SPECIAL LEGISLATIVE FINANCE AND ADMINISTRATION COMMITTEE

A Special Legislative, Finance, and Administration Committee Meeting was held on July 09, 2026, at 6:00 p.m. with Chairman Anderson presiding. Members of Council present were Council President Neil, Mr. Rocha, Mr. Lewis, Dr. Pillsbury, and Dr. Sudler. Ms. Arndt, Mr. Boggerty, and Ms. Hall were absent. Mayor Christiansen was also absent. Civilian members present were Mr. Garfinkel and Mr. Shevock *(Legislative, Finance, and Administration)*.

ADOPTION OF AGENDA

Mr. Neil moved for adoption of the agenda, seconded by Mr. Lewis and unanimously carried.

Discussion on the FY2026-27 Long-Term Fiscal Solvency, Wealth, and Health Optimization of The Capital of Delaware (Councilman Sudler and Councilman Lewis)

Before the discussion began, Council President Neil read into the record a statement regarding the proposal (**Attachment #1**).

Dr. Sudler thanked Mr. Anderson for allowing the presentation to be included on a special meeting agenda for an extensive discussion.

Dr. Sudler requested that Ms. Arielle Rivera, Assistant City Clerk, read the questions submitted by Mr. Anderson and the responses provided by Dr. Sudler (**Attachment #2**).

Mr. Garfinkel thanked Dr. Sudler for the presentation and commented on the thoroughness of the presentation. He emphasized the importance of planning for the future. He stated that the costs of providing services should be shared by those who benefit from them, either directly or indirectly, rather than relying primarily on taxpayers.

Mr. Rocha expressed appreciation for initiating the discussion early in the fiscal year rather than near the end of the budget cycle. He commended Dr. Sudler and Mr. Lewis for listening to both the community and council's concerns. He stated that the proactive approach would better position the city to prepare for future fiscal challenges.

Mr. Lewis stated that the proposal had been made available online. He encouraged the public to review the proposal and stated that the city should address the issue rather than continue delaying action. He explained that the proposal, developed with Dr. Sudler, was intended to help reduce the financial burden on residents and taxpayers.

William Faust, Jr., Dover, stated that he had reviewed the proposal and questioned how existing tax abatements for downtown development projects would affect it. He expressed support for the proposal, stating that it was intended to reduce the financial burden on residents and that no alternative proposal had been presented. He also shared concerns about rising utility costs, the economic challenges facing residents and local businesses, and encouraged council to work together to identify a long-term solution.

Bonnie Pennington, Dover, thanked Mr. Lewis and Dr. Sudler for developing the proposal and expressed her support for the idea. She stated that the proposal would benefit residents broadly and acknowledged the financial challenges many individuals face with increasing costs of living, including household expenses, medical costs, and utility bills.

Vonderlear Smack, Dover, thanked Mr. Lewis and Dr. Sudler for listening to constituents and bringing forward the proposal. She stated that she had been raising concerns about increasing electric rates for several years and shared that she has received calls from elderly residents seeking assistance with utility bills. Ms. Smack asked whether the city could consider rolling back the most recent rate increase to provide relief for residents on fixed incomes.

Responding to Ms. Smack, Dr. Sudler stated that the proposal would provide a mechanism for reallocating surplus funds back to residents and constituents in future years, pending council's approval and the proposal's implementation. He stated that the plan would increase baseline revenue or reserves in the first year and, if projections are met, could allow for reductions in utility costs and potentially help offset future tax increases. He acknowledged that relief would not occur immediately but stated that the proposal represented a step toward addressing long-term financial concerns. Dr. Sudler also noted that the city has customer assistance programs available and referred residents to Customer Service for additional information.

Dr. Sudler reviewed the presentation entitled "Growth Pays for Growth" (**Attachment #3**).

Mr. Garfinkel moved to accept the Capital Area Municipality Sustainability Act (CAMSA) presentation and authorize City Manager Sharon Duca and the municipal budget team to conduct a rigorous sustainability, feasibility, and validity appraisal of the "Growth Pays for Growth" conceptual model, establishment of Section 49A (Municipal Services Impact Fee) by August 24, 2026. The motion was seconded by Mr. Shevock.

Mr. Rocha asked how the proposal would impact the city's budget structure and enterprise funds, specifically, and whether utility fees associated with electric and water services would remain in place or be restructured under the proposed method.

Responding to Mr. Rocha, Dr. Sudler stated that, to his understanding, the enterprise fund fees would continue but could potentially be reduced. He stated that further discussion and review would be needed to determine the specific impact and suggested that additional information could be provided by the Controller and Treasurer.

Responding to Mr. Rocha, Ms. Patricia Marney, Controller/Treasurer, stated that the proposal would require further review, including research and discussions with other municipalities regarding similar approaches. She explained that enterprise funds and the General Fund must remain separate and that utility fees would continue because they cover the costs associated with operating and maintaining specific utilities. She clarified that the proposal could potentially provide an alternative funding source for certain capital and infrastructure costs, which could help reduce portions of utility charges. Ms. Marney noted that usage-based fees would remain in place, while the proposal could potentially impact customer charges associated with infrastructure costs.

Responding to Mr. Rocha, Ms. Marney used the example of an electric bill. She stated that the customer charge covers the cost of bringing the transformers and putting the infrastructure in place. The usage fee is the amount the customer has used. She noted that, from her interpretation, it would be reducing the customer fee.

