



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

CITY COUNCIL AGENDA November 12, 2024

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6:00 PM

15-Minute Public Comment Period*

All interested parties are invited to speak during the public comment portion of the Meeting. Discussion of those items appearing on the agenda as a public hearing is prohibited during the Public Comment Period, as an opportunity will be provided at the time it is being considered. Virtual attendees must register prior to start time of the meeting by calling 302-422-1111 Extension 1142 or 1303, or by sending an email to cityclerk@milford-de.gov and providing their name, address, phone number, and item name and/or description you wish to comment on. Persons in attendance wishing to speak must sign up prior to the start of the Meeting. Citizen comments are limited to three (3) minutes. Council and Committee Members are prohibited from responding or taking action since this is not an official session; however, items may be considered for placement on a future agenda.

COUNCIL MEETING

Call to Order - Mayor F. Todd Culotta

Invocation

Pledge of Allegiance

Roll Call

Approval of Previous Minutes

Recognition

New City Employee Introduction

Staff Reports

Police Department

City Clerk

City Manager/Departments

Monthly Finance Report / FY23 Audit Update¹

Communications & Correspondence

Unfinished Business

New Business

- Authorization/ Route 1 Crossing
- Authorization/School District Easement
- Authorization/ Purchase/Engineering/EV Truck
- Authorization/License Agreement-ATM/586 MHH LLC/NW Front Street Parking Lot
- Authorization/Resolution/PNC BAN Extension

Ordinance introductions:

Introduction/Ordinance 2024-11 - Marijuana Regulations
Amendment to City of Milford Code Chapter 230/Zoning Code

Introduction/Ordinance 2024-12

Application of Oak Forest Park, LLC
for Conditional Use

4.93 +/- acres of land located along the west
side of S Rehoboth Boulevard, approximately 300
feet north of the Kirby Road intersection

Comprehensive Plan Designation: Low Density Residential

Zoning District: C-1 (Community Commercial District)

Present use: Restaurant & Brewery Proposed Use: Restaurant & Brewery with

Freestanding Electronic Message Center Sign

Tax Parcel: 3-30-11.00-008.00

Adjournment

All items on the Council Meeting Agenda are subject to a potential vote.

ALL SUPPORTING DOCUMENTS MUST BE SUBMITTED TO THE CITY CLERK IN ELECTRONIC FORMAT NO LATER THAN ONE WEEK PRIOR TO MEETING. NO ADDITIONAL DOCUMENTS WILL BE ACCEPTED, DISTRIBUTED, OR PRESENTED AT MEETING ONCE PACKET HAS BEEN POSTED ON THE CITY OF MILFORD WEBSITE. ANY MATERIALS UTILIZED DURING THE MEETING MUST BE INCLUDED IN THE COUNCIL PACKET AND ACCESSIBLE BY AUDIO AND VISUAL MEANS PURSUANT TO 29 Del. Code, Chapter 100, §10006A(c)(5).

**Time Limit is three minutes per speaker, not to exceed a total of fifteen minutes for all speakers prior to start of meeting/workshop.*

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

110424

¹110524 Late Addition by Finance Director

101224 Item Removed



CITY OF MILFORD
CITY COUNCIL MEETING MINUTES
October 28, 2024

The City Council of the City of Milford met in the Joseph Ronnie Rogers Council Chambers in Regular Session on Monday, October 28, 2024.

PRESIDING: Mayor F. Todd Culotta

IN ATTENDANCE: Councilmembers Daniel Marabello, Madula Kalesis, Nadia Zychal, Lori Connor, Michael Stewart, Nirmala Samaroo, Katrina Wilson and Jason James Sr.

STAFF: Police Captain David Wells, Interim City Clerk Katrina White, City Manager Mark Whitfield

ABSENT: Police Chief Cecilia Ashe

COUNSEL: Solicitor David Rutt, Esquire

PUBLIC COMMENT

The Public Comment period commenced at 6:00 p.m. after which Solicitor Rutt read the public comment rules into record.

Senator Dave Lawson stated that he was representing the BMX track in Milford and was there to answer any questions that the council had in reference to the renewal of the 5-year lease with the City of Milford.

Lisa Parsons, 138 Vale Boulevard, Greenwood, DE 19950, was present and stated that her daughter rides the BMX track. She said it provides stable athletic participation, a family atmosphere, boosts the kids' confidence and team spirit.

CALL TO ORDER

Mayor Culotta called the regular meeting to order at 6:11 p.m. Roll Call showed that there were nine members present.

INVOCATION AND PLEDGE

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

RECOGNITION

Captain David Wells, Milford Police Department, introduced two new employees who were both finishing their field training programs.

Patrolman Benjamin Mitzel, who came from Denton Police Department, grew up in Milford and graduated from Milford High School in 2015. He currently lives in Milford with his family.

Patrolman Dylan Connell, who came from the Delaware Department of Corrections where he served as a canine handler, is a recent recruit graduate of the Delaware State Police Academy. He received the Outstanding Recruit Award and the Firearms Proficiency Award. He currently lives in Milford, also.

Proclamation 2024-25/ Extra Mile Day

Mayor Culotta read the Extra Mile Day proclamation which was included in the packet.

PUBLIC COMMENTS/FINAL DETERMINATION ©

Solicitor Rutt read the rules of Public Hearing into the record.

Ordinance 2024-09

Application of Milford Ponds, LLC

for Revised Planned Unit Development

178.03 +/- acres located along the east side of

Route 113 5,500 feet south of the Seabury Avenue intersection

Comprehensive Plan Designation: Moderate Density Residential

Zoning District: R-1, R-2 & R-3 with PUD

Present use: Planned Unit Development Proposed Use: Planned Unit Development

Tax Parcel: 1-30-3.00-264.00, 1-30-3.00-264.01, 1-30-6.00-

108.00, 1-30-6.00-167.00 thru 558.00, 1-30-6.00-601.00 thru 691.00

Director Pierce reviewed the staff report and analysis that was included in the packet.

Tim Metzner, Davis, Bowen & Friedel, 1 Park Avenue, Milford, DE 19963, was present and explained the project. He stated that he is requesting a Revised PUD for the Milford Ponds Development to make modifications to eliminate Phase 4, the apartment area, out of the PUD entirely because that will be a separate project. He explained that the overall layout doesn't change. The road configuration, the lot locations, and the open space all remain the same from the original PUD. The deviations that are being requested are consistent with what was originally approved. The original setbacks and the lot sizes are all consistent.

There were no public comments.

Councilmember Connor made the motion to approve Ordinance 2024-09 Revised Planned Unit Development. Councilman James seconded. The motion carried unanimously.

Councilmember Marabello voted yes for the reasons that it was approved by the Planning Commission, consistent with getting the proper signatures and no material change to what they were approved before. Councilmember Kalesis voted yes for the reason that it is consistent with the previous requests and if all of the required signatures are obtained.

Councilmember Zychal voted yes for the reason that it was approved by the Planning Commission. It seems consistent with the plans that were put forth and also, as long as they get the signatures that are required.

Councilmember Connor voted yes for the reason it's consistent with all the requirements.

Councilmember Stewart voted yes as long as all of the required signatures are obtained.

Councilmember Samaroo voted yes for the amendment, the waiver that was included, and the signatures from the residents.

Councilmember James voted yes for the reason that he thinks that bringing back the different type of housing and giving a choice of housing type, with the re-addition of the townhouses is great for this community.

Councilmember Wilson voted yes for the reasons that it is in the Comprehensive Plan, meets all the PUD requirements and all departments/agencies have signed off on it.

Councilmember Wilson stated that she hopes when they get to the next phase of the apartments and wanted to say on the record to all of the developers and future developers that we are in housing crises, and we want to someday accommodate all of our citizens at all economic levels within our city.

Ordinance 2024-10

Application of Milford Ponds, LLC on behalf of Milford Ponds – Phase II

for Revised Preliminary Major Subdivision

27.572 +/- acres located at the southwest corner of

Flying Geese Drive and S. Walnut Street

Comprehensive Plan Designation: Moderate Density Residential

Zoning District: R-1, R-2 & R-3 with PUD

Present use: Planned Unit Development Proposed Use: Planned Unit Development

Tax Parcel: 1-30-3.00-264.01, 1-30-6.00-558.00, 1-30-6.00-600.00 thru 688.00

Director Pierce reviewed that staff report and analysis that was included in the packet.

Tim Metzner, Davis, Bowen & Friedel, 1 Park Avenue, Milford, DE 19963, was present and represented the project.

Solicitor Rutt asked Mr. Metzner if he were to give his presentation, would it be different than what he gave before and if he had anything to add to it. Mr. Metzner stated that the only thing that he would add was that they are requesting Preliminary Major Subdivision approval.

Solicitor Rutt asked if his other comments would be incorporated into the record before Council. Mr. Metzner answered yes.

There were no public comments.

Councilmember Kalesis made the motion to approve Ordinance 2024-10 Revised Preliminary Major Subdivision for Milford Ponds Phase 2. Councilmember Samaroo seconded. The motion carried unanimously.

Councilmember Wilson voted yes for the reasons that it is within the Comprehensive Plan, all agencies have signed off on it and it is Phase 1 & 2, which go together.

Councilmember James voted yes for the reason that it does meet the requirements of the city and it has been signed off on by all of the relevant agencies.

Councilmember Samaroo voted yes for the reason that it's consistent with their planning.

Councilmember Stewart voted yes for the reason that it's consistent with the planning.

Councilmember Connor voted yes for the reason that it's consistent with the requirements and planning has approved it.

Councilmember Zychal voted yes for the reason that it is consistent with the planning and meets all approvals. Councilmember Kalesis voted yes for the reason that the application is consistent with the plans. Councilmember Marabello voted yes for the reason that it was approved by the planning board, 7 to 0, and it's also consistent with the Plan Unit Development and the requested waivers.

COMMUNICATIONS & CORRESPONDENCE

Councilmember Wilson reported that she received calls in reference to late night construction at Banneker Elementary School.

Councilmember Zychal reported that a resident had concerns about the speeding on Walnut Street in the past on Halloween night and would like to see more monitoring.

Councilmember James mention that the Elks Lodge held its First Responders Banquet and deferred to Capt. David Wells to speak about the City's police officers and dispatchers who were recognized. Captain Wells reported that Sherry Bennett was named Dispatcher of the Year. Danny Burgos and Anthony Quiroz were recognized for their work as detectives. Rhett Malone was named as Officer of the Year.

MONTHLY FINANCE REPORT

Finance Director Lou Vitola reviewed the September 30, 2024 financial statement that was included in the packet. (Pages 120-131)

He reported that it was a strong month for cash receipts as expected given the tax due date. So, about half of the tax balances were booked by the end of September and the rest will follow in October. The city received the first quarter, \$70,000, of the Municipal Street Aid Grant from the State. He further reported that although it was a light month for permits, impact fees, special use funds and things like that, the payment for the refuse truck that was approved was made. That was almost a half a million dollars and a lot of progress is being made on a lot of the budgeted projects and equipment purchases. The performance of the governmental and the utility funds are great.

Councilmember James made a motion to accept the monthly financial report. Councilmember Samaroo seconded. The motion carried unanimously.

UNFINISHED BUSINESS

There was no unfinished business.

NEW BUSINESS

Authorization/ Lease Renewal/ First State BMX, Inc.

City Manager Whitfield reviewed the lease agreement that was included in the packet. It is the exact same lease that had been signed in previous years with no change other than the term which will be for 5 years, the same as in the years past. He said the staff recommends that council award the lease to First State BMX, Inc.

Councilmember Wilson made the motion to approve the First State BMX, Inc. lease. Councilmember James seconded. The motion carried unanimously.

Authorization/ Award Contract/City Manager Recruitment

Mayor Culotta stated that City Manager Whitfield has announced his retirement. They need to start the search for a new city manager and having a recruiting firm do that would benefit them.

City Manager Whitfield stated that a quote was requested from a company called MGT. MGT is the new name of Gov HR which is the same company that helped recruit for the police chief.

City Manager Whitfield reviewed the presentation that was included in the packet. (Pages 140-175) The cost for the recruitment services is \$24,000, which is \$1,100 less than what the police chief's recruitment. He recommended that the funds be taken within this present city administration budget. He explained that funds that can be used was for a staff position that has not been filled yet. He recommended that Council consider the proposal, if it meets Council's expectation, and to authorize him to execute the contract.

Councilmember Wilson asked which staff position he was referring to. City Manager Whitfield answered that it was the Economic Development and Community Engagement position which were filled soon but it had been budgeted for a full year.

Councilmember James made the motion to authorize the City Manager to move forward, authorize and execute the contract with MGT. Councilmember Wilson seconded. The motion carried unanimously.

Discussion/Marijuana Regulations ©

Mayor Culotta stated that Delaware state law, which will take effect in end of March, will allow for recreational marijuana dispensaries in the State. They have also allowed municipalities to develop their own ordinances, limiting or denying, and the city is handling that, as well. If the city doesn't do anything, it will be allowed within the city based on the current retail zoning. So, the city has to do something and come up with some kind of language. He explained that most of the other cities around Milford, especially the beach areas, have already made their decisions. This has nothing to do with medical marijuana because that is already legal. So, there's not much to be discussed there as far as it being allowed.

Solicitor Rutt explained that this is an informational session on a land use issue. The State has already determined the fact that recreational marijuana may be allowed, but it is as the mayor said, it's giving the municipalities an opportunity to opt out. It has not given that opportunity to the counties. The counties can develop their own controls, such as distances from certain other activities, like schools, churches, etc. But the counties cannot deny recreational sales, whereas municipalities can or the municipalities can adopt an ordinance which will allow certain conditions and regulations on it.

Planning Director Rob Pierce reviewed the Marijuana Land Use presentation that was included in the packet. (Pages 76-184)

James Duran, 409 S. Walnut Street, Milford, DE 19963, was present and asked for more places in town to take dogs because there is speeding down the city streets and it is a safety issue.

Trish Marvel, 6525 Shawnee Road, Milford, DE 19963, was present and stated that there are various arguments on both sides of the issue and unanswered questions. For example, it will bring more business into the town or it will deter businesses from coming into town, it will decrease illegal drug sales or it won't make a difference and illegal drug sales will continue, and Milford will receive huge revenue benefits to only the state receives benefits. She said that it started to be introduced around September of 2022 or 2023 and feels like if that's the case, the city isn't very far along because December is right around the corner and doesn't have the answers. She stated that Dover, Millsboro, Bethany Beach, Rehoboth, Seaford, Lewes, Middletown, and

Georgetown rejected this idea and asked if the council members or mayor have spoken to these towns. She asked if the current Milford medical marijuana facility is grandfathered in. She asked if the city has defined ordinances to mitigate problems because of the store such as loitering laws, location, or limitations. She also stated that just because the State said that the city is allowed to do this doesn't mean the city has to move forward. She concluded by saying that there needs to be some moral compass in making these decisions, think about the community and think about what the long-term effects are of having this in the town. She stated that she is a no for recreational marijuana.

Lisa Parsons, 138 Vale Boulevard, Greenwood, DE 19950 was present and spoke in favor. She stated that she is a medical marijuana cardholder and the places are very secure. She stated that it will allow other people, like seniors and those who can't get the medical marijuana, to have access to be able to alleviate their pain.

Valeria Coverdale 30069 Stagecoach Circle, Milford, DE 19963, Knollac Acres, was present and spoke in favor. She stated that in April of this year, State Police issued a safety advisory for Sussex County, after seeing a significant spike in drug overdoses and having listened to this debate in legislative hall for over 5 years, one of the key purposes of this legislation was to offset the impact of the black market and its low quality, tainted products. Retail manufacturing and testing sites are all necessary to ensure that safe products are being delivered to the customer. Banning the sale of marijuana in town through zoning or ordinances, will not get rid of the product, but will only allow for the black market and illegal sellers to continue to have the competitive edge over that of the safe product that's been tested by the State. She further explained that the further exclusion of marijuana sales only aims to completely ban the establishment of stores, pushing Sussex residents to either drive to Maryland or further up to Newcastle County or Kent, again moving that revenue to a potential market of \$251,000,000.

Emily Wilkins, Vice President of Operations First State Compassion, 262 Baird Avenue, Dover, DE 19963, was present and spoke in favor. She stated that they are one of the local medical facilities in Milford with a cultivation and manufacturing site. They have been in Milford for about 3 or 4 years and are facing tougher regulations from the State now than they ever have and security measures will be heightened compared to their current medical regulations. She explained that the worry about loitering is all being handled through the regulations. She thanked the City of Milford for helping them with the medical marijuana and hopes it will support recreational marijuana.

James Grant, 2014 Milford-Harrington Hwy, Milford, DE 19963, was present and stated that one nice thing about Milford is that it already has the luxury of having marijuana growing facilities here and they've been here a while. He asked if there had been complaints from those facilities or complaints about them. He stated that he is set back when it comes to restricting what one can do with one's land. He stated that he is hearing, as a developer, that affordable housing needs to be provided and then they are being told that they are overdeveloping and taking away the community. He further stated that when we start restricting on what can be done in our industrial parks and in our retail centers, we limit it. He asked if it really needed to be restricted. He stated that the more it is restricted, the more costly it becomes.

David Henry, 31 Riptide Court, Frederica, DE 19946, was present and spoke in favor. He stated that he is a medical marijuana patient and been in almost every brand of dispensary in the State of Delaware. They are secure. He stated that he chooses to spend his money in Milford because he loves Milford and this is where he is raising his kids. He stated that he should be able to go and spend his money here for whatever it may be.

Katelin Staub, 4443A Vermont Drive, Dover, DE 19901, was present and spoke in favor. She stated that she is a medical marijuana patient and given the history of the black market, Milford is one of the biggest places where she would be coming to purchase things on the black market. She stated that she has never felt safer than coming down here to the dispensary itself and every single one of the security guards she has met has either been a member of governor's task force or SWAT. She explained that they have mirrored fronts so no

one can see inside. She stated that she has never felt more confident in recreational sales saving parts of Milford from the reputation that has preceded it.

EXECUTIVE SESSION

Councilmember Wilson made a motion to go into Executive Session reference the below statutes. Councilmember Connor seconded. The motion carried unanimously.

Pursuant to 29 Del. C. §10004(b)(4) Strategy sessions, including those involving legal advice or opinion from an attorney-at-law, with respect to collective bargaining or pending or potential litigation

Mayor Culotta recessed the Council Meeting at 7:21 pm for the purposes as permitted by the Delaware Freedom of Information Act. Council relocated to the Conference Room for the closed session discussion.

Return to Open Session

At 7:33 p.m., Councilmember Marabello moved to return to Open Session. Councilmember Stewart seconded. The motion carried unanimously.

There was no vote necessary from the Executive Session.

Adjournment

Councilmember Wilson made the motion to adjourn. Councilmember Stewart seconded. The motion carried unanimously.

Mayor Culotta adjourned the meeting at 7:33 pm.

Respectfully submitted,

Katrina L. White, MMC
City Clerk/Recorder



OFFICE OF THE CHIEF OF POLICE
 CECILIA E. ASHE
 cecilia.ashe@cj.state.de.us



401 NE Front Street
 Milford Delaware 19963
 302.422.8081 Fax 302.424.2330

TO: Mayor and Members of City Council
 FROM: Chief Cecilia E. Ashe 
 DATE: November 6, 2024
 RE: Activity Report for October 2024

In the month of October, Milford PD responded to over 1330 calls for service.

Chief and Police Command Staff:

- Throughout the month of October, the Chief and Command Staff participated in numerous conference calls, virtual meetings, and in-person meetings including City Council and Workshop meetings, bi-weekly City Manager’s meetings with Department Heads, and PD Staff meetings. Mayor and City Council are provided weekly updates on major incidents and activities within MPD throughout the month to ensure they stay informed of all activities.
- Staff attended the ribbon-cutting event for the new Splash Laundromat on NE Front St.



MPD Activities for the Month

Community Engagement:

- Officers and Senior Patrol Members led and assisted with traffic control for the annual Milford High School Homecoming Parade.
- K9 Mason performed a demo for the Boy Scouts at the Harrington Moose Lodge.

- K9 Mason performed a demo for a group of children at the Milford Police Department following a building tour.
- The department was asked to partner with the Culture Club for Books for a Bright Future in Brightway Event. Officers provided hotdogs and chips for the children in attendance. Officers received a lot of positive feedback from the community for being at the event!



- Faith & Blue (Oct. 4 & 5 and Oct. 11-13)
 - Officers provided foot patrol and set up a community engagement table at the annual Oktoberfest hosted by St. John the Apostle Church. Officers were able to interact with the community and answer a wide range of questions during the event. The community stated that they really enjoyed the police department being at the event!



- The police department hosted a Senior Fraud Protection Seminar. The DE Department of Justice provided older adults with fraud prevention tips and advice on how to recover if they or a family member was a victim of fraud.



- The police department with the assistance of Councilwoman Katrina Wilson hosted a Prayer in the Park event. It was a time of prayer with our faith-based communities where area pastors delivered uplifting messages and prayers of hope, peace, and safety. The event was well received by all that attended.



- Officers attended a bonfire event sponsored by Transformed Church. The event was relaxed and gave officers a time to share valuable conversation with attendees circled around a warm campfire.



- On Saturday (12th) and Sunday (13th), Officers visited eight (8) churches to talk about the Faith & Blue movement and to thank the community for their support.



- S/Cpl. Bloodsworth organized and officiated the annual AAA Safety Patrol Induction Ceremony at the Milford High School auditorium. Sgt. Maloney and S/Cpl. Golding were distinguished guests on stage and helped pin the badges on the newly selected safety patrollers. A local JP Court Judge swore in the safety patrollers. This year, 4th grade Junior Safety Patrol was added to all three elementary schools due to the upcoming building changes within the district at the request of a concerned 4th grader who drafted a letter and submitted it to Lulu Ross administration requesting this change.



- S/Cpl. Bloodsworth attended the Mispillion Elementary Fall Festival. This was a great time to interact with the elementary school students outside of the school day. The event included various fall activities, engagement by Carlisle Fire Department apparatus, crafts, a petting zoo, and a hayride. Many comments of thanks for our presence were received.
- K9 Mason performed a demo for patrons of a car show at the Milford Elks Lodge.
- S/Cpl. Golding attended Haunted Hallways at Milford High School. This annual event was hosted by staff and high school students giving elementary students a fun, safe option for trick-or-treating with their families.
- Officers participated in the annual Truck Convoy for Special Olympics Delaware. This event started and ended at the Delaware State Fair in Harrington, DE.



- S/Cpl. Golding enjoyed engaging with students at the Banneker Fall Festival. He handed out MPD giveaways and socialized with families and staff.
- Officers and Senior Patrol Members led and assisted with traffic control for the annual Milford Community Parade.
- S/Cpl. Bloodsworth and Captain Wells participated in the annual Carlisle Fire Co. Trunk or Treat on Halloween night. This is an enjoyable opportunity to engage with children and their families. The department put together trick-or-treat bags that were filled with police-related items and candy. We put additional officers out on patrol to ensure the safety of all trick-or-treat participants. The extra presence of patrol vehicles patrolling the City streets resulted in numerous appreciation comments from the community.



- S/Cpl. Golding visited children and the Boys and Girls Club to talk about bullying and other police and behavior topics of concern involving youth. He was invited to this event, which involved local representatives. S/Cpl. Golding noted since appearing at this event, more children have recognized him at other events. He makes it a point to re-engage with them.
- K9 Raven performed a demo at United Church Trunk or Treat.
- Officers presented medals to Special Olympics Young Athletes after one of their competitions at the Milford Elks Lodge.



- Personnel attended the annual Milford Elks Lodge First Responders Appreciation Event where S/Cpl. Rhett Malone was recognized as the Municipal Police Officer of the Year and Dispatcher Sherry Bennett was recognized as the Police Dispatcher of the Year.



Training and Professional Development:

- One officer attended Advanced Search & Seizure, Advanced Traffic Stops, and Bulletproof Report Writing held at the Smyrna Police Department.
- One officer attended Veterans Response Team (VRT) Training held at the Pentecostals of Dover (PODD) Church in Dover.
- Two officers attended the International Association of Chiefs of Police (IACP) Conference held at the Boston Convention & Exhibition Center in Boston, MA.
- One officer attended a Glock Armorer's Course held in Easton, MD.
- One officer attended the Certified Instructors Course held at the Delaware State Police Academy in Dover.

Community Room:

- We had eight (8) organizations use the community room in October.



Behavioral Health Unit:

Milford Police Department – October 2024 BHU Statistics

Jenna Haines, LCSW, MSW, DE-CMHS

Gregory Bisset, LCSW, C-AADC

Danielle Blackwell, LMSW

Dates	Hours Worked	Meetings Attended/Hosted	Trainings Attended	# of NEW Contacts	New Contact Notes	# of Diversions from Arrest	# of Diversions from ER	# of Follow-Up's
October 1- October 6, 2024	59.5	1. Rural Subcommittee Meeting	N/A	6	Referrals to Services: Public Assistance Check the Welfare Domestic	1	1	10
October 7- October 13, 2024	90	1. Opioid System of Care Meeting	1. Domestic Violence Coalition Training	8	Referrals to Services: Public Assistance 10-81 Check the Welfare Homeless Resources	1	1	9
October 14- October 20, 2024	88.25	1. Victim Services Meeting 2. City of Milford Halloween Parade	1. Disability Services Training	13	Referrals to Services: Check the Welfare 10-81 Homeless Resources Victim Services Public Assistance Domestic	1	1	7
October 21- October 27, 2024	91	1. Housing Alliance Meeting	1. Xylazine & Fentanyl Training	10	Referrals to Services: Check the Welfare Overdose 10-81 Public Assistance Homeless Resources	1	2	8
Totals:	328.75			37		4	5	34
Year to Date Totals:	3097.75			395		48	62	301
Overall Totals:	9506.6			1609		141	197	1404

Social Media/Public Information Update:

Our Facebook page had 108 new followers for a total following of 16,022. Currently our followers are 34% male and 66% female. Posts during the month reached 81,130 people. Our top reach post for October were the news releases related to the Milford Homecoming Parade route change. The total reach was 30,921. Our top engagement post for October at 15,011 was the news release titled Milford Man Arrested for Sex-Related Crimes from 10/24/2024.

Our Instagram account had 30 new followers for a total following 2,303. Currently our followers are 39% male and 61% female. Posts during the month reached 6,285 people.

Our Twitter followers are 1,466.

Our Nextdoor posts reached 1502 people during the month. Nextdoor reaches 3,349 members according to statistics provided by the website.

MPD News Releases:

October 9, 2024: Milford Woman Arrested for Drugs

<https://www.milfordpolicede.org/news/Milford-Woman-Arrested-for-Drugs.htm>

October 15, 2024: Traffic Stop Leads to Drug Arrest

<https://www.milfordpolicede.org/news/Traffic-Stop-Leads-to-Drug-Arrest-2.htm>

October 23, 2024: Three Juveniles Arrested for a String of Crimes in Milford

<https://www.milfordpolicede.org/news/Three-Juveniles-Arrested-for-a-String-of-Crimes-in-Milford.htm>

October 24, 2024: Milford Man Arrested for Sex-Related Crimes

<https://www.milfordpolicede.org/news/Milford-Man-Arrested-for-Sex-Related-Crimes.htm>

October 25, 2024: Houston Man Arrested on Firearm Charges

<https://www.milfordpolicede.org/news/Houston-Man-Arrested-on-Firearm-Charges.htm>

October 28, 2024: Relentless Effort by Investigators

<https://www.milfordpolicede.org/news/Relentless-Effort-by-Investigators.htm>

October 29, 2024: Gun Arrest of 16 year old and 18 year old

<https://www.milfordpolicede.org/news/Gun-Arrest-of-16-year-old-and-18-year-old-.htm>

October 30, 2024: Police catch Burglary Suspects with MPD K-9 Unit

<https://www.milfordpolicede.org/news/Police-catch-Burglary-Suspects-with-MPD-K-9-Unit.htm>

October 31, 2024: City Park Violation leads to Drug Arrest of Greenwood Man

<https://www.milfordpolicede.org/news/City-Park-Violation-leads-to-Drug-Arrest-of-Greenwood-Man.htm>



DATE: November 1, 2024
TO: Mayor and Members of City Council
FROM: City Clerk Katrina White
RE: October 2024

The month of October, I have continued the training on the Diligent meeting software. Some of the things that were accomplished this month for the Clerks Department are:

- I attended Minutes Management Training on October 2, 2024, for the Diligent meeting software.
- This month, I met with the Employee Rewards & Recognition Committee on October 3, 2024, to finalize the preparations for the City of Milford Employee Service Awards event on October 11, 2024. I also met with the committee on October 17th and 24th to continue planning for the employee holiday party, Employee Adopt-a-Family and Employee Thanksgiving Turkeys.
- Also, this month, I organized and planned for the SCAT dinner to be hosted by Milford.
- On October 3, 2024, I met with IT and representatives from Docuware to discuss Milford Legacy Scanning and review the new Docuware program.
- I met with a Diligent representative for post training coaching on the software on October 8, 2024.
- Participated in a mock council meeting with IT and Diligent representative on October 16, 2024.
- I attended Statewide FOIA Coordinators Training virtually with the Delaware Department of Justice on October 23, 2024.
- Planned and organized for the Council Retreat on October 23, 2024.
- Attended the staff meetings where council meeting agendas and departmental information were shared.

Monthly Activities

Requests for information are still coming in and I continue to work with other Delaware municipalities assisting with policy, procedural, and related information.

- ❖ FOIA Requests to Date (92)
- ❖ Coordination of FOIA issues with City Departments to ensure Compliance
- ❖ Attended and Prepared Agendas & Packets for:
 - Council Meetings – October 14, October 23 (Council Retreat) & September 28
 - Charter Review Committee – October 1
 - Board of Adjustment – October 10
 - Planning Commission – October 15
 - Milford Community Cemetery Meeting – October 18
- ❖ Prepared Public Notices (5)
- ❖ Transcribed and Proofread Minutes (9)

Council Meetings

Board of Adjustment

Planning Commission

Community Cemetery

- ❖ Executive Sessions Year to Date (19)
- ❖ Notary Public Services Provided (2) (Public)
- ❖ Proclamations Created Year to Date (25)
- ❖ Resolutions Created Year to Date (17)
- ❖ Special Event Submissions to Date (38)

Special event applications continue to be submitted for processing. The Clerk’s office continues to work with applicants, other city departments and outside agencies to ensure proper preparation and direction. A list of upcoming events in 2024 follows:

Permit #	Organization	Event Name	Event Date
2024 38	DMI	Milford Tree Lighting	11/30/2024
2024 37	DMI	Holiday Stroll	12/7/2024



MARK A. WHITFIELD, CITY MANAGER
201 South Walnut Street
Milford, DE 19963

PHONE 302.422.1111
FAX 302.424.3553
www.cityofmilford.com

To: City Council and Mayor
From: Mark A. Whitfield, City Manager
Subject: October 2024 Monthly Report
Date: November 1, 2024

Employee Awards Luncheon and Ceremony

Thank you to the Mayor and Council for supporting the Employee Awards Ceremony at the Parks and Rec facility. The weather was perfect, food and ice cream were delicious, and many employees had a great time playing corn hole. We recognized nearly 30 employees for their years of service with the City. The mayor and several council members were also in attendance. I know I speak for all employees in expressing gratitude for Council's on-going support in funding this activity.

Hurricane Milton Response

Three of our electric linemen along with a lineman from Seaford volunteered to be part of a DEMEC mutual response team to assist other public power communities in Florida in repairing their electric utilities. A DEMEC team from Newark and Smyrna responded to Orlando. Although our crew was not deployed, having the experience prepping was valuable for future incidents.

North Church Street and North Washington Street Construction

The delay in completing North Church Street revolves around getting the newly installed waterline to pass testing requirements set forth by the Office of Drinking Water. The testing process takes about 10 days, so when there is a failed test, the contractor must start over with a new test. There have been three failed tests, which has led to the delays. We will be assisting with the testing in the future, since we can get testing done in about 5 days. Once the testing was completed, water service lines were installed from the main to individual house meters. Both North Church and North Washington are expected to be paved the beginning of November.

SCAT Dinner and Steering Committee Breakfast

Councilman James, Mayor Culotta and I attended the monthly SCAT dinner in Seaford. County Administrator Todd Lawson gave an update on the tax reassessment process. The three of us also attended the SCAT Steering Committee Breakfast when we received a legislative update from Jamie Nutter.

Masten Circle Stormwater Pond

I met with a developer who is working on the construction of an industrial warehouse on Masten Circle. It appears that in lieu of constructing a retention pond on their own property,

The developer may have the opportunity to expand the existing City's pond. We will work on an agreement on who is responsible for each component of the pond construction.

Blue Zone Project

I attended the Blue Zone kickoff meeting in Georgetown with other appointed and elected officials. I also attended the Milford specific meeting at the Food Bank.

Retreat

The annual Council retreat was held at Etta's Catering for the retreat this year on Wednesday evening October 23. Bill McGowan was the facilitator. Council homed in on three primary initiatives for the upcoming year, and each group was given "homework" assignments.

DEMEC Executive Board

I attended the monthly DEMEC Executive Board meeting on Thursday October 10.

West Shores

City engineering staff met with the developer on site on Friday October 25, as scheduled, to review all the outstanding items to close out the project. At present, the contractor plans to start within the next one to two weeks. Paving will be completed once all the concrete repair work is completed by DR Horton (the home builder).

Marijuana Conversion License

Conversion licenses are expected to be issued by the Office of Marijuana Control on November 1. This would allow any medical marijuana dispensary to convert their license to recreational marijuana sales. According to Rob Coupe, even though the license would be issued, actual authorization to sell would not be until April 2025. The public hearing, discussion and publishing proposed ordinance on Monday night, will start the clock on a pending ordinance adoption, and enable the city to hold any application until final adoption of zoning ordinance(s) limiting recreational marijuana sales. All other marijuana retail sales licenses will be issued in March 2025.

Interfaith Community Housing of Delaware

The non-profit developer is looking to expand its affordable housing program by expanding the Colony West development behind IG Burton. Rob Pierce, Councilpersons Wilson and James, the mayor and I met with the developer to discuss their plans. The community is served by City water and electricity. The developer is looking for assistance from the City toward the expansion, however the development is not within City limits. Only one property separates the development from the City boundary, and we will be reaching out to the property owner to discuss annexation possibilities that would then enable us to assist Colony West.

DLLG Meeting regarding PFOs and PFAs

Councilpersons Jason James (Pam) and Nadia Zychal (Craig), along with Mayor Culotta and I attended the monthly DLLG meeting in Cheswald where we heard a presentation from DNREC on the PFAs and PFOs program and federal deadlines for testing and compliance.

Milford-Slaughter Beach By Ways Project

Brad Dennehy and I met with DELDOT regarding funding the downtown restroom project. There are a number of environmental reviews that need to be completed prior to the issuance of federal funds for the project.

Slaughter Beach-Milford Bike Path Feasibility Study

The Kent MPO along with the consultant WRA will begin the feasibility study for a bike path between Slaughter Beach and Milford. The consultant will be reaching out to local landowners as well as holding “pop up” public surveys at various places throughout Milford to gather public input on the project. While the project is a joint project between Slaughter Beach and City of Milford, the City is the grant recipient, but is being managed by Kent MPO.

Backwater Court Paving

Solicitor Rutt, James Puddicombe, Willis Shafer and I met regarding the failed paving of Backwater Court and moving to the next steps of having the paving corrected.

Sidewalks

James Puddicombe, Rob Pierce, Willis Shafer and I met regarding proposed changes to the sidewalk program for the Public Works and Utilities Committee on November 12.

Milford Housing Development Corporation

Rob Pierce and I met with MHDC regarding the affordable housing project slated for the former Lockwood property at the corner of Mispillion Street and Marshall Street. Part of the project includes a portion of property being conveyed to the City as an expansion of the Riverwalk, in exchange for the City’s completion of the improvements to Mispillion Street.

Route 1 Corridor Preservation

I met with Drew Boyce and Representative Shupe regarding the proposals for the Route 30/Route 1 intersection. Century Engineering will begin to do public outreach on the two separate proposals.

Purcell ADU Project

Mayor Culotta, Councilwoman Zychal, Rob Pierce and I attended a MHDC open house at an accessory dwelling unit built on the Purcell property located at 102 Kings Highway. The project allows for a small separate structure on the property that will be occupied by Mr. Purcell’s mother.

2023 Audit

Auditors were on site this month and I met with them regarding a routine fraud interview. The 2023 audit should be completed the first week in November; however, formal Council acceptance may not happen until the first meeting in December due to scheduling conflicts.

Old Post Office (Museum)

Michael Buaman (DBF) and I met with Suzanne Savery (director of the state's Historical and Cultural Affairs) regarding the City's takeover of the former Milford Post Office. Presently, everything is on hold at the state until after the gubernatorial election.

Greater Milford Chamber of Commerce

I attended the annual general membership meeting of the Chamber of Commerce along with Mayor Culotta.

Milford Community Cemetery

Councilwoman Wilson, Brad Denney, Mayor Culotta and I attended the quarterly Milford Community Cemetery meeting.

Milford Museum Board

I met with the Milford Museum Board this week and we discussed moving the remaining items in the old police station, the status of the emergency generator, turnover of the utility accounts, abnormal water usage, and the efficiency smart program. They are hopeful to begin their renovation work at the beginning of the calendar year.

Utility Coordination Council

I attended DELDOT's UCC meeting as DEMEC's representative. The Committee discussed the need for coordination between utilities and routine maintenance pavement overlays.

Customer Service Building

I met with a developer interested in the customer service building, and the DMI Executive Director. The developer has an interest in including the drive through as part of any possible land purchase. I will be asking for a revised appraisal that would include the drive through.

Milford Corporate Center

Rob and I met with Becker-Morgan and Emory Hill regarding the Corporate Center. While the bids for construction came in high, there appears to be opportunities for an additional \$1.4 million in Site Readiness monies as well as additional TIFF monies to cover the higher than budgeted DELDOT improvement costs. We expect to have the bid award ready for Council on November 25.

