REGULAR COUNCIL MEETING

The Regular Council Meeting was held on January 12, 2015 at 7:30 p.m. with Council President Bonar presiding. Council members present were Mr. Anderson, Mr. Dixon, Mr. Perza, Mr. Slavin, Mrs. Williams, Mr. Hare, and Mr. Hutchison.

Council staff members present were Police Chief Bernat, Mrs. Mitchell, Mr. Koenig, Mrs. Townshend, Fire Chief Hall, City Solicitor Rodriguez, and Mrs. McDowell. Mayor Christiansen was also present (departed at 7:44 p.m.).

OPEN FORUM

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

Ms. Sarah Herbert, 223 North Bradford Street, referring to the request for 10 additional police officers, stated that she does not mind paying her five (5) cents per $100 for her house to make it safe. She thought that if Council wanted a safe city, they better consider raising their revenue.

Mr. Chad Bernat, Supervisor of the Community Policing Unit, stated that he was speaking as a citizen and a police officer. He noted that people are gathering together across the country about cops. Here they are gathered together to support the police and elsewhere it is the exact opposite. Officer Bernat stated that his unit and the whole Police Department try to bridge the gap between the community and the police. He requested that they be granted the manpower so that they can continue the relationship that they have with the community. Mr. Bernat noted that the citizens are asking for more cops.

Mr. Allan Gaddis, 448 North State Street, stated that he has been a proud resident since 2008 and he likes the services that are provided by the City. He felt that the additional officers were needed as soon as possible and that he was willing to spend the extra money. Mr. Gaddis felt that if the residents like the services, they should be willing to pay out-of-pocket for them; otherwise, they should be asked which services they would be willing to lose.

Mr. Roy Sudler, Jr., 353 Rita Wilma Road, stated that he supports the additional police officers and he felt that, no matter what the cost may be, we, as a city would be willing to pay that cost.

Mrs. Bonnie Meeks, 301 North Bradford Street, stated that she was born and raised in Dover and that she is the owner of the Grocery Basket. She noted that over the past five (5) years she does not feel as safe as she used to. Mrs. Meeks stated that she witnesses a lot more crime, prostitution, and drug deals.

The invocation was given by Councilman Wallace Dixon, followed by the Pledge of Allegiance.

AGENDA ADDITIONS/DELETIONS

Mr. Slavin requested, as a courtesy to the public in attendance, that item #11 - Legislative, Finance, and Administration Committee Report of January 12, 2015 - Dover Police Department - Permission to Increase Authorized Strength of Police Officers from 92 to 102 be moved to the beginning of the agenda as a new item #4.

Mr. Hutchison moved for approval of the agenda, as amended, seconded by Mrs. Williams and unanimously carried.

Mr. Hutchison requested that item #6-A be removed from the Consent Agenda.

Mrs. Williams moved for approval of the Consent Agenda, as amended, seconded by Mr. Anderson and carried by a unanimous roll call vote.

ADOPTION OF MINUTES - REGULAR COUNCIL MEETING OF DECEMBER 8, 2014

The Minutes of the Regular Council Meeting of December 8, 2014 were unanimously approved by motion of Mrs. Williams, seconded by Mr. Anderson and bore the written approval of Mayor Christiansen.

TRIBUTE NO. 2014-03 - MURIEL SCHWARTZ

The City Clerk read proposed Tribute No. 2014-03 into the record, as follows:

A TRIBUTE EXPRESSING SYMPATHY AND CONDOLENCES UPON THE PASSING OF MURIEL SCHWARTZ:

WHEREAS, the Mayor and Council of the City of Dover have been greatly saddened by the death of iconic civic leader Muriel Schwartz, who passed away at the age of 100 on December 18, 2014; and

WHEREAS, Muriel Schwartz was a strong-minded and astute businesswoman who assumed ownership and operation of her father's theater business, including the Capitol Theater in Dover, following his death in 1942. In an era when women rarely held professional business positions, Muriel and her stepmother, Reba Schwartz, expanded their family enterprise into a regional corporation which included 12 movie houses spanning from New Castle County to Salisbury, Maryland. The Capitol Theater became a focal point for the arts, and hosted state political conventions in the 1940s and 1950s; and

WHEREAS, Muriel Schwartz fought for the rights of the citizens of Dover when, in 1972, she led a protest against censorship by showing a film not permitted under the City's anti-obscenity ordinance, which led to the repeal of the law; and

WHEREAS, after selling her movie chain in 1973, Muriel Schwartz founded a Dover art gallery, Muriel's, on Loockerman Street in Dover; and in the late 1990s served as an integral member of the Friends of the Capitol Theater, whose efforts resulted in the renovation and reopening of her former theater as the Schwartz Center for the Arts in 2001 which continues to showcase the performing arts and serves as a landmark destination throughout the City of Dover, Kent County, and State of Delaware; and

WHEREAS, as a determined and passionate civic leader, Muriel Schwartz advocated for the foundation of the Greater Dover Committee, bringing community leaders together to improve the quality of life for the residents of Central Delaware. She also served as Kent General Hospital Board's first female president, and was instrumental to the success of a multitude of other civic and philanthropic enterprises; and

WHEREAS, Muriel Schwartz's passion for her community led her to continue to work from her downtown Dover office well into her nineties, and her diligence and hard work exemplify a life well lived.

NOW, THEREFORE, BE IT RESOLVED that the Mayor and Council extend their deepest sympathy and condolences to the family and friends of Muriel Schwartz, and hope that they will be consoled by the memories of her exemplary life and commendable achievements.

ADOPTED: JANUARY 12, 2015

Mrs. Williams moved for adoption of Tribute No. 2014-03, seconded by Mr. Slavin and unanimously carried.

PROCLAMATION - NATIONAL MENTORING MONTH

The City Clerk read the following Proclamation into the record:

WHEREAS, the theme for National Mentoring Month 2015 is "Be Someone Who Matters to Someone Who Matters" and the goals for the month are to raise awareness of mentoring, recruit individuals to mentor, and encourage organizations to engage and integrate quality mentoring into their efforts; and

WHEREAS, a mentor provides a caring, consistent presence and devotes time to a young person to help them discover their personal strength and achieve their potential through a structured and trusting relationship; and

WHEREAS, research shows that young people who were at risk for not completing high school but who had a mentor were 55 percent more likely to be enrolled in college, 81 percent more likely to report participating regularly in sports or extracurricular activities, more than twice as likely to say they held a leadership position in a club or sports team, and 78 percent more likely to volunteer regularly in their communities. Mentors are critical to the social, emotional, and cognitive development of youth, helping them navigate the path to adulthood, set career goals, and connect with industry professionals to find jobs; and

WHEREAS, mentoring is a proven cost-effective investment: for every $1 invested in mentoring, there is a $3 return to society, and all of the benefits of mentoring serve to link youth to economic opportunity while also strengthening the fiber of our communities; yet, despite these benefits, one in three youth will reach age 19 without a mentor – constituting a "mentoring gap" that demonstrates a need for collaboration and resources.

NOW, THEREFORE, I, ROBIN, R. CHRISTIANSEN, MAYOR OF THE CITY OF DOVER, DELAWARE, do hereby proclaim the month of January 2015 as **NATIONAL MENTORING MONTH** in the City of Dover and call upon public officials, business and community leaders, educators, and the people of Dover to observe this month by recognizing the importance of mentoring and looking for opportunities to Be Someone Who Matters to Someone Who Matters by serving as mentors in our community.

Mayor Christiansen presented the Proclamation to Ms. Steffi Holmes, Mentor Coordinator for South Dover Elementary. On behalf of Connecting Generations, Ms. Holmes thanked members for the honor. She stated that she is one of 10 mentoring coordinators provided by Connecting Generations in the Capital School District and they have a great support system. Ms. Holmes stated that she has seen first-hand, as a coordinator and mentor, that mentoring makes a difference in the children's lives and mentoring works. She expressed gratitude for the support that the Proclamation gives to the community and requested the City to share and promoting mentoring opportunities.

LEGISLATIVE, FINANCE, AND ADMINISTRATION COMMITTEE REPORT - JANUARY 12, 2015

The Legislative, Finance, and Administration Committee met on January 12, 2015 at 6:01 p.m. Except for the following time sensitive issue, the LF&A Committee Report from January 12, 2015 will be presented to Council during their Regular Meeting of January 26, 2015 for Council's review and consideration.

Dover Police Department - Permission to Increase Authorized Strength of Police Officers from 92 to 102

Mr. Slavin stated that, due to time constraints, this item had been placed on the City Council agenda for consideration during their meeting scheduled for later in the evening.

Chief Paul Bernat, Dover Police Department, read the following statement into the record:

Good evening, I stand before you tonight as the Chief of Police and respectfully request your approval for ten additional police officers. I have been the Chief of Police for the past nine months. 2014 was a tumultuous year for the Dover Police Department as well as all law enforcement in general. There are several justifications for the additional police officers.

First, in the past three years 14 officers have retired. Over the next year a total of 23 officers can retire. That is 25% of our current police force. I am very concerned with the potential to be "behind the eight ball". It takes at least 18 months to get an officer patrolling the streets of Dover. To include recruiting, hiring and training. In addition, accredited academies are traditionally run twice a year, once in March and once in September.

Secondly, we have two officers in K-9 training, two officers on administrative leave, two officers out with shoulder injuries, two officers going to Florida for required Accident Reconstruction Training, the potential for another officer to be attending K-9 training for four months and an officer that puts at least eight weeks in at the Delaware State Police Academy as a TAC [tactical] officer. That does not include officers on FMLA [Family and Medical Leave Act] leave for having a new born, and we have been experiencing that a lot lately. When we have fourteen officers retire, obviously they are older, and you recruit and hire younger officers and they produce

families, so now with FMLA, a lot of them are taking advantage of that and having up to twelve weeks for FMLA. In the past three years the Dover Police Department has accumulated the below amount of hours for police training:

2010	9,950 hours
2011	10,318 hours
2012	8,211 hours
2013	8,553 hours
2014	7,742 hours

There is a reason why the last three years did not have a lot of hours of training, and that is because of the manpower issues that we have been experiencing over the last three years. Also over the past three years we have lost a lot of experience in civilian positions:

- Chief's Assistant – retired after 26 years. We have hired three Chief's Assistants in the past three years.
- Records Administrator – retired after 20 years. This is a very important position that gets all of our data from the CAD information.
- 3 - Records Clerks – retired after 20 years
- CI Secretary – Job eliminated
- Evidence Tech – retired in December after 13 years.
- 5 – Dispatchers resigned.
- Special Services Supervisor will retire this month.

This is a whole lot of history and experience that we are losing. The reason I am mentioning civilians is because they play an important part as a support role to the Police Department. We have lost a lot of history and experience from our civilian workforce over the past three years.

Secondly, we have been juggling around officers for the past few years from different units to support the patrol unit. I have often said that the patrol unit is the backbone of the Police Department. They are the ones that are the first responders that are going to get there quick and solve the crimes. If they are not solving it, then our detectives are solving it through their investigative services. In 2014 we basically disbanded the community policing unit and removed three officers from the motorcycle unit in order to supplement the patrol unit and create the five officer "Street Crimes Unit". This was done in response to several violent months from the end of August to October. We believe that the Street Crimes Unit was very successful during the two month trial period and we feel that it should be a full-time unit.

An additional 10 officers appears accurate when you compare the City of Dover Police Department's authorized strength to comparable cities like Salisbury and Annapolis, Maryland. Salisbury has a population of approximately 30,000 citizens

and an authorized strength of 102 officers. Annapolis has a population of approximately 36,000 citizens and an authorized strength of 119 officers. We are asking to be moved up to 102 officers.

The Dover Police Department is very good at catching criminals and solving crimes. We consistently boast of above average clearance rates. However, we need to be less reactive and more proactive. We need additional officers in order to be proactive, with such units as "Street Crimes". We also need to invest in a "Crime Analyst". This civilian position will help us to predict and therefore prevent crime.

Drugs continue to plague the City. Over the past four years heroin has infested our city.

- In 2011 we investigated 3 heroin incidents.
- In 2012 we investigated 8 heroin incidents.
- In 2013 we investigated 24 heroin incidents.
- In 2014 we investigated 129 heroin incidents.
- We are experiencing a Statewide heroin epidemic.

We need our community policing unit back. We need to implement a Police Athletic League (PAL). We need to be reaching out to our youth and build a strong rapport. It is imperative that we stay in constant contact with our community. We have built a large following of constituents on our social media platform. However, we need more officers to continue our community policing programs. We do not want civil unrest in our City like the nation has experienced in the past. I think it is imperative that we have a close relationships with our citizens, and the way we maintain that close relationship is through our community policing unit. Now I will read some of the programs that we offer but have not been able to fill due to our lack of manpower:

- Crime Free Multi-Housing Program - This is a huge program. The program's concept is to take a multi-faceted approach to crime prevention. A unique coalition of police, property managers and residents of rental properties, the program is to be an on-going program with a three-phase approach to address all of the opportunities of crime in rental property. The program was designed to include a certification process which includes a forty hour class for managers. The Crime Free Multi-Housing Program achieved almost instant success. In rental properties with the highest crime rates, the immediate results showed up to a 90% reduction in police calls for service. Even in the best properties reductions of 15% to 20% were not uncommon.

- Neighborhood Watch Program - The Neighborhood Watch Program is organized to enable the Dover Police Department and the community to work together in making a geographical area more resistant to crime. It is citizen involvement, neighborhood and community-based efforts, designed to help citizens and the

police department in preventing crime. In harmony with the Community Policing philosophy, Neighborhood Watch encourages strong working relationships between police officers and the citizens they serve.

- Wesley College Freshmen Orientation - We do talks with Wesley College freshman.

- Are You Okay Program

- Community Outreach Talks - The Community Policing Units often gives presentations to several community organizations, groups, schools and businesses. The topics covered are as follows:

  - Personal Safety
  - Workplace Safety
  - Stranger Danger
  - Fraud/ID Theft Prevention
  - Crime Prevention
  - Meet a Police Officer (for small children)
  - Bicycle Safety
  - School Career Days
  - School Safety Patrol Talks

- Surveys - The Dover Police Department Community Policing Unit conducts surveys encompassing several different areas in Dover. These surveys are conducted to provide a guide to assist in improving safety and police services within the City. The goal is to provide continual enhancement of crime prevention and proactive policing strategies and initiatives. Topics covered in the survey include environmental issues, crimes and public services. You can now find on the Dover Police Department website a survey that can be filled out by all our citizens year round.

- Sex Offender Education

- Special Olympics - Where we are involved in:

  - Law Enforcement Torch Run
  - Summer Games in Newark
  - Basketball
  - Bowling
  - Swimming
  - Roller Skating
  - Truck Convoy
  - Advertising Campaign

- Special Events such as:

  - National Night Out
  - Heroes and Helpers
  - Bicycle Rodeos

We would like to hire five officers for the March 2015 Delaware State Police Academy and five additional officers for the September 2015 Delaware State Police Academy. We do believe that we can shave the cost by civilianizing the accreditation manager position. We believe that if we do not turn any police vehicles in for FY 2016 and we receive the requested amount of vehicles, which is nine, we will not need additional vehicles.

The cost of the five officers, starting March 15, 2015 will be as follows:

FY 15	$157,737
FY 16	$393,147
FY 17	$428,353
FY 18	$462,424
FY 19	$492,139

The cost for the total of ten officers will be as follows:

FY 15	$157,737	(would not include the additional five that would be hired in September)
FY 16	$710,484	
FY 17	$831,252	
FY 18	$901,585	
FY 19	$966,393	

If we were to civilianize accreditation, we would have a savings as follows:

FY 15	$11,730
FY 16	$18,850
FY 17	$24,566
FY 18	$30,022
FY 19	$34,572

That's a total savings over 4.5 years if accreditation is civilianized of $119,741.

Mr. Hare stressed the importance of community policing and having motor units back on a regular basis. He stated that Wilmington was per capita one (1) of the largest crime cities in the country and federal funds were being given to Wilmington to fight this. He feared that once crime was brought under control in Wilmington, it may head south and he did not wish it to come to Dover. Based upon his experience

riding along with police officers for 55 hours during his previous service on City Council and on a recent 6:30 p.m. to 6:30 a.m. weekend shift, he felt that additional officers were needed. Mr. Hare indicated that the City should be proactive and get the help needed in anticipation of officers retiring rather than being down more when they leave. He stated that this might not raise the numbers to the required level of 102 but would be the first step. Mr. Hare noted that this could result in a tax increase; however, he felt that the safety of citizens was the most important thing.

Chief Bernat stated that within the next five (5) years, there would be mandatory retirement for nine (9) officers (after 30 years of service or age 55).

Mr. Hare expressed his support for the request.

Mr. Anderson stated that he had no doubt that additional officers were needed and supported additional officers for the Police Department. He indicated that he also likes the budgetary process and indicated that he could not support adding officers beyond what had been discussed and planned within the current budget year. Unless there were cost savings somewhere in the budget or additional revenue that he did not know about, he was concerned about reopening the budget in the middle of the fiscal year.

Chief Bernat stated that he respected Mr. Anderson's concerns; however, as Chief of Police, he was expressing the opinion of himself and his staff regarding what was needed for public safety and reiterated that 25% of the force could leave at anytime.

Responding to Mr. Anderson regarding the March 2015 and September 2015 timeframe for the request, rather than September 2015 and March 2016, Chief Bernat explained that the Delaware State Police Academy would begin March 9th and a second Academy would be held in September. Chief Bernat stated that the main focus was to get the community policing unit back, noting that the City did not have such a unit currently because the Department had made sure that patrol officers were fully manned and safe. As the first responders, Chief Bernat stated that he must make sure that at least 12 officers would be there. He felt that community policing was extremely important; however, public safety is more important than community policing. Chief Bernat stated this is why crime rates were staying even in Dover, except when there are sprees such as the two (2) recent murders and four (4) shootings that put people in the hospital. He explained that a Street Crime Unit had been created, and within two (2) weeks, the officers were able to "cool things down." Chief Bernat stated that his main concern was to ensure that Dover's officers were safe, noting that if they are not safe they cannot help others. Chief Bernat indicated that, as Chief of Police, he is concerned with police safety and public safety, not the budget. He assured members that since 2008, when the economy crashed, the Police Department had done everything it could to help shave the budget. Chief Bernat stated that the rest of the City had felt the same problems, and departments such as Human Resources and Electric were in need of more staff as well.

Responding to Mr. Shevock regarding how the additional officers would be paid for, Chief Bernat stated that he had not discussed the finances with Mr. Scott Koenig, City Manager, or Mrs. Donna Mitchell, Controller/Treasurer, noting that he had been on vacation for the past 10 days.

In response to Mr. Shevock regarding the budget ramifications if the request were approved, Mr. Koenig stated that he did not feel that the issue was the FY15 budget but rather how the budget would move forward after this. Mr. Koenig stated, in his opinion, that the Chief had identified the minimum costs, explaining that, at some point, there would be a need to replace cars, add cars, and support these officers if hired. During the remainder of the fiscal year, from March through June 2015, the costs associated with the proposed request would be relatively small in the $130M budget; however, the request would represent a baseline of approximately $1M to the General Fund budget. Responding to Mr. Shevock regarding how many officers would leave the Department by the time the new officers were fully incorporated, Chief Bernat stated that the only exact number he could provide were the nine (9) officers who would leave in the next five (5) years due to mandatory retirement. He expressed his belief that sergeants, lieutenants or captains in the Police Department would not indicate their retirement plans because, in doing so, they would not be considered for promotion. Chief Bernat stated that he could "guarantee" that more than nine (9) officers would retire within the next five (5) years.

Mayor Christiansen stated his support of the Chief and this request. Mayor Christiansen advised members that he and Chief Bernat met several times to discuss the staffing of the Police Department. Mayor Christiansen stated that 25% of the police force would soon be eligible to retire, some of whom were senior management. He stated that he was aware that this was an ambitious request; however, he and the Chief were charged with the public safety of the City and he felt that the request was reasonable. Mayor Christiansen indicated that he respected the concerns of Mr. Anderson and the costs involved; however, he felt the request would raise awareness of the need for public safety and to revamp and recoup some of the other City services.

Mr. Sudler indicated his agreement with Mr. Hare regarding an increase in the number of police officers and expressed that his primary concern was how many of the 10 officers would be minority officers. Responding, Chief Bernat stated that the City had a very aggressive minority recruitment plan, noting that he and Deputy Chief Marvin Mailey had attended a National Organization of Black Law Enforcement Executives (NOBEL) Christmas dinner and met with the NOBEL Chapter for Delaware State University. Chief Bernat indicated that this group would be coming to the Police Department within a few weeks for a mini civilian police academy to become more familiar with what the Police Department does. Chief Bernat stated that the Department recently went through reaccreditation and would hear the results in March; however, the Department had been told that there

were no issues, examiners were very impressed with the Department's minority recruiting efforts, and the Department's current ratio was very good, although Chief Bernat stated it was not acceptable to him.

Mr. Sudler relayed his thanks for the continuous efforts made to be inclusive of other ethnic groups.

