

CITY OF MILFORD  
COUNCIL WORKSHOP MINUTES  
March 13, 2024

The City Council of the City of Milford convened in a Workshop Session on Wednesday, March 13, 2024, beginning at 6:01 p.m.

PRESIDING: Vice Mayor Jason James Sr.

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

STAFF: City Manager Mark Whitfield and City Clerk Terri Hudson

COUNSEL: Solicitor David Rutt, Esquire

ABSENT: Councilmembers Mike Boyle and Nirmala Samaroo

The Workshop Session commenced at 6:01 p.m.

**PUBLIC COMMENT PERIOD PRIOR TO WORKSHOP**

Julie Morris of 21142 Cedar Beach Road, Milford recalled that on Monday there was a request to support the drawbridge on Route 36 that is not in the City of Milford but in Slaughter Beach. She said the only discussion they have had with property owners is about a small bridge and trail bridge which are two different things.

It was stated the request was for DelDOT to apply for federal funds for a bridge near Slaughter Beach and it is not in the City, but DelDOT requested a letter of support for funding through the federal government.

Solicitor Rutt clarified it involves the replacement of the existing draw bridge that crosses Cedar Creek near the Mispillion Lighthouse in Slaughter Beach.

No other persons signed up to speak and the public comment period was closed at 6:05 p.m.

Councilmember James shared that the city appreciates every entity that is present, and some are partnerships. He explained the city is facing some headwinds going into the budget season with cost escalation in several areas. This body will seek all they can financially, but there are no guarantees for anyone.

*Annual Report & Funding Request/Greater Milford Chamber of Commerce*

Angela Dorey of 1063 Scott's Corner Road, Milford, was present on behalf of the Chamber of Commerce.

She asked that Council review their grant funding in the amount of \$35,000 for the Riverwalk Freedom Festival. The past year's funding for 2023 was approved in the amount of \$30,000. For 2024, the city has already obligated \$35,000. That money has been very beneficial in preparing the large festival and welcoming the tens of thousands of attendees.

Included was a financial showing how the funding was used in 2023. The cost of the festival has increased significantly and the reason more money is being requested for FY2025.

There was some confusion over which year this money would be paid, City Manager Whitfield confirmed approval tonight will be for FY2024-25. Of the \$35,000 requested, one portion earmarked for the 2024 festival will be used in September just prior to the festival. The remaining will be used the following May for the downpayment on the fireworks.

Councilmember James confirmed that they have already been approved for FY24. Tonight, they are requesting funds from the FY25 budget.

*Annual Report & Funding Request/Milford Museum*

Tom Summers introduced himself as the new Milford Museum Director as of July 1, 2023 after the retirement of Claudia Leister in June.

He talked about the various activities occurring at the museum or are being sponsored by the museum. They also received \$250,000 from the State Reinvestment Grant for the potential expansion of the building. Also received was a Delaware Heritage commission Grant noting the American History series is on the second Saturday of each month in the Lions Club room at the Milford Library.

Director Summers also talked about their next promotion involving filmmaker Michael Oates' premier screening of "In Due Course: Integrating Milford High School" at the Milford Public Library on April 6th at 1:00 pm.

He also reported that Research Assistant Barbara Jones retired in December and talked about the various volunteers at the museum.

Their biggest fundraiser of the year is the Hippie Fest and this year's growing event will be held on August 17, 2024.

While visitation is down for 2023 though he will be checking into that, though the society presentations of going into the various schools will lift those attendance numbers.

Director Summers said they are asking for the same amount requested in 2023 of \$40,000 to help put these many activities and events into place.

When asked about the potential of videotaping the programs, Director Summers provided several reasons why it was not being done at this time.

*Milford Public Library*

Executive Director Lea Rosell introduced herself, stating she started in August, after working at the Lewes Library for the past 13 years. She was asked to come here, and because Milford is her hometown, she said yes.

When she arrived, the hours of operation had been cut due to the loss of Kent County Reciprocal Borrowing funds in the amount of \$270,000 annually. However, she did some things that enabled the library to restore its regular operating hours. She has seven full-time staff members and nine part-time employees. That includes two Spanish speaking and one Haitian creole speaking, and approximately 35 volunteers, and are supported by a five-member board.