Delaware Rural Water Association

I met with DRWA regarding their desire to expand their facility. They are also contemplating relocating to a new facility, and would be interested in the possible City purchase of their existing facility.

Deep Branch Park DELDOT Entrance Plan Submittal

Staff met with DELDOT engineers to review plans for the entrance plan for Deep Branch Park. A number of issues will need to be addressed/resolved as part of the permit process.

Public Works Department - OCT 2024	OCT 2024	OCT 2023	FY24 YTD <i>(07/01/23-06/30/24)</i>
Streets/Utility Division			
Signs Installed/Replaced	2 poles/8 signs	12 poles/11 signs	27 poles/43 signs
Curb Miles Swept	900	1,500	6,400
Sewer Lines Flushed (in feet)	20,000	34,000	120,000
Sewer Back-up Response	1	3	7
Sewer Line Repaired	0	1	0
Water Hydrants Flushed	15	12	66
Fire Hydrants Replaced/Installed	0	0	4
Water Line Repair	1	2	11
Water Valves Exercised	12	12	73
De-icing Salt Used (tons)	0	0	0
Potholes Filled - Cold Patch	30	9	83
Potholes Filled/Spray Patch - Gallons Emulsion Used	0	100	251
Leaves Collected (Tons)	8	5	8
After Hours Calls	2	6	15
Crack Sealing (pounds of sealant used)	250	300	1,200
Work Orders Completed	11	17	33
Storm Sewer Inlets Cleaned	40	95	370
Street Closures/Festivals	4	3	18
Engineering Division			
Utility Locates Completed	330	269	880
Infrastructure Work Orders Completed	27	Data Unavailable	62
Backfill Inspection Work Orders Completed	40	Data Unavailable	101
Operations Division			
Fleet Work Orders Completed	22	15	101
Fuel Use-Diesel (Gallons)	2,954	2,635	16,538
Fuel Use-Gas (Gallons)	5,630	5,092	24,634
Blue Def (Gallons)	104	83.06	354
Solid Waste & Facilities Division			
Fuel Use-Diesel SW portion (Gallons)	1,765.45	Data Unavailable	4,555.00

Refuse Collected (Tons)	344.54	312.82	1,371
Recycle Collected (Tons)	95.23	74.84	307
Yard Waste Collected (Tons)	49.1	67.15	242.85
Missed Collections	7	69	105
Bulk/Brush Collection Requests Completed	38	60	312
Containers Delivered	56	35	289
Containers Serviced (Swap, Replacement, Removed)	34	10	106
Facilities After Hours Calls	0	2	4
Facilities Work Orders Completed	0	47	15
Water & Waste Water Facilities Division			
Water Treated (Millions of Gallons) 10 Months	90,993,300	<i>Data Unavailable</i>	855,428,200
Waste water transfer(millions of Gallons.) 9 months	72,002,000	<i>Data Unavailable</i>	799,046,000
Work Orders Completed		<i>Data Unavailable</i>	66
Pump Stations Cleaned		<i>Data Unavailable</i>	8
After Hours Calls	6	<i>Data Unavailable</i>	9

October 2024

Public Works Accomplishments

Building Maintenance / Solid Waste - Brian Jester

- Had key drop off lock box installed at mechanic's shop
- Had front steps of customer service pressure washed
- Fixed toilet at customer service
- Replaced curb next to customer service
- Fixed door at Parks & Rec. (Armory).

Engineering – James Puddicombe

- Performed a walk through for final paving of Cypress Hall Phase 1B
- Performed a pre-pave walkthrough in Westshores community
- Worked with electric on the installation of new software to map and trace our fiber lines
- Closed bidding on the SE Utility Crossings
- Performed a walk through for final paving of Simpsons Crossing Phases 1B and 1C
- Met with the School District and Contractor to resolve issues with Middle School Construction
- Held a preconstruction meeting for the Zoom Carwash
- Met with Engineer and Developer of Cascades Phase 2 to discuss Utility Design
- Attended the DRWA Training Expo
- Met with the School District and Local Representative regarding walkability around Lulu Ross and Mispillion Elementary.
- Held a project update meeting with the Hickory Glen developer and Electric Department
- Met with Police Department and Streets to arrange for Washington Street cleanup prior to Parade

Fleet (Solid Waste) - Brian Jester

- SW-11 needed regen and part for def 10/2-10/3 out of fleet
- Sw-14 needed new strap for arm 10/2
- Sw-10 went to body shop for paint job 10/2
- Sw-28 back in fleet 10/7/24 from 7/29/24

Public Works Director - Willis Shafer

Streets/ Utilities - Charles Nordberg

- Clean up and set barricades cones and barrels out for Oktoberfest and 1st Friday.
- When to Bridgeville to pick trailer loads of barricades for parade, and state in Dover too for theirs.
- Clean and set up barricades for Halloween parade.
- Set up road closure for car show on Park Ave.
- Painted lines on Airport Road, Maple, and N.E. 10th street.
- Repair water leak at 7307 Clubhouse rd.
- Tony has started his 2-year apprenticeship class for water operator. On Tuesday.
ON Tuesday
- Cody and Scott stater leadership supervisor class all Tuesdays. Both are on Tuesday.

Water/ Wastewater - Steve Ellingsworth

*Accomplishments attached.

October Monthly Accomplishments 2024

1. Fluoride pump and equipment rebuild. Kenton's Wells (4R & 5R) treatment plant residuals now a lot better. – Email State ODW what procedures we did.
2. Cleaned check valve #2 at SE Regional PS.



SE Region #2 check



SE Region #1 check

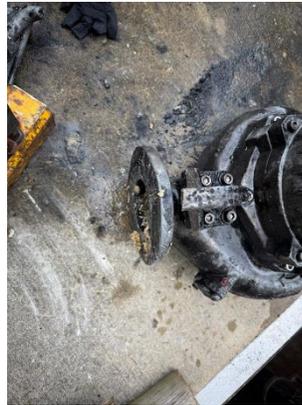
3. Cleaned both Pumps at SE Regional PS. Pump 2 clogged



4. Mount broke off pump two during pulling pump.



rail mount broke.



Pump missing rail mount

4. Six pump stations wet wells cleaned – Lighthouse, Milford crossing, Americin, North Shore, Wendy's and Knotts landing.



PUBLIC WORKS FACILITY

180 Vickers Drive
Milford, DE 19963
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Anthony J. Chipola III, Electric Director

PHONE 302.422.6616, Ext 1137

achipola@milford-de.gov

To: Mayor and City Council
From: Anthony Chipola, Electric Director
Subject: September 2024 Electric Dept Staff Report
Date: November 4, 2024

Director's Office

- Continued evaluating Load Flow Analysis Software
- Obtained Fiber Network software
 - Engineering & IT supported installation
 - Working w/ Z. Lawson to input data into GIS
- Met Customer to discuss solar interconnection constraints
- Participated in internal PW discussion regarding two DELDOT bridge replacement projects
- Participated in DELDOT Monthly Project Update Mtg
- Celebrated Public Power Week w/ staff
- Oil Sampling and Analysis completed through SD Myers
- Attended monthly AMI call with AMP
- Worked w/ various groups to coordinate mutual aid support
 - Crews were readied to respond, but not activated
- Attended DEMEC Regular Board Mtg
- Attended 2024 Service Awards
- Met w/ W. Shafer, J. Puddicombe, T. Barnett to discuss electric mark-outs
 - Reviewed process for submitting and challenges with system
 - Reviewed locations with missed mark-outs
 - Identified need for improved communication
- Met w/ vendor to demo OH Fault indicating tools
- Participated in DEMEC special board mtg
- Completed cyber security training

Electric Lines

- Tyler Sewell completed Apprenticeship training
- Attended DEMEC tool & truck expo
- Installed WIFI access point for IT
- Offered crew for mutual aid support
- Continued Three phase extension project along Williamsville Rd
- Continued construction activities for New Business
- Developed various estimates for new developments
- Responded to various outages

Technical Services and Engineering

- Repaired leaking control tubing and made adjustments to the 10th st water tower altitude valve to prevent overflow
- Reviewed several solar interconnection applications using the new online civic access process
- Working with AMP to resolve compatibility issues with Kamstrup meters and Itron endpoints. Assisted Customer Service in identifying and correcting a problem with the AMI demand reads
- Added new / proposed Pump Stations to SCADA for the new developments (Red Cedar Farms, Milford Corp Center, Hickory Glenn)
- Assisted with install of wifi extender up on the pole in the back of Arenas for IT
- Removed damaged fans from Del 2 T2 and replaced Del2 T1 fan junction box
- Processed multiple applications for solar panel interconnections

System Modernization Strategy Update:

Critical Path(s):

Finalization of Electrical Infrastructure Mapping

Continue auditing power quality issues identified through Meter Data Management tool (ie voltage events)

Next Steps:

Engage Engineering Consultant on leveraging current systems and infrastructure for CVR implementation and develop scope of work.

EV Charger Statistics	<u>Previous Month</u>	<u>Current Month</u>
Unique Drivers	55	46
# of Sessions	175	185
Energy Delivered (MWh)	4.91	5.69

Total Avoided Greenhouse Gas Emissions:

23,715kg

Electric Department -October 2024	October 2023	October 2024	FY24 YTD (07/01/23-10/31/23)	FY25 YTD (07/01/24-10/31/24)
Electric Division				
Trouble Service Call	26	10	86	121
Work Orders Completed	37	56	180	264
Outages	6	4	31	34
LED Street Lights Replaced	4	1	14	4
New Service Install	5	22	29	59
Poles Replaced	2	13	8	17
After Hours Calls	14	6	55	60
Vegetation Control (Days)	2	10 + Asplundh	6	33 + Asplundh
Technical Services Division				
New Electric Service Installed/Meter Set	11	77	45	215
New Water Service Installed/Meter Set	14	43	34	122
Electric Meter Replacement	7	5	22	16
Water Meter Replacement	109	82	215	279
Work Orders Completed	873	417	2,973	1,456
After Hours Calls	4	6	12	31

4 outages - 1 unknown, 2 birds, and 1 squirrel.

TO: Mayor and City Council

FROM: Rob Pierce, AICP - Planning Director

DATE: November 4, 2024

RE: October 2024 – Planning Department Staff Report

- During the first ten months of the 2024 calendar year, the City issued 208 new residential dwelling construction permits.
- The City of Milford has seen 232 projects with a committed investment of over \$36.9 million within the Downtown Development District (DDD) area since September 2016 (based on permit valuations from submitted applications). The State of Delaware has committed or awarded over \$4.4 million in grant funds for both large and small commercial and residential projects in Milford. The City has waived over \$1,061,000 in permit fees and taxes associated with these projects in accordance with Chapter 19 Economic Development and Redevelopment and DDD program guidelines (click the below link to see project locations).
<https://maps.milford-de.gov/portal/apps/webappviewer/index.html?id=4ae5fcb23f0c466b924cecc41fc1db46>
- The Planning Commission will review three applications at the November Planning Commission meeting. Recovery Solutions Group, LLC is seeking a preliminary site plan approval for a project within Independence Commons, Mispillion Apartments II is seeking a preliminary site plan approval for 16 multi-family units on their property along S. Walnut Street and Oak Forest Park, LLC is seeking a conditional use approval for an Electronic Message Center sign for the Southern Delaware Golf Club and Big Oyster Brewery along S. Rehoboth Boulevard.
- The Board of Adjustment will review seven applications at the November meeting. Applications include variances related to the Oak Forest Park, LLC conditional use application for an electronic message center sign, two applications for Sussex County Habitat for Humanity for the construction of new homes within the Downtown Development District area, a lot coverage exceedance request for a lot in Hearthstone Manor, a lot coverage exceedance request for a property on Barker Street, variance requests associated with the construction of an accessory dwelling unit on New Street, and a fence height exceedance for a property at the corner of Old Shawnee Road and Route 113.
- The City reviewed a final site plan submission for Bayside Gymnastics and administratively granted final site plan approval.
- The City reviewed a resubmission of the Mispillion Apartments II preliminary site plan and placed the item on the November Planning Commission agenda for consideration.
- The City received and reviewed a resubmission of the Recovery Solutions Group, LLC preliminary site plan application and placed the item on the November Planning Commission agenda for consideration.

- The City approved the Nuevo Amanecer Church water connection plan for the property along S. Rehoboth Boulevard.
- The City reviewed a resubmission of the Sussex Campus Development, LLC (Bayhealth Daycare) final site plan and provided comments to the applicant. The City received subsequent resubmission and is currently reviewing the plan.
- The City reviewed a final site plan resubmission for the Caliber Collision project and provided review comments to the applicant. The City received a subsequent submission and is currently reviewing the plan.
- The City reviewed a final site plan submission for the Cascades – Phase II project and provided comments to the applicant.
- The City received a final site plan submission for the Southern States site plan and is currently reviewing the plans.
- The City reviewed a preliminary major subdivision application for Cypress Hall Phase III and provided plan review comments to the applicant.
- The City received a resubmission for the Mavis Discount Tire preliminary conditional use site plan application and is currently reviewing the application.
- The City reviewed a final site plan submission for the Bayside Gymnastics project and granted final site plan approval.
- The City held a bid opening for the Milford Corporate Center Phase I Onsite and Offsite project on October 16, 2024. The City and KCI are reviewing the bids and preparing a recommendation for City Council.
- Staff attended the bi-monthly Dover/Kent County Metropolitan Planning Organization (MPO) Technical Advisory Meeting (TAC).
- Staff attended an Affordable Housing Fair organized by the Greater Milford Chamber of Commerce on Saturday October 12th at the Boys and Girls Club.
- Staff attended the Cabinet Committee for State Planning Issues Data Analysis Workgroup Kent County workshop on October 23 at the DelDOT administrative building in Dover.
- Attended our last day of EP&L implementation focusing on license renewal procedures and materials. Business, Contractor, Vendor and Residential Rental License renewal notices were emailed to contacts the first week in November. Paper notices will also be sent later this month. Licenses can now be renewed online through the Civic Access portal.
- Staff attended the weekly ERP Project update meetings.
- Staff is working on drafting a zoning code amendment to establish a Historic District Commission.
- Staff prepared a draft ordinance related to Marijuana zoning regulations and prepared materials for upcoming public meetings related to marijuana businesses.
- Staff is in the beginning stages of preparing for a Downtown Development District renewal application submission. Our current designation expires in 2026 and the State has provided an application for current districts to renew their designations for another 5 years. The renewal would extend our designation until 2031.
- Staff continue to work towards implementing the goals and objects of the 2018 Comprehensive Plan, SE Master Plan, Downtown Development District (DDD) application, Rivertown Rebirth Master Plan and Strategic Plan (see below links).
 - [2018 Comprehensive Plan & SE Master Plan \(Click Here to View\)](#)
 - [Downtown Development District Plan \(Click Here to View\)](#)
 - [Rivertown Rebirth Master Plan \(Click Here to View\)](#)

- [Strategic Plan – Press Play: Vision 2023 \(Click Here to View\)](#)

Case Activity:

	Count
New Cases	52
Cases Closed	58
Open Cases at Start of Period	526
Open Cases at End of Period	529

*366 open cases are for weeds/grass which stay open until the end of the year.

Violation Activity:

New Violations Cited	Count
Animals	1
Building	3
Exterior Property Areas	3
Exterior Structure	14
Floodplain	0
Interior Structure	0
Legacy	5
Licensing	0
Noise	0
Residential Rental	5
Right-of-Way	0
Rubbish	8
Sidewalk	0
Unregistered/Inoperable Vehicle	8
Vegetation	5
Zoning	0
Total	52

Rental Licenses Issued: 22

Vendor Licenses Issued: 2

Contractors Licenses Issued: 24

Business Licenses Issued: 9

Building Permits Issued:

Permits Issued by Type	Count
New Townhouse	18
Roof	14
New Single-Family Detached	11
Fence	9
Residential Exterior Renovation	6
Residential Interior Renovation	5
Electric	3
Commercial Interior Renovation	3
Sign	3
Accessory Structure	2
Demolition	2
Addition	1
Detached Garage	1
Milford Solar Part 1	1
New Core & Shell	1
Renew/Extend Existing Permit	1
Right of Way Construction	1
Right of Way Permanent Use	1
Sewer	1
Siding	1
Total	85

Inspections Performed:

Inspections Performed by Type	Count
Footing	31
Foundation Wall	19
Slab	19
Waterproofing	11
Foundation As-built	18
Framing	54
Dry-in	23
Insulation	30
Energy Final	25
Final	71
Residential Rental	83
Total	384

PARKS & RECREATION DEPARTMENT
207 Franklin Street
Milford, DE 19963



PHONE 302.422.1104
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TO: Mayor and City Council
FROM: Brad Dennehy-Parks and Recreation Director
DATE: 11/4/2024
RE: October 2024 – Parks and Recreation Staff Report

Parks

- Weekly refuse collection was performed on all City receptacles in the parks and downtown areas.
- Although we are in a drought, crews continued to be kept busy with grass cutting at all City owned facilities.
- Parks crews also continued to perform a variety of maintenance projects.
- Part-time staff continued to water flowers in the hanging baskets and throughout the downtown throughout the first half of October.
- Staff continue to monitor and address any issues which are submitted by the seeclickfix app.
- Contracts have been signed for repairs to be made at the Can-Do playground. We have coordinated with a recreation manufacturer and all necessary repairs should be made in early November, including surfacing.
- We continue to make repairs to the brick pavers in the downtown area, this is an ongoing project.
- Due to the drought-like conditions staff began re-irrigating the soccer fields at Tony Silicato Memorial Park.
- Our large tractor was taken to Southern States to get some new attachments fitted, which were purchased as part of the CIP.
- Several areas of shrubbery were trimmed including municipal parking lots, Penn Fountain walkway, the Armory and Chaney Wilmont walkway.
- Several trees were trimmed on the North side berm on Airport Road.
- The retention ponds at Parks and Recreation and the electric substation on route 113 were trimmed to the ground of vegetation.
- Crews assisted with the Community parade with delivery of the mobile stage, installed barricades and signs at the Milford Community Cemetery to prevent access during the event, and placed additional trash cans out on the parade route.
- Following the event the next day crews walked the entire parade route picking up ground trash.

- Several days were spent cleaning up the yard of debris and junk. 6 dump trucks of waste was removed, including approximately 40 car tires and approximately \$360 in scrap metal.
- All park vehicles were pressure washed and cleaned up both on exterior and interior.
- Towards the end of the month crews removed the hanging flower baskets downtown and removed the flowers and dirt. In preparation for the holiday season and decorating, baskets began to be lined with aqua foam. The scheduled planting day is November 24th.
- The white vinyl fence at Marvel Square and Bicentennial Park were cleaned and pressure washed.
- Staff assisted with the setup and breakdown of the employee awards and recognition event which was held at Parks and Recreation.
- New lighted garland was ordered for lamp posts downtown and staff began bringing out lights to test for the holiday season.

Other

- Director participated in the Capital Project meeting 10/3.
- Director and design consultant held a pre-bid meeting for the City Hall Plaza project.
- The City Manager and the Director attended a Bayshore Byway project meeting with Del.DOT. We are still pursuing Federal funding for the downtown restroom. The project requires several internal reviews from Del.DOT and it is currently under environmental impact review.
- Staff continue to embrace and use the new Tyler Munis workorder system.
- All Mileage was obtained on all vehicles assigned to P&R for the mechanic's log.
- Staff participated in the Employee awards and recognition event. Director Brad Dennehy and Harold Walls both received recognition for 20 years of dedicated service to the City of Milford.
- Director attended the Milford Community Cemetery meeting 10/18.
- City Manager, City Planner and Parks and Recreation Director attended the Deep Branch pre-submittal meeting with landscape designer and several staff of Del.DOT.

Recreation

I. Winter Program Information

All Fall Programs have officially ended for the year. Our Winter Programs for 2024 have just opened for registration, and early sign-ups are already looking strong for the start of the season.

- **Pickleball League**
 - This program has received such praise that many former players have signed up again along with many new players
 - This program has expanded to include more teams than ever before (18 teams). This program is currently maxed out with 8 teams on the waiting list.

- **Drop-In Pickleball**
 - MPR has included a Drop-In Pickleball morning session.
 - This program has entered its third year in providing social activities for the community.
- **Youth Basketball**
 - MPR advertised this program and within three weeks all four age groups were nearly filled out (123 players).
 - MPR is expecting many more to be waitlisted because of the popularity of this program.
- **Indoor Soccer**
 - This program is nearly halfway full (54 players) in each age group and is expected to be full by the start of December.
 - This season, 9-10 age group will now start playing full court soccer compared to previous seasons.
- **Taekwondo**
 - This program is 4 years old and has been reaching capacity every time and this season is no different.
 - This curriculum has expanded to introduce sparring.
- **Wrestling**
 - This program is nearly full with 23 participants out of 30.





Harold Walls (Park Coordinator) and Brad Dennehy (Director of Parks and Recreation) being recognized for 20 years of dedicated service to the City of Milford.





HUMAN RESOURCES
10 SE Second Street
Milford, DE 19963

PHONE 302.424.5142
FAX 302.424.5932
www.cityofmilford.com

TO: Mayor and City Council

FROM: Jamesha C. Williams, MBA, MSL, IPMA-CP- Human Resources Director

DATE: November 4, 2024

RE: October 2024 –Human Resources Department Staff Report

- Onboarded employees in the following job positions:
Police Officer-2 employees
- Attended HR/Payroll Tyler Munis Sessions, anticipated Go-Live Date-Pending
- 2024 Holiday Party: Friday, December 13, 2024-Carlisle Fire Co Inc., 6:30pm-10:30pm. NEW LOCATION!
NEW DJ/ENTERTAINMENT!
- Job Opening: Deputy City Clerk
- The City will continue its partnership with the Greater Milford Boys & Girls Club for the 2024 Adopt A Family Program.
- The 2024 job classification and pay study will begin on November 14, 2024. The City has conducted job classification and pay studies every 4 years since 2017.
- The City has begun its first step with an employee healthcare survey with Delaware Health Valley Trust (DHVT) for health insurance effective July 1, 2025. Currently, DHVT is the health insurance provider for the City of Newark, Town of Middletown, and Kent County Levy Court. DHVT also includes a wellness program that provides financial incentives directly to employees for completing wellness initiatives (e.g., gym reimbursements, biometric screenings, colonoscopy. etc.) A major difference between the State of Delaware and Delaware Health Valley Trust, is that Delaware Health Valley Trust's network is Aetna only. The completion of this survey will allow for a seamless transition effective July 1, 2025.

Date: November 2024
To: Mayor and City Council
From: Bill Pettigrew – IT Director
Re: October 2024 Information Technology Department Staff Report

Cybersecurity Awareness Month - We have sent out mandatory training to all city staff to help maintain the security of our systems. Update we have also been sending out Phishing tests to challenge our workforce.



Use this for next month

Docuware City Wide Document Management - Most of the conversions are complete, and we are now using Docuware to replace end-of-life and no longer supported applications.

Network Infrastructure Upgrades - We have installed devices that allow us to remotely reset switches and shut down our network in case of issues, including ransomware. In the last two years, we upgraded our network infrastructure, providing us with up-to-date hardware and a more secure network.

Tyler Munis ERP - We are still experiencing some HR and Payroll issues with Tyler. We have identified the problems, and Tyler is working through the list. Utility Billing will be the next major module to address.

IT Physical Access Control (CIP) - We are awaiting an installation date from Advantech.

State Local Cyber Security Grant - We are pending federal government approval for reimbursement for the OKTA single sign-on and adaptive MFA, which protects us from the constant barrage of cyber-attacks.

Business Impact / Business Continuity Plan- Ongoing Coordinated Response is now working with other departments to complete the BI/BC plan.

Milford Hosted DEMEC's Cyber Security Roundtable - Milford hosted DEMEC's quarterly meeting on Tuesday, September 10th. This meeting brings together many municipalities across Delaware to discuss cybersecurity issues. I spoke about the significant upgrades Milford has completed in the last two years.



Riverwalk Public Wi-Fi (CIP) - Phase one is complete, and with the help of the electrical department, we will be completing phase two, expanding our coverage. We will then monitor, analyze, and gather feedback from citizens to determine any additional phases.

As of October 7, 2024, these are the statistics:

- 215 unique clients
- Average of 16 clients per day (increasing to around 25 now)
- Average usage of 618.4 MB
- 12 users have accessed the secure password-protected farmers market site
- The highest number of users was during Freedom Fest (66)
- We received positive press from many outlets.



The mayor doing an interview with WMDT 47

Milford Public Wi-Fi analytics chart

Global Overview

Organization
City Of Milford IT

Network
Milford-Public-Wifi

Network-wide

Wireless

Organization

Find in Menu

Summary Report from the last 30 days

NETWORK(S): Milford-Public-Wifi
 DEVICE TAG: All devices
 SSID: All SSIDs
 SHOW TOP RESULTS: 10
Export to Excel

[Customize report](#)

Usage stats

TOTAL DATA TRANSFERRED	TOTAL DATA DOWNLOADED	TOTAL DATA UPLOADED
129.84 GB	120.00 GB	9.84 GB

Client stats

TOTAL UNIQUE CLIENTS	AVERAGE # OF CLIENTS PER DAY	AVERAGE USAGE PER CLIENT
215	16	618.4 MB

Usage over time

Clients per day

Splash page

NUMBER OF CLIENTS TO REQUEST PAGE	NUMBER OF CLIENTS GRANTED ACCESS
199	164

Top clients by usage

Description	Usage	% Usage
ee4a5262-212e-4c22-bbec-69fc15841d44	26.51 GB	20.42%
Galaxy-A12	13.33 GB	10.27%
MSI	4.42 GB	3.40%
Galaxy-A03s	4.33 GB	3.34%
Android-2	3.91 GB	3.01%
a063eadb-93b0-4194-90d9-492bb680017e	3.70 GB	2.85%
accafd-fd-b34c-427c-8af1-b8e4a90f8c23	3.70 GB	2.85%
Mike-s-S23	2.80 GB	2.15%
0E:69:9A:98:D4:12	2.76 GB	2.13%
Android	2.75 GB	2.11%

Number of sessions over time

Top SSIDs by usage

Name	Encryption	# Clients	Usage	% Usage
Milford-Free	Open	203	120.39 GB	92.72%
Milford-Market	WPA2	12	9.45 GB	7.28%

Top devices

Name	Model	# Clients	Usage	% Usage
e4:55:a8:53:39:97	MR86	186	97.71 GB	75.26%
e4:55:a8:53:39:bc	MR86	123	32.13 GB	24.74%
e4:55:a8:53:39:67	MR86	1	17 KB	< 0.01%

Update: We had Santa's helpers throw the breaker cutting off the one Wi-Fi access point which now has a warning sign up. The City's electrical department will be hanging an additional access point for phase 2. If council would like to expand the wif system we will consider additional infrastructure in next years budget.



FINANCE DEPARTMENT
10 SE Second Street
Milford, DE 19963

PHONE 302.424.5140
FAX 302.424.5932
www.cityofmilford.com

To: Mayor and City Council
From: Louis C. Vitola, Finance Director
Date: November 5, 2024
Re: October 2024 Finance Department Staff Report

- Monthly Financial Reporting
 - The Finance Report for the quarter ended September 30, 2024 was presented to City Council
- Training and Improvement Efforts

FINANCE DEPARTMENT TRAINING - OCTOBER 2024

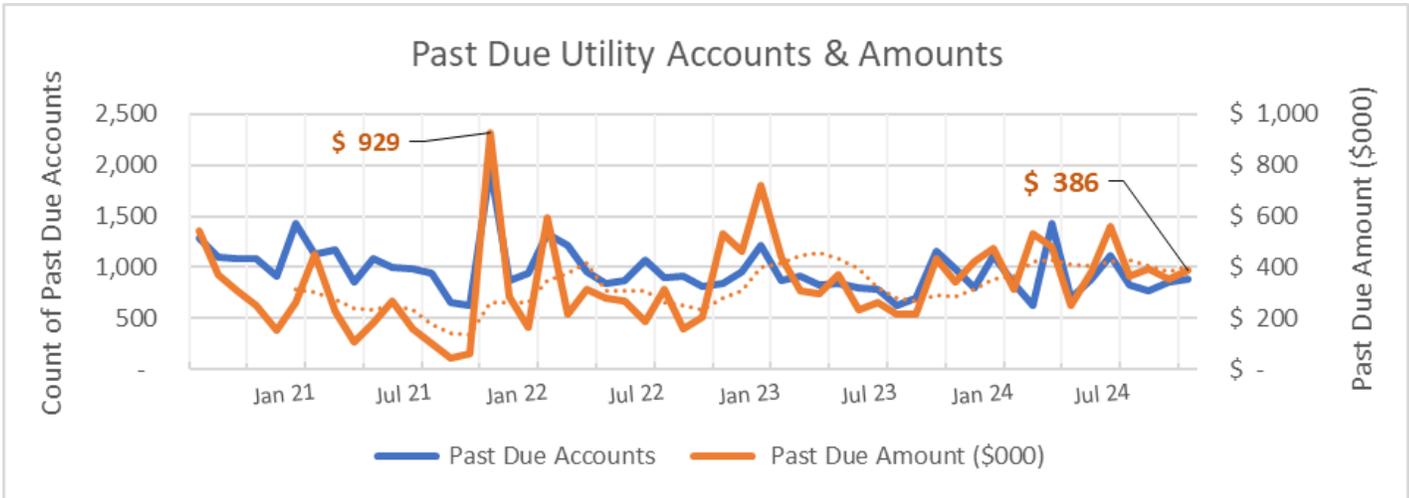
FINANCE DEPT TRAINING BY CATEGORY	GRAND TOTAL	FINC SUBTOT	C/S SUBTOT	NOTES
Accounting & Professional Certification	10.0	10.0	-	CPE & GASB/GFOA Lit Review
Customer Service	2.5	-	2.5	Cybersecurity Training
Management & Staff Development	-	-	-	
ERP, Software and Technology	80.3	64.3	16.0	Primarily PR/HR ERP
MONTHLY TOTAL (HOURS)	92.8	74.3	18.5	41.3 TOTAL HOURS LAST MONTH

- Police Facility Project Financing
 - Finance staff is working with the Project Mangers at RYJ, Bank Counsel, the City’s Bond Counsel and the USDA on permanent financing
 - Staff, Bank Counsel and Bond Counsel recommend extension of the PNC BAN; the resolution is on the agenda and in the packet for the November 12, 2024 meeting of City Council
 - Complete reconciliation will be provided to Council when all activity is processed and the loan closes
- FY23 Audit
 - The FY23 audit process has been delayed as a result of the extended FY21-22 processes
 - Independent review and testing was conducted remotely for most of October, and the auditors were onsite October 23-24, 2024
 - The first and second internal drafts of the FY23 financial statements were distributed to the Finance and Audit Committee and City Council, respectively
 - The third and final draft of the FY23 financial statements is included in the 11/12/2024 packet
 - In the meantime, staff are reconciling FY24 accounts in preparation for the FY24 audit process
- Vendor payment processing utilizing EFT capabilities in the new system continues to grow as we identify and convert vendors from check payment to EFT payment default; third party accounts payable check and ACH processing is being explored with the City’s commercial bankers at WSFS to promote redundancy and save finance department overhead costs
- Billing & Customer Service Department
 - The new tax billing module in Tyler Munis went live as scheduled at the start of the new fiscal year
 - The following web address links to the City’s tax portal for making tax payments, viewing assessments and bills, and finding exemption and appeal information:
 - <https://www.cityofmilford.com/208/Tax-Payments-Assessments-and-Senior-Exem>
 - The extension of the grace period for tax payments is impacting collections. While the A/R balance is high even for this early time of year, we expect heavy collections to continue into the first full week of November.

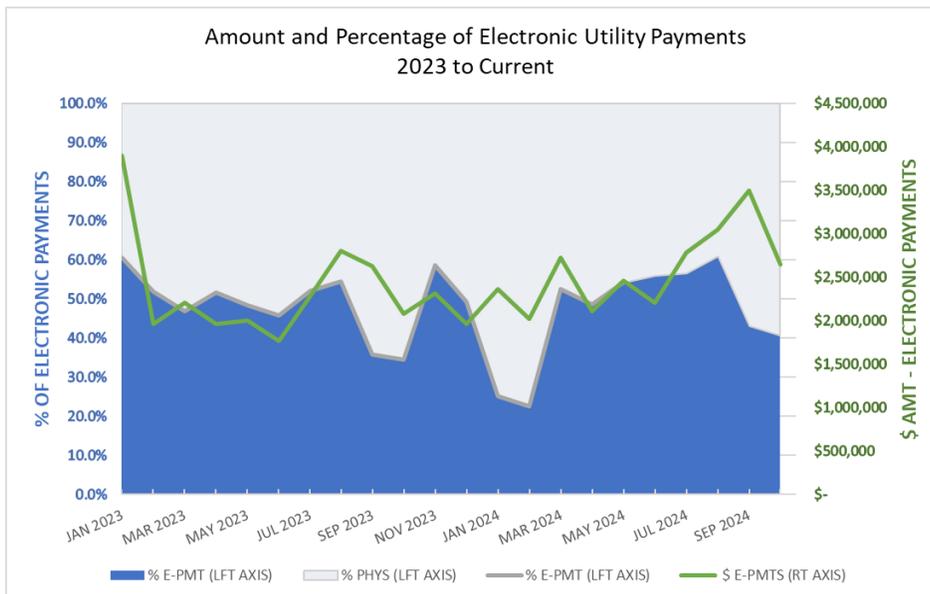
Property Tax Levy	Past Due (\$000) as of:			As % of Levy 11/1/24	Property Tax Levy	As of:		As % of Levy 11/1/23
	11/1/24	12/1/24	1/1/25			11/1/23	11/1/23	
2024 (FY25)	\$766			12.3%	2023 (FY24)	\$396		7.0%
2023 & Prior	\$274			4.4%	2022 & Prior	\$149		2.6%
Total	\$1,041	\$0	\$0	16.7%	Total	\$544		9.6%

• Billing & Customer Service Department, Continued

- October results show slightly higher past due amounts and accounts versus September and are mixed compared to last October and the long-term average – the count of past due accounts is better than last October and the average, but the amount past due has increased versus both metrics
 - The count of past due accounts (blue) is 10% below average and 11% lower than last October
 - The dollar amount past due (orange) is 18% above average and 13% higher than last October



- The graph below exhibits the dollar amount and percentage of electronic payments by month from January 1, 2023 through October 31, 2024
 - This graph replaces the previous chart to better show the penetration of electronic payments – incoming wires, ACH payments, and automatic card transactions – as a function of all payments, which include cash, check, and other physical forms of payment
 - The blue area represents e-payments as a function of all payments & corresponds to the blue axis
 - The green line represents the dollar amount of e-payments & corresponds to the green axis at right
 - The reduction in both the amount and proportion of e-payments reflects the reversion toward normal cash operations following the impact of tax payments, many of which are made via check.
 - The lower volume of electronic payments is expected, and the proportion was stable enough to foretell a recovery in November, if not by December due to lingering property tax payments
 - The percentage of all e-payments is improved versus last October (40.6% vs 34.4%), while the proportion specific to utilities is slightly lower than the same period last year (19.6% vs 20.8%)



To: Mayor F. Todd Culotta and City Council
From: Louis C. Vitola, Finance Director
Date: November 12, 2024
Re: FY23 Financial Statements – Final Draft

EXECUTIVE SUMMARY

Please review the enclosed final draft (Draft #3) of the FY23 Financial Statements. The statements now permanently reside with the City's independent auditors for review at the partner level, and we hope to receive final comments, audit findings and an issue date in the coming weeks.

TIMELINE

- 8/31/24 – 9/3/24
 - Final adjusted trial balance, supporting schedules, footnote tables, partial footnote narratives, conversion schedules, and other materials provided to the City's independent auditors, Zelenkofske Axelrod, LLC ("ZA") for review
- 9/4/24 – 10/22/24
 - Finance staff responded to questions and inquiries related to the financial statement presentation, giving rise to seven (7) "period 14" adjusting entries
 - Finance and customer service staff responded to pre-testing inquiries and provided support for the majority of requests prior to ZA's on-site testing date
 - Production and refinement of the financial statements, conversion schedules, and footnote narratives continued
- 10/23/24 – 10/24/24
 - ZA visited the Finance Office to conduct live testing, perform fraud inquiries, investigate internal controls, review documentation, etc.
 - ZA shared an additional 14 adjustments, while finance staff identified two final adjustments for a total of 23 adjusting entries
- 10/25/24 – 10/28/24
 - Staff completed the first comprehensive draft of the FY23 financial statements
 - "Draft #1" was distributed to the Finance and Audit Committee through the packet for the October 28, 2024 meeting
- 10/28/24
 - The Finance and Audit Committee and City Council were briefed on the audit timeline, progress and status
- 10/29/24 – 11/4/24
 - ZA responded with comments, questions and markups to Draft #1
 - Finance staff completed Draft #2 and distributed the draft to City Council via email on 11/4/24 (see enclosed email correspondence)
- 11/4/24 – 11/5/24
 - Finance staff met with ZA via conference to solicit answers to questions unique to the FY23 financial statements; ZA provided answers to all questions
 - Finance staff completed Draft #3, which is enclosed and published to the City Council packet for the November 12, 2024 meeting

From: [Vitola, Louis](#)
To: [Whitfield, Mark](#)
Cc: [Katrina White](#); [Kevin Gaboriault](#)
Bcc: [Culotta, Todd](#); [James, Jason](#); [Nirmala Samaroo](#); [Michael Stewart](#); [Katrina Wilson](#); [Madula Kalesis](#); [Lori Connor](#); [Nadia Zychal](#); [Marabello, Daniel](#) FY23
Subject: Financial Statements - Updated Draft
Date: Monday, November 4, 2024 11:18:00 AM
Attachments: [City of Milford Financial Report - FY23 DRAFT 2 11042024.pdf](#)

Dear Mayor Culotta and City Council Members,

Please find the most current draft of the FY23 Financial Statements for your review. This draft will also be in the council packet for the Tuesday, November 12 meeting, at which I'll provide an update on the audit process. In the meantime, please browse the report, analyze the statements, and don't be shy about digging in and asking questions before next Tuesday's meeting with a reply to all or any outreach directly to me and Mark.

