REGULAR COUNCIL MEETING

The Regular Council Meeting was held on September 8, 2014 at 7:30 p.m. with Council President Bonar presiding. Council members present were Mr. Anderson, Mr. Dixon, Mr. Lynn (departed at 7:50 p.m. and returned at 8:07 p.m.), Mr. Perza (departed at 7:33 p.m. and returned at 7:49 p.m.), Mr. Slavin, Mrs. Williams, Mr. Hare, and Mr. Hutchison.

Council staff members present were Police Chief Bernat, Mrs. Mitchell (departed at 7:48 p.m.), Mrs. Townshend, Fire Chief Carey, Mr. Koenig, City Solicitor Rodriguez, and Mrs. McDowell. Mayor Christiansen was also present.

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.

Mr. Amillion "the poet" Mayfield, 131 Lakeview Avenue, stated that he was a proud constituent with no complaints - just a solution to the growing crime rate. He stated that he was concerned with the lack of solutions and would be organizing a "Walk the Talk" walk from Legislative Mall through the high crime areas of the City. Mr. Mayfield said that he has had the opportunity to speak with people from schools, churches, prisons, the police, and politicians to get all sides working together in this initiative. He stated that he is planning the walk for September 20th.

Mr. Roy Sudler, Jr., 353 Rita Wilma Road, stated that Mr. Mayfield is trying to make a positive impact in the target areas and he suggested that people get behind Mr. Mayfield in his efforts.

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

AGENDA ADDITIONS/DELETIONS

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

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

ADOPTION OF MINUTES - REGULAR COUNCIL MEETING OF AUGUST 25, 2014

The Minutes of the Regular Council Meeting of August 25, 2014 were unanimously approved by motion of Mr. Hare, seconded by Mrs. Williams and bore the written approval of Mayor Christiansen.

CERTIFICATE OF CONGRATULATIONS - DR. MICHAEL L. MATTERN

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

This Certificate of Congratulations is presented to

Dr. Michael L. Mattern

for

33 years of devoted service as an Orthopedic Surgeon serving in the Dover area since 1981

We wish you the best with your future endeavors
as you enjoy your retirement years.

September 8, 2014

Mayor Christiansen and Councilman Lynn presented the Certificate to Dr. Mattern in recognition of his retirement.

Dr. Mattern thanked Council members for the recognition.

PRESENTATION - RE-ENTRY OPPORTUNITY PROGRAM (KEN ABRAHAM AND ALFRIEDA DURANT-RUSS)

Ms. Jeanine Kleimo, Dover Interfaith Mission for Housing, stated that they had received grant funding to assist men with re-entry into society upon their release from prison.

Mr. Ken Abraham, Citizens for Criminal Justice, advised members that they were partnering with Dover Interfaith Mission for Housing to provide intensive mentoring, counsel, and assistance to ex-offenders. One of their goals was to get a commitment from local businesses to interview qualified candidates for job openings that they may have. Mr. Abraham emphasized that any candidates would be non-violent, low-risk offenders who were ready to change their lives and who were qualified for the positions for which they would be interviewing.

Mr. Abraham requested Council to write a letter, resolution, or proclamation of support for the hiring of qualified convicted felons that they could provide to potential employers.

SAFETY ADVISORY AND TRANSPORTATION COMMITTEE REPORT - AUGUST 25, 2014

The Safety Advisory and Transportation Committee met on August 25, 2014 with Chairman Hutchison presiding.

Proposed Ordinance #2014-21 Amending Chapter 46 - Fire Prevention and Protection, Article I - In General, Section 46-4 - Impact Protection of Natural Gas and LP Gas Devices

Mr. Timothy Mullaney, Fire Marshal, advised members that the purpose of the proposed ordinance was to clarify the standards for impact protection surrounding natural gas and liquid propane gas devices and that, currently, the code does not specify the standards, specifically dimensions and color, for bollards installed to

protect natural gas and liquid propane gas devices. Mr. Mullaney indicated that formally codifying the standards would reduce the potential for confusion about the requirements.

Responding to Mr. Hutchison, Mr. Mullaney confirmed that the purpose of the amendment was basically "housekeeping" and to provide a clear reference in the Code for those who inquire.

The Committee recommended adoption of Proposed Ordinance #2014-21.

By consent agenda, Mr. Hare moved for approval of the Committee's recommendation, seconded by Mrs. Williams and carried by a unanimous roll call vote. (The First Reading of the ordinance will take place during the latter part of the meeting.)