Mr. Hutchison expressed his opinion that the City of Dover had the best Police Department in the State and credited the leadership of Chief Bernat and the management team for their performance. He stated that the first priority in the City had been public safety. Mr. Hutchison reminded those present that 2014 had just concluded and the City was embarking on a brand new year. He felt it important that the City Manager, Controller/Treasurer, and every department manager in the City put priorities in order, since this would not be the only request coming before Council and that the City must be looked at in total. Mr. Hutchison reminded members that there were 200 miles of underground infrastructure, including water and sewer lines, that must be addressed. He stated that he was open minded about the Police Department's concerns and expressed a desire to look at facts and figures. Mr. Hutchison expressed his hope that the Committee and the Mayor would support deferring this request to allow an opportunity to review it with the support of the City Manager, Controller/Treasurer, and Council. Mr. Hutchison felt that increases in numbers should not be requested arbitrarily but should be looked at in terms of facts. He urged everyone to look at facts and figures to see where the City stands as 2014 had finished and moving into 2015.

Mr. Hare concurred that there would be other requests and felt this was a matter of prioritizing those requests. However, he felt that if an additional staff person were needed in economic development or human resources, it might take a little longer to obtain information; whereas, if someone were being held hostage in their house and there were a riot on the other side of town, "we don't want to take a little longer" to get there because an officer was not available. Mr. Hare felt that the City "always finds the money for things that they want to do." He stated that the manning level may not be raised to 102, but maybe these positions could be filled with a projection and this could then be dealt with "down the road." He stated that these officers would be needed, supported the request, and did not feel it should be deferred.

Mr. Sudler concurred with Mr. Hare, stating that nothing was more important than public safety. As the manager of an apartment building, he stated that he had called upon the Police Department on many occasions and they made him feel safe. Mr. Sudler expressed his belief that the money could be found, noting that funds had been found for the new Dover Public Library and other things, and that adjustments could be made to fund the Dover Police Department. He stated that he was in favor of moving this matter forward.

Mr. Slavin expressed his own responsibility for both public safety and finances. Noting that there would be nine (9) mandatory retirements in the next five (5) years in the Department, he questioned if the authorization and funding levels already existed in the baseline to replace those nine (9) officers. Responding, Chief Bernat confirmed this, but explained that it would take 18 months to replace retiring officers. Mr. Slavin stated that he manages a public agency with 89 people and over 20 of them are eligible to retire; however, he indicated that the majority would not retire anytime soon. He stated that "a deeper dive into the numbers" would help everyone understand the issue.

Noting the cost of $966,393 that Chief Bernat had provided for the cost of the 10 officers in FY 19, Mr. Slavin questioned what was included in this figure. Responding, Chief Bernat stated that this figure included salaries, other employment costs (OECs), and step increases, as well as equipment and training.

Captain Robert Scott stated that a number of factors were built into the analysis, including a 2.5% increase for the civilian accreditation manager position and 3% for the officers.

Responding to Mr. Slavin regarding the deadline for the March Police Academy, Chief Bernat stated that paperwork had been requested by February 20, 2015 and by approximately August 20, 2015 for the September class. Chief Bernat stated that the Department would also be willing to hire a certified officer.

Responding to Mr. Slavin regarding the urgency of bringing this matter to the Committee and to Council on the same evening, Chief Bernat stated that his request was based on the March 2015 academy.

Council President Bonar expressed his belief that there is nothing more important to support than public safety; however, noted that a request brought forth halfway through a budget year presents a big conundrum. He questioned whether five (5) qualified people could be recruited, have background checks, and undergo physical examinations before the February deadline if some of the officers were hired in March and some in September. Responding, Chief Bernat stated that there were three (3) officers he would pick from the existing list, he would like to civilianize the accreditation manager, and there was one (1) certified officer who was interested.

Mr. Bonar inquired of Mr. Koenig and Mrs. Mitchell if there were funds available, including the cuts the Police Department was proposing, to pay for five (5) additional officers to begin in March and get through the end of FY 15 without doing undue harm. Responding, Mr. Koenig stated that he was confused by the discussion and the documentation associated with the entire request, noting that the written documents for the original request did not include the civilianization of the accreditation manager. Mr. Koenig reiterated that the impact on the FY 15 budget would be fairly small but the concern was with the baseline budget, noting that this request was not accounted for in the FY 16 budget. He indicated that he could not answer this question tonight because he did not have the numbers in front of him.

Mr. Bonar stated that it would be up to Council to get the money to enable the City Manager to face this issue.

Mr. Koenig reiterated his confusion regarding the request. He stated that he was unsure if the request was for 10 officers and an accreditation manager, or nine (9) officers and civilianization of the accreditation manager.

Chief Bernat stated that the Department had an accreditation manager who was a police officer; however, if this position were civilianized, the new person would be paid at a civilian rate. He explained that this proposal would put a uniformed officer back on the road and result in a five (5) year savings of $119,000. Chief Bernat stated that he was trying to save the City money. He indicated that he was not asking for an additional accreditation officer.

Mr. Koenig stated his understanding that the request was to take the authorized strength of officers in the Police Department from 92 to 102. He indicated that their current authorized strength was 92 officers and it was his belief that there were 22 civilianized positions. Mr. Koenig reminded members that a temporary adjustment was made in 2014 to authorize up to 94 officers while the Sex Offender Unit was civilianized. He stated that if the accreditation manager were civilianized, the civilian authorization should go up by one (1), which would be an additional person that was not accounted for in the budget.

Chief Bernat stated that he would be requesting one (1) less police officer.

Noting that there was a large contingent present from the Police Department as well as from the general public, Mr. Bonar asked, by show of hands, how many of those in the audience, not counting policemen, were present due to their concerns regarding the staffing of the Police Department and public safety and approximately 25 members in the audience raised their hands.

Responding to Mrs. Williams regarding the cumulative effect on community policing if 10 officers were added, Chief Bernat indicated that he would put five (5) officers into community policing and two (2) of them would eventually be dedicated to the Police Athletic League (PAL).

Mr. Hutchison inquired if the Chief would be willing to give members more time and to focus on the September Police Academy rather than the February academy. Reiterating his support for public safety, he asked that time be given to obtain a "fair" number, perhaps not 10, perhaps five (5) or eight (8). Mr. Hutchison stated that making a decision tonight without the facts, figures, and support of the City Manager and Controller/Treasurer would be unfair to the citizens of Dover, noting that if there were a deep concern, he would say it should be done now.

Chief Bernat stated his belief that an officer would be retiring within the next month, this would be an ongoing problem, and he was unsure where the Department would be in September. He stated that, as the Chief of Police, he believed this request reflected the needs of the City of Dover, and was why he was appointed and what he

said he would do when he took his oath. Chief Bernat stated that he would not submit to politics and did not want to be a politician. He informed members that he was hired in 1989 by Councilman Hutchison, who was then serving as Chief of Police, and Chief Hutchison had the same concerns as Chief Bernat and was able to hire 21 people. Chief Bernat stated that some of those 21 people were those who could now retire from the Police Department.

Mr. Hutchison stated he had no problem replacing any officer or with keeping the authorized strength at 92 or 93 until the City could get through the process but reiterated his request for time to get facts and figures. He stated his belief that a number could be developed but he could not know what that number would be without sitting down and getting the support of the City Manager and Controller/Treasurer.

Mr. Slavin advised those present that other items on the agenda would be deferred and the expected length of the meeting would be extended due to the importance of this issue. He invited the public to comment.

Mr. Harry Meeks, owner of The Grocery Basket, 301 North Bradford Street, stated that he had been a business owner for 28 years. Mr. Meeks stated that he and Ms. Sara Herbert were representing the Old Dover Neighborhood Watch. He advised members that this association had approximately 30 members, had done a great job in their area, and planned to increase their reach to Governors Avenue within the next month to try to help that neighborhood "get straightened out." Mr. Meeks stated that the neighborhood's community police officer, Jennifer Lynch, had done a great job and expressed thanks and appreciation for her efforts.

Ms. Sara Herbert, 223 North Bradford Street, stated that the Old Dover Neighborhood Watch supported hiring additional police officers, noting that they were thankful for the dedication of the current police but additional help was needed. She indicated that burglaries, robberies, car thefts, drugs, prostitution, assaults, fighting, and weapons crimes take place daily in a one (1) mile radius of the neighborhood and she felt that these incidents need to stop now, not in the far future. Ms. Herbert stated that each of the Old Dover Neighborhood Watch members could relay how this had affected them individually. Ms. Herbert noted that she lives less than a 10-minute walk from Loockerman Street and used to walk there but now, due to safety concerns, she usually drives. She indicated that she does not drive on New, Kirkwood, or Queen Streets at all and rarely on South Governors Avenue. Ms. Herbert indicated that she no longer enjoys time at Silver Lake Park unless someone is with her and is nervous about using her ATM since a murder occurred next door. She stated that Dover is a beautiful City but is no longer her City to enjoy because crime controls her decisions. Mrs. Herbert reminded members that the City was recently awarded a Downtown Development District grant; however, expressed her belief that revitalization plans would not be successful if citizens do not feel safe, and businesses and families may not choose to make Dover their home, which would be a loss to the tax base. She acknowledged that adding police would be difficult in

the current economic times, stating that Council's commitment to cleaning up the City would require either more revenue or cutting non-safety related services and that difficult decisions must be made now and not pushed "up the road."

As a businessman, Mr. Meeks stated that he understood budgets and had worked with them for 28 years, noting that his business had been very successful in its current location. He stated that the comparisons showed that the City of Dover was understaffed, since Annapolis' population was almost the same as Dover's and there were 119 police officers in Annapolis and 92 in Dover.

Bishop G. E. Gordon, Sr., 56 South New Street, stated that he moved into the community in 2011 to start a ministry and drugs and alcohol were prevalent. He stated that in February of 2011 he expressed his concerns to the former mayor and former police chief. Bishop Gordon stated that he had seen drugs and prostitution, including youth prostitution. There had been four (4) deaths on his street or around the corner from his residence. Bishop Gordon indicated that a young man died a door away from him trying to get to him for last rites. He indicated that the past administration had done a great job and that community policing was vital in his community. Bishop Gordon thanked Mayor Chrisitansen and Police Chief Bernat for the "cleaning" of New Street, which he stated was "not the ravisher it used to be" and people could now sit outside. Bishop Gordon stated that he had found that being proactive instead of reactive in his ministry was very important. He indicated that in the latter part of 2014, a 25-year-old man came to his facility at his mother's request to get off heroin. Bishop Gordon tried to save him, but the young man decided he did not want help. 24 hours later, his mother received a phone call from the local police department informing her of her son's death. Bishop Gordon expressed his belief that if community policing were available, the heroin epidemic in the City could be "squashed or downtrodden." He felt that if the City prepared itself for the retirement of police officers it might be possible to stem the tide of the community's ills. Bishop Gordon stated that if the father, mother, or wife of a member were being attacked, the excuse that there were not enough officers to send to their aid would not be adequate. He shared that he had a problem with the drug epidemic since he had been afflicted by drugs and was pulled out of it by God to help others. Bishop Gordon asked members to help him do this by squashing the tide of drugs in the community, noting that heroin was "no joke."

Mr. Joseph D'Urso, 305 North State Street, stated that he and his wife had been homeowners and taxpayers in the City for five (5) years and during that time had seen change in the neighborhood, not for the better, since they experience crime on a regular basis. He stated that, according to the Chief of Police, the City was in need of 10 more police officers, and those were the facts and figures that needed to be considered by Council. It was reported that the cost would be approximately $1M, which Mr. D'Urso indicated was less than 1% of the total City budget. To him this was a very small price to pay for the public safety of the citizens of this City. It appeared to Mr. D'Urso that if this were not paid for by revenue, the price would be

paid in many other ways, that there were two (2) choices, to "consider the consequences of hiring these needed policemen or consider the consequences if we fail to."

Mr. Mike Hall, 228 North State Street, stated that he and his wife, Yvonne Hall, own the State Street Inn. Mr. Hall indicated that he worked at Wesley College and his wife had been a realtor in Kent County for 30 years and that the Halls have an enormous financial and personal investment in Dover. He stated that 14 years ago they renovated a vacant home on State Street. Before that time they lived for five (5) years in Wilmington, Delaware, a city now described in a major publication as a murder capital. Mr. Hall stated that when living in Wilmington there were signs that things were changing for the worse. Mr. Hall feared some of those same demographic signs were now becoming evident in Dover and stated that Council needed to take action. He advised members that former Councilman Sean Lynn not too long ago cited a study that concluded that Dover may be short as many as 20-30 law enforcement personnel. Mr. Hall stated that although that additional police would mean an increase in taxes, he felt that residents and visitors would feel safer and the City would experience additional revenue since this would show that the City would be taking crime seriously. He stated that this was an opportunity for the City to get ahead of the curve on fighting crime and help ensure that a few years from now the City would not be lamenting that the problem is totally out of control.

Mrs. Yvonne Hall, 228 North State Street, stated that the State Street Inn had many guests come for pleasure or business; however, she and her husband have become afraid to tell guests to walk to the downtown area for dinner as they used to. She indicated that they did not have this problem 14 years ago when they purchased the property. She stated that the City Council and the public had been talking for three years (3) about the additional police needed and nothing had been done; she felt that it was time. Mrs. Hall stated that there are drug deals in her neighborhood every day on State, Mary, and Bradford Streets. She noted that she had a tenant in the past who witnessed prostitutes and drug deals from their apartment. Mrs. Hall indicated that there had been people knocking on her door in the middle of the night and people begging for money. She stated that, as a business owner, it was embarrassing to have this occurring in her neighborhood, noting that this is the capital city. As a realtor, Mrs. Hall stated that she was receiving calls from homeowners who want to leave the City, noting that homeowners and homes in this district are the City's tax base. As a homeowner and a business person, she expressed disappointment in what was happening. She stated her support for the hiring of the additional police officers and that the costs could be covered in the future by a slight tax increase. Mrs. Hall did not feel that the whole burden should be on taxes and that the City should look at modest budget decreases as well.

Reverend Elmer Neal Davis, Jr., Pastor, Whatcoat United Methodist Church, 341Saulsbury Road, stated his support of the police in their endeavor. He expressed his belief that if the officers were hired, the community would be able to work more effectively. In response to Mr. Hutchison's comments, he stated that "you can build

all the railroads you want; if people don't feel safe in the community to move about" he felt there would be difficulties. Reverend Davis felt that the opportunity tonight was given by God. He asserted that the 10 new officers would be able to work in partnership with one another and open doors and vital communications so that the community could begin to understand and respect one another with integrity. The police officers, the City, and the community would then be dedicated and everyone would be empowered. Reverend Davis noted that pride is an acronym for partnership, respect, integrity, dedication, and empowerment, and that pride is something that members should have tonight. Reverend Davis indicated that, as a minister of the gospel, he was standing in support of police efforts in the community and that something must be done now or everyone would pay later. He felt that as Chief of Police, Mr. Bernat was tasked with public safety and not the budget. He asked members to work on something tonight to make everyone feel safe in the community. Rev. Davis stated his opinion that it was essential and vital to make a decision tonight for the betterment of the community and stated that the Whatcoat Church community was present because of their concern and to let their voice be heard in the community.

Mr. Slavin asked members of the Whatcoat Church congregation to raise their hands and approximately 21 members in the audience raised their hands.

Responding to Mr. Bonar, Reverend Davis stated that before his ministerial calling he was a lieutenant in the Salisbury Police Department.

Ms. Wanda Anderson, Dean of Students, Wesley College and resident at 416 North Bradford Street, stated that her neighbors had already eloquently expressed the challenges of residents in the community. She indicated that Wesley College was very proud to be a part of the downtown Dover community; however, issues of crime had raised particular concerns for Wesley. She explained that during the first week of school, Wesley College was in lockdown twice and that a student had been shot and students assaulted in the surrounding communities. Ms. Anderson stated that she was called upon to go to the parents, who had tears in their eyes, at the hospital to explain that the City of Dover is committed to the safety of their students. In August, Wesley will bring in nearly 600 first-year students, many of whom will be away from home for the first time. Ms. Anderson advised members that having 10 additional police officers and having them attend the academy in March was critical because they would be prepared in August when these new students come into the community, knowing that these young men and women will bring with them their own issues, baggage, and thoughts about what it is to be in college, whether that is partying with drugs or alcohol or socializing in particular ways, and they will leave the campus and go to the surrounding communities. Ms. Anderson felt it important to prepare for this. She stated that student conduct problems at Wesley had decreased significantly in the past three (3) years and there had not been many issues of assault on campus. Based on her understanding with the Chief of Police today, this had dropped by 17%; therefore, Wesley was doing well in its efforts but needed partnership. She indicated that the City of Dover police had been "priceless" in

helping to sustain an atmosphere of safety, health, and community and additional officers would sustain that community and its 1,400 students who live in the downtown area.

Based on rough calculations, Council President Bonar stated that those present were asking members to increase the tax rate in the next fiscal year by approximately 4.5 to 5 cents to provide this additional revenue. He wanted those present to know that a way would be found to accomplish this.

Mr. Cecil Wilson, 130 Brandywine Drive, stated that he was proud of Chief Bernat, having taught him in the sixth grade. Addressing Mr. Hutchison, Mr. Wilson stated that "crime cannot be tabled." Mr. Wilson expressed his opinion that "my people" have to have a conversation about the crime being committed in the City of Dover. He felt that the City could not hire the 10 additional people in the Police Department to have them "bashed" when they get on patrol. Mr. Wilson indicated that there are at least 18,000 police departments in the United States and all have the same problems that Dover has. He felt that the dropout rate among police happens because of the bashing they are getting and stated that this must stop. Mr. Wilson encouraged everyone to take the time to give officers the same support that is given to families and children sent out to school. He indicated that he had participated in a ride-along program with the State and learned more about policing than he ever knew. Mr. Wilson stated that the 10 additional officers should be funded.

With all due respect to Mr. Hutchison and Mr. Anderson, Mr. Sudler stated that he was not willing to compromise public safety, stating that he knew firsthand how effective the Police Department could be.

Mr. Sudler moved to recommend granting Chief Bernat his request for 10 additional police officers, seconded by Mr. Hare.

Mr. Anderson expressed agreement with the idea of more police officers and supported doing this through the budgetary process. He stated that skipping the budgetary process would concern him greatly because once that door is open, it would start destabilizing taxes and other components of economic growth, such as certainty in cost. Mr. Anderson felt that these things needed to be done as a whole. He indicated that he supported adding approximately three (3) officers now and looking at the budget process before adding the others that were believed to be needed. He advised members that if the current motion did not pass he would bring a motion to that effect.

The Committee recommended granting Chief Bernat his request for 10 additional police officers.

Mr. Slavin advised those present that there would be an opportunity to express their comments regarding this issue during the Open Forum segment of the Regular Council meeting, which would begin at 7:15 p.m. this evening, and that this item was

scheduled for consideration by City Council during this evening's Regular Council meeting.

During the Regular Council meeting, Councilman Slavin, Chair of the Legislative, Finance, and Administration Committee, advised members that, earlier in the evening, the Committee considered a request from Police Chief Paul Bernat to increase the authorized strength of the Police Department from 92 to 102 officers. He reported that the Committee voted four (4) to one (1) in favor of the recommendation.

Mr. Anderson noted that the realtor's website indicates many great attributes for the quality of life in Dover; however, it also indicates that 97% of other cities have a better overall crime rating, excluding major crimes, than the City of Dover. He noted that Dover was rated in the bottom 5% in crime rate. Responding, Chief Paul Bernat stated that he did not think Dover's crime rate was anywhere near that low; however, Councilman Anderson was helping the cause of hiring 10 more officers with his statistics.

Mr. Anderson expressed concerns regarding having a strong public safety presence and process, as well as a strong fiscal process. He stated that he was in complete agreement with the request for additional officers; however, he was concerned with the timetable to accomplish the increase. Mr. Anderson asked why the request was not being phased in over 18 months instead of six (6) months. Responding, Chief Bernat noted that they have lost 14 experienced officers over the past three (3) years and, within the next year, they can lose up to 23 more officers and he is trying to make sure they are prepared for the future. He felt that he was being fair to the City, and the budget, by asking for five (5) officers in March and five (5) officers in September to attend the State Police Academy.

Mr. Hutchison asked what the necessary tax increase would be for hiring five (5) officers now for the March class and five (5) officers for the September class, including salaries, benefits, vehicles, etc. Responding, Mr. Scott Koenig, City Manager, stated that Chief Bernat is on record as saying the FY2015 impact would be approximately $160,000. Mr. Koenig noted that the real impact would occur in FY2016 and, based on preliminary discussions with Mrs. Mitchell, Controller/Treasurer, they estimate that a five (5) cent tax increase would be necessary to cover the full implementation of the 10 additional officers.

Responding to Mr. Hutchison, City Solicitor Nicholas Rodriguez advised that because the item was on the agenda, Council had the authority to raise taxes in association with the hiring of 10 additional police officers.

Mr. Perza, noting that Chief Bernat indicated that 23 officers were eligible to retire, asked whether or not they had confirmed their intentions in writing. Responding, Chief Bernat stated that they were eligible to retire. He stated that in order to receive their retirement from the State, they are supposed to give 45 days notice; however, it is customary to give two (2) weeks notice. Chief Bernat added that retirement is mandatory at age 55 and at 30 years of service. He noted that two (2) officers will be required to retire in the next year and nine (9) officers will be required to retire within the next five (5) years.