The auditors quickly provided comments on the 10/28/2024 Draft #1, which was published in the Finance and Audit Committee packet last week, so we decided to update the draft before distributing this version to all of you.

Again, please let me know if you have any questions, and as always, thank you.
Kind regards,
Lou



Louis Vitola | Finance Director
lvitola@milford-de.gov | O: 302.424.5140 | C: 302.300.7137
10 SE 2nd St. | Milford, DE 19963 | www.cityofmilford.com



The City of Milford, Delaware

Annual Financial Statements

[Excluding Independent Auditor's Report]

As of and for the Year Ended June 30, 2023

[DRAFT #3 - FINAL INTERNAL DRAFT]

NOVEMBER 5, 2024

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

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TRANSMITTAL LETTER

November 4, 2024

The Honorable Mayor and Members of the City Council
City of Milford, Delaware

The Finance Department and City Manager's Office are pleased to submit the Annual Financial Report for the City of Milford, Delaware, for the fiscal year ended June 30, 2023.

This report is published to provide the City Council, City staff, our citizens, bondholders and other interested parties with detailed information concerning the financial condition and activities of the City government. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the City.

To the best of our knowledge and belief, the enclosed data is accurate in all material respects, and is organized in a manner designed to fairly present the financial position and results of operations of the City as measured by the financial activity of its various funds. We also believe that all disclosures sufficiently inform that data to enable the reader to gain a complete understanding of the City's financial condition and performance.

REPORT STRUCTURE

The accompanying financial section includes a Management's Discussion and Analysis (MD&A), basic financial statements including combining and individual fund statements, required supplementary information and schedules, and addition information and reports, as well as the independent auditor's report on the basic financial statements upon completion of the audit. We expect Zelenkofske Axelrod LLC to issue an unmodified opinion on the City's financial statements for the year ended June 30, 2023. The independent auditor's report will be located at the front of the financial section of this report upon finalization of the audit process.

The MD&A is a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement and should be read in conjunction with the MD&A. The City of Milford's MD&A can be found immediately following the report of the independent auditors.

The Financial Section described above is prepared in accordance with generally accepted accounting principles for governments as prescribed by the Governmental Account Standards Board (GASB) and other professional associations, as applicable.

CITY PROFILE

Location & Demographics

The City of Milford is the fifth largest city in population in the State of Delaware, serving more than 13,000 residents within a rapidly growing corridor along U.S. Route 113/DE Route 1 in Kent and Sussex Counties. Located on the Mispillion River, within both Kent and Sussex Counties, the City is approximately 95 miles from Philadelphia, Pennsylvania, 85 miles from Baltimore, Maryland, and 100 miles from Washington, D.C. Locally, the City is 19 miles south of Dover, the State Capital.

Form of Government

The City is a home rule city operating under the Council-Manager form of government. The City Council is composed of the Mayor and eight Council members, who enact local laws, determine policies and adopt the annual budget. The City Manager is appointed by the City Council and is responsible for the daily management of the City. The Basic Financial Statements of the City include all government activities, organizations and functions for which the City is financially accountable as defined by the GASB. Based on these criteria, no other governmental organizations are included in this report.

OPERATIONS AND FINANCIAL MANAGEMENT

Services Provided

The City of Milford provides critical public services and utilities in the most efficient and cost-effective manner possible for the benefit of its citizens, the business community and non-resident utility customers. Major services provided under general government and enterprise functions include police protection, water and sewer services, electric services, sanitation services, park and recreational facilities, street improvements and general administrative services.

Accounting System and Budgetary Control

The City's accounting records for general governmental operations are maintained on a modified accrual basis with revenues recognized when available and measurable, and expenditures recorded when goods or services are received and associated liabilities are incurred. Accounting records for the City's utilities and other proprietary activities are maintained on the accrual basis.

In developing and maintaining the City's accounting system, consideration is given to the adequacy of the internal control structure. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the evaluation of costs and benefits requires estimates and judgements by management.

All internal control evaluations occur within the context of the framework. We believe that the City's formal and informal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

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

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

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

OTHER INFORMATION

Independent Audit

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

Acknowledgements

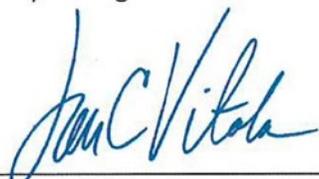
The preparation of this report could not have been accomplished without the efficient and dedicated service of the City's Finance Department staff. We sincerely appreciate the efforts made by the Finance team as well as dedicated employees throughout the City.

We sincerely thank the Mayor, Milford City Council and the Finance & Audit Committee for their responsible oversight of the City's independent audit process. We especially appreciate the active interest and open support of our continued pursuit of improvements to the transparency, relevance and timeliness of the City's financial planning and reporting processes.

Respectfully submitted,



Mark A. Whitfield
City Manager



Louis C. Vitola
Finance Director

INDEPENDENT AUDITOR'S REPORT

p.1

[To be submitted by Independent Audit Firm]

INDEPENDENT AUDITOR'S REPORT

p.2

[To be submitted by Independent Audit Firm]

INDEPENDENT AUDITOR'S REPORT

p.3

[To be submitted by Independent Audit Firm]

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

The Administrative and Financial Management of the City of Milford, Delaware are pleased to offer readers of the City's financial statements this narrative overview and analysis of the financial activities and financial position of the City for the fiscal year ended June 30, 2023. In the broadest context, the financial well-being of a government lies in the underlying means and willingness of its citizens and property owners to fund their pro rata allocation of taxes to support the vision of the government's elected and appointed leadership to deploy tax receipts strategically to ensure the City's tax base, service levels, City assets and the City's desirability will be maintained not just for the current year but well into the future. Financial reporting is limited in its ability to provide this "big picture" but rather focuses on financial position and the net changes in financial position from year to year. In other words, are revenues and expenses higher or lower than the previous year? Has net position (containing both short- and long-term assets and liabilities) or fund balances (the current "spendable" assets less current liabilities) of the City been maintained? We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal (pages i-iii of this report) as well as information contained in the City's annual budget and other community information that can be found by visiting the City's website at www.cityofmilford.com. It should be noted that small differences across different financial statements and tables may differ due to rounding. In addition, the Independent Auditor's Report describes the auditor's association with the various sections of this report and that all additional information from the website and other City sources is unaudited and has not been updated for events that may have occurred following the issuance of the respective report.

IN BRIEF

The assets (and deferred outflows of resources) of the City on a "government-wide" or consolidated basis exceeded its liabilities (and deferred inflows of resources) at the close of the most recent fiscal year by approximately \$115.1 million (net position). This amount, while representing an increase in excess of \$7.4 million (6.9%), must be viewed in the context that a significant portion of the City's net position (\$66.4 million, or almost 58%) is invested in capital assets, net of related debt, and that most capital assets procured for governmental purposes do not directly generate revenue nor can they be sold to generate liquid capital. Net position totaling \$16.7 million, or 14.5% of total net position, is restricted for capital improvements. The remaining \$32 million represents unrestricted net position that may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies. This unrestricted portion of net position decreased by \$4.2 million (11.6%) during fiscal year 2023 (FY23).

As of the close of FY23, the City's governmental activities (a subset of the government-wide information reported in the preceding paragraph) reported \$34.2 million in total net position. Within this total, \$27.2 million (80%) is invested in capital assets, net of related debt, and \$7.4 million is restricted by specific legal requirements. This leaves a residual deficit of \$0.4 million in unrestricted fund balance, which should not be interpreted as budgetary or operational inflexibility in terms of the governmental funds outlook. Rather, it is a function of interfund activity supporting large capital projects under construction at the close of FY23.

The City's business-type activities include water, sewer, electric and solid waste operations and, combined with the governmental activities, constitute the balance of the activity measured on a government-wide basis. Business-type activities closed the year with a \$4.0 million (5.2%) increase in net position to \$81.0 million, \$39.3 million (48.5%) of which is invested in capital assets, net of related debt. Another \$9.3 million (11.5%) is restricted by specific legal requirements. The remaining net position of \$32.4 million (40%) is unrestricted at fiscal year-end.

Additional details regarding the structure of the City's financial reporting segments and the performance of the City's various funds and departments can be found in the sections that follow.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is presented by City management to introduce the City's basic financial statements, which include four major components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements, and 4) required supplementary information, including this MD&A narrative. This report also contains other important information, such as the report on internal controls governing federal grant awards.

Government-Wide Financial Statements – The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business. The Statement of Net Position presents information on all of the City's assets (and deferred outflows of resources), liabilities (and deferred inflows of resources) with the difference between them reported as net position (similar to a private sector balance sheet). Net position can be divided into restricted and unrestricted net position, with the former representing balances that are legally or contractually reserved for a particular purpose. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The Statement of Activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. tax revenue that has yet to be collected, or "compensated absences" – employee time off earned but unused this fiscal year). When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the City's policy is to apply restricted net position first.

The government-wide financial statements distinguish between functions of the City that are principally supported by (1) taxes and intergovernmental revenues (governmental activities) versus (2) functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government and administration, public safety, public works, and culture and recreation. The business-type activities of the City include water, sewer, electric and solid waste operations. The government-wide financial statements can be found on pages 18 and 19 of this report.

Fund Financial Statements – A fund is a self-balancing set of accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City,

CITY OF MILFORD, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2023 (UNAUDITED)

like other state and local governments, uses fund accounting to ensure and demonstrate compliance with internal assignments, approved funding commitments, and legal requirements. All City funds can be divided into two categories – governmental funds and proprietary funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Governmental fund balance can be divided into restricted, committed, assigned, and unassigned fund balance categories. In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended by fund balance class follows: restricted, followed by committed, assigned, and lastly unassigned. Non-financial “fixed” assets such as governmental buildings, roads, drainage ways, and park land that do not generate revenue or provide liquidity in the short term are excluded from the fund financial statements. Similarly, long-term liabilities such as bonds payable in ten years or pension liabilities with a multi-decade liability table will not be paid with current assets and are therefore excluded from the fund financial statements. Such long-lead future events are not as useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the near-term, current information presented for governmental funds with the similar, but more comprehensive, long-term information presented for the governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds (short-term “fund” statements) and governmental activities (long-term “government-wide” statements). The governmental financial statements can be found on pages 20 and 22 of this report.

Proprietary Funds – The City maintains two types of proprietary funds. Enterprise funds are presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, electric and solid waste operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses its internal service funds to account for its fleet management, billing services, shared technical services, public works, and City Hall building maintenance cost allocation programs.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer, electric, and solid waste funds because all are classified as major funds of the City. All internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. The basic proprietary fund financial statements can be found on pages 24 through 26.

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MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
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Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27 through 58.

Other information – In addition to the basic financial statements and accompanying notes, the basic financial statements contain required supplementary information, including this MD&A.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table (“*MDA Schedule 1*”) summarizes the City’s net position resulting from both the governmental activities and business-type activities reported in Milford’s government-wide financial statements as of June 30, 2023, including comparative tools as of June 30, 2022.

MDA Schedule 1

CITY OF MILFORD NET POSITION (*Unaudited*)
(Amounts in Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2022	2023	2022	2023	2022	2023
Current and other assets	\$ 18,417	\$ 10,027	\$ 42,923	\$ 46,637	\$ 61,340	\$ 56,665
Capital assets, net	23,548	31,056	54,424	54,311	77,972	85,366
Total Assets	41,965	41,083	97,347	100,948	139,312	142,031
Deferred outflows of resources	1,432	2,185	266	256	1,698	2,441
Long term liabilities	1,399	3,554	14,729	13,825	16,128	17,378
Other liabilities	5,491	4,565	5,959	6,422	11,450	10,987
Total Liabilities	6,890	8,119	20,688	20,246	27,578	28,365
Deferred inflows of resources	5,726	976	-	-	5,726	976
Net Position						
Net investment in capital assets	18,283	27,178	39,369	39,277	57,652	66,455
Restricted	5,173	7,382	8,683	9,303	13,856	16,685
Unrestricted	7,325	(386)	28,873	32,376	36,198	31,991
Total Net Position	\$ 30,781	\$ 34,174	\$ 76,925	\$ 80,957	\$107,706	\$115,131

Over time, a government’s net position (especially *changes in* net position by *category*) may serve as a useful indicator of the organization’s financial condition. The City of Milford is no different; the \$7.4 million (6.9%) improvement in Milford’s total net position from \$107.7 million as of June 30, 2022 to \$115.1 million as of June 30, 2023 reflects positive financial performance (See *MDA Schedule 1*). The City’s net position in FY23 was influenced by strong investment in ongoing capital projects, many of which were funded through the application of federal and state grants. US Treasury American Rescue Plan Act (“ARPA”) funding and Delaware Community Reinvestment Fund (“CRF”) grants collected before and during FY23 were consumed in the pursuit of investments in the City’s parks & recreation system, utility infrastructure, and capital equipment. Net position increased in total and within the governmental and business-type activities alike. However, the consumption of current resources in favor of investment in fixed assets contributed to an overall reduction in unrestricted net position. Though the change in the composition of the City’s net position infers reduced flexibility in the short term, the reality is that unrestricted net

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position grew across all enterprise funds and internal service funds during FY23. Further, the decrease in unrestricted funds across governmental activities (general funds) is neither a function of eroding assets – liquid or otherwise – nor a function of expanding liabilities. Rather, it is an effort by the City's elected officials and administrative leadership to ensure that existing funding remains available into the future for critical operations, capacity-driven capital improvements, and citizen-demanded facilities. By committing funding to traffic improvements, bike and walking trails, parkland and recreation, public safety initiatives like modern facilities and assigned vehicles, and even operational funding assignments, Milford is outwardly demonstrating its ongoing commitment to the community's wants and needs as manifested through professional, periodic citizen survey updates and strategic planning. In total, governmental net position increased in FY23 – and the shift in its composition away from unrestricted net position is evidence of the City's continued support for initiatives that have come to fruition in the form of new amenities, facilities and infrastructure – not an indication of financial inflexibility.

The largest portion of the City's net position, \$66.4 million (57.7%) reflects investments in capital assets (e.g., land, building, equipment, improvements and infrastructure), less any outstanding debt used to acquire those assets. The City uses its capital assets and equipment to provide services to citizens; consequently, these assets are not available for future spending, and with the exception of business type assets, do not generate direct revenue for the City. They do, however, represent an obligation on the part of the City to maintain these assets into the future.

Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources required to repay this debt must be provided from other sources, as the capital assets themselves cannot be used to liquidate these liabilities. In addition to the capital assets, another \$16.7 million (14.5%) of the City's net position is subject to legal and local restrictions; the majority of the restricted funds are intended for investment in the repair, maintenance and replacement of capital assets. The remaining balance of unrestricted net position may be used to meet the City's ongoing obligations to citizens, employees and creditors.

MDA Schedule 2 on the opposite page summarizes the City's operating results for the fiscal years ended June 30, 2023 and 2022. Total net position increased by \$7.4 million (6.9%) during fiscal year 2023, which compares well to the City's 10-year compound annual growth rate of 6.2% in total net position. This year's improvement ranks the second and third highest in terms of absolute and percentage growth, respectively, in the last ten years. Milford's FY23 financial performance is the latest example of the City's ability to recognize and respond to economic and operational challenges to maintain strong, consistent results year after year. The overall increase in net position consists of a \$3.4 million (11%) jump in governmental net position and a \$4 million (5.2%) increase in net position across business-type activities. The governmental funds benefited from a combination of operating and capital grant revenue, which is made up of a diverse grant funding mix that is neither a sustainable *certainty* nor a significant risk of erosion or volatility. Property tax revenue increased on a mix of AV growth and the incremental annual rate increase of \$0.01 per \$100 of AV. The improvement in business-type activities is attributable to utility revenue growth through a combination of organic growth in volume and rate adjustments prescribed by multi-year utility rate studies. Additional detail is provided for the governmental and business-type activities in the next two sections.

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FOR THE FISCAL YEAR ENDED JUNE 30, 2023 (UNAUDITED)

The following table ("MDA Schedule 2") provides a summary of the City's operations for the fiscal years ended June 30, 2023 and 2022.

MDA Schedule 2

CITY OF MILFORD CHANGES IN NET POSITION (Unaudited)
(Amounts in Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2022	2023	2022	2023	2022	2023
Revenues						
Program Revenues:						
Fees, fines and charges for services	\$ 157	\$ 103	\$ 35,651	\$ 38,433	\$ 35,808	\$ 38,536
Operating grants and contributions	4,169	3,570	-	-	4,169	3,570
General Revenues:						
Property taxes	4,750	5,020	-	-	4,750	5,020
Real estate transfer taxes	1,413	1,295	-	-	1,413	1,295
Franchise taxes	1,160	1,852	-	-	1,160	1,852
Impact fees	-	-	362	693	362	693
Capital grant	-	1,089	53	-	53	1,089
Gain on sale of property	410	135	-	-	410	135
Investment earnings	54	292	50	758	104	1,050
Miscellaneous	416	250	(341)	(49)	75	201
Total revenues	\$ 12,528	\$ 13,606	\$ 35,775	\$ 39,835	\$ 48,304	\$ 53,441
Expenses						
General government	1,860	2,969	-	-	1,860	2,969
Public safety	6,411	6,291	-	-	6,411	6,291
Public works	1,001	1,124	-	-	1,001	1,124
Culture and recreation	1,760	1,325	-	-	1,760	1,325
Interest on long-term debt	-	-	325	298	325	298
Electric	-	-	22,854	25,678	22,854	25,678
Water	-	-	2,525	2,305	2,525	2,305
Sewer	-	-	4,601	4,451	4,601	4,451
Trash	-	-	1,392	1,576	1,392	1,576
Total expenses	\$ 11,032	\$ 11,709	\$ 31,697	\$ 34,308	\$ 42,729	\$ 46,016
Increase (decrease) in net assets before transfers and special items	1,496	1,897	4,078	5,528	5,574	7,425
Transfers	1,307	1,495	(1,307)	(1,495)	-	-
Change in net position	2,803	3,392	2,771	4,032	5,574	7,425
Net position, July 1	27,978	30,781	74,154	76,925	102,132	107,706
Net position, June 30	\$ 30,781	\$ 34,174	\$ 76,925	\$ 80,957	\$ 107,706	\$ 115,131

Government Activities – The two leftmost columns in *MDA Schedule 2* summarize the City's governmental revenues, expenses, transfers and changes in net position, which ties from *MDA Schedule 2* back to *MDA Schedule 1*.

Revenues generated by governmental activities increased 8.6% versus the prior year, excluding transfers from business-type activities and special items. While revenue increases are nearly always positive, the governmental revenue increase in FY23 must be couched with the reality

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that the increases were driven in part by operating and capital grants, investment earnings, and franchise fees, neither of which are guaranteed sources of recurring revenue. While franchise fees and other lease revenues are more reliable and stable income sources, they are also subject to long- and mid-term market pressures, regulatory risk and technological obsolescence, and are not guaranteed to recur at the level of previous years. Property tax revenue, perhaps the City's most reliable and sustainable revenue source, increased in FY23 by \$0.3 million (5.7%). The increase was driven by a three-part combination of a modest rate increase, parcel growth (count) and growth in assessed value (new construction, not reassessment-driven). The City's property tax rate did not change from 2007-2021, so property tax growth through fiscal year 2021 had been driven entirely by new development in Milford. The City increased the property tax rate from \$0.48275 to \$0.49275 per \$100 of AV effective for the FY23 property tax levy, continuing an important step in a series of strategic efforts aimed at improving structural balance and revenue diversity. Other efforts include additional increases in the property tax rate of \$0.01 per \$100 of AV effective in fiscal years 2024 and 2025 as approved by City Council, diversion of nonrecurring and less reliable revenue sources from the operating budget to capital reserves, investments in tax base growth, and intergovernmental coordination to reduce duplicative services. Management expects these initiatives coupled with property tax revenue growth will further stabilize revenue in the event we face volatility in other revenue sources.

Governmental expenditures increased by \$0.7 million (6%) in FY23, representing the second consecutive year of inflationary cost pressure. The increase was mixed; recreation and public safety expenditures decreased by a combined \$0.5 million but were more than offset by general governmental and public works expense increases exceeding \$1.1 million to drive the net increase versus fiscal year 2022 (FY22). The general governmental cost areas most responsible for the increase over FY22 include salary and benefits lines, in part due to wage inflation and in part due to increased staff retention, the latter of which is viewed as a positive result based on Milford's strategic retention efforts in the face of the former, which was one symptom among several labor challenges experienced throughout the national economy. Further, part of the personnel cost increase was attributable to the non-cash pension expense reported in the government-wide financial statements resulting from the City's participation in the State of Delaware pension plans; last year's pension credit exacerbated this year's negative variance.

Business-Type Activities – Net position from business-type activities increased by \$4.0 million, or 5.2% from \$77 million to \$81 million during fiscal year 2023 (See *MDA Schedule 2*). For the third year in a row, all four major utilities contributed to the positive change in net position across business activities, with the water fund's \$2.9 million (11%) increase in net position pacing the sewer and electric funds' increases of 0.9 million (5.4%) and \$0.1 million (0.4%), respectively, followed by the solid waste fund's increase of \$0.04 million (3%). The positive changes started with top-line revenue as all four utilities posted revenue increases over FY22. The City's revenue growth was balanced and healthy, comprised of steady, organic growth in rate base and controlled, phased increases in usage rates determined through cost-of-service studies conducted for all business-type activities. Further, the utilities controlled operating expenses extremely well, posting a year-over-year increase of just \$0.2 million, or 0.7% across all four utility funds after adjusting for the \$2.4 million year-over-year increase in wholesale power costs. The proprietary funds do not report on gross margin, but the wholesale power cost represents the

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City's electric fund "cost of services provided" and is instead reported as contractual services within operating expenses. Wholesale power costs were driven higher in FY23 by increased demand across global markets for natural gas (and in turn, power) as well as regulatory costs arising out of regulators' conflicting goals of coal plant retirement and grid reliability. The City overcame the spikes in power costs through automatic purchased power cost adjustments (PPCAs) designed to pass unexpected changes in the wholesale costs of power through the existing rate structure across all rate classes, thereby mitigating the potential for market fluctuations that would otherwise negatively impact electric revenue, margin and rate requirements. Aside from personnel and contractual cost increases in the solid waste fund and incremental / inflationary operating cost increases in the electric fund, operating costs in the utility funds were reduced from FY22, particularly in the water and sewer funds, which saw 9% and 3% decreases in operating expenses, respectively, versus FY22. Once again, all four utilities, including the solid waste fund, generated positive income before transfers and positive changes in net position during FY23.

Investment Policies – The City's accumulated cash surplus and reserves attributable to governmental and business-type activities are combined and invested pursuant to the City's investment policies, as amended. Last year, the City completed an initiative started in fiscal year 2021 to reallocate investment balances to more heavily weight money market funds in response to changes in the market to capture additional yield without being exposed to incremental interest rate risk. By the end of FY22, 100% of the City's investable cash was consolidated into money market funds, which were combined with bank deposits and reported as cash and cash equivalents. That interest rate environment prevailed throughout FY23, promoting the consistent reporting from FY22 into FY23. Additional information about the City's cash and investments can be found in Note 7 on page 39. In response to changing market conditions early in FY24, the City procured investment advisory services through PFM Asset Management to implement the City's investment program pursuant to its investment policy statement.

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FUND FINANCIAL STATEMENT ANALYSIS

Governmental Funds – The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balances may serve as a useful measure of a government's net resources available for spending in the next fiscal year. At the end of the fiscal year 2023, the City's combined governmental funds reported ending balances of \$4.8 million (See Governmental Funds Balance Sheet on page 20). Within this total, \$7.4 million is restricted by specific legal requirements, primarily for (a) capital investments in infrastructure and other eligible expenditures pursuant to the US Treasury's Final Rule governing the use of funding advanced through the American Rescue Plan Act of 2021 ("ARPA") and (b) street improvement funding advanced through the Realty Transfer Tax (RTT) and Municipal Street Aid (MSA) funds. Another \$0.1 million representing prepaid expenses is classified as "nonspendable", leaving the residual deficit of \$2.6 million in unassigned fund balance in the general fund. The unassigned deficit balance is a function of the narrowed scope of the fund financial statements, which feature a critically important caveat unique to the FY23 statements. That is, interfund receivables and payables – *regardless of the stated term* – are reported on the fund financial statements. Therefore, the \$7.5 million in *long-term* interfund commitments are reported in the *current* liabilities of the governmental fund financial statements, while the corresponding \$7.5 million in assets constructed using the interfund balances *are not reported* in the fund financial statements, *causing an artificial deficit* in the general fund section of the governmental funds balance sheet. The treatment is partially mitigated by the same treatment of the special revenue fund receivable in the current asset section of the general fund balance sheet. This phenomenon is captured in the MDA Schedule 2.A, which restates excerpts from the Governmental Funds Balance Sheet excluding the \$7.5 million in long-term interfund activity. Figures italicized in bold exhibit the changes, for illustration and discussion purposes only, as compared to the audited Governmental Funds Balance Sheet:

MDA Schedule 2A

CITY OF MILFORD, DE - BALANCE SHEET - AS OF JUNE 30, 2023
GOVERNMENTAL FUNDS AS ADJUSTED, UNAUDITED

	General Fund	Special Revenue Fund	Non-Major Governmental Fund	Total Governmental Funds
ASSETS				
Total Assets, as stated	7,159,900	9,715,623	899,399	17,774,922
Exclude long-term interfund receivables	-	<i>(5,000,000)</i>	-	<i>(5,000,000)</i>
Total Assets, as adjusted	<i>\$ 7,159,900</i>	<i>\$ 4,715,623</i>	<i>\$ 899,399</i>	<i>\$ 12,774,922</i>
LIABILITIES AND FUND BALANCES				
Total Liabilities, as stated	10,028,497	2,464,903	6,613	12,500,013
Exclude long-term interfund payables	<i>(7,500,000)</i>	-	-	<i>(7,500,000)</i>
Total Liabilities, as adjusted	<i>\$ 2,528,497</i>	<i>\$ 2,464,903</i>	<i>\$ 6,613</i>	<i>\$ 5,000,013</i>
DEFERRED INFLOWS OF RESOURCES	449,075	-	-	449,075
Fund Balances, as adjusted:				
<i>Nonspendable</i>	<i>50,702</i>	-	-	<i>50,702</i>
<i>Restricted</i>	<i>436,060</i>	<i>2,250,720</i>	892,786	<i>3,579,566</i>
<i>Unassigned</i>	<i>3,695,566</i>	-	-	<i>3,695,566</i>
Total Fund Balances, as adjusted:	<i>4,182,328</i>	<i>2,250,720</i>	892,786	<i>7,325,834</i>
Total Liabilities and Fund Balances	<i>\$ 7,159,900</i>	<i>\$ 4,715,623</i>	<i>\$ 899,399</i>	<i>\$ 12,774,922</i>
Total Fund Balances, as stated	(3,317,672)	7,250,720	892,786	4,825,834
Difference, Total Fund Balance, adjusted	<i>7,500,000</i>	<i>(5,000,000)</i>	-	<i>2,500,000</i>

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Proprietary Funds – The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail (See pages 24-26). Unrestricted net position in the enterprise funds totaled \$32.4 million, made up of the electric fund (\$20.3 million), water fund (\$4.9 million), sewer fund (\$6.6 million) and solid waste fund (\$0.5 million). The total net position across all enterprise funds at the end of the fiscal year was \$81.0 million, representing an increase of \$4.0 million versus FY22. The increases in net position in the electric, water, sewer, and solid waste funds of \$0.1 million, \$2.9 million, \$1.0 million, and \$0.04 million, respectively, versus the prior period resulted primarily from stable top-line revenue growth while utility operations teams contained expense growth through budget austerity measures and cost controls.

General Fund Budgetary Highlights – The City's operational budget contemplated a deficit of \$8.2 million before principal debt service, capital outlay and other financing sources on \$6.5 million in revenue and \$14.6 million in operating expenditures. Actual results on a budgetary basis were \$7.6 million in revenue and \$11.0 million in operating expenditures, which represented a positive budget variance of \$1.1 million and \$3.7 million, respectively. Aside from franchise and lease revenue, all revenue lines exceeded anticipated revenue, most notably the licenses and permits, taxes, investment income and miscellaneous revenue. Including principal debt service, capital outlay and other financing sources, the City's comprehensive general fund budget expected a fund balance decrease in the current year of \$7.5 million prior to the use of cash and reserves. The actual decrease in fund balance was \$8.8 million, driven primarily by lower-than-expected capital outlays and the Council-approved swap in external financing sources (the bond anticipation note, or "BAN") for internal funding sources (the interfund transfers, which resulted in a principal prepayment on the BAN). Actual general fund expenditures were significantly below total budgeted expenses due to cost control measures and project timing. During the FY23, City Council made revisions to the original appropriations approved by the Council prior to the start of the fiscal year. Overall, these changes resulted in an increase in budgeted operating expenditures of \$1.8 million, net of offsetting increases in anticipated revenues. The changes were primarily driven by grant-funded projects and related expenditures in general administration or public safety that are included in budget controls when grant revenue is anticipated and grant-funded expenditures are incurred through the ordinary requisition, purchase order and accounts payable processes.

DEBT ADMINISTRATION

As of June 30, 2023, the City's bonded indebtedness and outstanding note obligations (See *MDA Schedule 3*) totaled \$16.2 million, all of which is backed by the full faith and credit of the City of Milford taxing authority.

MDA Schedule 3

	Outstanding Debt at Fiscal Year End Bonds and Notes Payable					
	<u>Government Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>
General Obligation Bonds	\$ 41	\$ 1,669	\$ 6,260	\$ 5,825	\$ 6,301	\$ 7,494
DE Revolving Fund Loans	-	-	2,426	2,210	2,426	2,210
USDA Loans	-	-	5,543	5,411	5,543	5,411
Kent County Note	-	-	1,070	1,042	1,070	1,042
Total	<u>\$ 41</u>	<u>\$ 1,669</u>	<u>\$ 15,300</u>	<u>\$ 14,488</u>	<u>\$ 15,341</u>	<u>\$ 16,157</u>

During fiscal year 2023, the City's outstanding debt increased by \$0.82 million as a result of scheduled payments of debt obligations totaling \$0.81 million and additional bond anticipation note (BAN) \$1.63 million issued during the fiscal year to finance the construction of the City's new police headquarters facility.

The City's General Obligation Bond Rating is AA- as rated by S&P Global Credit. Additional information about the City's long-term debt obligations and a detailed roll-forward of long-term liabilities can be found in Note 9 on pages 43 to 47 of this report.

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2023 amounts to \$85.1 million (net of accumulated depreciation). This investment in capital assets includes land, building, equipment, improvements, and infrastructure assets. The total increase in the City's investment in capital assets, net of accumulated depreciation, for the current fiscal year was \$11.6 million, representing an increase of 16.0% versus fiscal year 2022. Additional information on the City's capital assets can be found in Note 8 on pages 40 to 42 of this report.

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CITY OF MILFORD, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
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Major capital asset purchases and projects completed or in process during fiscal year 2023 included the following:

General Fund

- \$10.1 million toward the construction of the City's new Police Headquarters Facility
- \$ 1.2 million in building and street improvements, technology, vehicles and equipment
- \$ 1.1 million in additions to parkland and open space improvements

Electric Fund

- \$ 0.2 million for physical security and data security upgrades
- \$ 0.2 million for traffic light improvements and LED streetlight upgrades
- \$ 0.2 million for electric vehicle (EV) charging stations, machinery & equipment

Water Fund

- \$ 0.6 million in ongoing water line upgrades and system improvement projects
- \$ 0.4 million in engineering and design costs related to the Milford Corporate Center
- \$ 0.1 million in other water system infrastructure
- \$ 0.1 million in equipment and data security upgrades

Sewer Fund

- \$ 0.2 million in improvements to sewer mains, laterals and other infrastructure
- \$ 0.1 million for sewer line camera with video inspection equipment
- \$ 0.1 million in equipment and data security upgrades

Internal Service Funds

- \$ 0.1 million in building improvements & equipment

ECONOMIC FACTORS AND FUTURE BUDGETS

The fiscal year 2024 and 2025 O&M budgets for general fund activity are 4.8% lower and 8.0% higher, respectively, than fiscal year 2023. Excluding the impact of the first full year of debt service on the Police Headquarters Facility project, the FY25 budget is only 3.6% higher than the FY23 operating budget. The balance between cost control and the delivery of broad services demanded by Milford residents was struck well during the 2024 and 2025 budget processes. Personnel costs in support of our diverse mix of valued employees represent the largest contribution to general fund costs, particularly in 2024 as scheduled contractual rate increases, personnel additions and full staffing levels added pressure to the operating budget. Most recently, health insurance premium growth further fueled personnel cost increases in the FY25 budget. The higher general fund costs will be offset with economic development initiatives, organic growth in the City's tax base, years three and four of a five-year plan to offset \$0.1 million realty transfer tax reductions from O&M support for police operations with property taxes, and enhancements to utility transfers to the general fund. In addition, a greater mix of governmental capital expenditures are expected to be funded through grants and existing reserves. Staff remain

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steadfast in their dedication to service excellence, fiscal responsibility and efficiency. Moreover, City leadership and staff are aligned in efforts to uphold and improve the quality of life in Milford through citywide accessibility to high-quality services, infrastructure, public safety, parks and recreation, backed by strategic investments in property, capital projects and infrastructure to support the City's growing population and thriving business community.

TIMING OF RECENT FINANCIAL STATEMENTS AND INDEPENDENT AUDIT REPORT

Staffing shortages in the City's Finance Department, exacerbated by a 42% reduction in third-party contract support, contributed to delayed financial statement production and audit processes in FY21, which in turn protracted the FY22 and FY23 audit processes. Internal staffing rebounded during FY22, while additional staff and resources were allocated in FY23, putting the department in position to return to the City's normal reporting cycle beginning with FY24. The City's FY24 and FY25 budgets include provisions to maintain staffing and contractual services levels to augment financial reporting and audit requirements. The City's financial and operating results remained strong throughout the last several fiscal years, as increases in revenue outpaced well-managed costs in an inflationary environment to improve the City's balance sheet for at least the eleventh consecutive year. The City's financial position remained healthy throughout FY24 and into FY25. Monthly, unaudited financial reports, the City's audits, budgets, capital improvement plans and other documents are reported regularly on the City's website for the benefit of Milford citizens and City stakeholders.

REQUEST FOR INFORMATION

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's financial structure and past performance. If you have questions about this report or if you would like to request additional information, please contact the Department of Finance, Attention: Finance Director, 10 SE 2nd Street, Milford, DE 19963, call 302-424-5141 or email the finance team at finance@milford-de.gov.

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BASIC FINANCIAL STATEMENTS

CITY OF MILFORD, DE
STATEMENT OF NET POSITION
JUNE 30, 2023

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Current Assets			
Cash and Equivalents	\$ 10,295,572	\$ 28,964,735	\$ 39,260,307
Restricted Cash	1,426,220	9,303,453	10,729,673
Tax & Utility Receivables, net of allowances	241,175	3,049,871	3,291,046
Leases Receivable	449,075	-	449,075
Other Receivables	576,907	125,940	702,847
Internal Balances, net	(3,054,926)	3,054,926	-
Inventories	42,525	2,138,407	2,180,932
Prepaid Expenses	50,702	-	50,702
Total Current Assets	<u>10,027,250</u>	<u>46,637,333</u>	<u>56,664,582</u>
Non-Current Assets			
Capital Assets			
Assets Not Depreciated or Amortized			
Land	8,577,885	8,961,039	17,538,924
Construction in Process	12,279,717	703,628	12,983,345
SBITAs in Process	902,775	-	902,775
Utility System & Infrastructure	11,282,401	71,000,445	82,282,846
Buildings and Improvements	5,663,852	7,348,799	13,012,651
Equipment and Vehicles	7,970,399	10,369,262	18,339,661
Lease Assets	89,725	-	89,725
SBITAs	129,041	-	129,041
Less: Accumulated Depreciation & Amortization	<u>(16,156,202)</u>	<u>(44,072,567)</u>	<u>(60,228,769)</u>
Net Capital Assets	<u>30,739,593</u>	<u>54,310,606</u>	<u>85,050,199</u>
Net Pension Asset	316,197	-	316,197
Total Assets	<u>41,083,040</u>	<u>100,947,939</u>	<u>142,030,978</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>2,185,143</u>	<u>255,667</u>	<u>2,440,810</u>
LIABILITIES			
Current Liabilities			
Accounts Payable and Accrued Expenses	2,163,790	4,776,304	6,940,094
Customer Deposits	179,158	801,890	981,048
Unearned Revenue	2,199,781	-	2,199,781
Bonds and Notes Payable	-	821,362	821,362
Compensated Absences	22,378	22,011	44,389
Total Current Liabilities	<u>4,565,107</u>	<u>6,421,567</u>	<u>10,986,674</u>
Noncurrent Liabilities			
SBITA Payable	623,325	-	623,325
Leases Payable	63,973	-	63,973
Bonds and Notes Payable	1,669,226	13,687,685	15,356,911
Compensated Absences	1,197,036	137,203	1,334,239
Total Noncurrent Liabilities	<u>3,553,560</u>	<u>13,824,888</u>	<u>17,378,448</u>
Total Liabilities	<u>8,118,667</u>	<u>20,246,455</u>	<u>28,365,122</u>
DEFERRED INFLOWS OF RESOURCES	<u>975,698</u>	<u>-</u>	<u>975,698</u>
NET POSITION			
Net Investment in Capital Assets	27,178,152	39,277,215	66,455,367
Restricted for Capital Improvements:	7,381,572	9,303,453	16,685,025
Unrestricted:			
Assigned by City Council	-	6,366,919	6,366,919
Unassigned	(385,906)	26,009,563	25,623,657
Total Net Position	<u>\$ 34,173,818</u>	<u>\$ 80,957,150</u>	<u>\$ 115,130,968</u>

The accompanying notes are an integral part of these financial statements.