Prioritization of City of Dover State Capital Transportation Program (CTP) Projects

Mrs. Ann Marie Townshend, Director of Planning and Community Development, reminded members that City Council develops a list of transportation priorities each year and shares these priorities with the Secretary of Transportation for consideration when the Delaware Department of Transportation (DelDOT) develops the State's Capital Transportation Plan (CTP). She, along with Mr. Scott Koenig, City Manager, reviewed the priorities approved by City Council in September 2013 and recommended that the prior year's ranking be maintained for the coming year, as follows:

1. Garrison Oak Connector Road
2. Construction of Sidewalks within the Walk Zone of the New Dover High School
   a. Mifflin Road
   b. South Side of Route 8 West of Mifflin Road
   c. Kenton Road (must be coupled with Kenton Road Corridor Upgrades)
3. Route 8/Hazlettville Road Connector
4. US Route 13 Sidewalk Construction
5. Crawford Carroll Avenue Extension
6. Kenton Road Corridor Upgrades
7. Loockerman Street/Forest Street Improvements
8. Kings Highway/Route 13 Intersection Improvements
9. US Route 13 Service Road Corridor
10. College Road Corridor Upgrades

Mrs. Townshend advised members that the City was also supportive of projects to improve pedestrian and bicycle friendliness. She stated that The Capital City Trail project was currently under construction, noting that Phase 2 of the project, which is located behind Delaware Public Archives, was being finished and Park Drive would be next. She stated that the Dover/Kent County Metropolitan Planning Organization

(MPO) was leading the development of bicycle and pedestrian plans for the City of Dover and that, once these projects were complete, other bicycle and pedestrian priorities would be developed.

Responding to Mr. Hutchison regarding the results of the priority list submitted by the City to DelDOT during the previous year, Mrs. Townshend indicated that the projects recommended by the City for the CTP had not fared well, which is why it would be important to continue to submit them in hopes that they would get the attention needed.

The Committee recommended approval of the prioritization of City of Dover State Capital Transportation Program (CTP) projects, as presented.

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

Debriefing/Post-Mortem on Firefly Music Festival

Police Chief Paul Bernat reviewed a presentation entitled, "Special Preparation Instructions & Debriefing/Post-Mortem on Firefly Music Festival" and explained that the Police Department meets monthly throughout the year to prepare for this event, anticipating an estimated attendance of 80,000 people. Referring to the grid map, Chief Bernat explained that the festival area had been divided into four (4) zones and the Dover Police Department was responsible for Zones 1, 2, and 4, while the Delaware State Police had jurisdiction over Zone 3.

Chief Bernat stated that the 2013 festival was a three (3) day event and most attendees arrived on Friday, the first day, which created a traffic problem. In 2014, the site opened on Wednesday afternoon to those who had special tickets; however, there was a traffic problem on Thursday until approximately 11:00 a.m. because the officers did not report until 5:00 a.m. and, unexpectedly, attendees began to arrive at 3:00 a.m. Chief Bernat stated that they plan to remedy this problem for the 2015 festival by having traffic control around the clock on the first day.

Chief Bernat informed members that there were 3,378 man hours used throughout the six (6) day period of the festival and that this expense would be paid by Red Frog Events. He reviewed the complaints received pertaining to the festival as well as several issues which will be addressed prior to the 2015 festival. He noted that there was a non-ticketed event held on Saturday night outside the venue, by Miles the Monster, and a fight started which resulted in a couple of arrests. The Police Department suggested that all events be held inside the festival in the future, noting that people who do not purchased tickets "have nothing to lose," whereas people who buy tickets are aware that they could lose the next few days if they are arrested.

Responding to Mr. Keller, Chief Bernat stated that there were approximately six (6) arrests last year, when approximately 55,000 people attended, compared to 80,000 this year, and that the larger population this year contributed to more arrests. Overall, he stated that it was a very successful event.

Responding to Mr. Dixon regarding noise complaints, Chief Bernat noted that some complaints were received; however, he felt that the amount of money that was brought into the City and State economy was "phenomenal."

At Mr. Hutchison's request, Mr. James Hosfelt, Dover International Speedway Security Manager, (and former City of Dover Police Chief), stated that the event could not be held without the help of 14 - 17 law enforcement agencies. Noting the small number of arrests, he stated that Dover Downs considered the festival a success. Mr. Hosfelt advised members that the traffic plan was coordinated by Dover Downs, the Dover Police Department, the State Police, and the Delaware Department of Transportation (DelDOT) to bring cars and campers in from Route 9 and Leipsic Road to park in Lot 18 on Wednesday, which worked very well. He reiterated Chief Bernat's comments about the traffic back-up on Thursday and indicated that, going forward, it had been decided to start 24-hour vehicle parking on Wednesday afternoon. Mr. Hosfelt stated that campers who stay in the campgrounds in that area will be required to stay throughout their visit; there will be no coming and going from the campgrounds.

