LEGISLATIVE, FINANCE, AND ADMINISTRATION COMMITTEE AGENDA

DECEMBER 8, 2014 - 5:00 P.M.

CITY HALL COUNCIL CHAMBERS
15 LOOCKERMAN PLAZA
DOVER, DELAWARE

Public comments are welcomed on any item and will be permitted at appropriate times. When possible, please notify the City Clerk (736-7008 or e-mail at CityClerk@dover.de.us) should you wish to be recognized.

AGENDA ADDITIONS/DELETIONS

1. **OVERVIEW OF 1988 CONSENT DECREE**

2. **PROPOSED FINANCIAL REFORMS**

   A. COMPENSATION POLICIES

   (During their regular meeting of October 13, 2014, City Council approved the Committee's recommendation to obtain legal opinions regarding the following proposals)

   A-1. 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 (COMPENSATION POLICY #6).

   A-2. 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 (COMPENSATION POLICY #7).

   A-3. 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 (COMPENSATION POLICY #8).

   B. PROPERTY TAX GOVERNANCE

   (During their Regular Meeting of September 22, 2014, City Council referred the following proposal 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, with the stipulation that the ordinance be reviewed four (4) years after implementation)

   B-1. 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) (COMPENSATION POLICY #9)

3. **PERMISSION TO RECRUIT - DOVER POLICE DEPARTMENT CADET PROGRAM**
   (Staff recommends approval of the project, as requested)

4. **CONTINUING DISCLOSURE POLICY CONCERNING MUNICIPAL SECURITIES**
   (Staff recommends adoption of the Continuing Disclosure Policy Concerning Municipal Securities and amending the City's Debt Management Policy to add the policy as an appendix)

5. **CAPITAL IMPROVEMENT PROJECT (CIP) COST ESTIMATING/BID PROCESS GUIDELINES**
   (Staff recommends 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)

6. **DISCUSSION - RESPONSIBILITIES AND REPORTING STRUCTURE FOR THE MAYOR AND CITY MANAGER AND CONTINUATION OF FULL-TIME STATUS FOR THE POSITION OF MAYOR**

7. **ADJOURNMENT BY 7:00 P.M.**

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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

CENTRAL DELAWARE BRANCH OF THE NATIONAL ASSOCIATION FOR THE ADVANCEMENT COLORED PEOPLE (NAACP) AND CECIL C. WILSON,	)	
Plaintiffs,	)	CIVIL ACTION NO. 85-230-JLL
v.	)	
CITY OF DOVER, DELAWARE; DOVER CITY COUNCIL; MAYOR CRAWFORD J. CARROLL; DOVER ELECTION COMMISSION,	)	
Defendants.	)	

CONSENT ORDER

This action challenges the at-large method of electing the City Council of the City of Dover as violative of Section 2 of the Voting Rights Act of 1965, 42 U.S.C. 1973, as amended, and the Fourteenth Amendment.

The parties entered into discussions and agreed to an appropriate resolution of the litigation. The parties stipulate to the existence of the following factual circumstances relevant to this lawsuit:

1. According to the 1980 Census, the population of the City of Dover is 23,512 of whom 6,720 (28.5%) are black persons. The 1980 Census also shows that black citizens comprise 26.43 percent of the city's total number of voting age citizens;

2. Since 1929, the City of Dover has operated under the mayor-council form of government. The city's governing body is composed of a mayor and eight city councilmembers, all elected on an at-large basis. The city is divided into four election districts, and two councilmembers are elected from each district. A candidate must receive a plurality of the votes cast in order to win election. The term of each office is two years and the terms of the eight councilmembers are staggered with four positions being filled each year. All elections for city councilmembers have been conducted on a nonpartisan basis. The city has a dual registration requirement;

3. Black citizens have participated as candidates for the Dover city council in the regular municipal elections of 1970, 1972, 1974, 1976, 1978, 1980, 1982, 1984, 1985, and 1987;

4. The residential patterns of the City of Dover are such that if councilmembers were elected from a single-member district rather than at-large, black citizens would constitute a substantial majority in this district;

5. The City of Dover has determined to change its present at-large election system. The city desires to expand the size of the governing body from eight members plus the mayor to nine members plus the mayor.

In the April 1988 regular municipal election, four councilmembers shall be elected by at-large voting with one

councilmember coming from each of the four election districts now in existence. These four councilmembers shall take office on the second Monday of May of 1988 and their two year term shall expire on the second Monday of May 1990.

In the regular municipal election of April 1989 after the City of Dover has divided the city into four new election districts, five councilmembers shall be elected with one councilmember coming from each of the four newly drawn election districts by district voting, and the fifth councilmember shall be elected by at-large voting by all voters of the City. The two year term of these five councilmembers shall commence on the second Monday of May of 1989 and end on the second Monday of May of 1991. Every two years after April 1989, elections for these five councilmanic seats shall be held in a like manner.

At the regular municipal election held in April of 1990, and every year thereafter, four councilmembers shall be elected by district voting with one councilmember coming from each of the four newly drawn election districts. These four councilmembers shall serve a two year term commencing the second Monday of May 1990 and terminating the second Monday of May 1992.

The mayor shall be elected by at-large voting at all times, and shall have no vote on Council matters of any nature whatsoever. However, after the second Monday in May of 1990 the Council President and Vice-Mayor, even though

he may be a[illegible], as Vice-Mayor, shall [illegible]n his right to vote as a councilmember at all times;

6. One of the four new election districts shall be a black majority district. Such district shall include at least a 65% black population, a majority black voting age population, and equivalent voter registration;

7. For the regular municipal election to be held in April of 1988, a voter must be registered in accordance with the existing city voter registration requirements. For the regular municipal election to be held in April of 1989 and for each year thereafter, a voter will be considered properly registered to vote if he or she is properly registered to vote for State elections in accordance with Title 15 of the Delaware Code as amended;

8. The city desires to implement the voting changes to be occasioned by the new election plan in time for the April 1989 regular municipal elections. Thus, the city shall promptly submit to the Delaware General Assembly for its approval, an Ordinance Proposing Charter Amendments (attached hereto and made a part hereof as Exhibit A). The city shall extend its best efforts toward obtaining approval from the General Assembly to implement the proposed charter amendments;

9. Upon obtaining the state legislature's approval, the City shall finalize configurations for the four new election districts, compatible with paragraph 7 hereof. The city intends to utilize the services of the University

of Delaware Department of Urban Affairs & its agent in finalizing the election districts. The city's agent will consult with plaintiffs' expert witness, Jerry Wilson in arriving at a final plan. The final plan shall be completed by January 1, 1989. Exhibit B, attached hereto and made a part hereof, is a preliminary model of the four new election districts and shall form the conceptual basis for the extant plan;

10. Plaintiffs agree that the new election plan and implementation schedule as fulfilled in accordance with the language herein, and as are more fully described in Exhibits A & B hereof, are racially fair;

11. The court shall decide the issue of plaintiffs' attorney's fees and costs.

ACCORDINGLY, IT IS HEREBY ORDERED, ADJUDGED AND DECREED that:

1. The defendants shall immediately submit to the General Assembly for the State of Delaware for its approval, an ordinance proposing the charter amendments that are necessary to implement the new election plan;

2. Upon obtaining the state legislature's approval, the defendants shall finalize the election districts by January 1, 1989;

3. After the regular municipal elections of April 1988, all subsequent regular and special municipal elections shall be held according to the implementation schedule herein, including single voter registration;

4. 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.

Entered this _____ day of _____, 1988.

JAMES L. LATCHUM
UNITED STATES DISTRICT JUDGE

Approved as to form and content:

FOR THE PLAINTIFFS
CENTRAL DELAWARE BRANCH
OF THE NAACP and
CECIL C. WILSON:

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Local Counsel for Plaintiffs

FOR THE DEFENDANTS
CITY OF DOVER, DE,
DOVER CITY COUNCIL,
MAYOR CRAWFORD J. CARROLL,
DOVER ELECTION COMMISSION:

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414 S. State Street
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302-674-0140

Memorandum

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To: **Legislative, Finance & Administration Committee**

From: **Scott D. Koenig, P.E.**
City Manager

Date: **August 5, 2014**

Subject: **Proposed Compensation Policies**

Please accept this memorandum as the City Manager's response to the below referenced proposals:

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 with a bargaining unit 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.

I am very concerned about the potential impact of formal policies of the nature as described above. We have been operating in a very contentious union environment since I became City Manager in 2011. I realize the economic conditions facing the city and our citizens are not ideal by any means; however, all of our financial issues are well within the manageable scale. From a recruiting and retention perspective, the proposed compensation constraints, especially by individual employee, will likely hinder our recruiting and retention efforts. There are existing wage compression issues that could be further expounded by implementing the above policies as written. The Consumer Price Index (CPI) has ranged from 1.1% - 2.6% per year from February 2008 – February 2014. The proposed compensation increases seem unrealistic, especially in a union-dominated environment.

While the implementation of such policies is within the Council's legal authority, I believe it may not promote good public policy. From a negotiator's perspective, as well as management's perspective, the above policies represent initiatives that will ultimately handcuff our ability to be creative at the bargaining table and would, therefore, not be helpful to the negotiating process. The ability to consider all possible solutions to any given issue at the table is critical to success. While I agree these policies represent a strict adherence to fiscally conservative positions, they will likely increase our costs associated with the negotiation process as the unions

will be agitated by the restrictions from the start. In addition, any policy that is limited strictly to bargaining units has the potential to create legal issues for the City. The National Labor Relations Act (NRLA) protects employees' rights to organize and bargain without employer interference. Since 8. is specific to labor unions—and not applicable to all City employees, the unions could argue that the City is interfering with their protected rights under the NLRA. That is, a generally applicable employee policy may be legally sustainable, but one that relates specifically to union employees could be viewed as interfering with protected bargaining rights.

If Council wants to gravitate towards a flat compensation environment, this move should be expressed as a goal rather than a specific policy.

SDK/sdk

Discussion Draft

Proposed Financial Reforms

Councilman Tim Slavin, At-Large

For Discussion at June 11, 2014 Budget Hearing

Public Safety Fund

1. A Public Safety Fund will be created. It will be comprised of all costs associated with Police, Fire, and Ambulance services.

2. Revenue to the Public Safety Fund shall include all monies included in the revenue categories of Fines and Police Revenue, Police Extra Duty, Civil Traffic Penalties, Property Tax, and grants related to these functions.

3. Expenses against the Public Safety Fund shall include all monies included in the expense categories of Life Safety, Police, Police Extra Duty, and Fire.

4. The entire amount of funds received from the revenue category of Property Tax will be dedicated to the Public Safety Fund.

5. It is stated policy of City Council that the City shall have a goal of covering 100% of the costs for the Public Safety Fund with the revenue categories of Fines and Police Revenue, Police Extra Duty, Civil Traffic Penalties, Property Tax, and grants by FY 25.

Compensation Policies

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 with a bargaining unit 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.

Property Tax Governance

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.

10. Council shall not raise the property tax rate more than 9.5% without two 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.

Restrictions on uses of Appropriations

11. Funds appropriated for personnel expenses shall be restricted to use as personnel expenses.

12. Funds appropriated as capital expenses shall be restricted to use as capital expenses.

13. Funds appropriated as operating expenses shall be restricted to use as operating expenses.

14. All requests for additional personnel shall be accompanied with a five-year estimate on the costs of such position, including salaries and other employment costs (OECs).

ACTION FORM

PROCEEDING: Legislative and Finance Committee	**AGENDA ITEM NO.:**
DEPARTMENT OF ORIGIN: Police	**DATE SUBMITTED:** 11/23/14
PREPARED BY: Captain Timothy Stump / Administrative Division Commander	
SUBJECT: Hiring Approval for Police Cadet Program (six part-time positions)	
REFERENCE: N/A	
RELATED PROJECT: N/A	
APPROVALS: City Manager, Controller/Treasurer	
EXHIBITS: Cost Breakout for Cadet Program	
EXPENDITURE REQUIRED: $70,800 (FY15)	**PROJECT REVENUE:** N/A
FUNDING SOURCE (Dept./Page in CIP & Budget):	Grant funds are in the process to be secured for a portion of the first year costs and additional grant funds are being pursued for the future.
TIMETABLE:	After approval is received from the Council, the Police Department will start the process to hire for the new part-time positions.
RECOMMENDED ACTION:	Approve the project as requested.