CITY OF MILFORD, DE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental Activities							
General Government	\$ 2,968,754	\$ 20,880	\$ 82,500	\$ -	\$ (2,865,374)	\$ -	\$ (2,865,374)
Public Safety	6,290,591	-	1,071,173	199,092	(5,020,326)	-	(5,020,326)
Public Works	1,124,093	-	2,329,430	881,149	2,086,486	-	2,086,486
Culture and Recreation	1,325,282	82,139	86,543	8,400	(1,148,200)	-	(1,148,200)
Total Governmental Activities	11,708,720	103,019	3,569,646	1,088,641	(6,947,414)		(6,947,414)
Business-Type Activities							
Electric Fund	25,775,055	28,120,115	-	-	2,345,060	-	2,345,060
Water Fund	2,407,703	3,491,998	-	-	1,084,295	-	1,084,295
Sewer Fund	4,549,080	5,181,252	-	-	632,172	-	632,172
Trash Fund	1,575,740	1,639,794	-	-	64,054	-	64,054
Total Business-Type Activities	34,307,578	38,433,159	-	-	4,125,581	-	4,125,581
Total Primary Government	\$ 46,016,298	\$ 38,536,178	\$ 3,569,646	\$ 1,088,641	(6,947,414)		(2,821,833)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					5,020,216	-	5,020,216
Real Estate Transfer Taxes					1,295,111	-	1,295,111
Franchise Taxes & Fees					1,851,679	-	1,851,679
Gain on Disposal of Capital Assets					135,208	-	135,208
Impact Fees					-	693,087	693,087
Unrestricted Investment Earnings					292,116	758,183	1,050,299
Miscellaneous					250,315	(49,394)	200,921
Transfers					1,495,238	(1,495,238)	-
Total General Revenues, Special Items, and Transfers					10,339,883	(93,362)	10,246,521
Change in Net Position					3,392,469	4,032,219	7,424,688
Net Position- Beginning of Year					30,781,349	76,924,931	107,706,280
Net Position - End of Year					\$ 34,173,818	\$ 80,957,150	\$ 115,130,968

The accompanying notes are an integral part of these financial statements.

**CITY OF MILFORD, DE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Non-Major Governmental Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 5,661,216	\$ 3,271,451	\$ 899,399	\$ 9,832,066
Restricted Cash	436,060	990,160	-	1,426,220
Taxes Receivable, net of allowance for doubtful accounts	88,550	152,625	-	241,175
Lease Receivable	449,075	-	-	449,075
Other Receivables	256,062	301,387	-	557,449
Due From Other Funds	218,235	5,000,000	-	5,218,235
Prepaid Expenses	50,702	-	-	50,702
Total Assets	<u>\$ 7,159,900</u>	<u>\$ 9,715,623</u>	<u>\$ 899,399</u>	<u>\$ 17,774,922</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 1,345,509	\$ -	\$ 1,429	\$ 1,346,938
Salaries and Wages Payable	279,945	356	-	280,301
Other Accrued Liabilities	13,469	2,186,312	-	2,199,781
Due to Other Funds	7,994,926	278,235	-	8,273,161
Other Payables	394,648	-	5,184	399,832
Total Liabilities	<u>10,028,497</u>	<u>2,464,903</u>	<u>6,613</u>	<u>12,500,013</u>
DEFERRED INFLOWS OF RESOURCES	449,075	-	-	449,075
Fund Balances:				
Nonspendable	50,702	-	-	50,702
Restricted	-	6,488,786	892,786	7,381,572
Unassigned	(3,368,374)	761,934	-	(2,606,440)
Total Fund Balances	<u>(3,317,672)</u>	<u>7,250,720</u>	<u>892,786</u>	<u>4,825,834</u>
Total Liabilities and Fund Balances	<u>\$ 7,159,900</u>	<u>\$ 9,715,623</u>	<u>\$ 899,399</u>	<u>\$ 17,774,922</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF MILFORD, DE
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023**

Total Fund Balance, Governmental Funds	\$	4,825,834
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Position.		29,545,180
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Internal service funds are used by management to charge the costs of centrally managed services to the funds and departments that consume the services. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position. The increase is equal to the Internal Service Net Position, including Capital Assets net of accumulated depreciation.		203,061
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Some liabilities and other items are not due and payable in the current period and are not included in the fund financial statements, but are included in the governmental activities of the Statement of Net Position.

Compensated absences		(1,077,889)
Deferred financing inflows - retirement		(526,623)
Deferred financing outflows - retirement		2,185,143
Net Pension Asset		316,197
Bond Payable		(1,669,226)
Lease Liability		7,807
SBITA liability		364,334

Net Position of Governmental Activities	\$	34,173,818
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The accompanying notes are an integral part of these financial statements.

CITY OF MILFORD, DE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Non-Major Governmental Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Property Taxes	\$ 5,020,216	\$ -	\$ -	\$ 5,020,216
Real Estate Transfer Taxes	-	1,295,111	-	1,295,111
Fees and Fines	177,804	13,450	-	191,254
Licenses and Permits	1,242,042	-	207,492	1,449,534
Franchise and Lease Revenue	418,383	-	-	418,383
Intergovernmental	405,002	4,045,793	-	4,450,795
Charges for Services	20,880	-	82,139	103,019
Investment Earnings	112,904	179,212	-	292,116
Miscellaneous	211,320	38,995	-	250,315
	<u>7,608,551</u>	<u>5,572,561</u>	<u>289,631</u>	<u>13,470,743</u>
EXPENDITURES				
Current:				
General Government	2,384,966	-	55,000	2,439,966
Public Safety	6,154,327	136,264	-	6,290,591
Public Works	1,122,875	1,218	-	1,124,093
Culture and Recreation	1,266,743	-	58,539	1,325,282
Debt Service:				
Principal	7,125,395	-	-	7,125,395
Interest	47,545	-	-	47,545
Capital Outlay	12,627,105	8,230	-	12,635,335
	<u>30,728,956</u>	<u>145,712</u>	<u>113,539</u>	<u>30,988,207</u>
(Deficiency) Excess of Revenues Over Expenditures	<u>(23,120,405)</u>	<u>5,426,849</u>	<u>176,092</u>	<u>(17,517,464)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	5,528,655	-	-	5,528,655
Transfers Out	(339,071)	(4,045,781)	-	(4,384,852)
Bond Anticipation Note	8,627,781	-	-	8,627,781
SBITA and Lease Proceeds	202,051	-	-	202,051
Proceeds from Asset Sales	278,648	-	-	278,648
	<u>14,298,064</u>	<u>(4,045,781)</u>	<u>-</u>	<u>10,252,283</u>
Net Change in Fund Balances	(8,822,341)	1,381,068	176,092	(7,265,181)
Fund Balances - Beginning	<u>5,504,669</u>	<u>5,869,652</u>	<u>716,694</u>	<u>12,091,015</u>
Fund Balances - Ending	<u>\$ (3,317,672)</u>	<u>\$ 7,250,720</u>	<u>\$ 892,786</u>	<u>\$ 4,825,834</u>

The accompanying notes are an integral part of these financial statements.

CITY OF MILFORD, DE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Net change in fund balances - total governmental funds: \$ (7,265,181)

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences expense	(80,173)
SBTIA amortization	372,141
Pension expense	405,038
Change in contingent liabilities	203,516

Internal Service funds are used by management to charge the costs of centrally managed services to using funds and departments. The increase is equal to the change in the Internal Service Net Position 50,034

Governmental funds report proceeds from bond issuance as a financing source. In contrast, the Statement of Activities treats such proceeds as an increase in long-term liabilities. Repayment consumes current financial resources of governmental funds. (1,627,781)

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period in the Statement of Activities. This is the amount by which capital outlays of \$12,654,038 exceeded depreciation expense of \$902,940 in the current period. 11,478,315

Government funds report the proceeds from the sale of assets as revenue. In contrast, the Statement of Activities reports the difference between the amount of the proceeds and the net book value of the related assets as a gain or loss. (143,440)

Change in net position of governmental activities \$ 3,392,469

The accompanying notes are an integral part of these financial statements.

**CITY OF MILFORD, DE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023**

	Business Type Activities - Enterprise Funds					<i>Governmental Activities -Internal Service Fund</i>
	Electric	Water	Sewer	Solid Waste	Total	
ASSETS						
Current Assets						
Cash and Cash Equivalents	\$17,180,662	\$ 4,777,412	\$ 6,632,315	\$ 374,346	\$ 28,964,735	\$ 463,506
Restricted Cash	1,210,498	5,156,169	2,936,759	27	9,303,453	-
Accounts Receivable, net of allowance for doubtful accounts	2,213,075	291,341	441,380	104,075	3,049,871	14,608
Due from Other Funds	3,054,926	-	-	-	3,054,926	-
Other Receivables	7,477	-	-	118,463	125,940	4,850
Inventories	2,132,119	6,288	-	-	2,138,407	42,525
Total Current Assets	25,798,757	10,231,210	10,010,454	596,911	46,637,332	525,489
Non-Current Assets						
Capital Assets						
Land and Improvements	2,460,507	6,471,894	28,638	-	8,961,039	-
Construction in Progress	268,257	435,371	-	-	703,628	-
Utility System	20,559,591	26,839,447	23,601,407	-	71,000,445	-
Buildings and Improvements	7,056,015	123,078	164,056	5,650	7,348,799	58,466
Vehicles and Equipment	4,653,917	1,997,904	1,883,158	1,834,283	10,369,262	269,480
Less Accumulated Depreciation	(20,743,032)	(10,695,155)	(11,720,096)	(914,284)	(44,072,567)	(192,972)
Net Capital Assets	14,255,255	25,172,539	13,957,164	925,649	54,310,606	134,974
Total Non-Current Assets	14,255,255	25,172,539	13,957,163	925,649	54,310,606	134,974
Total Assets	40,054,012	35,403,749	23,967,617	1,522,560	100,947,938	660,463
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Charges On Refundings	145,364	-	110,303	-	255,667	-
LIABILITIES						
Current Liabilities:						
Accounts Payable	1,815,776	551,053	259,930	46,646	2,673,405	66,081
Salaries and Wages Payable	42,535	13,287	13,219	11,751	80,792	70,638
Other Accrued Expenses	1,736,557	-	285,550	-	2,022,107	-
Customer and Other Deposits	741,390	-	-	60,500	801,890	179,158
Compensated Absences	11,606	3,843	3,843	2,719	22,011	22,378
Bonds and Notes Payable	240,000	265,020	316,342	-	821,362	-
Total Current Liabilities	4,587,864	833,203	878,884	121,616	6,421,567	338,255
Non-Current Liabilities:						
Compensated Absences	82,562	26,094	26,094	2,453	137,203	119,147
Bonds and Notes Payable	3,599,331	5,414,908	4,673,446	-	13,687,685	-
Total Non-Current Liabilities	3,681,893	5,441,002	4,699,540	2,453	13,824,888	119,147
Total Liabilities	8,269,757	6,274,205	5,578,424	124,069	20,246,455	457,402
NET POSITION						
Net Investment in Capital Assets	10,408,253	19,027,389	8,916,970	924,604	39,277,216	134,974
Restricted for Capital Improvements	1,210,498	5,156,169	2,936,759	27	9,303,453	-
Unrestricted:						
Assigned by City Council	5,552,857	495,140	234,084	84,838	6,366,919	-
Unassigned	14,758,011	4,450,846	6,411,684	389,022	26,009,562	68,087
Total Net Position	\$ 31,929,619	\$ 29,129,544	\$ 18,499,496	\$ 1,398,491	\$ 80,957,150	\$ 203,061

The accompanying notes are an integral part of these financial statements.

CITY OF MILFORD, DE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Business Type Activities - Enterprise Funds					<i>Governmental Activities -Internal Service Fund</i>
	Electric	Water	Sewer	Solid Waste	Total	
REVENUES						
Charges for Services	\$ 27,620,356	\$ 3,426,826	\$ 5,173,043	\$ 1,551,828	\$ 37,772,053	\$ 3,141,776
Miscellaneous	499,759	65,172	8,209	87,966	661,106	-
Total Operating Revenues	28,120,115	3,491,998	5,181,252	1,639,794	38,433,159	3,141,776
OPERATING EXPENSES						
Personnel Services	2,769,054	346,481	338,327	323,082	3,776,944	1,956,382
Contractual Services	20,237,546	35,240	2,513,477	387,444	23,173,707	257,324
Utilities	7,046	229,113	986	484	237,629	42,619
Repairs and Maintenance	571,478	124,426	20,553	191,072	907,529	551,252
Other Supplies and Expenses	665,053	912,894	889,218	525,402	2,992,567	309,644
Insurance Claims and Expenses	135,420	29,408	13,865	13,552	192,245	9,741
Bad Debt Expense	36,443	1,318	156	5,770	43,687	-
Depreciation	1,255,595	625,841	674,634	128,934	2,685,004	29,448
Total Operating Expenses	25,677,635	2,304,722	4,451,216	1,575,740	34,009,313	3,156,410
Operating Income (Loss)	2,442,480	1,187,276	730,036	64,054	4,423,847	(14,634)
NON-OPERATING REVENUES (EXPENSES)						
Interest and Investment Revenue	390,508	220,577	135,958	11,140	758,183	-
Impact Fees	110,250	382,477	200,360	-	693,087	-
Capital Grant	-	-	-	-	-	-
Miscellaneous	(54,811)	4,417	-	1,000	(49,394)	3,733
Interest Expense	(97,420)	(102,981)	(97,864)	-	(298,265)	-
Total Non-Operating Revenues (Expenses)	348,527	504,490	238,454	12,140	1,103,611	3,733
Income Before Transfers	2,791,007	1,691,766	968,490	76,194	5,527,457	(10,901)
Transfers In	-	1,600,673	53,492	-	1,654,165	60,935
Transfers Out	(2,651,709)	(383,465)	(78,215)	(36,014)	(3,149,403)	-
Change in Net Position	139,298	2,908,974	943,767	40,180	4,032,219	50,034
Net Position - Beginning of Year	31,790,321	26,220,570	17,555,729	1,358,311	76,924,931	153,027
Net Position - End of Year	\$ 31,929,619	\$ 29,129,544	\$ 18,499,496	\$ 1,398,491	\$ 80,957,150	\$ 203,061

The accompanying notes are an integral part of these financial statements.

CITY OF MILFORD, DE
STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2023

	ENTERPRISE FUNDS					<i>Governmental Activities - Internal Service Fund</i>
	Electric	Water	Sewer	Solid Waste	Total	
Cash Flows from Operations:						
Receipts from Customers	\$ 27,633,375	\$ 3,421,368	\$ 5,185,403	\$ 1,553,998	\$ 37,794,144	\$ 3,222,470
Other Operating Receipts	(1,943,948)	131,931	830,961	(19,503)	(1,000,559)	(4,850)
Payments to Suppliers	(20,859,303)	(2,283,783)	(3,324,294)	(1,099,652)	(27,567,032)	(1,185,449)
Payments to Employees	(2,842,942)	(364,537)	(356,273)	(315,474)	(3,879,226)	(1,955,165)
Insurance Premiums Paid	(135,420)	(29,408)	(13,865)	(13,552)	(192,245)	(9,741)
Net Cash Provided by Operating Activities	1,851,762	875,571	2,321,932	105,817	5,155,082	67,265
Cash Flows from Non-Capital Financing Activities						
Operating Transfers In (Out)	(2,651,709)	1,217,208	(24,723)	(36,014)	(1,495,238)	60,935
Net Cash Flows Provided by (Used in) Non-Capital Financing Activities	(2,651,709)	1,217,208	(24,723)	(36,014)	(1,495,238)	60,935
Cash Flows Provided by (Used in) Capital and Related Financing Activities:						
Net cash for additions to Capital Assets	(755,421)	(1,056,431)	(260,882)	(498,436)	(2,571,170)	(49,986)
Principal Paid on Debt	(263,025)	(262,294)	(314,986)	-	(840,305)	-
Interest Paid on Debt	(97,420)	(102,981)	(97,864)	-	(298,265)	-
Other Nonoperating Items	(54,811)	4,417	-	1,000	(49,394)	3,733
Capital Grant	-	-	-	-	-	-
Impact Fees and Other Development Fees	110,250	382,477	200,360	-	693,087	-
Net Cash Flows Provided by (Used in) Capital and Related Financing Activities	(1,060,427)	(1,034,812)	(473,372)	(497,436)	(3,066,047)	(46,253)
Cash Flows from Investing Activities						
Net Proceeds/(Purchases) from Sales	390,508	220,577	135,958	11,140	758,183	-
Income on Investments	-	-	-	-	-	-
Net Cash Flows Provided by (Used in) Investing Activities	390,508	220,577	135,958	11,140	758,183	-
Net Increase (Decrease) in Cash and Cash Equivalents	(1,469,866)	1,278,544	1,959,795	(416,493)	1,351,980	81,947
Cash and Cash Equivalents - Beginning of Year	19,861,026	8,655,037	7,609,279	790,866	36,916,208	381,559
Cash and Cash Equivalents - End of Year	\$ 18,391,160	\$ 9,933,581	\$ 9,569,074	\$ 374,373	\$ 38,268,188	\$ 463,506
Cash Flows from Operating Activities						
Operating Income (Loss)	\$ 2,442,480	\$ 1,187,276	\$ 730,036	\$ 64,054	\$ 4,423,846	\$ (14,634)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:						
Deferred Charges On Refundings	10,758	-	-	-	10,758	-
Depreciation and Amortization	1,255,595	625,842	674,634	128,934	2,685,005	29,448
Effect of Changes in Operating Assets & Liabilities:						
Accounts Receivable, net	(2,454,808)	62,619	835,268	(102,379)	(1,659,300)	22,605
Inventory	(703,298)	(203)	-	-	(703,501)	6,129
Accounts Payable & Accrued Expenses	1,325,118	(981,907)	99,940	4,750	447,901	(30,742)
Salaries Payable	(5,343)	2,008	2,118	4,734	3,517	19,978
Customer Deposits	49,805	-	-	2,850	52,655	53,242
Liability for Compensated Absences	(68,545)	(20,064)	(20,064)	2,874	(105,799)	(18,761)
Net Cash Provided by Operating Activities	\$ 1,851,762	\$ 875,571	\$ 2,321,932	\$ 105,817	\$ 5,155,082	\$ 67,265

The accompanying notes are an integral part of these financial statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction

The City of Milford, Delaware (the "City"), operates under a Council-Manager form of government and provides the following services as authorized by its charter adopted on May 24, 1977, as amended: public safety (police), highways and streets, sanitation, health and social services, electric, water, parks and recreation, public improvements, planning and zoning, and administrative services.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America (GAAP) applicable to state and local governments. GAAP for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB).

The accounting and reporting framework and the more significant accounting policies and practices are discussed in subsequent sections of this Note. The remainder of the notes are organized to provide explanations, including required disclosures, of the City's financial activities for the year ended June 30, 2023. Please note that slight differences may exist due to rounding.

Financial Reporting Entity

The City's basic financial statements include the accounts of all City operations. The criteria for including organizations as component units within the City's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the City holds the corporate powers of the organization
- the City appoints a voting majority of the organization's board
- the City is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the City
- there is fiscal dependency by the organization on the City

Based on the aforementioned criteria, the City has no component units.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results may differ from those estimates.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary control in governmental funds. Encumbrances as of the end of the fiscal year are reported as reservations of fund balance because they do not constitute expenditures or liabilities, but rather serve as authorization for expenditures in the following year. As of June 30, 2023, the City had no such encumbrances.

Government-Wide and Fund Financial Statements

The government-wide financial statements (statement of net position and statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and inter-governmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include (a) charges to customers who directly benefit from goods or services provided by a given function or activity and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported as general revenues.

The City uses Fund Accounting to provide separate financial statements for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements, while non-major funds are consolidated and reported in a single column in the fund financial statements.

The City reports the following governmental funds:

General Fund – The general fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund – The special revenue fund accounts for revenues derived from earmarked revenue sources. Separate self-balancing funds are established to account for each restricted special revenue source.

Non-Major Governmental Fund – This fund accounts for revenues derived from activities provided by the City's parks and recreation department, which include primarily youth and adult sports leagues, summer camps and clinics. In addition, the fund accounts for building permit revenue levied for specific recreational and public safety initiatives, the latter of which are restricted for local fire and ambulance companies.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Government-Wide and Fund Financial Statements (continued)

The City reports the following proprietary funds:

Enterprise Funds – The Enterprise Funds of the City include the electric, water, wastewater (“sewer”) and sanitation (“solid waste” or “trash”) funds. Enterprise funds are used to account for operations (a) which are financed and operated in a manner similar to private business enterprises; where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body had decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, or accountability.

Internal Service Fund – Consists of five internal funds which are used to account for the financing of goods and services provided by one department to other departments of the City on a cost-recovery basis.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Financial resources used to acquire capital assets are capitalized in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as a source of financing. Amounts paid to reduce long-term debt of the City are reported as a reduction of the related liability, rather than as an expenditure in the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter (within 60 days) to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due. Similarly, accrued compensated absences are recorded as expenditures only when paid.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

General capital asset acquisitions, including entering into contracts giving the City of Milford the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Permits and fees, recreation fees, fines and court fees, franchise fees and taxes, other miscellaneous revenues and earned but unreimbursed state and federal grants associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Property taxes are measurable as of the date levied (assessed) and are recognized as revenues when they become available, which means when due, or past due, and received within the current period or collected soon enough thereafter to be used to pay liabilities of the current period. All other revenues are considered to be measurable and therefore only available and recordable upon receipt of cash.

Budgets and Budgetary Accounting

Budgetary Process

The City Council follows these procedures in establishing the budgetary data reflected within the financial statements:

- 1) In accordance with the City Charter, prior to June 1 each year, the City Manager submits to City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year, along with estimates for the current year.
- 2) Public hearings are conducted to solicit comment from taxpayers and ratepayers.
- 3) Prior to June 30, the budget is legally enacted through passage of an ordinance.
- 4) The City Manager is required by the City Charter to present a monthly report to City Council explaining any variances from the approved budget.
- 5) Formal budgetary integration is employed as a management control device during the year for the general fund.
- 6) The budget for the general fund is adopted on a basis consistent with GAAP as applicable to governments.
- 7) The budgets for the special revenue fund are approved on a program-by-program basis by the funding agencies.
- 8) Budgetary amendments are approved by City Council as required throughout the year. If revenues in excess of those estimated in the budget become available, the Council, by ordinance, may make supplemental appropriations for the year up to the amount of such excess.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash, checking and money market accounts generally maturing within three months.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Receivables

Receivables are shown net of the allowances for estimated uncollectible accounts. The allowance for uncollectible accounts is based upon historical data established according to experience and other factors which in the judgment of City officials should be recognized in estimating possible losses. Management believes that they have adequately provided for future probable losses.

Interfund Receivables/Payables

Advances between funds are accounted within the appropriate interfund receivable and payable accounts. These advances (reported as "due from/to other funds") are considered "available spendable resources."

Inventories

Inventory in the internal service fund consists of garage supplies, meter parts and fittings, gasoline and diesel fuel held for consumption. The inventory acquisitions are recorded in the inventory accounts initially and charged to expenditures when used. The inventory is reported at cost and is presented on an average cost basis.

Inventories in the water and electric funds consist primarily of meters and other equipment and appurtenances required for service connection and revenue billing. The electric fund also carries certain system infrastructure components and replacement parts that serve the dual purpose of internal consumption for repair and maintenance as well as for sale to third party developers required to share in the cost of new connections to the electric system. Inventories in the water and electric funds are reported at cost and presented on an average cost basis.

Capital Assets

Capital assets which include land, buildings, improvements, equipment, vehicles and infrastructure assets, consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage and lighting systems, are reported on the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund financial statements. Capital assets are recorded at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed in note 15 below) if purchased, and at fair market value if donated. The capitalization threshold for all capital assets is \$5,000. No dollar threshold is set for land. Capital asset depreciation is recognized using the straight-line method over the estimated lives of the respective assets. SBITAs are intangible assets and are amortized using the straight-line method over the estimated lives of the respective assets. Estimated useful lives are as follows:

Utility System & Infrastructure	10 - 50 years
Building and Improvements	10 - 20 years
Equipment and Vehicles	3 - 20 years
Lease Assets	2 - 6 years
SBITAs	2 - 5 years

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Subscription-Based IT Arrangements

The City implemented GASB Statement No. 96, *Accounting for Subscription-Based IT Arrangements*, for the period ended June 30, 2023. Subscription-Based IT Arrangement (SBITA) is an arrangement in which the City of Milford contracts with a third party for the right-to-use their cloud-based solution for the City's information technology needs. The City recognizes a SBITA liability and an SBITA asset in the government-wide financial statements. The City only recognizes SBITA agreements with annual payments greater than \$5,000, noncancelable by both parties, and for longer than one year are recorded.

At the commencement of a SBITA, the City of Milford initially measures the SBITA liability at the present value of payments expected to be made during the SBITA term. Subsequently, the SBITA liability is reduced by the principal portion of SBITA payments made. The SBITA asset is initially measured at the initial amount of the SBITA liability, adjusted for SBITA payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the SBITA asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to SBITA include how the City of Milford determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) SBITA term, and (3) SBITA payments.

- The City of Milford uses the interest rate charged by the third party as the discount rate. When the interest rate charged by the third party is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The SBITA term includes the noncancellable period of the agreement. SBITA payments included in the measurement of the SBITA liability are composed of fixed payments and purchase option price that the City of Milford is reasonably certain to exercise.

The City of Milford monitors changes in circumstance that would require a remeasurement of its SBITA and will remeasure the SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability.

SBITA assets are reported with other capital assets and SBITA liabilities are reported with long-term debt on the statement of net position.

Leases

The City of Milford is a lessee for noncancellable leases of equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the City of Milford initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured at the initial amount of the lease liability, adjusted for lease payments made at or

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

before the commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases include how the City of Milford determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City of Milford uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City of Milford is reasonably certain to exercise.

The City of Milford monitors changes in circumstance that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Compensated Absences

A maximum of 30 days of vacation and 130 days of sick leave may be accumulated by each employee except for those hired before 1992, for whom carry-over is unlimited. The City accrues a liability for compensated absences which meet the following criteria:

- The City's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered.
- The obligation relates to rights that vest or accumulate.
- Payment of the compensation is probable.
- The amount can be reasonably estimated.

In accordance with the above criteria, the City has accrued a liability for vacation and sick pay which has been earned but not taken by City employees. For governmental activities, the liability for compensated absences is split between current and non-current liabilities in the government-wide financial statements. Only the current portion of compensated absences is reported on the governmental funds balance sheet. The liability for compensated absences is recorded in proprietary fund types as an accrued liability in accordance with GASBS No. 16 (GASB Cod. Sec. C60), *Accounting for Compensated Absences*.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Delaware Public Employees' Retirement System (DPERS) and additions to/deductions from DPERS fiduciary net position have been determined on the same basis as they are reported by DPERS. For this purpose, benefit payments (including refunds of employee

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Long-Term Liabilities

In the government-wide financial statements, and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business type activities, or proprietary fund type statements of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are recorded net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and are amortized over the life of the related debt. In the fund financial statements, governmental fund types recognize bond premium and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Subsequent Events

Subsequent events were evaluated through the opinion date, which is the date the financial statements were available to be issued. Management of the City have disclosed the formal approval and submission of application for permanent financing through the United States Department of Agriculture (USDA) Community Facilities Program for the construction of the new Police Headquarters Facility. Please see Note 19: Subsequent Events for additional detail. Management of the City have determined that no events, including the disclosed events, resulted in any adjustment to the accounts reported in these financial statements.

Deferred Outflows of Resources

Decreases in net position that relate to future periods are recorded as deferred outflows of resources in a separate section of the City's government-wide statement of net position. Deferred outflows of resources generally include pension contributions made subsequent to the measurement date but may also include differences in pension plan actuarial data between measurement dates, such as differences between expected and actual plan experience, the effect of actuarial assumption changes, actual investment earnings below expected earnings on plan assets, and changes in the City's proportion of the broader plan. Deferred outflows of resources also include the difference in the carrying value of refunded debt and its reacquisition price, which is then amortized over the shorter of the life of the refunded or refunding bond.

Deferred Inflows of Resources

Increases in net position that apply to future periods are recorded as deferred inflows of resources in a separate section of the City's government-wide statement of net position. Deferred inflows of resources may include differences in pension plan actuarial data between

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

measurement dates, such as differences between expected and actual plan experience, the effect of actuarial assumption changes, actual pension plan investment earnings in excess of projected amounts, and changes in the City's proportion of the broader plan.

Lease-related amounts are recognized at the inception of the lease. The deferred inflow of resources is recorded in amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before commencement of the lease term that relate to future periods, less any incentives paid to, or on behalf of the lessee at or before commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

Deferred outflows and inflows of resources related to pensions, excluding employer-specific amounts, will be recognized as pension expense over five years, including the current year.

Government-Wide and Proprietary Fund Net Positions

Net position represents the extent to which the sum of assets and deferred outflows of resources differ from the sum of liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets net of accumulated depreciation and the outstanding balances of any borrowing spent for the acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the City's policy is to apply restricted net position first.

Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

- Non-spendable - Amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.
- Restricted - Amounts that can be spent only for specific purposes due to the City Charter, City code, state or federal laws, or externally imposed conditions by grantor or creditors.
- Committed - Amounts that can be used only for specific purposes determined by a formal action by City Council ordinance or resolution. This includes the Budget Reserve Account.
- Assigned - Amounts that are designated by the Mayor for a particular purpose but are not spendable until a budget ordinance is passed or there is a majority vote approval (for capital projects or debt service) by City Council.
- Unassigned - All amounts not included in other spendable classifications.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended by fund balance class follows: restricted, followed by committed, assigned and lastly unassigned.

Interfund Transactions

The City records transactions between funds to support operations in certain funds, to return a risk premium to certain funds, to allocate administrative and overhead costs among funds, to construct assets, to distribute grant proceeds and to coordinate other activities that impact more than one fund. These transactions are generally reflected as operating transfers, which are transfers from a fund authorized to receive certain revenues to the fund through which the resources are expended. Interfund loans having repayment terms beyond one year are reported separately as noncurrent assets (lending fund) and noncurrent liabilities (borrowing fund) in the statements of net position.

NOTE 2: FINANCIAL INSTRUMENTS

The City invests its eligible reserves in a variety of financial instruments pursuant to its investment policy and records investments at adjusted cost. The City estimates that the fair value of all financial instruments as of June 30, 2023 does not differ materially from the aggregate carrying values of its financial instruments as reported in the accompanying balance sheet and statement of net position.

NOTE 3: REAL ESTATE TAXES

The millage rate levied by City Council on all non-exempt real estate in the City of Milford for the fiscal year ended June 30, 2023 was 4.9275 mills (\$4.9275 per \$1,000 of assessed valuation, or “AV”), and is commonly expressed as \$0.49275 per \$100 of AV. The City executes the annual tax billing, periodic supplemental billing and all real estate tax payment collection internally, though property assessment is conducted by a professional firm through a contractual arrangement. Delinquent taxes are subject to lien by the City. The schedules of real estate taxes levied for the fiscal year 2023 follow:

July 1:	Levy Date (effective date of enforceable lien)
August 1 - September 30:	Face Payment Period
October 1:	Penalty of 1% of cumulative past due balance each month

CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 4: IMPACT FEES

All applications for new service connections to water, sewage, and electric systems within the City of Milford’s utility service territories are required to contribute a one-time impact fee. The purpose of the fee is to compensate for the impact of new users to the existing water and sewage systems, in order to provide for future expansion. All impact fees collected are restricted for the construction, maintenance and expansion of the City’s utility infrastructure systems resulting from the growth demands of new development. The commercial impact fees for the year ended June 30, 2023 were \$3,323 and \$1,756 per Equivalent Dwelling Unit (EDU) for water and sewage, respectively, and \$600 and \$1,200 for electric connections of 200 amps and 400 amps, respectively.

The City has recorded as revenue in the proprietary funds Statement of Revenues, Expenses and Changes in Net Position and in the government-wide Statement of Activities the impact fee monies, as required by GASB No. 33. Restricted net position as of June 30, 2023 attributable to cumulative impact fee collections is \$9,302,199.

NOTE 5: INTERFUND TRANSACTIONS

During the course of normal operations, the City has numerous transactions between funds including expenditures and transfers of resources primarily to provide services. The financial statements of the governmental and proprietary fund types generally reflect such transactions as transfers. Transfers that are not considered operating or residual equity transfers give rise to interfund receivables and payables within individual funds.

	Due From	Due To	Transfer In	Transfer Out
General Fund	\$ 7,994,926	\$ 218,235	\$ 5,528,655	\$ 339,071
Special Revenue Fund	278,570	5,000,334	-	4,045,782
Internal Service Fund	-	-	60,936	-
Electric Fund	-	3,054,926	-	2,651,709
Water Fund	-	-	1,600,673	383,465
Sewer Fund	-	-	53,492	78,215
Solid Waste Fund	-	-	-	36,014
Total, excluding Capital Assets	<u>\$ 8,273,496</u>	<u>\$ 8,273,495</u>	<u>\$ 7,243,756</u>	<u>\$ 7,534,257</u>
Capital Asset Transfers			290,500	-
Total, including Capital Assets			<u>\$ 7,534,256</u>	<u>\$ 7,534,257</u>

Presentation of Net Transfers - Fund Level vs. Government-wide Statements

Interfund Transfers, Net (Fund Financial Statements)	1,204,738	1,495,238
Capital Asset Transfers	290,500	-
Interfund Transfers, Net (Statement of Activities)	<u>\$ 1,495,238</u>	<u>\$ 1,495,238</u>

The Statement of Revenues, Expenditures, and Changes in Net Position for the proprietary funds reports transfers out of \$1,425,238, which includes \$290,500 in capital asset transfers. Because the governmental fund financial statements exclude capital assets, the transfers in likewise exclude capital asset transfers, reducing incoming transfers to \$1,204,738 as reported in the fund financial statements (including internal service funds). The Government-wide Statement of Activities reports transfers out from business-type activities and transfers into governmental activities of (\$1,495,238) and \$1,495,238, respectively.

CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 6: INTERGOVERNMENTAL RECEIVABLES

Amounts due from other governmental units represent receivables for revenues earned by the City or collections made by another governmental unit on behalf of the City.

NOTE 7: CASH AND EQUIVALENTS

It is the policy of the City of Milford to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City, while confirming to all state and local statutes governing the investment of public funds, using the “prudent person” standard for managing the overall portfolio. The primary objective of the policy is safety (preservation of capital), followed by liquidity, and lastly yield.

The City of Milford utilizes a pooled cash and investment concept for all funds to maximize transactional efficiency and the effectiveness of its investment management program. Investment income from this internal pooling is allocated to the respective funds based upon the sources of funds invested. The deposits and investments associated with the City’s participation in the State of Delaware Police and Firefighters’ Pension Fund and the State of Delaware County and Municipal Pension Plans are held and managed separately.