In response to Mr. Hutchison, Chief Hosfelt stated that next year's event would also be a four (4) day event.

Responding to Mr. Keller about the upcoming "World Championship Punkin Chunkin" at Dover International Speedway, Chief Hosfelt confirmed that the Dover Police Department would be involved in the event and that 20,000 - 25,000 people attended in Sussex County last year. He noted that the event was scheduled for October 24 - 26, 2014.

Councilman Anderson stated that the complaints he received regarding noise from the Firefly Music Festival were related to after-hours events on week nights, and he suggested terminating outdoor events held after midnight on week nights. He indicated that most people had been surprised by how wonderful and unobtrusive the crowds had been and felt that the event had been a big benefit. Mr. Anderson questioned the possibility of bringing the Country Music Festival to Dover International Speedway from Sussex County. Responding, Chief Hosfelt stated that this had not been discussed but expressed his understanding that, unless it were a Red Frog event, the organization that manages the Firefly Music Festival, he did not think that it would happen at Dover Downs.

Mr. Hutchison stated his opinion that no other location in Delaware could handle this type of crowd in this manner and that the success of the event reflected the partnership between the City of Dover and Dover Downs. He expressed his pride that the City of Dover had the confidence to put on such an event and his thanks to all involved.

Update - Dover High School Construction

Mrs. Ann Marie Townshend, Director of Planning and Community Development, advised members that Dover High School was open and had a temporary Certificate of Occupancy. Occupancy was staged to initially allow only teachers to enter and subsequently to allow students who were attending orientation nights. An additional inspection was done to extend the occupancy to include the Jumpstart Academy for freshman students from August 11 - 12, 2014. Mrs. Townshend stated that on August 20, 2014, staff performed a full site inspection and extended the temporary Certificate of Occupancy to include use of the school. She explained that the athletic facilities had a separate permit, and a temporary Certificate of Occupancy was issued to allow use of the grass multi-purpose fields and the turf competition field, but not the stadium. Mrs. Townshend indicated that the Capital School District had requested an inspection of the stadium for August 27, 2014 and would like to begin using it on August 28, 2014. She stated that the school passed all life safety and building inspections and only the completion of site items remained, including the baseball and softball fields on the east side of the site, as well as clean-up and grading. For the most part, she felt that everything was functioning well.

Mrs. Townshend advised members that on first day of school, August 21, 2014, traffic was "a mess" from approximately 7:00 a.m. to 7:30 a.m. and was backed up beyond Mifflin Road. She stated that she met Mayor Robin Christiansen, Capital School District (CSD) Board members and staff, and Delaware Department of Transportation (DelDOT) employees at the site on August 22, 2014 and there was significant improvement in traffic flow. Mrs. Townshend expressed a need to educate the public, including students and drivers, about the High-Intensity Activated crossWalk (HAWK) signal, as there was some confusion. She indicated that many of the projects that staff had been concerned about, including extension of the sidewalk from Dover High School to Tribbett Street, pedestrian connections to the south, and the east entrance were all complete and the small projects that remained were coming together nicely.

Responding to Mr. Hutchison regarding the reason for the traffic improvements between the first and second days of school, Mrs. Townshend stated her belief that more people drove their children to school on the first so there was larger volume. In addition, she felt that traffic would continue to improve as everyone learns the routine. Mrs. Townshend noted that four (4) motorcycle officers were present on the first day to assist with traffic exiting nearby developments, but it will be difficult to fully assess this traffic situation until after the sidewalk construction is complete. She indicated that safety staff from DelDOT expected to perform traffic counts during the third week of school to see if a full signal was warranted.

In response to Mr. Hutchison regarding the status of traffic earlier in the day, Mrs. Townshend stated that no complaints had been received. She noted that it is difficult to exit from the school's east entrance because vehicles coming out of the west entrance create a steady volume of traffic and that the CSD did not want buses to use the east entrance if they could not enter and exit easily.

Mr. Keller stated that the difficulty with using the east entrance indicated a good reason to have a full-fledged traffic signal at that location.

Mr. Truax asked if the HAWK signal allowed Fire Department and Emergency Medical Services staff to change the light remotely. Mrs. