REGULAR COUNCIL MEETING

The Regular Council Meeting was held on June 22, 2015 at 7:30 p.m. with Council President Slavin presiding. Council members present were Mr. Anderson, Mr. Sudler, Mr. Neil, Mr. Lewis, Mr. Cole, Mr. Hosfelt, Mr. Hare, and Mr. Hutchison.

Council staff members present were Deputy Police Chief Mailey, Mrs. Mitchell, Mr. Koenig, Mrs. Townshend, Deputy Fire Chief Carey, City Solicitor Rodriguez, and Mrs. McDowell. Mayor Christiansen was also present (departed at 7:54 p.m.).

OPEN FORUM

The Open Forum was held at 7:15 p.m., prior to commencement of the Official Council Meeting. Council President Slavin declared the Open Forum in session and reminded those present that Council was not in official session and could not take formal action.

Ms. Judy Diogo, Central Delaware Chamber of Commerce (CDCC), 435 North DuPont Highway, stated that she was present to ask City Council to take another look at the budget, noting that increases in property tax and electric were proposed. She indicated that the CDCC had collected data from some of its members and, for one (1) of the larger corporations, it could add $120,000 in a year on their expense side when electric and property taxes were put together. In factories, it could be between $200,000 and $215,000 per year. One of their medium businesses, a hotel, would be looking at $5,500 more for one (1) year with the property and the electric increase, and a small business was looking at approximately $1,000.

Ms. Diogo stated her belief that all had worked really well together and had come a long way in getting Dover on the short list for a lot of companies and corporations. She stated that she hated to see Dover going backward instead of forward. Ms. Diog advised members that the CDCC stood ready and willing to put together their budget focus group, as had been done in the past, and sit down with the City and try to come up with a better picture, in particular for manufacturers who would really be getting hurt by this electric increase. She requested that there be discussion this evening about possibly removing the commercial increase from the budget.

Mr. Mike Bramble stated that he was representing Procter & Gamble, 1340 West North Street. He stated that he would like to provide their feelings regarding the electric rate increase as just mentioned. He informed members that they would see an increase of roughly $25,000 to $45,000 just from the electrical rate increase, which was troubling, even more so since they just had an expansion during this last year and Procter & Gamble was in the midst of hiring between 30 and 50 people for that expansion. Mr. Bramble indicated that their company headquarters decides electrical rates or goes into the puzzle of deciding what existing facility they are going to invest their capital dollars in. He wanted to pass on that this really hurts, and expansion means jobs, which he felt would help the City more than a tax increase.

Mr. Alan Geddis, 448 North State Street, thanked the originators and revisers of the City of Dover budget for their work in paring it down to essentials and not kicking the can down the road. He thanked Mr. Scott Koenig, City Manager; Mrs. Donna Mitchell, Controller/Treasurer; Mrs. Ann Marie Townshend, Director of Planning and Community Development; Mrs. Cheryl Bundek, Tax Assessor, and their staffs. Mr. Gaddis expressed his opinion that their

explanations during the five (5) Council budget meetings were thorough, to the point, and clear. He also stated his thanks to those members of City Council who, by attending all five (5) meetings, put forth much effort, input, suggestions, and consideration. They showed courage in presenting the revised budget for Fiscal Year 2016 for a final vote. Mr. Gaddis that all had done their best for the citizens of Dover.

Mr. George Gaudioso, 167 Maple Glen Drive, stated that common sense tells everyone that no one likes their taxes raised and everyone realizes that it will have an impact on business. The question had to be put as to the priority of what is important for the City. It is not easy to balance the needs of the citizenry and the resources available to meet those needs. Mr. Gaudioso stated that no one, including himself, wanted to see any of the businesses - big, medium, or small - impacted negatively; however, somehow the City had to have the resources to meet the needs of its citizens. He remarked that some people say they should cut, cut, cut, but they always want the cut to be made so that they are not directly impacted, noting that Council has a difficult row to hoe. Mr. Gaudioso expressed his belief that the City was in this set of circumstances not because of today but because of actions taken in the past that did not address the financial needs of the City. He indicated that some people, including his friends, got mad when he pointed out a couple of months ago that the only viable way to balance the budget of the City of Dover was by having a tax increase because the City needs the revenue to be financially viable, and this is not easy to balance. Mr. Gaudioso stated that many people do not realize how much the Electric Fund has subsidized the running of the City, noting that the plant is antiquated and needs upgrading, which will cost money. He expressed his hope that the City would not look for short-term gain and in the end have long-term financial pain.

Ms. Sarah Herbert, 223 North Bradford Street, stated that she absolutely agreed with the gentleman that spoke and also with Mr. Gaddis. She advised members that she had never attended budget hearings before, thinking that they would be boring, but they were not. She felt that if more citizens had come and heard how hard everybody was working to meet all the needs, including infrastructure, public safety, etc., and if all of the commissioners and councilmen had come, they would be very impressed with what had been done. Mrs. Herbert stated that she went home with a whole, new attitude about making budgets, noting that it is a lot harder than doing her grocery list. She thought that people need to understand that there were many things to balance, that they did an excellent job, and she expressed her thanks.

Ms. Paula Kinsey, resident of 224 North State Street and owner of the Tea House at that location, advised members that she was present to maybe offend some of the staff, but she agreed with what the gentleman said. She stated that she did not know personally of anybody's budget that does not expand every year. Ms. Kinsey questioned what was being done to collect the hundreds of thousands of dollars that had not been paid in taxes. Responding, Mr. Koenig stated that the City was in the process of trying to collect those monies, and those efforts would go up to and include the sale of property. He explained that when a property is in arrears for taxes, electric, water, and sewer funds for a certain amount of time, that property goes to a sheriff sale and the City collects the tax and becomes the owner of the property. The City also has a clean hands ordinance, although it is not easy to apply because of the number of customers. Mr. Koenig stated that the issue of back taxes is common among a number of property owners in the City who feel it is not necessary to pay their taxes on time. He stated that staff would continue to pursue that diligently going forward, up to and including denial of service.

Mrs. Kinsey stated that she also lives in Culpeper, Virginia, and in that municipality the names, addresses, and amounts owed by such property owners are listed in the paper. She thought that this might be helpful as the embarrassment might help someone to decide to pay their taxes. She felt that this was an urgent matter that needed to be pushed.

Ms. Jean Dowding, realtor, veteran educator, and citizen of the City, stated that she was speaking not just for herself but for the hundreds of Realtors who work in Dover and Kent County, for the buyers who need to buy homes, for the sellers who are selling their homes, and for the folk who are dealing with the challenges of a very slowly recovering economy. She asked members to think hard tonight and first do no harm. Ms. Dowding asked, looking at utility rates, transfer taxes, and City of Dover taxes, where breaks were being given to first-time home buyers, that members recognize that some of the budget issues being discussed were critical and make up a tremendous amount of those particular buyers' closing costs. In addition, she stated that all of the small business owners, including plumbers, electricians, and home inspectors are involved in this process, and real estate broker/owners are working with another whole group of realtors. Ms. Dowding explained that when one (1) person buys a home in Dover, this household will easily put $50,000 back into the economy. She thanked members for their attention and for finding new ways to be creative. She indicated that she knew what it meant to do budgets for large and small corporations and for one (1) person or 10-person businesses.

Responding to Mr. Sudler, Ms. Dowding stated that she was against the utility hike as it stood at present.

Mr. Neil questioned if she was aware that the rates for residential customers are one (1) of the lowest in the State. Ms. Dowding indicated that she was.

Mr. Neil questioned if Mrs. Dowding was aware that a lot of the increase in the budget was due to the fact that the City has 10 additional policeman and nine (9) cadets. He asked if Ms. Dowding thought that homebuyers would feel safer if the City had these employees, or if she would prefer to cut them in order to cut the budget. Responding, Ms. Dowding agreed that this was critical, having security in the community was important, and it had to be done. She questioned, as constraints are tightened, if other things could be done. For example, she felt that the break on transfer tax for a first-time home buyer in the City of Dover was a good thing.

Mr. Neil stated that the figures presented in the newspaper were actually incorrect because it is a revenue neutral budget. He explained that if everything stayed the same, the amount of money that was collected would be the same and not an addition; however, there were additional things being considered, like the police and a contractual 16.2% increase in health care costs. Ms. Dowding responded that she did not disagree with this; however, she stated that not just residences but small businesses would be impacted as things stood currently. She asked that members first do no harm, stating that she did not have all the answers, which may not even be found at this time, in this room, or in this place. She recognized the challenge involved.

Mr. Slavin expressed appreciation to the speakers for their time.

The invocation was given by Reverend Henderson, followed by the Pledge of Allegiance.

Mr. Slavin requested members to join in a moment of silence in sympathy for the family of Mr. William Pepper, Deputy City Solicitor, in the recent loss of his wife.

AGENDA ADDITIONS/DELETIONS

Mr. Hutchison moved for approval of the agenda, seconded by Mr. Hosfelt and unanimously carried.

Mr. Neil moved for approval of the Consent Agenda, seconded by Mr. Hutchison and carried by a unanimous roll call vote.

ADOPTION OF MINUTES - REGULAR COUNCIL MEETING OF JUNE 8, 2015

The minutes of the Regular Council Meeting of June 8, 2015 were unanimously approved by motion of Mr. Neil, seconded by Mr. Hutchison and bore the written approval of Mayor Christiansen.

CERTIFICATE OF RECOGNITION - YOUNG'S STUDIO

The City Clerk read the following Certificate of Recognition into the record:

WHEREAS, Young's Studio of Photography was founded by Ross and Lois Young on Loockerman Street in Dover on August 10, 1953 and has been a fixture in the downtown Dover area ever since. Their son, Eric Young, joined the family enterprise in 1988 and continued to work in the Studio with his mother following the passing of his father in 2014; and

WHEREAS, after nearly 62 years of continuous operation in Dover, Young's Studio of Photography closed its doors on June 15, 2015; and

WHEREAS, the Youngs took the time and effort to get to know their customers and their specific needs. They spent decades refining their craft and enhancing their skills to provide a full range of traditional and digital photography, using professional developing and processing techniques to ensure a quality product. The fruits of the Youngs' efforts will live on in the countless photos that grace the homes of the grateful patrons whose memories they captured.

NOW, THEREFORE, THE MAYOR AND COUNCIL OF THE CITY OF DOVER, DELAWARE, do hereby present this Certificate of Recognition to

Young's Studio of Photography

in acknowledgment of their significant contributions to the community
and extend their best wishes to Eric and Lois Young
in all future endeavors.

June 22, 2015

On behalf of the Mayor and Council, Mayor Christiansen presented the certificate to Mr. Eric Young and Mrs. Lois Young. He thanked them for their efforts and for recording the history of the City of Dover and being part of all of its families for 62 years.

Mrs. Young advised members that it had been a great 62 years, stating her wish that they had more time but noting that things were not the way they used to be in business or in their lives. She expressed appreciation for the recognition, stating that everyone was in their hearts and noted that they would still be in Dover but not on Loockerman Street.

Mr. Young stated that the recognition was heartwarming and he thanked everyone for being so supportive, including the City of Dover. He especially thanked his father and mother who embarked on this business in 1953, noting that he was blessed to have joined them 22 years after that.

CERTIFICATE OF CONGRATULATIONS - DOVER HIGH SCHOOL BOYS TRACK AND FIELD TEAM

The Clerk read the following Certificate into the record:

Certificate of Congratulations

presented to

The Dover High School Boys Track and Field Team

for its outstanding performance during the 2015 season, finishing the Henlopen Conference with 13 wins and no losses, winning the Delaware State Invitational, placing second in the Keith Burgess Invitational and third in the Bishop McNamara Invitational, and capturing the Henlopen Meet and Division 1 State Championships.

Christian Adkins	Breon Dennis	Jeremy Lepore	Amir Ross
Jaden Adkins	Nyjal Drayton	Devin Locklin	Rasaki Salawe
Cameron Allison	Nicholas Glover	Riley Maldonado	Sean Saxton
Dion Baker	John Goldman	Xavier Marion	Adam Spencer
Dorian Baker	Devin Hagaman	Antwaun Matthews	Clarence Spencer
Marcus Batson	Naquone Harris-Dukes	Jordan McCullough	Dorion Sudler
Karim Beatty	Deontray Hickman	Antoine McDonald	Brandon Walker
Khari Bonelli	Jemir Hunter	Tre'Vonne Moore	Jonathan Waters
Jason Brittingham	Temple Jefferson	Chidi Nwogbaga	Alshawn Wheeler
Marshal Capinpin	Aaron Johnson	Raphael Okonkwo	Zaire White
John Rodel Castro	DaJuan Jordan	Travon Robinson	Gavin Williams
Tayshaun Chisholm	Nykiem Lee	Donovan Rogers	DeVontae Wilson

The following team members received 1st Team All State Designation:

Roderick Brown Ronald Jones Kyron Roberts Darius Taylor Mykele Young-Sanders

The entire team and Coaches James Solomon (State of Delaware Track and Field Coach of the Year 2015), Roger Lilly, Michael Denny, Constance Hayes, James Kilby, Vincent Terenik, Dwayne Wilson, and are commended for their hard work, dedication, and commitment.

The City of Dover extends its sincere congratulations.
June 22, 2015

On behalf of the City, Mayor, and Council, Mayor Christiansen presented the Certificates of Recognition to Coach James Solomon and expressed pride in the accomplishments of the team and coaches.

Mr. Solomon thanked everyone for the momentous occasion and awards on behalf of the Capital School District, Superintendent Dr. Michael Thomas and his administration; Dr. Evelyn Edney, former principal at Dover High School, and her administration, faculty, and staff; and the young men and women who represent Dover. He expressed gratitude that God had given him a chance to make a difference in the lives of these young men and women.

Mr. Sudler stated that he had known Coach Solomon for many years and he had been a great inspiration in Mr. Sudler's life. As a Dover High Senator, Mr. Sudler told the young men that they had done a great job.

RECOGNITION OF SERVICE - DAVID J. TRUAX

The Clerk read the following Certificate into the record:

CERTIFICATE OF APPRECIATION

Presented to

DAVID J. TRUAX

for his service as a member of the
Safety Advisory and Transportation Committee

July 2014 - May 2015

Your public service, selflessness, and talents
have increased the quality of life for the residents of the City of Dover

June 22, 2015

On behalf of the Mayor and Council, Mayor Christiansen presented the certificate to Mr. Truax, stating that Mr. Truax had come to work in the City's Inspections Department, moved to the top of his craft by becoming the City Fire Marshal, retired, and returned to serve the City as a member of the Safety Advisory and Transportation Committee. He noted that Mr. Truax was a true Doverian and public servant. Mr. Truax expressed his appreciation for the honor and the opportunity to serve. He offered future assistance to the City if needed in any matters pertaining to safety.

RECOGNITION OF SERVICE - RICHARD SNAMAN

On behalf of the Mayor, Council, and citizens of Dover, Mayor Christiansen presented Mr. Richard Snaman with a Dover Cup in recognition of his years of service to the City as a member of the Utility and Services to Seniors Committees and expressed appreciation for Mr. Snaman's efforts.

Mr. Snaman stated that he had loved Dover since moving here 25 years ago and had been happy to serve, initially on the Legislative and Finance Committee where he learned a lot. He stated that he had a history and knowledge of utilities before serving on the Utility Committee, having worked with a natural gas pipeline in his career. Mr. Snaman stated that it had been a privilege to serve.

PARKS, RECREATION, AND COMMUNITY ENHANCEMENT COMMITTEE REPORT - JUNE 8, 2015

The Parks, Recreation, and Community Enhancement Committee met on June 8, 2015 with Chairman Anderson presiding.

Review of Youth Advisory Committee Membership Applications

Mr. Anderson advised members that several applications had been received for the Youth Advisory Committee (YAC), noting that there were several slots on the Committee to be filled. He stated his belief that at least five (5) more applications could be accepted and that additional young people could still be involved if they wanted to. Mr. Anderson indicated that past history had shown that typically some members of the YAC may drop out, and members who are older students may leave the area to attend college. He stated that members would review applications and rank them in order of their preference and then discuss them.

Noting that there were potential applicants for the Committee in the audience, Mr. Lewis requested that Mr. Anderson provide a brief history of the YAC.

Mr. Anderson stated that the Committee was originally started many years ago and then fell into disuse. Subsequently, former Councilwoman Sophia Russell attended a National League of Cities Conference where she heard about other successful youth councils. She returned to Dover, made revisions, and got a vibrant YAC started. Mr. Anderson stated that the YAC appealed to young people because it was about advocacy and provided an outlet for concerned young people to report to Council on issues relating to youth, so that their voices could be heard. Noting that many young people say there is nothing to do, Mr. Anderson stated that the YAC would also provide activities for young people. Having an official organization to access City facilities and connect with City events would help to cut through bureaucracy, and the young people would be involved with planning family-friendly events and recreational programs that are alcohol and drug free. Mr. Anderson stated that the Committee also has a leadership development aspect to it and would provide opportunity for participants to develop leadership skills, such as planning, goal setting, delegation, responsibility, budgeting, and being able to function in an adult world following structure and rules, which would benefit the participants throughout their lives.