Mrs. Williams asked when the proposed tax increase would go into effect if it were passed. Responding, Mr. Koenig advised that the increase would be included in the FY2016 baseline budget. He noted that the increase would equate to $3.37 per $1,000 of assessed value. Mr. Koenig stated that the General Fund Budget is approximately $37M, and $150,000 to $160,000 in additional expenses would have to be absorbed in the budget to fund the proposed increase in officers.

Responding to Mr. Slavin, Mr. Koenig stated that each penny of tax rate raises $316,000. Mr. Slavin noted that a five (5) cent tax increase would provide $1.5M and the highest amount mentioned for the additional officers was $966,000 for FY2019. He questioned why they would need to raise $1.5M for FY2016. Mr. Koenig reminded members that there would be additional costs not captured in the calculation provided by Chief Bernat, such as insurance, vehicle maintenance, vehicle purchases, etc. He noted that the police were going to hold off for at least one (1) year before purchasing vehicles.

Mr. Slavin stated that a vote to load this kind of expense into the balance of this budget could be absorbed, with some pain. To load the expense into the FY2016 and FY2017 budgets simply becomes an expense that has to be dealt with during the budget process. The assumption that a tax increase is necessary is predicated on the assumption that all of the other revenues and expenditures remain level and that no additional adjustments are made. Mr. Slavin stated that he did not believe that the two issues were conjoined in that way. He suggested that if they want to deal with the issue, they all understand that they are front-loading a budget that is already under some stress for FY2016 and FY2017. Mr. Slavin noted that they are also under stress in the area of crime and they are trying to balance it out. He also suggested that the only way the tax rate can be raised is by a separate vote of Council at the conclusion of the budget process to set the tax rate for the year.

Mr. Koenig stated that it was his understanding that Council could adjust revenues when they so choose, with an effective date. He also concurred with Mr. Slavin that the General Fund Budget is under heavy stress, as it has been every year since he has been the City Manager. Mr. Koenig noted that they presented a budget with a $2.2M gap with a request for a 7.22 cent increase in the property tax rate. The gap in the General Fund was remedied by transferring an additional $2M from the Electric Fund every year in the five (5) year forecast for the General Fund. Mr. Koenig advised members that a $1M increase to the baseline General Fund budget equates to an 8% increase to the Police Department's $12M budget and increases the total General Fund baseline budget from roughly $38M to $39M. He agreed that public safety is important and if people do not feel safe, it creates problems everywhere else; however, they cannot simply absorb $1M in other functions of the General Fund and maintain the same level of service. Mr. Koenig stated that adding a $1M expense without a way to pay for it will put him at a significant disadvantage in developing the FY2016 budget. Noting that there may be a great deal of sympathy in the chamber for the request tonight, Mr. Koenig stated that the request is not paid for without additional action and there would be no guarantee that the new positions would be funded once they are out of the academy. Mr. Slavin noted that was the case for every government employee, every fiscal year. Mr. Koenig stated that the City has traditionally funded the baseline budget; however, this is a new, mid-year, request unlike others they have seen, especially since the magnitude is five (5) officers for this budget and five (5) officers for the next budget. Mr. Slavin felt that they have all done a great job

over the last five (5) to eight (8) years of trying to balance the budget by deferring as much as they can and they are now seeing the result of deferring for too long. He noted that there is equal pain on the infrastructure side of public works, staffing levels in other departments, etc. and they have done all that they can to move the shell around.

Mr. Hutchison wanted each law enforcement officer in attendance to understand that, as of December 1st, Council did not know that Chief Bernat was bringing this request forward. He noted that public safety requests are taken very seriously and there is a track record showing Council's responsiveness to their needs. However, in fairness, the City Manager and Controller/Treasurer were caught off guard by this request and they are the people who will have to find the money. Mr. Hutchison suggested that if 10 additional officers are approved, Council should recommend and support a five (5) cent tax increase to cover them.

Mr. Hare recalled that Chief Hosfelt requested additional officers in 2011, and the request was denied. He stated that his most recent ride-along with the police caused him some trepidation because they were down five (5) officers. Mr. Hare stated that he did not think a tax increase was necessary at this time because they don't know what things could come up during the budget review. He noted that if they have to raise taxes in June, they will have to do so.

Mr. Anderson stated that he disagrees with the idea that the necessary tax increase would be five (5) cents, noting that he believes it would be closer to three (3) cents. He also noted that there were other areas that he would recommend cutting during the budget cycle. Mr. Anderson stated that he could not see how this could be done without some measure of a tax increase. He stated that they would have to decide as a City if that is the type of investment they want to make in public safety and one of the best ways is through a public safety fund.

Mr. Dixon suggested that they should get some idea of what the necessary tax increase would be and put it to a vote.

Council President Bonar stated that tonight's discussion is emblematic of what they have gone through for the last five (5) years. They have known for five (5) years that they needed a tax increase and Chief Bernat just happened to bring this item to them at the time that it happened. Mr. Bonar and he didn't think it was by design or in any event nefarious; the Chief was just up against a deadline to get people into the academy, trained, and ready to be out on the street in time for the next cycle so that he will have a full complement of officers on the street to meet the eventual retirement of the current officers. Mr. Bonar stated that the Chief was only trying to make sure that the police force's staffing is sufficient to meet the needs of the police force in the long run. He felt there was no question about the desired strength of the Police Department and the fact that it needs to be increased. The question is whether they want to fund it for the remainder of this year and force the City Manager to cut for the remainder of this year, or if they want to fund the whole package over this fiscal year and next fiscal year.

Mr. Hutchison suggested increasing the authorized strength of the Police Department from 92 to 97, sending five (5) officers to the academy in March, and increasing the property tax rate 2.5 cents. He suggested that, in September, the authorized strength could be increased again from 97 to 102 and the property tax rate could be increased again an additional 2.5 cents.

Mrs. Williams stated that if they made the decision to add the officers, it would create an unfunded liability and, although the task would not be as daunting this year as next year, she expressed concern with proceeding with an unfunded liability because, halfway through this fiscal year, they do not know what is going to happen. She reminded members of the aging infrastructure and other services in the City that are at their maximum level of performance under the current budgetary restraints. Mrs. Williams stated that she is a fiscal conservative who normally never votes for a tax increase; however, she thought it would be very irresponsible to add 10 additional police officers on the back of an unfunded liability. She felt that Council would have to fund the request; otherwise, they would not be doing justice to the staff or citizens.

Mr. Slavin stated that they approve unfunded liabilities all the time. Every multi-year contract that they approve is an unfunded liability in the out-years.

Mr. Slavin moved for approval of the Committee's recommendation to approve the request for 10 additional police officers, increasing the authorized strength from 92 to 102. The motion was seconded by Mr. Hare.

Mr. Anderson requested clarification on the time frame for hiring the 10 additional officers. Responding, Mr. Slavin stated that five (5) officers would be hired for the March academy and five (5) officers would be hired for the September academy, as recommended by Chief Bernat.

Mr. Hutchison moved to amend the motion to include a 2.5 cent tax increase for this budget cycle and a 2.5 cent tax increase for the next budget cycle. Mr. Slavin stated, although he was not in favor of a tax increase, he would agree to the amendment. The motion was seconded by Mr. Dixon.

Responding to Mr. Slavin, Mr. Koenig stated that the 2.5 cent tax increase would be added to the current rate of .3378 cents per $100 of assessed value for FY2016, instead of being collected through an additional billing. The additional 2.5 cents would be added during the budget process.

Mr. Perza, noting that the basis of this request was that 10 additional officers were needed because there are 23 retirements coming, asked if the authorized strength would be reduced from 102 back down to 92 once the officers start retiring or if this is basically increasing the force and adding $2M to the budget. Responding, Mr. Slavin stated that there already was base funding and authorization to replace the retiring officers. His understanding was that the additional 10 positions would allow those positions to be replaced more quickly than the 18-month period it takes to take brand-new officers and get them up to speed. Responding to Mr. Perza, Chief Bernat confirmed that the plan was not to only hire the 10 additional officers to replace retiring officers, but to add 10 additional officers and maintain an authorized strength of 102.

Responding to Mrs. Mitchell, Controller/Treasurer, City Solicitor Rodriguez stated that a public notice would not be required if a tax increase was approved because it would be an emergency measure related to the hiring of the 10 additional officers. He recommended, rather than achieving the five (5) cent tax increase with one (1) 2.5 cent increase now and one (1) 2.5 cent increase later, increasing the tax rate by five (5) cents in June, when the new tax rate would ordinarily be set.

Mr. Anderson stated that he could not support the tax increase proposed because he does not believe it is necessary and does not believe that the numbers that are given support that size of a tax increase. He felt that funding the additional officers should be discussed in the context of the budget where all priorities will compete and where the public will get their hearing on the issues. The issue tonight is authorization of those levels and setting priorities for the budget for public safety. It is not addressing the other issues of the budget. Mr. Anderson stated that a tax vote is not necessary for tonight and, considering there has been no notice to the public, the public would be ill-served by a tax increase.

Mr. Perza, noting the previous budget process of cutting the original budget presented to something manageable, asked what other project were coming in the next six (6) months, in addition to the $1M to $1.5M for the additional officers for public safety. He stated that he did not want to add things to the budget and then have to take them away in three (3) months. Mr. Perza noted that once the officers start the academy, the City is locked in to that commitment. He wanted to know what projects were planned for the budget that will not happen now because they spent $1M on additional officers. Mr. Perza asked if this discussion should be held in April, May, and June during the budget process. He noted that there is probably public sentiment for expanding the public safety component of the City; however, public sentiment will be based on the cost to the public. Mr. Perza stated that you could add 100 officers as long as the public backs it, but 10 additional officers is going to cost x and take y away from city services and he is not comfortable until he knows what all the x, y, and z's are. Noting the importance of public safety, he also expressed concern that they were reacting to a newspaper article without having the numbers to back it up, and he would have difficulty explaining to the residents of his district how the numbers will work and what they are giving up for next year. Mr. Perza also expressed concern that, although there were members of the public in attendance at the Committee meeting, this request did not follow the usual process and was done without explaining it to the 36,000 residents who stand to have their taxes increased without having their questions answered about why it was done and what the impact of the additional 10 officers is. He felt that they should know how much it is going to cost and what they are offsetting it against in the future, feeling that the tax increase would probably be 20%.

Mr. Dixon stated that in order to plan for 10 additional officers, they need to plan how to pay for them rather than to wait until the last minute when they don't have the money to pay for officers once they complete the academy. Mr. Hare stated that they won't know much the tax increase should be until they get all of the budget figures.

Noting the opinion of City Solicitor Rodriguez, Mr. Hutchison moved to amend the amendment to include a property tax increase of five (5) cents in the next budget cycle rather than two (2) 2.5 cent increases.

Mr. Anderson moved to amend the motion to include a non-binding question on a tax increase of up to five (5) cents, to be dedicated to public safety, on the ballot for the April 2015 Regular Municipal Election. The motion was seconded by Mr. Slavin.

Mr. Slavin stated that three (3) very different issues were before them and one (1) vote would not mean that you don't support the others. They could support the Police Chief's request without supporting a tax increase or a question on the ballot.

The motion on the amendment to include a non-binding question on a tax increase of up to five (5) cents, to be dedicated to public safety, on the ballot for the April 2015 Regular Municipal Election failed by a roll call vote of four (4) no (Dixon, Perza, Hutchison, and Bonar) and four (4) yes (Anderson, Slavin, Williams, and Hare).

The motion on the amendment to include a property tax increase of five (5) cents in the next budget cycle failed by a roll call vote of four (4) no (Anderson, Perza, Slavin, and Hare) and four (4) yes (Dixon, Williams, Hutchison, and Bonar)

The motion for approval of the Committee's recommendation to approve the request for 10 additional police officers, thereby increasing the authorized strength from 92 to 102, was carried by a roll call vote of seven (7) yes (Anderson, Dixon, Slavin, Williams, Hare, Hutchison, and Bonar) and one (1) no (Perza).

Mr. Slavin moved for acceptance of the Legislative, Finance, and Administration Committee report, seconded by Mr. Dixon and unanimously carried.

PUBLIC HEARING/FINAL READING OF PROPOSED ORDINANCE #2014-24 - REZONING REQUEST FOR PROPERTIES LOCATED AT 21 AND 27 SAULSBURY ROAD AND 983 FOREST STREET, OWNED BY FAITHWORK, LLC

A public hearing was duly advertised for this time and place to consider the rezoning of properties located at 21 Saulsbury Road (15,505 s.f.$^{+/-}$), 27 Saulsbury Road (9,515 s.f.$^{+/-}$), and 983 Forest Street (8,276 s.f.$^{+/-}$), owned by Faithwork, LLC. The properties were currently zoned C-PO (Commercial and Professional Office) and subject to the COZ-1 (Corridor Overlay) and the proposed zoning was IO (Institutional and Office) and subject to the COZ-1 (Corridor Overlay Zone). (Tax Parcels: ED-05-076.07-01-38.00-000, ED-05-076.07-01-39.00-000, and ED-05-076.07-01-36.00-000 Fourth Council District; Planning Reference: Z-14-04)

By unanimous consent, it was agreed that the final reading of proposed Ordinance #2014-24 be acknowledged by title only. *(The First Reading of the Proposed Ordinance was accomplished during the Council meeting of November 24, 2014.)*

Planner's Review

Mrs. Ann Marie Townshend, Director of Planning and Community Development, reviewed the petition to amend the zoning district and the findings and recommendations of the Planning Commission. She advised members that this was a request to rezone three (3) parcels, two (2) located on Saulsbury Road just north of the Subway restaurant, and the other on Forest Street just east of the Subway Restaurant, with the Forest Street property connecting to the other two (2) properties. Mrs. Townshend explained that the purpose of the rezoning was to allow for a youth group home, which is not permitted in the commercial zone. She noted that the parcels do not conform to the bulk standards of the Zoning Ordinance, specifically the minimum lot requirements

of 10,000 sq. ft. in area and 100 ft. in width, and that this was noted in the Planning Commission review. Following a public hearing on December 15, 2014 where no members of the public spoke, the Planning Commission recommended to City Council that the rezoning request be approved as submitted. Mrs. Townshend advised members that there was one (1) dissenting vote from the Planning Commission due to the non-conforming bulk standards of the parcel on Forrest Street.

Mr. Perza questioned if the project could proceed without Parcel C. Responding, Mrs. Townshend stated that, according to the applicant, all three (3) parcels were needed to make the project work. She stated that each parcel has a residence on it, noting that one (1) of these residences had been converted to an office previously. The Forest Street parcel and the northernmost Saulsbury Road parcel were currently residential parcels. Mrs. Townshend indicated that the applicant intended to use the existing structures and there was enough parking behind the building that had been used as an office in the past.

Mrs. Williams noted that she currently runs a group home for children and questioned if the campus would be "broken up" by Subway. Mrs. Townshend stated that the properties "book end" Subway but join at the rear. Mrs. Williams stated that she could not imagine running a group home, particularly for emotionally impaired kids, with a business in the middle of the campus. She felt that this would be "asking for big trouble" on both the business and the group home side and, for this reason, she stated that she could not support the application.

Public Hearing

Council President Bonar declared the hearing open.

Mr. Edward Centofante, Bonnie Court, Smyrna, State Director for Psychotherapeutic Services, Inc. (PSI), advised members that PSI had a long, proud history in the State of Delaware and had provided many jobs. He explained that PSI's primary services are for children, although they also provide mental health services for adults. He indicated that PSI is one (1) of the few mental health providers that emphasize Kent County and the City of Dover, noting that many companies prioritize in the north. Mr. Centofante stated that earlier in the meeting Council had discussed public safety and budget issues. It was his belief that public safety starts with our children and providing services that keep them out of the Dover Police Department's radar and out of the hospital, which are the most expensive options. He indicated that services such as those offered by PSI would have the potential to reduce crime and stress on the budget. Mr. Centofante stated that each of the houses on the proposed campus would have a minimum of two (2) staff members. He noted that the properties are joined at the rear lot, which would also be a recreational area with a basketball court. He stated that PSI knows they can provide these services safely and effectively and that this location was the best spot to do so, indicating that the buildings fit the intended purpose. Mr. Centofante felt that the City would benefit and that the project could bring bring approximately 40 jobs that paid well. He emphasized, after working with the Delaware Department of Prevention and Behavioral Health Services (DPBH), that all three (3) lots were required to make the project happen. He asked members to approve the near unanimous decision of the Planning Commission so PSI could begin providing services for these children.

Mr. Perza clarified that his previous comments were not intended to be negative toward the applicant; he felt the services PSI wanted to offer in the City were good and did not believe that anyone was opposing them. He stated that Council also did not want to see children in the hospital.

Mr. Perza stated that if the City code indicated that this type of facility should not be in this location and Council was being asked to eliminate the restrictions and allow it, he wanted to know what safety precautions were in place to ensure that children would not run into the street and be by hit by traffic. He questioned if there was a way of ensuring that no one would be hurt if it were rezoned as requested. Mr. Perza stated that the project and applicant were wanted in the City, but did not want to see children in the hospital.

Mr. Centofante pointed out that property located right next to the proposed project is zoned IO and felt that this was a safe zoning for this area. He stated that the proposed change would essentially be from one (1) commercial sub-type to another commercial sub-type, which would not be a major change. He indicated that the real difficulty in doing this was that one (1) of the properties did not quite meet the square footage standards, which is why there was a need to go through this process.

Mr. Perza inquired if every other parcel on Forest Street between the Subway restaurant and Carver Road is zoned the way the applicant was asking to be zoned. Responding, Mrs. Townshend stated that the Modern Maturity Center, located a little further down Route 8, and the Booker T. Washington and William Henry Middle School campuses are zoned IO; however, property closest to and adjacent to the applicant's property is zoned C-PO.

Mr. Centofante stated that approximately 70%-80% of the block where the properties are located is owned by Faithworks, LLC and that no construction was planned there. He indicated the desire for the project to be a long-term asset to the community; however, stated that if the application were approved and PSI were to move out two (2) years later, there would be no damage or risk to the property.

Responding to Mr. Hutchison regarding the number of students that would be placed in each home, Mr. Centofante explained that Site A, the large center property that was formerly a doctor's office, would house six (2) students and had the capacity for seven (7). Site C would be the female house and hold two (2) students, and Site A would have optional capacity for additional students if DPBH needs it, but for the most part would be office space. He indicated that the students served would be aged 12 - 17.

Mr. Dixon expressed his opinion that the corner where the property was located was hazardous, due to the traffic light, crosswalk, and Subway restaurant. He questioned what precautions would be taken for the children. In response, Mr. Centofante stated that this had been a major topic of discussion with the Planning Commission and State. He noted that extending from the rear of Site A, toward the IO zone where the school is located, there is a driveway which would be redone so that it would be safe to enter and exit from that side; therefore, no traffic would be entering onto the hazardous intersection. Furthermore, when exiting onto Forest Street staff, when driving in vans with more than one (1) student or during hours of heavy traffic, would only be allowed to turn right and will not cross the lines of traffic on Forest Street. Mr. Centafonte emphasized that safety was a major concern and PSI made sure that this was taken care of before agreeing to this site with the State.

Mr. Dixon asked what would prohibit any child coming from the property and crossing the street. Responding, Mr. Centofante stated that supervision would be provided by two (2) staff members at each house, and there would be from four (4) to six (6) staff onsite during daytime hours. Staffing

would be increased to 10-12 during the main shift. He advised members that there would be an education center, PSI was working with the Department of Education to set up a high-tech classroom site, and a teacher would be provided by the State to work with the children. Mr. Centofante explained that the main points of entering and exiting each of the buildings would be the rear of the buildings, which all come out into the same parking lot/yard area. He indicated that this area would also be used for recreation and they would have a fence sectioning off the entire property. In response to Mr. Dixon, he stated that the front of the buildings would have locked doors and that staff would be on the ground floor of each building to monitor.

Councilman Anderson noted that there was an elementary school and a middle school on Carver Road and another elementary school on Saulsbury Road, and there had not been a big problem with students being hurt. He questioned why more mature children, aged 12-17, would be more endangered than elementary and middle school students in the area, some of whom have the same problems. Mr. Centofante stated that it was PSI's belief that their students would not necessarily be more at risk, but they were not taking that chance and would provide high levels of supervision. He stated that even though the State had not desired this to be a lockdown facility, but to be an open facility and the children that would be referred by the State would be those deemed acceptable for this type of facility, PSI would still be taking security and supervision seriously.

In response to Councilman Anderson's inquiry, Mrs. Williams stated that the agency she works for is also a contractor for the State. She explained that children are accepted for these programs based on the degree of the presenting problem versus the service being provided. It was Mrs. Williams' belief that some of the children would be so impaired that they would have issues that might not be jeopardizing if they were younger and in a regular school system. She expressed her opinion that the State did not want a lockdown facility because the proposed facilities do not have the square footage for a lockdown facility. Mrs. Williams stated that the staffing criteria for lockdown facilities is immense, as are all the guidelines, because they require not only lockdown but also the ability to disencumber a child who may be threatening to staff or to other children. Mrs. Williams indicated that she had 40 years of experience and stated, in her opinion, that this was not a safe situation.