Today, the library received funding for a news assessment through the bond bill. They are holding focus groups next week who are looking at the existing space and how it could be better utilized.

Director Rosell also spoke about how the library positions itself to support the city's strategic plan, and the various services and programs that are offered. She concluded by stating that the number of participants has increased by 111% when it comes to youth activities and 77% in adult events.

She then provided historical income and expenses, as well as the current income and expenses, noting that the city support provides 3% of their operating budget. The expenses paid by the library are 5% of their income. This past year they received \$28,000 and they are requesting \$40,000 in FY25. This request represents considerations of overall inflation and a goal of securing enough financial support to offset, or nearly offset, the annual expenses incurred by the library through the City of Milford.

*Downtown Milford, Incorporated*

Shelby Nash DeCostanzo introduced herself as the President of the Board of Directors for Downtown Milford (DMI) as of July 2023. She introduced the new permanent Executive Director Sara LeBright. She has already generated 6% of their operating costs through new sponsorships.

DMI Board Member Ben Muldrow of 16 West Clarke Avenue, Milford said he is excited to share with Council the State of Downtown 2024. He reiterated that DMI is thrilled to invite Sara LeBright into the organization. They have diversified their board with representation of business owners, property owners, and citizens throughout the area.

They also have a marketing contract with Jessalynn Kenton to help increase visibility and their role in telling the story of Downtown Milford.

He referenced the Memorandum of Understanding with the city to serve as the economic development engine for downtown and utilize the four-point approach of the Main Street Model with economic vitality, design, promotion, and organization. Mr. Muldrow then talked about the work that is being accomplished by each committee.

Over the past eighteen months, fourteen plus businesses have opened in the downtown district, eight to ten businesses have expanded, and new buildings acquired.

Other related statistics were provided by Mr. Muldrow and can be found in the related Council packet. The various activities and events that bring many visitors to Milford were also discussed.

The estimated annual impact of the 5,284 volunteer hours is \$156,195.

Downtown Milford, Inc is currently operating under the extended 2018 contract with the City of Milford that began at approximately \$45,000, with adjustments based upon mid-Atlantic CPI per year. In 2023, DMI received \$50,000 from the city. For FY2024, Downtown Milford Inc is requesting operations funding from the city in the amount of \$53,500 after adjustments based upon mid-Atlantic CPI per year.

This amount will be used to support operations within Downtown Milford and includes rent, staff salary and benefits payments, and utilities.

Mr. Muldrow confirmed the Ladybug Music Festival was a partner with a promotion company that each year increased their promotion costs. Because this was a free event, the revenue potential was limited. After much consideration, it was agreed that the festival was not sustainable, and the decision was made not to continue with the event.

He also noted that the new First Friday events will include live music acts.

### *Carlisle Fire Company*

President Lewis Sacks stated this is a very brief presentation due to the requirement they present quarterly reports to Council. He reiterated they are heavily involved in the community and depend on volunteers that respond to emergencies in the area.

For FY25, they have increased their budget request to the amount of \$230,000. That amount covers the electric, water/sewer, trash, employee health and benefits, as well as salary and payroll. The normal operating budget is approximately \$1.1 to \$1.2 million.

At the last council meeting, they requested enhancement funds from the city for a new piece of apparatus at a cost of around \$1 million. Three years ago, they purchased a new ladder truck at a cost of \$1.4 million. That ladder truck costs \$2.2 to \$2.2 million. There has been a significant increase in apparatus and ambulance costs which are now at \$250,000 to \$270,000.

They have also had unexpected major repairs and one truck has been out of service and is estimated to be another six or more weeks until it is operating again at a cost of approximately \$65,000.

In addition, new regulations have been put in place that will result in significant training costs as well as gear and equipment updates.

Councilman Culotta pointed out that the City of Lewes pays their fire company based on the number of calls to within Lewes city limits. Most recently, they paid Lewes Fire Company 16% of their budget. He asked the ratio of in Milford/outside Milford calls.

Councilman James recalled that last year, Council increased the contribution to the fire company by \$60,000 from \$140,000 to \$200,000. President Sacks recalled the original contribution was \$160,000 and additional \$50,000 was added.

Councilman James pointed out that absent the utilities, the contribution would be at \$195,000.

While concurring with the formula other cities use, he emphasized that if Council went to a formula or x percent of the budget, it would create a substantial need for a property tax increase that our citizens would have to opine on that. Council could not do that arbitrarily without public input because Council cannot make a blind decision with taxpayers' dollars though he understands the ask.

When asked the increase in grant-in-aid, President Sacks did not know that amount. However, he is aware of the stricter standards of what defines a purchase through that program.

Fire Chief Hinton then provided the following statistics:

<u>Year</u>	<u>Total Number of Alarms</u>	<u>Kent County/In City Limits</u>	<u>Sussex County/In City Limits</u>
2022	781	245	209
2023	756	230	221

The City Manager also confirmed that Carlisle receives appropriations from both Kent and Sussex Counties. Fire Chief Hinton pointed out that more appropriations are received from Kent County than Sussex County because the size of the district is larger.

#### *DEMEC Discussion/GRIP Grant Funding*

Electric Superintendent Tony Chipola was also in attendance.

DEMEC Vice President of Asset Development Scott Lynch said he here to talk about the funding opportunity that is federal available. He will detail two projects that DEMEC has evaluated on behalf of Milford as the wholesale electricity provided, and what is needed to apply for that funding.

The Grip Grant funding is a funding source that was created by the Bipartisan Infrastructure. Act and the purpose are to essentially harden the electric systems throughout the country. Make them more durable, more responsive to outages and things of that nature.

DEMEC put an application of a concept idea into our partner American Municipal Power for potentially a battery to be installed on the electric system of Milford. Milford has a concentration of solar electricity that is growing. There is a 15-megawatt solar facility that DEMEC is contracted for in the community, and in addition, residential and commercial customers have been putting in increasing amounts of solar over time.

The electric that is generated from the solar can at times at homes, overcome the electric use of the home and push out to the electric grid. In addition, the large solar facility is just pushing electricity into the electric grid. There are seasons of the year, typically spring and fall, where there could be the potential to push electricity out to the transmission grid. That is not permitted and that is against the agreement the City of Milford has with Delmarva Power. In compliance, the City of Milford has taken action to make sure that does not happen.

One of the ways that occurs is by shifting the load around. That is something that requires time, effort, and demand on the electric system, and the Electric Superintendent, to make sure that is done safely, and to ensure reliability is maintained.

One method to ensure those steps aren't needed is to put in place a solar soaker, or some means that would bring load onto the electric system so that the electric would be used internally to Milford's system.

He said you cannot turn on a Walmart, but you can turn on a battery. The idea is can we put a battery in; batteries have been very expensive and evaluated. DEMEC would be remiss without bringing Milford an opportunity to consider a battery project and hence, this GRIP grant funding.

DEMEC evaluated such a project to come into the community by considering the available funding source.

The conclusion was not that a battery project is not a good idea but found that using this source of funding is not useful in that effort.

The reason for that is the amount of money that is available to change and modernize the grid.

Mr. Lynch explained that DEMEC, who is owned by Milford, are there to assist Milford and would be remiss by not looking into every opportunity.

He then referred to the following slide showing the negative red number showing the cost effectiveness of the project:  
GRIP Grant Funding: Topic Area 1

#### Funding Eligibility:

The funding award request must not exceed the total of the applicant's last three years on efforts to reduce the likelihood and consequences of disruptive events. DOE will interpret "efforts to reduce the likelihood and consequences of disruptive events" as those activities, technologies, equipment, and hardening measures that are eligible for grants under this provision.

Example: If Utility (A) allocated \$1M a year over the last three years to projects that improve reliability, then that utility would have up to \$3M of eligibility for funding.

Impact of this requirement considering project cost:

1. Example 1: Project cost is **\$6M**. Eligible funding is \$3M due to utility hardening. If approved, the project would receive maximum eligible incentive of \$3M or 50% (\$3M/**\$6M**) for the project.
2. Example 2: Project cost is **\$26M**. Eligible funding is \$3M due to utility hardening. If approved, the project would receive maximum eligible incentive of \$3M or ~11.5% (\$3M/**\$20M**) for the project.

The Federal Government wants transformational change in communities by hardening them and making them better. One of the stipulations they added is to show them that in the last three years, they have been trying to do better. But the amount of funds that the federal government is asking to bring to bear to prove this makes the project not viable.

This would be a \$36 million battery, and potentially give 50% of the funds or \$18 million. Milford would have to prove that over the last three years that the community has invested \$6 million every year the last three years in just system hardening.

DEMEC wanted to make sure Milford knew about the funding opportunity that was considered, and that they do not recommend it, though there are other opportunities being considered to help with this issue.

GRIP Grant Funding Area 2 has more promise. Of the electric customers in the State of Delaware, 94% have advanced metering infrastructure and that includes Milford customers. With this, the Federal Government has said AMI has become more common. But what they see now is a growing amount of solar coming into these systems of electric vehicles being drawn onto the system, concerns about transformer loading, and its impact on infrastructure. And their response is to facilitate even more of those solar and EV systems, and we are providing funding for that effort.

American Municipal Power has come up with a few extra add-ons to the current AMI system. They are evaluating systems that will increase analytics into the amount of solar that is already on the system and to give additional analytics for the growth of electric vehicles.

An additional opportunity is how can Milford enroll customers in a demand response program, meaning when the cost of electricity is at its highest. This would allow customers the ability to be controlled by the utility for a certain amount of time to reduce their electric load, for example through thermostat control. Or to say do not charge your electric vehicles during the hours of 4 to 7 pm in the summertime when the electric load is at its peak and most costly.

To get access for funding to Topic Area 2, and if Council is interested, a letter of commitment is needed to support the additions, if prior to the commitment to the project, funding, and costs made sense.

American Municipal Power is still trying to get the numbers and the reason they are not included in the packet. The manufacturer is inundated with requests, but they are working on it.

The number will continuously change, and by the time the federal government provides a response, that number is going to change again.

DEMEC is asking for a letter of commitment with the caveat that if the pricing doesn't look good, they can walk away. Once they get the actual figures and amount of money awarded, will be brought back to Council for consideration. The incentive is up to 50% of the cost of the improvements.

When asked if Milford has more solar production than is being used and that something is needed to prevent it from going back into the grid, Electric Director Chipola explained we are not in that position yet. We do have load out of our other delivery one substation. In the meantime, they have been switching load proactively to prevent that back feed.

Director Chipola shared that they end up transferring load from delivery one over to delivery two. That additional load prevents us from back feeding onto that transmission line back to DPL. For the problem that represents is one that is putting the system in an abnormal configuration. That allows more exposure and the number of customers impacted by outages increases. Reliability wise, that is not a position we want to be in but obviously, we need to do what we can to mitigate violating that reverse power condition.

Being a member of DEMEC, the city participates in demand response. This would provide our customers with the ability to participate in that opportunity.

When asked if battery storage provides more ability to get greater benefits to shed load demand response, Mr. Lynch explained that a residential system with a thermostat can be dialed down, but then dialed back up. There are a lot of customers that will control it if it suits them at the time. With a battery, that would not happen. DEMEC would be in control of the battery and when it works.

A long discussion followed about potential uses for batteries that can no longer be used for electric vehicles.

Mr. Lynch talked about manufacturers who are taking those batteries out of the use case for a car, know there is still plenty of life left, and possibly stacking them inside of shipping containers being wired safely together and becoming a battery system as a second life. However, that type of technology is still emerging with a very limited market currently.

Councilman Baer announced there is a company called Redwood Materials started by Tesla's former Chief Technology Officer that recycles batteries of cars and recycle about 99% of the materials.

Mr. Lynch informed Council that DEMEC is presently working on a unique deployment in Middletown right now for floating solar at their wastewater treatment plant of approximately 3 megawatts. If that is accomplished, it will be the first one in the State and possibly the top ten largest in the country.

The other advantage is it is not taking up land but instead is floating on the surface.

He concluded by stating they have other partners that have tried to get a battery system in the state, though others are having difficulty getting it done. DEMEC would be pioneering that as well. One of the partners is the Sustainable Energy Utility Energized Delaware Program. They said if something starts to look like it makes sense, they want to hear from them.

Mr. Lynch stressed that DEMEC is constantly looking for ways to improve and may end up showing everyone else how to do it.

The letter of support will be in the next Council meeting packet for consideration.

With no further business, Vice Mayor adjourned the Council Workshop at 7:34 p.m.

Respectfully submitted,

Terri K. Hudson, MMC  
City Clerk/Recorder