Mr. Caldwell questioned if there were a vision and direction for the young people and specific ideas for what they would do. Responding, Mr. Anderson stated that the YAC had started to develop their vision and goals, noting that part of this must come from members as the beginning of their leadership development. Mr. Anderson stated that one (1) project would be absolutely non-negotiable, a good New Year's Eve event. He stated that this would give members a big goal that

excites them, as well as many people in the community. He stated that there had been many financial and other types of pledges from the community to support this. Mr. Anderson stated that youth members had also asked to be involved with Parks and Recreation Department events, such as a Concert on the Green. A First Friday event was being discussed with the Economic Development Office. Mr. Anderson felt that the youth members would be interested in asking questions and in advocacy, noting that some were very much touched by the violence that had been happening. He indicated the desire to make sure that there are outreach efforts, so there is a feeling that it is more "cool" to be with the people who are doing the right thing rather than those doing the wrong thing.

Mrs. Horsey felt that this was an amazing leadership opportunity, noting the desire to capture our youth now. She inquired if having two (2) references was a requirement for applicants or just a recommendation. Responding, Mr. Anderson stated that there was no code requirement for a reference for any committee; however, preference would be given to applicants with recommendations. This would help members to judge them better since it would indicate that someone besides their mother thinks they are worthy of participating, and that they showed initiative and were able to approach someone to get a reference.

The Committee recommended that Application D (Michael Gardner-Adult Applicant) be sent to Council with a favorable recommendation pending successful criminal background and clean hands checks.

By consent agenda, Mr. Neil moved for approval of the Committee's recommendation, seconded by Mr. Hutchison and carried by a unanimous roll call vote.

Mr. Anderson reviewed the rankings of the youth applicants for the Youth Advisory Committee.

The Committee recommended approval of Application A (Zorana Ilic), Application C (Lauren Scott), Application F (Jordan Harmon), Application B (Michael Kosior) and that Application E (Rocher Hopkins) be approved for any slots that become open.

By consent agenda, Mr. Neil moved for approval of the Committee's recommendation, seconded by Mr. Hutchison and carried by a unanimous roll call vote.

Review of Planning, Inspections, and Recreation 2014 Annual Report

Mrs. Ann Marie Townshend, Director of Planning and Community Development, advised members that the Review of the Planning, Inspections, and Recreation Annual 2014 Report would be considered by City Council during their Regular Meeting scheduled for later in the evening. Mrs. Townshend reviewed a presentation of the Planning, Inspections & Recreation 2014 Annual Report.

Mrs. Townshend reviewed the 2014 highlights for the Department, noting that the Garrison Energy Center at the Garrison Oak Technology Park was scheduled to go online today and Uzin Utz had begun construction. In regard to Route 13 redevelopment, she advised members that the Produce Junction is underway at the former CompUSA site.

Mrs. Townshend explained that 1,704 building permits were issued in 2014, which was slightly fewer than 2013. There were 44 new home construction permits in 2014, slightly fewer than the prior year. Permits for 2015 were starting to pick up slightly and 25 permits had been issued by five (5) months into the current year. She explained that rental permits and business licenses were somewhat flat, noting that rental permits had spiked back when the housing crisis was at its peak, and business licenses had not rebounded from a drop that occurred when the economy declined.

Mrs. Townshend advised members that 34 applications were reviewed by the Planning Commission and 14 by the Board of Adjustment in 2014. She explained that architectural review certificates relate to administrative review of building permits to ensure compliance with Historic District guidelines, and some of these certificates are reviewed by the Historic District Commission.

Mrs. Townshend indicated that 735 inspections or complaints were handled by the three (3) staff members of the Fire Marshal's Office. There were 81 fire protection permits and 71 fire investigations, which was a significant increase over 2013.

In regard to code enforcement, Mrs. Townshend stated that 8,184 inspections were performed and there were 4,007 cases, 82% of which were initiated by either Planning Department staff or through referrals from other City departments.

In response to Mr. Lewis regarding the total amount of fines collected by the City, Mrs. Townshend stated that she could provide a breakdown of this amount at the Regular City Council Meeting scheduled later in the evening.

Mrs. Townshend stated that there were just under 400 housing inspections, 560 property maintenance exterior cases, and 924 grass cases in 2014, and other violations amounted to a quarter of the caseload.

Mrs. Townshend reviewed the statistics regarding vacant buildings. Responding to Mr. Anderson regarding how many of these buildings were commercial versus residential, Mrs. Townshend stated that there was no breakdown in the system; however, the vast majority of them are residential. She advised members that the vacant building ordinance was passed in 2006 to address a commercial issue; however, when the housing crisis hit, the ordinance became very important because there were so many vacant properties. The City now knows the location of these properties and can make sure they are secure and respond to issues that come up.

In reviewing information related to the City's Parks and Recreation Program, Mrs. Townshend informed members that leagues are a big revenue source for the Department, noting that a decline was being seen in softball, which had previously brought in large revenues. She indicated that the City's Sports Coordinator had been working to build other leagues and it was hoped that indoor field hockey and girls' indoor lacrosse would start to balance this out.

Mrs. Townshend expressed her excitement regarding the City's Challenger Sports Program, which includes football, cheerleading, and basketball. Students with disabilities from the John S. Charlton and Kent County Community Schools participate in this program, along with athletes from Dover High School who work as volunteers. Mrs. Townshend indicated that special needs participants benefit from the program, but it is also a valuable experience for the high school volunteers who work with them.

Mrs. Townshend stated that staff had been working on planning future needs, including a Recreation Needs Assessment, noting that the draft of this document would be presented to members during their next meeting. She indicated that the City's Second Annual Bike to Work Day was held in 2014 and participation increased in 2015, which was its third year. Mrs. Townshend advised members that community involvement in park planning is sought, explaining that a community meeting was held at Mallard Pond and children were invited to sit down with playground catalogs and draw the type of playground that they want. She stated that Super Summer Playground would be getting into full swing during the following week.

Responding to Mr. Lewis regarding where the $104,000 received from vacant building fees goes, Mrs. Townshend stated that these fees go to the City's General Fund.

In response to Mr. Anderson's request for information regarding the progress of the Capital City Trail and its link with the City recreation plan, Mrs. Townshend explained that this trail starts from Silver Lake, extends along Park Drive and runs behind the Delaware Public Archives, down Martin Luther King, Jr. Boulevard, and south along Route 13 to its intersection with Public Safety Boulevard. The trail can then be picked up from Public Safety Boulevard and extends to Route 10. Mrs. Townshend stated that, in looking at the Statewide Comprehensive Outdoor Recreation Plan, which is the statewide needs assessment, trails and pathways were included at the top of the list. This was also true in the City and Mrs. Townshend expected that planning for trails would be ramped up. She stated that people would like loop trails around Dover and Schutte Parks.

Mrs. Townshend noted that the Bicycle and Pedestrian Subcommittee was working to push forward the Senator Bikeway project, which would be an on and off road route along the Route 8 corridor linking with the Capital City Trail. It would include trails as well as lesser stressed streets that would be a safe place to ride for those who are not advanced cyclists.

In response to Mr. Anderson regarding accommodating skateboarders, Mrs. Townshend stated that skateboarders could use multi-use trails. She indicated that skateboarding has two (2) components: 1) safe passage to and from destinations, and 2) a skate park. Mrs. Townshend stated that there is no place for skateboarders to do stunts, and they are currently using places like the steps of Legislative Hall for this purpose.

Mr. Anderson stated that skateboarding was a big item, especially since a skateboarder had recently been killed. Mrs. Townshend concurred, noting that this skateboarder had been on the roadway. She indicated that bicycle and pedestrian improvements, such as those on Kenton Road, would involve a multi-use path, which would be safer for skateboarders.

Mrs. Horsey concurred with the importance of addressing skateboarding, stating that she had seen skateboarders on Division Street and Governors Avenue going down the middle of the street, which was very dangerous.

Mr. Anderson inquired about safety in the parks, noting that he had heard quite a few complaints about people sleeping in Silver Lake and park users not feeling comfortable when walking or running there close to dusk. Responding, Mrs. Townshend stated that the Planning Department provides programming related to parks and recreation and the Public Works Department maintains the parks. She stated that complaints had been received related to Silver Lake Park and Dover Park and had been forwarded to the Police Department. In regard to planning for Dover Park, Mrs. Townshend felt that improvements could be made in terms of lighting and vegetation maintenance; however, a police presence was needed to discourage certain behaviors. She advised members that the parks are technically closed from dusk to dawn and this is an issue because some people live and sleep in the parks, and there are other activities that are even more concerning happening in parks when they are technically closed.

Mr. Anderson stated that perhaps these types of activities should be put on a future agenda and the police should be asked for grants for cameras, etc.

Mrs. Townshend stated that the Police Department mentioned a grant for foot patrols and suggested that grant money could also be used to increase their presence in City's parks. She felt having officers on bicycle or foot in the parks would be helpful.

In regard to the Capital City Bike Trail, Mrs. Horsey stated that she was unsure if people know they have to cross the highway to pick up the trail and how to accomplish this to access the other part of the trail off Public Safety Boulevard. She suggested that perhaps a sign should be posted to indicate that the trail continues on the other side of Route 13. Mrs. Townshend stated that there is a signal, but other ways of crossing the highway had been discussed. She indicated that she could bring this up with the Kent County Metropolitan Planning Organization (MPO) and the Delaware Department of Transportation (DelDOT).

Mr. Lewis questioned if some of the employees from the Police Department's new Cadet Program could be utilized to patrol the parks. In response, Mrs. Townshend stated that this would be a question for the Police Department. She suggested that park safety be added to a future agenda, since there are a wide range of related issues that occur, including sleeping in the parks, drug deals, and umpires feeling threatened. She suggested that Police Chief Paul Bernat be asked to come to the next meeting.

Mr. Caldwell felt that safety would be a top concern with many of the people in the City and indicated that he would like to see more involvement by the Police Department. He stated that he was concerned about the behavior of the youth and programs established for them, noting that safety was his number one (1) concern.

Mr. Anderson expressed the desire for the Committee to look at City policies, possibly in September when the Recreational Needs Assessment is complete, stating his concern that some of the policies may not be constitutionally compliant. Responding, Mrs. Townshend stated that most of the provisions enforced in the parks are designated in the Dover Code.

In response to Mr. Anderson regarding a policy not to allow political activities in parks, Mrs. Townshend stated that this policy had been changed following a discussion with Mr. William Pepper, Deputy City Solicitor.

By consent agenda, Mr. Neil moved for acceptance of the Parks, Recreation, and Community Enhancement Committee Report, seconded by Mr. Hutchison and carried by a unanimous roll call vote.

LEGISLATIVE, FINANCE, AND ADMINISTRATION COMMITTEE REPORT - JUNE 8, 2015

The Legislative, Finance, and Administration Committee met on June 8, 2015 with Chairman Hare presiding.

Disposition of City Owned Land – Property Located at 16 South Queen Street, 18 South Queen Street, and 24 North New Street

Mr. Scott Koenig, City Manager, advised members that the City of Dover acquired properties located at 16 South Queen Street, 18 South Queen Street, and 24 North New Street at a monition sale due to liens for demolition expenses. He stated that the City had acquired several properties at monition sales over the past few years, explaining that staff attends the sales and in instances where the City is the largest lien holder on a property, the City has purchased the property to protect the City's interest.

Mr. Koenig stated that the subject properties are excess properties, as the City has no use for them and is better served by the properties being redeveloped and restored as taxable properties. He noted that the City has maintenance responsibilities associated with the properties and has no long-term interest in owning them. Mr. Koenig

advised that the City has a procedure for Sale and Disposition of Real Property, which includes a "Standard Method of Disposition" that begins at the Legislative, Finance, and Administration Committee. As articulated in the procedure, the first decision by Council (after a favorable recommendation by the Committee) is whether or not to dispose of the surplus property and, subsequently, to determine the method of disposal (auction or sealed bid). The procedure also includes "Exceptions to Standard Method of Disposition," which states as Exception D, "Donation of Land to Non-Profit Organizations: If, in the opinion of the Dover City Council, the donation of a parcel of excess land to a non-profit organization would be in the best interest of the City of Dover, Council then reserves unto itself the right to make such a donation."

Mr. Koenig advised members that the Central Delaware Habitat for Humanity had submitted an offer to purchase the subject properties. He stated that the sale of these properties to Habitat for Humanity is consistent with the goals of the City of Dover 2008 Comprehensive Plan, the City of Dover 2015-2019 Consolidated Plan, and the Downtown Development District designation, to foster home ownership for low- and moderate-income households, and also supports the City's goal and mandate to affirmatively further fair housing by allowing for location choices for low- and moderate-income households.

Mr. Koenig reviewed the offers from Habitat for Humanity, explaining that if the offers were accepted, the City would need to write off a portion of the costs for demolition and the other charges, as follows:

Address	Offer Price	Lien Amount	Write-Off Amount	City's 2015 Assessed Land Value
16 S. Queen Street	$ 5,000	$ 12,275	$ 7,275	$ 10,400
18 S. Queen Street	$ 5,000	$ 6,920	$ 1,920	$ 10,400
24 N. New Street	$ 5,000	$ 35,908.46	$ 30,908.46	$ 11,000

Mr. Koenig recommended negotiating a final agreement of sale and price for 16 and 18 South Queen Street with Habitat for Humanity. He stated that the final write-off amounts for these properties would be relatively low based on the initial offer letter from Habitat for Humanity; however, he would attempt to increase the final sale price to minimize the write-off amounts. Mr. Koenig noted that when the City had transferred property to Habitat for Humanity in the past, it was below the write-off amount and technically a donation to them through the loss process. By selling to Habitat for Humanity, the City would be ensured that the lots would be developed and occupied by homeowners, and he indicated that home ownership is important in creating strong communities.

Mr. Koenig recommended disposing of the property at 24 North New Street by using the "Standard Method of Disposition" due to the significant potential write-off amount. He believed that there may be other buyers interested in this property, and the City could potentially recover additional costs and reduce the amount of the potential write-off by seeking bids.

Mr. Koenig noted that 16 and 18 South Queen Street were adjacent to property owned by Habitat for Humanity; therefore, it made sense to dispose of the real estate to them.

Staff recommended the following action: 1) determine that the property is excess property; 2) authorize the City Manager to negotiate a final sale price with Habitat for Humanity that minimizes the write-off amounts for 16 and 18 South Queen Street; and 3) authorize the City Manager to dispose of 24 North New Street using the "Standard Method of Disposition."

Mr. Sudler questioned the difference between the cost and sale amount that the City would lose. Responding, Mr. Koenig explained that for 16 South Queen Street the City's lien amount was $12,275 and the offer price from Habitat for Humanity was $5,000; therefore, the maximum write off under current conditions would be $7,275. For 18 South Queen Street, the lien amount was $6,920 dollars and the offer from Habitat for Humanity was $5,000, so the maximum write off amount would be $1,920. He reiterated his recommendation to authorize him to negotiate an increased amount in an effort to reduce the City's write-off amounts, realizing that the City would not be cash positive on this transaction. Referring to 24 North New Street, Mr. Koenig explained that the current offer from Habitat for Humanity would result in a write-off amount of $30,908.46, which he believed was too high to request Council to authorize. Instead, it was his opinion that the City should proceed with a sealed bid and accept the highest offer.

In response to Mr. Sudler, Mr. Koenig explained that if the City were to accept the offer from Habitat for Humanity for 24 North New Street, the City would have to write off, or basically lose, $30,908.46.

Mr. Shevock questioned whether the City should advertise for 16 and 18 South Queen Street to see if there are offers above Habitat for Humanity's, since staff will advertise for 24 North New Street. Responding, Mr. Koenig stated that he did not recommend advertising for 16 and 18 South Queen Street. He explained that Habitat for Humanity owns 14 South Queen Street and, because these are small lots, their intention is to consolidate 14, 16, and 18 into two (2) lots with a house on each lot. Mr. Koenig stated that there is value in getting houses in this area quickly, and it would not be worth the amount of administrative time to advertise these properties.

In response to Mr. Shevock, Mr. Koenig stated that the City always reserves the right to reject bids. He advised that the last time the City disposed of excess property in this manner, a minimum bid amount was set, which worked well.

Mr. Sudler questioned if there were any Code violations on these properties. Responding, Mr. Koenig stated that there were no longer any Code violations because all of the structures had been removed, and the land should be vacant and free of trash. He noted that the City would write off any unpaid fines or vacant building fees remaining.

Mr. Sudler inquired if the new owner would be responsible for existing violations. In response, Mr. Koenig explained that they would only have to mow the grass because the properties are vacant lots at this point. He stated that past violations will not transfer with the property, but the new owner would take over maintenance upon the transfer of the property.

Mr. Anderson questioned whether the City would write off the lien against the property or reserve the right to continue to pursue other options, such as a civil suit, for collecting the debt. Responding, Mr. Koenig explained that once the City receives payment from Habitat for Humanity for the properties located at 16 and 18 South Queen Street, the unpaid balance would be removed from potential revenue and, for accounting purposes, would be written off. He stated that there would be no pursuit of legal action against the previous owner.

Mr. Anderson stated that the process made sense for 16 and 18 South Queen Street because of the amount of staff time and legal fees that would be involved without a guarantee that the person would be found. However, he did not believe it made sense for 24 North New Street because the City would not be able to sell that property for an amount close to the lien, and questioned whether the City would consider selling the debt to a collection agency instead of writing it off.

In response to Mr. Anderson, Mr. Koenig stated his belief that the City had never sold this type of debt to a collection agency. He advised that Mr. William Pepper, Deputy City Solicitor, had indicated that once the City owns the property, the true liens against the property are extinguished. Mr. Koenig stated that the City does not have a legal measure to go back and pursue a lawsuit. Since the owner forfeited the property and the City took title to it, the City basically agreed to forgive the prior property owner the amount.