BACKGROUND

The Dover Police Department had an active Police Cadet program many years ago during the 1999-2001 time period. It proved to be a beneficial program for the department because we hired two well-qualified police officers from it. Unfortunately, the department did not have the support to continue the program after 2001.

Due to the numerous, continuing safety and security concerns expressed by the merchants, their customers and residents in the downtown area, we would like to revive the Police Cadet Program and hire six part-time cadets to maintain a more visible law enforcement presence in the downtown area. In the letter Chief Bernat wrote to Mayor Christiansen dated 10/06/14, Chief Bernat stated that reviving the Police Cadet Program will:

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.
5. Provide additional patrols to curb noise ordinance violations (loud music from vehicles).
6. Provide additional patrols to curb harassment complaints.
7. Provide extra patrols in the Library.
8. Allow the police department to screen and vet the cadets for future employment as a Dover Police Officer.
9. 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.

The cadets would be paid an hourly rate of $12.00, work part-time patrols in pairs and be assigned to the department's Community Policing Unit. The Police Department is in the process of securing grant funding for a portion of the first year costs for January-June 2015; the remainder of Fiscal 2015 and are looking for additional grant funding to offset costs for FY16. The cost breakout for the first three years of the program (FY15 - FY17) is attached.

ACTION REQUESTED

The Legislative and Finance Committee and Council approve the hiring of the six part time positions.

Dover Police Department

FY15 Police Cadet - Civilian Payroll Costs

Item	Rate	Jan - Jun 15 Costs		Recurring Annual Costs		FY16-18 Costs			FY15-18 Total Cost	Remarks
		One Cadet	Six Cadets	One Cadet	Six Cadets	FY16 6 Cadets	FY17 6 Cadets	FY18 6 Cadets		
Salary	$12/hr	6,171	37,026	12,514	75,084	75,084	75,084	75,084	262,278	part time employee - 40 hrs per pay period at $12/hour
			-		-			-	-	
Social Security	6.20%	383	2,296	776	4,655	4,655	4,655	4,655	16,261	
Medicare	1.45%	89	537	181	1,089	1,089	1,089	1,089	3,803	
Health Insurance	set amt	-	-	-	-	-	-	-	-	
Life Insurance	0.19%	-	-	-	-	-	-	-	-	
Worker's Compensation	3.95%	244	1,461	494	2,963	2,963	2,963	2,963	10,349	
AD&D	0.04%	-	-	-	-	-	-	-	-	
Vision Insurance	set amt	-	-	-	-	-	-	-	-	
OPEB	n/a	-	-	-	-	-	-	-	-	
Retirement	6.00%	-	-	-	-	-	-	-	-	
Total Benefits		716	4,294	1,451	8,707	8,707	8,707	8,707	30,414	
Total Salary + Benefits		6,887	41,320	13,965	83,791	83,791	83,791	83,791	292,692	
Training, Uniforms, Equipment & Ammo		6,231	18,987	100	600	600	600	922	21,108	see breakout at next tab for details Cadets will share tasers & radios
Total Cost		13,118	60,306	14,065	84,391	84,391	84,391	84,713	313,800	

Hiring Justification Outline

1. **Explain the principal function of this job.**

   The principal function of this position is to maintain high visibility foot patrols and enforce City Ordinance and other nuisance type violations in the downtown area for the Dover Police Department. They would provide an atmosphere and feeling of general safety for the business owners and patrons of downtown Dover.

2. **Explain why this position is critical and cannot go unfilled or postponed**.

   After numerous internal meetings it was determined that hiring Police Cadets would be a cost effective way to provide police services on Loockerman Street and surrounding areas which would allow sworn officers the ability to handle a large volume of other more pressing complaints.