Custodial Credit Risk

Custodial credit risk is the risk of loss of City deposits in the event of financial institution failure. The City maintains a formal deposit policy within its broader Investment Policy Statement to manage custodial credit risk. As of June 30, 2023, the City of Milford’s bank balances, including deposits and money market funds, totaled \$50,119,000. FDIC insurance applied to \$501,566 of the deposits, while the remainder of \$49,617,434 was hedged against custodial credit risk because it was collateralized with securities pledged by the City’s financial institution and held by its custodian in the name of the City of Milford. Deposits are classified as Category 1 if fully insured, registered or held by the agent in the City’s name. The carrying amount of the deposits as of June 30, 2023 was \$49,987,129, and is reported in the financial statements as follows:

Government-wide Statement of Net Position	
Governmental Activities	\$11,718,941
Business-type Activities	<u>38,268,188</u>
Total carrying amount of deposits	<u><u>\$49,987,129</u></u>

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CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8: CAPITAL ASSETS

The following schedule presents the capital activity of governmental activities for the fiscal year, including Internal Service Funds:

FOR THE YEAR ENDED JUNE 30, 2023					
Asset Categories by Function	Balances 6/30/22	Additions	Reductions	Adjustments & Transfers	Balances 6/30/23
<u>Total Governmental</u>					
Capital Assets:					
Land	\$ 8,601,885	\$ -	\$ (24,000)	\$ -	\$ 8,577,885
Street Improvements	11,148,458	-	-	133,943	11,282,401
Buildings and Improvements	5,742,973	40,320	(119,441)	-	5,663,852
Vehicles and Equipment	6,845,267	1,175,251	(50,119)	-	7,970,399
Construction in Process	1,158,685	11,195,381	-	(74,349)	12,279,717
Right-to-Use Software-in-Process	681,027	-	-	221,748	902,775
Right-to-Use Software	16,715	-	112,326	-	129,041
Leased Equipment	-	89,725	-	-	89,725
<hr/>					
Total Governmental Capital Assets	34,195,010	12,500,677	(81,234)	281,342	46,895,795
Acc. Depreciation & Amortization	(15,259,628)	(946,693)	50,119	-	(16,156,202)
<hr/>					
Total Governmental Capital Assets, Net	\$ 18,935,382	\$ 11,553,984	\$ (31,115)	\$ 281,342	\$ 30,739,593

The following schedule presents the capital activity of governmental activities for the fiscal year, excluding Internal Service Funds:

FOR THE YEAR ENDED JUNE 30, 2023					
Asset Categories by Function	Balances 6/30/22	Additions	Reductions	Adjustments & Transfers	Balances 6/30/23
<u>Governmental, excluding Internal Service Funds</u>					
Capital Assets:					
Land	\$ 8,601,885	\$ -	\$ (24,000)	\$ -	\$ 8,577,885
Street Improvements	11,148,458	-	-	133,943	11,282,401
Buildings and Improvements	5,704,941	19,886	(119,441)	-	5,605,386
Vehicles and Equipment	6,605,339	1,145,699	(50,119)	-	7,700,919
Construction in Process	1,158,685	11,195,381	-	(74,349)	12,279,717
Right-to-Use Software-in-Process	681,027	-	-	221,748	902,775
Right-to-Use Software	16,715	-	112,326	-	129,041
Leased Equipment	-	89,725	-	-	89,725
<hr/>					
Total Governmental Capital Assets	33,917,050	12,450,691	(81,234)	281,342	46,567,849
Acc. Depreciation & Amortization	(15,096,105)	(917,245)	50,119	-	(15,963,231)
<hr/>					
Total Governmental Capital Assets, Net	\$ 18,820,945	\$ 11,533,447	\$ (31,115)	\$ 281,342	\$ 30,604,618

CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8: CAPITAL ASSETS, CONTINUED

The following schedule presents the capital activity of business-type activities for the fiscal year:

	FOR THE YEAR ENDED JUNE 30, 2023				
Asset Categories by Function	Balances 6/30/22	Additions	Reductions	Adjustments & Transfers	Balances 6/30/23
Electric Fund:					
Land	\$ 2,460,507	\$ -	\$ -	\$ -	2,460,507
Construction in Process	-	411,953	(17,588)	(126,108)	268,257
Buildings and Improvements	7,056,015	-	-	-	7,056,015
Electric System	20,262,504	297,087	-	-	20,559,591
Vehicles and Equipment	4,463,840	190,077	-	-	4,653,917
Total Capital Assets	34,242,866	899,116	(17,588)	(126,108)	34,998,287
Accumulated Depreciation	(19,487,437)	(1,255,595)	-	-	(20,743,032)
Net Book Value	14,755,430	(356,478)	(17,588)	(126,108)	14,255,255
Water Fund:					
Land	6,471,894	-	-	-	6,471,894
Construction in Process	2,559,631	92,310	(9,010)	(2,207,560)	435,371
Buildings and Improvements	123,078	-	-	-	123,078
Water System	23,640,867	1,130,862	-	2,067,718	26,839,447
Vehicles and Equipment	2,015,792	243	-	(18,132)	1,997,904
Total Capital Assets	34,811,262	1,223,416	(9,010)	(157,974)	35,867,694
Accumulated Depreciation	(10,069,315)	(625,840)	-	-	(10,695,155)
Net Book Value	24,741,947	597,575	(9,010)	(157,974)	25,172,539
Sewer Fund:					
Land	28,638	-	-	-	28,638
Construction in Process	-	74,425	(9,010)	(65,415)	-
Buildings and Improvements	164,057	-	-	(1)	164,056
Waste Water System	23,601,407	-	-	-	23,601,407
Vehicles and Equipment	1,650,927	261,129	(28,651)	(247)	1,883,158
Total Capital Assets	25,445,029	335,553	(37,661)	(65,663)	25,677,259
Accumulated Depreciation	(11,074,114)	(674,633)	28,651	-	(11,720,096)
Net Book Value	14,370,915	(339,080)	(9,010)	(65,663)	13,957,163
Solid Waste Fund:					
Construction in Process	9,177	29,049	(4,663)	(33,563)	-
Buildings and Improvements	5,650	-	-	-	5,650
Vehicles and Equipment	1,448,503	552,413	(157,203)	(9,430)	1,834,283
Total Capital Assets	1,463,330	581,462	(161,866)	(42,993)	1,839,933
Accumulated Depreciation	(907,182)	(128,934)	121,833	-	(914,284)
Net Book Value	\$ 556,148	\$ 452,528	(40,033)	\$ (42,993)	\$ 925,649

CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8: CAPITAL ASSETS, CONTINUED

The following schedule summarizes the capital activity of business-type activities for the fiscal year:

FOR THE YEAR ENDED JUNE 30, 2023					
Asset Categories by Function	Balances 6/30/22	Additions	Reductions	Adjustments & Transfers	Balances 6/30/23
Total Enterprise Funds					
Land	\$ 8,961,039	\$ -	\$ -	\$ -	\$ 8,961,039
Construction in Process	2,568,808	607,736	(40,271)	(2,432,645)	703,628
Buildings and Improvements	7,348,799	-	-	(1)	7,348,798
Electric System	20,262,504	297,087	-	-	20,559,591
Water System	23,640,867	1,130,862	-	2,067,718	26,839,447
Waste Water System	23,601,407	-	-	-	23,601,407
Vehicles and Equipment	9,579,062	1,003,862	(185,854)	(27,808)	10,369,262
Total Fixed Assets	95,962,486	3,039,547	(226,125)	(392,736)	98,383,172
Accumulated Depreciation	(41,538,048)	(2,685,002)	150,484	-	(44,072,567)
Net Book Value	\$ 54,424,438	\$ 354,545	\$ (75,641)	\$ (392,736)	\$ 54,310,606

The following schedule summarizes the activity of internal service fund activities for the fiscal year:

FOR THE YEAR ENDED JUNE 30, 2023					
Asset Categories by Function	Balances 6/30/22	Additions	Reductions	Adjustments & Transfers	Balances 6/30/23
Internal Service Funds:					
Land	\$ -	\$ -	\$ -	\$ -	\$ -
Buildings and Improvements	38,032	20,434	-	-	58,466
Vehicles and Equipment	239,928	29,552	-	-	269,480
Total Internal Service Funds	277,960	49,986	-	-	327,946
Acc. Depreciation & Amortization	(163,523)	(29,449)	-	-	(192,972)
Total Internal Service Funds, Net	\$ 114,437	\$ 20,538	\$ -	\$ -	\$ 134,975

Depreciation and amortization expense for governmental activities, which amounted to \$946,693 for the year ended June 30, 2023, was charged to the general government function of the primary government. Depreciation expense of \$2,685,002 for the business-type activities was charged to the funds as noted above.

CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 9: LONG-TERM DEBT OBLIGATIONS

Long-Term liability activity for the year ended June 30, 2023 is summarized as follows:

FOR THE YEAR ENDED JUNE 30, 2023

	Balances 06/30/22 ¹	Additions	Reductions	Balances 06/30/23	Current Portion
Governmental Activities:					
General Obligation Bonds	\$ 41,445	\$ 8,627,781	\$ (7,000,000)	\$ 1,669,226	\$ -
Net Pension Liability (Asset)	(5,223,050)	-	4,906,853	(316,197)	-
Compensated Absences	1,315,693	8,075		1,323,768	126,732
Leases	-	89,725	(25,752)	63,973	19,683
SBITA ¹	610,642	112,326	(99,643)	623,325	154,972
Governmental Activities					
Total Debt Obligations:	\$ (3,255,270)	\$ 8,837,907	\$ (2,218,542)	\$ 3,364,095	\$ 301,387
Business-Type Activities:					
General Obligation Bonds					
Series 2016	\$ 6,260,000	\$ -	\$ (435,000)	\$ 5,825,000	\$ 440,000
Bond Premium	22,850	-	(1,856)	20,994	-
Total General Obligation Bonds	6,282,850	-	(436,856)	5,845,994	440,000
State of Delaware					
DNREC WPC RF, 2010	483,502	-	(56,313)	427,189	56,876
Water SRF, 2012A	1,942,939	-	(160,244)	1,782,695	161,850
Note Payable, Kent County	1,069,575	-	(27,103)	1,042,472	27,718
USDA Notes Payable					
Water Facilities, 2013	3,999,282	-	(102,049)	3,897,233	103,772
Sewer Facilities, 2019	574,319	-	(10,940)	563,379	11,132
Sewer Facilities, 2020	969,883	-	(19,798)	950,085	20,014
Total Bonds and Notes Payable	15,322,350	-	(813,303)	14,509,047	821,363
Other Liabilities					
Compensated Absences	265,013	-	(105,798)	159,215	22,011
Total Other Liabilities	265,013	-	(105,798)	159,215	22,011
Business-Type Activities					
Total Debt Obligations:	\$ 15,587,363	\$ -	\$ (919,101)	\$ 14,668,262	\$ 843,374

¹Beginning balances were adjusted to reflect the adoption of GASB96

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. Annually, the City is required to compute the rate of property tax required to provide a fund to pay interest and principal at maturity. The City is in compliance with this requirement.

NOTE 9: LONG-TERM DEBT OBLIGATIONS, CONTINUED

General Obligation Bonds, Series 2016

On December 6, 2016, the City issued General Obligation Bonds, Series 2016 in the aggregate principal amount of \$8,065,000, with interest rates ranging from 2.0% to 2.55%. The proceeds of the 2016 bond issuance were utilized to currently refund the outstanding principal balance of \$7,850,000 related to the General Obligation Bonds, Series 2011 A. The 2016 bonds are scheduled to mature January 1, 2037. Semi-annual interest payments commenced July 1, 2017, while annual principal payments commenced January 1, 2018. The bonds had an original issue premium of \$37,171, the unamortized portion of which is included in the balance reflected in the financial statements as of June 30, 2023. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$1.3 million.

General Obligation Bond Anticipation Notes, Series 2021

The City closed on a general obligation bond anticipation note (BAN), series 2021 with PNC Bank, N.A. in an amount not to exceed \$20 million on November 30, 2021 as authorized by Council on December 14, 2020 and approved by referendum on January 26, 2021. The temporary, construction-period loan bears a variable rate of interest calculated daily based on the tax-exempt equivalent of the Bloomberg Short Term Bank Yield Index or "BSBY" plus a fixed margin, subject to a floor of 1.08%, billed monthly as applied only to outstanding principal balances drawn. The loan matures on November 30, 2024, at which point the entire principal balance is due and payable in full. The City anticipates satisfying the BAN in full on or before the maturity date with a permanent issuance of long-term, tax-exempt general obligation bonds at a fixed rate of interest. Through June 30, 2023, \$8,669,226 was drawn against the BAN, and the City exercised its option to make principal prepayments, which totaled \$7,000,000. As of June 30, 2023, \$1,669,226 remained outstanding, all of which is reported in noncurrent liabilities in the government-wide statement of net position.

United States Department of Agriculture (USDA)

Water Facility Loan

In June 2013, the City issued bonds in an amount not to exceed \$5 million in connection with its Southeast Water Expansion project. The funding for the project was provided by the USDA under the federal direct loan for rural water and waste disposal systems program. Pursuant to program terms, the City was eligible for distributions of loan proceeds only after incurring project expenditures. The project was completed and the City expended a cumulative total of \$5 million through fiscal year 2017. The balance of the loan as of June 30, 2023 is \$3,897,233, which represents total project expenditures under the program less principal payments made. Under the terms of the note, the City is required to make quarterly payments in the amount of \$46,500, which include interest calculated at the fixed annual rate of 2.125% on the outstanding balance, with the remainder of each payment applied to the principal balance. The note is scheduled to mature June 28, 2053.

NOTE 9: LONG-TERM DEBT OBLIGATIONS, CONTINUED

Sewer Facility Loans

In September 2015, Milford City Council approved a resolution to borrow an amount not to exceed \$1.6 million to finance various sewer infrastructure projects, including a supervisory control and data acquisition (SCADA) system, pump station upgrades, inflow and infiltration remediation, and related projects; collectively the “sewer project.” A financing agreement was reached with the USDA under the federal direct loan for rural water and waste disposal systems program in two phases. The borrowing limit in phase one is \$0.6 million subject to an annual rate of interest not to exceed 2.375%; the actual rate as determined at final loan closing in December 2019 was 1.75%. The borrowing limit in phase two is \$1 million subject to an annual rate of interest not to exceed 2.125%; the actual rate as determined at final loan closing in December 2020 was 1.25%. Pursuant to program terms, the City was eligible for distributions of loan proceeds only after incurring project expenditures, which occurred during fiscal years 2020 and 2021 for phases one and two, respectively.

The balance of the 2019 facilities loan as of June 30, 2023 is \$563,379, representing the balance attributable to phase one project financing. The balance of the 2020 facilities loan as of June 30, 2023 is \$950,085, representing the balance attributable to phase two project financing. Under terms of the notes, the City is required to make quarterly payments in the amount of \$5,226 and \$7,960, which include interest calculated at the fixed annual rate of 1.75% and 1.25% on the outstanding balance of the phase one and two loans, respectively, with the remainder of each payment applied to the corresponding principal balance. The notes underlying loans phase one and two are scheduled to mature on December 31, 2059 and 2060, respectively.

State of Delaware Revolving Funds

Water Pollution Control Revolving Fund (WPC RF)

The City received funds in connection with its Wastewater Collection System Expansion project through financing agreements with the Delaware Water Pollution Control Revolving Fund. Funds received for the first part of the project were repaid in full during the fiscal year ended June 30, 2017. Additional funds were received for the second part of the project under a separate financing agreement. The balance of this obligation as of June 30, 2023 is \$427,189. Semi-annual payments of \$32,852 include interest calculated at an annual rate of 2.0%. The note is scheduled to mature of July 1, 2030.

Drinking Water State Revolving Fund (SRF)

The City has also received funds from the State of Delaware in connection with its Washington Street Water Treatment Facility Replacement Project. The funds were provided by the Delaware Drinking Water State Revolving Funding only as expenditures were incurred by the City and approved by the State, subject to a maximum funding commitment of \$4 million. Interest only payments commenced September 1, 2012 and were due semi-annually at 1% per annum on the balancing outstanding as the project progressed. The project was completed during the fiscal year ended June 30, 2018 at a total cost of \$3,832,876. In accordance with the agreement, upon

CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 9: LONG-TERM DEBT OBLIGATIONS, CONTINUED

completion of the project, thirty-five percent of the amounts advanced were forgiven, resulting in forgiveness of debt in the amount of \$1,341,507 in fiscal year 2018. The remaining balance of \$2,491,369 is being amortized over a twenty-year period from the original advance date with interest at 1% per annum. The balance of this obligation as of June 30, 2023 is \$1,782,695. The note is scheduled to mature September 1, 2033.

Kent County Levy Court

Sewer Infrastructure Improvement Loan

Kent County constructed a new southern transmission bypass sewer line and related facilities (the “bypass”) to remediate failing components of its sewer infrastructure. The County issued bonds to finance the cost of the improvements, a significant portion of which run through the City of Milford and benefit the users of Milford’s sewer system. Pursuant to the Agreement for Services, as amended, between the City and Kent County, the City is responsible for the pro rata portion of the debt service attributable to the costs of the bypass installed in the City’s sewer service territory. The City is required to remit payments in quarterly installments of \$12,735, which include interest at the fixed rate of 2.25% per annum. The balance of the obligation as of June 30, 2023 is \$1,042,472 and is scheduled to mature November 10, 2050.

The annual requirements to amortize all debt outstanding as of June 30, 2023 follow:

Year(s) Ending June 30,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$1,669,226	\$35,950	\$1,705,176	\$821,363	\$273,801	\$1,095,163
2025	-	-	-	837,686	258,787	1,096,472
2026	-	-	-	853,864	243,497	1,097,360
2027	-	-	-	870,150	227,896	1,098,046
2028	-	-	-	881,321	212,064	1,093,385
2029-2033	-	-	-	4,226,726	813,795	5,040,522
2034-2038	-	-	-	2,366,415	474,434	2,840,849
2039-2043	-	-	-	1,147,536	300,619	1,448,155
2044-2047	-	-	-	1,269,803	178,026	1,447,829
2048-2052	-	-	-	859,558	54,517	914,075
2053-2057	-	-	-	246,799	16,921	263,720
2058-2062	-	-	-	106,831	2,623	109,455
Total	\$1,669,226	\$35,950	\$1,705,176	\$14,488,053	\$3,056,979	\$17,545,032

CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 9: LONG-TERM DEBT OBLIGATIONS, CONTINUED

Long-Term Debt outstanding as of June 30, 2023 is summarized as follows:

Obligation	Interest Rate (%)	Issue Date	Maturity Date	Amounts Outstanding as of June 30, 2023 (in thousands)				Total
				General Fund	Electric Fund	Water Fund	Sewer Fund	
General Obligation Bonds								
Series of 2016	2.00-2.55	12/6/16	1/1/37	\$ -	\$ 3,825	\$ -	\$ 2,000	\$ 5,825
Series of 2021	1.80-5.00	11/30/21	11/30/24	1,669	-	-	-	1,669
USDA								
Note Payable, 2013	2.125	6/28/13	6/28/53	-	-	3,897	-	3,897
Note Payable, 2019	1.750	12/31/19	12/31/59	-	-	-	563	563
Note Payable, 2020	1.250	12/31/20	12/31/60	-	-	-	950	950
State of Delaware								
DNREC WPC RF, 2010	2.00	12/22/09	7/1/30	-	-	-	427	427
Drinking Water SRF, 2012A	1.00	3/15/12	9/1/33	-	-	1,783	-	1,783
Kent County, 2012	2.25	11/12/12	11/10/50	-	-	-	1,042	1,042
Total Long-Term Debt Obligations				\$ 1,669	\$ 3,825	\$ 5,680	\$ 4,983	\$ 16,157

NOTE 10: COMMITMENTS AND CONTINGENCIES

In the ordinary course of the City’s municipal and public utility operations, various commitments and contingent liabilities arise in addition to routine purchases of goods and services.

Commitments

City Council awarded a contract to Richard Y. Johnson & Son, Inc. (“RYJ”) for the project management, construction and inspection activities for the City of Milford’s new Police Headquarters Facility totaling \$0.6 million, \$0.2 million of which remained outstanding as of June 30, 2023. The firm executed a construction bid process on behalf of the City pursuant to USDA and City of Milford procurement requirements, resulting in City Council approval of contracts with 16 additional firms totaling \$13.7 million for the construction of the Facility. As of June 30, 2023, \$9.5 million was incurred pursuant to the contracts, which is reported as construction in process in Governmental Activities on the Government-wide Statement of Net Position. Of the improvements reported as construction in process, amounts incurred and paid with interim financing are reported in notes payable, while amounts incurred but unpaid are recognized in current liabilities, each in Governmental Activities on the Government-wide Statement of Net Position. \$4.8 million of the contract commitment remained outstanding as of June 30, 2023.

Contingencies

The City does not anticipate material losses as a result of any claims arising in the ordinary course of municipal operations over and above the amounts reported in the statement of activities, which includes a provision for claims incurred.

NOTE 10: COMMITMENTS AND CONTINGENCIES, CONTINUED

Government Grant/Award Programs

The City participates in a number of federal and state-assisted programs. These programs are subject to program compliance audits by the grantors or their representatives. Accordingly, the City's compliance with applicable program requirements will be established at some future date. The amount of expenditures not already disclosed, if any, which may be disallowed by the granting agencies, cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

NOTE 11: DEFERRED COMPENSATION PLAN

The City's employee benefits program includes a deferred compensation plan under Internal Revenue Code (IRC) 457(b) which is available to substantially all full-time City employees. Participants may elect contributions through base salary deferral to the Plan not to exceed the lesser of the allowable calendar year maximum under IRC 457(b)(2) and 100% of net compensation. The City matches 100% of employee contributions up to a maximum of 6.0% of the base salary. The City made contributions into the Plan totaling \$314,309 for the year ended June 30, 2023.

NOTE 12: ADOPTION OF GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS

The City adopted the provisions of GASB Statement No. 96 Subscription-Based Information Technology Arrangements, which resulted in the recognition of right-to-use assets and subscription liabilities as well as additional disclosures (see Note 16). The City also adopted GASB Statement No. 91 Conduit Debt Obligations, GASB Statement No. 94 Public-Private and Public-Public Partnerships and Availability Payment Arrangements, and the required provisions of GASB Statement No. 99 Omnibus 2022. The adoption of these Statements had no effect on previously reported amounts.

NOTE 13: PENDING CHANGES IN ACCOUNTING PRINCIPLES

The GASB has approved the following:

- Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62 (effective for 2024)*
- Statement No. 101, *Compensated Absences (effective for 2025)*
- Statement No. 102, *Certain Risk Disclosures (effective for 2025)*
- Statement No. 103, *Financial Reporting Model Improvements (effective for 2026)*
- Statement No. 104, *Disclosure of Certain Capital Assets (effective for 2026)*

The City has not yet completed the various analysis required to estimate the financial impact, if any, of these new pronouncements.

NOTE 14: POST-RETIREMENT BENEFITS

Defined Contribution Plan

The City has a defined contribution plan under IRC 401(a) which was available to substantially all full-time City employees through December 31, 2004 (the “legacy plan”). For plan years beginning January 1, 2005, the City no longer makes contributions to the legacy plan, coinciding with the effective date of the City’s election to participate in the State of Delaware’s County and Municipal Pension Plans. All participants in the legacy plan will remain in the legacy plan until separation of employment from the City and may continue to invest funds in their respective accounts. The legacy plan is administered by VOYA Financial and was last amended and restated January 25, 2016 in order to comply with applicable IRS rules and regulations.

State of Delaware County and Municipal Pension Plans

Effective January 1, 2005, City Council elected, under provisions of the Delaware Code, to participate in the County and Municipal Police and Firefighter and the General Employees Retirement Funds. In connection with this election, the City agreed to fund prior service costs up to the maximum of 15 years of service for all eligible employees. Funding was provided from the City’s Water and Sewer reserves and from assets of its existing retirement funds. Descriptions of the State of Delaware Plans, important disclosures and information follow.

Police and Firefighters’ Pension Plan

The City contributes to a governmental cost-sharing multiple-employer defined benefit pension plan administered by the Delaware Public Employees’ Retirement System (DPERS) and managed by the State Board of Pension Trustees. The plan, which is the State of Delaware County and Municipal Police and Firefighter Pension Plan, covers the City of Milford’s sworn police officers.

The State of Delaware General Assembly is responsible for setting benefits and amending plan provisions. The State Board of Pension Trustees determines the contributions required. The board is composed of five members appointed by the Governor and confirmed by the State Senate, plus two ex-officio members. Service benefits under the plan include 2.5% of final average monthly compensation multiplied by years of credited service up to 20 years, plus 3.5% of final average monthly compensation multiplied by years of service in excess of 20 years. The final monthly compensation is the monthly average of the highest three consecutive years of compensation. There are also disability benefits as well as survivor benefits provided by the plan. An employee is vested upon five years of credited service.

Employer contributions to the plan are determined annually by the State Board of Pension Trustees. The employer contribution policy is set by State law and required contributions by active members and by participating employers. The contributions required by participating employers are based on an actuarial valuation and are expressed as a percentage of annual covered payrolls during the period for which the amount is determined. The employer contribution rate in fiscal year 2023 was 11.34% of payroll. In addition, employees are required to contribute 7.00% of compensation.

NOTE 14: POST-RETIREMENT BENEFITS, CONTINUED

Other Employees' Pension Plan

The City contributes to a governmental cost-sharing multiple-employer defined benefit pension plan administered by the Delaware Public Employees Retirement System and managed by the State Board of Pension Trustees. The plan, which is the State of Delaware County and Municipal Other Employees Pension Plan, covers all full-time non-uniformed City employees as well as elected officials. The State of Delaware General Assembly is responsible for setting benefits and amending plan provisions. The State Board of Pension Trustees determines the contributions required. The board is composed of five members appointed by the Governor and confirmed by the State Senate, plus two ex-officio members.

Service benefits include 1/60th of final average monthly compensation multiplied by years of credited service, subject to maximum limitations. For this plan, the final average monthly compensation is the monthly average of the highest five years of compensation. There are also disability benefits as well as survivor benefits provided by the plan. An employee is vested upon five years of credited service.

Employer contributions to the plan are determined annually by the State Board of Pension Trustees. The employer contribution policy is set by State law and required contribution by active members and by participating employers. The contributions required by participating employers are based on actuarial valuation and are expressed as a percentage of annual covered payrolls during the period for which the amount is determined. The employer contribution rate in fiscal year 2023 was 5.55% of pension-creditable payroll. In addition, employees are required to contribute 3.0% of compensation in excess of \$6,000.

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The components of the total net pension liability (asset) of each plan as of the June 30, 2023 measurement date were as follows:

	Police & Firefighters	Other Employees
Total pension liability	\$ 538,482,000	\$ 86,080,000
Plan fiduciary net position	548,996,000	86,758,000
Employer net pension liability (asset)	(10,514,000)	(678,000)
Plan fiduciary net position as percentage of total pension liability	101.95%	100.79%
Proportionate share of net pension liability (asset)	\$ (254,855)	\$ (61,339)

CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 14: POST-RETIREMENT BENEFITS, CONTINUED

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate net pension liability was determined by rolling forward the DPERs total pension liability as of June 30, 2021 to June 30, 2022. The City's proportionate share of the net pension liability was calculated utilizing the employer's one-year reported covered payroll as it related to the total one-year reported covered payroll. As of June 30, 2023 and 2022, the City's proportion for each plan is as follows:

	June 30, 2022	June 30, 2021	Increase (Decrease)
Police & Firefighters	2.4240%	2.4627%	-0.0387%
Other Employees	9.0386%	8.7574%	0.2812%

For the year ended June 30, 2023, the City recognized pension expenses for the plans as follows:

Police & Firefighters	\$ 488,838
Other Employees	544,138
Total	\$ 1,032,976

As of June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Police & Fire		Other Employees	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 433,470	\$ 105,962	\$ 236,152	\$ 98,983
Change of assumptions	91,694	206,920	63,751	48,903
Net difference between projected and actual investment earnings	422,262	-	276,020	-
Change in proportion	32,939	27,129	914	38,726
Contributions subsequent to the measurement date	280,739	-	347,202	
Total	\$ 1,261,104	\$ 340,011	\$ 924,039	\$ 186,612

CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 14: POST-RETIREMENT BENEFITS, CONTINUED

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year	Police & Fire	Other Employees	Total
2023	\$ (20,509)	\$ 9,551	\$ (10,959)
2024	(60,021)	(11,961)	(71,982)
2025	(4,608)	(10,244)	(14,852)
2026	679,930	375,975	1,055,905
2027	38,709	8,014	46,723
Thereafter	6,853	18,890	25,743
Total	<u>\$ 640,354</u>	<u>\$ 390,225</u>	<u>\$ 1,030,579</u>

Actuarial Assumptions

The total pension liability (asset) was determined by an actuarial valuation as of June 30, 2021, and update procedures were used to roll forward the total pension liability to June 30, 2022. The following actuarial assumptions were used and applied to all periods included in the measurement:

- Investment return – 7.0%, includes inflation at 2.50%
- Salary increases – Effective average of 2.50%, which reflects an allowance for inflation of 2.50%, plus merit.

The discount rate assumption of 7.0% is unchanged from the prior year. Mortality rates were based on the Pub-2010 tables with gender adjustments for healthy annuitants and disabled retirees and an adjusted version on MP-2020 mortality improvement scale on a fully generational basis.

The total pension liabilities are measured based on assumptions pertaining to interest rates, inflation rates and employee demographics in future years. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates the larger the impact on the future financial statements.

Investments

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by an asset allocation percentage which is based on the nature and mix of current and expected plan investments, and by adding expected inflation.

CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 14: POST-RETIREMENT BENEFITS, CONTINUED

Best estimates of geometric real rates of return for each major asset class as of June 30, 2023 are summarized in the following table:

Asset Class	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	31.8%	5.7%
International Equity	15.0%	5.7%
Fixed Income	23.6%	2.0%
Alternative Investments	21.5%	7.8%
Cash & Equivalents	8.1%	0.0%

Discount Rate

The discount rate used to measure the total pension liability (asset) was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at rates determined by the Board of Pension Trustees, actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability (Asset)

The following presents the City’s net pension liability, calculated using the discount rate of 7.0% as well as what the resulting net pension liability if calculated using a discount rate one percentage point lower (6.0%) or higher (8.0%) than the current rate:

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Police and Firefighters	\$ 1,695,709	\$ (254,855)	\$ (1,844,179)
Other Employees	\$ 1,158,929	\$ (61,339)	\$ (1,058,510)

Pension Plan Fiduciary Net Position

Detailed information about DPERS’ fiduciary net position is available in DPERS Comprehensive Annual Financial Report which can be found on the System’s website at <https://open.omb.delaware.gov>.

CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 15: LEASES

Pertinent information regarding leases is presented below.

Leases Payable

Date of Issue	Initial Liability	Purpose	Outstanding Liability Balance 6/30/2023	Asset Value 6/30/2023	Accumulated Amortization 6/30/2023
Various	\$ 63,099	During 2023, the City of Milford had 2 active lease agreements for acquisition and use of copier machines ending in 2027. The city of Milford is required to make various monthly principal and interest payments between \$274 and \$989. The leases have no specified interest rates.	\$ 55,897	\$ 63,099	\$ 8,889
Various	\$ 26,626	During 2023, the City of Milford had 2 active lease agreements for acquisition and use of postage machines ending in various year between 2024-2025. The city of Milford is required to make various monthly principal and interest payments between \$56 and \$406. The leases have no specified interest rates.	\$ 8,076	\$ 26,626	\$ 9,055
			<u>\$ 63,973</u>	<u>\$ 89,725</u>	<u>\$ 17,945</u>

The future principal and interest lease payments as of December 31, 2023, were as follows:

Year Ending	Principal	Interest	Total
2024	\$19,683	\$ 3,098	\$ 22,781
2025	13,562	2,205	15,767
2026	13,760	1,394	15,154
2027	14,048	558	14,606
2028	2,920	14	2,934
	<u>\$63,973</u>	<u>\$ 7,269</u>	<u>\$ 71,242</u>

NOTE 15: LEASES, CONTINUED

Leases Receivable

Water Towers

The City of Milford, as the lessor, has entered into lease agreements permitting access to City property and the use of water tower space with Cellco Partnership (three individual agreements), New Cingular Wireless PCS, AT&T, and Sprint Spectrum Realty Company. An initial lease receivable was recorded in the amount of \$500,344. No additional revenue was recorded for variable and other payments not included in the measurement of the lease receivable. As of June 30, 2023, the value of the lease receivable is \$236,309 and the related deferred inflow for future payments expected to be collected on the lease is \$236,309. The lessees are required to make monthly expiring fixed payments of \$10,961 to \$2,000 through September 2026. The leases have no interest rate; therefore, the City uses its incremental borrowing rate of approximately 6.0% to discount future payments. The City of Milford recognized lease revenue and interest of \$143,035 and \$17,623, respectively, for the fiscal year.

Fiber-Optic Cable Network

The City of Milford, as the lessor, has entered into three lease agreements extending the availability of capacity on the City's fiber optic network to lessees Dentsply Sirona, Bayhealth Imaging MMH-DI, Bayhealth Dickinson, and DHSS. An initial lease receivable was recorded in the amount of \$235,490. No additional revenue was recorded for variable and other payments not included in the measurement of the lease receivable. As of June 30, 2023, the value of the lease receivable is \$178,154 and the related deferred inflow for future payments expected to be collected on the lease is \$202,918. The lessees are required to make monthly expiring fixed payments of \$3,215 to \$2,487 through April 2029. The leases have no interest rate; therefore, the City uses its incremental borrowing rate of approximately 6.0% to discount future payments. The City of Milford recognized lease revenue and interest of \$28,505 and \$10,084, respectively, for the fiscal year.

Land & Agricultural

The City of Milford, as the lessor, has entered into a lease agreement for the agricultural use of City-owned land with Fry Farms, Inc. An initial lease receivable was recorded in the amount of \$77,446. No additional revenue was recorded for variable and other payments not included in the measurement of the lease receivable. As of June 30, 2023, the value of the lease receivable is \$34,612 and the related deferred inflow for future payments expected to be collected on the lease is \$35,250. While the lease is subject to annual renewals, the lessee is expected to make annual payments equal to the maximum of \$24,000 in fiscal year 2023 to an estimate of \$12,000 by fiscal year 2025. The lease has no interest rate; therefore, the City uses its incremental borrowing rate of approximately 6.0% to discount future payments. The City of Milford recognized lease revenue and interest of \$22,041 and \$1,959, respectively, for the fiscal year.

NOTE 15: LEASES, CONTINUED

City of Milford as Lessor

The City of Milford has entered into a fiber optic agreement with an external party to provide capacity on the City's fiber optic network. This agreement does not meet the criteria of a lease under GASB Statement No. 87 as the terms and conditions specify the agreement expires within one year. Due to the short-term nature of the agreement, the City of Milford has not recorded a receivable in the financial statements for this agreement in accordance with GASB Statement No. 87.

The City of Milford has entered into three agreements permitting counterparties to access and attach equipment to City-owned utility infrastructure, such as utility poles, buildings and other fixtures. These agreements do not meet the criteria of a lease under GASB Statement No. 87 as the terms and conditions specify each agreement will expire within one year. Due to the short-term nature of the agreement, the City of Milford has not recorded a receivable in the financial statements for this agreement in accordance with GASB Statement No. 87.

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CITY OF MILFORD, DELAWARE
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 16: SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs)

Pertinent information regarding SBITAs is presented below.

Date of Issue	Initial Liability	Purpose	Outstanding Liability Balance 6/30/2023	Asset Value 6/30/2023	Accumulated Amortization 6/30/2023
10/8/2021	\$ 593,927	During FY 2023, the City of Milford had an active SBITA agreement with Tyler Technologies ending in FY 2027. The software is still in the implementation stage on 6/30/23 with \$308,848 of implementation cost included in the right-to-use asset value. The city of Milford is required to make various quarterly principal and interest payments between \$30,680 and \$39,054. The City's incremental borrowing rate was 6%.	\$ 494,284	\$ 902,775	\$ -
Various	\$ 129,041	During FY 2023, the City of Milford entered into SBITA agreements with Axon Enterprises ending in various year between FY 2023-2026. The city of Milford is required to make various annual principal and interest payments between \$24,673 and \$35,212. The City's incremental borrowing rate was 6%.	\$ 129,041	\$ 129,041	\$ 25,808
			<u>\$ 623,325</u>	<u>\$ 1,031,816</u>	<u>\$ 25,808</u>

The future principal and interest lease payments as of December 31, 2023, were as follows:

Year Ending	Principal	Interest	Total
2024	\$ 157,830	\$ 29,770	\$ 187,600
2025	172,348	19,965	192,313
2026	168,607	10,421	179,028
2027	99,866	1,966	101,832
2028	24,673	0	24,673
	<u>\$ 623,325</u>	<u>\$ 62,121</u>	<u>\$ 685,446</u>

NOTE 17: THE DELAWARE MUNICIPAL ELECTRIC CORPORATION:

The City is a member of the Delaware Municipal Electric Corporation (DEMEC). DEMEC is a public corporation constituted as Joint Action Agency and a wholesale electric utility. DEMEC was established in 1979 and represents eight municipal electric distribution utilities located in the State of Delaware and provides full requirements wholesale electric power supply service to all eight members, including the City of Milford, through the operation of owned generation assets and various wholesale supply contracts with external parties. The City purchases 100% of its electric supply requirements from DEMEC under a long-term full requirements service contract dated January 1, 2004 (the "Agreement"), which will remain in effect unless terminated upon one year's written notice by either party. The obligation of the City to purchase and pay for full requirements service, including its allocated costs under any then-current forward contract for capacity and energy between DEMEC and a third party in effect as of the date of notice of termination, shall survive the termination of the Agreement. On May 1, 2001, the City entered into separate power sales agreements to purchase an interest in the capacity produced by Unit 1 of the Warren F. "Sam" Beasley Power Station located in Smyrna, Delaware (the "Facilities"). On May 1, 2011, the City entered into separate power sales agreements to purchase an interest in the capacity produced by Unit 2 of the Facilities. The City is entitled to 20.3 percent of all power supply and ancillary benefits produced from the existing nominal 45 MW and 50 MW natural gas-fired combustion turbine generators installed in connection with Units 1 & 2, respectively, for the useful life of the Facilities. Under the terms of the various agreements, DEMEC is authorized to act as agent for the City in all matters relating to the acquisition and delivery of its wholesale power supply and management of energy cost risk on behalf of the City in the energy markets.

NOTE 18: SUBSEQUENT EVENTS:

Police Facility Contract Awards, Financing and Construction Activity

United States Department of Agriculture (USDA) Community Facilities Loan, Series 2024 A&B

The City anticipates satisfying the general obligation BAN in full on or before the maturity date, as may be extended, with a permanent issuance of long-term, tax-exempt general obligation bonds at a fixed rate of interest placed directly with the USDA in connection with its Community Facilities Loan Program. The City expects to close on USDA loans in successive bond series 2024 A in the amount of \$8.5 million and series 2024 B in the amount of \$8.0 million. City Council awarded architectural contracts totaling \$1.0 million during the planning phases of the project, a construction management contract for \$0.6 million in advance of the construction procurement process, and construction contracts totaling \$13.7 million in April 2022 to build the Facility. Along with technology equipment, furniture, fixtures and other equipment, contingencies, related roadwork and other improvements, the entire project is expected to cost \$17.5 million, \$16.5 million of which will be financed through USDA programs. As of June 30, 2023, the City had drawn \$8,669,226 on the ban (\$1,669,226 net of \$7,000,000 in principal prepayments). As of the issue date, the City incurred project expenses totaling \$16,895,888, of which \$43,614 was withheld as retainage, \$362,219 is payable, \$886,693 was met through the City reserve funds targeted for the project, and \$14,517.698 was satisfied through gross draws against the BAN.