Mr. Shevock moved to recommend: 1) declaring properties located at 16 South Queen Street, 18 South Queen Street, and 24 North New Street as excess property; 2) authorizing the City Manager to negotiate a final sale price with Habitat for Humanity that minimizes the write-off amounts for 16 and 18 South Queen Street; and 3) authorizing the City Manager to dispose of 24 North New Street using the "Standard Method of Disposition," as recommended by staff. The motion was seconded by Mr. Cole.

Responding to Mr. Sudler, Mr. Koenig explained that the "Standard Method of Disposition" would be through sealed bid.

In response to Mr. Sudler, Mr. Hare confirmed that through the sealed bid process, someone would purchase the property, and the intent was to try to get more than $5,000 for it.

The Committee recommended: 1) declaring properties located at 16 South Queen Street, 18 South Queen Street, and 24 North New Street as excess property; 2) authorizing the City Manager to negotiate a final sale price with Habitat for

Humanity that minimizes the write-off amounts for 16 and 18 South Queen Street; and 3) authorizing the City Manager to dispose of 24 North New Street using the "Standard Method of Disposition**.**

By consent agenda, Mr. Neil moved for approval of the Committee's recommendation, seconded by Mr. Hutchison and carried by a unanimous roll call vote.

Discussion - Fiscal Year 2015 Audit Program

Mrs. Donna Mitchell, Controller/Treasurer, and Mr. William Seymour, SB & Company, LLC, reviewed a presentation entitled "Auditor's Responsibility for Communicating with Audit Committee."

In regard to the Auditor's Responsibility - Page 4, Mr. Seymour advised members that, under generally accepted auditing standards, there is a requirement to communicate with those charged with governance and this can occur in various forms, such as a meeting or letters. He advised members that SB & Company would bring items of significance to their attention as they are discovered. Mr. Seymour stated that the audit responsibilities of SB & Company and of management would be outlined in an engagement letter. He indicated that field work would begin in a few weeks and would include a preliminary review of the processes and controls that underlie the financial reporting process and the compliance process for the single audit. A secondary process would take place after year-end to validate on a scope basis the actual numbers within the financial statements. At the end of the audit, the results would be summarized, including whether or not significant deficiencies or material weaknesses were found. Mr. Seymour stated that his firm would effectively evaluate whether management would be able to produce an accurate set of financial statements if the financial auditor were removed from the process, and whether the system is designed to provide reliable data. He indicated that the number one (1) potential issue would be a finding of lots of journal entries. Mr. Seymour noted that, during an audit, sometimes numbers reported by management are found to be incorrect, such as discrepancies between the cash balance reported by management and the balance obtained by the auditor; at other times there may discrepancies in how items are presented within the statement, such as assets that are capitalized in one (1) place and expended elsewhere.

Mr. Seymour stated that this presentation related specifically to the June 30, 2015 audit and was requested by Mrs. Mitchell so that new members would have this information prior to receiving the audit results. He advised members that SB & Company was available to answer any questions they may have.

Mrs. Mitchell advised members that the Legislative, Finance, and Administration Committee serves as the City's audit committee. She indicated that the calendar provided spelled out the tasks to be performed during the audit period. Mrs. Mitchell noted that there was a goal to have the audit done by November 30th, rather than

December 31st as had been done in the past. She informed members that new pension accounting standards were implemented both last year and this year, which would result in a larger pension liability for unfunded pensions on the financial statements.

The Committee recommended acceptance of the Fiscal Year 2015 Audit Program.

By consent agenda, Mr. Neil moved for approval of the Committee's recommendation, seconded by Mr. Hutchison and carried by a unanimous roll call vote.

By consent agenda, Mr. Neil moved for acceptance of the Legislative, Finance, and Administration Committee Report, seconded by Mr. Hutchison and carried by a unanimous roll call vote.

BOARD OF ASSESSMENT APPEALS EXEMPTION REPORT - MAY 28 AND JUNE 2, 2015

The Board of Assessment Appeals met on May 28 and June 2, 2015, with Chairman Garfinkel presiding.

EXEMPTIONS

House of Pride Inc.

Locations: 110 S. New Street & 106 S. New Street

RECOMMENDED ACTION: Recommend that the request for exemption be reviewed.

BACKGROUND AND ANALYSIS

An exemption application was submitted to the Assessor's Office.

110 S. New Street had been listed as an exempt property from July 2002 until July 2012.

106 S. New Street had been listed as an exempt property from July 2002 until July 2011.

The exemptions were revoked because the Conditional Use permits were revoked; therefore the properties did not meet the qualifications for an exempt status with the City of Dover. Since the properties did not have the proper permits, they were no longer being used for the intended purpose of the exemption.

These are vacant pieces of land.

Exemption Request
106 S New St - $13,100
110 S New Street $11,600

Mr. Marion Lott, Executive Director and Mary Beth Johnson, Property Manager were present for the hearing.

City Assessor, Cheryl Bundek went over the packet, that included paperwork provided by the appellant. She also suggested that the board look at the two parcels of land first and then go over the properties with buildings.

The two parcels of land were 106 S. New Street and 110 S. New St.

Mr. Lott told the board that his organization owes demolition fees and taxes on these two properties.

He explained that the organization is looking into donating those two parcels of land to the Central Delaware Habitat for Humanity.

Mr. Lott was wondering if the City would be able to help his organization and work on an agreement between the City and the House of Pride.

He explained that his organization does not have the funds to pay the outstanding fees and taxes.

Mrs. Ann Marie Townsend explained that the House of Pride would have to come to an agreement with the Central Delaware Habitat for Humanity and then present the city with this agreement. It would be up to the City Council to forgive the fees and taxes on those properties because they were donated to the Habitat for Humanity.

She explained that this should be handled by City Council and would not pertain to the Board of Assessments Appeals.

The Assessor pointed out, after a brief discussion, that the board could only make a decision on whether these two properties should be exempt from taxes up until they are donated to the Central Delaware Habitat for Humanity, as they are currently being utilized.

Chairman Garfinkel explained that in his opinion these two properties should stay as taxable properties, because they are vacant lots.

Chairman Garfinkel made the motion to deny the request for exemption for 106 S New Street and 110 S New Street, which was seconded by Mr. Stonesifer.

Motion carried: 3-0

The Board recommended denying the request for exemption for 106 S New Street and 110 S New Street.

Locations:	**Exempt Request:**
16 N. New St.	$54,600
29 S. New St.	$82,800
20 N. New St.	$89,900
38 S. New St.	$80,500
37 S. New St.	$119,200
115 S. New St.	$117,900
105 S. New St.	$72,200
102 S. New St.	$60,900
55 S. New St.	$60,900
45 S. New St.	$77,700

BACKGROUND AND ANALYSIS

An exemption application was submitted to the Assessor's Office.

These properties, accept for 115 S New Street, which had never had the exempt status, were listed as exempt properties from July 2002 until October 2012. The exemptions were revoked because the Conditional Use permits were revoked; therefore the properties did not meet the qualifications for an exempt status with the City of Dover. Since the properties did not have the proper permits, they were no longer being used for the intended purpose of the exemption.

RECOMMENDED ACTION: Recommend that the request for exemption be reviewed.

Chairman Garfinkel asked Mr. Lott to comment on the other properties mentioned in the exempt requests.

Mr. Lott handed out a list of all the properties the organization owns, which also lists the number of people living in each of the properties.

He explained that the organization is a Non-Profit organization and that they are not making any money on any of these properties. The rent money generated is utilized to pay the mortgages and utilities. The organization should take in $7,400 a month, but because not all of their renters are able to pay the rent on monthly basis, they often fall short.

Mr. Lott also mentioned that the city has been offering assistance to homeowners in that area and that The House of Pride has put in three applications for assistance, which had all been declined.

Mr. Lott explained that his organization would benefit if these properties would be exempt from property taxes. He explained that his organization keeps the homeless off of the streets and provides a stable home for the children, he asked for the board's help.

Ann Marie Townsend, City Planning Director, went over past issues the city had with the House of Pride such as building code, fire code and zoning issues, etc.

In 2008 the House of Pride applied for conditional use permits to have the house used as residential recovery and transitional housing. The organization did not keep up with the conditional use agreement, which lead to the revocation of the permit by the Planning Commission in 2012.

She refers to a letter from Sandra Dean, who was the organizations attorney at that time, acknowledging that the organization no longer rents to people within the recovery program and that these properties should be taxed.

Mrs. Townsend also said that 115 S. New St. has never been a part of that program and has always been a taxable property.

She questioned the number of 11 people living on one property. To her knowledge these properties where supposed to be one family homes or two unit apartments.

She points out that on the information sheet provided, at the beginning of the hearing, 102 S. New Street is listed as occupying 5 adults and 1 child, she questioned that the occupancy may not be up to code. This made her questioned whether these properties are rentals or if there is even a program for those people that live there.

Mr. Lott explained that the organization used to have numerous individuals in recovery programs, who now are renting apartments. Those individual are still attending those programs and the organization makes sure they continue to participate. Mr. Lott told the board that the occupants have to continue with their programs in order to be able to live there.

Mr. Lott went on to answer Mrs. Townsends question about 102 S. New St. He said the renter's two older children have moved back in, which is why there are so many people living at the property.

Mr. William W. Pepper Sr. Esq. Deputy City Solicitor commented that while the mission of the House of Pride does has a very beneficial purpose, he has not heard anything, during the meeting, that would change the circumstance or why they should now be exempt. He pointed at the letter the City received from Sandra Dean, attorney for the House of Pride, in which it stated that the organization understands that all properties are subject to property tax.

Chairman Garfinkel asked if 115 S New Street should not have been on the exempt request list.

Mrs. Townsend explained that this property had always been a rental property and had never been part of the recovery program.

Chairman Garfinkel asked if Mr. Lott has a license to engage in drug, alcohol and substance abuse services.

Mr. Lott replied that he does not have a license and that the organization is not offering such services, their purpose is to make sure that their renters continue with the programs they are in.

Todd Stonesifer explains that while the services the House of Pride offers are commendable, the board cannot change the rules.

Mr. Stonesifer made the motion to deny the exempt request which was second by Mr.

Chairman Garfinkel opened up for discussion at which time Mr. Stonesifer suggested that the organization should get their status back.

Chairman Garfinkel also said, that looking at the certificate of operation for the House of Pride, the purpose should be for substance abuse and not what they are doing now. If they do not have the proper licensing than they are not engaging in the purpose of the organization.

In his opinion nothing has changed since the exempt status has been revoked.

Motion passed 3-0

Mrs. Bundek informed the appellant, that the City Council was the final decision and that a certified letter with the date of the Council Hearing would be mailed to them.

The Board recommended denying the exemption request.

During the Regular City Council Meeting held on June 22, 2015, Mrs. Cheryl Bundek, Tax Assessor, advised members that Item #6A, Board of Assessment Appeals Exemption Report - May 28 and June 2, 2015, House of Pride, Inc. was not included on Council's Consent Agenda due to the unfavorable recommendation from the Board of Assessment Appeals. The Board denied the request for exemption for Items A-1 and A-2, for the properties at 110 South New Street and 106 South New Street, because they were vacant lots. Items A-3 through A-12, pertaining to the properties at 16 North New Street, 29 South New Street, 20 North New Street, 38 South New Street, 37 South New Street, 115 South New Street, 105 South New Street, 102 South New Street, 55 South New Street, and 45 South New Street, were denied by the Board because they did not possess the proper licensing and were not engaging in the organization's purpose. Staff recommended that City Council approve the recommendation of the Board to deny the exemption request.

Responding to Mr. Sudler in regard to the main requirement that properties A-3 through A-12 did not meet, Mrs. Bundek explained that the owners did not have the proper licensing to engage in the House of Pride organization activities, including licensing for alcohol and drug abuse treatment.

Ms. Mary-Beth Johnson, House of Pride, stated that she was standing in for Apostle Lott, who was on a mission to Mississippi. She stated that she had volunteered with the House of Pride for five (5) years and the only licensing she had seen was a Certificate of Incorporation. She expressed appreciation for the Tax Assessor's Office meeting with them. Ms. Johnson stated that the House of Pride was still helping the community, but not in the same capacity that former House of Pride Director Marian Harris had done. She explained that there was no longer a treatment program and they were only providing low-income housing. Ms. Johnson stated that the main focus of the House of Pride was to get the properties back to the way that the City and the House of Pride expected them to be. When they get the properties up to par, they would focus on the men and women of the community. Ms. Johnson assured members that they were not trying to disregard these individuals; however, they need to know that their houses are in the condition that they should be in.

Noting that the vacant lots were in a different category than properties providing services, Mr. Anderson questioned if, to Ms. Johnson's knowledge, there had been a requirement for drug and alcohol rehabilitation licenses. Responding, Ms. Johnson stated that she was unaware of such a requirement since the House of Pride is not a treatment facility. She stated that Ms. Marian Harris had always said that her business was one of a kind. Ms. Johnson stated that, as a volunteer, she had been working hard on the houses and did not get into the nuts and bolts of the program. She explained that the House of Pride had a meeting scheduled with the Central Delaware Habitat for Humanity to offer these lots to them as a donation.

In response to Mr. Anderson, Ms. Johnson confirmed that House of Pride is a non-profit organization that does a lot of outreach. She stated that everything is either donated or comes out of her pocket.

Responding to Mr. Anderson, Ms. Johnson confirmed that House of Pride was not making any profits from the rentals and was subsidizing them and trying to give people a second chance. She stated that sometimes this works and sometimes it does not. Ms. Johnson advised members that House of Pride was now struggling. She indicated that the people who come to them are very much in need. House of Pride takes the risk of housing a lot of different people, including single mothers, people who have graduated from the program and stayed clean, and handicapped couples. Ms. Johnson explained that the House of Pride wants some people to stay for the long haul and expressed her understanding that the City does not want the majority of those to be rental properties. For this reason, the House of Pride wants to get the houses to the satisfaction of the City and not make them rentals but put them back into a program at some point in the future.

In response to Mr. Anderson regarding what the impact would be if the House of Pride were to lose their appeal, Ms. Johnson stated that another deficit would be added to what they were already going through, and they were struggling. She explained that Ms. Harris had been gone for almost two (2) years and a lot of funding had closed its doors as she was leaving. Ms. Johnson stated that they only receive one (1) grant and everything else is basically from pulling personal monies together.

Responding to Mr. Sudler in regard to whether the City had ever had any licenses on file for this program, Mrs. Ann Marie Townshend, Director of Planning and Community Development, stated that a conditional use permit was in place at one time but was revoked because of non-compliance

with the conditions. She indicated that the City does not license substance abuse providers. Mrs. Townshend stated that she had been present at the hearing when it was stated by one (1) of the members that the organization's charter, which gives them non-profit status, specifically mentions substance abuse and recovery. It was the decision of the Board that if House of Pride was not performing these function listed in their charter, they should not have the tax exemption.

Mr. Sudler stated his understanding that the House of Pride's conditional use consisted of having programs for alcohol and drug abuse and questioned which conditional use they did not meet. Responding, Mrs. Townshend stated that the conditional use was required because House of Pride was running an unlicensed substance abuse program in their houses in a residential zone and was not meeting codes, explaining that this use was not permitted in a residential zone. She indicated that House of Pride went through the conditional use process to be considered as a philanthropic use within a residential zone. Mrs. Townshend explained that they had this designation for a number of years and there were repeated issues with fire code and property maintenance code violations. This matter went to the Planning Commission and the conditional use was then revoked.

Mr. Neil questioned if the homes were up to code and, if not, if there was a possibility of a buyer being able to bring them up to code.

Mrs. Townshend stated that all of the homes were not occupied.

Ms. Johnson stated that 20 North New Street was unoccupied and had been on the market for well over a year. A few people had looked at it, but she stated her opinion that this property was not savable and, more than likely, would be demolished. She stated that criminals ransacked 45 South New Street after work had been done while she was on vacation, so they were behind on this property again. One additional property, 37 South New Street, was empty and Ms. Johnson estimated that this would be completed within a month. The major things that the City had requested were completed by special contractors and the beautification was being finished.

Ms. Johnson stated that House of Pride offers after care, explaining that a gentleman who came to the organization for help is a renter there and now volunteers full-time with the organization. She stated that people like this come back to serve the community, and the organization is a circle that helps people out and tries to put them back in the community as more productive people.

There being no one else present wishing to speak, Council President Slavin declared the public hearing closed.

Mr. Hutchison moved to accept the recommendations of the Board of Assessment Appeals to deny the request for exemption for Items A-1through A-12 regarding properties owned by House of Pride. The motion was seconded by Mr. Neil.

Mr. Anderson expressed concern regarding the Board's recommendation, stating his opinion that there should be a distinction between the vacant lots and allowing the exemption, which had existed for decades, for the House of Pride to continue to do its work and after care. Mr. Anderson felt that the Board was getting into micro managing a non-profit and trying to tell it how its job is done. He did not believe that this was the job of the Board. He stated that Council had dealt with and overturned this in the past and he felt this was a mistake. Mr. Anderson stated that House of Pride was doing charitable work that was consistent with after care to keep people clean and sober and broader work in helping others who are handicapped with longer-term housing needs. He felt that

the City had asked a lot of House of Pride over the last couple of years, including putting in a lot of money to upgrade the properties. Mr. Anderson reminded those members who were present that there had previously been a concern that the properties were deteriorating and needed to be taken care of, and they had done everything the City had asked and had almost completed that process. He felt that putting more bills on House of Pride before everything is complete would hinder what the City was trying to do to reclaim New Street and make these properties look good, be up to code, and have the right people in them to build up the neighborhood. Mr. Anderson felt that the proposed action would be counterproductive to those ends.