3. **How would City services diminish if this position were not filled or postponed at this time?**

   Due to manpower issues the Police Department has struggled for several years to maintain the services necessary to create the optimum downtown experience for citizens visiting that area. Increasing a presence of law enforcement would help us to reach that end. The day to day operations of the police department would become more efficient.

4. **Are there other employees whose ability to perform would be diminished by not filling or postponing this position?**

   Yes, explained in previous question.

5. **Is there a person that can be promoted into these positions and whose position is less critical at this time and can go unfilled permanently or temporarily?**

   No. This position is new and will involve a hiring process to fill.

6. **Can one or more existing employees absorb the duties of these positions?**

   No. This area of town needs special attention to create the desired atmosphere for the citizens and employees working in the area.

7. **Could a temporary person be hired to fill these positions for 60 days?**

No, we would recommend a 6 month trial period and make a decision after that has been completed.

8. **Grade / Salary Information**

$12.00 HR X 20 hours per week X 6 Cadets
($37,440 Jan 1, 2015- June 30, 2015)

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.

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"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.

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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

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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.

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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.

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Schedule 1 to the Disclosure Policy
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.

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Schedule 2 to the Disclosure Policy

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

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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.

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ACTION FORM

PROCEEDING: Legislative, Finance & Administration Committee
DEPARTMENT OF ORIGIN: City Manager's Office **DATE SUBMITTED**: December 2, 2014
PREPARED BY: Scott D. Koenig, P.E., City Manager
SUBJECT: Capital Improvement Project (CIP) Cost Estimating/Bid Process Guidelines
REFERENCE: N/A
RELATED PROJECT: N/A
REVIEWED BY: Scott D. Koenig, P.E., City Manager; Donna Mitchell, Controller
EXHIBITS: Attachment A – Copy of Guidelines Memo dated November 19, 2014
EXPENDITURE REQUIRED: $0 **AMOUNT BUDGETED**: $0 **FUNDING SOURCE (Dept./Page in CIP & Budget)**: N/A
TIME TIMETABLE: N/A
RECOMMENDED ACTION: Acknowledge the attached Capital Improvement Project (CIP) Cost Estimating/Bid Guidelines that have been implemented by the City Manager in response to concerns raised by City Council.

BACKGROUND AND ANALYSIS

In response to concerns raised by Councilman Slavin during the August 11, 2014 City Council Meeting, the City Manager has issued the attached guidelines (See Attachment A) to all Department Heads. The purpose of the guidelines is to outline specific expectations regarding Project Development, Budgeting, and Administration for all Capital Improvement Projects (CIP). Mr. Slavin's comments referenced the development of a policy; however, the attached guidelines have been implemented at the staff level. In the City Manager's opinion, a Council policy is not required to achieve the requested controls and objectives.

Memorandum

Office of the City Manager
PO Box 475
Dover, DE 19903
Phone: (302) 736-7005
FAX: (302) 736-7002
E-mail: skoenig@dover.de.us

To: **All Department Heads**

From: **Scott D. Koenig, P.E.**
City Manager

Date: **November 19, 2014**

Subject: **Capital Improvement Project (CIP) Cost Estimating/Bid Guidelines**

Forecasted growth and expansion of infrastructure are usually determined in accordance with long-term plans for infrastructure and utility improvements. The following guidelines should be followed when developing budgets for the Capital Improvement Plan. Specific attention should be given to the first year of the Capital Investment Plan and the remaining four (4) years of the plan should have projected costs associated with each year.

Capital Investment Projects

- Whenever possible, land acquisition should be budgeted and completed in the conceptual phase of the project so that projects entering preliminary engineering are being engineered for the intended physical location of the infrastructure.
- For known projects, staff should budget for Design, Engineering, and permitting costs the year or years before project construction is planned. If the project budget can be developed by December 31, the project will be considered in the upcoming fiscal year capital budget. Project budgets are to be developed by staff or other competent professionals based on current market conditions, project specifications, and any special requirements for the specific project. Historical project costs should not be the primary source for the cost basis for the new projects, unless all project elements are identical. If project estimates cannot be completed by December 31, a preliminary estimate will be placed in the capital budget two (2) years out.
- A timeline for project completion will be included in the budget submission. For projects greater than $1 million, staff will include the estimated cash flows necessary to make payments to the contractors associated with project.
- All lead times for materials and equipment will be taken into consideration in project planning process.
- Project budgets will include a contingency of no greater than 15%.
- All Five (5) Year Capital Improvement Plans must be reviewed ad updated every year for price adjustments and/or system need changes. This review must include available funding and rate impacts.