Responding to Mr. Rocha, Ms. Marney stated that the implementation details would need further development if the proposal moved forward. She explained that the structure of any potential transfer between funds would need to be clearly defined, documented, and aligned with each fund's designated purposes, with final decisions to be made by council.

Responding to Mr. Rocha, Ms. Marney stated that the city receives approximately $450,000 from the State of Delaware and 1.6 million from the Grant-in-aid funding, which was allocated to public safety and higher education funds.

Ms. Marney stated that she believed the proposal was worth exploring but that it would require additional discussion and could present implementation challenges. She advised that implementation may not be feasible until Fiscal Year 2028 and explained that the approach would depend on how council chooses to structure and bill the proposed fee. Ms. Marney noted that changes to the city's billing and accounting systems could be required, resulting in implementation costs and additional time before the proposal could be put into effect. She explained that Seattle uses their tax billing system to bill their fee.

Responding to Mr. Rocha, Ms. Marney stated that there appears to be a path to establishing the proposed revenue as a restricted fund dedicated to specific purposes, such as reducing utility costs and funding infrastructure improvements. She explained that the implementation would depend on how the proposal is structured and drafted and would require amendments to the City Charter and Code of Ordinances, along with further evaluation of the proposal's details.

Mr. Anderson stated that the proposal represented the beginning of a longer process and noted that it would require a fiscal note, which distinguishes it from many other charter amendments. He expressed support for placing the matter on a future agenda to allow for further consideration and potential coordination with the state's budget process. Mr. Anderson encouraged public engagement and support for the proposal, stating that its advancement would require participation from both city officials and residents. He also referenced examples from other municipalities that receive state support through similar funding mechanisms, such as Harrisburg, Pennsylvania, which received $5 million from the State of Pennsylvania for its PILOT.

Responding to Mr. Anderson, Ms. Marney stated that Wilmington received millions in PILOT funding because of the language in the state code governing PILOT. She explained that they received one hundred percent of their taxable value, whereas, by code, the City of Dover receives only thirty percent. Additionally, she noted that the amount billed exceeded the state budget, so the City of Dover PILOT was reduced by $885,000. However, Mr. Anderson was able to recoup those funds.

Mr. Anderson explained that he questioned the city’s PILOT funding and was told it was awarded to Wilmington because its taxes increased. He thanked Senator Paradee and Senator Pettyjohn for their assistance, noting that Georgetown was affected as well. He stated that the proposed legislation could provide greater statutory predictability for future funding but emphasized that it would require thorough legal and fiscal review, broad support, and significant advocacy to secure the necessary approval.

Dr. Pillsbury expressed concern that the proposal could shift costs to other entities, which might result in increased costs elsewhere. She noted that, while she was not opposed to the proposal, she believed it was important to consider the potential broader financial impacts of reallocating those costs.

Responding to Dr. Pillsbury, Dr. Sudler stated that the proposal was designed to protect residents by providing a mechanism to reduce and potentially freeze residential utility costs over time. He stated that larger institutions have additional resources and funding mechanisms, such as grants and bond bill money, available to offset increased costs. In contrast, individual residents often have fewer options for financial relief. He emphasized that the proposal would provide residents with additional support in managing their monthly financial obligations.

Mr. Neil stated that he would support moving the proposal forward to allow staff to evaluate its feasibility, identify potential challenges, and provide a report to council. He acknowledged that the proposal may receive significant feedback and discussion from various stakeholders due to its potential impact. Mr. Neil stated that he believed the proposal warranted further review, particularly given that a portion of the city's population does not pay property taxes. He emphasized the importance of understanding the proposal's practicality and potential outcomes before proceeding further.

Mr. Anderson requested that Ms. Rivera read back the motion.

Ms. Rivera stated that Mr. Garfinkel moved to accept the Capital Area Municipality Sustainability Act (CAMSA) presentation and authorize City Manager Sharon Duca and the municipal budget team to conduct a rigorous sustainability, feasibility, and validity appraisal of the "Growth Pays for Growth" conceptual model, establishment of Section 49A (Municipal Services Impact Fee) by August 24, 2026. The motion was seconded by Mr. Shevock.

Mr. Anderson noted that the second set of meetings in August would be canceled, and the intention is to have the item back on the agenda in September so that a Resolution can be adopted by council before the end of September, allowing the General Assembly to begin lobbying for the city. He also recommended an amendment to add a legal review to the motion.

Mr. Garfinkel stated that he was in favor of the amendment. Mr. Shevock, the seconder, was in favor of the amendment. The amendment to add a legal review to the motion was unanimously adopted.

Mr. Faust expressed support for the proposal and encouraged those with concerns or alternative viewpoints to present other solutions. He stated that the city must continue working toward making Dover an affordable and safe place to live and expressed concerns about the impact of rising costs on residents. Mr. Faust commended Mr. Lewis and Dr. Sudler for developing and presenting the proposal and encouraged continued discussion and consideration of solutions to address the city's financial challenges.

LaChelle Paul, Dover, stated that she had reviewed the proposal in detail and provided comments regarding potential legal, funding, and implementation considerations. She stated that the proposed charge would likely need to be structured as a fee rather than a tax due to limitations related to taxing nonprofit organizations. Ms. Paul expressed concerns regarding the sustainability of grant funding and recommended establishing a cap on potential charges to ensure the proposal remains manageable for affected entities and other municipalities. She noted the importance of carefully structuring the proposal to avoid shifting costs to residents through other organizations and stated that additional safeguards could improve the likelihood of legislative approval.

Responding to Ms. Duca, Dr. Sudler stated that MSIF was intended to be a municipal service infrastructure fee strictly for infrastructure.