Mr. Sudler inquired if Ms. Johnson foresaw the program continuing with the initial focus of Ms. Harris' vision within the next three (3) months. Responding, Ms. Johnson stated that this might occur within six (6) months, but she could not guarantee three (3) months. She confirmed that the organization had been working on a plan of action. Ms. Johnson apologized for Apostle Lott's absence, noting that she is basically the property manager and that he was more equipped to answer than she was.

Mr. Sudler questioned if in six (6) months the House of Pride would be able to meet the conditional use and be back to its original concept plan of functioning and serving the community in their past capacity. Ms. Johnson confirmed that they would.

Ms. Johnson questioned if this would apply to just the properties that house program individuals or all of the houses. Responding, Mrs. Townshend stated that it would apply to all of the houses since the zone is a single-family residential zone and other uses would not be permitted in the zone. She stated that the City was able to categorize it for a conditional use as a philanthropic function. Mrs. Townshend stated that, at this point, the only approved use on any of the properties was a single-family residential use.

Ms. Johnson responded that this was exactly the population that House of Pride was serving, noting that the majority of the properties were apartments with families in them and there were only one (1) or two (2) with single people, noting that single males live in two (2) of the apartments, and there are four (4) individuals living in one (1) house. None of them are relatives, although up to five (5) relatives are allowed. She stated that these were all after care people and, by the end of the current week, three (3) of them would be moving on.

Mr. Lewis questioned if all of the properties were up to safety code. Responding, Mrs. Townshend stated that 45 South New Street had been declared dangerous by City Council. A building permit had been issued. Noting that Ms. Johnson mentioned that House of Pride had nearly finished their repairs, Mrs. Townshend stated that the organization had not called inspections staff for inspections; therefore, any repairs made were not inspected. She reiterated that 20 North New Street was vacant. Mrs. Townshend stated her understanding that renovations were underway for 37 South New Street, but the owners had not called the City for inspections. She stated that the challenge with these properties had been that when there was code compliance, it had been marginal and short lived, which was part of the reasons why staff had been back several times to the Planning Commission regarding the conditional use and why several properties had been brought forward as dangerous buildings over the years.

Responding to Mr. Lewis, Mrs. Townshend confirmed that these properties were pending, stating that some were occupied and had passed more recent inspections, and others were unoccupied and had not had the inspections necessary to grant them occupancy.

Mr. Neil stated his assumption that no taxes were being paid on these properties because House of Pride was a 501(c)(3) organization. In response, Mrs. Townshend stated that, in 2012, the City received a letter from Ms. Sandra Dean, who was House of Pride's attorney at that time, stating that they were no longer going to be providing the services for which they had a conditional use, and that they understood that these properties were no longer tax exempt. Since that point in time, they had been sent a property tax bill annually, which they had not been paying.

Mr. Scott Koenig, City Manager, stated that to his knowledge, House of Pride was delinquent. It was his belief that a demolition lien had been added to the tax rolls for at least one (1) of the properties. He was not aware of any significant progress made to remedy the delinquent taxes on a majority of the properties.

Ms. Johnson stated that she would bring inspection reports to Mrs. Townshend, noting that individuals had reinspected the footing at 45 South New Street.

Mrs. Townshend stated that framing and drywall had been done and the framing was not inspected before it was enclosed. Responding, Ms. Johnson stated that an individual had come during the previous week and had asked that the floorboards be pulled so he could look at it, and this was done. She noted that she would let him come out and look at it again. Ms. Johnson advised members that they came out and looked at the footing at 37 South New Street and the floors had not been closed up yet and she indicated that she would bring these reports in. Ms. Johnson stated that House of Pride paid taxes this year for the previous year. She confirmed that the demolition did go towards the lien.

Mr. Slavin reopened the public hearing.

Responding to Mr. Lewis in regard to the reason taxes had not been paid, Ms. Johnson stated that this was due to lack of funds.

Noting that the House of Pride had not paid taxes for this year, Mr. Sudler inquired if they were current on taxes for previous years. Responding, Ms. Johnson stated they owed just for the current year. Mr. Koenig noted that House of Pride also owed for whatever demolition liens had been added to the tax roll.

Ms. Johnson corrected her previous statement, stating that taxes had been paid for rental properties and payments were behind for properties not being rented or used. In total for all units, House of Pride was two (2) years behind.

Council President Slavin declared the hearing closed, noting that a motion had been made by Councilman Hutchison and seconded by Councilman Neil to accept the Board's recommendation for denial of the request for exemption.

Mr. Anderson stated that there had been a market change with the change in management and that demolitions were occurring previously. He noted that there had been marked change and good progress over the last year.

The motion to accept the recommendations of the Board of Assessment Appeals to deny the request for exemption for Items A-1through A-12 - House of Pride, was carried by a vote of eight (8) yes (Sudler, Neil, Lewis, Cole, Hosfelt, Hare, Hutchison, and Slavin) and one (1) no (Anderson).

Central Delaware Habitat for Humanity

Locations:	**Exempt Request:**
20 S Kirkwood St.	$42,300
28 S Kirkwood St.	$50,600
30 S Kirkwood St.	$35,500
40 S Kirkwood St.	$74,900
138 Cherry St.	$38,200
117 S Queen St.	$58,300
29 N Kirkwood St.	$0 (already exempt) –City owned)
223 W Division St.	$117,200

BACKGROUND AND ANALYSIS

An exemption request for the above referenced properties was submitted to the Assessor's Office.

These properties are being renovated for low-income families to provide an affordable mortgage. Once these properties are complete and the ownership is transferred, they will be added back to the tax rolls. (As a supplemental billing)

RECOMMENDED ACTION: Recommend that the request for exemption be approved.

Mrs. Tice, Executive Director was present for the meeting.

She went over Central Delaware Habitat for Humanities' mission, which is to bring families together to build affordable homes in the community. Mrs. Tice told the board that there are currently 17 Habitat homeowners in Dover, 40 throughout Kent County and that the organization is working back in Dover on a number of properties. She went on to tell the board that the Central Delaware Habitat for Humanity had been awarded $672,000 back in January by the Strong Neighborhood Housing Fund. With that fund they are planning to buy, renovate or demolish properties within a 20 block radius of Downtown Dover.

The organization is looking to increase the homeownership in this area, which primarily had been rental properties. She explained that the organization is targeting low-income families who are able to pay a mortgage. The homes are built with the help of volunteers and the aspects of the organization.

Mrs. Tice told the board that construction will begin in June on the four properties located on Kirkwood Street. She went on to explain that 138 Cherry Street is currently in their Land Bank, construction will start sometime in 2016.

117 S. Queen Street is a vacant home and was donated to the organization and is scheduled for demolition, new construction is also scheduled for 2016.

29 N. Kirkwood was purchased from the City, which is also scheduled for construction in 2016.

Mrs. Tice went on to talk about 223 W Division Street, which used to be an old shoe store. She told the board that the building was donated to their organization by a bank. She also mentioned that the organization does not yet know how to utilize that building. One of the options would be to use the building as an office building.

Mrs. Bundek mentioned that the City has not received the deed for 223 W. Division Street. Mrs. Tice offered to provide the Assessor's Office with a copy of the deed.

Board Member Welsh made the motion to accept the request for exemption for all of the properties, which was seconded by Board Member Stonesifer.

Motion passed 3-0

Chairman Garfinkel raised the question about 223 W Division St., he was wondering if this property would fall under the scope of the organization, since this is a commercial property.

Mrs. Tice explained that when a Bank donates a property to a non-profit organization, the building should be used as community development, which is why the organization is looking to use the building as an outreach or a satellite office for the organization. She assured the Board Members that it is not the intent of the organization to use this property for investment purposes and offered to keep the City updated about the future use of the building.

Chairman Garfinkel requested to amend the motion, to grant the exemption for all of the properties except for 223 W. Division Street, which will be exempted for one year only, to be revisited once the organization knows what the use will be.

Motion carried 3-0

Mrs. Bundek informed the appellant, that the City Council was the final decision and that a certified letter with the date of the Council Hearing would be mailed to her.

The Board recommended granting the exemption for all of the properties except for 223 W. Division Street, which will be exempted for one (1) year only, to be revisited once the organization knows what the use will be.

By consent agenda, Mr. Neil moved for approval of the Board's recommendation, seconded by Mr. Hutchison and carried by a unanimous roll call vote.

Emerald Pointe Maintenance Corp.

Locations: Open Spaces

BACKGROUND AND ANALYSIS

These parcels fall under State Statute 9 Del. C. §8110 Civic organizations owning parkland.

EXEMPTION REQUEST

ED05-067.01-02-14.00	$ 2,600
ED05-067.01-01-98.00	$ 2,800
ED05-067.01-01-96.00	$10,300
ED05-067.01-02-13.00	$ 3,500
ED05-067.01-01-97.00	$29,200
ED05-067.01-01-99.00	$10,900
	$ 59,300

RECOMMENDED ACTION: Recommend that the request for exemption be approved.

Mrs. Murphy, community Manager with Legum & Norman, employed by Emerald Pointe Maintenance Corp. as their management firm was present for representation.

Mrs. Murphy told the board that the Emerald Point Maintenance Corp. has applied for Exemption with the City of Dover. She also mentioned that they are already exempt with Kent County.

Chairman Garfinkel asked if these properties were open spaces and if they will remain that way.

Mrs. Murphy assured that they are open spaces and that there will be no future changes to those properties.

Mr. Burns asked if these spaces have been recorded as open spaces, which was confirmed by Mrs. Murphy.

Board Member Burns made the motion to accept the request for exemption, which was seconded by Board Member Welsh.

Motion carried 3-0

Mrs. Bundek informed Ms. Murphy that the City Council was the final decision and that a certified letter with the date of the Council Hearing would be mailed to her.

The Board recommended accepting the request for exemption.

By consent agenda, Mr. Neil moved for approval of the Board's recommendation, seconded by Mr. Hutchison and carried by a unanimous roll call vote.

Village of Westover HOA, Inc.

Location: Open Spaces.

BACKGROUND AND ANALYSIS

These parcels fall under State Statute 9 Del. C. §8110 Civic organizations owning parkland.

EXEMPTION REQUEST

ED05-076.09-03-70.00	$ 50,900
ED05-076.09-03-71.00	132,300
	$183,200

RECOMMENDED ACTION: Recommend that the request for exemption be approved.

Nobody was present to represent the Village of Westover HOA, Inc.

Chairman Garfinkel asked the Assessor to comment on the request, as there was no representative for Village of Westover HOA present.

Mrs. Bundek asked the petition be approved as it falls under Delaware State Code 9 Del. C. §8110 for civic organizations owning park land.

She pointed out that the board just heard and approved the exempt request for the Emerald Pointe Maintenance Corp., which was for open spaces as well. She assured the board that these spaces too have been recorded as open spaces and cannot be used for anything else.

Board Member Welsh made the motion to accept the Assessor's recommendation to approve the exempt request, which was seconded by Board Member Burns.

Motion carried 3-0

Mrs. Bundek informed the board, that the City Council was the final decision and that a certified letter with the date of the Council Hearing would be mailed to the HOA.

The Board recommended acceptance of the Assessor's recommendation to approve the exemption request.

By consent agenda, Mr. Neil moved for approval of the Board's recommendation, seconded by Mr. Hutchison and carried by a unanimous roll call vote.

Mr. Hare moved for acceptance of the Board of Assessment Appeals report, seconded by Mr. Hosfelt and unanimously carried.

AUTHORIZATION TO EXECUTE AGREEMENT TO PERFORM A COMPREHENSIVE ANALYSIS OF POLICE, FIRE AND EMS SERVICES FOR THE CITY OF DOVER

Mr. Scott Koenig, City Manager, advised members that earlier this year, during a discussion of additional officers for the Dover Police Department, the City Manager's Office sought assistance from the Center for Public Safety Management, LLC (CPSM) with respect to various public safety services in an effort to understand and analyze the needs of the City of Dover. Mr. Koenig explained that CPSM is the exclusive provider of public safety technical assistance for the International City/County Management Association (ICMA), noting that he and the Assistant City Manager are members of ICMA. Mr. Koenig stated that a proposal was received from CPSM to perform an analysis of the major functions and outcomes of the Department related to public safety, with a primary focus on the Police Department. He indicated that the comprehensive analysis would also include examining fire and Emergency Medical Services (EMS), including comprehensive data analysis; a review of governance and administration of these services; organizational behavior and management processes; financial resources including operating and capital resources; programs including fire suppression, EMS, fire prevention, public education, investigation, technical rescue, hazardous materials, emergency management, and other delivery programs; risk management and the all-hazards approach to community protection; and the International Organization for Standardization (ISO) accreditation of benefit analysis.

Mr. Koenig explained that this would be a third-party analysis performed by a team of qualified subject matter experts specifically designed to give a local government a thorough and unbiased analysis of the emergency services within their community. Based on the connection with ICMA and the unique services provided under the proposal, Mr. Koenig recommended that this proposal be authorized as a sole source procurement, and that staff be authorized to begin work on this, shortly after July 1, 2015. The amount budgeted in the FY 16 budget for this service was $100,000. If Council gave authorization tonight, staff would be prepared to execute an agreement upon final adoption of the FY 16 budget, and it was expected that work would be underway in July, with a project estimated completion time of 105 to 135 days after execution of the agreement.

Staff recommended authorizing the City Manager to execute an agreement with the Center for Public Safety Management, LLC to perform a comprehensive analysis of police, fire and EMS services for the City of Dover. This authorization is contingent upon the adoption of the FY-2016 City of Dover operating budget. The execution of the agreement will be finalized after July 1, 2015.

Mr. Lewis questioned if there were a more economical way of conducting the analysis than paying $100,000. Responding, Mr. Koenig stated his opinion of the need to secure the services of an unbiased expert. He explained that he had held discussions with CPSM and Police Chief

Paul Bernat had seen presentations by one (1) of CPSM's experts. Although Chief Bernat was not present at the Council meeting, Mr. Koenig stated that he and the Chief had discussed this as part of the budget presentation and they felt, for the benefit of the community, that an independent third party should look at this. Mr. Koenig stated his belief that it would not be in the City's best interest to seek another option.

Mr. Lewis asked if a establishing a committee with local experts would be more cost effective.

Mr. Koenig did not feel that a committee of local experts could provide a product within 105-135 days.

Mr. Lewis questioned if Mr. Koenig was saying that local experts did not have the expertise. Responding, Mr. Koenig stated that he was asked to prepare a proposal, and this was the proposal he was bringing forth because he believed it to be unbiased in all aspects.

Mr. Lewis stated his opinion that $100,000 for this analysis was high when the City was in a tight budget.

Mr. Anderson questioned if Mr. Koenig had gotten recommendations from other municipalities who had used this service to study their public safety. Responding, Mr. Koenig stated that he had not talked directly to the listed entities; however, the City of Annapolis had used this company to do a review of certain services and those reviews were part of the presentations that the CPSM includes in their workshops and webinars. It was his belief that CPSM's work product was available through the various cities that they had done business with.

Mr. Hare moved to suspend the rules to allow Fire Chief Mark Hall to speak. The motion was seconded by Mr. Sudler and unanimously carried.

Chief Hall stated that he was caught off guard as he received a phone call early this morning informing him that this item was put on the agenda and asked, as Fire Chief, that Mr. Koenig inform him what the ultimate plan was in reference to the Fire Department.

Mr. Koenig stated that there was no predetermined plan going into this and suggested that the Fire Department review some of the discussions held by the Ad Hoc Financial Advisory and Operational Committee, as well as various discussions with the Fire Department, including whether the City can economize dispatching services, deliver services cheaper, and partner with other available means. Mr. Koenig indicated that this proposal was not in any way intended to be disrespectful to the Department but was about improving efficiencies and work flow, as well as reducing cost if possible, which is exactly what Council had requested on many occasions.

Chief Hall inquired if this would be a comprehensive review of the Fire Department that would focus on the dispatch center, which includes City employees. Responding, Mr. Koenig stated that the review would also look at apparatus, financing, calls, and deployment strategies. He indicated that this was all included in the proposal provided by CPSM.

On behalf of the Dover Fire Department, Robbins Hose Company, and the Fire Chief, Chief Hall stated that he did not agree with this review. He stated that he had been against the Ad Hoc Financial and Operational Advisory Committee; however, he was serving as the Assistant Chief at that time. He stated that the Committee's review was similar to this; however, it did not cost $100,000. He asked that members take into consideration that the Fire Department is volunteer.

Responding to Mr. Sudler regarding what Chief Hall thought could be done and if this should include another ad hoc committee, Chief Hall stated that no one had contacted him and asked him any questions, which would be one (1) option. Other than going through an ad hoc committee, which had already been done, he had no additional suggestions.

Mr. Lewis inquired what Chief Hall would think about creating a committee that would consist of the experts in the Fire Department and members of the community, including people with financial backgrounds. Responding, Chief Hall stated that he thought this would be an option.