- If staff is not able to project the cash flow for multi-year projects, budget for the total budget in the year the project starts, to mitigate cash flow forecasting variances. Staff should coordinate cash flow projections with the Finance Department.
- For completed projects, project budget balances greater than 15% will be transferred to the capital asset replacement reserves for future projects at the end of fiscal year. These funds can also be used for unexpected projects and cost overruns during the current fiscal year, provided all authorizations are obtained in accordance with policies or guidance.
- By Fiscal Year 2018, we will no longer budget unspecified funds in the first year of the Capital Plan for projects such as Street Improvements, Water Quality, Inflow/Infiltration, Distribution Upgrades, and Miscellaneous Plant Improvements. Staff will identify the breakdown of these funds on the main CIP Sheet for the first year of the CIP. For example, FY-2018 Street Improvements ($1,000,000) will list the road lengths and estimated costs to program the $1,000,000 (Street A - $164,000; Street B - $97,000; etc.). There will only be one CIP Sheet for the Street Program. Each individual road length will not be identified on separate CIP sheets. Allocation of these funds related to these projects will be approved by the City Manager and Controller/Treasurer as part of the budget process. Any budget balances of unspecified funds will be transferred to the capital asset reserves for future improvements.

SDK/sdk
cc: Donna Mitchell, Controller

Mayoral Powers

Mayors are bestowed varying degrees of responsibility and authority across the nation, especially depending on a city's form of government.

These responsibilities may include:

- Serving on the city council;
- Voting in council meetings;
- Assigning council members to chair or serve on committees;
- Appointing citizens to serve on advisory boards or commissions;
- Preparing the annual budget; Receiving the annual budget developed by chief administrative official or city manager; and
- Making an annual report to the council.

Weak or Strong Mayors

Cities in the United States are sometimes characterized as having either "strong" or "weak" mayors. The term is not a judgement of effectiveness, rather it distinguishes the level of political power and administrative authority assigned to the mayor in the municipal charter. In practice, there is no sharp category that distinguishes between "weak" and "strong" mayors, but rather a continuum of authority and power along which cities are spread. However, the designation of "weak" and "strong" are useful in showing the variations in mayoral authority that exist.

Most "strong" mayors are in the mayor-council form of government, and are directly elected by citizens to that office. Most "weak" mayors are mayors in a council-manager form, and are elected from within the city council.

Characteristics of a "strong" mayor:

- The mayor is the chief executive officer, centralizing executive power.
- The mayor directs the administrative structure, appointing and removing of department heads.
- While the council has legislative power, the mayor has veto power.
- The council does not oversee daily operations.

Characteristics of a "weak" mayor:

- The council is powerful, with both legislative and executive authority.
- The mayor is not truly the chief executive, with limited power or no veto power.
- The council can prevent the mayor from effectively supervising city administration.

- There may be many administrative boards and commissions that operate independently from the city government.

Sources

Barnes, William R. "Forms and Structure of Municipal Government in the United States." Presentation to the Convention of Scottish Local Authorities, Edinburgh, Scotland, October 24, 1991.

DeSantis, Victor S. and Tari Renner. "City Government Structures: an Attempt at Classification" *State and Local Government Review*, 34(2) (Spring 2002).

Frederickson, H. George, and Gary Alan Johnson. "The Adapted American City: A Study in Institutional Dynamics." *Urban Affairs Review*, 36(6) (July 2001).