The City of Milford

Required Supplementary Information

As of and for the Year Ended June 30, 2023

CITY OF MILFORD, DE
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts,</u> <u>Budgetary</u> <u>Basis</u>	<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
REVENUES				
Property Taxes	\$ 4,941,100	\$ 4,941,100	\$ 5,020,216	\$ 79,116
Fees and Fines	95,000	95,000	177,804	82,804
Licenses and Permits	477,100	571,300	1,242,042	670,742
Franchise & Lease Revenue	428,351	428,351	418,383	(9,968)
Charges for Services	88,000	5,000	20,880	15,880
Intergovernmental	387,000	387,885	405,002	17,117
Investment Earnings	9,500	9,500	112,904	103,404
Miscellaneous	12,250	16,250	211,320	195,070
Total Revenues	<u>6,438,301</u>	<u>6,454,386</u>	<u>7,608,551</u>	<u>1,154,164</u>
EXPENDITURES				
Current:				
General Government	4,822,717	5,318,609	2,384,966	2,933,643
Public Safety	6,185,274	6,211,159	6,154,327	56,832
Public Works	2,298,142	1,678,142	1,122,875	555,267
Culture and Recreation	1,482,240	1,391,197	1,266,743	124,454
Debt Service:				
Principal	-	7,500,000	7,125,395	374,605
Interest and Other Charges	-	47,545	47,545	-
Capital Outlay	12,160,659	14,117,370	12,627,105	1,490,265
Total Expenditures	<u>26,949,032</u>	<u>36,264,022</u>	<u>30,728,956</u>	<u>5,535,066</u>
Deficiency of Revenues Over Expenditures	<u>(20,510,731)</u>	<u>(29,809,636)</u>	<u>(23,120,405)</u>	<u>6,689,230</u>
OTHER FINANCING SOURCES				
Real Estate Transfer Tax (from Special Revenue Fund)	400,000	400,000	400,000	-
Transfers In From Utilities	2,800,000	2,800,000	2,800,000	-
Transfers In From Special Revenue Fund	586,411	588,475	1,128,479	540,004
SBITA and Lease Proceeds	-	-	202,051	202,051
Proceeds from Sale of Assets	2,000	5,507	278,648	273,141
Bond Anticipation Note	15,619,379	15,619,379	8,627,781	(6,991,598)
Other Transfers In	1,130,257	3,428,898	1,200,176	(2,228,722)
Transfers Out	(500,000)	(500,000)	(339,071)	160,929
Net Change in Fund Balance	<u>(472,684)</u>	<u>(7,467,377)</u>	<u>(8,822,341)</u>	<u>(1,354,965)</u>
DEFICIENCY FUNDED BY (SURPLUS DIRECTED TO)				
General Fund Balance and Reserves	<u>472,684</u>	<u>7,467,377</u>	<u>8,822,341</u>	<u>1,354,965</u>
Net Revenues, Other Financing Sources, Prior				
Fund Balances and Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MILFORD, DELAWARE
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE LAST EIGHT FISCAL YEARS (DOLLAR AMOUNTS IN THOUSANDS)

	2023	2022	2021	2020	2019	2018	2017	2016
<u>County & Municipal Police and Firefighters' Pension Plan</u>								
Proportion of the net pension liability (asset)	2.4240%	2.4627%	2.6455%	2.4289%	2.2946%	2.3779%	2.3824%	2.4964%
Proportionate share of the net pension liability (asset)	\$ (255)	\$ (3,389)	\$ 407	\$ 698	\$ 528	\$ 240	\$ 379	\$ (132)
Covered-employee payroll	\$ 2,524	\$ 2,485	\$ 2,412	\$ 2,147	\$ 1,906	\$ 1,944	\$ 1,736	N/A
Proportionate share of the net pension liability (asset) as a percentage of covered-employee payroll	10.1%	136.4%	16.9%	32.5%	24.6%	12.6%	21.8%	N/A
Plan's fiduciary net position	\$ (548,996)	\$ 625,792	\$ 446,384	\$ 396,829	\$ 367,470	\$ 325,867	\$ 284,298	\$ 273,109
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.0%	128.2%	96.7%	93.3%	94.1%	97.0%	94.7%	102.0%
<u>County & Municipal Other Employees' Pension Plan</u>								
Proportion of the net pension liability (asset)	9.0386%	8.7574%	9.5271%	9.4728%	10.0609%	10.3165%	10.8530%	12.1628%
Proportionate share of the net pension liability (asset)	\$ (61)	\$ (1,834)	\$ 202	\$ 434	\$ 317	\$ 668	\$ 672	\$ 5
Covered-employee payroll	\$ 5,485	\$ 4,687	\$ 4,107	\$ 4,206	\$ 3,476	\$ 3,628	\$ 3,631	N/A
Proportionate share of the net pension liability (asset) as a percentage of covered-employee payroll	1.1%	39.1%	4.9%	10.3%	9.1%	18.4%	\$ 0	N/A
Plan's fiduciary net position	\$ 86,758	\$ 96,932	\$ 67,470	\$ 58,536	\$ 53,122	\$ 45,874	\$ 39,292	\$ 37,840
Plan fiduciary net position as a percentage of the total pension liability	100.8%	127.6%	96.9%	92.7%	94.4%	87.6%	86.4%	99.9%

The accompanying notes are an integral part of this schedule.

CITY OF MILFORD, DELAWARE
SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION PLAN
FOR THE LAST EIGHT FISCAL YEARS (DOLLAR AMOUNTS IN THOUSANDS)

	2023	2022	2021	2020	2019	2018	2017	2016
<u>County & Municipal Police and Firefighters' Pension Plan</u>								
Contractually required contribution	\$ 281	\$ 405	\$ 396	\$ 406	\$ 358	\$ 269	\$ 240	\$ 251
Contributions in relation to the contractually determined contribution	281	405	396	406	358	269	240	251
Contribution (excess) deficiency	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Covered-employee payroll	\$ 2,476	\$ 2,524	\$ 2,485	\$ 2,412	\$ 2,147	\$ 1,906	\$ 1,944	\$ 1,736
Contributions as a percentage of covered-employee payroll	11.34%	16.03%	15.95%	16.84%	16.68%	14.12%	12.37%	14.48%

<u>County & Municipal Other Employees' Pension Plan</u>								
Contractually required contribution	\$ 347	\$ 372	\$ 331	\$ 340	\$ 284	\$ 259	\$ 225	\$ 235
Contributions in relation to the contractually determined contribution	347	372	331	340	284	259	225	235
Contribution (excess) deficiency	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Covered-employee payroll	\$ 6,256	\$ 5,485	\$ 4,687	\$ 4,107	\$ 4,206	\$ 3,476	\$ 3,628	\$ 3,631
Contributions as a percentage of covered-employee payroll	5.55%	6.78%	7.06%	8.28%	6.76%	7.46%	6.21%	6.49%

The accompanying notes are an integral part of this schedule.

**CITY OF MILFORD, DELAWARE
NOTES TO THE REQUIRED SUPPLEMENTARY SCHEDULES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 – GENERAL

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered part of the basic financial statements.

NOTE 2 – BUDGETARY BASIS

The budgetary comparison schedule is prepared on a basis that is consistent with generally accepted accounting principles (GAAP).

NOTE 3 – PENSION PLANS

The following notes pertain to both the County and Municipal Police and Firefighters Pension Plan and the County and Municipal Other Employees' Pension Plan.

Changes in Benefit Terms

None

Changes in Assumptions

The changes in assumptions used to determine total pension liability are described in Note 15 to the basic financial statements.

Method and Assumptions used in calculations of actuarially determined contributions

The actuarially determined contribution rates in the Schedule of Employers' Contributions are calculated as of the June 30 two years prior to the end of the fiscal year in which the contributions are reported. Complete descriptions of the methods and assumptions used to determine the contribution rates for Fiscal Year 2022 can be found in the June 30, 2021 actuarial valuation reports. The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule:

- Actuarial Cost Method – Entry Age Normal
- Amortization Method – Open 10 Year Level Percent of Payroll
- Remaining Amortization Period – 10 Years
- Asset Valuation Method: 5 Year Smoothed Market
- Actuarial Assumptions
 - Discount Rate – 7.0%
 - Amortization Growth Rate 2.5%
 - Price Inflation – 2.5%

10-year Reporting Requirements

The preceding required supplementary schedules, as related to pensions, are intended to show information for 10 years. Additional years will be displayed as they become available.

The City of Milford

Additional Information

As of and for the Year Ended June 30, 2023

CITY OF MILFORD, DELAWARE
 ADDITIONAL INFORMATION, CONTINUED
 JUNE 30, 2023

Taxation

The City annually adopts an assessment listing based on its own assessments of real property, with the option to adopt the assessed values as determined by either or both of Kent or Sussex Counties. Real Property was last reassessed in the City of Milford in 2012. The assessment reflected actual property sale data available in 2012. Assessments are based on a level of 100% of the 2012 values as appraised by the City of Milford. Appraisals for all classifications of property are equal to estimated replacement cost less depreciation.

Ratable Classification	2023 Assessed Value (AV)	2023 Market Value (MV)*	AV ÷ MV
Public Utilities	\$5,508,755	\$10,393,877	
Agriculture	878,100	\$1,656,792	
Residential	645,791,700	\$1,218,474,906	
Multi-Family	43,996,300	\$83,011,887	
Commercial	336,522,359	\$634,947,847	
Industrial	11,315,900	\$21,350,755	
Exempt	344,779,000	\$650,526,415	
TOTAL	\$1,388,792,114	\$2,620,362,479	53%

**Estimated based on City of Milford market sales data sampling*

Tax Assessments

Year	Assessment*	Ratio, Assessed to	Market Value
		Market Value	
2023	\$ 1,388,792,114	53%	\$ 2,620,362,479
2022	1,370,587,152	60%	2,284,311,920
2021	1,322,462,352	69%	1,911,072,763
2020	1,304,217,652	74%	1,762,456,286
2019	1,108,131,359	78%	1,420,681,230
2018	1,076,761,765	75%	1,435,213,740
2017	1,064,336,304	81%	1,319,777,017
2016	1,049,526,712	89%	1,175,823,786
2015	1,038,988,192	91%	1,141,745,266
2014	1,030,515,982	95%	1,084,753,665

**Last Reassessment Completed in September 2012*

The City's property tax rate was \$0.49275 per \$100 of assessed value (AV) throughout the FY23 reporting period. City Council approved the rate of \$0.54600 per \$100 of AV for FY24. About 20% of the increase in FY24 reflects an ongoing initiative to promote structural balance in the City's operating budget, while the balance supports the referendum-approved debt service obligation arising from the Police Headquarters Facility financing. Milford also collects a Realty Transfer Tax (RTT) of 1.50% of the consideration of all property transfers in City limits effective July 1, 2001.

Tax Appeals

Milford City Council serves in the capacity of Board of Appeals to review assessments when appealed by property owners. There are generally few appeals of assessments each year.

CITY OF MILFORD, DELAWARE
ADDITIONAL INFORMATION, CONTINUED
JUNE 30, 2023

Top 20 Taxpayers

	2023 Assessed Value	Land Use	Parcel Owner	2023 Tax Levy
\$	27,687,259	Commercial	Clark Avenue Realty	\$ 151,172
	19,401,400	Commercial	Milford Plaza	105,932
	17,007,800	Multi-Family	Windward on the River	92,863
	16,426,800	Commercial	Wal-Mart Stores	89,690
	11,628,900	Multi-Family	Watergate At Milford	63,494
	9,447,900	Multi-Family	Reserve at Saw Mill	51,586
	8,514,300	Multi-Family	Key Properties Group	46,488
	8,369,100	Commercial	Milford Center	45,695
	6,869,500	Commercial	Cypress Capital	37,507
	6,780,100	Commercial	Helmick Milford	37,019
	6,734,300	Multi-Family	Cascades	36,769
	6,558,100	Commercial	Baltimore Aircoil Company	35,807
	6,547,100	Commercial	US Cold Storage	35,747
	5,302,800	Multi-Family	Case Edwards Management	28,953
	5,158,300	Industrial	Purdue RE Holdings	28,164
	4,899,500	Multi-Family	Tran Con Builders	26,751
	4,799,800	Commercial	SW Acquisitions	26,207
	4,770,900	Multi-Family	Misphillion Realty	26,049
	4,763,300	Commercial	Riverwalk Center At Milford	26,008
	4,698,800	Commercial	Milford Microtel	25,655

Tax Collections and Delinquent Taxes

Year Ended June 30	Tax Collections			Past Due
	Taxes Budgeted	Cash Collections	Collections as % of Budget	Outstanding as of June 30
2023	\$ 4,912,100	\$ 5,178,348	105%	\$ 154,361
2022	4,741,043	4,745,519	100%	184,552
2021	4,296,000	4,322,838	101%	180,783
2020	4,126,385	4,074,644	99%	241,673
2019	3,902,716	3,943,184	101%	210,077
2018	3,820,560	4,038,010	106%	178,337
2017	3,732,970	3,817,534	102%	344,177
2016	3,701,000	3,720,159	101%	307,883
2015	3,746,000	3,660,900	98%	359,772
2014	3,556,965	3,518,917	99%	358,545

CITY OF MILFORD, DELAWARE
 ADDITIONAL INFORMATION, CONTINUED
 JUNE 30, 2023

Selected Demographic Data and Corresponding Debt Ratios

	Direct Debt ¹	Population ²	Assessed Valuation (AV) ¹
	\$ 7,494,226	13,289	\$ 1,388,792,114
Direct Debt per Capita		\$ 564	
Direct Debt as % of AV			0.54%

¹ Debt and AV measured as of and for the period ended June 30, 2023, respectively

² Based on most current US Census Bureau Population Estimate as of July 1, 2023

Direct Debt as of June 30, 2022 consisted entirely of the City’s General Obligation Bond Series 2016 outstanding balance of \$6.26 million. As of June 30, 2023, Direct Debt increased to \$7.5 million, driven by \$1.67 million in new construction financing related to the City’s referendum-approved Police Headquarters Facility Project, net of \$0.44 million in principal repayments against the General Obligation Bond Series 2016. Milford’s organic growth in population and assessments serve to maintain stability in the debt ratios, while debt service requirements are scheduled into tax and utility rate structures.

Largest Employers

The largest employers in and around the City of Milford follow:

Employer	Description	Employee Count
Perdue Farms	Poultry Processing	1,485
Bayhealth - Sussex Campus	Healthcare	900
Milford School District	Education	578
Dentsply Sirona	Dental Equipment	525
Walmart Stores	Retail	349
Sea Watch International	Seafood Processing	250
City of Milford	Municipal Government	135
Burris Logistics	Supply Chain Logistics	110
Kent-Sussex Industries	Vocational Services	85
First State Manufacturing	Industrial Sewing	50

Employee counts based on employer-reported data and City of Milford survey data

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Page 1 of 2

[TO BE PREPARED BY AUDIT FIRM]

[TO BE PREPARED BY AUDIT FIRM]

The City of Milford

Other Supplemental Information Single Audit

For Year Ended June 30, 2023

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Honorable Mayor and Members of the City Council

City of Milford, Delaware

Page 1 of 1

[TO BE PREPARED BY AUDIT FIRM]

CITY OF MILFORD, DE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-through Grantor/Program	Federal CFDA Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
US Department of the Treasury American Rescue Plan Act	21.027	n/a	-	2,208,432
US Department of Justice Bulletproof Vest Partnership	16.607	n/a	-	5,229
US Department of Justice Edward Byrne Memorial Justice Assistance	16.738	n/a	-	17,215
Total expenditures of federal awards			\$ -	\$ 2,230,876

CITY OF MILFORD, DE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Milford, Delaware under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only the selected portion of the operations of the City of Milford, Delaware, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Milford.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – INDIRECT COST RATE

The City of Milford did not use the 10% de minimis indirect cost rate allowed by the Uniform Guidance.

**CITY OF MILFORD, DE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

SUMMARY OF AUDITOR'S RESULTS [TO BE PREPARED BY AUDIT FIRM]

Financial Statements

Type of auditor's report issued:

Internal control over financial report

Material weaknesses identified?

Significant deficiencies identified?

Noncompliance material to financial statements noted?

Federal Awards

Internal control over major programs

Material weaknesses identified?

Significant deficiencies identified?

Type of auditor's report issued on compliance for major program:

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?

Major Program:

CFDA Number	Name of Federal Program
21.027	American Rescue Plan Act

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?

To: Mayor and Council
Thru: Mark Whitfield, City Manager
From: Willis Shafer, Director of Public Works
Subject: Southeast Crossing Bid Approval
Date: October 31, 2024

EXECUTIVE SUMMARY

Staff recommend City Council accept proposals from Teal Construction, Inc. (“Teal”) and KCI Technologies, Inc. (“KCI”) not to exceed a total of \$770,000, for the construction and project management to install utility crossings serving the southeast corridor. Funded by a pro-rata share of water, sewer and electric impact fees pursuant to the FY23 Operating and Capital Budgets, the concept for this project dates back to 2011 with Comprehensive Plan Update approval in 2018 and budget funding in FY23.

DETAIL

City Council initially approved the concept for southeast utility crossings in the 2011 SE Master Plan, which was readopted by Council as part of the 2018 Comprehensive Plan Update. The Plan states “the City will construct a public water system as described in Chapter 9 to serve the Master Plan Area.” This would include a water casing and pipe crossing of SR1 from Beaverdam Road to Bucks Road. KCI was engaged for preliminary analysis in 2021, and the water and sewer components of the project were first approved in the FY2023-27 CIP in 2022. The electric and gas utility components of the project were included based on input from the Electric Department and to maximize the efficiency of this one-time opportunity to bore under SR1 with utility-grade crossings. Please see the enclosed exhibits for additional background information related to the project.

The Southeast Crossing project will provide the necessary utility infrastructure crossings for future expansion along the southeast corridor. The project involves the construction of four (4) casing pipes installed via the jack and bore method across Coastal Highway and installation of 1,020 linear feet of PVC water main. The four casings will be used for water, wastewater, electric and natural gas. Chesapeake Utilities is responsible for the cost of the gas casing installation. Water and wastewater impact fees were approved funding sources in the FY23 budget, and electric impact fees are recommended to fund the electric fund’s share of project costs. Water, wastewater and electric activities are expected to make up approximately 38%, 31% and 31% of project costs, respectively.

Three contractors bid on the project: Chesapeake Turf, LLC, George and Lynch, Inc., and Teal Construction, Inc. City staff and KCI jointly evaluated cost proposals and reviewed the bid responses to determine that Teal provided the lowest bid and was found to meet all bid requirements. The bid amount was \$682,140. Staff recommend an additional \$20,000 for rock excavation, dewatering and test pitting, as well as \$35,360 (about 5%) in contingencies for a subtotal construction cost of \$737,500.

Staff also recommend that KCI continue with construction management and oversight for the project. The scope of work includes the management of all preconstruction meeting requirements, daily project inspection, change order submittal, bi-monthly progress meetings on site, and final project approval. The service cost proposed by KCI is \$32,500 and is judged to be reasonable at 4.6% of the bid costs (4.4% of construction costs).

RECOMMENDATION

Staff recommend City Council accept the proposals from Teal Construction and KCI Technologies, not to exceed a total of \$770,000, and authorize the execution of the contracts with Teal and KCI for the proposed amounts of \$702,140 and \$32,500, respectively, with the total funding provided through a pro-rata share of water, sewer and electric impact fees pursuant to the approved FY23 Operating and Capital Budgets.

EXHIBITS

- Southeast Utility Crossing Project – Proposal Recommendation
- KCI Task Order Authorization – Construction Phase Services
- August 23, 2021 Memo to City Council
- Excerpt from approved FY2023-27 Capital Improvement Plan (CIP)
- Excerpt from approved FY2023 Operating and Capital Budgets
- Excerpts from approved FY2024-28 & FY2025-29 CIP Documents



ISO 9001:2015 CERTIFIED

ENGINEERS • PLANNERS • SCIENTISTS • CONSTRUCTION MANAGERS

614 N. Dupont Highway • Dover, DE 19901 • Phone 302-747-5999

October 23, 2024

City Of Milford
180 Vickers Drive
Milford, DE 19963

Attention: James Puddicombe – City Engineer

Subject: Southeast Utility Crossings Project – Proposal Recommendation
KCI Job No. 00008158_00001

Dear Mr. Puddicombe,

The City of Milford solicited proposals for the installation of the Milford Southeast Utility Crossings project. The project involves the construction of four (4) casing pipes installed via jack and bore across Coastal Highway (State Route 1), a 1020 linear foot C-900 PVC water main extension and associated work. The casings are designated for installation of a water main and future installation of gas, sewer and electric utilities.

Three (3) sealed bids were received at City Hall on October 16, 2024, before the 1:00pm deadline. The proposals from Teal Construction Inc, George & Lynch, Inc. and Chesapeake Turf, LLC have been reviewed for compliance and responsiveness to the bid requirements. However, Goerge & Lynch and Chesapeake Turf, LLC had minor arithmetic errors. The errors were insignificant and did not have any material effect on their bid numbers. All bids submitted have been found to be responsive and are eligible for consideration for the project.

Teal Construction Inc. provided the lowest bid compared to all the other bidders. Given the scope of work, we believe the proposal provided is reasonable and is in line with current construction pricing in the region. Therefore, KCI recommends Teal Construction, Inc. be awarded the Southeast Utilities Crossings project in the amount of \$682,140.00. It should be noted that the proposal included additional costs for other continent items that may be incurred in the project including test pitting, rock excavation, dewatering and well pointing. We recommend the City budget an additional \$20,000 to account for these potential costs.

Please contact Kevin Nyamumbo at 302-318-1130 if you have any questions.

Sincerely,

KCI Technologies, Inc.

Kevin Nyamumbo, P.E.
Project Manager

Daniel String, P.E.
Practice Leader

Encl: Certified Bid Tab

Employee-Owned Since 1988

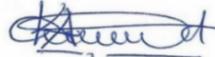
City of Milford Southeast Utility Crossing - Bid Results

Item No.	Description	Unit	Estimated Quantity	Engineer's Estimate		Teal Construction		George & Lynch		Chesapeake Turf, LLC		Bid Average	
				Bid Unit Price	Bid Price	Bid Unit Price	Bid Price	Bid Unit Price	Bid Price	Bid Unit Price	Bid Price	Bid Unit Price	Bid Price
1	Mobilization/Demobilization (Max 10% of Total Bid)	LS	1	\$40,000.00	\$40,000.00	\$18,049.00	\$18,049.00	\$77,609.10	\$77,609.10	\$114,200.00	\$114,200.00	\$69,952.70	\$69,952.70
2	Maintenance of Traffic	LS	1	\$25,000.00	\$25,000.00	\$36,580.00	\$36,580.00	\$23,551.00	\$23,551.00	\$27,200.00	\$27,200.00	\$29,110.33	\$29,110.33
3	Erosion and Sediment Controls	LS	1	\$20,000.00	\$20,000.00	\$12,998.00	\$12,998.00	\$16,729.85	\$16,729.85	\$41,000.00	\$41,000.00	\$23,575.95	\$23,575.95
4	10-inch DR 18 PVC, including Excavation, Stone bedding and backfill, bend & reducer fittings, joint restraint, thrust blocks, pressure testing & disinfection	LF	855	\$150.00	\$128,250.00	\$123.00	\$105,165.00	\$368.97	\$315,469.35	\$111.20	\$95,076.00	\$201.06	\$171,903.45
5	18" Grade B Steel Casing Pipe via Jack and Bore for 10-inch PVC DR18 Water Main	LF	165	\$125.00	\$20,625.00	\$105.00	\$17,325.00	\$84.02	\$13,863.30	\$148.40	\$24,486.00	\$112.47	\$18,558.10
6	10" Gate Valve and Box	EA	2	\$6,000.00	\$12,000.00	\$5,565.00	\$11,130.00	\$4,712.34	\$9,424.68	\$8,250.00	\$16,500.00	\$6,175.78	\$12,351.56
7	18-inch Grade B Steel Casing Pipe via Jack & Bore	LF	165	\$610.00	\$100,650.00	\$761.00	\$125,565.00	\$1,088.50	\$179,602.50	\$2,960.00	\$488,400.00	\$1,603.17	\$264,522.50
8	20-inch Grade B Steel Casing Pipe via Jack & Bore and Capped for Future Electric Utility Crossing	LF	165	\$630.00	\$103,950.00	\$728.00	\$120,120.00	\$1,090.27	\$179,894.55	\$575.00	\$94,875.00	\$797.76	\$131,629.85
9	10-inch Grade B Steel Casing Pipe via Jack & Bore and Capped for Future Gas Utility Crossing	LF	165	\$600.00	\$99,000.00	\$639.00	\$105,435.00	\$1,049.34	\$173,141.10	\$628.00	\$103,620.00	\$772.11	\$127,398.70
10	16-inch Grade B Steel Casing Pipe via Jack & Bore and Capped for Future Sanitary Sewer Force Main Crossing	LF	165	\$605.00	\$99,825.00	\$686.00	\$113,190.00	\$1,049.03	\$173,089.95	\$628.00	\$103,620.00	\$787.68	\$129,966.65
11	Final Restoration including final compaction, clean up, topsoil, seeding, straw.	LS	1	\$20,000.00	\$20,000.00	\$14,695.00	\$14,695.00	\$48,744.46	\$48,744.46	\$40,500.00	\$40,500.00	\$34,646.49	\$34,646.49
12	Record Drawings	LS	1	\$3,600.00	\$3,600.00	\$1,888.00	\$1,888.00	\$1,498.00	\$1,498.00	\$5,600.00	\$5,600.00	\$2,995.33	\$2,995.33
				Total Base Bid	\$672,900.00		\$682,140.00		\$1,212,617.84		\$1,155,077.00		\$1,016,611.61
Contingency Items (TO BE COMPLETED AT DIRECTION OF ENGINEER)													
Item No.	Description	Unit	Estimated Quantity	Bid Unit Price	Bid Price	Bid Unit Price	Bid Price	Bid Unit Price	Bid Price	Bid Unit Price	Bid Price	Bid Unit Price	Bid Price
13	Test Pitting Including Temporary Restoration	CY	600	\$15.00	\$9,000.00	\$9.00	\$5,400.00	\$167.12	\$100,272.00	\$10.00	\$6,000.00	\$62.04	\$37,224.00
14	10-inch Cap tapped for 2-inch & Blow off Assembly	EA	1	\$2,500.00	\$2,500.00	\$1,935.00	\$1,935.00	\$2,527.61	\$2,527.61	\$4,000.00	\$4,000.00	\$2,820.87	\$2,820.87
15	Rock Excavation	CY	10	\$25.00	\$250.00	\$12.00	\$120.00	\$962.85	\$9,628.50	\$1.00	\$10.00	\$325.28	\$3,252.83
16	Dewatering and Well Pointing	DAY	10	\$300.00	\$3,000.00	\$500.00	\$5,000.00	\$7,171.60	\$71,716.00	\$50.00	\$500.00	\$2,573.87	\$25,738.67
CONTINGENT BID TOTAL					\$14,750.00		\$12,455.00		\$184,144.11		\$10,510.00		\$69,036.37
Total of All Bid Items				\$	687,650.00	\$	694,595.00	\$	1,396,761.95	\$	1,165,587.00	\$	1,085,647.98

This is to certify that the above is an accurate and complete tabulation of bids received by 1:00 PM October 16, 2024

Respectfully Submitted,

KCI Technologies, Inc.



Kevin Nyamumbo, P.E.

KCI TECHNOLOGIES, INC.
TASK ORDER AUTHORIZATION

October 24, 2024

KCI Project ID. 00008158_00001 (No. 131803632.11)

The purpose of this form is to obtain your authorization for the work verbally requested and to confirm the terms under which these services will be provided. KCI Technologies, Inc. is pleased to provide the services described below as an amendment to the contract previously executed, dated March 26, 2018, for the Project called Municipal On-Call Services, located in Milford, Delaware.

Invoices to: City of Milford
 Attention: Mark A. Whitfield
 180 Vickers Drive
 Milford, DE 19963

BACKGROUND

The City of Milford previously authorized KCI to design proposed water, electric, gas and sewer force main crossings under Route 1 (Coastal Highway). The designs were developed and invitations to bid on the project issued. The City has received and reviewed qualified bids for the project. KCI has provided recommendation to award the bid to a qualified contractor.

The City has requested a proposal from KCI to provide Construction Phase Services on behalf of the City. It is assumed that the Construction Phase will have a duration of approximately four (4) months.

SCOPE OF SERVICES

This proposal is limited exclusively to the services described below. Anything not expressly described shall be considered excluded from the Services. Any modification made after the execution of this proposal will be Additional Services unless otherwise agreed to in writing by both parties.

Construction Phase Services

1. Preconstruction Meeting

KCI shall organize and host a pre-construction meeting. Following the meeting, KCI will prepare and issue summary minutes of the meeting.

2. Submittals

KCI shall review and endorse shop drawings, samples, equipment data, operation and maintenance manuals and other data that the Contractor is required to submit, but only for conformance with the design concept of the project and compliance with the information given in the Contract Documents. Such reviews and approvals or other action shall not extend to means, methods, techniques, sequences, and procedures of construction or to safety precautions and programs incidental thereto. KCI shall provide a list of shop drawings and will maintain a Shop Drawing Log for all submittals. In addition, KCI shall evaluate and determine the acceptability of substitute materials and equipment requested by the Contractor. The fees provided are based on an estimate of ten (10) total submittals.

3. RFIs and Change Orders

a. Requests for Information (RFIs)

- (1) When requested, KCI will respond to Requests for Information (RFI) originating from the Contractor to answer questions or resolve issues relating to the design. Documentation, including reports, supplemental specifications and sketches will be prepared as required to provide supplementary instructions and details to assist in resolving conflicts arising from interpretations of the Drawings and Specifications. Responses and recommendations will be submitted in writing in a timely manner.
- (2) KCI will maintain an accurate log of RFI's received and their disposition, and report on their status periodically. This scope of work assumes a total of ten (10) RFIs. RFIs exceeding this quantity shall be considered extra work.

b. Change Orders

- (1) KCI will assist the City in documenting and evaluating proposed change orders (PCO's) originating from the Contractor or the City, for execution of work not included in the Contract Documents. This Scope of Work assumes a total number of Change Orders to be reviewed to be three (3).
- (2) Review change order requests/estimates referred by the City and make recommendations to the City concerning the appropriateness to the scope of work and estimate of cost. Change Orders, which will be implemented by force account, will not require cost analysis described above. KCI will maintain an accurate log of PCO's received, and report on their status periodically to the City.

3. Payment Application

KCI shall review and prepare recommendation for monthly payment application from the Contractor.

4. Progress Meetings/Site Visits/Coordination

KCI shall attend monthly progress meetings and periodic conferences when requested by the City to assist in the interpretation of the plans and specifications or in resolution of disputes between the City and the Contractor during the construction period. KCI will prepare and issue minutes of meetings.

KCI shall perform up to four (4) site visits by an engineer to monitor construction progress and coordinate with the City. These services are based on an estimated construction schedule of four (4) months.

5. Substantial and Final Completion Acceptance Inspection/Approval

KCI shall attend inspection of the infrastructure to determine conditional acceptance and inspect the work for compliance with the requirements of the Contract Documents. KCI shall provide recommendations concerning the status of the work and prepare a punch list of outstanding items to be completed by the Contractor and track the status of these items.

6. Construction Inspection Services

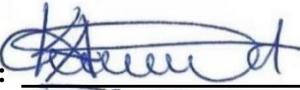
During construction, KCI shall provide construction inspection services. This shall include site visits and inspection reports detailing ongoing construction activities. KCI estimates approximately forty (40) hours of inspection time for the project. Time to this task shall be on a time and material basis not to exceed the stated number of hours.

Post Construction

KCI shall assist the City in maintaining marked-up Drawings and Specifications. At the completion of construction, KCI shall collect the two (2) sets of record drawing marked-up prints from the contractor and create a final set of records drawings and specifications. KCI shall furnish City with record drawings within ninety (90) days of receipt of all documents.

PROJECT FEES

The total estimated fee, including labor and direct costs to provide the above scope as defined is **\$32,500**. Billing will be Time & Material based on the already approved Schedule of Rates. We anticipate Direct Expenses will not exceed \$1,500.00 for this work.

Prepared by: 

Kevin Nyamumbo, PE
Project Manager



Daniel String, PE
Senior Project Manager

Work Authorized by:

(Print or Type Name) (Title)

(Signature)



TO: Mayor and City Council

FROM: Rob Pierce, Planning Director
James Puddicombe, P.E., City Engineer

DATE: August 23, 2021

RE: SE Neighborhood – East SR1 Sewer & Water Infrastructure

The City received a Utility Feasibility Study request for the Red Cedar Farms property located east of Bucks Road and north of Cedar Neck Road for 200 residential equivalent dwelling units. This property is located within the City’s southeast neighborhood. The UFS request was forwarded to KCI to evaluate the addition of this property into the City’s sewer and water system. Red Cedar Farms is responsible for the cost of the UFS for their individual property.

Regional Sewer Infrastructure Study

In an effort to coordinate and plan for area wide utility improvements, staff recommends authorizing KCI Technologies to provide concept renderings and cost estimates for sewer infrastructure for the area east of SR1. The City has received the enclosed proposal not to exceed \$10,000 for this scope of work.

Staff would attempt to coordinate a sewer cost-sharing agreement between the major property owners east of SR1 similar to what was done for the newer pump station that serves the Sussex Health Campus, Wickersham, the Wilson Contracting property and the Hall farm.

Staff recommends authorizing KCI Technologies to provide concept renderings, cost estimates and analysis for regional sewer infrastructure east of SR1 in the amount not to exceed \$10,000. The study would be paid for using sewer fund reserves.

Regional Water & Sewer Infrastructure

The 2011 SE Master Plan that was readopted by City Council as part of the 2018 Comprehensive Plan Update states “the City will construct a public water system as described in Chapter 9 to serve the Master Plan Area.” This would include a water casing and pipe crossing of SR1 from Beaverdam Road to Bucks Road.

In the event that a regional sewer cost-sharing agreement cannot be achieved amongst the property owners east of SR1, staff recommends authorizing the City to include the sewer utility crossing of SR1 in the scope of regional improvements the City would be responsible for. This guidance will affect the Red Cedar Farms proposal.

Staff would utilize KCI Technologies to design the water main extension from Beaverdam Road to Bucks Road under a future proposal for City Council authorization. Staff recommends including the sewer casing installation under SR1 in the scope of this work.

Staff recommends City Council acknowledge the need for the City to design and install the sewer casing under SR1 to serve future improvements to the Southeast Neighborhood east of SR1. The cost of the design and construction of this casing pipe, along with regional water improvements will be presented at a later date.