Mr. Centofante stated that Mrs. Williams was correct regarding the way a secure facility is operated and run. He emphasized that the State did not put out a Request for Proposals (RFP) for a locked facility and did not want one. He indicated that PSI was one (1) of three (3) organizations, one (1) in each county, that was accepted for this project and all of of those accepted were using similar models. Mr. Centofante explained that this was a new model based upon engaging youth in education, in recreational activities, and with families and teachers, rather than securing them. It was his belief that PSI could do this safely and effectively.

Referencing the map of the properties, Mr. Perza questioned if the dirt driveways that provide access to Parcels A, B, and C would be curbed off so that cars would not be going through A, B, and C and if the alleyway onto Carver Road would be the only way in and out. He noted that in the nearby elementary school, access in and out was controlled.

Mrs. Townshend clarified that, during the Development Advisory Committee (DAC) review process, it was noted that this was an application for rezoning of the property. Before the use could be established, the applicant would have to come through the administrative site plan process and ingress and egress would be reviewed. However, she noted that the Zoning Ordinance prohibits crossing through a zone where a use is not permitted to access a permitted use zone. Technically,

under the Zoning Ordinance, this alleyway could not be the principle access; they would have to have access the property through the driveways at the houses.

Responding to Mr. Perza regarding whether the alleyway would be an option, Mrs. Townshend stated that this would not be a legal option. She stated this was not to say that it would not be used, but it could not be the means of access.

Mrs. Townshend stated that the properties were currently owned C-PO, the adjacent property on Carver road is C1-A (Limited Commercial Zone), and the 2008 Comprehensive Plan showed all of that area as commercial. She explained that C-PO is lower intensity office commercial zoning and the IO is typically for larger offices and institutional uses, such as Bayhealth Medical Center and schools.

Mr. Tolano Anderson, officer with Faithworks, LLC, the owners of the property, stated that he was speaking on behalf and in favor of the application. He stated that this project was good for the community, children, and those looking for jobs. He did not feel that there were any concerns not being addressed. Mr. Anderson stated that three (3) State inspectors were at the property earlier in the day and had made numerous trips to the site, and another was scheduled for the following day. Mr. Anderson felt that every possible contingency concerning safety, including the alarm systems and all criteria, had been addressed and the educational and transportation requirements were being "looked at hard." He indicated that he was told today that this was the first time a program like this had been established in the State of Delaware in 20 years. Mr. Anderson stated and these children had been farmed out to other states, such as Maryland or Pennsylvania, and felt it was a tragedy that families have to travel so far for counseling. He asked Council to do support the application, noting that opportunities are not often available to make an impact on the community. He advised members that the jobs provided would be professional opportunities with upward mobility and that the children need help. Reminding members that Faithworks, LLC owns 70% of the properties on the block, Mr. Anderson explained indicated that families with children with special needs, including mental challenges and handicaps, are currently located around the entire block and nothing would stop them from running out the door and across the street as well. Mr. Anderson stated that onsite inspections with the Fire Marshal and Building Inspector and interaction with the Planning staff, the Development Advisory Committee, and the Planning Commission had all been positive and favorable. He did not feel this was a simple task to be taken lightly; however, he felt it would be beneficial to the community as a whole. Mr. Anderson recommended that the application be approved as presented. He felt that the bulk standard was a technical requirement and that to deny the application due to a shortage of approximately 1,700 sq. ft. would be unfair for the reasons previously mentioned.

Mr. Perza questioned if the only reason for the application was the difference between the 8,276 sq. ft. lot size and the 10,000 sq. ft. requirement Responding, Mrs. Townshend stated that the proposed use was not permitted in the C-PO zone and that rezoning was necessary to allow the use.

Mrs. Williams stated that her concern was land use. She indicated that this would be a first in Delaware since these children in past times had gone out of state for services to Pennsylvania and Maryland to very large facilities with tremendous resources and huge grounds. She agreed that this had been a hardship to parents, but they were sent to other states because those states had these

facilities, these facilities made themselves available to Delaware, and Delaware does not have the population base for these kinds of resources. Mrs. Williams noted that PSI had been present in the area for a long time providing outpatient services only; this would be their first attempt at residential in Dover.

Mr. Tolano Anderson advised members that the properties were not separated by the Subway property, noting that it would not be necessary to cross the Subway property to come onto the campus since it is joined by 50 feet of property between Parcels C and A. He stated that the property would be fenced.

Mrs. Williams stated that the property could not be fenced in the front and Mr. Anderson concurred.

Mrs. Williams stated that the Subway property could be accessed by foot by the children. She felt that this was a supervision concern, noting that she had been doing this type of work for 40 years and that supervision must be taken seriously.

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

Mr. Perza inquired if the City had reviewed the ongoing inspections that had been occurring on the premises. Responding, Mrs. Townshend stated that the Chief Building Inspector and Fire Marshal did a walkthrough and a number of improvements were needed, including sprinklering of at least one (1) building and perhaps others. She confirmed that this would be part of the process for issuing a Certificate of Occupancy.

Mr. Hutchison stated that he had the opportunity to serve on a board dealing with special needs for the last 25 years, and this organization had more than 15 acres of land. He stated that he loved the proposed program but absolutely hated the location. Mr. Hutchison expressed deep concern about safety. He felt that the program concept would work, but when looking at what is around the proposed location and the traffic pattern, he could not support the request in good faith. He stated he was familiar with the kinds of people and training involved, noting that the organization he is involved in had been in business for 90 years.

Responding to Mr. Hare, Mrs. Townshend confirmed that the Planning Commission had reviewed the application and recommended the rezoning. Mr. Hare felt that, with this particular site, people would be more attentive since this was PSI's first facility of this type, noting that the applicant would still have to obtain a certificate of occupancy.

Mrs. Williams questioned if anyone on the Planning Commission had the 90 years of experience that Mr. Hutchison cited regarding the Elizabeth S. Murphey School, or the 40 years experience the organization of Aid in Dover, the organization with whom she works. Responding, Mrs. Townshend stated that one (1) member of the Planning Commission has experience in that area; however, she was not certain of the number of years of experience.

In response to Mr. Perza regarding the official position of City staff, Mrs. Townshend stated that the original recommendation of staff was in favor of the two (2) Saulsbury Road parcels but not the Forest Street parcel because of the size of the parcel. She clarified that the issue was not the 8,276

sq. ft. versus the 10,000 sq. ft. minimum lot size requirement, it was 50 feet in lot width versus 100 ft. in lot width. She stated that the IO zone is for larger institutional uses. Mrs. Townshend stated that the other two (2) parcels, when put together, do meet the bulk standards. She indicated zoning blocks are examined in terms of having contiguous and conforming zoning, and Parcel C did not lend itself to those attributes.

Mr. Slavin moved to accept the recommendation of the Planning Commission to approve the rezoning of the properties located at 21 and 27 Saulsbury Road and 983 Forest Street, owned by Faithworks, LLC, seconded by Mr. Anderson.

Mr. Perza moved to amend the motion to accept the recommendation of the Planning Commission to approve the rezoning of Parcels A and B, but not Parcel C to conform with the City Planning Department's recommendation on use.

Mr. Perza asked the applicant how the amendment would impact the project. Mr. Centofante stated that this had been discussed with DPBH and, because male and female students need to be separated, if Parcel C were excluded, this would effectively "kill" the project.

Mr. Perza withdrew the amendment.

Mrs. Williams questioned why the Planning Commission did not concur with staff in regard to staff's recommendation on Parcel C. Responding, Mrs. Townshend stated that this was because all of the parcels were needed for the use to go forward.

Mr. Perza inquired how difficult it would be to find another location if Council did not approve the rezoning. Responding, Mr. Centofante stated that PSI had searched "high and low" and this was the only site found that met the needs in terms of location, proximity to local schools that PSI planned to tie into, and proximity to the YMCA and other recreational facilities integral to creating a program like this. He indicated that PSI and the State were "hanging their hats" on this site.

On a call for the question, the motion to accept the recommendation of the Planning Commission to approve the rezoning of the properties located at 21 and 27 Saulsbury Road and 983 Forest Street, owned by Faithworks, LLC, failed by a roll call vote of six (6) no (Anderson, Dixon, Perza, Williams, Hutchison, and Bonar) and two (2) yes (Slavin and Hare).

Since the Planning Commission recommended that the properties be rezoned to IO, members provided their reasons for not voting in favor of approving the Planning Commission's recommendation, as follows: Mr. Anderson - because he trusted the expertise of Mrs. Williams; Mr. Dixon - for reasons of safety; Mr. Perza - as he deferred to the City Planning Department, since the Planning Department had established that Parcels A and B should be approved for well-founded reasons according to the Zoning Code and the burden should be on the applicant to satisfy the City with regards to Parcel C; Mrs. Williams - due to safety and problems with supervision; Mr. Hutchison - due to public safety; and Mr. Bonar - due to public safety.

TWO MONTH REVIEW - VIOLATION OF THE DANGEROUS BUILDING ORDINANCE - PROPERTY LOCATED AT 1370 COLLEGE ROAD, OWNED BY SARAH E. JONES

Mr. Anderson moved to defer consideration of this item until the next meeting, seconded by Mr. Dixon and unanimously carried.

Legislative, Finance, and Administration Committee Report - December 8, 2014

The Legislative, Finance, and Administration Committee met on December 8, 2014 with Chairman Slavin presiding.

Overview of 1988 Consent Decree

Chairman Slavin stated that members had been provided the 1988 Consent Decree for their review due to the discussion regarding the responsibilities and reporting structure for the Mayor and City Manager scheduled to take place later in the meeting. He explained that several members felt such discussion could not occur without an understanding of the background behind the 1988 Consent Decree. Mr. Slavin indicated that the purpose of the overview was simply to provide members this understanding and that there was no desire to change the Decree.

As requested, Deputy City Solicitor William Pepper provided a brief history of the City's structure, noting that prior to 1988 the City was governed by eight (8) members of City Council and a Mayor. The Mayor presided over the City Council meetings. The eight (8) members of City Council were elected from four (4) districts; however, they were elected through at-large voting. In accordance with the 1988 Consent Decree, the government was modified. The Mayor no longer presided over City Council meetings, with the exception of the Annual Meeting, and Council's structure was changed to include nine (9) members of City Council, with eight (8) members elected from four (4) districts through district voting and one (1) member elected by at-large voting.

Responding to Mr. Anderson regarding whether the Decree contains limitations on the reporting structure for the City of Dover, Deputy City Solicitor Pepper stated that the 1988 Consent Decree does not address this issue.

In response to Mr. Sudler, Deputy City Solicitor Pepper explained that the 1988 Consent Decree would not have an effect on a change made to the City's form of government, such as implementing a strong Mayor/Council form of government. He noted that the Consent Decree only addresses how members of City Council are elected and who presides over City Council meetings. Unless there was a change made in regard to these items, it was his opinion that the Consent Decree would not be implicated.

Mr. Hare questioned the possibility of choosing to have a strong Mayor form of government, while maintaining four (4) Council Districts whose members would be elected through district voting and the Mayor representing the At-Large elected official. Responding, Deputy City Solicitor Pepper indicated that since the Consent Decree requires nine (9) members of City Council, such a change would require altering the Consent Decree.

At the request of Mr. Sudler, Deputy City Solicitor Pepper explained his understanding that a decision regarding a strong Mayor/Council form of government would involve the administrative operation of the City and not the function of City Council; therefore, he felt that the Consent Decree would not be implicated in such a decision.

Responding to Mr. Anderson, Deputy City Solicitor Pepper confirmed that, in accordance with the Consent Decree, the City had agreed that City Council meetings would be chaired by the Council President/Vice-Mayor. Mr. Pepper stated that the number of members elected was also governed by the Consent Decree and any change would require altering the Decree. However, Mr. Pepper noted that the Consent Decree would not have any bearing on the administrative operations of the City.

As a member of City Council when the Consent Decree was approved, Mayor Christiansen advised members that it was Council's intention at that time, as well as the intention of two (2) Charter Review Committees, that the Mayor should become the Chief Executive Officer (CEO) of the City and maintain veto power, while the job of City Council would be strictly to legislate and finance the operations of the City. He stated that this was eventually implemented in 1997 when the City instituted a full-time Mayor.

In response to Mr. Hutchison, Deputy City Solicitor Pepper suggested that in order to consider any modification to the Consent Decree, the City should open negotiations with Mr. Cecil Wilson as well as the Central Delaware Branch of the National Association for the Advancement of Colored People (NAACP), who were party plaintiffs in the matter that led to the Decree, to try to reach an agreement. Otherwise, the City could file a motion to modify the Consent Decree, depending on what Council wished to accomplish.

Council President Bonar noted that the last paragraph of the Consent Decree states: "The court shall retain jurisdiction of this action to determine whether any further remedial action is necessary, and to decide the issue of plaintiffs' attorney's fees and costs." He questioned if this indicated that the court would be required to approve opening the Consent Decree for discussion. Responding, Deputy City Solicitor Pepper stated his belief that the parties themselves could reach an agreement to amend the Consent Decree and the court would approve it as a matter of course; however, if the City chose to modify the Consent Decree over the objection of either of the plaintiffs, the court would be required to hold hearings.

Council President Bonar questioned if the City had ever held a referendum by registered voters of the City of Dover to determine if they preferred a full-time or part-time Mayor. Responding, Mr. Anderson recalled the question being put before the voters in 2003 or 2004 and the results indicated that 70% of the voters favored a full-time Mayor. *[City Clerk's Office Note: During the municipal election held on April 20, 2004, the results of a question on the ballot reflected that out of 4,470 votes cast, 3,185 voters (71%) favored a full-time Mayor, versus 1,285 who voted for a part-time Mayor.]*

During the Regular Council meeting, Mr. Hutchison stated that the Legislative, Finance, and Administration Committee did not take action regarding the Overview of the 1988 Consent Decree during their meeting of December 8, 2014; however, he requested that Council allow the Council

President to open a dialogue with Mr. Cecil Wilson, former President of the NAACP and one (1) of the party plaintiffs in the matter that led to the Consent Decree, to determine if there would be any opportunity for an agreement regarding the Decree.

Mr. Hutchison moved to allow the Council President to open a dialogue with Mr. Cecil Wilson, former President of the NAACP and one (1) of the party plaintiffs in the matter that led to the Consent Decree, to determine if there would be any opportunity for an agreement regarding the Decree, seconded by Mrs. Williams.

Mr. Anderson stated that he could not support reopening the Consent Decree since, in his opinion, it would not serve any useful purpose at this time since the City was working well. He noted that, even today, the Consent Decree was an extraordinarily sensitive item, and residents of the 4th District had expressed skepticism regarding the Consent Decree being opened at this time.

Mr. Slavin reminded members that the authorization for this action had already taken place, and noted that Mr. Wilson was not the only party plaintiff in this matter. *[City Clerk's Office Note: During the City Council meeting of September 22, 2014, Council approved the Legislative, Finance, and Administration Committee's recommendation that the Council President open a dialogue with the parties to the 1988 Consent Decree.]*

Mr. Cecil Wilson, 130 Brandywine Drive, informed members that the parties involved in this matter included himself as well as the NAACP, and that no one else was permitted to step forward to discuss the Decree. He stated that in opening a dialogue with him, he would contact the NAACP to invite a representative to participate in the dialogue with the City.

Mr. Perza questioned the expense involved in opening a dialogue regarding the Consent Decree. Responding, Mr. Hutchison stated that the City would begin by meeting with Mr. Wilson and may need to involve attorneys in the final conclusion. Mr. Hutchison stated that an initial meeting with Mr. Wilson could open a dialogue to determine if there is any interest in pursuing this matter.

Mr. Perza stated that, theoretically and philosophically, the day would come when the Consent Decree would need to be tweaked but questioned whether that time was now, noting that he did not want the City to spend "a bunch of money" for a "fishing expedition."

Mr. Hare expressed his opinion that it would be good to open discussion to clarify the Consent Decree and understand the history of it.

Mr. Slavin stated that this matter was entangled in the issue regarding the City's form of government, scheduled for consideration later in the meeting. He explained that Council would not be able to decide what the City's form of government should be in the future without first discussing the Consent Decree, since the Consent Decree binds the City to the current form of government.

Mr. Hare stated that he did not have a clear understanding of the Consent Decree and thought it would be best to meet with the parties of the Decree to obtain a clear understanding prior to making a decision regarding the full-time mayor.

The motion to allow the Council President to open a dialogue with Mr. Cecil Wilson, former President of the NAACP and one (1) of the party plaintiffs in the matter that led to the Consent Decree, to determine if there would be any opportunity for an agreement regarding the Decree, carried by a roll call vote of six (6) yes (Perza, Slavin, Williams, Hare, Hutchison, and Bonar) and two (2) no (Anderson and Dixon).

Proposed Financial Reforms

During the Committee meeting of June 23, 2014, Mr. Slavin advised members that during the June 11, 2014 Special City Council Meeting - Budget Review, he proposed a series of 14 financial reforms to be addressed over the next six (6) to nine (9) months that would assist in shaping the City's Budget for FY 2015/2016. He stated that the proposed reforms were clustered into four (4) separate areas, as follows: 1) public safety; 2) compensation policies; 3) property tax governance; and 4) restrictions on uses of appropriations.

Compensation Policies

During their Regular Meeting of October 13, 2014, City Council approved the Committee's recommendation to obtain legal opinions regarding the three (3) proposed financial reforms related to compensation policies, as follows:

6) Council will not authorize pay raises, bonuses, or other forms of compensation in consecutive fiscal years for any City employee, including Council appointees. A two-thirds vote of Council is required to authorize an exception to this policy.

7) Council will not authorize more than 1% compensation increases (which shall include the total of salary, bonus, and other forms of compensation) for any one fiscal year. A two-thirds vote of Council is required to authorize an exception to this policy.

8) Council will not authorize any compensation package which results in a total compensation increase of more than 2.5% in any three-year period. A two-thirds vote of Council is required to authorize an exception to this policy.

Mr. Slavin advised members that the City Solicitor, Mr. Rodriguez, provided an opinion (as on file in the Office of the City Clerk) that the proposed compensation policies would result in the City forfeiting "good faith" negotiations if the City were to begin the process by stating such policies, and would hinder the City's ability to negotiate since it would prohibit the City's legal counsel from using a full range of options when proposing contracts with its employees. As the author and proposer of the compensation policies, Mr. Slavin requested that these compensation policies be withdrawn at this time from formal consideration; however, he welcomed any comments from Committee members, City Council, or the public regarding the spirit of these reforms. He felt that it may be the spirit of the reforms, if not the actual policies, that could carry forward.

Mr. Anderson felt that, as presented, the proposed policies may have been too restrictive. He suggested that City Council indicate their current intent with a resolution which would form the basis of Council's desire and of budgetary constraints.

Council President Bonar commended Mr. Slavin for bringing the proposed policies forward for discussion. He felt there are often situations that cause City Council to react rather than taking a proactive approach. Mr. Bonar stated that although he may not agree with all of the proposals, he did feel that some merit further discussion. He suggested that members address the problems that led to their concerns regarding compensation.

The Committee recommended tabling the compensation policies to allow further discussion.

During the Regular Council meeting, Mr. Slavin advised members that the Legislative, Finance, and Administration Committee discussed the proposed financial reforms regarding compensation policies during their meeting of December 8, 2014 and recommended tabling the items since it had been determined that the proposals were not in keeping with good faith negotiations.

Mr. Slavin moved for approval of the Committee's recommendation to table the compensation policies to allow further discussion, seconded by Mr. Hare and unanimously carried.

Property Tax Governance

During their Regular Meeting of September 22, 2014, City Council considered the proposed financial reforms related to property tax governance, as follows: 9) Council shall not raise the property tax rate more than 9.5% without first holding a referendum on the proposed tax increase. This provision shall not apply in those years when a revenue-neutral adjustment to the tax rate is required because of property revaluation; and 10) Council shall not raise the property tax rate more than 9.5% without two (2) separate votes of a two-thirds majority vote of Council, with the requirement that a municipal election occur between the first and second vote. This provision shall not apply in those years when a revenue-neutral adjustment to the tax rate is required because of property revaluation. After much discussion, City Council referred financial reform #9 to staff and legal counsel for drafting as an ordinance, with the provision in the drafting of the ordinance that Council may vacate the provisions in times of unforeseen emergencies, and with the stipulation that the ordinance be reviewed four (4) years after implementation. It was noted that the Committee tabled proposed reform #10 since the intent of the reform was met with the Committee's recommendation of proposed reform #9.

Mr. Slavin explained that the purpose of proposed reform #9 was to restrict Council by establishing rules and parameters. He indicated that the objective was to remove the specter that action to address long-term issues could be delayed in hopes of "things just getting better," or that they could be addressed by instituting a huge tax increase once every 10 years. He noted that the proposed reform would require

City Council to ask the voters their opinion. Mr. Slavin noted that the legal opinion of the City Solicitor *(as on file in the Office of the City Clerk)* reiterated that referendums are non-binding.