Responding to Ms. Duca, Dr. Sudler stated that he initially proposed using the gross square footage. However, he noted that they can continue additional research into how other municipalities are implementing it.

Ms. Duca stated that staff had initiated the process of reviewing priority-based budgeting for Fiscal Year 2028. She explained that department heads had begun evaluating Fiscal Year 2026 operations and that additional work would be needed to analyze programs and priorities under this approach. Ms. Duca stated that staff intends to bring forward a proposal to council early in the process for review and consideration by both council and the public.

Mr. Garfinkel moved to accept the Capital Area Municipality Sustainability Act (CAMSA) presentation and authorize Sharon Duca, City Manager, and the municipal budget team to conduct a rigorous sustainability, feasibility, and validity appraisal of the "Growth Pays for Growth" conceptual model, establishment of Section 49A (Municipal Services Impact Fee), and a complete legal review by the first meeting in September. The motion was seconded by Mr. Shevock and unanimously carried.

Mr. Anderson noted that the Legislative, Finance, and Administration meeting of July 28, 2026, would be canceled.

Mr. Anderson moved for adjournment of the Legislative, Finance, and Administration Committee meeting, hearing no objection the meeting adjourned at 7:29 p.m.

David L. Anderson
Chair, Legislative, Finance, and Administration Committee

Attachments
Attachment #1 – Council President Neils' remarks
Attachment #2 – Mr. Anderson and Dr. Sudler's email correspondence
Attachment #3 – Presentation Entitled "Growth Pays for Growth"

Special Session Remarks for July 9, 2026 FY 28 Budget Proposal
By Dover City Council President Fred Neil

During my years as a news reporter, I learned to be wary of politicians who arrive with a handful of seeds promising to grow money trees and free citizens from taxes increases. That experience shapes how I view the eleventh hour financial maneuver attempted by two of our members—an effort the General Assembly would not act on unless this Council, as a whole, formally requested it. That is not fiscal policy. That is politics.

The timing alone reveals the political nature of the proposal. Previous attempts to impose a PILOT —Payment in Lieu of Taxes—on the 45% of Dover properties that are tax exempt triggered a loud and forceful backlash from the legally not taxable. The Council stepped back. Yet here we are again, with grandiose assertions reported in the Delaware State News on July 6, 2026, claims as debatable as the old question of what came first, the chicken or the egg.

Even if one accepted the premise, the practical hurdles are enormous. Securing agreement from the affected institutions would require extensive negotiation, but negotiation has not been mentioned —likely a session or two of legislative work—and there is no guarantee of success. The article suggests private non-profits could simply obtain grants to cover the additional costs. But grants to municipalities are drying up nationwide, a trend driven by decisions in Washington. Is that realistic, or is that politics talking?

Meanwhile, the State and City have already demonstrated what real investment looks like.

Downtown redevelopment is producing the tax base Dover needs: 120 apartments and retail at the former Acme site, and 42 apartments with retail at the old Post Office. These projects are just a start. They will bring residents, activity, and long-term revenue—without gimmicks.

And none of this touches the core issue: Delaware's fractured revolving door justice system. Endorsing changes to Dover's budget process will not cure a system that releases arrested drug dealers on unsecured bail the same day or allows individuals struggling with addiction and mental illness to avoid accountability. Our kindhearted legislators have unintentionally created conditions that undermine public safety. Budget changes do not fix that.

Despite the political origins of the proposal, I value the discussion. There may be elements staff can examine and adapt—ideas with practical merit once stripped of political packaging. Council members are not the financial experts; we set the theory. Staff reports on the practicality.

Our responsibility is to separate political theater from fiscal reality.

From:	Roy Sudler Jr.
To:	Anderson, David; Lewis, Brian; City Clerks Office
Cc:	Duca, Sharon; Marney, Patricia
Subject:	EXTERNAL: Re: Proposal
Date:	Thursday, July 9, 2026 4:45:16 PM

Chairman Anderson,
Thank you for the inquiry!
Provided for your review and submission to the Legislative Finance and Administrative Committee is the response to your questions.

1. **The state of Delaware isn't just tax-exempt like the other entities; it is tax-immune. We have no authority to tax it. That means the fee must relate to costs incurred.**

Pg. 6 and 7PDF

The Fee Distinction: This is why frameworks such as the Municipal Services Impact Fee (MSIF) are transitioning away from **ad valorem structures [2026-CAMSA-07].** Because the MSIF is classified as a regulatory service fee calculated strictly on Gross Square Footage (GSF) rather than an ad valorem tax based on valuation, it bypasses traditional tax-exempt protections [2026-CAMSA-07]. It legally compels large institutions to pay for the exact physical utility and emergency assets they consume, creating structural fiscal equity [2026-CAMSA-07].

As these entities expand, they absorb geographic territory, removing valuable acreage from the taxable land base while driving up service demands [2026-CAMSA-04]. CAMSA resolves this paradox by shifting from property valuation to a regulatory service fee of $1.00 per gross square foot (GSF), ensuring that non-residential mega-structures pay their fair share [2026-CAMSA-07].

Pg. 6 and 7PDF

2. **Where did you get the fee level? How do you back it up based upon costs?**

The fee structure is based on Priority-Based Budgeting (PBB), which connects municipal costs to specific infrastructure and public safety needs created by large developments. The entry-level billing rate is set at $1.00 per Gross Square Foot (GSF) per the CAMSA financial framework. PBB focuses on the city's core goals, such as resident safety and utility repairs, ensuring funding is directed towards programs that achieve these objectives [2026-CAMSA-07]. To address the city's structural deficit without raising property taxes or imposing administrative costs on residential utility accounts, a target of $12,990,000 in annual revenue is required from Dover's 12,990,000 GSF tax-exempt institutional tier.