Mr. Hare indicated that the City of Annapolis indicated that CPSM was very professional and unbiased and that they review programs from a neutral point of view. He stated that the City of Annapolis was very pleased overall. Mr. Hare stated that the Council had directed Mr. Koenig to go forward with a review. He reiterated that this would be a totally unbiased review and the Police Chief was okay with it. Mr. Hare stated the need for an unbiased opinion rather than a review by local people so that there would be a fresh set of eyes without opinions before they get here.

Mr. Hosfelt questioned if this review would be favorable to the City as well as the unions and expressed concern in regard to the unions. Responding, Mr. Koenig stated that the experts involved understand that a number of cities operate in a police and fire union operated environment, so they are aware of the associated challenge. He indicated that this would be more about workload application, including whether the City has the appropriate units, whether they are appropriately staffed based on national reviews, etc. It would also look at how calls come in and are analyzed and distributed. Mr. Koenig stated that, in his opinion, this would be a more technically driven discussion than a Bartell formula review and would be data driven. He advised members that it may mean that schedules would be modified, but it is understood that those types of recommendations have to go through a review process with the individual agencies. Mr. Koenig assured members that the consultant would not come in saying, "You have to do this," but would say, "Here is a series of recommendations that will improve your service delivery." Noting that social media had been a huge improvement, in some cases to law enforcement, Mr. Koenig stated that there may be things in this area that should be considered and CPSM may make recommendations related to nationwide agencies or standards, such as civilianizing certain positions so that an officer could be redeployed to an actual position.

Mr. Lewis questioned if this was already being done. Responding, Mr. Koenig stated that he did not know the answer to that, because this was up to the Chief of Police and his staff . Mr. Koenig stated that Chief Bernat had heard someone speak on this matter at a law enforcement seminar and understood the potential impact to the Police Department. Mr. Koenig stated that when Council authorized ten additional officers, this was a minimum salary base line of $0.5M, not including the load for benefits, overtime, uniforms, and support for those officers. Mr. Koenig stated that the cost

of the study would be $100,000, approximately $65,000 to $70,000 of which would relate to the Police Department. He felt that it would be prudent for the City to spend this amount to ensure getting the best out of the $0.5M that had been authorized.

Mr. Hare reminded members that the report would be given to the City Manager and Council, who would decide if they wished to implement anything in it. The report would provide information from experts that would help Council during budget time, noting that you can never have enough information.

Mr. Hutchison reminded members that this Council and the former Council had an outstanding track record on supporting the Police and Fire Departments and that the City has outstanding Fire and Police Departments. He felt it was Council's job to make sure they are doing the right things to prepare for the future. Having been part of the Police Department for 25 years, Mr. Hutchison felt the study was needed since the world had changed and the City must also be able to do so. He felt it would be helpful to have a team of experts come in from the outside to analyze the City and come back with a recommendation. Although Council would not have to take their recommendations, Mr. Hutchison felt that Council had an obligation to the citizens to at least look at them.

Mr. Sudler asked if Mr. Koenig believed that the City would receive a $100,000 return on this $100,000 investment. Responding, Mr. Koenig stated that if a recommendation was provided that saved the City $20,000 per year, by spending $100,000 in FY 16, this cost would be recovered within five (5) years.

Mr. Anderson moved to accept staff's recommendation to authorize the City Manager to execute an agreement with the Center for Public Safety Management, LLC to perform a comprehensive analysis of police, fire, and EMS services for the City of Dover, with authorization to be contingent upon the FY 2016 City of Dover operating budget and with the execution of this agreement to be finalized after July 1, 2015. The motion was seconded by Mr. Sudler.

Mr. Anderson stated that he understood and shared some skepticism in this matter; however, he stated that he favored the review because the City Manager had been saying for the last three (3) years that certain areas needed to be examined and internal politics did not seem to allow for experts to be obtained who were not on one side or the other. Mr. Anderson noted that some of these matters deal with $700,000 per year. He indicated that he was willing to let the City Manager manage, as this is what he is paid to do, and if all factors were equal and he must flip a coin, he would flip it to that side.

The motion to accept staff's recommendation to authorize the City Manager to execute an agreement with the Center for Public Safety Management, LLC to perform a comprehensive analysis of police, fire, and EMS services for the City of Dover, with authorization to be contingent upon the FY 2016 City of Dover operating budget and with the execution of this agreement to be finalized after July 1, 2015, was carried by a roll call vote of eight (8) yes (Anderson, Sudler, Neil, Lewis, Cole, Hosfelt, Hare, Hutchison, and Slavin) and one (1) no (Lewis).

REAPPOINTMENTS RECOMMENDED BY MAYOR CHRISTIANSEN - BOARD OF ADJUSTMENT - THREE (3) YEAR TERMS TO EXPIRE JULY 2018

Mayor Christiansen submitted the following reappointments to the Board of Adjustment for three (3) year terms to expire July 2018:

James N. Keller
Richard Senato

By consent agenda, Mr. Neil moved for approval of the reappointments, as recommended by Mayor Christiansen, seconded by Mr. Hutchison and carried by a unanimous roll call vote.

FIRST READING OF PROPOSED ORDINANCE #2015-12 - REZONING REQUEST FOR PROPERTIES LOCATED AT 35 AND 39 NORTH NEW STREET

A request was received to rezone properties located at 35 and 39 North New Street, consisting of $0.137^{+/-}$ acres and $0.089^{+/-}$ acres, owned by Robert and Erin Barrett and Erin L. Cooper, respectively. These properties are currently zoned RG-1 (General Residence) and the proposed zoning is RG-3 (Group Housing).

Prior to amending the zoning ordinances and zoning map of the City of Dover, a public hearing is required. Staff recommended referral to the Planning Commission on July 20, 2015 and that a Public Hearing be set for August 10, 2015 at 7:30 p.m., at which time the Final Reading and Council action will take place.

Mr. Hare moved to refer the request to the Planning Commission and set a Public Hearing for August 10, 2015 at 7:30 p.m., seconded by Mr. Cole.

Mr. Neil inquired if this would be a group home or apartment house, stating his understanding that New Street is zoned for single-family residence. Responding, Mrs. Townshend stated that the group housing zone is a town house zone. The rezoning would allow the property owner to subdivide into three (3) lots instead of two (2) and develop town homes. In response to Mr. Neil, Mrs. Townshend stated that these would be tax-paying town homes.

The motion to refer the request to the Planning Commission and set a Public Hearing for August 10, 2015 at 7:30 p.m. was carried unanimously.

In accordance with Section 1-9 of the Dover Code, Council acknowledged the First Reading of Proposed Ordinance #2015-12 as read by the City Clerk, by title only, as follows:

AN ORDINANCE AMENDING THE ZONING ORDINANCE AND ZONING MAP OF THE CITY OF DOVER BY CHANGING THE ZONING DESIGNATION OF PROPERTIES LOCATED AT 35 AND 39 NORTH NEW STREET

FINAL READING - PROPOSED ORDINANCE #2015-10 - NOTIFICATION OF TAX RATE INCREASE OVER THE ROLLED BACK TAX RATE [REQUIRED IN ACCORDANCE WITH 22 DELAWARE CODE SECTION 1105(B)]

The First Reading of the proposed ordinance was accomplished during the Regular Council Meeting of June 8, 2015.

Mr. Neil moved that the Final Reading of the Proposed Ordinance be acknowledged by title only, seconded by Mr. Cole and unanimously carried.

Mr. Scott Koenig, City Manager, explained that this ordinance was the first step in tonight's budget approval process. Proposed Ordinance #2015-10 would take the current property tax rate of 33.78 cents per $100 of assessed value, incorporate the new value of $3,103,526,891 for the FY 16 assessment, and redo the calculations to create a revenue neutral assessment. He noted that this is called the roll back tax; however, based on current values, it would actually be a roll ahead tax, which would set the rate at 34.99 cents per $100 of assessed value. Mr. Koenig advised members that the final budget ordinance would be reviewed later in the evening, and the budget ordinance would increase the tax rate to 40.5 cents per $100 assessed value, thus creating a tax increase of 15.7% over the roll back in tax.

Mr. Sudler inquired how much a taxpayer would pay per day with the tax increase. Responding, Mr. Koenig stated that this would depend on the location in the City. He stated that he had examined tax increases for some individuals who had written letters to the editor of the *Delaware State News* regarding this matter. In one (1) case, the increase amounted to approximately $48.68, per year, or roughly 13 cents a day; another equated to a tax decrease of $53.16 per year because the assessed value went down. Mr. Koenig stated that he a resident from Woodcrest, who had come before the microphone, would have an impact of approximately $90 per year. Another person on Pine Valley road experienced an increase in the assessed value as well as the tax rate, and their impact would be approximately $290 per year, or slightly less than a dollar a day. Mr. Koenig reminded members that calculations that showing the impact on residential properties across the City had been included in the budget presentation and he had not seen any that had an impact greater than a dollar per day, and many were less than that.

Mr. Koenig stated that there would be an impact to the business community because their assessments, on average, went up across the City. He stated that it is necessary to make calculations for the actual property being discussed to identify the specific impact. Mr. Koenig stated that staff had been up front with the original proposed tax rate of 42 cents and the newspapers had since carried the rate of 40.5 per $100 of assessed value. People had the opportunity to call and ask what the impact is to their properties and, generally, those Mr. Koenig had talked to understood that if the rate is not adjusted and the operating and capital plans are not maintained, the next assessment of their property may go down, not due to the economy but because of a change in the character of their neighborhood.

Mr. Hutchison noted that the General Assembly was proposing to cut grant-in-aid as well as the transportation fund. He asked how much the City typically receives in this type of funding. Responding, Mr. Koenig stated Dover is one of three (3) jurisdictions that receives Payment in Lieu of Taxes (PILOT), which is part of grant-in-aid, from the State. He estimated that funding for PILOT was approximately$275,000 for the current fiscal year. The City proposed roughly the same level of funding for FY 16. In regard to municipal street aid, Mr. Koenig stated his recollection that funding in the current year budget was approximately $665,000. In the FY 16 budget, it was assumed that the State may be splitting a pot of $5M State-wide, which would drop this number to roughly $550,000. Discussions with State legislators indicated there was potential for this number to go to $0 as part of budget discussions at the State. Mr. Koenig informed members that the Governor’s Office proposed municipal street aid at $3M versus the $4M on which staff was basing

its calculations, and this difference in State aid would affect the City's budget by$165,000 dollars. He noted that PILOT payments and municipal street aid are big concerns to the City of Dover in developing the FY 16 budget and cautioned members that the City could not currently count on this revenue.

In regard to Community Transportation Funds (CTF), Mr. Koenig stated that the City had partnered with various legislators on signage and improvements to roads, sidewalks, and parking areas. Legislators had also pledged CTF monies to fund cameras in the downtown as a substitute for a road project. Mr. Koenig stated that all of those funds were at risk for FY 16, based on the most recent discussions with Senator Bushweller and Representative Carson, and, to his belief, Representative Bennett. Staff was hopeful that none of those revenues would be cut, but was very conscious that this could occur in the next eight (8) days, as the legislature deliberates over the final State budget.

Mr. Lewis questioned if the City had a back-up plan if these funds were cut. Responding, Mr. Koenig stated that if this occurs, he would return to Council advising them how the budget gap could be closed, and this would likely affect operating costs, capital projects, vehicles, etc. The next step would be to determine if positions must be frozen. This matter would be brought back to Council either on the Council floor or through a memorandum to Council. Mr. Koenig confirmed that staff would always have an alternate plan.

Mr. Hosfelt moved to accept the tax rates and for adoption of Ordinance #2015-10. The motion was seconded by Mr. Cole.

Mr. Anderson noted that the exact tax rate would be determined by the City's spending.

Mr. Anderson moved to defer consideration of Ordinance #2015-10 until after voting on Ordinance #2015-11. The motion was seconded by Mr. Hare and carried by a unanimous roll call vote.

FINAL READING - PROPOSED ORDINANCE #2015-11 - 2015/2016 CITY OF DOVER BUDGET ORDINANCES

The First Reading of the proposed ordinance was accomplished during the Regular Council Meeting of June 8, 2015.

Mr. Neil moved that the Final Reading of the Proposed Ordinance be acknowledged by title only, seconded by Mr. Anderson and unanimously carried.

In response to Mr. Anderson, Mr. Koenig stated that the cost of granting a bonus of 2% of base pay to non-bargaining employees making more than $75,000 would be $29,300.

Responding to Mr. Lewis, Mr. Koenig indicated that this bonus would affect 15 people in the work force.

Mr. Koenig stated that the drafting of the FY 16 operating budget had been a significant challenge for staff, the people who attended the budget hearings, and Council members, who participated in more than 15 hours of discussion. The original draft FY 16 City of Dover budget totaled approximately $137,071,000 across all funds. After the budget deliberations, that number was

revised to roughly $136,520,000. The original draft General Fund budget was approximately $41,000,830, which was decreased to $41,327,100 after the budget review. Mr. Koenig explained that a large driver in the budget was the number of full-time equivalents in the work force, with a net gain of 14 positions proposed, from 347 to 361. This was revised during Council deliberations to 360 positions, resulting in a net gain of 13. Mr. Koenig explained that part-time positions increased in the proposed budget by 15, from 78 to 93, including a number of police cadets, additional library staff, and some individuals related to Comcast broadcasting. He indicated that the major drivers of the General Fund were significant increases in public safety. Ten uniformed police officers were added, and there was an increase in Police Department civilians over the last year related to the civilianization of the Sex Offender Unit officers and a crime analyst and police accreditation position. An additional planner position was also proposed to support Dover's designation as one of three (3) Down Development Districts within the State.

Mr. Koenig stated that the proposed budget included increased operational spending for the Fire Department in the amount of $51,400. It also maintained a strong project and equipment Capital Investment Plan, including $1M in annual road maintenance and repairs. There was a significant increase in health care cost across the workforce of approximately 16.84%. A robust Capital Improvement Plan was also maintained in the Water/Sewer and Electric Funds. During Council's review of the budget, total expenses were reduced by approximately $944,000, which altered the proposed tax rate from 42 cents per $100 of assessed value to 40.5 cents per $100 of assessed value. Mr. Koenig advised members that the reduction of the proposed tax rate and the required interfund transfers reduced projected revenue by $757,800. The proposed tax increase was roughly 24.3% and budget deliberations reduced that total tax rate increase, not the roll back tax rate increase, to 19.9% based on taking the tax rate from 33.78 cents to 40.5 cents.

Mr. Koenig stated that the proposed FY 16 budget, does not include any increases in rates related to the water or sewer utilities because of expected revenue from the Garrison Energy Center project. This project allowed acceleration of the additional transfer from the water and sewer utility to the $850,000 that was identified in the Utility and Legislative, Finance, and Administration Committee meetings held earlier in the day.

Mr. Koenig noted that an approximate 3% electric rate increase was proposed across all classifications based on a detailed cost of service study done with the City's consultant, Burns and McDonnell. This was done to accurately apply expenses related to cost in each classification so that industrial customers are not subsidizing the residential rate and residential customers are not subsidizing other rate classifications. The cost of service study is designed to appropriate allocate costs across the various rate classifications. Mr. Koenig advised that distorting this creates a very difficult rate structure to defend to the City's customers. He indicated that the residential numbers in the budget were slightly less than some of the commercial numbers, noting that the increase was from roughly 2.2% to as high as approximately 3.6% for certain industrial or commercial classifications. However, Mr. Koenig advised members that this was being driven by the cost to serve those customers and was not a distorted cost in the model. The City, through the budget, had continued to adhere to its financial policies to fulfill the fiduciary responsibilities its bond holders, taxpayers, and employees, while maintaining a strong public safety presence, service quality, and quality of life programs that benefit everyone in the City.

Mr. Koenig reiterated that was a very difficult and sometimes contentious budget to prepare and was a compromise between Council, staff, the Mayor, and those who came to the microphone and spoke on behalf of programs, staff, or projects that they would like to see in the budget. Mr. Koenig expressed thanks to the staff who participated, noting that this is a budget that staff believed was necessary to maintain the quality of life in the City of Dover.

Mr. Sudler questioned, realistically, how much further the percentage could be brought down if the budget were cut further. Responding, Mr. Koenig advised members that, from a managerial standpoint, Council cut where appropriate when they made motions regarding the draft budget. He stated that in the five (5) year forecast, if the roughly 40.5 cent tax rate is not maintained, staff may be back before Council asking for additional increases. He felt that while there may be some short-term benefit from adjusting that rate, this may end up being only 12 or 24 months. Optimistically, Mr. Koenig stated that there was hope that the City economy may turn around, noting that a lot of the local budget is driven by the construction market. He expressed his fear that if another penny were shaved off taxes and State revenues do not come forward, the City would be in a difficult position, and his recommendation would then be not to send officers to the Police Academy or to defer major public improvements like road work or vehicle purchases. Mr. Koenig indicated that this would put the City back into a position of trying to catch up, and the cost to pave a road does not got down while waiting another year.

In response to Mr. Lewis, Mr. Koenig stated that he did not bring an alternate budget tonight.

Noting that he had heard series of concerns pertaining to electric rates, especially with larger users, Mr. Hutchison stated that an alternative must be developed. He expressed support for the budget; however, he felt that the City could not continue to do what it was doing.