Mr. Anderson relayed his strong support for proposed reform #9 and urged members to submit the proposal to City Council for consideration. He felt that the provision was important to economic development since it would provide some measure of certainty. Mr. Anderson explained that there were organizations and businesses who were investing or looking to invest hundreds and millions of dollars in the City of Dover. If there were an assurance that tax increases would be done in a predictable, moderate fashion, this would add to economic certainty, which Mr. Anderson felt would be good for jobs and economic growth. He noted that if there were an urgent need for a major tax increase, it would be presented to the citizens. Mr. Anderson suggested that the proposal would provide sufficient ability to adjust the tax rate to address problems, explaining that it was difficult to foresee the need for a tax increase above 9% in one (1) year and he felt that if that were the case, this would indicate that the City was not being managed properly. In addition to benefitting existing and potential businesses, Mr. Anderson stated that this provision would also provide families more security by allowing them to budget from year to year without being subjected to an egregious tax increase. He again urged members to approve the proposal for City Council's consideration.

Mr. Hare indicated his objections, explaining that members of City Council were elected to manage and run the City of Dover and not to put the City in a position where an egregious tax increase would be required. He stated that members of City Council were elected to manage the City in such a manner as to eliminate wasteful spending rather than continuing it simply because it may require action that would cause someone to lose their job or be laid off. Mr. Hare noted that these are tough decisions that are made every day by elected officials throughout the State, except for the City of Dover. If it were necessary to raise taxes 23%, as proposed last year, and if this was necessary due to mismanagement, then he felt that this was the action that Council needed to take and if the residents opposed this, Council members would not be re-elected. Mr. Hare stated that former Council member Frances Weyandt once said to him, "If you wish to run for office only to worry about being re-elected, then you should not run for office." Mr. Hare stated his objections to the proposed caps, as well as requiring citizens to vote on property tax increases, explaining that it is Council's responsibility to make tough decisions. He advised members that some City employees have salaries that are well above the paygrade of comparable positions throughout the State. Mr. Hare felt that City Council should be pro-active in addressing such issues rather than taking action to cover mistakes.

Mr. Hutchison felt very strongly that it was the responsibility of elected officials of the City of Dover to raise taxes. He noted, based on history, that the City had rarely raised taxes and felt that this was due to the close working relationships between City Council, the Mayor, City Manager, and Department Heads which ensured that the

City was run effectively and efficiently. However, Mr. Hutchison believed that at some point it would be necessary for the City to raise taxes and that it should be the responsibility of the elected officials to take such action.

There being no objections, Council President Bonar read a statement submitted by Mr. Thomas J. Leary (former member of City Council), as follows:

> *As members of the City Council we are elected to represent our fellow citizens. We are expected to be informed on a myriad of issues, including budgetary ones, and to make appropriate decisions. These decisions can be at times challenging and difficult. They may even be unpopular. However, we are expected to make them.*
>
> *Proposing that a tax increase go to referendum, irregardless of the size, or whether binding or non-binding, is simply put, an abrogation of the duties of one's office.*
>
> *If we lived in a highly inflationary spiral one would not put tax increases on "auto-pilot". This would show a complete lack of leadership, be considered intellectually lazy, and would be regarded as an act of faithlessness by the public.*
>
> *I would submit to you that this proposed ordinance is no different in its application and effect.*
>
> *I am available should you wish to call and remain at your disposal.*

Council President Bonar indicated that he concurred with the statement submitted by Mr. Leary, as well as the comments made by Mr. Hare. He noted that voter turnout is historically dismal and, as a result, a few hundred citizens of the City make the decision as to who the City's Mayor is, the City Council representatives for their district, and the at-large Council member. Mr. Bonar relayed concern with allowing this same authority in determining the City's tax structure. He too felt that the citizens elect members of City Council to make decisions and have put their faith in their elected officials to do so and take the appropriate action. Mr. Bonar stated that he feels that the City's taxes are extremely low and that there should be a substantial increase in property taxes. He did not feel that the matter should be submitted to the citizens for a referendum, explaining that such action is an abrogation of City Council's responsibility. If citizens are not pleased with the action taken by City Council, they have the power not to re-elect their representative. However, Mr. Bonar did agree that such a proposal would provide certainty from an economic development standpoint, noting that businesses do depend on certainty. Since, at this time, it was City Council's right and responsibility to make such decisions, he did not feel there was a need for any change.

Mr. Sudler suggested, when there are important decisions facing members of City Council, that members hold district meetings with the community to provide information regarding such matters. It was his feeling that being aware of the opinions of their constituents would assist members in knowing how they should vote on certain issues.

Mayor Christiansen expressed his concurrence with former City Councilman Leary, as well as Council President Bonar, explaining that members of City Council and the Mayor have a distinct responsibility to the public to keep them informed and, likewise, the public has a responsibility to follow the actions of City Council if they have an interest in the future of their City. Mayor Christiansen cautioned members against any compromise of the responsibilities of City Council in taking action they feel is necessary for the betterment of the City.

Mr. Slavin stated that regardless of voter turnout, members should not stop listening to and considering the concerns of their constituents. Long before making difficult decisions, he explained that City Council's first responsibility as an elected official is to listen to their constituents. Mr. Slavin reminded members that the oath of office which each member took states that their "power flows from the people." Regarding the reference to such a referendum being an abrogation of City Council's responsibility, he indicated his objections, explaining that City Council would be submitting the matter to the people and Council would be making the decisions regarding the expenses that would cause the referendum. As a result, Mr. Slavin stated that it would not be an abrogation to get to that point; however, it would be an abrogation to ignore the wishes of taxpayers and not to have their voices heard.

Mr. Anderson suggested that the proposal would provide an additional advantage relative to arbitration situations with labor. He explained that jurisdictions that have tax control referendums, such as Colorado and South Dakota, are more able to control labor costs and, coincidentally, have some of the lowest unemployment rates. He noted that after studying this matter, he discovered that across the country the proposed initiative goes hand in hand with positive economic growth, if not done in such a manner that it becomes too restrictive.

Mr. Hare advised members that he is constantly contacted by constituents in the Second District relaying their comments, concerns, and opinions; therefore, he would very much be made aware of how his constituents would feel regarding any proposed tax increase. In addition, he stated that he attends homeowner association meetings, which provide another means of obtaining the opinions of his constituents.

Mr. Anderson noted that, in addition to being contacted by residents of the Fourth District, he is also contacted by those from the Second District, which he felt was an indication that those residents are very particularly tax sensitive. Due to the importance of this issue, he felt that its merits required further discussion by Council; therefore, he suggested that the matter be forwarded to City Council with no recommendation from the Committee.

The Committee forwarded proposed Financial Reform #9, Property Tax Governance, to City Council without a recommendation for the purpose of having a full discussion by City Council. *(Note: Financial Reform #9, Property Tax Governance, states that Council shall not raise the property tax rate more than 9.5% without first holding a referendum on the proposed tax increase; this provision shall not apply in those years when a revenue-neutral adjustment to the tax rate is required because of property revaluation.)*

During the Regular Council meeting, Mr. Slavin reviewed the provisions of proposed financial reform #9 related to property tax governance. He reminded members the proposed policy was revised by City Council during their meeting of September 22, 2014 to include that there be a provision in the drafting of the ordinance that Council may vacate the provisions in times of unforeseen emergencies, with the stipulation that the ordinance be reviewed four (4) years after implementation. Mr. Slavin informed members that the Legislative, Finance, and Administration Committee had forwarded the proposal to Council without a recommendation for the purpose of having a full discussion by City Council.

Noting the importance of this item, Mrs. Williams moved to defer consideration of this matter to allow adequate time for discussion. The motion was seconded by Mr. Anderson, and carried by a roll call vote of six (6) yes (Anderson, Dixon, Williams, Hare, Hutchison, and Bonar) and two (2) no (Perza and Slavin).

Permission to Recruit - Dover Police Department Cadet Program

Police Chief Bernat advised members that the Dover Police Department had an active Police Cadet Program during the 1999-2001 time period. He stated that it had proven to be a beneficial program for the department since two (2) well-qualified police officers were hired from the program; unfortunately, the department did not have the support to continue the program after 2001.

Chief Bernat indicated that, due to the continuing safety and security concerns expressed by merchants, customers, and residents in the downtown area, the Dover Police Department would like to revive the Police Cadet Program and hire six (6) part-time cadets to maintain a more visible law enforcement presence in the downtown area. As indicated in his letter to Mayor Christiansen, dated October 6, 2014, Chief Bernat noted that reviving the Police Cadet Program would benefit the City of Dover, as follows:

1. Allow downtown merchants to build a rapport with the cadets, allowing the cadets to understand their needs.
2. Provide additional patrols to curb loitering, alcohol violations and pan handlers.
3. Provide additional patrols to curb noise ordinance violations (loud music from vehicles).
4. Provide additional patrols to curb harassment complaints.
5. Provide extra patrols in the Library.

6. Allow the police department to screen and vet the cadets for future employment as a Dover Police Officer.
7. Most importantly, the presence of the cadets in the area will provide a feeling of safety to the downtown patrons, as well as the downtown merchants.

Chief Bernat explained that the cadets would be paid an hourly rate of $12.00 for 19 hours per week, working part-time patrols in pairs, and be assigned to the Department's Community Policing Unit. He advised members that the Police Department was requesting to hire the cadets to begin in February 2015 and that the total costs for the remaining fiscal year would be $51,481. He provided members with a revised cost breakdown for the FY 15 Police Cadet Program - Civilian Payroll Costs, and Uniforms and Equipment Costs, explaining that the original proposal included the cadets working 20 hours per week beginning in January and the revised proposal reduced the number of hours to 19 per week to begin in February rather than January.

Chief Bernat stated that the Dover Police Department would fund the program with interest from grant money received during the period from July 1996 through June 2014 (18 year period), noting that the Police Department accumulated interest amounting to $69,201.84 during this time from two (2) grants. He indicated that a total of three (3) grants accumulated interest, for a grand total of $90,528. Chief Bernat explained that the Police Department was in the process of securing grant funding for a portion of the first year costs and additional grant money was being sought to offset costs for FY2016.

Chief Bernat advised members that the six (6) male and female cadets would come from local colleges and would go through a hiring process. Those selected would have two (2) weeks of training and would spend at least one (1) week with a Field Training Officer (FTO). Chief Bernat stated that the cadets would be uniformed very similar to a regular Police Officer but would not have guns. He stated that the cadets would have full arrest powers; however, it was not anticipated they would make any serious arrests.

Staff recommended approval of the Police Cadet Program as requested, to include the establishment of six (6) part-time positions.

Mr. Sudler questioned if cadets would be patrolling the New Street, Kirkwood Street, and Queen Street areas. Responding, Chief Bernat indicated that the cadets would predominantly be patrolling the Loockerman Street area to provide additional safety to businesses there, including the Dover Public Library. The cadets would also assist with parades and other large functions, such as the Fourth of July Celebration. Noting that there are businesses, such as barber shops, located on those streets surrounding Loockerman Street and considering the high crime rate in those areas, Mr. Sudler requested consideration of including patrols in the New Street, Kirkwood Street, and Queen Street areas. Chief Bernat confirmed that cadets would be patrolling those businesses located on the streets surrounding Loockerman Street.

In response to Mr. Sudler, Chief Bernat indicated that any student aged 18 years and older could apply and that the required training would include diversity training.

Mr. Hare advised members of his recent ride-along with the Dover Police Department and noted that there was a lot of activity between 11:30 p.m. and 1:30 a.m. in these areas. He relayed his support of staff's request.

Chief Bernat stated his desire to also train the cadets to utilize bicycles, which would allow them to patrol more areas during warmer weather.

Referring to the success of the previous Police Cadet Program, Council President Bonar advised members that a former cadet for the Dover Police Department became Superintendent of the Delaware State Police several years ago. Mr. Bonar expressed his feeling that the program would be a good way to build an employment base for the Police Department and indicated his support.

Responding to Mr. Hutchison, Chief Bernat confirmed that, if the Program were approved, the cadets would be focused on day work, Monday through Saturday, and as they become seasoned, they would also perform evening work. As a former City of Dover Police Chief, Mr. Hutchison stated his positive experience with the program and its effectiveness and indicated endorsement of the program.

Mr. Sudler relayed concerns regarding 18-year-old cadets having the maturity level necessary to handle the types of issues facing law enforcement today and their safety due to lack of experience in resolving physical confrontations. Although the Cadet Program had been successful in the past, he felt that the crimes are not the same today as in previous years. In addition to the safety of the cadets, Mr. Sudler expressed concern for the citizens' safety due to the inexperience of the cadets and regarding the potential of a lawsuit for the City of Dover. Concurring, Chief Bernat explained that a hiring process very similar to that required to hire a police officer would be conducted, including physical and psychological tests, and a total of three (3) weeks of training would be provided. In addition to monitoring the cadets, he assured members that the Department would have an evaluation period.

Responding to Mr. Shevock, Chief Bernat stated that he would know on December 9, 2014 if the full amount of grant money would be provided as funding for the program through FY2015. If the program continued and grant monies were not available, he would submit a request to City Council for inclusion of the necessary funding in the budget for the Police Department.

Mayor Christiansen indicated his total support of the request. In addition to the previous cadet for the Dover Police Department who became the Superintendent of the Delaware State Police, he advised members that former City Police Chief Keith Faulkner had also been a cadet. The Mayor felt that these successes indicated that the cadet program had merit and urged members to approve the request.

In response to Mr. Slavin, Chief Bernat stated that the use of cadets would eventually provide a savings since it would provide additional officers and eliminate the need to pay police officers overtime or comp time. Mr. Slavin suggested that this savings be calculated in order for City Council to be made aware of the offset. Responding, Chief Bernat advised members that the cost of a cadet is 25% that of a police officer, providing a savings of 75% for each cadet.

Ms. Sara Herbert, 222 N. Bradford Street, stated that she served as the corresponding secretary for the Old Dover Neighborhood Watch. She noted that the Mayor had attended their last meeting and advised members of the Cadet Program. Of those members in attendance (approximately 25 of the 35 members), she stated that this was the one (1) issue that all members supported. Ms. Herbert urged the Committee to approve the request.

The Committee recommended approval of the Police Cadet Program as requested by staff.

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

Continuing Disclosure Policy Concerning Municipal Securities

Mrs. Donna Mitchell, Controller/Treasurer, advised members that the Continuing Disclosure Policy Concerning Municipal Securities was drafted as a result of new Federal Communications Commission (FCC) regulations, to ensure that the City of Dover efficiently carries out its continuing disclosure obligations with respect to the municipal securities it issues or guarantees, pursuant to Rule 15c2-12, as amended, promulgated under the Securities Exchange Act of 1934, as amended.

Mrs. Mitchell requested that the Policy be adopted as an Appendix to the City's Debt Policy.

The Committee recommended adoption of the Continuing Disclosure Policy Concerning Municipal Securities as an Appendix to the Debt Policy.

By consent agenda, Mrs. Williams moved for adoption of the Continuing Disclosure Policy Concerning Municipal Securities as an Appendix to the Debt Policy *(Exhibit #1)* as recommended, seconded by Mr. Anderson and carried by a unanimous roll call vote.

Capital Improvement Project (CIP) Cost Estimating/Bid Process Guidelines

Mr. Scott Koenig, City Manager, advised members that, in response to concerns raised by Councilman Slavin during the August 11, 2014 City Council Meeting, he had developed guidelines, to be used by all Department Heads, outlining specific expectations regarding Project Development, Budgeting, and Administration for all Capital Improvement Projects (CIPs). Although Mr. Slavin had suggested the development of a policy, it was Mr. Koenig's opinion that a Council policy would not be required to achieve the requested controls and objectives. Referring to a memorandum, dated November 19, 2014, which was sent to all department heads

regarding Capital Improvement Project (CIP) Cost Estimating/Bid Guidelines, Mr. Koenig assured members that these guidelines had been implemented at the staff level. He indicated that the guidelines were developed with the cooperation of the City's Controller/Treasurer and the Public Works and Electric Department Directors, explaining that those departments produce the majority of such projects.

Staff recommended acknowledgment of the Capital Improvement Project (CIP) Cost Estimating/Bid Guidelines that had been implemented by the City Manager in response to concerns raised by City Council.

Responding to Mr. Slavin regarding the requirement to include a no greater than a 15% contingency in project budgets (bullet point #5 in the memorandum) and concerns regarding how this may affect older infrastructure projects, Mr. Koenig stated that as staff develops better estimating processes, it is the intent to consider any contingencies. Mr. Koenig explained that, typically, when conducting engineering work, 15% had served as a good guideline. As an example, Mr. Koenig stated that the contingency for the new library was very low, approximately 5%, explaining that, typically, there are lower contingencies with larger projects since there are fewer unknowns. He felt confident that the 15% guideline would be sufficient.

Mr. Slavin suggested that staff include the cost of not doing a project, assuming that the project is requested for efficiency purposes or more capacity, and what the financial and other issues would be if Council were to choose not to fund the project. Responding, Mr. Koenig agreed to include this requirement in the narrative. Regarding any additional operating expenses in out years, such as staffing and supplies, he stated that the CIP already includes a small section to provide the costs of those expenses and, although the details are currently not included, such information would be included in the future.

In response to Mr. Hare, Mr. Koenig stated that as contingencies are developed, staff considers the history of similar projects. He explained that several contingencies are actually built into the unit prices by establishing a "ceiling" price. Mr. Koenig advised members that some contracts are written so that the contingency is a bid alternative and becomes an addition to the base, and in some cases it depends on how the project specifications are written. For example, a 15% contingency would be sufficient for a street program since the costs consist of unit prices and the City performs as much of the work as possible, although funding sometimes becomes available during the project from State legislators. However, for projects such as a parking lot, where the City has completed the design and the soil conditions are known, Mr. Koenig stated that the contingency may need to be only 5% since there would be very few unknowns. He felt that as each project is developed, staff would debate internally and establish the contingency rather than establishing a 15% contingency across the board, since 15% is listed as the maximum in the guidelines.

In response to Mr. Hare's concerns regarding low estimates, Mr. Koenig stated that the City does not control the bid market and that, in some cases, it will change very quickly. Referring to the Horsepond Substation Project, Mr. Koenig noting that

when the City began consideration of bidding for the 69kV tie in, staff utilized a price from when that work was previously done. He advised members that when the project was bid, a lot of activity was required for the transmission work, which resulted in the price being three (3) times higher than expected. As a result, a significant amount of the work was completed by City staff in-house with only small portions of the work being subcontracted. Mr. Koenig reiterated that the bid environment is very dynamic and dependent on how many projects are available, the timing of projects, bid market, interest market, time frame, etc., regardless of the best estimate developed by the City.

The Committee recommended acknowledgment of the Capital Improvement Project (CIP) Cost Estimating/Bid Guidelines that have been implemented by the City Manager in response to concerns raised by City Council, as presented.

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

Discussion - Responsibilities and Reporting Structure for the Mayor and City Manager and Continuation of Full-Time Status for the Position of Mayor

Mr. Slavin stated that the responsibilities and reporting structure for the Mayor and City Manager and continuation of full-time status for the position of Mayor had been discussed by the Committee during the past several meetings. He reminded members that during their Regular Meeting of September 22, 2014, City Council approved the Committee's recommendation for future consideration of Option A, as follows: a full-time mayor's position, with consideration of changing the City's current form of government to a mayor/council form of government, where the city manager and chief of police would be appointed by the mayor and confirmed by City Council, and that any positions which currently report to council that are moved to report to the mayor would only be removed for cause and with council approval. Members of City Council also approved the Committee's recommendation that the Council President open a dialogue with the parties to the 1988 Consent Decree *(item discussed during the Overview of 1988 Consent Decree, earlier in this meeting).*

As requested during the Committee meeting of October 27, 2014, Mr. Slavin noted that members had been provided an organizational chart for Option A as well as the current organizational chart for the City. In addition to considering maintaining the current responsibilities and reporting structure, as well as Option A, a strong mayor form of government, Mr. Slavin stated that Mr. Anderson may have an additional option for the Committee's consideration. It was his hope that at the conclusion of the meeting, the Committee would forward this matter to City Council with or without recommendations, explaining that the Committee's role was to allow for the discussion, to include the public, and then to provide City Council with this information to allow a full debate.

Mr. Sudler reminded members that, during the Legislative, Finance, and Administration Committee meeting held on September 8, 2014, he had relayed his support for a full-time Mayor with strong administrative powers, which was

presented as Option A. Mr. Sudler noted that members had indicated they welcomed any suggestions relative to Option A and, as a result, he developed ideas for a job description and a job appraisal report for the Mayor, which he submitted and briefly reviewed.

Noting that Option A referred to a strong mayor form of government, Mr. Slavin suggested, for clarification, that any reference to the City's current form of government be considered as "Option B."

Referring to the job description provided by Mr. Sudler, Mr. Anderson suggested replacing Item #4 - bachelor degree, under the minimum requirements, with the requirement for the Mayor to have been a City resident for two (2) years, which would mirror the City Charter. Referring to the proposed organizational chart, he felt that the City Clerk's Office should remain under City Council since it serves as Council staff and that the Finance Office should also remain under City Council to provide "checks and balances."

Concurring with Mr. Anderson, Mr. Hare also felt that the Mayor should not appoint the Deputy Chief of Police, suggesting that the Police Chief should have that authority. Although he had no preference regarding the City having a full-time or part-time Mayor, if the City elected a full-time Mayor, Mr. Hare felt that the City should have a strong mayor form of government.

Mayor Christiansen stated his feeling that the City Manager should be hired and maintained by City Council, although he noted that in the past a Board was created to hire other officials for the City. He agreed with most of the recommendations submitted by Mr. Sudler; however, he felt that the job appraisal would be the responsibility of the public rather than City Council.

Responding, Mr. Hare noted that as an elected official, the public would be indicating their opinion regarding the Mayor's performance every four (4) years through the election.

Mr. Sudler felt that if the City chose to have a strong mayor form of government, the Mayor would be required to submit reports to City Council and, although he understood that the public would ultimately either re-elect the Mayor or vote him/her out of office, since that would occur only every four (4) years, he felt that the Mayor's performance on yearly goals and objectives should be appraised annually by City Council.

It was Mr. Hutchison's opinion that a major change that should occur would be to give the responsibilities and leadership of the City Manager more authority in the City, which would include the operations and budgetary issues of the Police Department. He stated that the City Manager should report to the Mayor and City Council. This would tie everybody into the total operations, noting that there are problems with the current system. As an example, Mr. Hutchison reminded members

that earlier in the meeting, the Police Chief had submitted a request regarding the Cadet Program. Rather than submitting the request to the Mayor, Mr. Hutchison felt that it should have been submitted to the City Manager due to possible budget implications, since the City Manager is responsible for the City's budget. After the City Manager's review, the request should have then been presented to the Mayor and Council President to bring forward for consideration by the Committee. Mr. Hutchison reiterated the need for the City Manager to be in charge of the City's operations. He reminded members that, according to the City Charter, anyone 18 years of age or older can be elected as Mayor. Considering the complexity of the City, the budget, and the responsibilities of the Mayor's Office, he stated that although he supports a full-time Mayor, the day-to-day operations and financial responsibilities should belong to the City Manager since that individual is selected based on education, knowledge, and work experience necessary to oversee and run a City, and the City Manager would ultimately report to the elected officials.

For informational purposes, Mayor Christiansen advised members that the request for the Cadet Program was presented to the City Manager for his review prior to its submission to the Committee. Mayor Christiansen expressed his feeling that it is imperative, due to the Charter requirements for the Mayor to be responsible for the safety and security of the City, that the Mayor remain in charge of the Police Department. However, he conceded that the City Manager should work closely with the Mayor and Police Chief on the budget for the Police Department.

Responding to Mr. Hare, Mayor Christiansen indicated concurrence with the proposal submitted by Mr. Sudler, feeling that the City of Dover needs a strong mayor with a professional City Manager. Mr. Hare explained his concern with the City Manager being held accountable for those departments that are not his responsibility, such as the Police Department, as it relates to the City's Budget. He reiterated his opinion that the City should have a strong mayor form of government.

Mr. Dixon stated his agreement with the City having a strong mayor form of government. Noting that changes would be required, he urged members to remember that the positions are held by human beings and that people should be treated in a fair manner.

Mr. Slavin reminded members that the results of the 2004 referendum regarding the City having a full-time or part-time Mayor reflected that 3,185 voters favored a full-time Mayor and 1,285 voters favored a part-time Mayor. It was his observation, having experience working with governments, that simple reorganizations inside governments can be difficult. He stated that an overhaul of the entire form of government would require an order of magnitude well over difficult. Although he could support many of the proposed changes, Mr. Slavin stated that they would be time consuming and expensive to complete and a strong mayor form of government would be more costly than the current form of government. He suggested that this matter be presented to City Council for a final decision.

Council President Bonar indicated his support for a full-time Mayor; however, he also supported the City Manager serving as the chief business operations manager for the City. As previously mentioned, the City Manager is responsible for submitting a draft budget for the entire City and as such, Mr. Bonar felt that all departments should be placed under the City Manager. He explained the dangers of a Mayor having full control of the City and supported the Police Department reporting to the City Manager. He noted that having the City Manager in charge of the day-to-day operations of the City would allow for the Mayor to concentrate efforts on ensuring the City is recognized by, and participates in, the various forms of government, Boards, Committees, and Commissions throughout the State to ensure that the City receives its "fair share" of emergency services and legislative funding.

Mr. Hare indicated that when the Mayor's position was changed to full-time, it was to provide the necessary time to lobby the legislators, promote economic development, public relations, etc. and not to spend time in City Hall.

Noting that the Committee had held several discussions regarding this matter, Council President Bonar felt that it should now be presented to City Council for resolution.

Regarding the costs associated with a strong mayor, Mr. Sudler felt that an increase in that Mayor's salary would be less than that of an Assistant City Manager and that the Mayor could then assist the City Manager.

Mr. Slavin noted the receipt of an e-mail, dated December 8, 2014, from the City Clerk's Office regarding comments submitted by Ms. Rose Bryan of 43 Pine Street, as follows:

> *"Ms. Bryan stated that she has lived in Dover for 48 years and is very much in favor of a full-time mayor, based on the size of the City of Dover. Ms. Bryan will not be attending the [meeting] tonight and does not have access to email. She asked the Clerk's Office to convey her message to Committee members."*

Ms. Sara Herbert, 223 N. Bradford Street, stated that she was requested to submit correspondence from Ms. Yvonne Hall, Realtor with Keller Williams Realty Central DE. Ms. Herbert also advised members of her own support for a full-time Mayor, noting that Dover is a growing City and serves as the capital of the State of Delaware. She indicated that free parking is not available in the downtown areas in many cities in Delaware, and although it is beneficial in Dover, she felt this was an indication that there are not be as many visitors to the area as may be desired. Ms. Herbert felt that the Mayor's job is to be the "face of the City" and bring benefits that would make the City stronger and better. She stated that, in addition to herself and Ms. Hall, her husband also felt that a full-time Mayor would be beneficial to the City of Dover.

Mr. Reuben Salters (former member of City Council), 109 Bertrand Drive, relayed his support for a full-time Mayor. He reminded members of a situation that occurred years ago in the City of Dover, when there was a very strong voice in the community supporting a full-time Mayor. Mr. Salters felt that when the Mayor's position became full-time, it benefitted the City. Although members of City Council, as well as City staff, represent the City, Mr. Salters noted that the Mayor represents all the people and aspects of the City and has a unique function in this regard. He indicated the importance of the separation of power among the branches of government in the City and felt confident that, with the urging of the citizens and influence of City Council, the Mayor will remain focused on his duties, serving full-time for the best interest of the City.

Police Chief Bernat expressed his feeling that an elected official should oversee the Police Department and that individual should be the Mayor. It was his opinion that if the City Manager were placed in charge of the Police Department, there would be more of a financial interest versus public safety.

Mr. Edward Thomas Christian, Jr., 9 Pennwood Drive, indicated his recollection that when Mr. Hutchison was elected to serve as Mayor and a full-time salary was provided, since there was no "clear" job description for the position, City Council developed a job description, listing duties and responsibilities that would compensate for the salary offered for serving as the Mayor. At that time, he stated, Mayor Hutchison was given the responsibility of overseeing the Police Department since he had previously served as Police Chief and this responsibility had continued since that time. It was Mr. Christian's opinion that there was a conflict between the Mayor and the City Manager as to who would be responsible for the various departments of the City of Dover. He noted that often people get "stuck" with customs, habits, and traditions and find it difficult to make hard decisions, explaining that one's comfort zone dictates his decisions. Mr. Christian stated that the general public does not have the knowledge or sophistication, which he defined as "unconscious ignorance," to decide what is best for the City, explaining that it is the responsibility of City Council and the City Manager to determine what is best for the City of Dover. Referring to the comparison of municipalities, he stated that what may work for eight (8) million people may not work for the City of Dover.

In response to Mr. Christian's comments regarding the Mayor becoming responsible for the Police Department, Mayor Christiansen advised members that in 1929, when the City of Dover revised its Charter from the Town of Dover to the City of Dover, the Chief of Police was assigned to the Mayor. He noted that the Charter also requires the Mayor to be responsible for the Police Department, as conservator of the peace, and for the public safety of the citizens.

Mr. Hutchison stated his strong opinion that the Mayor should continue to serve as the Chief Executive Officer (CEO) for the City of Dover, explaining that the City Manager is the Chief Operating Officer who reports to the Mayor and Council.

Mr. Anderson noted that this issue involves personnel matters and questioned if an executive session could be held to allow for further discussion. Responding, Deputy City Solicitor Pepper stated his opinion that the discussion would not qualify for an executive session.

Responding to Mr. Anderson, Mr. Koenig stated that three (3) years ago, the Parks and Recreation Director had retired and, rather than filling that position, the Parks and Recreation Department was assigned to the Planning Department to provide managerial oversight. Mr. Koenig stated that there are approximately 15-17 positions, including temporary employees, in that Department. In addition, he stated that the Central Services Manager, who was in charge of purchasing, warehouse, and fleet maintenance, had retired. Rather than filling that position, fleet maintenance was transferred to the Public Works Department and purchasing and warehouse maintenance were transferred to the Finance Department.

In response to Mr. Anderson regarding an Assistant City Manager, Mr. Koenig stated that there had been no discussion regarding the possibility of removing responsibilities from Department Heads. He stated that the main issues facing the City Manager were budget and strategic plan development, the development of a facilities plan to enhance current facilities, and labor negotiations. In addition, Mr. Koenig stated that the Controller/Treasurer did not wish to be the point of contact for budget development; therefore, this responsibility would be re-assumed by the City Manager's Office.

Mayor Christiansen stated his recollection, as a member of City Council at the time, that the Planning Director and Finance Director were transferred from the City Manager to City Council in the 1980s due to a conflict between the then Planning Director and Fire Marshal, who was being given alternative orders. As a result, Council deemed it necessary to move the Fire Marshal and Planning Director to report directly to City Council. Likewise, the Finance Director/Treasurer positon was moved from under the City Manager for misreporting numbers and due to coercion to report false information to City Council.

Mr. Hare moved to recommend that this matter be referred to City Council without a recommendation, with the stipulation that they be provided all information regarding Options A, B, and C (Mr. Anderson's amendment to Option A). The motion was seconded by Mr. Shevock.

Mr. Anderson requested that Option C also include the removal of the Deputy Police Chief from appointment by the Mayor, feeling that the Police Chief should make that selection. Mr. Slavin suggested that Mr. Anderson work with the City Clerk in the development of Option C to be presented to City Council for their review and consideration.

The Committee referred this matter to City Council without a recommendation, with the stipulation that they be provided all information regarding Options A, B, and C.

Mrs. Williams moved to table this item to allow for more deliberate consideration, seconded by Mr. Hare.

In response to Mr. Perza, Mr. Hare explained that the request to defer this matter was due to the expectation that the matter could necessitate a lengthy discussion.

At the suggestion of Council President Bonar, Mrs. Williams agreed to amend the wording of her motion.

Mrs. Williams moved to defer consideration of this item pending the outcome of discussions with Mr. Cecil Wilson and other parties to the 1988 Consent Decree. The motion was seconded by Mr. Hare and carried by a roll call vote of six (6) yes (Dixon, Slavin, Williams, Hare, Hutchison, and Bonar) and two (2) no (Anderson and Perza).

Mr. Slavin moved for acceptance of the Legislative, Finance, and Administration Committee report, seconded by Mr. Dixon and carried by a vote of seven (7) yes (Anderson, Dixon, Slavin, Williams, Hare, Hutchison, and Bonar) and one (1) no (Perza).

MONTHLY REPORTS - NOVEMBER 2014

By consent agenda, Mrs. Williams moved for acceptance of the following monthly reports, seconded by Mr. Anderson and carried by a unanimous roll call vote:

City Assessor's Report
City Manager's Report
City Planner's Report
Controller/Treasurer's Budget Report
Fire Chief's Report
Police Chief's Report

EVALUATION OF BIDS - GENERAL SCOTT SWITCHGEAR

Mr. Scott Koenig, City Manager, informed members that the Electric Department was proceeding with the Capital Improvement Plan (CIP) project for the replacement of the General Scott Switchgear scheduled for this year. This project would replace the metal clad switchgear and replace the distribution breakers at the General Scott Substation as they have reached the end of their useful life. The General Scott Substation carries the industrial and residential electric load on the west side of Dover. The current station distribution switchgear was installed in 1985. Additionally, the breakers have numerous moving parts, including plastic components that tend to fail with age resulting in mis-operation of the breaker. Replacing the switchgear will reduce the possibility of outages due to aged equipment failure. Another feeder will be added to the substation to provide 12kV feed to a large commercial customer. Due to the rate tariffs, this 12kV feed will increase revenue should it become the primary feed, which is currently in discussion.

Mr. Koenig stated that there were seven (7) bids submitted, and Power Consulting Engineers, the City's contracted engineering firm, evaluated the bids and found Power Electronics, Inc. met all specifications and was the low bidder.

Staff recommended awarding the contract to the low bidder, Power Electronics, Inc., in the amount of $560,975.27.

Mr. Koenig noted that $560,975.27 was the cost for only this one (1) component of the project and the total project budget was $1,137,600.00.

Mr. Hare moved for approval of staff's recommendation, seconded by Mr. Hutchison and carried by a unanimous roll call vote.

EVALUATION OF BIDS - WEST DOVER CONNECTOR ROAD UTILITY RELOCATIONS

Mr. Scott Koenig, City Manager, advised members that this Capital Investment Project (CIP) originated from the development of a Delaware Department of Transportation (DelDOT) road construction project called the West Dover Connector. The new road will divert traffic from the south of Dover through a road that originates at Rodney Village and will connect to Saulsbury Road, adjacent to Eden Hill Farms. The current City-owned infrastructure within the scope of the project is deteriorating, therefore, the utilities are proposed to be upgraded in advance of the road construction work to avoid replacement after the new road is completed.

Mr. Koenig stated that the project was advertised to the public as an Invitation to Bid in accordance with the City's purchasing policy by the City's Purchasing Agent under ITB #15-0018PW and bids were opened on December 3, 2014. Mr. Koenig explained that four (4) bids were received and all bids were above the projected project budget. The original estimate for the project was provided by a consulting engineer. The estimates provided by the firm were $177,800 for the water improvements and $584,500 for the wastewater improvements, totaling $762,300. The scope changed slightly from the original estimate, specifically, an additional six (6) sanitary sewer manholes. Mr. Koenig explained that the consulting engineer had reviewed the bids and found that the three (3) major price differences were pipe installation, traffic control, and well pointing. The pipe installation estimate was approximately $100/l.f. less than the bid price. The traffic control estimate from the engineer was approximately 33% of the bid price. Finally, the well pointing estimate was 65% of the bid price. All contractors' prices were approximately equal; the conclusion from the engineer is that the market conditions have improved, causing the price to be higher.

Mr. Koenig reviewed the funding sources proposed to pay for the work required, in accordance with existing City Council approved financial policies.

Staff recommended awarding the contract for the City of Dover West Dover Connector Road Utility Relocation Project (Bid #15-0018PW) to Teal Construction, Inc. in the amount of $1,256,988, and amending the project budgets as submitted.

Responding to Mr. Hare, Mr. Koenig stated that the West Dover Connector project was ready to go to construction. He indicated his belief that DelDOT had awarded bids, and stated that the City of Dover Electric Department had begun relocation of equipment near Rodney Village since the relocation project would be necessary for the West Dover Connector to move forward. Mr. Koenig stated that construction of the West Dover Connector would take approximately 18 - 22 months.

In response to Mrs. Williams, Mr. Koenig reiterated that the West Dover Connector would enable drivers to go from Saulsbury Road at Hazlettville Road/North Street to the southern end of Rodney Village, at the current Charles Polk Road, and exit onto Route 13.

Noting that all of the bids were similar, Mr. Perza stated his understanding that $1.2M was probably the realistic cost for this project but questioned if the difference between the original estimate and the bids submitted was based on changes to the project scope. Responding, Mr. Koenig explained that six (6) manholes were added to the project scope but that this was not a significant change to the project. He stated that the consulting engineer advised that the significant increase in the project cost was related to the bid environment.

Mr. Perza questioned if there was any chance of the price increasing within the next six (6) months. Responding, Mr. Koenig stated that the price of this project would not change.

Mr. Slavin moved for approval of staff's recommendation to award the contract for the City of Dover West Dover Connector Road Utility Relocation Project (Bid #15-0018PW) to Teal Construction, Inc. in the amount of $1,256,988, seconded by Mr. Hare and carried by a unanimous roll call vote.

ACCEPTANCE OF PROPOSAL - SCADA EQUIPMENT TECHNOLOGY UPGRADE (WATER) - SOLE SOURCE VENDOR

Members were advised that this project involves the replacement of antiquated and/or obsolete equipment related to the Supervisory Control and Data Acquisition (SCADA) system, which controls water production. This equipment includes, but is not limited to, Remote Telemetry Units (RTUs), Master Telemetry Unit (MTU) and Radios. SCADA is used to remotely operate the wells, and for reporting, on a constant basis, the status of the City of Dover's water production wells as well as the Water Treatment Plant. The equipment being replaced would be outdated, or unable to be repaired.

Mr. Scott Koenig, City Manager, informed members that the components outlined in this proposal are part of a proprietary system; therefore, the City was required to purchase the equipment for the SCADA upgrade from the authorized distributor of ICS Healy-Ruff products. He stated that the City had been working with Whel-Tech, Inc. for several years on the SCADA system at the water treatment plant and confirmation was received from ICS Healy-Ruff indicating that Whel-Tech, Inc. was their exclusive representative in this area.

Members were advised that this project was essential for the Water Treatment Plant Division to operate the water supply for the customers of the City of Dover. The current SCADA infrastructure is outdated and new equipment and appurtenances are required to support the system. Additional costs that could arise from not proceeding with this project include, but are not limited to, increased personnel time to manually obtain information from the infrastructure, as well as manually operate wells, tanks, and other components needed to properly operate a pressurized system. This increased response time will result in decreased system reliability.

Staff recommended awarding the proposal for SCADA equipment material to the sole vendor, Whel-Tech, Inc., for a three (3) year amount of $241,090.88.

Mrs. Williams moved for approval of staff's recommendation, seconded by Mr. Slavin.

Mr. Slavin stated that this proposal provided an example of a three (3) year contract for which there was technically no funding set aside for FY16 or FY17, noting that this was the same issue that Council previously discussed.

Responding, to Mr. Anderson, Mr. Koenig explained that the sole source vendor designation was based on the fact that all of the current equipment was provided by Whel-Tech, Inc. and is proprietary; therefore, if the City were to solicit bids for this contract, all of the equipment would have to be replaced because the existing equipment would not be compatible with a new brand or new vendor. Mr. Koenig stated that the City requests that sole source vendors indicate that they service a specific territory or have franchise rights, and reiterated that Whel-Tech, Inc. had provided information stating that they were the exclusive vendor of this type of technology in this area.

The motion to approve staff's recommendation to award the proposal for SCADA equipment material to the sole vendor, Whel-Tech, Inc., for a three (3) year amount of $241,090.88, carried by a unanimous roll call vote.

SUPPORT LETTER - FUNDING FOR DELAWARE CASINOS

By consent agenda, Mrs. Williams moved for approval of the letter of support regarding funding for Delaware casinos, as submitted by Mayor Christiansen, seconded by Mr. Anderson and carried by a unanimous roll call vote.

APPOINTMENT OF DELAWARE MUNICIPAL ELECTRIC CORPORATION (DEMEC) DIRECTOR AND ALTERNATE DIRECTOR

Members considered the appointments to the Delaware Municipal Electric Corporation (DEMEC), as follows: Mr. Scott D. Koenig, Director, and Mrs. Donna S. Mitchell, Alternate Director.

By consent agenda, Mrs. Williams moved to appoint Mr. Scott Koenig and Mrs. Donna S. Mitchell to serve as Delaware Municipal Electric Corporation (DEMEC) Director and Alternate Director, respectively. The motion was seconded by Mr. Anderson and carried by a unanimous roll call vote.

COUNCIL MEMBERS' ANNOUNCEMENTS

Referring to the Council's action to open a dialogue regarding the Consent Decree, Mr. Perza clarified his belief that it was a good idea for the City to reach out to the parties of the Decree to have a conversation and learn what happened to prompt the Decree. He explained that this was not meant to be an adversarial situation or that the City is "out to change anything."

Mr. Perza announced that he would not be seeking re-election to City Council. He expressed his appreciation to everyone in the City who had worked with him over the past three (3) years and helped him reach out to other people in the community. Mr. Perza stated that he had enjoyed the process, as it was an interesting way of working in the community. He indicated that one (1) of his goals, when he was elected in 2012, was to offer a reasonable and responsible voice in government, and stated that he usually tried to work out a reasonable solution that would make everybody in the City happy. Mr. Perza stated that regardless of any political affiliations, he always tried to help

resolve issues in any neighborhood and, from his experience, all other members of Council did the same. Mr. Perza expressed his feeling that he had done a good job, noting that individuals interested in seeking election in the Second District had reached out to him to determine whether or not he planned to seek re-election first. Mr. Perza extended his thanks to everyone in the City. He stated that he would conclude his term in May, but assured everyone that his involvement would continue until that time.

Mrs. Williams stated that she would miss Mr. Perza, as she thought he brought a lot to Council.

Mrs. Williams congratulated Ms. Denise Devine, Assistant City Clerk, for receiving her Certified Municipal Clerk (CMC) designation from the International Institute of Municipal Clerks (IIMC), noting that it was a very impressive accomplishment.

Mr. Hare stated that Mr. Perza would be missed.

Mr. Hutchison extended his thanks to Mr. Perza, noting that it had been fun working with him and that Mr. Perza was always there to listen to the issues and had the forethought of the City in mind.

Mr. Perza stated that Council's "number one reason for being here" is to listen because Council is a conduit for keeping the entire City informed.

Mr. Anderson stated that it was always a pleasure to work with Mr. Perza, noting that he was a tremendous asset to the City. He expressed his hope that Mr. Perza would continue to share his expertise with the City through committee service.

Council President Bonar expressed his feeling that Mr. Perza brought a sense of reason to Council and he was proud to have worked with him. He admired Mr. Perza's ability to balance his family, business, and Council.

Council President Bonar announced that, although he had previously stated that he did would not be seeking re-election, after a lot of discussion with his wife and members of the community, he did file for reelection earlier in the day. He stated that there was a lot of work left to be done and expressed his hope to be a part of it.

Mrs. Williams announced her intent to seek re-election, noting that she planned to file her nominating petition on Friday, January 16, 2015.

Council President Bonar announced that the filing deadline for the position of Mayor for the 2015 Regular Municipal Election is Friday, January 30, 2015 at 4:30 p.m. The filing deadline for City Council seats is Friday, February 13, 2015 at 4:30 p.m. All filing information is available on the City's website at cityofdover.com.

Council President Bonar announced that the City of Dover, City of Seaford, and City of Wilmington had been selected for downtown development grants and that Governor Jack Markell was scheduled to make a formal announcement regarding Dover's grant tomorrow, January 13, 2015, at 11:00 a.m. in the Community Room at the Bayard Plaza building.

Mr. Anderson moved for adjournment, seconded by Mr. Dixon 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 January 12, 2015, are hereby approved.

ROBIN R. CHRISTIANSEN
MAYOR

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Exhibit
Exhibit #1 - Continuing Disclosure Policy Concerning Municipal Securities as an Appendix to the Debt Policy

CITY OF DOVER

DEBT MANAGEMENT POLICY

ISSUED BY: FINANCE DEPARTMENT
APPROVED: FEBRURARY 28, 2011

City of Dover
Debt Management Policy

I. Purpose of Policy

The City recognizes the foundation of any well-managed debt program is a comprehensive debt policy. A debt policy sets forth the parameters for issuing debt and managing outstanding debt and provides guidance to decision makers regarding the timing and purposes for which debt may be issued, types and amounts of permissible debt, method of sale that may be used and structural features that may be incorporated. The debt policy should recognize a binding commitment to full and timely repayment of all debt as an intrinsic requirement for entry into the capital markets. Adherence to a debt policy helps to ensure that a government maintains a sound debt position and that credit quality is protected. Advantages of a debt policy are as follows:

- Enhances the quality of decisions by imposing order and discipline, and promoting consistency and continuity in decision making,
- Rationalizes the decision-making process,
- Identifies objectives for staff to implement,
- Demonstrates a commitment to long-term financial planning objectives, and is regarded positively by the rating agencies in reviewing credit quality.

The City understands that incurring long-term debt serves to obligate future taxpayers or ratepayers. Excess reliance on long-term debt can cause debt levels to reach or exceed the government's ability to pay. Therefore, conscientious use of long-term debt will provide assurance that future residents will be able to service the debt obligations left by former residents.

The Controller/Treasurer is responsible for implementation and oversight of the City's debt policy.

II. Debt Management Objectives

- Maintain cost-effective access to the capital markets through prudent practices;
- Maintain current credit rating and when possible enhance current credit rating in order to reduce interest costs;
- Assess risks and benefits associated with all options available to the City for any bond issue, including fixed and variable rate debt;
- Determine the amortization schedule that will best fit within the overall debt structure;
- Avoid financial decisions that can negatively impact credit ratings;
- Analyze the effects on pertinent debt and capital ratios:
- Issue debt to finance capital construction, improvements, or acquisitions so as to be integrated with the City's long-term Capital Investment Plan;

III. Legal Governing Principles

In the issuance and management of debt, the City shall comply with the City Charter and with all other legal requirements imposed by federal, state, and local rules and regulations, as applicable.

IV. Permitted Debt by Type

Under the provisions of the code, the Mayor and Council may issue debt to pay down the cost of acquiring, constructing, or improving capital assets or to meet its cash flow needs. The Council should not finance general operating costs from debt having maturities more than one year. General operating costs include, but may not be limited to, those items normally funded in the Council's annual operating budget and having a useful life of less than one year. However, the Council may deem it necessary to finance cash flow requirements pursuant to the Charter, Section 50(a).

A. Short-Term Debt

The Council may issue short-term debt when such instruments allow the Council to meet its cash-flow requirements or provide increased flexibility in its financing program. Short-term debt includes, but is not limited to, tax anticipation notes, bank qualified lines of credit and commercial paper, and interfund loans for short-term cash flow needs. Short-term debt may be variable rate debt.

B. Long-Term Debt

The Council may issue long-term debt when the duration of the debt issue is consistent with the economic or useful life to the improvement or asset the issue is financing. Long-term debt shall be fixed rate debt in order to better project cash flow requirements. Long-term debt may include, but is not limited to the following:

1. *General Obligation Bonds* – General Obligation (G.O.) bonds are secured by the general credit and full revenue powers of the City; that is, the full faith and credit of the City. It is not debt specific to a specific fund. All general obligation bonds must be approved by the Council and can be sold in competitive or negotiated sales. The City will finance its long-lived municipal improvements over the estimated life of the improvement, not to exceed twenty years. The principal payments shall be structured such that 60% is repaid within the first half of the estimated life of the improvement. General Obligation Bonds may require voter approval.

2. *Revenue Bonds* – This is debt payable from a specific pledged revenue source or special assessments, typically in the Electric Revenue and Water/Wastewater Funds. These bonds are subject to covenants which limit the total debt service for the fund to a percentage of the qualified expenditures of that fund. All revenue bonds must be approved by the Council. The City will finance its system and infrastructure improvements over a term not to exceed the lesser of 30 years or the life of the improvement. Revenue bonds can be sold in competitive or negotiated sales. Revenue Bond sales shall be structured to achieve level debt service payments to the extent possible taking into consideration the costs of such financings. The City Revenue bonds do not require voter approval.

3. *Capital Leases* - This is debt payable for the purchase of and secured by specific capital equipment. Ownership transfers upon final payment. Capital Leases shall not exceed the life years of the equipment being leased. All Capital Leases must be approved by the Council.

4. *Tax and Revenue Anticipation Notes (TRANs)* – The Controller/Treasurer may ascertain the need to fund internal working capital cash flow. Before issuing such notes, cash flow projections shall be prepared and reviewed by the Legislative, Finance, and Administrative Committee of the Council, which may report to the Council with a recommendation to approve a TRAN. TRANs may be sold in either a competitive or negotiated sale. All TRANs must be approved by the Council.

5. *State Revolving Loan Fund* - Delaware has revolving loan funds which are long-term debt issued at below market interest rates for municipalities to fund designated programs. As funds are repaid to the state by the various debtors, they are made available to other qualified applicants for the loan. All State Revolving Fund Loans must be approved by the Council.

C. Refunding Debt

The City shall review its outstanding debt annually for the purpose of determining if the financial marketplace will afford the City the opportunity to refund an issue and lessen its debt service costs. In order to consider the possible refunding of an issue a Net Present Value savings of three percent over the life of the respective issue, at a minimum, must be attainable. The NPV savings will include consideration of all fees and legal costs. The City may also refund or restructure bonds when existing bond covenants impinge on prudent and sound financial management.

V. Restrictions on Debt Issuance

A) Charter Restrictions – Section 50

i. Tax or revenue anticipation notes shall not exceed one (1) percent of the total taxable assessment for a general tax, and shall be paid back out of current revenue received thereafter, and shall require approval of three-fourths vote of all Council Members and approval of the Mayor. (Section 50(a))

ii. General Obligation aggregate indebtedness cannot exceed one (1) percent of taxable assessment for a general tax at the time such new bonds are issued. Requires three-fourths vote of Council and approval of the Mayor. (Section 50(c)(i))

iii. The aggregate of amounts borrowed together with all other bonded indebtedness for which the full faith and credit of the City has been pledged shall not at any time exceed a sum equal to five (5%) percent of the total assessed value of real property**.**

iv. The amounts borrowed no greater than ¼ of one percent (.25%) of taxable assessed value of real property (General Obligation) at any one time shall first be approved by an affirmative vote of three-fourths of Council and the Mayor. Any new bonds issued pursuant to this clause may not cause the total aggregate principal amount of bonds outstanding at any one time to exceed one percent of

the total taxable assessment for a general tax at the time such new bonds are issued. **(Section 50(c)(i))**

On July 12, 2007, Senate Bill #146 of the 144th General Assembly was signed into law. This Act would decrease maximum bonded indebtedness from 25 percent to 5 percent and amend the $1million bond limit without a referendum to ¼ of one percent (.25%) of total assessed value of real property or $3 million, whichever is less.

On July 8, 2009, Senate Bill #165 of the 145th General Assembly was signed into law. This act removed the "or $3 million, whichever is less" requirement from the previous Charter change.

B.) Debt Service Limitations

i. Debt service payments (principal and interest) shall not exceed 8% of recurring General Fund revenues for all general obligation bonds.

ii. General Obligation direct debt of the City shall not exceed $700 per capita. (Population Source: Delaware Population Consortium)

iii. Revenue Bonds will adhere to all bond covenants and shall include Trustee held debt service reserve accounts.

iv. Tax Exempt Bonds will have arbitrage calculations performed every five- years as required by the Internal Revenue Code.

v. No City debt issued for the purpose of funding capital projects may be authorized by the City Council unless an appropriation has been included in the Operating Budget and the debt issue was presented in the Capital Investment Plan.

VI. Planning and Oversight of City Indebtedness

A. Overview

The City plans long- and short-term debt issuance to finance its capital program based on its cash flow needs, sources of revenue, capital construction periods, available financing instruments and market conditions. The Capital Investment Plan projects the capital needs of the City for the next five years. The City shall prepare cash flow projections for the general, water/wastewater, and electric funds for five years along with the attendant debt and capital ratios as presented in Appendix A. The financial impact of these projections and ratios shall be considered by the Council before any new debt instrument is approved.

The financial projections will include developer contributions, assessments, or impact fees when planned construction projects (i.e. extensions) benefit a small sector of the service area or small group of customers. Projects to replace or upgrade the trunk systems that benefit all customers of the system will be financed through operating revenues.

B. Roles and Responsibilities

The City shall maintain a combination of in-house and contracted professionals to complete all debt issuance transactions. The primary responsibilities shall be handled by the Controller/Treasurer, City bond counsel, and a Financial Advisor. Other services may be provided as determined necessary by this three-person team.

1. City Council shall authorize bond issues and the selection of all relevant service providers is the responsibility of the City Council. A representative or appointee of the Council is to attend all competitive sales and appropriate bid openings. The Legislative, Finance and Administrative Committee is responsible to provide recommendations to the Council for the need for debt issuance, selection of service providers, and presentation of all pertinent information.

2. The Controller/Treasurer oversees and coordinates the timing, issuance process and marketing of the City's borrowing and capital-funding activities required in support of the Capital Investment Plan. In this regard, the Controller shall have responsibility as delineated in Appendix B.

3. Financial Advisors shall be selected by means of an RFP from a selected pool of such advisors to mitigate time constraints and reduce overhead costs of the City in procuring such services. Once selected, the City shall require a new RFP for each new issue or refinancing every five years. The City may replace a financial advisor with notice at any time. The financial advisor shall provide transaction specific and ongoing services including, but not limited to those as described in Appendix C.

4. Bond Counsel shall include a written opinion affirming the City is authorized to issue the proposed debt and has met all legal requirements. The City may replace a bond counsel with notice at any time. The Bond Counsel shall prepare all documents and perform all advisory functions, including the services as described in Appendix D.

5. Letter of Credit Bank or Liquidity Facility Provider Bank. In the issuance of variable rate debt, the City shall procure a letter of credit or line of credit in support of such variable rate debt. The bank shall be evaluated based on its experience in providing liquidity facilities to municipal bond issuers, the credit ratings of the bank, and the competitiveness of its fees based on a market analysis of such fees.

6. Verification Agent. For refundings, the City shall procure the services of a verification agent. The verification agent confirms that sufficient proceeds are escrowed to ensure the timely repayment of principal and interest. The verification agent shall be selected based on ability to provide accurate and timely information and competitiveness of fees, based on a market analysis of such fees. The City may replace a verification agent with notice at any time.

7. Underwriters. For negotiated sales, underwriters are selected to structure the debt and sell debt to institutional and retail investors. They shall be selected based on demonstrated ability to perform these functions, be recommended by the Financial Advisor and/or Bond Counsel. The City may replace underwriters with notice at any time.

8. Trustees. For all bond issues, the City shall select a trustee to hold and invest the funds of the bond issue. The City may replace a trustee with notice at any time.

9. Auction Agents. For all relevant issues, the City shall select an auction agent to conduct the competitive bidding. The City may replace an auction agent with notice at any time.

10. Investment Agreement Counterparties. Repurchase Agreements or Forward Delivery Agreements shall be executed with counterparties rated at least AA (by at least one major rating agency) with downgrade provisions requiring assignment or collateral should the rating fall below A- or A3 by Standard and Poor's and Moody's, respectively. The City may replace Investment Agreement Counterparties with notice at any time.

VII. Transaction-Specific Policies

A. Presumption of Competitive Sale

Unless otherwise justified and deemed necessary to minimize the costs and risk of the City's debt issue, the issuance and sale of all long-term debt (with the exception of capital leases and State Revolving Loans) shall be achieved by competitive bid.

B. Competitive Bid Method

Any competitive sale of the City's debt shall require approval of the City Council. The City's debt issued on a competitive bid basis shall be sold to the bidder(s) proposing the lowest true interest cost to the City. Such bid may take the form of hand-delivered or electronically transmitted offers to purchase the bonds. The City may use the services of a financial advisor to administer the bid.

C. Negotiated Bid

When deemed appropriate to minimize costs and risks of the City's debt issue, the Legislative, Finance and Administrative Committee shall submit to the City a request to sell the debt issue on a negotiated basis. If debt is sold on a negotiated basis, the negotiations of terms and conditions shall include, but not be limited to, prices, interest rates, underwriting or remarketing fees and commissions. All negotiated bids shall have a financial advisor who shall evaluate the terms offered by the underwriter(s) and comparisons with the terms and conditions in the marketplace for comparable issuers. The City shall require a post-sale analysis as described in the section Roles and Responsibilities, Financial Advisors, above. No debt issue shall be sold on a negotiated basis without an independent financial advisor.

D. Private Sale

The City shall only sell debt through private placement when necessary for a bridge loan to cover emergencies or project start-ups.

E. Refunding

The City may refinance outstanding long-term debt when the public policy benefits of replacing such debt outweigh the costs associated with new issuance as well as any increase in annual debt service. The Controller/Treasurer, with advice from the Financial Advisor and Bond Counsel, will recommend to the Legislative, Finance, and Administrative Committee when the opportunity to refinance will provide significant benefit based on net present value savings. The potential realization of a significant reduction in overall debt service costs shall be considered a public policy benefit in preparing the recommendation. This may be accomplished either by advance refunding to the first call or by defeasance to maturity.

F. Call Provisions

The City seeks to minimize the protection bondholders receive from optional redemption. This is consistent with the City's desire to obtain the lowest possible interest rate on its debt over time. The City will seek early calls at low premiums to allow it to refinance debt more easily when interest rates drop. The Controller/Treasurer and the City's Financial Advisor shall evaluate optional redemption provisions for each issue to assure the City does not pay unacceptable higher interest rates to obtain advantageous call dates.

G. Investment of Bond Proceeds

All investments of bond proceeds shall adhere to the City's Investment Policy approved by the City Council.

H. Communications with Credit Rating Agencies

The Controller/Treasurer is responsible for maintaining relationships with rating agencies that assign ratings to the City's various debt obligations. The credit objective of the City is to maintain the highest possible credit rating at all times. The Controller is to from time to time report to the City Council the status of such ratings and describe the underlying elements of the activities of the City which the rating agencies indicate affect said ratings. Each month the Controller shall provide the Council with the current covenant ratios for revenue bonds. The Controller shall request ratings prior to the sale of securities from at least one nationally recognized rating agency.

I. Credit Enhancements

Credit enhancements (letters of credit, bond insurance, etc.) may be used, but only when net debt service on the bonds is reduced by more than the costs of the enhancement.

J. Disclosure

The City is committed to full and complete financial disclosure, and to cooperating fully with rating agencies, institutional and individual investors, City departments and agencies, other levels of government, and the general public to share clear, comprehensible, and accurate financial information. The City is committed to meeting secondary disclosure requirements on a timely and comprehensive basis.

The City will comply with the standards of the Government Finance Officers Association for financial reporting and budgeting presentation and the disclosure requirements of the Securities and Exchange Commission to include specific reporting obligations associated with SEC Rule 15c2-12 for which the City of Dover has prepared a Continuing Disclosure Policy Concerning Municipal Securities and has included as and attached as Appendix E. The Finance Department shall be responsible for ongoing disclosure to established national information repositories and for maintaining compliance with disclosure standards promulgated by state and national regulatory bodies.

APPENDIX A
CASH FLOW PROJECTIONS & PERTINENT DEBT AND CAPITAL RATIOS

City of Dover
Debt Management Policy
Sample Financial Model

Table 1
Projected Net Margins

	Year 0 2006	Year 1 2007	Year 2 2008	Year 3 2009	Year 4 2010	Year 5 2011
Operating Revenue - Rate Revenue	50,000,000	51,500,000	53,045,000	54,636,400	56,275,500	57,963,800
Operating Revenue - Other	500,000	510,000	520,000	530,000	540,000	550,000
Total Revenue	50,500,000	52,010,000	53,565,000	55,166,400	56,815,500	58,513,800
Direct Operating Expenses	(35,000,000)	(36,050,000)	(37,131,500)	(38,245,445)	(39,392,808)	(40,574,593)
Allocated Overheads	(5,000,000)	(5,150,000)	(5,304,500)	(5,463,635)	(5,627,544)	(5,796,370)
Total Operating Expenses	(40,000,000)	(41,200,000)	(42,436,000)	(43,709,080)	(45,020,352)	(46,370,963)
Operating Margin	10,500,000	10,810,000	11,129,000	11,457,320	11,795,148	12,142,837
Non-Oper. Rev. - Interest on Operating Funds	400,000	634,000	634,000	634,000	634,000	634,000
Operating Transfers - Out	(5,700,000)	(5,700,000)	(4,285,200)	(3,585,800)	(3,693,000)	(3,803,400)
Margins Available For Debt Service	5,200,000	5,744,000	7,477,800	8,505,520	8,736,148	8,973,437
Interest for Long-Term Debt	(914,000)	(859,048)	(1,599,500)	(1,726,400)	(1,617,400)	(1,498,300)
Cash From Operations	4,286,000	4,884,952	5,878,300	6,779,120	7,118,748	7,475,137
Non Cash Income/Loss on Investments	-	-	-	-	-	-
Gain/Loss on Sale of Assets	-	-	-	-	-	-
Debt Issue Cost Amort.-Outstanding Debt	(110,000)	(110,000)	(110,000)	(110,000)	(110,000)	(110,000)
Debt Issue Cost Amort.-New Debt		-	-	(25,000)	(25,000)	(25,000)
Depreciation Expense	(3,800,000)	(4,164,400)	(4,472,000)	(4,846,900)	(5,011,800)	(5,019,200)
Net Margins ($)	376,000	610,552	1,296,300	1,797,220	1,971,948	2,320,937
Debt Service Coverage						
Margins Avail. for Debt Service	5,200,000	5,744,000	7,477,800	8,505,520	8,736,148	8,973,437
Total Debt Service	2,768,614	2,589,048	3,379,500	4,171,300	4,157,500	4,160,100
Debt Service Coverage Ratio	1.88	2.22	2.21	2.04	2.10	2.16

City of Dover
Debt Management Policy
Sample Financial Model

Table 2
Projected Cash Flows

	Year 0 2006	Year 1 2007	Year 2 2008	Year 3 2009	Year 4 2010	Year 5 2011
Beginning Cash Balance						
Cash Balance as of July 1	$7,068,372	$1,344,732	$5,667,765	$8,030,565	$6,423,085	$10,001,932
Sources of Cash						
Sale of Bonds	-	-	15,000,000	-	-	-
Cost of Bond Sales	-	-	500,000	-	-	-
Net Bond Proceeds	-	-	14,500,000	-	-	-
Transfers From Reserves and Grants	504,000	8,714,000	-	5,241,500	1,194,000	3,463,500
Sale of Investments	4,000,000	-	-	-	-	-
Cash from Operations	4,286,000	4,884,952	5,878,300	6,779,120	7,118,748	7,475,137
Non-Oper. Rev. - Interest on Reserve Funds	621,600	1,144,924	953,700	991,900	821,900	807,000
Other Sources of Cash	-	-	-	-	-	-
Total Sources of Cash	$9,411,600	$14,743,876	$21,332,000	$13,012,520	$9,134,648	$11,745,637
Transfers To Reserves	2,315,000	840,000	0	0	0	-
Plant Additions	3,802,958	6,705,919	16,235,500	11,183,200	2,193,800	9,143,800
Principal on Debt	1,855,000	1,730,000	1,780,000	2,444,900	2,540,100	2,661,800
Purchase of Investments	7,162,282	1,144,924	953,700	991,900	821,900	807,000
Total Cash Requirements	$15,135,240	10,420,843	$18,969,200	$14,620,000	$5,555,800	$12,612,600
Ending Cash Balance						
Increase (Decrease) in Cash	($5,723,640)	$4,323,033	$2,362,800	($1,607,480)	$3,578,848	($866,963)
Unaccounted for Variance						
Cash Balance as of June 30	$1,344,732	$5,667,765	$8,030,565	$6,423,085	$10,001,932	$9,134,969
Minimum General Reserves-5% of Revenue	2,525,000	2,600,500	2,678,250	2,758,320	2,840,775	2,925,690
Difference from Cash Reserve - Net Long/(Short)	($1,180,268)	$3,067,265	$5,352,315	$3,664,765	$7,161,157	$6,209,279

Cash Available for Plant Additions	116,000	2,314,952	4,098,300	4,334,220	4,578,648	4,813,337

APPENDIX B
LIST OF SERVICES TO BE PROVIDED BY CONTROLLER/TREASURER

- Maintain a database with all outstanding debt;
- Attend meetings of the City Council or its committees relating to financial issues affecting the financing;
- Use comparative bond pricing services or market indices as a benchmark in negotiated transactions;
- Provide the Legislative and Finance Committee an evaluation of the final bond pricing results;
- Attend competitive bid openings for issuance of debt to assist the City with verification of bids, ensuring compliance with financing terms and conditions and to recommend acceptance or rejection of bids;
- Develop cash flow projections and pertinent debt and capital ratios for the current and the next four fiscal years;
- Determine the available debt capacity;
- Recommend to the Legislative and Finance Committee the manner of sale of debt, including a recommendation to use either fixed rate debt or variable rate debt;
- Monitor opportunities to refund debt and recommend such refunding, as appropriate;
- Provide for the timely payment of principal and interest on all debt;
- Provide for and participate in the preparation of offering and disclosure documents;
- Assure all repositories are provided the legally required information under Securities and Exchange Commission Rule 15c2-12, regarding continuing disclosure;
- Provide for the timely distribution of pertinent information to the bond counsel, financial advisor, paying agent, auditor, underwriters and rating agency and other municipal market participants;
- Provide post sale analysis;
- Prepare and review bid procedures, including CUSIP subscription, escrow services;
- Recommend investment of proceeds and reserves;
- Assist in the review and analysis of state and federal legislation pertaining to the City's financing programs;
- Prepare and assist in the evaluations of RFPs for financial services as are considered appropriate by the City Council, including, but not limited to, the financial advisor, bond counsel, line of credit banks or liquidity facilities bank for variable rate bonds and trustees;
- Seek out and evaluate proposals on new products and other financing ideas from underwriters and other professionals in the field of finance;
- Maintain communications with credit rating agencies, as described in the section "Communications with Credit Rating Agencies";
- Provide other services as requested by the City Council.