Pg. 9 and 10PDF

3. **Is the possible loss of PILOT and Higher ed public safety grant in your calculations?**

YES!
The potential loss of traditional state Payment in Lieu of Taxes (PILOT) programs and the Higher Education Public Safety Grant are key reasons the CAMSA framework totals $12,990,000. This framework channels MSIF revenues into dedicated infrastructure funds through Priority-Based Budgeting (PBB), eliminating unpredictable deficits in the general fund.
Instead of relying on uncertain state allocations, CAMSA is designed to overcome the loss of these grants by establishing a stable, legally binding local fee. Traditional PILOT and higher education grants are unreliable and do not cover the actual costs of maintaining infrastructure for 12.99 million square feet of tax-exempt property. CAMSA secures an independent revenue stream that benefits local taxpayers and reduces dependence on these inconsistent grants.
Pg. 9 and 10PDF

4. **How will this impact the hospital expansion needed?**

It will have a positive impact on the hospital's expansion because the CAMSA proposal is designed to decisively support and stabilize the infrastructure necessary for the hospital expansion, which is essential to accommodate large-scale medical developments. It ensures that these advancements can proceed without overburdening Dover's public utility networks or straining local residential taxpayers. Given that regional medical centers, like Bayhealth, are generally tax-exempt, their substantial expansions can impose significant structural stress on the city's infrastructure while failing to contribute to the property tax base.

5. **Our current billing system is not set up for this proposal. Is software and staffing costs considered for the first year? How much will administration cost?**

Pg. 7 and 8PDF
Yes, the proposal includes first-year software and staffing costs through an Administrative Cost Recovery Carve-Out within the core allocations. CAMSA uses verified Municipal GIS Division datasets to identify non-residential, tax-exempt structures over 50,000 GSF, establishing a billing baseline of 12,990,000 GSF, which generates $12,990,000 annually in cost-recovery revenue [2026-CAMSA-07]. Following Revenue Policy Mandate 7, CAMSA sets strict budget controls, allocating the $12.99 million into sub-accounts: 50.04% for safety, 34.56% for grid repair, and 15.40% for reserve stabilization [2026-CAMSA-07].
Importantly, the proposal doesn't require new taxpayer dollars so that it won't impact Dover's General Fund. Instead, it creates a self-funded administrative launch to finance the software integration and staffing needed to modernize our billing systems, turning IT and GIS into revenue-generating assets at no cost to local taxpayers.
Pg. 7 and 8PDF

6. **What is an example of a place with this proposal?**

Footprint-based impact fees are legally recognized across a range of jurisdictions, from Oklahoma to California, to offset infrastructure expenditures. Priority-Based Budgeting is currently enhancing fiscal sustainability in over 200 municipalities across the United States. The CAMSA initiative integrates these established, legally sound mechanisms into a comprehensive framework designed to safeguard the interests of working families in Dover.

Intergovernmental Precedent: Alternative Legislative Instruments

This framework leverages successful legislative strategies from other progressive municipalities, thereby promoting structural equity. For instance, it adopts the model used by Seattle, Washington, which implements direct structural and service fees based on non-residential property footprints. This approach ensures 100% compliance with existing legal standards.

Pg. 13 and 14PDF

XII. Comparative Fiscal Analysis

The table below contrasts Dover's current financial exposure against the structured mitigation frameworks active in other capital cities. Without the passage of CAMSA or a dedicated Bond Bill allocation, Dover remains the only listed capital city that forces local residential utility users to absorb the full cost of state-driven infrastructure decay.

> On 07/09/2026 12:14 PM EDT Anderson, David <david.anderson@dover.de.us> wrote:
>
> Gentlemen, I apologize for not sending you questions yesterday as I intended, but life took a different path. I have several questions. I want you to be prepared for them because that makes better discussion.
>
> Off the record, I am in favor of the direction that you wish to take here. I think that there is brilliance in the proposal. It is however a radical departure from the way things work in Delaware. That's not bad, it just means a lot of adjustments will need to be made and questions answered. I don't think every question needs to be answered to advance the resolution, but several do need to be answered. I want legal review to help craft the charter change and bring that back in August. That's what I will be looking towards. I don't want you blindsided by that. Because we're not always in lockstep politically, I want you to know in advance what my thoughts are and why so we have no misunderstandings.
>
> First batch of questions
>
> The state of Delaware isn't just tax exempt like the other entities, it is tax immune. We have no authority to tax it. That means the fee must relate to costs incurred.
>
> Where did you get the fee level? How do you back it up based upon costs?
>
> Is the possible loss of PILOT and Higher ed public safety grant in your calculations?
>
> How will this impact the needed hospital expansion?
>
> Our current billing system is not set up for this proposal. Is software and staffing costs considered for the first year? How much will administration cost?
>
> What is an example of a place with this proposal?
>
> Respectfully,
>
> The Honorable David L. Anderson

4th District Councilman, Dover, DE
Phone: (302)339-1047
Council Office: (302)736-7006
Sent from my T-Mobile 5G Device
Get Outlook for Android

Thank you for your email. Please be advised that the City of Dover email domain has changed to @doverde.gov as part of our ongoing efforts to improve communications. Our new domain is part of a long-range initiative to increase security and by switching to a .gov domain it provides further assurance to the public that the communications received from @doverde.gov is official, trusted information. Messages sent to our old email addresses will still be received until the conversion is completed. Kindly update your records accordingly, we appreciate your attention to this update.

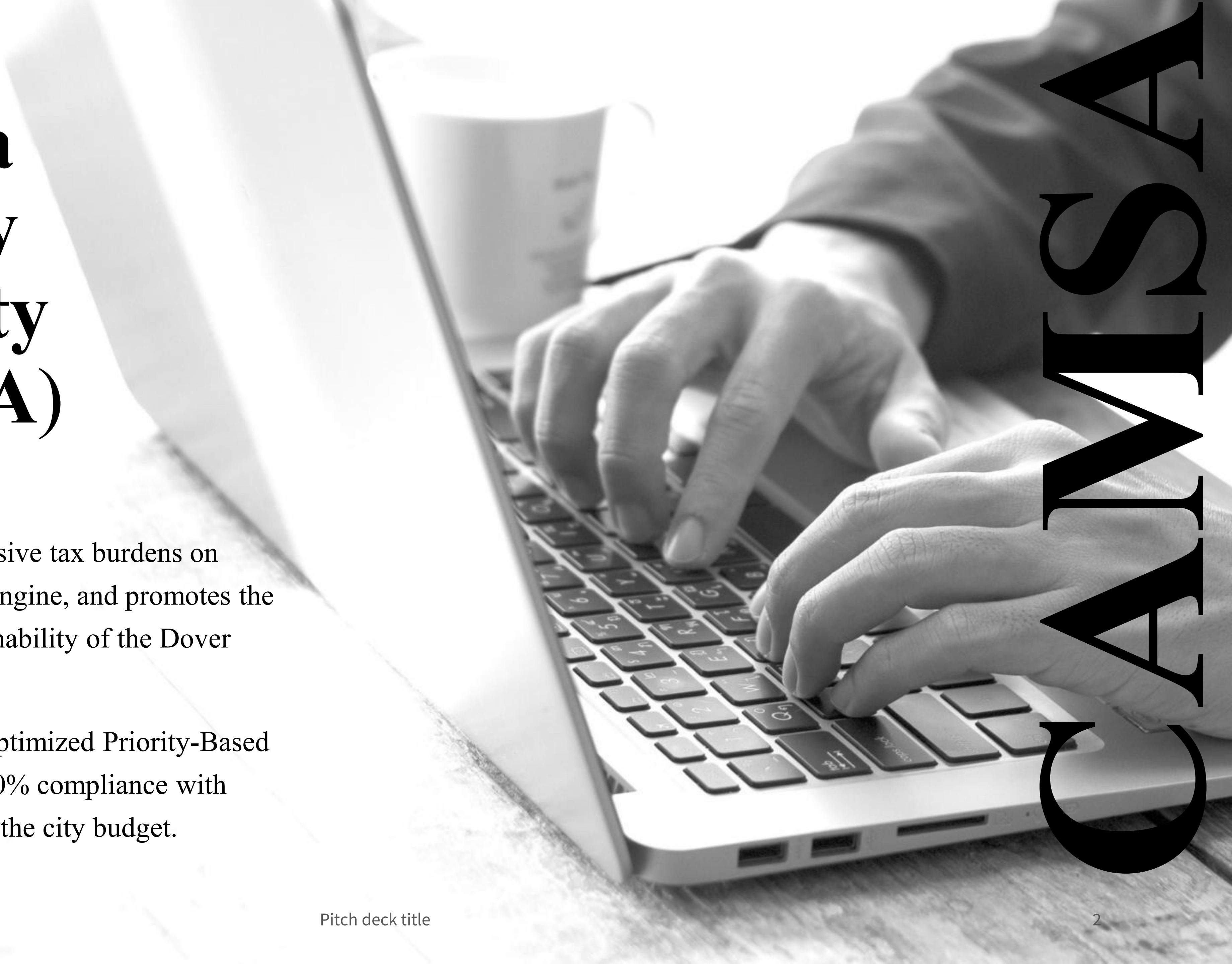
"Growth Pays for Growth"

Sponsored By: Roy Sudler, Jr., Ph.D. District 4 Councilman and Brian Lewis District 2 Councilman

Capital Area Municipality Sustainability Act (CAMSA)

CAMSA successfully reduces regressive tax burdens on residents, secures the city's revenue engine, and promotes the long-term fiscal and structural sustainability of the Dover community.

Backing this revenue pipeline is an optimized Priority-Based Budgeting (PBB) model ensuring 100% compliance with Revenue Policy Mandates 1 and 7 of the city budget.



CAMSA

PROBLEM

ECONOMIC GAP

No matter how massive tax-exempt physical footprint grows or how much market value their buildings command, their ad valorem property tax bill remains exactly **$0.00.**

SYSTEMIC STRUCTURAL GAP:

45% of the real property footprint is tax-exempt, forcing the remaining **55% of taxable properties** (working families and local shopkeepers) to absorb 100% of the financial burden for public assets utilized by the entire state.

PSYCHOLOGICAL CONTRACT AND ORGANIZATIONAL JUSTICE

“Incremental budgeting" **represents the ultimate failure of goal-setting theory.** Shifting the cost burden back to the entities driving the asset exhaustion restores the psychological contract, driving a sense of institutional equity and shared community purpose.

NON-TAX-EXEMPT FOOTPRINTS

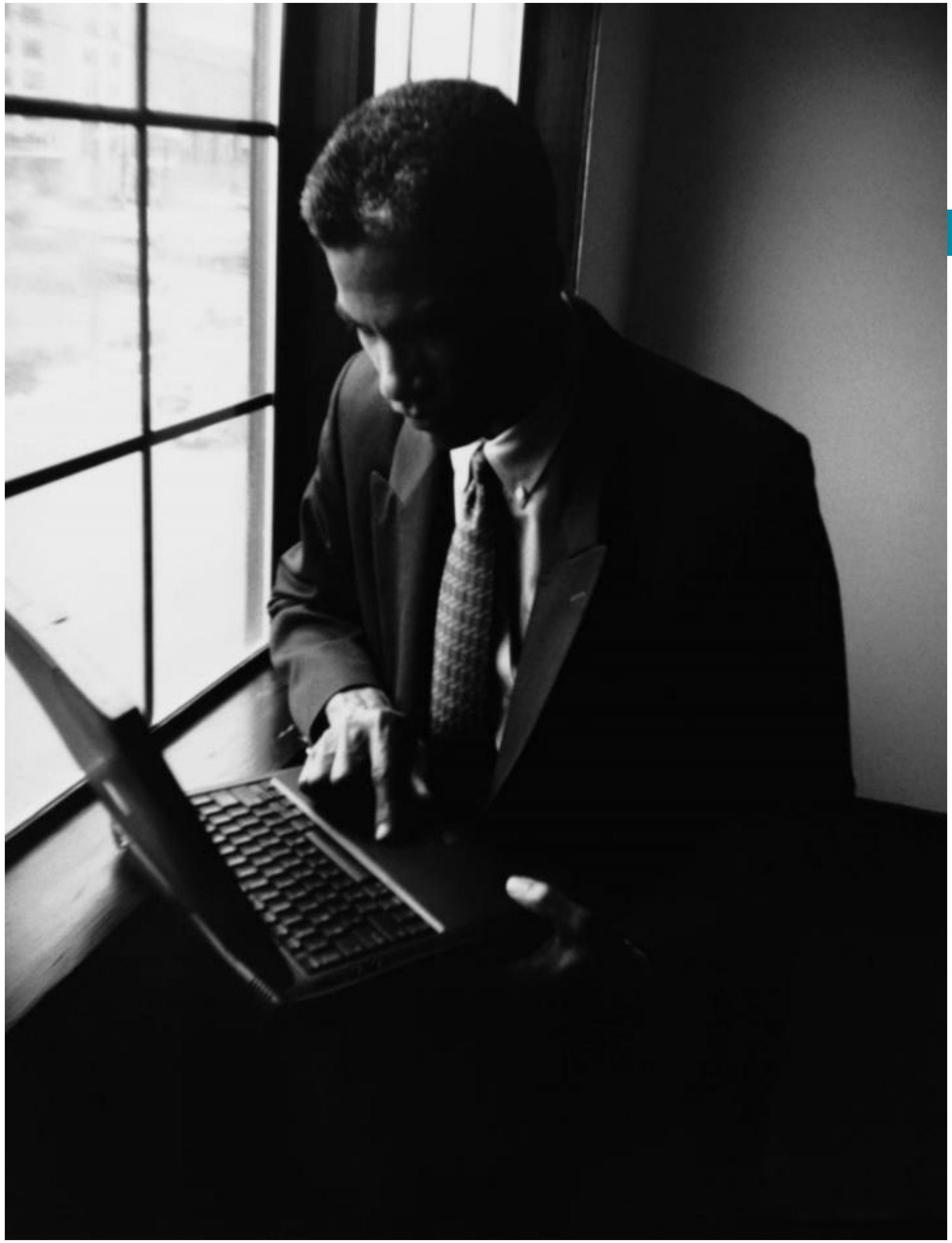
Traditional municipal budgeting models are failing mid-sized capital cities because they lack modern regulatory frameworks to recover infrastructure wear-and-tear costs from the mega-scale, tax-exempt institutional growth driving those very costs.

PROBLEM

BAYHEALTH MEDICAL CENTER

THE DELAWARE STATE UNIVERSITY


LEGISLATIVE HALL
DELAWARE STATE CAPITAL



SOLUTION

CLOSE THE GAP

By shifting our budget mindset to ***an external revenue-generating framework***

TARGET AUDIENCE

Mega-scale Institutional, Medical, and educational footprints.

COST SAVINGS

Under CAMSA's framework, financial resources will ne returned back to residents in the form of lower utility bills.

PREDICTABLE CAPITAL FORECASTS:

Priority-Based Budgeting (PBB) channels MSIF revenues directly into dedicated infrastructure funds, removing unpredictable capital project deficits from the general fund.

Comparative Fiscal Analysis

UNIQUE

CAMSA breaks this cycle by generating **$12,990,000 annually**, immediately transferring $2 million in Year 1 to permanently raise the city's emergency reserve floor to an unassailable **11.35% statutory baseline ($6.78 million)**

TESTED IN OTHER CAPITAL CITIES

Hartford, CT Olympia, WA and Albany, NY.

Dover remains the only capital city listed that forces local residential utility users to entirely absorb state-driven infrastructure decay.