Mr. Koenig responded that, from a competitiveness standpoint, he was not happy that the City was proposing an increase to commercial electric grades. He stated that, as of today, the City of Dover had the lowest residential rates in the State, including all municipalities that have utilities, the Delaware Electric Cooperative, and Delmarva Power. However, the City is not nearly as competitive as Mr. Koenig believed it should be in commercial classifications. He felt that the City must work with its larger customers to figure out how to jointly reduce peak demands, help them with demand charges and energy efficiency programs, and see if they are willing to partner with green energy proposals related to solar, wind, or some other aspect of energy management. He stated the goal to work on an integrated resource plan that may allow projects like battery storage to move forward in the future. Mr. Koenig indicated that these are long-term things that the City must discuss with customers for the benefit of both the City and individual. He stated concern that the City's load profile looks flat. Although there are some businesses that seem to be increasing their demand, every time a residential house replaces a new A/C unit, that new unit is much more efficient than the last unit and has the potential to use less power. He expressed the difficulty of determining how to reduce cost due to the dynamics of electric rate design and the electric system, noting the need to meet with experts in the electric utility and with customers to figure out how to reduce rates. Based on tonight's discussion, Mr. Koenig's recommendation would be to increase the rates and then begin a metric to bring forward a plan to benefit customers, specifically commercial customers, as well as the City, with the overall goal to reduce commercial rates to attract businesses. He noted that

commercial and residential rates had come down substantially over the last four (4) years. While this would be a 3% or 3.5% percent rate increase, over the last three (3) budget years there had been a reduction of more than 25% in electric rates.

Mr. Anderson inquired if Mr. Koenig was concerned regarding planned job increases and expansions on the industrial side that seemed to be dragging on, noting that some of the complaints received related to Kraft and Procter & Gamble, others to electric rates, which are 25% higher than for instance, Federalsburg or other places near Dover. Responding, Mr. Koenig stated that some of the businesses that staff had spoken to were not very sensitive to the electric rate. He explained that a budget could not be designed that addresses the needs of every single customer. Mr. Koenig stated that staff was very concerned about the electric rates, but the increase in the transfer from $8M to $10M from the Electric Fund influenced electric rates. This action was taken to defer a tax increase last year. Mr. Koenig emphasized that this is a total City budget and it is necessary to look at the total package. Even if electric costs were lower, there would be no guarantee that these businesses would add jobs, since they may make a decision that it is in their best interest to take jobs away from the City, and the City would be left with the remnants. Mr. Koenig stated that it is difficult to design a budget or service solely based on the input from the customers in this type of environment. The City uses its utilities to fund other operations and this is a difficult, multiple input equation.

Mr. Neil moved for adoption of Proposed Ordinance #2015-11 as presented, seconded by Mr. Cole.

Mr. Hare commented that approximately $600,000 would be carried over from last year and put into the City's unfunded liabilities.

Mr. Koenig stated that this was in accordance with Council policies.

Mr. Hare stated that this could be suspended for year to help offset some of the increase. In addition, he stated that a freeze could be put on hiring the new electric position until some more definitive information is obtained regarding what the City will do in the electric area. He stated that this would be a savings of $150,000.

Mr. Koenig stated that if the $600,000 of projected savings from the current year were moved forward, this would violate the policies that Council had guided staff to use in developing the operating budget. He stressed that Council had specifically wanted current revenues to equal current expenses and that the budget technique of moving money forward was one (1) of the reasons why the City was now in a difficult position. Mr. Koenig noted that the City did not fund its unfunded liabilities for many years, and many people were angry and concerned that those liabilities were not funded. Mr. Koenig stated his opinion that the City had made a lot of headway over the last few years in funding those bad positions and felt it would not be prudent to keep changing the game because it had been agreed that this is how the budget would be prepared.

Mr. Koenig reminded members that the assistant generation manager position was included in the budget for half a year. He indicated that a motion was made previously that he believed would handicap his ability to recruit for that position because he now has to come back to Council to ask for it. The impact to the Electric Fund for half a year would be approximately $75,000 at most,

which would not eliminate the proposed rate increase. Mr. Koenig expressed his belief that if Council is truly serious about working with its largest customers, this technical expertise must be on board so that improvements, rates, and policies can be designed to create a partnership to help reduce rates in the long term. The assistant general manager position at the power plant was proposed to protect the City's interest in a facility that has hundreds of millions of dollars of value today and a potential output every year of millions of dollars. Mr. Koenig stated that the value to the system is approximately $8M per year, equating to $80M over a 10-year period and he felt that the City must think about succession planning and the protection of the utility for the long run. Noting that the City had been in the electric generation business since roughly 1900, Mr. Koenig advised members that owning generation acts as a physical hedge to help keep the cost of buying power lower than it would be without those assets. He stated that the experts working for the City were telling Mr. Koenig that it would be prudent to take a preemptive approach and request the hiring of the assistant generation manager, and he felt it was a worthwhile position to put in the budget.

Noting that the utility Mr. Koenig was speaking of was 56 or 57 years old and runs on oil, Mr. Hare questioned what it would cost if one (1) of the generators goes down. Responding, Mr. Koenig stated that the plant runs on duel fuel and runs on oil, if necessary, in the wintertime; in the summer it would run on gas, if it were available. The replacement value was well over $100M and the economic value of this, as an asset was at least the amount of the replacement value.

Mr. Hare stated that utility experts question why the City still has a plant that is 56 years old, stating that money was being poured into a black hole. He felt that it should either be upgraded to make it efficient so that it could run like the new Calpine plant or be scrapped. He indicated that some say they have plants that are 40-45 years old that they scrap and build new ones or do something else. Responding, Mr. Koenig stated that it would be technically infeasible to make the City's plant as efficient as the brand new Calpine plant and a new plant would have to be built.

Mr. Hare questioned if the City was better off putting millions into its plant and keeping it at half efficiency when it was unknown beyond another year if the grid would continue to pay the City. In response, Mr. Koenig stated the projections had been made to be cash positive for five (5) years.

Mr. Hare stated that this was provided the grid continues to give the City $10M per year. Responding, Mr. Koenig indicated that this was based on the best available data.

Mr. Hare stated that the City was looking at signing a new contract with the company to keep its 60-year-old plant available for a three (3) to five (5) year contract and it was unknown if the grid would continue to give the City the money to offset this contract. Responding, Mr. Koenig stated that this was based on current history.

Mr. Lewis stated that he had been on Council for a little over a month, along with four (4) other colleagues. He indicated that some say it was wrong for them to be hit with this tax burden; however, he stated this was the job that they were elected to do. He noted that no one present, including himself, had all the answers and that is why Council relies on Mr. Koenig, Mrs. Mitchell, and Mrs. Townshend, because they are the experts. Mr. Lewis stated his understanding that

Mr. Koenig had an alternate budget that Mr. Lewis understood would take the tax increase down. He asked for information on this. Mr. Lewis expressed his understanding of the need to increase manpower for the police, stating his belief that public safety was essential, and he was aware that the infrastructure needed repair; however, he felt there were other things that could be nickeled and dimed to get the tax rate down.

Mr. Koenig stated that this approach would not achieve a significant change to the tax, noting that $300,000 of General Fund expense equates to one (1) penny off the tax rate. He indicated that staff had presented every divisional budget and given Council the opportunity to cut wherever they chose, and Council had authorized cuts down to 40.5 cents.

In regard to the alternate plan he referenced earlier, Mr. Koenig stated that this related to the things that the City would not be able to do if State revenue does not come in as projected; there was no alternative plan available tonight.

Mr. Lewis stated that he could not support an increase of this percentage.

Mr. Anderson moved to amend the grounds budget to a level of $1,375,000, for a net savings of $37,000, seconded by Mr. Sudler.

Mr. Koenig stated that this was an allocated fund; therefore, this would result in approximately $14,000 in General Fund savings.

In response to Mr. Sudler regarding the impact on operational necessities, Mr. Koenig stated that he was unsure how a reduction of $37,000 would impact the grounds budget, because the current motion was the first time he had heard anything regarding this matter.

Mr. Hosfelt questioned how the amount of $37,000 was arrived at. Mr. Anderson stated that this would allow increases in temporary help, increases in health care, and purchases of materials and small tools, but would take away any increase above that.

Mr. Neil expressed his opinion that this budget would be an investment in this City. He stated that accountants tell you what you should do; you do not have to do it, and that staff are the City's accountants who way what will work for the City. In addition, Mr. Neil stated that shopping malls and restaurants refurbish their facilities and make them look better so that people will come in. Mr. Neil felt that investing in the City and bringing up the values of the homes would raise the evaluation, which would raise tax income without people paying higher taxes, because the values would go up. Mr. Neil stated that with NASCAR and the Firefly and Big Barrel music festivals, hotels were filling up, and if they were doing better business, they would pay higher taxes. Mr. Neil expressed the desire to keep taxes down for the people here and provide them with the police to give greater security, which would also bring people in. Mr. Neil stated, for this reason, that he would oppose the amendment and support the budget as presented.

Mr. Hare stated that he did not disagree with Mr. Neil, but Mr. Hare stated that did not have all the information. He indicated that it may not be necessary to raise taxes, but he did not have the information. Mr. Hare stated that the City does not know if its insurance rates are the best. He felt

that businesses and hotels do more due diligence, and if something is not efficient they change it and make sure it is more efficient, and they have the information they need make their decision. Mr. Hare stated that he did not feel he had the information to make an educated guess and tell the people that he was sorry, but this was the easy way out.

The motion to amend the grounds budget to a level of $1,375,000 for a net savings of $37,000 failed by a roll call vote of seven (7) no (Sudler, Neil Cole, Hosfelt, Hare, Hutchison, and Slavin) and two (2) yes (Anderson and Lewis).

Mr. Anderson moved to remove the bonuses for those earning $75,000 and above from the budget and that they be deferred to a supplemental budget for department heads to find more savings to cover them, seconded by Mr. Lewis.

Mr. Hosfelt stated that, going back to his previous employment status as the Chief of Police, he did not know how he would have found room to chop that budget any more to give himself a pay raise. He felt that this goes against everything that should be done as a supervisor, leader, city manager, or a department head. Mr. Hosfelt felt it unfair to ask those whom Council had hired and put a lot of trust into to do this. He felt that ultimately they were being asked to sacrifice others, or things that should be done for employees, so that they can receive a pay raise. For this reason, he indicated that he would not support this.

In response to Mr. Sudler, Mr. Koenig reiterated that the impact would be $29,300 in the revised budget and would affect 15 people.

Mr. Hare did not think there was anything wrong with a 2% bonus; however, he felt that this 2% should not be approved now. He stated that these individuals should earn the 2% next year and see if they could get it again and again.

Responding to Mr. Sudler in regard to employees earning less than $75,000, Mr. Koenig stated that non-bargaining employees making less than $75,000 would receive a 3% adjustment to their base salary.

The motion to remove the bonuses for those earning $75,000 and above from the budget and that they be deferred to a supplemental budget for department heads to find more savings to cover them failed by a roll call vote of seven (7) no (Sudler, Neil, Cole, Hosfelt, Hare, Hutchison, and Slavin) and two (2) yes (Anderson and Lewis).

The motion to adopt Ordinance #2015-11, as presented, *(Exhibit #1)* was carried by a roll call vote of six (6) yes (Sudler, Neil, Cole, Hosfelt, Hutchison, and Slavin) and three (3) no (Anderson, Lewis, and Hare).

The motion to accept the tax rates and for adoption of Ordinance #2015-10 *(Exhibit #2)* was carried by a roll call vote of six (6) yes (Sudler, Neil, Cole, Hosfelt, Hutchison, and Slavin) and three (3) no (Anderson, Lewis, and Hare).

COUNCIL MEMBERS' ANNOUNCEMENTS

Mr. Sudler stated that the budget process had been a learning experience for him and all that had been done, including cutting, had been tough. He stated that this evening's discussion in regard to whether the budget could be reduced further and how much impact this would have were the determining factors in his decision. He expressed hope that his constituents would understand his belief that Council had done all that could be done to get the budget to a reasonable level.

Mr. Slavin expressed appreciation for the spirit in which members brought their concerns. He indicated that Mr. Anderson's and Mr. Lewis' concerns were duly noted and he looked forward to working with them on those concerns going forward. Noting Mr. Hare's comment that Council had taken the easy route by raising taxes, Mr. Slavin said he did not think any other member of Council used the phrase, "It was easy to raise property taxes." Mr. Slavin indicated there was nothing easy about it in his mind, and expressed his belief that he spoke for a number of members of Council. In the spirit of civility and the spirit of our City, he thanked everyone for their work on the budget, including staff and members of Council, and especially Mr. Koenig and Mrs. Mitchell.

Mr. Anderson invited everyone to attend the African American Festival, "Positively Dover", stating that this is a non-exclusive event that is a celebration of culture for all people. He stated that the event would be held Saturday, June 27, 2015 at Legislative Mall from 10 a.m. to 8 p.m. and encouraged everyone to come and enjoy the music, dance, and other entertainment.

Mr. Neil moved for adjournment, seconded by Mr. Lewis and unanimously carried.

Meeting adjourned at 9:40 p.m.

TRACI A. McDOWELL
CITY CLERK

All orders, ordinances, and resolutions adopted by City Council during their Regular Meeting of June 22, 2015, are hereby approved.

ROBIN R. CHRISTIANSEN
MAYOR

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Exhibits
Exhibit #1 - Ordinance #2015-11 - 2015-2016 City of Dover Budget Ordinances
Exhibit #2 - Ordinance #2015-10 - Notification of Tax Rate Increase Over the Rolled Back Tax Rate

CITY OF DOVER ORDINANCE # 2015-11
2015-2016 BUDGET ORDINANCES

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:
The amount hereinafter named aggregating Forty Five Million Three Hundred Four Thousand Six Hundred dollars ($45,304,600) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2015 and ending June 30, 2016:

GENERAL FUND
CASH RECEIPT SUMMARY FOR 2015-2016

	2014/15 REVISED	2015/16 BUDGET
BEGINNING BALANCE	**$ 4,361,500**	**$ 3,977,500**
RECEIPTS		
FINES AND POLICE REVENUE	629,300	702,300
INVESTMENT INCOME	40,000	35,000
LIBRARY REVENUES	71,600	72,000
KENT COUNTY BOOK REIMBURSEMENT	490,000	450,000
BUSINESS LICENSES	1,460,000	1,425,000
PERMITS AND OTHER FEES	1,354,200	1,436,300
MISCELLANEOUS CHARGES	27,600	22,700
POLICE EXTRA DUTY	659,500	533,000
PROPERTY TAXES	11,086,800	12,844,500
BID REVENUE	49,500	49,700
RECREATION REVENUE	148,800	149,000
FRANCHISE FEE	656,400	672,300
SANITATION FEES	2,580,000	2,580,000
RENT REVENUE - GARRISON FARM	92,300	93,700
COURT OF CHANCERY FEES	1,074,400	1,065,100
RECEIPTS SUBTOTAL	20,420,400	22,130,600
INTERFUND SERVICE RECEIPTS		
INTRAFUND SERVICE RECEIPTS W/WW	1,371,100	1,492,700
INTRAFUND SERVICE RECEIPTS ELECTRIC	3,588,200	3,738,500
INTERFUND SERVICE RECEIPTS SUBTOTAL	4,959,300	5,231,200
GRANTS:		
POLICE RELATED/EXTRA DUTY	124,000	74,400
POLICE PENSION GRANT	500,000	500,000
GREEN ENERGY GRANT	98,500	98,500
MISC GRANT REVENUE	25,000	25,000
VERIZON RESERVE	-	50,000
GRANTS SUBTOTAL	747,500	747,900
TRANSFERS FROM:		
TRANSFER TAX	1,525,200	1,340,000
MUNICIPAL STREET AID	664,200	564,200
CIVIL TRAFFIC PENALTIES	450,000	450,000
WATER/WASTEWATER	500,000	850,000
ELECTRIC	10,000,000	10,000,000
OTHER RESERVES	4,000	13,200
CONTINGENCY FUND	50,000	-
BOND PROCEEDS - SERIES 2014	475,000	-
TRANSFERS FROM SUBTOTAL	13,668,400	13,217,400
TOTAL REVENUES	39,795,600	41,327,100
TOTAL BEGINNING BALANCE & REVENUE	**$ 44,157,100**	**$ 45,304,600**

