LEGISLATIVE, FINANCE AND ADMINISTRATION COMMITTEE

The Legislative, Finance, and Administration Committee meeting was held on May 11, 2015 at 5:30 p.m. with Chairman Slavin presiding. Members present were Mr. Anderson, Mr. Shevock, and Mr. Sudler (arrived at 5:44 p.m.). Mr. Hare was absent. Members of Council present were Mr. Dixon and Mr. Hutchison.

AGENDA ADDITIONS/DELETIONS

Mr. Shevock moved for approval of the agenda, seconded by Mr. Anderson and unanimously carried.

Proposed Ordinance #2015-09 Amending Chapter 62 - Law Enforcement, Article II - Police Department, Chapter 106 - Traffic and Vehicles, Article III - Stopping, Standing and Parking, Division 2 - Metered Parking, and Appendix F - Fees and Fines

Mrs. Traci McDowell, City Clerk, advised members that Proposed Ordinance #2015-09 was initiated at Police Chief Paul Bernat's request to codify the Dover Police Department's cadet program. She reviewed the amendments to the ordinance as follows:

- Line 7 - amended to clarify obedience to state and federal laws, as well as City ordinances.

- Lines 9 and 10 - changed to state that the Police Chief would choose and appoint the Deputy Police Chief.

- Lines 13 through 20 - amended to remove the requirement that the Police Chief be selected from within the Police Department and to assign a Police Chief Selection Committee. Mrs. McDowell indicated that this was a change that the Mayor wanted to implement.

- Line 47 - changed by deleting the requirement that approval from the Mayor be obtained before the Police Chief issues a subpoena. Mrs. McDowell advised members that this change was requested by Councilman Hutchison.

- Lines 56-62 - Mrs. McDowell stated that Mr. William Pepper, Deputy City Solicitor, mentioned that this section, which pertains to special police, was antiquated and that no special police had been assigned in recent memory.

- Lines 63-87 - Mrs. McDowell explained that a new Section 62-38, Police cadet program, was added to state the reasons for the creation of the program, as well as its purpose and process for appointments, noting that appointees are assigned to the program by the Police Chief. She stated that when Mr. Pepper wrote the original ordinance, he wanted it to be very clear that the cadets were civilians and not police officers and this was written into the ordinance.

- Lines 89-101 (Section 62-39) - amended at the request of Mrs. Donna Mitchell, Controller/Treasurer, to ensure that found and stolen property is disposed of according to the City's Finance Department guidelines.

- Lines 111-113 and 125-165 (Sections 106-163 and 106-164) - Mrs. McDowell explained that these amendments started with changing the threshold of accumulated unpaid violations from $200 to $100 for placement of a parking boot, as requested by Mrs. Mitchell. In reviewing this section, staff saw the need to clarify the language in Section 106-164 pertaining to fees and fines. Mrs. McDowell stated that she worked with Ms. Karen Hudson, Police Department Records Administrator, on these amendments.

In regard to Section 106-163(a), Mr. Slavin questioned the use of the term "coin", noting that bills and debit cards may be used for payment. Mrs. McDowell stated that this could be amended prior to the first reading of the ordinance.

Mrs. McDowell indicated that Section 106-164 included language that should have been contained in Appendix F. She advised members that the changes in Appendix F reflected the fines and fees being charged, including the fine for failure to pay and the amount of time allotted for a quarter or dollar. She noted that the references in Appendix F were changed to correlate to the Code changes.

In response to Mr. Anderson, Mrs. McDowell stated that she did not believe that there would be any charter changes associated with the ordinance amendments. She indicated that if the charter were changed to move the Police Department under the City Manager, the ordinance would be amended again. She confirmed that, under the ordinance, the Mayor would continue to appoint the Police Chief.

In regard to Line 19, Mr. Anderson questioned the reason for the requirement for an affirmative vote of two-thirds of City Council for the Mayor to remove the Police Chief, instead of a majority of Council. Responding, Mrs. McDowell stated her belief that the Mayor wrote this provision and was unsure why; however, she stated her belief that this would be a protection for the Police Chief. Mr. Anderson indicated that every other appointed official can be removed by a majority; therefore, he would probably propose that the Chief be appointed by the Mayor and affirmed by a majority of Council. Mr. Slavin stated his assumption that this was included because a two-thirds vote would be veto-proof. Chief Bernat stated that he was unsure of the reason for this requirement; however, he wanted to bring it to the attention of members that Delaware Law outlines due process in regard to police chiefs who serve in cities with populations less than 50,000. In response to Mr. Anderson regarding whether this portion of State law pertains to the idea of a majority or two-thirds vote, Chief Bernat stated that he was unsure.

Mr. Anderson stated the desire for consistency between all appointed positions. He stated that the reason for a two-thirds vote could not be related to a veto since the Mayor would be doing the removal. Mr. Anderson questioned why it was not spelled out specifically that removal would be for cause. Responding, Chief Bernat stated that the Delaware Code specifies that removal must be for cause and that the ordinance contains a caveat stating that removal must be in accordance with applicable laws.

In regard to Line 180, Mr. Slavin questioned if the fees were in alignment with current practice. He stated his understanding that there are some lots where the cost of parking is $1 for the entire day and others that are premium space. This was confirmed by Mr. Koenig.

Mr. Slavin stated that this would have to be amended. He questioned how this process could be made more fungible, so that as rates change there would not be a need to go back through the ordinance process. Responding, Mrs. McDowell stated that the idea behind Appendix F, Fees and Fines, was that these types of changes would be made in Appendix F. She indicated that she obtained fine and parking information from the Police Department.