LEGISLATIVE FRAMEWORK

- **Section 1. Formal Charter Amendment Petition**
- **Proposal:** A petition by City Council to the General Assembly of the State of Delaware to enact legislation amending the Charter of the City of Dover by adding "SECTION 49A."
- **Subsections:**
- **(a)** Legislative Findings and Declaration of Structural Tax Asymmetry
- **(b)** Statutory Definition of Ad Valorem Tax vs. Regulatory Service Fee
- **(c)** Establishment of the Footprint Threshold and Billing Baseline
- **(d)** Priority-Based Budgeting and Strict Anti-Supplanting Mandates
- **(e)** Severability and Enforcement

WHEREAS, the City of Dover exhibits a profound structural fiscal asymmetry, driven by a highly constrained municipal tax base where forty-five percent (45%) of the total real property aggregate is encumbered by statutory and valorem tax exemptions granted to state administrative complexes, public higher education systems, and non-profit 501(c)(3) healthcare networks; and

WHEREAS, this narrow private tax base is forced to entirely internalize the operational and capital expenditures required to maintain the high-capacity utility grids, transit corridors, and emergency networks that support regional, state-wide macroeconomic activity daily; and

WHEREAS, empirical engineering data verified by the Department of Public Works and Public Safety GIS analytics confirms that non-residential mega-footprints exceeding 50,000 gross square feet (GSF) inflict severe localized stress points on municipal infrastructure, including hyper-volumetric fire flow containment demands of 3,450 gallons per minute (GPM), an 8.1 million gallon peak stormwater runoff surge per 1-inch precipitation event, and continuous power draws driving a 2.8x accelerated substation overhaul timeline; and

WHEREAS, opponents rely on an outdated defense, arguing that their economic presence and job creation should buy them a lifetime exemption from local infrastructure costs, when the hard reality dictates that job creation does not pave roads, institutional growth does not clear stormwater networks, and prestige does not fuel emergency rescue vehicles; and

WHEREAS, Article III, Section 18 of the Dover Charter vests City Council with the explicit legislative authority to pass ordinances and set penalties for violations, providing the legal foundation to transition from value-based taxation to a strict, footprint-based regulatory cost-recovery model; and

WHEREAS, the City Council seeks to establish an Asset Preservation Capital Allocation of **$7,110,000.00** via the State Bond Bill to protect state agency operational budgets while generating a total predictable, non-residential revenue pipeline of **$12,990,000.00 annually** to eliminate regressive local tax increases, freeze utility rate hikes at a strict 0%, and execute direct residential utility bill reductions;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF DOVER, IN ELECTED CHAMBER ASSEMBLED:

The City Council of the City of Dover hereby formally petitions the General Assembly of the State of Delaware to enact legislation amending the Charter of the City of Dover by adding **Section 49A**, to read as follows:

"SECTION 49A. CODIFICATION OF STRUCTURAL TAX ASYMMETRY MITIGATION AND MUNICIPAL SERVICES COST RECOVERY

Subsection (a) Legislative Findings and Declaration of Structural Tax Asymmetry

Hard Reality & Technical Validity

BUSINESS MODEL

RESEARCH

Capital Area Municipality Sustainability Act (CAMSA) is built upon data-driven municipal finance strategies designed to shift the burden of infrastructure costs away from everyday taxpayers.

ABSTRACT

Equity in Growth
Large-scale, tax-exempt entities must generate the capital required to sustain the public infrastructure they exhaust.

DESIGN

Biopsychosocial Model is not treated as an abstract healthcare theory.

Instead, they operationalize it as a concrete **municipal fiscal strategy**.

Clarifying the Council’s Legal Mandate

A. **Legal Incontrovertibility Article III, Section 18 of the Dover Charter vests City Council with the explicit legislative authority to pass ordinances, ensuring the power to set penalties for violations**

B. **Fixing a Structural Injustice:** City Council and the Budget Team cannot ignore the math: **45% of Dover’s property footprint is tax-exempt**, forcing the remaining **55% of taxable properties** (residents and small businesses) to shoulder **100% of the maintenance burden** for public grids.

Legal and Mathematical Distinction

To withstand constitutional scrutiny and avoid classification as an unauthorized municipal tax, the MSIF maintains a rigid structural distinction:

Fiscal Metric	Ad Valorem Property Tax	Municipal Services Impact Fee (MSIF)
Calculation Base	Assessed market value of property.	Total Gross Square Footage (GSF) of building footprint.
Legal Framework	Wealth-based revenue generation.	Cost-recovery for regulatory services used.
Exemption Eligibility	100% exempt for state, educational, and 501(c)(3) entities.	Zero exemptions; applies to all physical structures.
Dedicated Use	Dispersed into General Fund operations.	Fenced exclusively for public safety and capital assets.

FIVE-YEAR ALLOCATION FORECAST

XV. 5-Year Revenue & Allocation Forecast

Fiscal Metric	Year 1 (FY27)	Year 2 (FY28)	Year 3 (FY29)	Year 4 (FY30)	Year 5 (FY31)
Gross Projected Revenue	$12,990,000	$12,990,000	$12,990,000	$12,990,000	$12,990,000
Emergency Reserve Allocation	($2,000,000)	$0	$0	$0	$0
Net Infrastructure/Safety Funds	$10,990,000	$12,990,000	$12,990,000	$12,990,000	$12,990,000
Resident Tax/Fee Increases	$0.00	$0.00	$0.00	$0.00	$0.00

SUMMARY OF POTENTIAL OFFSETS BY ENTITY SECTOR		
ENTITY SECTOR	TOTAL FOOTPRINT	MAX OFFSET CAP
🎓 Higher Education Institutions	5,100,000 GSF	$5,100,000.00
🏥 Healthcare Systems	3,260,000 GSF	$3,260,000.00
🏛 State of Delaware Complexes	2,960,000 GSF	$2,960,000.00
🗺 Local Gov. & Civic Foundations	1,450,000 GSF	$1,450,000.00
🏠 Public Housing Authorities	220,000 GSF	$220,000.00
TOTAL PROGRAM PORTFOLIO	12,990,000 GSF	$12,990,000.00

FORMAL REQUEST FOR STATE BOND BILL CAPITAL ABSORPTION

To prevent the Municipal Services Impact Fee from draining individual institutional and agency operational budgets, the City of Dover formally requests that the **Joint Capital Improvement Committee utilize its statutory authority to issue a direct cash premium or a general obligation bond allocation paid directly to the City of Dover**.