2015-2016 BUDGET ORDINANCES - CONTINUED

GENERAL FUND - EXPENDITURES AND BUDGET BALANCE FOR 2015-2016

DEPARTMENT EXPENSES	2014/15 REVISED	2015/16 BUDGET
CITY CLERK	$ 386,700	$ 383,400
COUNCIL	106,600	118,100
TAX ASSESSOR	319,100	234,800
FIRE	716,100	745,400
GROUNDS MAINTENANCE	1,130,900	1,210,300
LIBRARY	1,422,000	1,510,000
RECREATION	710,800	729,500
LIFE SAFETY	534,600	482,200
CODE ENFORCEMENT	420,500	419,400
PLANNING	449,400	534,000
INSPECTIONS	614,400	664,700
ECONOMIC DEVELOPMENT	223,000	238,000
POLICE	14,338,900	15,159,000
POLICE EXTRA DUTY	712,500	602,400
STREETS	676,200	674,500
SANITATION	2,224,800	2,157,900
CITY MANAGER	595,900	750,300
INFORMATION TECHNOLOGY	736,600	704,800
FINANCE	970,000	978,500
PUBLIC WORKS - ADMINISTRATION	518,100	626,800
FACILITIES MANAGEMENT	690,400	707,500
PUBLIC WORKS - ENGINEERING	193,700	181,400
PROCUREMENT & INVENTORY	542,800	560,200
FLEET MAINTENANCE	799,700	768,500
CUSTOMER SERVICE	1,044,600	1,120,100
HUMAN RESOURCES	385,500	383,900
MAYOR	82,500	76,100
DEPARTMENT SUBTOTALS	31,546,300	32,721,700
OTHER EXPENSES		
DEBT SERVICE	948,400	660,800
CONTRIBUTION TO DDP	70,000	70,000
MISCELLANEOUS GRANT RELATED EXP	25,000	25,000
INSURANCE	675,000	690,000
RETIREES HEALTH CARE	1,636,500	1,895,600
OTHER EMPLOYMENT EXPENSES	74,900	520,100
BANK & CREDIT CARD FEES	-	15,000
UNCOLLECTIBLES - TRASH AND OTHER	50,000	50,000
STREET LIGHTS (APPROP TO STREET LGT FUND)	774,500	797,700
OTHER EXPENSE SUBTOTAL	4,254,300	4,724,200
TRANSFERS		
TRANSFER TO CAPITAL ASSET RESERVE	60,000	-
TRANSFER TO CAPITAL FUND - PROJECTS	2,196,000	2,625,400
APPROP. TO THE POLICE PENSION FUND	755,000	570,000
APPROP. POLICE PENSION - STATE GRANT	500,000	500,000
APPROP. TO THE GENERAL PENSION FUND	543,000	-
TRANSFER TO CONTINGENCY RESERVE	300,000	-
TRANSFER TO PARKLAND RESERVE	25,000	-
TRANSFER TO VERIZON RESERVE	-	50,000
TRANSFER TO INVENTORY WRITE-OFFS	-	10,000
TRANSFERS SUBTOTAL	4,379,000	3,755,400
TOTAL EXPENDITURES	40,179,600	41,201,300
CURRENT YEAR BALANCE	3,977,500	4,103,300
TOTALS	**$ 44,157,100**	**$ 45,304,600**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.
ADOPTED: JUNE 22, 2015

2015-2016 BUDGET ORDINANCES - CONTINUED

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:
The amount hereinafter named aggregating Two Million Eight Hundred Five Thousand Five Hundred dollars ($2,805,500) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2015 and ending June 30, 2016:

GOVERNMENTAL CAPITAL PROJECTS FUND
REVENUES AND BUDGET FOR 2015-2016

REVENUES

	2014/15 REVISED	2015/16 BUDGET
BEGINNING BALANCE - PROJECTS	**$ 2,654,600**	**$ 154,800**
REVENUES		
STATE GRANTS - Other	208,000	-
PROPOSED BOND/BANK PROCEEDS - Street	2,675,000	-
LEASE PURCHASE OF FIRE AND POLICE EQUIPT	918,300	-
INCOME FROM SALE OF ASSETS	-	20,300
INTEREST EARNINGS	-	5,000
TRANSFER FROM GENERAL FUND	2,196,000	2,625,400
TRANSFER FROM PARKLAND RESERVE	104,000	-
SUBTOTAL PROJECT RECEIPTS	6,101,300	2,650,700
TOTAL FUNDING SOURCES	6,101,300	2,650,700
TOTAL BEGINNING BALANCE AND REVENUES	**$ 8,755,900**	**$ 2,805,500**

EXPENSE SUMMARY

EXPENDITURES	2014/15 REVISED	2015/16 BUDGET
FIRE	$ 827,300	$ 145,600
GROUNDS MAINTENANCE	86,700	201,100
RECREATION	284,400	-
LIFE SAFETY	-	55,700
POLICE	601,700	262,100
STREETS	470,300	1,428,500
STREETS - GARRISON FARM INFRASTRUCTURE	5,447,600	-
SANITATION	256,500	449,000
CITY MANAGER	-	24,700
PROCUREMENT & INVENTORY	55,000	-
FLEET MAINTENANCE	-	84,000
DEPARTMENT SUBTOTAL	**8,029,500**	**2,650,700**
TRANSFERS & MISCELLANEOUS EXPENSES		
BOND/LOAN ISSUANCE COST	61,100	-
TRANSFER TO PARKLAND RESERVE	180,000	-
TRANSFER TO CAPITAL ASSET RESERVE	330,500	-
TRANSFERS & MISCELLANEOUS SUBTOTAL	**571,600**	**-**
TOTAL EXPENDITURES	**8,601,100**	**2,650,700**
BUDGET BALANCE	154,800	154,800
TOTAL BUDGET BALANCE & EXPENDITURES	**$ 8,755,900**	**$ 2,805,500**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: JUNE 22, 2015

2015-2016 BUDGET ORDINANCES - CONTINUED

GENERAL FUND CONTINGENCY
CASH RECEIPTS/REVENUES AND BUDGET FOR 2015-2016

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:

The amount hereinafter named aggregating Seven Hundred Twenty Thousand Three Hundred dollars ($720,300) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2015 and ending June 30, 2016:

CASH RECEIPTS

	2014/15 REVISED	2015/16 BUDGET
BEGINNING BALANCE	**$ 467,300**	**$ 719,200**
INTEREST EARNED	1,900	1,100
TRANSFER FROM GENERAL FUND	300,000	-
TOTALS	**$ 769,200**	**$ 720,300**

EXPENSE SUMMARY

	2014/15 REVISED	2015/16 BUDGET
TRANSFER TO OPERATING ACCOUNT	$ 50,000	$ -
CARRY FORWARD TO NEXT YEAR	719,200	720,300
TOTALS	**$ 769,200**	**$ 720,300**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: JUNE 22, 2015

2015-2016 BUDGET ORDINANCES - CONTINUED

GENERAL CAPITAL ASSET RESERVE
CASH RECEIPTS/REVENUES AND BUDGET FOR 2015-2016

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:

The amount hereinafter named aggregating Nine Hundred Sixteen Thousand Five Hundred ($916,500) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2015 and ending June 30, 2016:

CASH RECEIPTS

	2014/15 REVISED	2015/16 BUDGET
BEGINNING BALANCE	**$ 521,000**	**$ 914,000**
RECEIPTS		
INTEREST EARNINGS	2,500	2,500
TRANSFER FROM GENERAL FUND CAPITAL PROJECT FUND	330,500	-
TRANSFER FROM GENERAL FUND	60,000	-
TOTAL RECEIPTS	**393,000**	**2,500**
TOTALS	**$ 914,000**	**$ 916,500**

EXPENSE SUMMARY

	2014/15 REVISED	2015/16 BUDGET
CARRY FORWARD TO NEXT YEAR	$ 914,000	$ 916,500
TOTALS	**$ 914,000**	**$ 916,500**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: JUNE 22, 2015

2015-2016 BUDGET ORDINANCES - CONTINUED

PARKLAND/RECREATION RESERVE
CASH RECEIPTS/REVENUES AND BUDGET FOR 2015-2016

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:

The amount hereinafter named aggregating Two Hundred Ninety Six Thousand Seven Hundred Dollars ($296,700) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2015 and ending June 30, 2016:

OPERATING REVENUES

	2014/15 REVISED	2015/16 BUDGET
PRIOR YEAR BALANCE	$ 218,700	$ 295,700
GENERAL FUND APPROPRIATION	180,000	-
INTEREST INCOME	1,000	1,000
TOTALS	**$ 399,700**	**$ 296,700**

OPERATING EXPENSES

	2014/15 REVISED	2015/16 BUDGET
TRANSFER TO GENERAL CAPITAL PROJECT FUND	$ 104,000	$ -
CURRENT YEAR BALANCE	295,700	296,700
TOTALS	**$ 399,700**	**$ 296,700**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: JUNE 22, 2015

2015-2016 BUDGET ORDINANCES - CONTINUED

WATER/WASTEWATER FUND
REVENUES AND BUDGET FOR 2015-2016

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:

The amount hereinafter named aggregating Sixteen Million Eight Hundred Eighty Two Thousand Seven Hundred dollars ($16,882,700) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2015 and ending June 30, 2016:

	2014/15 REVISED	2015/16 BUDGET
BEGINNING BALANCE - WATER	$ 783,500	$ 861,600
BEGINNING BALANCE - WASTEWATER	19,900	293,400
TOTAL BEGINNING BALANCES	803,400	1,155,000
BASE REVENUE		
WATER SERVICES	4,616,400	6,200,000
WASTEWATER SERVICES	3,706,800	3,728,000
WASTEWATER TREATMENT SERVICES	2,902,600	3,026,500
GROUNDWATER INFLOW ADJUSTMENT	1,862,500	1,864,300
WATER TANK SPACE LEASING	331,900	341,900
SEWER IMPACT FEES	416,700	250,000
WATER IMPACT FEES	462,400	250,000
INTEREST - WATER	9,000	1,000
INTEREST - WASTEWATER	14,000	2,000
MISCELLANEOUS SERVICE FEE	64,000	64,000
TOTAL REVENUES	14,386,300	15,727,700
TOTAL BEGINNING BALANCES AND REVENUES	**$ 15,189,700**	**$ 16,882,700**

2015-2016 BUDGET ORDINANCES - CONTINUED
WATER/WASTEWATER FUND - EXPENSES AND BUDGET BALANCE FOR 2015-2016

DIRECT EXPENSES	2014/15 REVISED	2015/16 BUDGET
ENGINEERING & INSPECTION	$ 502,400	$ 517,500
WATER CONSTRUCTION	253,300	-
WATER DEPARTMENT	488,600	673,300
WATER TREATMENT PLANT	1,582,200	1,910,000
WASTEWATER DEPARTMENT	975,400	968,600
DIRECT EXPENDITURE SUBTOTAL	3,801,900	4,069,400
OTHER EXPENSES		
DEBT SERVICE - WATER	560,100	545,200
DEBT SERVICE - WASTEWATER	591,900	586,900
RETIREES HEALTH CARE	200,000	178,600
OTHER EMPLOYMENT EXPENSES	5,500	20,000
KENT COUNTY TREATMENT CHARGE	4,004,200	4,130,000
INTRAFUND SERVICE FEES	1,371,100	1,492,700
BANK & CREDIT CARD FEES	-	46,200
OTHER EXPENSES SUBTOTAL	6,732,800	6,999,600
TRANSFER TO:		
GENERAL FUND FROM WATER	250,000	550,000
GENERAL FUND FROM WASTEWATER	250,000	300,000
WATER IMP AND EXT	1,200,000	1,800,000
WASTEWATER IMP AND EXT	1,800,000	1,500,000
CONTINGENCY RESERVE WATER	-	32,000
TRANSFER TO SUBTOTAL	3,500,000	4,182,000
TOTAL EXPENSES	14,034,700	15,251,000
BUDGET BALANCES		
BUDGET BALANCE WATER	861,600	1,048,600
BUDGET BALANCE WASTEWATER	293,400	583,100
BUDGET BALANCE SUBTOTALS	1,155,000	1,631,700
TOTAL CURRENT YEAR BALANCES AND EXPENSES	**$ 15,189,700**	**$ 16,882,700**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: JUNE 22, 2015

2015-2016 BUDGET ORDINANCES - CONTINUED

WATER/WASTEWATER IMPROVEMENT & EXTENSION FUND
CASH RECEIPTS/REVENUES AND BUDGET FOR 2015-2016

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:

The amount hereinafter named aggregating Five Million Three Hundred Seventy Nine Thousand Four Hundred dollars ($5,379,400) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2015 and ending June 30, 2016:

CASH RECEIPTS

	2014/15 REVISED	2015/16 BUDGET
BEGINNING BALANCE - WATER	$ 7,178,100	$ 833,500
BEGINNING BALANCE - WASTEWATER	5,677,600	1,055,900
TOTAL BEGINNING BALANCES	12,855,700	1,889,400
REVENUES		
TRANS FR OPERATING FUND - WATER	1,200,000	1,800,000
TRANS FR OPERATING FUND - WASTEWATER	1,800,000	1,500,000
TRANSFER FR WASTEWATER IMPACT FEE	1,315,600	165,000
INTEREST INCOME	40,000	25,000
TOTAL REVENUES	4,355,600	3,490,000
TOTAL BEGINNING BALANCES & REVENUES	**$ 17,211,300**	**$ 5,379,400**

EXPENSE SUMMARY

EXPENSES	2014/15 REVISED	2015/16 BUDGET
WATER	$ 7,526,500	$ 2,028,600
WASTEWATER	7,785,600	1,822,100
WATER TREATMENT PLANT	38,100	-
TOTAL EXPENSES	15,350,200	3,850,700
BUDGET BALANCE - WATER	833,500	617,400
BUDGET BALANCE - WASTEWATER	1,027,600	911,300
CURRENT YEAR BALANCE SUBTOTALS	1,861,100	1,528,700
TOTAL BUDGET BALANCES & EXPENSES	**$ 17,211,300**	**$ 5,379,400**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: JUNE 22, 2015

2015-2016 BUDGET ORDINANCES - CONTINUED

WATER/WASTEWATER CAPITAL ASSET RESERVE
CASH RECEIPTS/REVENUES AND BUDGET FOR 2015-2016

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:
The amount hereinafter named aggregating One Million Thirty Three Thousand Seven Hundred Dollars ($1,033,700) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2015 and ending June 30, 2016:

CASH RECEIPTS

	2014/15 REVISED	2015/16 BUDGET
BEGINNING BALANCE - WATER	$ 508,400	$ 514,600
BEGINNING BALANCE - WASTEWATER	507,300	511,300
TOTAL BEGINNING BALANCES	1,015,700	1,025,900
RECEIPTS		
INTEREST EARNINGS - WATER	900	3,900
INTEREST EARNINGS - WASTEWATER	900	3,900
2013 BONDS UNUSED COST OF ISSUANCE FUNDS WATER	5,300	-
2013 BONDS UNUSED COST OF ISSUANCE FUNDS WASTEWATER	3,100	-
TOTAL RECEIPTS	10,200	7,800
TOTALS	**$ 1,025,900**	**$ 1,033,700**

EXPENSE SUMMARY

	2014/15 REVISED	2015/16 BUDGET
CURRENT YEAR BALANCE - WATER	$ 514,600	$ 518,500
CURRENT YEAR BALANCE - WASTEWATER	511,300	515,200
CURRENT YEAR BALANCE SUBTOTALS	1,025,900	1,033,700
TOTALS	**$ 1,025,900**	**$ 1,033,700**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: JUNE 22, 2015

2015-2016 BUDGET ORDINANCES - CONTINUED

WATER/WASTEWATER IMPACT FEE RESERVE
CASH RECEIPTS/REVENUES AND BUDGET FOR 2015-2016

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:

The amount hereinafter named aggregating One Million Six Hundred Seventy Six Thousand Five Hundred Dollars ($1,676,500) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2015 and ending June 30, 2016:

CASH RECEIPTS

	2014/15 REVISED	2015/16 BUDGET
BEGINNING BALANCE - WATER	$ 200,200	$ 200,500
BEGINNING BALANCE - WASTEWATER	2,776,400	1,463,400
TOTAL BEGINNING BALANCES	**2,976,600**	**1,663,900**
RECEIPTS		
INTEREST EARNINGS - WATER	300	1,500
INTEREST EARNINGS - WASTEWATER	2,600	11,100
TOTAL RECEIPTS	**2,900**	**12,600**
TOTALS	**$ 2,979,500**	**$ 1,676,500**

EXPENSE SUMMARY

	2014/15 REVISED	2015/16 BUDGET
TRANSFER TO I & E FUND FROM WASTEWATER IMPACT FEES	$ 1,315,600	$ 165,000
CURRENT YEAR BALANCE - WATER	200,500	202,000
CURRENT YEAR BALANCE - WASTEWATER	1,463,400	1,309,500
CURRENT YEAR BALANCE SUBTOTALS	**1,663,900**	**1,511,500**
TOTALS	**$ 2,979,500**	**$ 1,676,500**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: JUNE 22, 2015

2015-2016 BUDGET ORDINANCES - CONTINUED

WATER/WASTEWATER CONTINGENCY RESERVE
CASH RECEIPTS/REVENUES AND BUDGET FOR 2015-2016

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:

The amount hereinafter named aggregating Three Hundred Twenty Eight Thousand Eight Hundred dollars ($328,800) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2015 and ending June 30, 2016:

CASH RECEIPTS

	2014/15 REVISED	2015/16 BUDGET
BEGINNING BALANCE - WATER	$ 104,700	$ 104,900
BEGINNING BALANCE - WASTEWATER	189,400	189,700
TOTAL BEGINNING BALANCES	**294,100**	**294,600**
RECEIPTS		
INTEREST EARNINGS	500	2,200
TRANSFER FROM OPERATING ACCOUNT TO WATER	-	32,000
TOTAL RECEIPTS	**500**	**34,200**
TOTALS	**$ 294,600**	**$ 328,800**

BUDGET SUMMARY

	2014/15 REVISED	2015/16 BUDGET
CURRENT YEAR BALANCE - WATER	104,900	137,700
CURRENT YEAR BALANCE - WASTEWATER	189,700	191,100
CURRENT YEAR BALANCE SUBTOTALS	**294,600**	**328,800**
TOTAL EXPENSES AND CURRENT YEAR BALANCES	**$ 294,600**	**$ 328,800**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: JUNE 22, 2015

ELECTRIC REVENUE FUND
REVENUES AND BUDGET FOR 2015-2016

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:

The amount hereinafter named aggregating Eighty Nine Million Seven Hundred Thirteen Thousand Six Hundred dollars ($89,713,600) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2015 and ending June 30, 2016:

