfully submitted,

Terri K. Hudson, MMC  
City Clerk/Recorder