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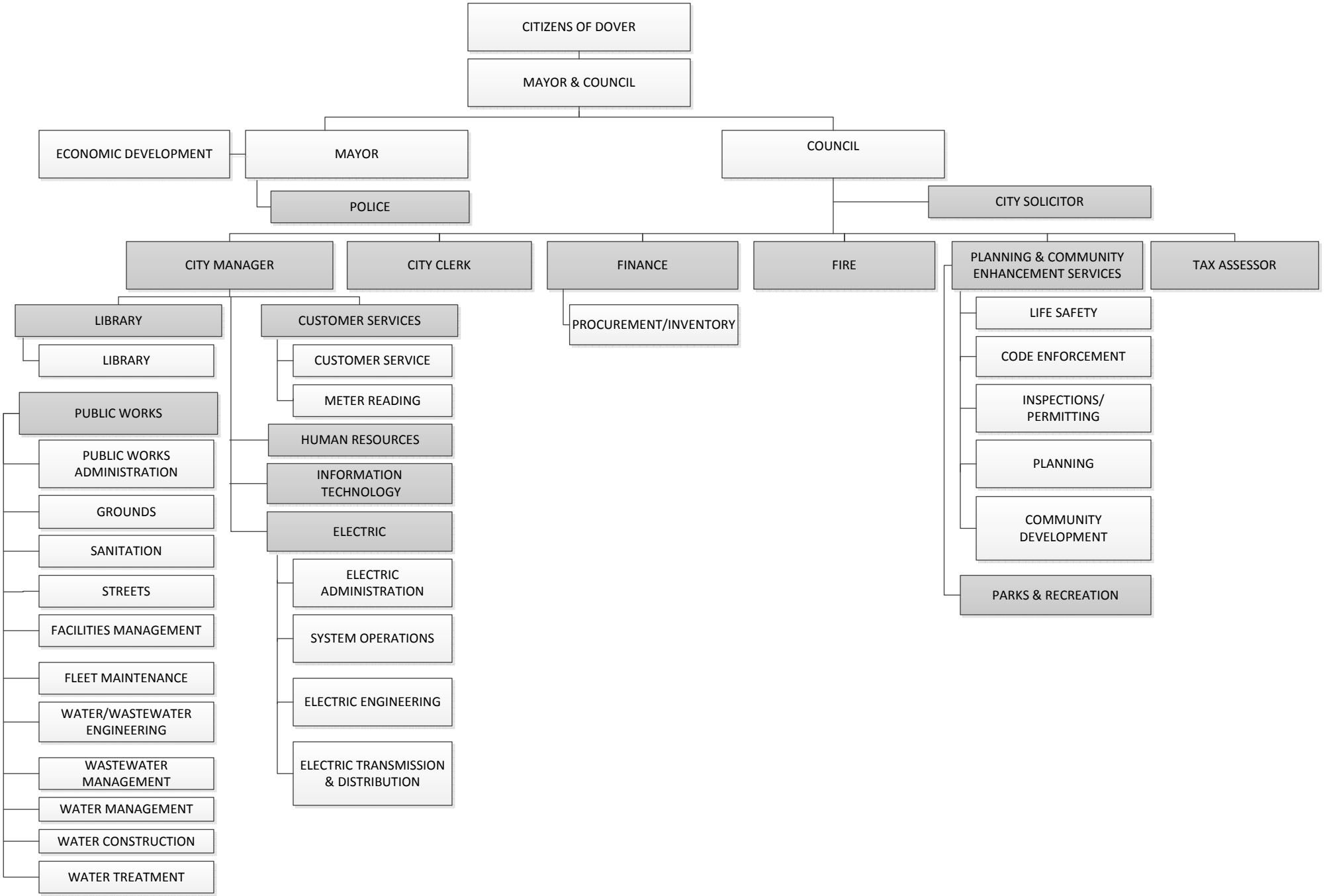
Svara, James H. "The Shifting Boundary Between Elected Officials and City Managers in Large Council-Manager Cities." Public Administration Review, 59(1) (January-February 1999).

Svara, James H. *Two Decades of Continuity and Change in American City Councils*. Washington, D.C.: National League of Cities, September, 2003.

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CITY OF DOVER

FISCAL YEAR 2014 ORGANIZATION CHART



CITY OF DOVER
PROPOSED ORGANIZATIONAL CHART