City of Milford, Delaware

Capital Improvement Plan (CIP): FY23 Excerpt for O&M as Approved 6/13/2022

A	B	C	D	E	F
Line	Fund/Dept	Project	FY23 O&M Funding Recommendation	PY Ref	FY23 (Plan)
4	ELECTRIC	NOAA Continuous Operating Reference Station	Elec Res FY23	TBD	15,000
5		Hetra Lifts for Forklifts	Elec Res FY23	TBD	8,000
13			Total Equipment		\$ 23,000
15		Ram QuadCab Pick-up (R: 2017 E-101)	Replacement Reserve	13	35,000
16		Pick up Truck	Replacement Reserve	TBD	55,000
18			Total Vehicles		\$ 90,000
28		Build additional interior offices at Armory (Arborist)	Elec Res FY23	TBD	20,000
28.5		Broadband/Public WiFi Feasibility Study	Elec Res FY23	TBD	50,000
30		Advanced Relocation	Elec Res FY23	TBD	100,000
31		Pole Replacement Project	Elec Res FY23	TBD	25,000
32		Milford Business Campus (Fry Farm Infrastructure)	Elec Res FY23	TBD	120,000
35			Total Infrastructure		\$ 315,000
36			TOTAL ELECTRIC		\$ 428,000
44	WATER	NOAA Continuous Operating Reference Station	Water Res FY23	TBD	7,500
45			Total Equipment		\$ 7,500
55		Install Automated Blow-off Valves	Water Res FY23	43	50,000
56		Street Rehab	Water Res FY23	44	405,000
57		Lead Service Line Removal	Water Reserves / BIL	TBD	250,000
58		Asbestos Pipe Removal	Water Res FY23	TBD	115,500
59		City-wide Valve & Hydrant Replacement/Improvements	Water Reserves / ARPA	45	250,000
61		Treatment Plant Upgrades	Water Res FY23	46	150,000
64		Milford Business Campus (Fry Farm Infrastructure)	Water Impact Fees	TBD	150,000
65		SE Regional Water Infrastructure - East of Route 1	Water Impact Fees / BIL	49	920,000
67	New NW City Area Tower/Wells/Treatment	Water Reserves / BIL	51	300,000	
71			Total Infrastructure	\$ 2,590,500	
72			TOTAL WATER	\$ 2,598,000	
75	SEWER	PS Upgrades (grinders, spares, design)	Sewer Res FY23	57	150,000
77		Kubota F3060 Mower w/ plow & blower (R: 2011 SE-10)	Replacement Reserve	TBD	40,000
78		ROVER Mainline Sewer Inspection System	Sewer Res FY23	TBD	120,000
79		NOAA Continuous Operating Reference Station	Sewer Res FY23	TBD	7,500
87			Total Equipment		\$ 317,500
101		Street Rehab	Sewer Res FY23	76.5	100,000
102		Asbestos Removal	Sewer Res FY23	TBD	50,000
103		SE 2nd Street Pump Station Replacement	Sewer Res FY23	77	225,000
104	SE Regional Pump Station and Force Main - East of Route 1	Sewer Impact Fees / BIL	78	500,000	
106	Abandon BAC PS & install grav ext. frm Hickory Glen	Sewer Res FY23	80	20,000	
108		Milford Business Campus (Fry Farm Sewer Infrastructure)	Sewer Impact Fees / BIL	TBD	330,000
112			Total Infrastructure		\$ 1,225,000
113		TOTAL SEWER		\$ 1,542,500	
116	S/W	Multi Collection Truck (R: Rear Loader SW14)	Solid Waste ERR FY23	86	405,000
117		Grapler Crane & Body for Hook Truck (Bulk trash)	Solid Waste Res FY23	TBD	144,500
120			Total Vehicles		\$ 549,500
121		TOTAL SOLID WASTE		\$ 549,500	

City of Milford, Delaware
Capital Improvement Plan (CIP): As Approved April 25, 2022 for FY23-27

A	B	C	D	E	F	G	H	I	J	K	L	M
Line	Fund/ Dept	Project	Funding Source	Ref	FY20-FY22 (Approved)	Est Spent Thru 6/30/22	Balance Remaining	FY23 (Plan)	FY24 (Plan)	FY25 (Plan)	FY26 (Plan)	FY27 (Plan)
37		ENTERPRISE FUNDS, CONTINUED										
38		VEHICLES										
39		Ford F350 (R: W-15)	Replacement Reserve	29	49,000	(49,000)	-					
40		Ford F450 (R: W-8)	Replacement Reserve	30	52,000	(7,354)	44,646					
41		Dodge Cargo Van (R: 2006 W-29)	Replacement Reserve	31	-	-				60,000		
42		Total Vehicles			\$ 101,000	\$ (56,354)	\$ 44,646	\$ -	\$ -	\$ 60,000	\$ -	\$ -
43		EQUIPMENT										
44		NOAA Continuous Operating Reference Station	TBD	TBD	-	-	-	7,500				
45		Total Equipment			\$ -	\$ -	\$ -	\$ 7,500	\$ -	\$ -	\$ -	\$ -
46		INFRASTRUCTURE										
47		SE 2nd Street Lead Service Line	Water Reserves / ARPA	34	966,962	(966,962)	-					
48		Streets 2020 Utility engineering	Water Reserves / ARPA	35	17,438	(17,438)	-					
49		Test Wells 10th & 19th Street	Water Reserves / ARPA	36	29,200	(29,200)	-					
50		Mispillion St. Group Lead Water Service Line	Water Reserves / ARPA	37*	213,500	(205,077)	0					
51		Lovers Lane Mains & Service Lines	Water Reserves / ARPA	38**	44,950	(33,328)	11,622					
52		SE Regional Water Quality Study	Water Reserves / ARPA	41	36,750	-	36,750					
53		Phase I & II Water Well - Rookery	Water Reserves / ARPA	42	126,800	(125,240)	0					
54		NE Front Street Waterline Replacement	Water Reserves / ARPA	42.5	1,351,175	(334,096)	1,017,079					
55		Install Automated Blow-off Valves	Water Reserves / ARPA	43	148,628	-	148,628	50,000	50,000	50,000	50,000	50,000
56		Street Rehab	Water Reserves / ARPA	44	405,000	-	405,000	405,000	405,000	405,000	405,000	405,000
57		Lead Service Line Removal	TBD	TBD	-	-	-	250,000	250,000	250,000	250,000	250,000
58		Asbestos Pipe Removal	TBD	TBD	-	-	-	115,500	115,500	115,500	115,500	115,500
59		City-wide Valve & Hydrant Replacement/Improvements	Water Reserves / ARPA	45	250,000	-	250,000	250,000	250,000	250,000	250,000	250,000
60		Caulk Tower Altitude Valve	Water Reserves	45.5	75,000	(75,000)	-					
61		Treatment Plant Upgrades	Water Reserves / ARPA	46	50,000	-	50,000	150,000	150,000	150,000	150,000	150,000
62		Milford Business Campus (Fry Farm Acquisition)	Water Reserves	46.5	6,509,115	(6,408,955)	100,160					
63		NW Front Street Water Lines	TBD	47	-	-	-			375,000	1,125,000	
64		Milford Business Campus (Fry Farm Infrastructure)	TBD	TBD	-	-	-	150,000	250,000	250,000	250,000	250,000
65		SE Regional Water Infrastructure - East of Route 1	TBD	49	-	-	-	920,000				
66		SE Regional Water Infrastructure - South of Johnson Road	TBD	50	-	-	-			150,000	1,000,000	
67		New NW City Area Tower/Wells/Treatment	TBD	51	-	-	-	300,000		1,000,000	4,000,000	
68		North Shore Drive Water Extension	TBD	TBD	-	-	-		25,000	150,000		
69		10" Water Main - Holly Hill Rd to Westwood Subdivision	TBD	TBD	-	-	-		45,000	300,000		
70		Shawnee Acres Water Extension	TBD	TBD	-	-	-			30,000	200,000	
71		Total Infrastructure			\$ 10,224,518	\$ (8,195,296)	\$ 2,019,239	\$ 2,590,500	\$ 1,540,500	\$ 3,475,500	\$ 7,795,500	\$ 1,470,500
72		TOTAL WATER			\$ 10,325,518	\$ (8,251,650)	\$ 2,063,885	\$ 2,598,000	\$ 1,540,500	\$ 3,535,500	\$ 7,795,500	\$ 1,470,500

City of Milford, Delaware
Capital Improvement Plan (CIP): As Approved April 25, 2022 for FY23-27

A	B	C	D	E	F	G	H	I	J	K	L	M
Line	Fund/ Dept	Project	Funding Source	Ref	FY20-FY22 (Approved)	Est Spent Thru 6/30/22	Balance Remaining	FY23 (Plan)	FY24 (Plan)	FY25 (Plan)	FY26 (Plan)	FY27 (Plan)
73		ENTERPRISE FUNDS, CONTINUED										
74		EQUIPMENT										
75		PS Upgrades (grinders, spares, design)	Sewer FY22/Reserves	57	150,000	(80,669)	69,331	150,000	150,000	150,000	150,000	
76		Pumps(2) & Motor: Washington St Pump Station Spare (R)	Replacement Reserve	58	40,000	(21,512)	18,488					
77		Kubota F3060 Mower w/ plow & blower (R: 2011 SE-10)	Replacement Reserve	TBD				40,000				
78		ROVER Mainline Sewer Inspection System	TBD	TBD				120,000				
79		NOAA Continuous Operating Reference Station	TBD	TBD	-	-	-	7,500				
80		Compressor, Ingersol Rand (R)	Replacement Reserve	59	-	-	-		50,000			
81		Equipment Trailer (R: Currahee)	Replacement Reserve	60	-	-	-		10,000			
82		FN150 Pump & MGS GLG Trailer (R: 2013 SE-27)	Replacement Reserve	TBD					50,000			
83		Kubota Mower w/ Blower (R: 2015 SE25)	Replacement Reserve	61	-	-	-			50,000		
84		Kubota Excavator (R: SE26)	Replacement Reserve	62	-	-	-			75,000		
85		Kubota Mower w/ Plow (R: 2016 SE24)	Replacement Reserve	63	-	-	-				50,000	
86		John Deere 524K Loader (R: 2018 SE-7)	Replacement Reserve	TBD	-	-	-					200,000
87		Total Equipment			\$ 190,000	\$ (102,181)	\$ 87,819	\$ 317,500	\$ 260,000	\$ 275,000	\$ 200,000	\$ 200,000
88		VEHICLES										
89		Ford F250 Pickup (R: SE-2)	S Res/Replacement Reserve	66	75,000	(74,632)	-					
90		Ford F-350 Supercab Pick-up w/ crane (R: 2016 SE3)	Replacement Reserve	67	-	-	-				85,000	
91		Ford F350 Super Cab (R: 2016 SE-3)	Replacement Reserve	TBD	-	-	-					75,000
92		Total Vehicles			\$ 75,000	\$ (74,632)	\$ -	\$ -	\$ -	\$ -	\$ 85,000	\$ 75,000
93		INFRASTRUCTURE										
94		I&I Engineering Study	Sewer Reserves	71	156,735	(99,787)	56,949					
95		SE Reg WW Study FY22 (Not Deprec - KCI 131803632.SWS)	Sewer Reserves	71.5	10,000	(3,241)	6,759					
96		4th Street Surface Water Drainage Resolution	Sewer Reserves	72	50,000	(16,885)	33,115					
97			DNREC	73	50,000	-	50,000					
98		Streets 2020 Utility Engineering	Sewer Reserves	74	17,438	(17,438)	-					
99			Sewer Res (ARPA)	75	8,800	(8,800)	-					
100		Sewer Line - Mispillion Street Group	Drainage Component (ARPA)	76	64,600	(60,752)	-					
101		Street Rehab	Replacement Reserve	76.5	100,000	-	100,000	100,000	100,000	100,000	100,000	100,000
102		Asbestos Removal	TBD	TBD	-	-	-	50,000	50,000	50,000	50,000	50,000
103		SE 2nd Street Pump Station Replacement	TBD	77	-	-	-	225,000	1,500,000			
104		SE Regional Pump Station and Force Main - East of Route 1	TBD	78	-	-	-	500,000	4,560,000			
105		SE Reg Pump St/Force Mn: S of Johnson Rd/FM-NE Front St	TBD	79	-	-	-			525,000	3,500,000	
106		Abandon BAC PS & install grav ext. frm Hickory Glen	TBD	80	-	-	-	20,000	150,000			
107		Abandon US Cold Stg PS & install grav ext fm Williamsville Rd	TBD	81	-	-	-		20,000	250,000		
108		Milford Business Campus (Fry Farm Sewer Infrastructure)	TBD	TBD	-	-	-	330,000	1,500,000	300,000	200,000	200,000
109		North Shore Drive Sewer Extension	TBD	TBD	-	-	-		45,000	300,000		
110		Shawnee Acres Sewer Extension	TBD	TBD	-	-	-			45,000	300,000	
111		NE Front St Sewer Extension & Silicato PS Abandonment	TBD	TBD	-	-	-				90,000	
112		Total Infrastructure			\$ 457,573	\$ (206,903)	\$ 246,823	\$ 1,225,000	\$ 7,925,000	\$ 1,570,000	\$ 4,240,000	\$ 950,000
113		TOTAL SEWER			\$ 722,573	\$ (383,716)	\$ 334,642	\$ 1,542,500	\$ 8,185,000	\$ 1,845,000	\$ 4,525,000	\$ 1,225,000
114		VEHICLES										
115		Leaf Vaccum Attachment to Hook Truck	Replacement Reserve/GF Res	85	110,000	(108,523)	-					
116		Multi Collection Truck (R: Rear Loader SW14)	Replacement Reserve	86	-	-	-	405,000				
117		Grapler Crane & Body for Hook Truck (Bulk trash)	TBD	TBD	-	-	-	144,500				
118		Automated Side Loader Truck (R: SW11)	Replacement Reserve	87	-	-	-			410,000		
119		Automated Side Loader Truck (R: SW28)	Replacement Reserve	88	-	-	-					410,000
120		Total Vehicles			\$ 110,000	\$ (108,523)	\$ -	\$ 549,500	\$ -	\$ 410,000	\$ -	\$ 410,000
121		TOTAL SOLID WASTE			\$ 110,000	\$ (108,523)	\$ -	\$ 549,500	\$ -	\$ 410,000	\$ -	\$ 410,000

CIP LINE DETAIL: FY2024-28 FINAL AS APPROVED JUNE 12, 2023

FUND TYPE, OPS DEPT & PROJ CATEGORY	FY20-FY23 (Approved)	FY20-FY23 (Spent/DeOb)	FY23 Balance Remaining	FY24 (Plan)	FY25 (Plan)	FY26 (Plan)	FY27 (Plan)	FY28 (Plan)
WATER								
EQUIPMENT								
NOAA Continuous Operating Reference Station	7,500	(917)	6,583	-	-	-	-	-
VEHICLES								
Dodge Cargo Van (R: 2006 W-29)	-	-	-	-	60,000	-	-	-
Ford F350 (R: W-15)	49,000	(48,966)	34	-	-	-	-	-
Ford F450 (R: W-8)	72,000	-	72,000	-	-	-	-	-
Ford Transit Van (R: W-028)	-	-	-	-	-	-	-	60,000
INFRASTRUCTURE								
Milford Corporate Center	8,737,590	(6,685,094)	2,052,496	100,000	250,000	250,000	250,000	-
Street Rehab	810,000	(102,866)	707,134	405,000	405,000	405,000	405,000	-
10" Water Main - Holly Hill Rd to Westwood Subdivision	-	-	-	45,000	300,000	-	-	-
Asbestos Pipe Removal	115,500	-	115,500	115,500	115,500	115,500	115,500	-
City-wide Valve & Hydrant Replacement/Improvements	500,000	(250,000)	250,000	100,000	250,000	250,000	250,000	250,000
Install Automated Blow-off Valves	198,628	(98,628)	100,000	-	50,000	50,000	50,000	-
Lead Service Line Removal	250,000	-	250,000	250,000	1,300,000	-	-	-
NE Front Street Waterline Replacement	1,351,175	(1,352,268)	(1,093)	-	-	-	-	-
New NW City Area Tower/Wells/Treatment	300,000	-	300,000	2,500,000	2,500,000	-	-	-
North Shore Drive Water Extension	-	-	-	25,000	150,000	-	-	-
NW Front Street Water Lines	-	-	-	-	375,000	1,125,000	-	-
SE Regional Water Infrastructure - East of Route 1	920,000	-	920,000	-	-	-	-	-
SE Regional Water Infrastructure - South of Johnson Road	-	-	-	-	150,000	1,000,000	-	-
SE Regional Water Quality Study	36,750	(36,750)	-	-	-	-	-	-
Shawnee Acres Water Extension	-	-	-	-	30,000	200,000	-	-
Treatment Plant Upgrades	200,000	(200,000)	-	150,000	150,000	150,000	150,000	150,000

CIP LINE DETAIL: FY2024-28 FINAL AS APPROVED JUNE 12, 2023

FUND TYPE, OPS DEPT & PROJ CATEGORY	FY20-FY23 (Approved)	FY20-FY23 (Spent/DeOb)	FY23 Balance Remaining	FY24 (Plan)	FY25 (Plan)	FY26 (Plan)	FY27 (Plan)	FY28 (Plan)
SEWER								
EQUIPMENT								
Compressor, Ingersol Rand (R)	-	-	-	-	50,000	-	-	-
Equipment Trailer (R: Currahee)	-	-	-	10,000	-	-	-	-
FN150 Pump & MGS GLG Trailer (R: 2013 SE-27)	-	-	-	-	-	50,000	-	-
John Deere 524K Loader (R: 2018 SE-7)	-	-	-	-	-	-	200,000	-
Kubota Excavator (R: SE26)	-	-	-	-	75,000	-	-	-
Kubota F3060 Mower w/ plow & blower (R: 2011 SE-10)	40,000	-	40,000	1,000	-	-	-	-
Kubota Mower w/ Blower (R: 2015 SE25)	-	-	-	-	50,000	-	-	-
Kubota Mower w/ Plow (R: 2016 SE24)	-	-	-	-	-	50,000	-	-
NOAA Continuous Operating Reference Station	7,500	(917)	6,583	-	-	-	-	-
PS Upgrades (grinders, spares, design)	300,000	(300,000)	(0)	150,000	150,000	150,000	150,000	150,000
Pump Stations	40,000	(40,000)	-	-	-	-	-	-
ROVVER Mainline Sewer Inspection System	120,000	(123,000)	(3,000)	-	-	-	-	-
Stationary Generator Fork Landing Pump Station	-	-	-	75,000	-	-	-	-
VEHICLES								
Ford F250 Pickup (R: SE-2)	75,000	74,632	149,632	-	-	-	-	-
Ford F350 Super Cab (R: 2016 SE-3)	-	-	-	-	-	-	100,000	-
INFRASTRUCTURE								
Milford Corporate Center	330,000	-	330,000	1,170,000	300,000	200,000	200,000	-
Abandon BAC PS & install grav ext. frm Hickory Glen	20,000	-	20,000	20,000	-	150,000	-	-
Abandon USCS PS & install grav ext fm Williamsville Rd	-	-	-	-	20,000	250,000	-	-
Asbestos Removal	50,000	-	50,000	50,000	50,000	50,000	50,000	-
DDD (4th St) Flood Mitigation	100,000	(39,000)	61,000	-	-	-	-	-
I&I Engineering Study	156,735	(156,735)	-	-	-	-	-	-
NE Front St Sewer Ext & Silicato PS Abandmt	-	-	-	-	-	90,000	600,000	-
North Shore Dr Sewer Ext	-	-	-	45,000	300,000	-	-	-
SE 2nd Street Pump Station Replacement	225,000	-	225,000	575,000	1,500,000	-	-	-
SE Reg Pump St/Force Mn: S of Jonsn/FM-NE Front St	-	-	-	-	525,000	3,500,000	-	-
SE Reg Pump Stn & Force Main - East of SR1	500,000	-	500,000	-	-	-	4,560,000	-
SE Reg WW Study FY22	10,000	(9,104)	896	-	-	-	-	-
Shawnee Acres Sewer Extension	-	-	-	-	45,000	300,000	-	-
Street Rehab	200,000	(700)	199,301	100,000	100,000	100,000	100,000	100,000
Washington St Pump Stn Environ Cond & Control Relo	-	-	-	200,000	-	-	-	-
SOLID WASTE								
VEHICLES								
Automated Side Loader Truck (R: SW11)	-	-	-	-	-	500,000	-	-
Automated Side Loader Truck (R: SW28)	-	-	-	-	-	-	650,000	-
Vehicle - Solid Waste	430,571	(430,571)	-	-	-	-	-	-
Vehicle - Solid Waste Crane/Body	144,500	(144,500)	-	-	-	-	-	-

PROJECT NO: VARIOUS
PROJECT TITLE: Utility System Extensions
PROJECT STATUS: New Project

FUNDING SUMMARY:

	2025	2026	2027	2028	2029	Total 5 Year
New Funding:	\$ 70,000	\$ 450,000	\$ 900,000	\$ 5,500,000	\$ 6,920,000	
*Prior Authorized Balance:	1,465,000	-	-	-	-	1,465,000
2025-2029 Funding:	\$ 1,465,000	\$ 70,000	\$ 450,000	\$ 900,000	\$ 5,500,000	\$ 8,385,000



CAPITAL BUDGET - PROJECT DETAIL	
DEPARTMENT:	Public Works
DIVISION:	Water & Sewer Combined
FUND:	
PROJECT LOCATION:	Public Works
PROJECT PRIORITY:	3 - Medium-High
COMPREHENSIVE DEVELOPMENT PLANNING VISION ELEMENT:	

DESCRIPTION & JUSTIFICATION:							
	Prior Authorized	2025	2026	2027	2028	2029	SubTotals
SE Regional - East of Rt 1	\$ 1,420,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,420,000
SE Regional - South Johnson Rd	-	-	-	-	525,000	5,000,000	5,525,000
Shawnee Acres	-	-	-	-	75,000	500,000	575,000
10" Main - Holly Hill to Westwood	45,000	-	-	-	300,000	-	345,000
North Shore Drive	-	-	70,000	450,000	-	-	520,000
Totals:	\$ 1,465,000	\$ -	\$ 70,000	\$ 450,000	\$ 900,000	\$ 5,500,000	\$ 8,385,000

SUMMARY OF PROJECT DATA	
First Year in Program:	2025
Est. Completion Date:	2029
Est. Useful Life (in years):	20
Est. Total Cost:	\$ 8,385,000
Est. Spend @ 6/30/2024 (if underway) ¹ :	
% Complete (if underway):	
Balance to be funded ¹ :	\$ 8,385,000

¹ For ongoing projects, we must estimate total spent since inception through current year to derive the balance to be funded thereafter.

PROJECT COST BY CATEGORY		
CLASSIFICATION	ACCOUNT NUMBER	AMOUNT
Labor:		\$ -
Materials:		\$ -
Other Contracts:		\$ -
TOTAL PROJECT COST		\$ 8,385,000

² Council is not required to authorize budget year funding for this portion, but this portion of the project will indeed represent a cash outflow in the budget year and/or "out years."

PROJECT FINANCING BY PLAN YEAR										
SOURCE OF FUNDS:	Prior Authorized ²	Actual Funds Utilized as of 3/31/24	Estimated Expenditures 07/01/24 - 06/30/25	Estimated Authorized Balance ² 06/30/25	2025	2026	2027	2028	2029	TOTAL 5 Year CIP
CAPITAL RESERVES	\$-	\$-	\$-	\$ -	\$-	\$45,000	\$300,000	\$570,000	\$3,800,000	\$ 4,715,000
WATER RESERVES	-	-	-	-	-	25,000	150,000	330,000	1,700,000	2,205,000
AWARDED GRANT OSPC/DeIDOT	-	-	-	-	-	-	-	-	-	-
GRANT APPLIC(SPECIFY)	-	-	-	-	-	-	-	-	-	-
FEDERAL/STATE LOANS	-	-	-	-	-	-	-	-	-	-
OTHER LOANS	-	-	-	-	-	-	-	-	-	-
WATER IMPACT FEES	965,000	-	-	965,000	-	-	-	-	-	-
SEWER IMPACT FEES	500,000	-	-	500,000	-	-	-	-	-	-
TOTAL:	\$ 1,465,000	\$ -	\$ -	\$ 1,465,000	\$ -	\$ 70,000	\$ 450,000	\$ 900,000	\$ 5,500,000	\$ 6,920,000
ESTIMATED ANNUAL COST OF OPERATING / MAINTAINING PROJECT OR ASSET					2025	2026	2027	2028	2029	TOTAL
OPERATING IMPACT: INCREMENTAL COSTS (NET SAVINGS)										



TO: Mayor and City Council

FROM: Rob Pierce, AICP - Planning Director

DATE: November 12, 2024

RE: NW Front Street Parking Lot – License Agreement – ATM
MD-16-183.10-03-87.00

The City of Milford is the owner of a public parking lot at the corner of NW Front Street and N. Walnut Street. The City was approached by the owner of 1 NW Front Street, Zachary King of 586 MHH, LLC, regarding the placement of an automated teller machine (ATM) in the former M&T Bank drive-thru window. Due to the close proximity of the drive-thru window and the City’s property, users of the ATM would have to access the machine from the City parking lot drive aisle.

Attached is a draft license agreement for City Council’s consideration. The license agreement would permit access through the City’s property for the use of the ATM. The license area would be limited to a 10’ x 20’ area directly adjacent to the ATM location.

Staff recommends City Council authorize the Mayor to execute the License Agreement, allowing 586 MHH, LLC to install an ATM with access through the City property.

TAX MAP 5-16-183.10-03-87.00-000
NO TITLE EXAMINATION
REQUESTED OR PERFORMED
Prepared by and Return to:
City of Milford
201 S. Walnut Street
Milford, DE 19963

LICENSE AGREEMENT

This **LICENSE AGREEMENT**, made this _____ day of _____, 2024 between the CITY OF MILFORD, a political subdivision of the State of Delaware (hereinafter the "Licensor") and 586 MHH, LLC., a Delaware Limited Liability Corporation (hereinafter "Licensee").

WHEREAS the Licensor is the owner of real property located in Kent County, Delaware, said parcel of land (hereinafter referred to as the "Property") being described as Kent County Tax Parcel No. 5-16-183.10-03-87.00-000 as further shown on the attached **Exhibit A**; and

WHEREAS the Licensee is the owner of real property located in Kent County, Delaware, said parcel of land being described as Kent County Tax Parcel No. 5-16-183.10-03-82.00-000 as further shown on the attached **Exhibit A**; and

WHEREAS, Licensee is the owner of the former M&T bank building and desires to place an automated teller machine (ATM) within the west side of the building at the location of the former drive-thru window adjacent to the Property owned by the Licensor; and

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, and intending to be legally bound hereby, the parties hereto do hereby agree as follows:

1. **LICENSE TO USE**. The Licensor hereby agrees that Licensee may utilize an area of the Property containing a portion of the parking lot drive aisle for pedestrian and vehicular access to the proposed ATM located within the Licensee's building, limited to an area of 10' x 20' as shown on the attached **Exhibit A** (hereinafter referred to as the "License Area").
2. **TERMINATION**. This License is revocable and may be terminated by written notice of the Licensor upon an act of default of Licensee. An act of Default shall occur under any of the following circumstances:

- a. Licensee ceases to actively operate the business for a period of thirty 30 days.
 - b. Licensee dissolves its corporation;
 - c. Licensee fails to maintain the ATM.
3. **INDEMNIFICATION.** Licensee will at all times indemnify Licensor against all actions, claims, demands, liabilities and damages which may in any manner be imposed on or incurred by Licensor as a consequence of or arising out of any act, default or omission on the part of Licensee or its tenants.

Licensee shall indemnify Licensor for any and all liability for personal injuries, property damage or for loss of life or property resulting from, or in any way connected with, the conditions and/or use of the premises covered by the License, or any means of ingress thereto or egress therefrom, except liability for personal injuries, property damages, or loss of life or property caused solely by the negligence of the Licensor.

Licensee shall maintain an insurance policy providing general liability insurance that includes coverage for Licensee's business, including premises liability, with limits of insurance of at least \$1,000,000.00 per occurrence and \$2,000,000.00 in the aggregate. The policy shall identify the Licensed Area as a covered premises, and shall name the Licensor as an additional insured. Licensee shall provide the Licensor with a certificate of insurance identifying the same upon the commencement of the insurance policy, and upon each and every instance when the insurance policy is renewed or replaced. Failure to maintain insurance shall be an act of default. Licensee further waives any right of the insurer to subrogation against the Licensor to the extent permitted by law, and whereby Licensee shall procure an insurance policy with an endorsement evidencing the same.

4. **MAINTENANCE.** Licensee, for itself, its successors and assigns, covenants with Licensor, its successors and assigns, that Licensee from time to time, and all times hereafter, at its cost and expense, will maintain the aforementioned License area and proposed ATM. Upon default of the License, the Licensee shall restore the property to its previous condition, including but not limited to, removing the ATM.

Licensee shall be responsible for the following; (1) keeping the License Area free of trash and debris and (2) maintaining the proposed ATM. The Licensor may proceed to clear snow and ice from License Area in connection with the City's efforts to clear the parking lot located on the Property, but any such action shall not relieve Licensee of its duty to maintain the License Area in a safe condition on behalf of itself, guests, invitees, patrons and other persons.

5. INGRESS & EGRESS. In this connection, it is expressly understood and agreed that the Licensee may have the right of ingress to and egress from the property for the purpose of maintaining, repairing and keeping the ATM. The Licensor may enter upon the License Area at any time without the consent of Licensee in case of emergency or as may be required by the Licensor in order to maintain the License Area.
6. SUCCESSORS AND ASSIGNS. The privileges and obligations of this License Agreement shall be binding upon the successors and assigns of the parties. Licensee may not assign or sublease any of its rights under this Agreement without the prior written consent of the Licensor, which may be withheld by the Licensor with or without cause.

IN WITNESS WHEREOF, and intending to be legally binding, the parties hereto set their hands and seals on the day first written above.

ATTEST:

586 MHH, LLC

Witness

By: _____ (SEAL)
Zachary King, Managing Member

[CORPORATE SEAL]

ATTEST:

CITY OF MILFORD

Katrina White, City Clerk

By: _____ (SEAL)
F. Todd Culotta, Mayor

[MUNICIPAL SEAL]

To: Mayor Culotta and City Council
From: Louis C. Vitola, Finance Director
Date: November 12, 2024
Re: PNC Bank – Extension of Bond Anticipation Note (BAN)

EXECUTIVE SUMMARY

Staff recommend extending the Bond Anticipation Note (BAN) issued to PNC Bank through May 31, 2025 to facilitate the closing process for the permanent financing through the USDA Community Facilities Program. The recommendation was presented to the Finance and Audit Committee on October 28, 2024.

DETAIL

The BAN was issued in 2022 to finance the construction of the new PD Facility ahead of the implementation of the permanent financing procured through the USDA Community Facilities Program. The USDA requires the underlying project expenditures to be completely spent through in order to close the transaction and execute the financing. Vendor invoices for construction activity can be delayed for 30-60 days or more, and invoices for change orders, retainage, and other end-of-project activity can lag even longer. The vast majority of invoices have been presented and funded. As we work through the USDA process with project manager Richard Y. Johnson & Sons (RYJ) and gather closing documentation, we recommend the extension of the BAN as proposed in the enclosed resolution, which was drafted by the City's Bond Counsel and reviewed by PNC's Bank Counsel. All other terms of the BAN remain in force.

ACTION REQUESTED

Staff recommend City Council authorize the extension of the Bond Anticipation Note (BAN) issued to PNC Bank through May 31, 2025 pursuant to the enclosed draft resolution.

enc

CITY OF MILFORD, DELAWARE
RESOLUTION NO. 2024-XX

A RESOLUTION AUTHORIZING AN AMENDMENT TO THE GENERAL OBLIGATION BOND ANTICIPATION NOTE, SERIES 2021 OF THE CITY OF MILFORD, DELAWARE ISSUED TO FINANCE ON AN INTERIM BASIS A PORTION OF THE DESIGN, CONSTRUCTION AND EQUIPPING OF A POLICE STATION AND TO COMPLETE OTHER NECESSARY INFRASTRUCTURE IMPROVEMENTS IN CONNECTION THEREWITH AS WELL AS OTHER MISCELLANEOUS CAPITAL PROJECTS; AND AUTHORIZING ALL NECESSARY ACTION IN CONNECTION THEREWITH

WHEREAS, the City of Milford, Delaware (the "City") is granted the power by its charter, as adopted by the Delaware General Assembly, as amended (the "Charter"), to incur indebtedness and to issue bonds or notes within certain limitations and for certain specified purposes, and in connection with capital projects, may do so by obtaining the approval of qualified voters in the City for the issuance of any such bonds or notes, and in connection with a refunding for the purposes of achieving present value debt service savings and for certain short term borrowings, may do so without obtaining the approval of the qualified voters of the City for the issuance of any such bonds; and

WHEREAS, the City Council of the City of Milford, Delaware ("Council") undertook a capital project, including the design, construction and equipping of a police station and to complete other necessary infrastructure improvements in connection therewith as well as other miscellaneous capital projects (the "Capital Project"); and

WHEREAS, the City is granted the power by its Charter to borrow money, and to secure the payment of the same by pledging the full faith and credit of the City for purposes of financing the Capital Project; and

WHEREAS, the City may borrow money through the incurrence of debt and issue bonds or notes within certain limitations for the Capital Project; and

WHEREAS, on October 12, 2020, the City adopted a resolution (the "Resolution") proposing the approval of up to \$20,000,000 in the aggregate principal amount of its general obligation bonds or notes (the "Bonds") to finance the Capital Project, and subsequently held a duly advertised public hearing on December 14, 2020, after which the City adopted a second resolution establishing the date of obtaining the approval of the qualified voters of the City for the issuance of any such Bonds, and such approval was obtained on January 26, 2021.

WHEREAS, the City authorized the issuance of and issued a Bond Anticipation Note, Series 2021, in the amount of \$20,000,000 (the "Bond Anticipation Note") on November 30, 2021, to provide interim funds to finance a portion of the Capital Project (the "BAN Project") in anticipation of the issuance of the Bonds which shall repay the Bond Anticipation Note and now desires to amend the maturity date of that Bond Anticipation Note, as set forth below.

NOW THEREFORE BE IT RESOLVED BY THE CITY OF MILFORD, DELAWARE:

Section 1. Amendment to the Maturity Date of the 2021 Bond Anticipation Note.

The maturity date of the City of Milford, Bond Anticipation Note, Series 2021, originally issued in the principal amount of \$20,000,000, on November 30, 2021, bearing a maturity date of November 30, 2024, is hereby amended to establish a maturity date of [May 31, 2025], as set forth in the Form of Amendment to Bond Anticipation Note presented at this meeting and included herein by reference. All other provisions of the Bond Anticipation Note remain in full force and effect, including provisions relating to security for repayment.

Section 2. Further Action.

The President of the Mayor, the City Manager, the Finance Director, and the City Clerk are authorized and directed to take such other action on behalf of the City, as maybe necessary or desirable to effect the adoption of this Resolution and the amendment to the Bond Anticipation Note, and to carry out the intent of this Resolution, including the execution and delivery of any customary closing documents and certificates.

Section 3. Effective Date. This Resolution shall become effective immediately upon its passage.

CERTIFICATE OF APPROVAL

I DO HEREBY CERTIFY THAT THE FOREGOING IS A TRUE AND CORRECT COPY OF THE RESOLUTION ADOPTED BY THE CITY COUNCIL OF THE CITY OF MILFORD, DELAWARE ON THE _____ DAY OF NOVEMBER, 2024.

Clerk of the City Council

Proposed Ordinance for Introduction

CITY OF MILFORD
NOTICE OF PUBLIC HEARINGS

Planning Commission Hearing: Tuesday, December 17, 2024 @ 6:00 PM

City Council Hearing: Monday, January 13, 2025 @ 6:00 PM

NOTICE IS HEREBY GIVEN that the following proposed Ordinance is currently under review by the City of Milford Planning Commission and City Council with action scheduled to occur on the date(s) and time(s) so indicated:

Ordinance 2024-11

Amendment to City of Milford Code
Chapter 230/Zoning Code

WHEREAS the Mayor and City Council of the City of Milford are charged with the protection of the public health, safety, and welfare of the citizens of the City of Milford; and

WHEREAS the Delaware Medical Marijuana Act allows municipalities to regulate the time, place, and manner of registered compassion center operations and registered safety compliance facilities, provided that no local government may prohibit registered compassion center operation altogether; and

WHEREAS the Delaware Marijuana Control Act allows municipalities to prohibit the operation of marijuana cultivation facilities, marijuana product manufacturing facilities, marijuana testing facilities, or retail marijuana stores or to regulate the time, place, manner, and number of marijuana establishment operations through the enactment of an ordinance; and

WHEREAS the Mayor and City Council desire to amend the zoning code of the City of Milford to regulate the uses outlined in the Delaware Medical Marijuana Act and the Delaware Marijuana Control Act; and

WHEREAS the Planning Commission considered this ordinance at a duly noticed meeting on December 17, 2024 to allow for public comment and review of the amendment; and

WHEREAS the City Council held a public hearing on January 13, 2025, notice for which was published in the Delaware State News on October 30, 2024, at which time all interested members of the public were given an opportunity to comment on this ordinance; and

WHEREAS, the City Council finds that amending the Zoning Code to regulate the location of marijuana establishments is in the best interest of the public health, safety and general welfare of the citizens of the City.

NOW THEREFORE BE IT RESOLVED, by the City of Milford:

In accordance with Chapter 200 of the City of Milford Code, the City Council hereby ordains:

- Section 1. Purpose: The Zoning Code of the City of Milford is hereby amended to add definitions and regulations pertaining to marijuana establishments.
- Section 2. Sections 230-1, 230-14, 230-19.1, 230-19.2 and 230-41 are hereby amended.
- Section 3. Strikethrough text denotes a deletion; underlined and bold text denotes an addition.

Chapter 230 – ZONING CODE

ARTICLE I – General Provisions

§ 230-1. – Purpose.

- A. Definitions. For the purpose of this chapter, certain words and phrases shall be interpreted or defined as follows:

MARIJUANA – All parts of the plant Cannabis sativa L., whether growing or not, the seeds thereof, the resin extracted from any part of the plant, and every compound, manufacture, salt, derivative, mixture or preparation of the plant, its seeds or resin. Marijuana does not include:

- 1. The mature stalks of the plant, fiber, produced from the stalks, oil or cake made from the deeds of the plant, or any other compound, manufacture, salt, derivative, mixture or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil or cake, or other sterilized seed of the plant which is incapable of germination.**
- 2. Products approved by the US Food and Drug Administration.**
- 3. Industrial hemp, defined as all parts of the plant Cannabis sativa L., and any part of such plant, whether growing or not, with a delta-9 tetrahydrocannabinol concentration of not more than 0.3% on a dry weight basis.**

MARIJUANA CULTIVATION FACILITY – An establishment operated by an entity licensed by the State of Delaware to cultivate, prepare, and package marijuana and sell marijuana to retail marijuana stores, to marijuana product manufacturing facilities, and to other marijuana cultivation facilities, but no to consumers. A marijuana cultivation facility may not produce marijuana concentrates, tinctures, extracts, or other marijuana products.

MARIJUANA ESTABLISHMENT – A marijuana cultivation facility, marijuana product manufacturing facility, marijuana testing facility, marijuana retail store, registered compassion center, or registered safety compliance facility, as those terms are defined herein.

MARIJUANA PRODUCT MANUFACTURING FACILITY – An establishment operated by an entity licensed by the State of Delaware to do the following: purchase marijuana; manufacture, prepare, and package marijuana products; and sell marijuana and marijuana products to other marijuana product manufacturing facilities and retail marijuana stores, but not to consumers.

MARIJUANA RETAIL STORE – An establishment operated by an entity licensed by the State of Delaware to purchase marijuana from marijuana cultivation facilities; to purchase marijuana and marijuana products from marijuana product manufacturing facilities; and to sell marijuana and marijuana products to consumers.

MARIJUANA TESTING FACILITY – An establishment operated by an entity licensed by the State of Delaware to test marijuana for potency and contaminants.

REGISTERED COMPASSION CENTER – An establishment operated by a not-for-profit entity registered with the State of Delaware pursuant to 16 Del. C. § 4914A that acquires, possesses, cultivates, manufactures, delivers, transfers, transports, sells, supplies, or dispenses marijuana, paraphernalia, or related supplies and educational materials to registered qualifying patients who have designated the dispenser to cultivate marijuana for their medical use and the registered designated caregivers of these patients.

REGISTERED SAFETY COMPLIANCE FACILITY – An establishment operated by a nonprofit entity registered under 16 Del. C. § 4915A by the State of Delaware to provide one

or more of the following services: testing marijuana produced for medical use or under Chapter 13 of Title 4 for potency and contaminants; and training cardholders, compassion center agents, and owners and employees of entities operating under Chapter 13 of Title 4 of the Delaware Code. The training may include, but need not be limited to, information related to one or more of the following: the safe and efficient cultivation, harvesting, packaging, labeling, and distribution of marijuana; security and inventory accountability procedures; and up-to-date scientific and medical research findings related to medical marijuana.

RETAIL STORE- A store in which nonfood goods, wares, or merchandise are sold directly to the ultimate customer, including such items as apparel, accessories, shoes, drugs, and hardware, but excluding marijuana retail stores.