This dedicated capital allocation will seamlessly absorb the infrastructure wear-and-tear costs generated by the following state-supported footprints:

┌── Higher Education Footprints (Ranks 1, 3, 5, 9, 14)

│ Combined GSF: 5,100,000 GSF ➔ $5,100,000.00 State Bond Allocation

│

STATE LEVEL EXPOSURE ──────┼── State Executive & Agency Complexes (Ranks 4, 6, 12, 19)

[Total: $8,310,000] │ Combined GSF: 2,230,000 GSF ➔ $2,230,000.00 State Bond Allocation

│

└── Legislative & Judicial Complexes (Ranks 10, 15)

Combined GSF: 730,000 GSF ➔ $730,000.00 State Bond Allocation

CAMSA Master Structural Overview

$12.9M

Year 1

Permanently raise the city's emergency reserve floor to an unassailable 11.35% statutory baseline ($6.78 million).

$12.9M

Year 2

Sunset Target sweeping subsequent surpluses into direct residential utility bill reductions

12.9M

The Year 3

Upward Capital

Re-allocation direct, proportional reductions in existing residential utility bills for Dover's working families.

(MSIF)- BENEFITS

- **Capital City 2030: Strategic Master Plan for Downtown Dover Partnership**

- **State-Sanctioned Sovereignty**
Section 49A's Municipal Services Impact Fee

- **Biopsychosocial Optimization**
(Optimal Health & Financial Stability)

- **Concrete Immunity Against Corporate Litigation**

- **Protected Asset Environments**

- **Transparent Valuation**

BENEFITS

MARKET COMPARISON

Funding Metric	Resident Tax Hike	Proposed MSIF
Annual Cost	$841.29	$0.00
Monthly Cost	$70.11	$0.00
Utility Rates	+12% to 15% Spike	Frozen (0%)
Small non-profits	Burdened	100% Exempt

Infrastructure Works & Workforce Stability

ple

The "Lockbox" Funding Model

Fire Department:
Operational Solvency

Police Department:
Operational Solvency

Utility Grid Stress ($0.22 / GSF)

Metric: Thermal Transformer Aging. Continuous high demand (12.5 VA/GSF) overheats substation transformers, reducing equipment lifecycles by 35%.

REBUTTAL & DEFENSE MATRIX (CAMSA PROPOSAL)

When the Opposition Claims:	Your Unified Counter-Stance Is:
"It is an illegal, unconstitutional property tax."	**"It is an engineered footprint cost-recovery fee based on home-rule police powers."**
"We are hurting colleges and medical care budgets."	**"The state bond cushion absorbs costs to protect agency operations."**
"A flat $50,000 cap is a fair compromise."	**"A flat cap forces residential taxpayers to shoulder 55% of the property burden."**
"Restricted line items tie the city's hands."	**"Restricted accounts end the practice of diverting utility funds to cover deficits."**

MATHEMATICAL FORMULAS FOR CAMSA MATRIX

The Scenario: Let's look at a group of Dover residents.

- **Baseline (Start)**: 100 ER visits and 100 checkups.
- **Year 1 (After CAMSA)**: ER visits drop to 80, and regular checkups rise to 120.

- **The Simple Math**:
  - ER visits dropped by \(20\%\) (80 out of 100).
  - Checkups increased by \(20\%\) (120 out of 100).

1. Healthcare Utilization Shift (H_{util})

Measures the percentage change in emergency stress-induced events (E_{stress}) versus preventive care visits (P_{prev}) relative to baseline values (B_{stress}, B_{prev}):

$$H_{util} = \left(\frac{E_{stress,t}}{B_{stress}} - \frac{P_{prev,t}}{B_{prev}} \right) \times 100$$

The Dover Biopsychosocial Health & Stability Survey

In the past 30 days, have you experienced physical symptoms of chronic stress (such as frequent tension headaches, unexplained chest tightness, racing heart, or severe sleep disruption) brought on by worrying about your household finances?

- Daily or almost daily (4)
- A few times a week (3)
- Once or twice a month (2)
- Rarely or never (0)

When walking through your immediate neighborhood or using local public parks, how safe do you feel from open-air illicit drug activity, vandalism, or poorly lit public pathways?

- Very unsafe; I actively avoid public areas in my neighborhood. (4)
- Somewhat unsafe; I only use public spaces during specific peak hours. (2)
- Completely safe; I utilize local parks and walkways confidently. (0)

Councilman Sudler & Lewis's Recommendation:

CITY OF DOVER, DELAWARE

MOVE to accept the

Capital Area Municipality Sustainability Act (**CAMSA**) Presentation and Authorize City Manager Sharon Duca, and the Municipal Budget Team to conduct a rigorous Sustainability, Feasibility, and Validity Appraisal of this **"Growth Pays for Growth"** Conceptual Model and **ESTABLISHMENT OF SECTION 49A (MUNICIPAL SERVICES IMPACT FEE) by August 24, 2026.**