APPENDIX C
LIST OF SERVICES PROVIDED BY FINANCIAL ADVISOR

- Recommend specific covenants, financing structure, indentures and terms, including call provisions;
- Prepare and/or review preliminary and final official documents and all contracts and resolutions relating to the issuance of debt;
- Prepare and review advertisements of sales;
- Assist in preparation of information for rating agencies, investors and other municipal market participants;
- Assist the City with any other financing matters, including setting up electronic bids, investing proceeds, handling escrow issues and administering the City's program;
- Attend meetings of the City as requested;
- Attend competitive sales' bid openings to assist in the verification of bids and assure compliance with the terms of terms and conditions, and recommend to the Controller/Treasurer acceptance or rejection of the bids;
- Advise the City regarding negotiated sales during the sales process so as to assure the coupon rates reflect current market rates;
- Provide assistance in the preparation of RFPs for services related to the issuance of debt;
- Provide post sales analysis, including an issue summary and Final Report;
- Provide continuing service, including monitoring the outstanding obligations and the opportunities to refund, evaluating proposals on new products, and assisting in reviewing state and federal legislation.

APPENDIX D
LIST OF SERVICES PROVIDED BY BOND COUNSEL

- Render legal opinions regarding the validity and binding effect of the bonds, the source of payment and security for the bonds and the excludability of interest on the bonds from gross income for federal income tax purposes;
- Prepare and review the documents necessary to authorize, issue, sell and deliver the bonds and to coordinate the authorization and execution of these documents including the Resolution;
- Review all legal issues related to the structure of the bonds;
- Prepare and review those sections of the offering documents to be disseminated in connection with the sale of the bonds;
- Assist, as needed, the City in presenting information regarding legal issues pertinent to the bond rating agencies, investors, and other municipal market participants;
- Participate in meetings relating to legal issues;
- Prepare and/or contracts, as necessary, including bond purchase contracts, liquidity facility agreements, remarketing agreements, investment and trust agreements and other documents as is deemed appropriate by the City;
- Prepare the official transcripts of the proceedings related to the sale of bonds
- Assist in other legal matters relating to the issuance of the bonds;
- Provide ongoing services including tax advice, regulatory efforts and rulings that pertain to the City, planning for continuing disclosure and RFPs for financial services relating to the issuance of bonds.

APPENDIX E
CONTINUING DISCLOSURE POLICY
CONCERNING MUNICIPAL SECURITIES
Issued or Guaranteed by the

CITY OF DOVER, DELAWARE

Introduction

This Continuing Disclosure Policy (the "Disclosure Policy") is promulgated by the City Controller/Treasurer to ensure that City of Dover, Delaware (the "City") efficiently carries out its continuing disclosure obligations with respect to the municipal securities it issues or guarantees, pursuant to Rule 15c2-12, as amended (the "Rule"), promulgated under the Securities Exchange Act of 1934, as amended.

Definitions

The definitions set forth herein shall apply to any capitalized term used in this Disclosure Policy unless otherwise defined herein. In addition to such terms and the terms defined above, as used in this Disclosure Policy, the following capitalized terms shall have the following meanings:

"Auditor" means the independent auditor of the City.

"CAFR" means the Comprehensive Annual Financial Report annually prepared by the City's Finance Department, which shall include, if prepared, a statement of net position, a statement of revenues, expenses and changes in net assets and a statement of cash flow. All such financial information shall be prepared using generally accepted accounting principles as in effect from time to time and operating data and operating information ordinarily disclosed by municipal governments, and audited by a certified public accountant; provided, however, that the City may change the accounting principles used for preparation of such financial information so long as the City's Finance Department includes as information provided to the public a statement to the effect that different accounting principles are being used, stating the reason for such change and how to compare the financial information provided by the differing financial accounting principles. For purposes of this policy, any reference herein discussing the submission of the CAFR shall include therein all Operating Data.

"City" means the City of Dover, Delaware.

"City Council" means the City Council of the City of Dover, Delaware.

"City Attorney" means the City Attorney or Deputy City Attorney of the City.

"City Controller/Treasurer" means the Controller/Treasurer of the City or the Acting Controller/Treasurer of the City. If this position is vacant, the Assistant Controller/Treasuer of the City shall be responsible for performing the duties of the City Controller/Treasurer under this Disclosure Policy.

"Disclosure Documents" means the official statements, offering and reoffering circulars and similar disclosure documents prepared by or on behalf of the City in connection with the primary offering of its outstanding Obligations.

"Dissemination Agent" means that person designated in writing by the City to submit Disclosure Documents to EMMA.

"Employee" means any person who, as part of his or her employment with the City, has regular responsibility for the administration of matters related to Obligations.

"EMMA" means the Electronic Municipal Market Access system of the MSRB. Information regarding submissions to EMMA is available at http://emma.msrb.org/.

"Event" means any of the events listed in Schedule 1 of this Disclosure Policy.

"Fiscal Year" means the fiscal year of the City, being the period commencing on July 1 and ending on the following June 30.

"Mayor" means the Mayor of the City.

"MSRB" means the Municipal Securities Rulemaking Board or any other board or entity which succeeds to the functions currently delegated to the Municipal Securities Rulemaking Board by the Rule.

"Obligations" means any municipal securities issued by, or whose payment is guaranteed by, the City. A list of currently outstanding Obligations is set forth in Schedule 2 of this Disclosure Policy.

"Operating Data" means the City's financial information and operating data disclosed pursuant to the City's Undertakings and this Disclosure Policy.

"SEC'' means the U.S. Securities and Exchange Commission.

"Undertakings" means those written undertakings of the City to file certain annual operating and financial information and notice of the occurrence of certain material events executed in connection with the primary offering of certain Obligations. A list of currently applicable Undertakings and their respective Obligations is set forth in Schedule 2 of this Disclosure Policy.

Annual Submission of CAFR

1. Each year not later than June 30, the City Controller/Treasurer, and/or their designees shall undertake a review of the City's outstanding Obligations and Undertakings to determine what Operating Data must be submitted to comply with its Undertakings. Such Operating Data may be updated or submitted as part of its CAFR or it may be provided to EMMA in a supplemental report.

2. Not later than March 31 following the end of each Fiscal Year of the City, while any Obligations remain outstanding, the City Controller/Treasurer shall submit or cause the City's CAFR to be submitted to the MSRB through EMMA as follows:

a. The City Controller/Treasurer shall provide copies of the CAFR to the City's Dissemination Agent not less than ten (10) days prior to the above deadline for the submission of the CAFR to the MSRB and shall simultaneously request a written confirmation from the Dissemination Agent that such filing has occurred within five (5) days after the submission of the CAFR.

b. Not more than five (5) days after the submission of the CAFR to the MSRB, the Dissemination Agent shall provide to the City Controller/Treasurer written confirmation that the CAFR has been submitted and filed properly with the MSRB through EMMA.

3. In the event that the CAFR is not completed in time to submit the CAFR to the MSRB through EMMA within the time specified in paragraph 1 above, the City Controller/Treasurer will file or cause to be filed a notice of occurrence of such Event in accordance with the policy and procedures set forth below under "Reporting of Events," and in accordance with the Rule, and the City's CAFR shall be submitted as soon as it is available.

4. The CAFR may be provided to the MSRB through EMMA in one document or a set of documents submitted to the MSRB, or may be included by specific reference to documents available to the public on the MSRB's Internet website or filed with the SEC. The City Controller/Treasurer shall clearly identify each such other document provided by cross-reference.

5. The City's CAFR shall be prepared in accordance with generally accepted accounting principles as in effect from time to time and operating data and operating information ordinarily disclosed by municipal governments. The CAFR shall be audited by a certified public accountant prior to its submission to the MSRB.

6. The City's CAFR may be incorporated by reference to other documents, including Disclosure Documents of debt issues with respect to which the City is an "obligated person" (as defined by the Rule), which have been filed with the MSRB through EMMA or the SEC. The City Controller/Treasurer shall clearly identify each such other document so incorporated by reference. In the event that the City Controller/Treasurer determines to so incorporate by reference the CAFR, the City Controller/Treasurer shall also file a notice through EMMA indicating that the City's CAFR for that year is contained in documents filed with the SEC or with the MSRB through EMMA.

Periodic Reporting of Events

7. The City Controller/Treasurer shall file or cause to be filed a notice of the occurrence of any Event or Events with the MSRB via EMMA with respect to any Obligations to which the Event or Events are applicable, in a timely manner not in excess of ten (10) business days after the occurrence of the Event. The City Controller/Treasurer shall provide notice of such Event to the MSRB through EMMA, as required by the Rule. The Events to be disclosed are listed on Schedule 1 hereof, which the City Controller/Treasurer is responsible for updating in a timely

manner in the event that there are future changes to the Rule that result in additions, changes or deletions to the list of Events.

8. Not less than three (3) business days after providing notice of an Event to the MSRB, the City Controller/Treasurer shall provide a copy of the notice submission filed with the MSRB to the City Solicitor, along with written confirmation that such notice submission was properly filed with the MSRB through EMMA, as required by the Rule.

Manner of Submission

9. The CAFR, Operating Data, and Event notices required to be submitted to the MSRB pursuant to the Disclosure Policy shall be submitted through EMMA in a searchable, electronic format, and shall be accompanied by identifying information, including all relevant CUSIP identification numbers of outstanding Obligations, in the manner prescribed by the MSRB, or in such other manner as is consistent with the Rule. A description of such format and information as presently prescribed by the MSRB is included in Exhibit A hereto.

Disclosure Training for City Employees

10. The City Controller/Treasurer is responsible for conducting any necessary annual training of City employees responsible for implementing this Disclosure Policy. Such training shall include a complete review of this Disclosure Policy, the Rule, the Undertakings and the Events listed on Schedule 1 hereto, and shall include a complete overview of the City's obligations under the federal securities laws. Upon completion of the annual training, all City Employees will provide written certification that they have completed the annual disclosure training and that they have reviewed and understand the Disclosure Policy, the Rule, the Undertakings and the Events listed on Schedule 1 hereto, and that they will comply with the Disclosure Policy.

11. Not later than fourteen (14) business days after the end of each fiscal year of the City, the City Controller/Treasurer shall provide annual written certification to the City Solicitor that the annual disclosure training has been completed.

Public Statements Regarding Financial Information

12. Whenever officials of the City make statements or release information relating to its finances and operations to the public that is reasonably expected to reach investors and the trading markets (including, without limitation, all Event notices, statements in the CAFR, Operating Data and other reports and statements of the City), the City shall ensure that such statements and information are complete, true, and accurate in all material aspects. The City Controller/Treasurer shall have primary responsibility for ensuring that such statements and information are accurate and not misleading in any material aspect. The Mayor, the City Controller/Treasurer, and the City Solicitor shall work together to ensure that all public statements and information released by the City are accurate and not misleading in all material aspects and that the City complies with all applicable requirements of the Rule regarding continuing disclosure.

Issuance

13. Whenever the City issues its Obligations, preliminary and/or final Disclosure Documents are prepared by or on behalf of the City. Each of these Disclosure Documents contains information relating to the City's finances. The City Controller/Treasurer shall share primary responsibility for ensuring that all such information is accurate and not misleading in any material aspect. Each Disclosure Document shall be accompanied by a certification by the City Controller/Treasurer that the information contained in the Disclosure Document regarding the City, as of the date of such Disclosure Document, does not contain any untrue statement of material fact or omit to state any material fact necessary to make the information contained in the Disclosure Document, in light of the circumstances under which it was provided, not misleading.

Additional Information

14. Nothing in this Disclosure Policy shall be deemed to prevent the City from disseminating any other accurate information using the means of dissemination set forth in this Disclosure Policy or any other means of communication.

Amendments

15. The City will consult its bond counsel (and any other member of its finance team deemed appropriate, such as its financial advisor) prior to considering any substantive change to this Disclosure Policy.

Dated _____, 2014.

Schedule 1
CONTINUING DISCLOSURE POLICY
CONCERNING MUNICIPAL SECURITIES
LIST OF EVENTS

The SEC requires notification of the occurrence of any of the Events listed as (1) through (14) below with respect to any applicable obligation. Notification must be provided in a timely manner, but not more than ten (10) business days after its occurrence.

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the obligations, or other material events affecting the tax status of the obligations;

7. Modifications to rights of the holders of the obligations, if material;

8. Bond calls (other than mandatory sinking fund redemptions), if material, and tender offers;

9. Defeasances;

10. Release, substitution, or sale of property, if any, securing repayment of the obligations, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership, or similar event of the City;

13. The consummation of a merger, consolidation, or acquisition involving the City, or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. Appointment of a successor trustee or the change of name of a trustee, if material.

Schedule 2
CONTINUING DISCLOSURE POLICY
CONCERNING MUNICIPAL SECURITIES
List of Outstanding Obligations with Undertakings
As of December 1, 2014, to be updated annually

Series	Issue Date	Final Maturity	Quarterly Filings (Y/N)	Deadline for Annual Filings (in Days)	Other Reporting/Filings
2013 Water Wastewater Revenue Bonds	8/15/13	2033	N	275 days after fiscal year end	None
2008 Electric Revenue Bonds	7/01/08	2030	N	275 days after fiscal year end	None
2010 Electric Revenue Bonds	11/17/10	2015	N	275 days after fiscal year end	None

List of Current Undertakings

None

EXHIBIT A

MSRB PROCEDURES FOR SUBMISSION OF CONTINUING DISCLOSURE DOCUMENTS AND RELATED INFORMATION

Securities and Exchange Commission Release No. 34-59061 (the "Release") approves an MSRB rule change establishing a continuing disclosure service of the MSRB's Electronic Municipal Market Access system ("EMMA"). The rule change establishes, as a component of EMMA, the continuing disclosure service for the receipt of, and for making available to the public, continuing disclosure documents and related information to be submitted by issuers, obligated persons and their agents pursuant to continuing disclosure undertakings entered into consistent with Rule 15c2-12 ("Rule 15c2-12") under the Securities Exchange Act of 1934. The following discussion summarizes procedures for filing continuing disclosure documents and related information with the MSRB as described in the Release.

All continuing disclosure documents and related information is to be submitted to the MSRB, free of charge, through an Internet-based electronic submitter interface or electronic computer-to-computer data connection, at the election of the submitter. The submitter is to provide, at the time of submission, information necessary to accurately identify: (i) the category of information being provided; (ii) the period covered by any annual financial information, financial statements or other financial information or operating data; (iii) the issues or specific securities to which such document is related or otherwise material (including CUSIP number, issuer name, state, issue description/securities name, date, maturity date and/or coupon rate); (iv) the name of any obligated person other than the issuer; (v) the name and date of the document; and (vi) contact information for the submitter. Submissions to the MSRB are to be made as portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. If the submitted file is a reproduction of the original document, the submitted file must maintain the graphical and textual integrity of the original document. In addition, as of January 1, 2010, such PDF files must be word-searchable (that is, allowing the user to search for specific terms used within the document through a search or find function), provided that diagrams, images and other non-textual elements will not be required to be word-searchable.

All submissions to the MSRB's continuing disclosure service are to be made through password protected accounts on EMMA by: (i) issuers, which may submit any documents with respect to their municipal securities; (ii) obligated persons, which may submit any documents with respect to any municipal securities for which they are obligated; and (iii) agents, designated by issuers and obligated persons to submit documents and information on their behalf. Such designated agents are required to register to obtain password-protected accounts on EMMA in order to make submissions on behalf of the designating issuers or obligated persons. Any party identified in a continuing disclosure undertaking as a dissemination agent or other party responsible for disseminating continuing disclosure documents on behalf of an issuer or obligated person will be permitted to act as a designated agent for such issuer or obligated person, without a designation being made by the issuer or obligated person as described above, if such party certifies through the EMMA on-line account management utility that it is authorized to disseminate continuing disclosure documents on behalf of the issuer or obligated person under the continuing disclosure undertaking. The issuer or obligated person, through the EMMA on-line account management utility, is able to revoke the authority of such party to act as a designated agent.

The MSRB's Internet-based electronic submitter interface (EMMA Dataport) is at www.emma.msrb.org.

GLOSSARY

Amortization – accounting procedure that gradually reduces the cost value of a limited life or intangible asset through periodic charges to income, or the reduction of debt by regular payments of interest and principal sufficient to pay off the debt by maturity.

Arbitrage – profiting from differences in price when the same security, currency, or commodity is traded on two or more markets. An element of tax-exempt debt. The City maintains bond reserves to provide assurance to bondholders of its ability to make its annual debt service payments. In doing so, the rate earned on the reserve accounts may at times exceed the rate being paid on the bonds. In these instances, the City will be subject to tax payments on the earnings that exceed the interest cost as determined by a licensed arbitrage calculator.

Bank Qualified Debt – commercial loans done on a tax-exempt basis or tax-exempt bonds sold to a bank instead of to other bondholders.

Direct Debt – direct debt is a comprehensive measure of a municipality's long-term obligations directly supported and backed by general revenues and taxes.

Fixed Rate Debt – debt that pays interest based on a fixed coupon rate until maturity.

Letter of Credit – instrument or document issued by a bank guaranteeing the payment of a customer's drafts up to a stated amount for a specified period. It substitutes the bank's credit for the buyers and eliminates the seller's risk.

Long-term Debt – Debt with maturities of greater than one year from date of issuance.

Revenue Anticipation Notes – short-term debt issue of a municipal entity that is to be repaid out of anticipated revenues such as sales taxes. When the taxes are collected, the RAN is paid off. Interest from the note is usually tax-free to RAN holders.

Short-term Debt – Debt with maturities less than one year from the date of issuance.

Tax Anticipation Notes – short-term obligation of a state or municipal government to finance current expenditures pending receipt of expected tax payments. TAN debt evens out cash flow and is retired once corporate and individual tax revenues are received

Trust Company – an organization usually combined with a commercial bank, which is engaged as trustee, fiduciary, or agent in the administration of trust funds, estates, custodial arrangements, stock transfer and registration, and other related services. Trust companies are regulated by State law.

Underwriter – an investment banker, who, singly or a member of an underwriting group or syndicate, agrees to purchase a new issue of securities from an issuer and distribute to investors, making a profit on the underwriting spread.

Variable Rate Debt – debt that pays interest based on a rate which is reset periodically