ARTICLE III – Use and Area Regulations

§ 230-14. – C-3 Highway Commercial District.

In a C-3 District no building or premises shall be used and no building shall be erected or altered which is arranged, intended or designed to be used except for one or more of the following uses and complying with the requirements so indicated.

B. Permitted uses. Permitted uses for the C-3 District shall be as follows:

- (1) Those permitted uses in the C-2 District.
- (2) Warehouses.
- (3) Large retail outlets.
- (4) Indoor storage accessory building.
- (5) Fast-food restaurants and drive-in restaurants.
- (6) Supermarkets.
- (7) Truck and trailer rentals.
- (8) Roadside produce market.
- (9) Outdoor commercial recreational facilities, not motorized vehicles.
- (10) Swimming club.
- (11) Indoor facility for amusement or assembly.
- (12) Bus station.
- (13) Motels or hotels.
- (14) Commercial greenhouse.
- (15) Wholesale establishment.
- (16) Contractors', craftsmen's or general service shops, including welding and similar shops.
- (17) Laboratory, testing and research.
- (18) Car wash.

(19) Registered Compassion Center Dispensary

§ 230-19-1. – BP Business Park District.

In a BP District, no building/structure or premises shall be used and no building/structure or part thereof shall be erected or altered which is arranged, intended or designed to be used, in whole or in part, for any purpose except for one or more of the following uses and complying with the requirements indicated:

B. Permitted uses. Permitted uses of the BP District shall be as follows:

- (1) Manufacturing, assembling, converting, altering, finishing, cleaning, cooking, baking or any other type of manufacturing or industrial processing of any goods, materials, products, instruments, appliances and devices, provided that the fuel or power supply shall be of an approved type. Also included shall be all incidental clinics, offices and cafeterias for the exclusive use of in-house staff and employees. Accessory retail storefront/gift shop is permitted for products that are manufactured on site. The area for this use must be incidental and subordinate to the manufacturing use and must meet all commercial building code requirements for the use. (NAICS Reference - 313: Textile Mills; 314: Textile Product Mills; 315: Apparel Manufacturing; 316: Leather and Allied Product Manufacturing (except 3161 {Hazardous}); 323: Printing and Related Support Activities; 326: Plastics and Rubber Products Manufacturing (except tires 32621 {Hazardous}); 3271: Clay Product and Refractory Manufacturing; 327991: Cut Stone and Stone Product Manufacturing; 3322: Cutlery and Handtool Manufacturing; 3323: Architectural and Structural Metals Manufacturing; 3324: Boiler, Tank, and Shipping Container Manufacturing; 3325: Hardware Manufacturing; 3326: Spring and Wire Product Manufacturing; 3327: Machine Shops; Turned Product; and Screw, Nut, and Bolt Manufacturing; 3328: Coating, Engraving, Heat Treating, and Allied Activities; 33291: Metal Valve Manufacturing; 332991: Ball and Roller Bearing Manufacturing; 332996: Fabricated Pipe and Pipe Fitting Manufacturing; 332999: All Other Miscellaneous Fabricated Metal Product Manufacturing; 3331: Agriculture, Construction, and Mining Machinery Manufacturing; 3332: Industrial Machinery Manufacturing; 333314: Optical Instrument and Lens Manufacturing; 333316: Photographic and Photocopying Equipment Manufacturing; 3335: Metalworking Machinery Manufacturing; 3336: Engine, Turbine, and Power Transmission Equipment Manufacturing; 3339: Other General Purpose Machinery Manufacturing (except 333913 {Hazardous}); 334: Computer and Electronic Product Manufacturing; 335: Electrical Equipment, Appliance, and Component Manufacturing; 337: Furniture and Related Product Manufacturing; 339: Miscellaneous Manufacturing)
- (2) Research, design, testing and development laboratories.
- (3) Printing, publishing, binding, packaging, storage, warehousing, distribution and trucking terminal operations and trucking schools.
- (4) Business, professional or administrative offices.
- (5) Municipal and public services and facilities, such as utility supply areas (i.e., water, sewer and electric), distribution facilities and substations.
- (6) Truck or large vehicle repair facilities with associated parking area. All fuel and lubricant storage shall be installed in compliance with state and federal regulations and shall not be any closer than 500 feet from existing residence, residential district, school or building(s) used for assembly.
- (7) Farm machinery manufacture, sales, storage and repairs.
- (8) Heating, ventilating, cooling and refrigeration manufacturing.
- (9) Building contractor yards.
- (10) Veterinary clinics.
- (11) Beverage blending, bottling (all types).
- (12) Boat manufacture and repair (vessels less than five tons), boat sales and service.
- (13) Dairy operations and dairy products, ice cream and cheese.
- (14) Fruit and vegetable processing, including canning, preserving, drying and freezing.
- (15) Greenhouses, commercial, wholesale or retail.
- (16) Ice manufacture, including dry ice.

- (17) Sign fabrication and painting shops.
- (18) Wood product manufacture, including baskets, boxes, crates, barrels and veneer.
- (19) Indoor or outdoor recreation.
- (20) Marijuana Cultivation Facility.**
- (21) Marijuana Product Manufacturing Facility.**
- (22) Registered Safety Compliance Facility.**
- (23) Marijuana Testing Facility.**

§ 230-19-2. – IS Institutional Service District.

B. Permitted uses.

- (1) Hospital and all other health-care facilities, including any and all support services related thereto.
- (2) Outpatient health-care centers and health-care facilities.
- (3) Professional and medical offices involving the diagnosis, treatment and care of humans, including any and all support services related thereto.
- (4) Medical laboratories utilized for the diagnosis, treatment, and care of humans.
- (5) Pharmacies.
- (6) Heliports.
- (7) Private education institutions and training centers.
- (8) Nursing facilities, convalescent homes, and a continued-care retirement communities.
- (9) Child or adult day-care facilities (including both day-care homes and day-care centers) to accommodate patients, patient families, health-care employers and their employees, and the public.
- (10) Publicly and privately owned utilities, including supporting structures and uses, including but not limited to water, sewer, electric, communications, fiber optics, natural gas, data and computer processing, and similar uses and structures which reflect and incorporate technological advancements.
- (11) Cafeteria facilities snack and gift shops, banking facilities, restaurants and retail or personal service shops primarily for the use of health-care employees, patients and visitors.
- (12) Health-care uses and health-care facilities which reflect and incorporate technological advancements in the health-care industry.
- (13) Ambulance and emergency rescue services.
- (14) Maintenance and laundry facilities.
- (15) Libraries
- (16) Places of worship.
- (17) Parking areas, including parking facilities.
- (18) Publicly owned and/or health-related recreation facilities.
- (19) Rehabilitation facilities.
- (20) Government offices, municipal and public services and facilities, including city hall, water storage towers, water reservoirs, pumping stations, water treatment plants, sewerage pumping stations, sewers (storm and sanitary), street rights-of-way, utility transmission and distribution lines, police and fire stations and substations for electric, gas, and telephone facilities.
- (21) Auditoriums.
- (22) Modular office units.

- (23) Overnight accommodations for patient families and individuals that are receiving treatment at the hospital facility.
- (24) Public and private elementary, junior or senior high schools and colleges.

(25) Registered Compassion Center Dispensary

§ 230-41. – Prohibited uses.

The following uses and activities shall be specifically prohibited in any zone in the City of Milford:

- A. Automobile wrecking yards, junkyards or the sorting and baling of scrap metal, paper, rags, glass or other scrap material.
- B. The parking, storing or keeping of a dismantled, inoperative or discarded motor vehicle, to include, but not limited to cars, boats, boat trailers, campers, tractors or any parts thereof unless within an enclosed building. All vehicles requiring tags/registration must be valid at all times and vehicles maintained in its original configuration. All boats requiring a trailer for transportation must be stored on a registered trailer.
- C. Outdoor woodburning furnaces.
 - (1) The construction and operation of outdoor woodburning furnaces is hereby prohibited within the City of Milford.
 - (2) Nonconforming uses. All outdoor woodburning furnaces within the City of Milford must cease operations by August 31, 2011, and be removed by the property owner from the subject premise no later than October 31, 2011. This will allow sufficient time for an alternate source of heat to be established. During the transition, such use shall conform with the following provisions:
 - (3) Only firewood and untreated lumber are permitted to be burned in any outdoor furnace.
 - (4) Wood must be stored in a neat pile no closer than five feet from side and rear property lines.
- D. Manufacturing uses involving production of the following products from raw materials; asphalt, charcoal and fuel briquettes; chemicals: aniline dyes, ammonia, carbide, caustic soda, cellulose, chlorine, carbon black and bone black, creosote, hydrogen and oxygen, industrial alcohol, nitrates (both natural and manufactured) of an explosive nature, potash, petro chemical, pyroxylin, rayon yarn and hydrochloric, nitric, picric, phosphoric and sulfuric acids; coal, coke and tar products, including gas manufacturing, explosives, fertilizers, glue and size (animal): linoleum and oil cloth, matches, paint, varnishes and lerpentine; rubber (natural and synthetic); and soaps, including fat rendering.
- E. Storage of explosives and bulk or wholesale storage of gasoline above ground.
- F. Quarries, screening plants and all associated uses.
- G. The following processes: large scale reduction, refining, smelting and alloying of metal or metal ores; refining petroleum products, such as gasoline, kerosene, naphtha and lubricating oil; and reduction and processing of wood pulp and fiber, including paper mill operations.
- H. Recreational Vehicle Prohibited Activities.
 - (1) Recreational Vehicles shall not be considered dwelling units intended for permanent habitation.
 - (2) For purposes of this section, evidence of habitation shall include activities such as sleeping, setting up housekeeping or cooking, eating, recreating, and/or any other activity where it reasonably appears, in light of all the circumstances, that the vehicle is being used as a living accommodation.
 - (3) Running electrical cords, extension cords, hoses, cables, or other items across, above, or on the parkway or sidewalk from any property to a recreational vehicle parked on a public street at any time is prohibited.
 - (4) Making a sewer connection with a recreational vehicle or dumping wastes from a recreational vehicle onto public or private land other than a designated RV dump is prohibited.

I. Marijuana Retail Stores.

Section 4. Dates.

Introduction to City Council: November 12, 2024

Planning Commission Public Hearing: December 17, 2024

City Council Public Hearing: January 13, 2025

Section 5. Effective.

This Ordinance is effective ten days following its adoption.

For additional information, please contact Director Rob Pierce in the Planning Department either by e-mail at RPierce@milford-de.gov or by calling 302.424.8396

10.25.24

Published: Delaware State News 10.30.24

DATA SHEET FOR OAK FOREST PARK, LLC

Planning Commission Meeting: November 19, 2024

Application Number / Name	:	CU-030-2024 / Oak Forest Park, LLC
Applicant	:	Oak Forest Park, LLC PO Box 452 Smyrna, DE 19977
Owner	:	Same
Application Type	:	Conditional Use
Comprehensive Plan Designation	:	Low Density Residential
Zoning District	:	C-1 (Community Commercial District)
Present Use	:	Restaurant & Brewery
Proposed Use	:	Restaurant & Brewery with Freestanding Electronic Message Center Sign
Area and Location	:	4.93 +/- acres of land located along the west side of S Rehoboth Boulevard, approximately 300 feet north of the Kirby Road intersection, addressed as 6152 S Rehoboth Boulevard.
Property Identification Numbers	:	3-30-11.00-008.00

ENC: Staff Analysis Report
Exhibit A - Location & Zoning Map
Exhibit B - Survey

STAFF ANALYSIS REPORT
October 30, 2024

Application Number / Name : CU-030-2024 / Oak Forest Park, LLC

Property Identification Numbers : 3-30-11.00-008.00

Area and Location : 4.93 +/- acres of land located along the west side of S Rehoboth Boulevard, approximately 300 feet north of the Kirby Road intersection, addressed as 6152 S Rehoboth Boulevard.

I. BACKGROUND INFORMATION:

- The applicant is seeking a Conditional Use approval to construct an **Electric Message Center** monument sign. Chapter 230-24.13 states “Electronic Message Centers are prohibited except that electronic message centers may be permitted by conditional use approval from City Council on properties used for any of the following uses; (a) Public and private schools; (b) Churches and other places of worship; (c) Social clubs or fraternal, social service, union, or civic organizations.”
- The applicant sought a variance approval from the Board of Adjustment on November 14, 2024 to allow an electronic message center sign for a restaurant, brewery and golf course.

II. STAFF ANALYSIS:

- The applicant sought four variances from the Board of Adjustment on November 14, 2024. The applicant sought permission to increase the height and square footage of the sign, to allow an electronic message center sign for a restaurant, brewery and golf course, and to permit a shared freestanding sign.
- Evaluation of the **Electronic Message Center** sign request based on the criteria found under Chapter 230-48 Conditional Uses.

A. The presence of adjoining similar uses.

The property is located along S. Rehoboth Boulevard which is a minor arterial road according to DelDOT’s functional classification map. The immediate vicinity contains various uses including a golf course, restaurant, brewery, liquor store, professional office, single-family detached dwellings and low volume commercial. The existing liquor store use located directly across the street from the subject parcel has an approximately 10 foot tall freestanding sign that contains an electronic message center.

- B. An adjoining district in which the use is permitted.

Electronic Message Center signs are permitted by conditional use approval from City Council within the C-1 and R-2 zoning districts for public and private schools, churches and other places of workshop, social or fraternal clubs, social service, civic or union organizations.

- C. There is a need for the use in the area proposed as established by the Comprehensive Plan.

The Comprehensive Plan designates this area as Low Density Residential and does directly address the need for Electronic Message Center signs or other signage within the City.

- D. There is sufficient area to screen the conditional use from adjacent different uses.

The proposed sign would be located approximately 650 feet from residential properties along the west side of S. Rehoboth Boulevard and would be approximately 125 feet from residential properties on the east side of S. Rehoboth Boulevard. No screening would be provided between the proposed sign and the roadway.

- E. The use will not detract from permitted uses in the district.

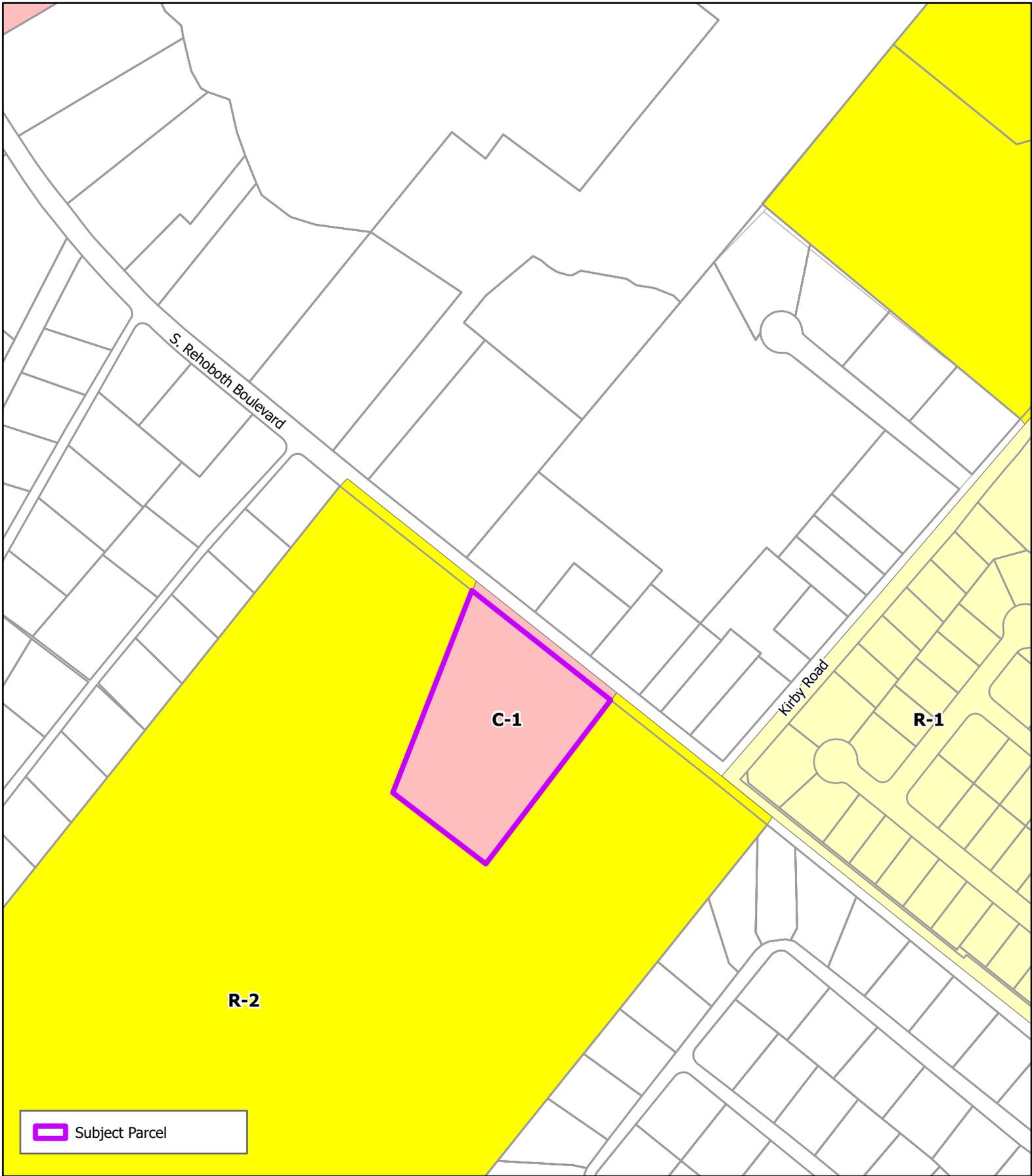
The proposed Electronic Message Center sign should not negatively impact permitted uses in the district and surrounding area. There is an existing electronic message center sign across S. Rehoboth Boulevard that would be of similar size and nature. The proposed sign would be approximately 650 feet from residential properties located along the west side of S. Rehoboth Boulevard and approximately 125 feet from residential properties along the east side of S. Rehoboth Boulevard.

- F. Sufficient safeguards, such as traffic control, parking, screening and setbacks, can be implemented to remove potential adverse influences on adjoining uses.

The proposed sign would be required to be located 10 feet from the front property line adjacent to S. Rehoboth Boulevard. No screening is proposed due to the nature of the application. There are no anticipated traffic or parking impacts. The electronic message center sign would be subject to the Sign Illumination Standards found under Chapter 230-24.21.

III. AGENCY & DEPARTMENT COMMENTS:

None Requested



 Subject Parcel



Scale:  Feet
0 150 300

Drawn by: WRP Date: 10/18/2024

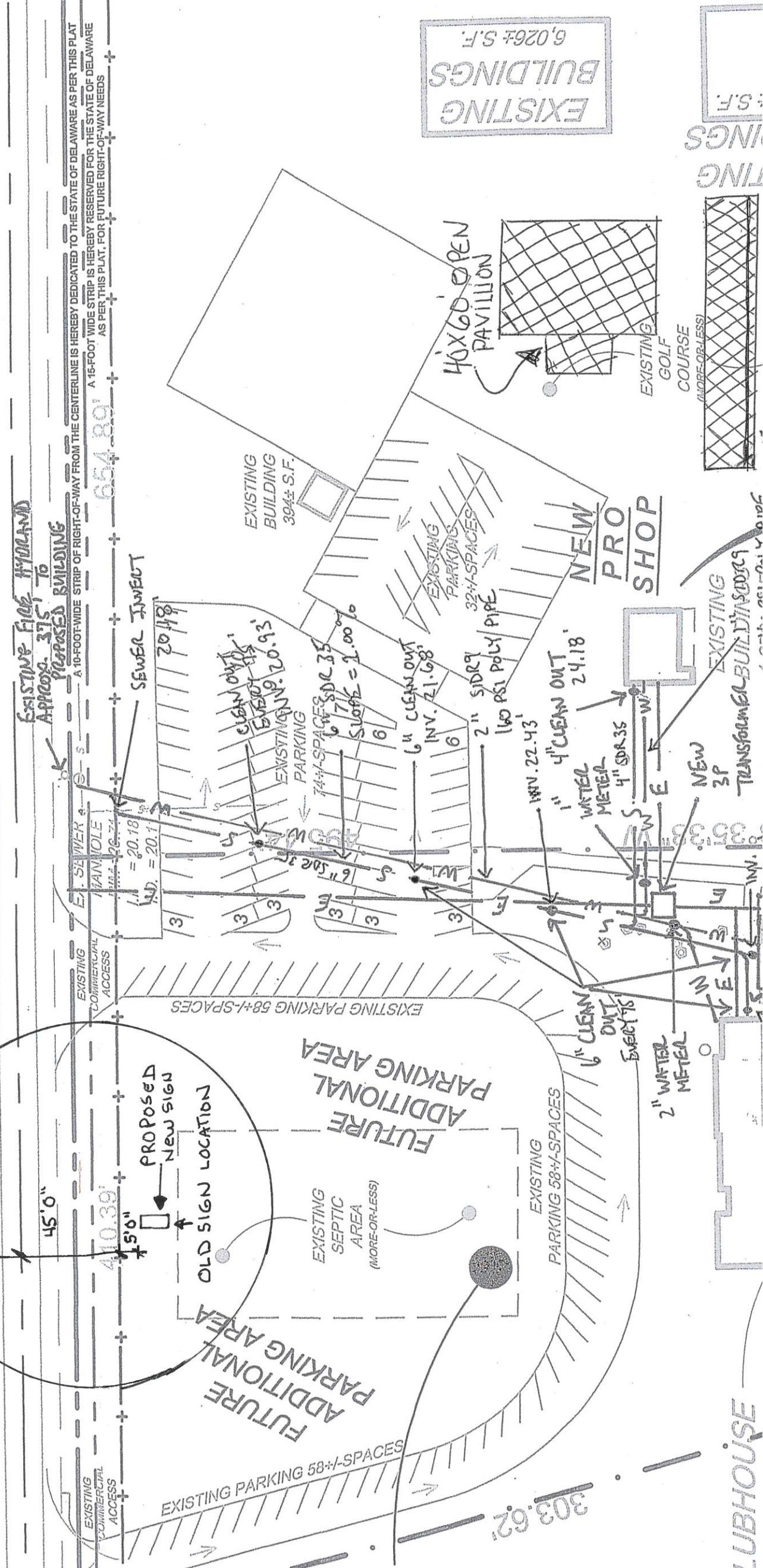
Title:

Conditional Use
Oak Forest Park, LLC
Location & Zoning Map

Filepath: CU_OakForestPark.aprx

14TH REHOBOTH BOULEVARD

ALTERNATE ROUTE 14 / ALTERNATE DE ST. ROUTE 1 MINOR ARTERIAL - FUTURE 80-FOOT ROW / 10,595 AADT (2021)



EXISTING BUILDINGS 6,026± S.F.

EXISTING BUILDINGS 6,026± S.F.

LUBHOUSE

Roof section measures
apprx. 118 in wide
by 20 in high



108 in

48 in

36 in

24 in

Southern Delaware Golf Club
Big Oyster Brewery
6152 & 6182 S. Rehoboth Blvd.

October 10, 2024

RE: Conditional Use and Variance for Pylon and Digital Signage

We are requesting to place one (1) sign on the property of 6152 South Rehoboth Boulevard for both 6152 and 6182 South Rehoboth Boulevard. This would be for advertising both the Big Oyster Restaurant and Southern Delaware Golf Club, which work in conjunction with each other.

Our desire is not to have two separate signs. This sign would be built in front of the Big Oyster Restaurant for both businesses. The square footage and height of the sign is necessary to accommodate both Businesses.

The sign's design will match the existing Restaurant, Brewery, and Pro Shop; keeping with the white, grey and stone theme for a coastal look.

Intended placement of the signage is 50' from the center of the road, which is 5' beyond the state right of way. As it stands, there is a similar sign across the road on South Rehoboth Boulevard, however, it's located in Sussex County and not in the City of Milford.

This sign is necessary to help identify and advertise our businesses.

Best regards,



Timothy S. Johnson

Managing Member

Southern Delaware Golf Club, LLC

Google Maps

6129 DE-1 BUS

Milford, Delaware

Google Street View

Jun 2024 [See more dates](#)



Image capture: Jun 2024 © 2024 Google



§ 230-24.13. Standards in neighborhood commercial zones.

- A. General standards and sign features: Permanent on-premise signs in the Neighborhood Commercial Zones, as identified herein, shall be subject to the standards set forth in this section.
- (1) OB-1 Office Building District.
 - (2) C-1 Community (Neighborhood) Commercial District.
- B. Subject to the regulations in this section, Neighborhood Commercial Zone properties are limited to a combination of two signs per street or road frontage. No more than one sign per street or road frontage shall be either a freestanding sign or a projecting sign. No more than one sign per street or road frontage shall be either a building sign, a canopy sign, or an awning sign.
- (1) Freestanding Signs.
 - (a) Freestanding signs shall be limited to one per street frontage.
 - (b) Freestanding signs shall not exceed six feet in height and shall not exceed 24 square feet of sign area per side.
 - (c) Freestanding signs shall have a minimum setback of 10 feet from the front lot line and a minimum setback of 15 feet from adjacent property lines.
 - (2) Projecting Signs.
 - (a) Projecting signs shall be limited to one per building façade on which any such sign is mounted except for a use that fronts on more than one street, in which case, one such sign shall be permitted per façade for each separate street frontage.
 - (b) The sign area of any projecting sign shall be no greater than 20 square feet per side.
 - (c) No projecting sign shall extend in a vertical dimension above the highest architectural point of the façade to which it is mounted in excess of 25% of the vertical dimension of the façade itself.
 - (d) Projecting signs extending over a public sidewalk shall be limited to a projection distance not to exceed two-thirds of the width of the sidewalk. There shall be at least eight feet of clearance between the projecting sign and the sidewalk.
 - (e) A property may have a projecting sign and a freestanding sign provided that the property has more than one street or road frontage provided that all other requirements governing projecting signs are met.
 - (3) Building Signs.
 - (a) Building signs include wall or fascia signs, roof signs, and signs otherwise permanently applied to walls or other building surfaces.
 - (b) The total sign area of all parallel wall signs applied to any given façade shall not exceed 10% of the building façade in elevation view, including window and door areas and cornices to which they are affixed or applied.
 - (4) Canopy Signs (Also Marquee Signs and Signs on Architectural Projections).
 - (a) Canopy Signs, Marquee Signs, and Signs on Architectural Projections are signs that are mounted to structures that project off the face of the building more than 18 inches.
 - (b) Signs affixed or applied in an essentially flat plane to the face of a building or freestanding canopy, marquee, or architectural projection provided that the copy area of any such sign, as defined herein, does not exceed an area equal to 40% of the product of the height and length of

the face area of the canopy, marquee, or architectural projection to which such sign is affixed or applied, or 10% of the building façade to which it is attached, whichever is greater.

- (c) Graphic treatment in the form of striping or patterns shall be permitted on the face of any building or freestanding canopy, marquee, or architectural projection provided that the striping or patterns are not typically associated with the brand or company occupying the building, site or suite, and the area of any such graphic allowed treatment shall not be calculated as a component of permitted copy area.
- (5) Awning Signs.
- (a) Graphics affixed or applied to the face or side surfaces of an awning or backlit awning are permitted provided that the copy area does not exceed an area equal to 40% of the product of the height and length of the face area of the awning to which the sign is affixed or applied, or 10% of the building façade to which it is attached, whichever is greater.
 - (b) Graphic treatment or embellishment in the form of striping, patterns, or valances shall be permitted on the face or side surfaces of any awning or backlit awning provided that the striping or patterns are not typically associated with the brand or company occupying the building, site or suite, and the area of any allowed such graphic treatment or embellishment shall not be calculated as a component of permitted copy area.
- (6) Electronic Message Centers are prohibited except as may be permitted by conditional use approval from City Council on properties used for any of the following uses
- (a) Public and private schools.
 - (b) Churches and other places of worship.
 - (c) Social clubs or fraternal, social service, union, or civic organizations

[Ord. No. 2022-06, 1-24-2022]

§ 230-24.20. Electronic message centers.

A. General Electronic Message Center regulations

- (1) An Electronic Message Center may consist of a portion of a building sign or freestanding sign, subject to the following limitations;
 - (a) For a sign with a sign area of 32 square feet or less, all of the sign can be comprised of an Electronic Message Center.
 - (b) For a sign with a sign area of greater than 32 square feet, the electronic message center portion of the sign cannot exceed 70% of the sign area or 100 square feet per sign, whichever is less.
- (2) All Electronic Message Centers shall have automatic dimming controls, either by photocell (hardwired) or via software settings, in order to bring the Electronic Message Center lighting level at night into compliance with Section 230-24.21, Sign Illumination Standards. The owner of the Electronic Message Center shall provide a certification by an independent contractor of the lumens showing compliance with the Illumination Standards at the time of building permit issuance.
- (3) The owner of the Electronic Message Center shall provide the City with contact information for a person who is available at any time to turn off the Electronic Message Center promptly if a malfunction occurs.
- (4) All Electronic Message Center display features and functions are permitted, except that the following features and functions are prohibited:

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(Supp. No. 27)

- (a) Flashing.
- (b) Full motion video or film display via an electronic file imported into the Electronic Message Center software or streamed in real time into the Electronic Message Center.

[Ord. No. 2022-06, 1-24-2022]

§ 230-24.21. Sign illumination standards.

Signs may be illuminated consistent with the following standards:

- A. A sign in any Zone may be illuminated at night. Signs that are illuminated at night may not exceed a maximum luminance level of 750 cd/m2 or Nits, regardless of the method of illumination.
- B. The following signs are prohibited:
 - (1) Signs which are not effectively shielded as to prevent beams or rays of light from being directed at any portion of any roadway or residential area.
 - (2) Signs which are of such intensity or brilliance as to cause glare or to impair the vision of any resident or the driver of any motor vehicle or which otherwise interfere with any driver's operation of a motor vehicle.
 - (3) Signs which are so illuminated that they interfere with the effectiveness of or obscures an official traffic sign, device or signal.
- C. Signs that have external illumination, whether the lighting is mounted above or below the sign face or panel, shall have lighting fixtures or luminaries that are fully shielded to focus light only on the sign.
- D. All illuminated signs must comply with the maximum luminance level of 750 cd/m2 or Nits at least one-half hour before Apparent Sunset, as determined by the National Oceanic and Atmospheric Administration (NOAA), US Department of Commerce, for the specific geographic location and date. All illuminated signs must comply with this maximum luminance level throughout the night, if the sign is energized, until Apparent Sunrise, as determined by the NOAA, at which time the sign may resume luminance levels appropriate for daylight conditions, when required or appropriate.
- E. No illuminated sign, including Electronic Message Centers, shall have a maximum illuminance level greater than 0.30 foot candle above ambient light, as measured using a foot candle meter, or similar technology, at a preset distance. Preset distances to measure the foot candle impact vary with expected viewing distances of each sign size. Measurement shall be based upon the sign area using the following formula:

Sign Area (in square feet)	Measurement Distance (in feet)
10	32
50	71
100	100
200	141
300	173

Notes: For signs with a sign area in square feet other than those measurements specifically listed in the table above, the measurement distance shall be calculated with the following formula:

$$\text{Measurement Distance} = \text{Sign Area in Square Feet} \times 100$$

-
- F. On-premise signs shall not be used as a form of outdoor lighting at night for security purposes or egress illumination.

[Ord. No. 2022-06, 1-24-2022]

ARTICLE IX Conditional Uses

§ 230-46. Purpose.

- A. The intent of the conditional use is to maintain a measure of control over uses that have an impact on the entire community. Generally, conditional uses may be desirable in certain locations for the general convenience and welfare. They must use the property in a manner that assures neither an adverse impact upon adjoining properties nor the creation of a public nuisance. In short, because of the nature of the use, it requires sound planning judgment on its location and site arrangement.
- B. Conditional use permits may be issued for any of the conditional uses for which a use permit is required by the provisions of this chapter, provided that the City Council shall find that the application is in accordance with the provisions of this chapter after duly advertised hearings held in accordance with the provisions of Article XII.

[Ord. No. 2022-06, 1-24-2022]

§ 230-47. Application and approval procedures.

- A. Conditional Use Site Plans shall follow the procedures for application and review outlined in Article X Site Plan Review of this Chapter.
- B. Conditional Use Major Subdivisions shall follow the procedures for application and review outlined in Chapter 200, Subdivision of Land
- C. Standalone Conditional Use applications that do not require site plan review or major subdivision review shall be subject to the following procedures:
 - (1) A conditional use application and documents, as specified by the Planning Department, shall be prepared by the applicant and submitted in accordance with the submission schedule as determined by the Planning Director, along with the appropriate fees, as specified in Section 230-57.
 - (2) A public hearing on the conditional use shall be conducted by the Planning Commission. The Planning Commission shall review the application and shall recommend to City Council approval of the application with or without conditions, denial of the application, or table the application. The conditional use shall be reviewed based on the requirements set forth in the zoning ordinance. In case of an unfavorable recommendation for denial by the Planning Commission, such application shall not be approved except by a favorable vote of 3/4 of the City Council.
 - (3) No hearing shall be held by the Commission until notice of time and place thereof has been provided to the applicant, property owners within 200 feet of the subject property, and to such other interested parties as may be determined by the Planning Director at least 10 days before the date of said hearing. Notice shall be provided as follows:
 - (a) The Planning Department shall notify by mail all property owners within 200 feet of the extreme limits of the subject parcel as their names appear in the City or County tax record at least 10 days prior to the hearing.

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- (b) The Planning Department shall provide notice to the general public of the public hearing before the Planning Commission by publishing the date, time, place and nature of the hearing at least 15 days before the hearing in a newspaper of general circulation in the City and posting the same information in City Hall and on the City website.
 - (c) The Planning Department will also post a notice outlining the date, time, place, and nature of the hearing in a conspicuous location on the property. The published and posted notices shall contain reference to the time and place within the City where text, maps and plans for the proposal may be examined.
- (4) City Council shall review the application and shall approve the application with or without conditions, deny the application, or table the application. The conditional use shall be reviewed based on the requirements set forth in the zoning ordinance.

[Ord. No. 2022-06, 1-24-2022; Ord. No. 2023-28, § 4, 8-14-2023]

§ 230-48. Criteria for evaluation.

The following criteria shall be used as a guide in evaluating a proposed conditional use:

- A. The presence of adjoining similar uses.
- B. An adjoining district in which the use is permitted.
- C. There is a need for the use in the area proposed as established by the Comprehensive Plan.
- D. There is sufficient area to screen the conditional use from adjacent different uses.
- E. The use will not detract from permitted uses in the district.
- F. Sufficient safeguards, such as traffic control, parking, screening and setbacks, can be implemented to remove potential adverse influences on adjoining uses.

[Ord. No. 2022-06, 1-24-2022]

§ 230-49. Conditions for approval; expiration.

- A. In granting any conditional use permit, the City Council may designate such conditions as will, in its opinion, assure that the use will conform to the requirements as stated in Section 230-48 and that such use will continue to do so.
- B. A conditional use approval in conjunction with a Site Plan review shall expire upon expiration of the associated Site Plan.
- C. A conditional use approval in conjunction with a Major Subdivision application shall expire upon expiration of the associated Major Subdivision.
- D. A standalone conditional use permit shall expire within eighteen months of the date of issuance unless construction or operation of said use has commenced.
- E. A reapplication for a conditional use permit for the same lot or use shall not be considered by the City Council within a period of one-year from its last consideration. This provision, however, shall not impair the right of the Council to propose a conditional use permit on its own motion.

[Ord. No. 2022-06, 1-24-2022]

CITY OF MILFORD
NOTICE OF PUBLIC HEARINGS

Planning Commission Hearing: Tuesday, November 19, 2024 @ 6:00 p.m.

City Council Hearing: Monday, November 25, 2024 @ 6:00 p.m.

NOTICE IS HEREBY GIVEN that the proposed Ordinance is currently under review by the City of Milford Planning Commission and City Council. City Council has the option to approve or deny the application. By not adopting the ordinance, City Council will deny the application. By adopting the ordinance, City Council will approve the application and the reason for the language being written in the affirmative.

This form of writing is not used to influence any decision of City Council:

ORDINANCE 2024-12

Conditional Use Application of Oak Forest Park, LLC

4.93 +/- acres of land located along the west
side of S Rehoboth Boulevard, approximately 300 feet
north of the Kirby Road intersection.

Comprehensive Plan Designation: Low Density Residential

Zoning District: C-1 (Community Commercial District)

Present Use: Restaurant & Brewery; Proposed Use: Restaurant & Brewery
with Freestanding Electronic Message Center Sign

Tax Parcel: 3-30-11.00-008.00

WHEREAS, the owners of the property as above described herein have petitioned the City of Milford for a Conditional Use to construct an accessory dwelling; and

WHEREAS, the City of Milford Planning Commission will consider the application at a Public Hearing on November 19, 2024; and

WHEREAS, Milford City Council will hold a Public Hearing on November 25, 2024 to allow for public comment and further review of the ordinance; and

WHEREAS, it is deemed in the best interest of the City of Milford to approve the Conditional Use, as herein described.

NOW, THEREFORE, the City of Milford hereby ordains as follows:

Section 1. Chapter 230-9(C)(5) states accessory dwellings are allowed upon conditional use approval from City Council subject to conditions.

Section 2. Following adoption of Ordinance 2024-12, and upon the effective date, Oak Forest Park, LLC is hereby granted a Conditional Use to construct an Electric Message Center monument sign.

Section 3. Construction or operation shall commence within one year of the date of issuance of the permit otherwise the conditional use becomes void.

Section 4. Dates.

Planning Commission Review & Public Hearing: November 19, 2024

City Council Introduction: November 11, 2024

City Council Public Hearing: November 25, 2024

Effective: Ten Days following Adoption

For additional information, please contact Rob Pierce in the Planning & Zoning Department either by e-mail at RPierce@milford-de.gov or by phone at 302.424.8396.

Advertised: Delaware State News 11/01/2024