Mr. Slavin suggested contacting the Downtown Dover Partnership (DDP), noting that they have a parking map and a census of all of the different types of spaces. Mrs. McDowell concurred, stating that this would probably be included in a new section.

Mr. Shevock noted that rates are posted in parking lots close to the meters. He suggested stating in the Code that fees would be as posted. Adjustments could then be made at the lot as fees are changed. Mr. Slavin stated that part of the issue would be who has the authority to change the rates, noting the desire to make the process easier without giving the authority to a different body.

Mr. Koenig stated his belief that the coin rate is $0.25 per hour or $1.00 per day; however, if a vehicle is moved, the rate resets, and he indicated that the language should reflect this correctly.

Mr. Slavin expressed his belief that some parking places are not all-day spots, but are limited to a maximum of two (2) hours so that they would turn over more quickly. Mr. Koenig stated that he was unsure.

Mr. Slavin requested that Mrs. McDowell determine if an amendment would be necessary.

Mr. Shevock moved to recommend approval of Proposed Ordinance #2015-09 with the amendments presented, seconded by Mr. Slavin and unanimously carried.

Third Budget Amendment - Rate Stabilization Fund

Mrs. Donna Mitchell, Controller/Treasurer, advised members that the City's financial policy requires the City to maintain operating budget balances at a minimum of 8% up to 12% for cash flow requirements. These requirements are created by the City's service being rendered prior to billing the customer, so there is a month lag in revenue receipts for the services provided. The 8% equates to less than 30 days of budgeted expenses or cash requirements.

Mrs. Mitchell explained that there had been some difficulty maintaining sufficient cash balances in the Electric Fund during the past two (2) years due to significant fluctuations in the power supply cost and load during extreme cold or hot months. She noted that this past February the cold weather increased the City's wholesale load by 8.4 million kilowatt hours over the budgeted load for the month. Mrs. Mitchell indicated that the budgeted wholesale power supply cost per megawatt hour was $75.19 for February 2015, and the actual cost was $105.08 per megawatt hour due to PJM market pricing. In order to pay the weekly PJM invoices, staff took temporary advances from other accounts. Mrs. Mitchell stated that, for this reason, an additional transfer of $1M was recommended from the Rate Stabilization Reserve, over the $2M originally budgeted in FY 15, to address the cash requirements. She informed members that during the upcoming budget workshops for FY 16, staff would be recommending a policy change to require a minimum budget balance of 12%, or 45 days of cash requirements, for the Electric Fund. Mrs. Mitchell explained her intent, when the proposed FY 16 budget is brought forth, to include a column for the revised FY 15 budget amendment.

Staff recommended the transfer of an additional $1M from the Rate Stabilization Reserve to the Electric Operating Fund in FY 15 to address cash flow requirements.

Mr. Anderson questioned how much this would leave in the Rate Stabilization Fund. Responding, Mrs. Mitchell stated that this transfer would bring the fund down to approximately $7M. She noted that in the draft budget being prepared for FY 16, an additional $3M would be taken from the fund, bringing the balance down to 10% of power supply, which is the percentage stated in the policy. Between the extra $1M this year and the $3M being proposed for next year, the rate stabilization reserve would be down to the minimum policy limit.

Mr. Anderson moved to recommend approval of staff's recommendation to allow the additional transfer of $1M from the rate stabilization reserve to the Electric Operating Fund for FY 2015. The motion was seconded by Mr. Shevock and unanimously carried.

Evaluation of Proposal - Investment Banking Custody Services

During the Legislative, Finance, and Administration Committee meeting held on April 27, 2015, Mrs. Donna Mitchell, Controller/Treasurer, reviewed the details regarding proposals received for Investment Banking Custody Services. Staff recommended awarding the Investment Custody Services to Union Bank for a three (3) year period to start the date of the contract, which may be renewed or extended for two (2) additional two (2) year periods by mutual consent and approval of City Council. Members recommended that Mrs. Mitchell go back and ask for a best and final offer from all five (5) respondents.

Mrs. Mitchell explained that staff contacted the banks that submitted proposals and requested their best and final offers. Upon reviewing this information, she stated that staff's recommendation had changed. Staff now recommended awarding Investment Custody Services to Wilmington Trust for a three (3) year period, to start the date of contract, which may be renewed or extended for two (2) additional two (2) year periods by mutual consent and approval of City Council.

Noting that Wilmington Trust's proposal was approximately $2,500 higher than Union Bank's, Mr. Anderson asked if the recommendation was based upon easy access, convenience, and ability for requesters to deal locally with staff. Responding, Mrs. Mitchell stated that the basis for recommending this particular bid was that it is a local bank that is very involved in the community and community events.

In response to Mr. Anderson, Mrs. Mitchell indicated that staff time and interaction were not factors because interaction will be through the internet. The recommendation was based on local relationships and community events.

Responding to Mr. Sudler, Mrs. Mitchell stated that Wilmington Trust and M & T Bank's contribution to the community would definitely exceed $2,500, noting their involvement in the Dover 4th of July Celebration.

Mr. Sudler moved to recommend approval of staff's recommendation to award Investment Custody Services to Wilmington Trust for a three (3) year period, to start the date of the contract, which may be renewed or extended for two (2) additional two (2) year periods by

mutual consent and approval of City Council. The motion was seconded by Mr. Anderson and unanimously carried.

Mrs. Mitchell expressed her thanks to members for their support of the Finance Department and all of their efforts during the past couple of years.

Mr. Sudler moved for adjournment, seconded by Mr. Shevock and unanimously carried.

Meeting adjourned at 5:50 p.m.

Timothy A. Slavin
Chairman

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