	2014/15 REVISED	2015/16 BUDGET
BEGINNING BALANCE	**$ 6,602,900**	**$ 6,177,600**
BASE REVENUE		
DIRECT SALES TO CUSTOMER	76,543,700	78,279,200
UTILITY TAX	1,258,300	1,281,100
MISCELLANEOUS REVENUE	624,000	597,200
RENT REVENUE	200,000	202,600
GREEN ENERGY	128,000	128,000
INTEREST EARNINGS	12,000	47,900
TRANSFER FROM RATE STABILIZATION	3,000,000	3,000,000
TOTAL REVENUES	**81,766,000**	**83,536,000**
TOTAL BEGINNING BALANCE & REVENUES	**88,368,900**	**89,713,600**

ELECTRIC REVENUE FUND - CONTINUED
EXPENSES AND BUDGET BALANCE FOR 2015-2016

EXPENSES	2014/15 REVISED	2015/16 BUDGET
POWER SUPPLY	$ 26,035,900	$ 23,402,600
SOLAR ENERGY	2,002,700	2,313,900
SOLAR RENEWAL ENERGY CREDITS	375,500	363,400
POWER SUPPLY MANAGEMENT	996,000	996,000
REC'S (Renewable Energy Credits)	555,400	673,400
RGGI (Regional Greenhouse Gas Init.)	-	175,000
PJM CHARGES - ENERGY	10,076,200	7,966,100
PJM CHARGES - TRANSMISSION & FEES	4,480,800	7,932,500
CAPACITY CHARGES	9,744,100	10,225,100
SUB-TOTAL POWER SUPPLY	**54,266,600**	**54,048,000**
PLANT OPERATIONS	6,141,100	6,434,600
GENERATIONS FUELS	1,873,400	1,167,300
PJM SPOT MARKET ENERGY	(2,834,600)	(1,708,300)
PJM CREDITS	(663,700)	(360,000)
CAPACITY CREDITS	(8,742,100)	(10,472,100)
GENERATION SUBTOTAL	**(4,225,900)**	**(4,938,500)**
POWER SUPPLY & GENERATION SUBTOTAL	**50,040,700**	**49,109,500**
DIRECT EXPENDITURES		
TRANSMISSION/DISTRIBUTION	3,954,900	4,068,600
ELECTRICAL ENGINEERING	1,379,300	1,335,800
ADMINISTRATION	632,400	839,300
METER READING	357,200	360,500
SYSTEMS OPERATIONS	696,500	679,800
DIRECT EXPENDITURE SUBTOTALS	**7,020,300**	**7,284,000**
OTHER EXPENSES:		
UTILITY TAX	1,258,300	1,281,100
ALLOW FOR UNCOLLECTIBLES	200,000	200,000
CONTRACTUAL SERVICES - RFP'S	246,800	-
RETIREES HEALTH CARE	513,300	537,800
OTHER EMPLOYMENT EXPENSES	24,000	72,000
OPEB UNFUNDED LIABILITY	1,009,800	1,030,000
GREEN ENERGY PAYMENT TO DEMEC	128,000	128,000
INTRAFUND SERVICE FEES	3,588,200	3,738,500
INTEREST ON DEPOSITS	20,000	20,500
BANK & CREDIT CARD FEES	-	242,300
DEBT SERVICE	3,391,900	3,402,000
OTHER EXPENSES SUBTOTAL	**10,380,300**	**10,652,200**
TRANSFER TO:		
IMPROVEMENT & EXTENSION	4,750,000	3,500,000
GENERAL FUND	10,000,000	10,000,000
TRANSFER INSURANCE RESERVE	-	10,000
TRANSFER CONTINGENCY RESERVE	-	13,000
TRANSFER TO SUBTOTAL	**14,750,000**	**13,523,000**
TOTAL EXPENSES	**82,191,300**	**80,568,700**
BUDGET BALANCE - WORKING CAPITAL	**6,177,600**	**9,144,900**
TOTALS	**$ 88,368,900**	**$ 89,713,600**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: JUNE 22, 2015

2015-2016 BUDGET ORDINANCES - CONTINUED

ELECTRIC UTILITY IMPROVEMENT AND EXTENSION FUND
CASH RECEIPTS/REVENUES AND BUDGET FOR 2015-2016

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:

The amount hereinafter named aggregating Nine Million Fifty Thousand Three Hundred dollars ($9,050,300) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2015 and ending June 30, 2016:

REVENUES

	2014/15 REVISED	2015/16 BUDGET
BEGINNING BALANCE	**$ 5,942,500**	**$ 3,623,600**
REVENUES		
TRANSFER FROM ELECTRIC	4,750,000	3,500,000
GENERAL SERVICE BILLING	250,000	1,900,000
INTEREST EARNINGS	24,800	26,700
TOTAL REVENUES	**5,024,800**	**5,426,700**
TOTALS	**$ 10,967,300**	**$ 9,050,300**

EXPENSE SUMMARY

EXPENSES	2014/15 REVISED	2015/16 BUDGET
ELECTRIC GENERATION	$ 2,739,300	$ 1,655,000
TRANSMISSION AND DISTRIBUTION	1,854,200	2,887,600
ELECTRICAL ENGINEERING	2,750,200	1,724,300
TOTAL EXPENSES	**7,343,700**	**6,266,900**
BUDGET BALANCE	**3,623,600**	**2,783,400**
TOTAL BUDGET BALANCE & EXPENSES	**$ 10,967,300**	**$ 9,050,300**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: JUNE 22, 2015

ELECTRIC UTILITY CONTINGENCY RESERVE
CASH RECEIPTS/REVENUES AND BUDGET FOR 2015-2016

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:

The amount hereinafter named aggregating Eight Hundred Fourty Four Thousand Six Hundred dollars ($844,600) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2015 and ending June 30, 2016:

CASH RECEIPTS

	2014/15 REVISED	2015/16 BUDGET
BEGINNING BALANCE	**$ 819,100**	**$ 825,300**
RECEIPTS		
INTEREST EARNINGS	6,200	6,300
TRANSFER FROM ELECTRIC FUND	-	13,000
TOTAL RECEIPTS	**6,200**	**19,300**
TOTALS	**$ 825,300**	**$ 844,600**

EXPENSE SUMMARY

	2014/15 REVISED	2015/16 BUDGET
CURRENT YEAR BALANCE	825,300	844,600
TOTALS	**$ 825,300**	**$ 844,600**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: JUNE 22, 2015

ELECTRIC UTILITY DEPRECIATION RESERVE
SOURCES AND USE OF FUNDS FOR 2015-2016

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:

The amount hereinafter named aggregating Ten Million Sixty Six Thousand Four Hundred dollars ($10,066,400) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2015 and ending June 30, 2016:

CASH RECEIPTS

	2014/15 REVISED	2015/16 BUDGET
BEGINNING BALANCE	**$ 9,915,100**	**$ 9,990,500**
INTEREST EARNINGS	75,400	75,900
TOTALS	**$ 9,990,500**	**$ 10,066,400**

BUDGET SUMMARY

	2014/15 REVISED	2015/16 BUDGET
CURRENT YEAR BALANCE	9,990,500	10,066,400
TOTALS	**$ 9,990,500**	**$ 10,066,400**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: JUNE 22, 2015

ELECTRIC UTILITY FUTURE CAPACITY RESERVE
SOURCES AND USE OF FUNDS FOR 2015-2016

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:

The amount hereinafter named aggregating Ten Million Two Hundred Eighteen Thousand dollars ($10,218,000) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2015 and ending June 30, 2016:

CASH RECEIPTS

	2014/15 REVISED	2015/16 BUDGET
BEGINNING BALANCE	**$ 10,064,400**	**$ 10,140,900**
INTEREST EARNINGS	76,500	77,100
TOTALS	**$ 10,140,900**	**$ 10,218,000**

BUDGET SUMMARY

	2014/15 REVISED	2015/16 BUDGET
CURRENT YEAR BALANCE	10,140,900	10,218,000
TOTALS	**$ 10,140,900**	**$ 10,218,000**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: JUNE 22, 2015

ELECTRIC UTILITY INSURANCE STABLIZATION RESERVE
SOURCES AND USE OF FUNDS FOR 2015-2016

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:

The amount hereinafter named aggregating Seven Hundred Fifty Eight Thousand Seven Hundred dollars ($758,700) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2015 and ending June 30, 2016:

CASH RECEIPTS

	2014/15 REVISED	2015/16 BUDGET
BEGINNING BALANCE	**$ 737,500**	**$ 743,100**
INTEREST EARNINGS	5,600	5,600
TRANSFER FROM ELECTRIC FUND	-	10,000
TOTALS	**$ 743,100**	**$ 758,700**

BUDGET SUMMARY

	2014/15 REVISED	2015/16 BUDGET
CURRENT YEAR BALANCE	743,100	758,700
TOTALS	**$ 743,100**	**$ 758,700**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: JUNE 22, 2015

ELECTRIC UTILITY RATE STABLIZATION RESERVE
SOURCES AND USE OF FUNDS FOR 2015-2016

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:

The amount hereinafter named aggregating Eight Million Five Hundred Fifty Six Thousand Four Hundred dollars ($8,556,400) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2015 and ending June 30, 2016:

CASH RECEIPTS

	2014/15 REVISED	2015/16 BUDGET
BEGINNING BALANCE	**$ 10,465,800**	**$ 7,545,300**
INTEREST EARNINGS	79,500	57,300
TOTALS	**$ 10,545,300**	**$ 7,602,600**

BUDGET SUMMARY

	2014/15 REVISED	2015/16 BUDGET
TRANSFER TO ELECTRIC FUND	$ 3,000,000	$ 3,000,000
CURRENT YEAR BALANCE	7,545,300	4,602,600
TOTALS	**$ 10,545,300**	**$ 7,602,600**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: JUNE 22, 2015

MUNICIPAL STREET AID FUND
CASH RECEIPTS/REVENUES AND BUDGET FOR 2015-2016

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:

The amount hereinafter named aggregating Five Hundred Sixty Four Thousand Three Hundred dollars ($564,300) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2015 and ending June 30, 2016:

CASH RECEIPTS

	2014/15 REVISED	2015/16 BUDGET
BEGINNING BALANCE	**$ 100**	**$ 100**
STATE GRANT	664,200	564,200
TOTALS	**664,300**	**564,300**

BUDGET SUMMARY

	2014/15 REVISED	2015/16 BUDGET
TRANSFER TO GENERAL FUND	664,200	564,200
CURRENT YEAR BALANCE	100	100
TOTALS	**$ 664,300**	**$ 564,300**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: JUNE 22, 2015

2015-2016 BUDGET ORDINANCES - CONTINUED

WORKERS COMPENSATION FUND
CASH RECEIPTS/REVENUES AND BUDGET FOR 2015-2016

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:

The amount hereinafter named aggregating One Million Seven Hundred Five Thousand Seven Hundred dollars ($1,705,700) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2015 and ending June 30, 2016:

OPERATING REVENUES

	2014/15 REVISED	2015/16 BUDGET
BEGINNING BALANCE	**$ 1,156,700**	**$ 1,052,600**
INTEREST INCOME	10,600	10,600
PREMIUM FROM CITY	490,500	642,500
TOTALS	**$ 1,657,800**	**$ 1,705,700**

OPERATING EXPENSES

	2014/15 REVISED	2015/16 BUDGET
PROGRAM EXPENSES/SUPPLIES - CLAIMS	$ 450,000	$ 475,000
INSURANCE	92,600	103,900
BANK FEES	600	1,300
STATE OF DEL - SELF INSURANCE TAX	37,000	37,000
CONTRACTUAL SERVICES	25,000	25,000
TOTAL EXPENSES	**605,200**	**642,200**
CURRENT YEAR BALANCE	1,052,600	1,063,500
TOTALS	**$ 1,657,800**	**$ 1,705,700**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: JUNE 22, 2015

COMMUNITY TRANSPORTATION IMPROVEMENT FUND
CASH RECEIPTS/REVENUES AND BUDGET FOR 2015-2016

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:

The amount hereinafter named aggregating Six Hundred Fourty Four Thousand Five Hundred dollars ($644,500) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2015 and ending June 30, 2016:

OPERATING REVENUES

	2014/15 REVISED	2015/16 BUDGET
PRIOR YEAR BALANCE	**$ 143,500**	**$ 144,000**
GRANTS REVENUE	1,677,800	500,000
INTEREST INCOME	500	500
TOTALS	**$ 1,821,800**	**$ 644,500**

OPERATING EXPENSES

	2014/15 REVISED	2015/16 BUDGET
PROGRAM EXP. GRANT RELATED	$ 1,677,800	$ 644,000
CURRENT YEAR BALANCE	144,000	500
TOTALS	**$ 1,821,800**	**$ 644,500**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: JUNE 22, 2015

LIBRARY GRANT FUND
CASH RECEIPTS/REVENUES AND BUDGET FOR 2015-2016

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:

The amount hereinafter named aggregating Two Hundred Ninety Eight Thousand Seven Hundred dollars ($298,700) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2015 and ending June 30, 2016:

OPERATING REVENUES

	2014/15 REVISED	2015/16 BUDGET
PRIOR YEAR BALANCE	**$ 44,800**	**$ 17,300**
STATE GRANT	278,900	278,900
FEDERAL GRANT	2,500	2,500
TOTALS	**$ 326,200**	**$ 298,700**

OPERATING EXPENSES

	2014/15 REVISED	2015/16 BUDGET
STATE GRANTS		
FURNITURE/FIXTURES	$ 15,100	$ 3,100
OFFICE SUPPLIES	28,000	24,000
PRINTING AND DUPLICATING	14,000	13,200
PROGRAM EXPENSES/SUPPLIES	29,900	24,100
BOOKS	132,600	129,200
AUDIO VISUAL SUPPLIES	75,100	75,100
POSTAGE	100	100
TRAINING/CONF/FOOD/TRAV	3,500	2,000
CONTRACTUAL SERVICES	900	900
OFF EQP/REPAIRS & MAINT	6,000	6,000
OTHER EQUIP - LEASE	1,200	1,200
SUBTOTAL EXPENSES STATE GRANTS	**306,400**	**278,900**
FEDERAL GRANTS		
PROGRAM EXPENSES/SUPPLIES	2,500	2,500
SUBTOTAL EXPENSES FEDERAL GRANTS	**2,500**	**2,500**
GRAND TOTAL EXPENSES	**308,900**	**281,400**
CURRENT YEAR BALANCE	17,300	17,300
TOTALS	**$ 326,200**	**$ 298,700**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: JUNE 22, 2015

POLICE GRANTS FUND
CASH RECEIPTS/REVENUES AND BUDGET FOR 2015-2016

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:

The amount hereinafter named aggregating Six Hundred Fifty Two Thousand Three Hundred dollars ($652,300) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2015 and ending June 30, 2016:

OPERATING REVENUES

	2014/15 REVISED	2015/16 BUDGET
PRIOR YEAR BALANCE	**$ 172,100**	**$ 125,000**
STATE AND FEDERAL GRANTS RECEIVED	436,400	527,300
TOTALS	**608,500**	**652,300**

OPERATING EXPENSES

	2014/15 REVISED	2015/16 BUDGET
EXPENDITURES		
PERSONNEL EXPENDITURES		
CADET PROGRAM SALARIES	16,000	71,400
CADET PROGRAM FICA	1,200	5,400
CADET PROGRAM W/COMP	700	3,500
MATERIALS AND SUPPLIES		
POLICE EQUIPT & PROG SUPP	222,600	410,600
TECHNOLOGY EQUIPMENT	47,800	20,000
ADMINISTRATIVE EXPENDITURES		
CELL PHONE CHARGES	15,000	15,000
TRAINING	45,000	17,000
AUDIT FEES	1,000	1,000
CONTRACTUAL SERVICES	10,200	-
TOTAL EXPENDITURES	**359,500**	**543,900**
OTHER FINANCING USES		
OPERATING TRANSFERS-OUT	124,000	74,400
TOTAL FINANCING USES	**124,000**	**74,400**
CURRENT YEAR BALANCE	125,000	34,000
TOTALS	**$ 608,500**	**$ 652,300**

The above budget represents the combination of all State & Federal Grants.

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: JUNE 22, 2015

CITY OF DOVER ORDINANCE #2015-10

WHEREAS, the 2014/2015 fiscal year property tax rate for the City of Dover is $.3378 per hundred of assessed value and the Tax Assessor reported that the total assessed value of property as of December 31, 2014 was $3,191,130,460, including the April 2015 supplemental billings (2011 Assessed Value); and

WHEREAS, upon completion of the re-evaluation completed in 2015, the Tax Assessor is reporting the total assessed value in 2015/2016 to be $3,103,526,891; and

WHEREAS, Delaware State Law: 22 Delaware Code Section 1105 (b) requires municipalities to calculate a "rolled-back" tax rate so as to provide the same tax revenue as was levied during the prior fiscal year and to state the percent, if any, by which the property tax rate to be levied exceeds the "rolled-back" property tax rate.

NOW THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:

That the City of Dover "rolled-back" tax rate is $.3499 per hundred of assessed value, and the 2015/2016 tax rate is to be set at $.4050 per hundred of assessed value (estimated at $3,050,321,691), the increase over the rolled-back tax rate being 15.7%.

ADOPTED: JUNE 22, 2015

S:\ORDINANCES\2015\ADOPTED\Ordinance #2015-10 - Notification of Tax Rate Increase Over the Rolled Back Tax Rate-ADOPTED 06-22-2015.wpd

Actions History
June 22, 2015 - Final Reading by City Council
June 8, 2015 - First Reading by City Council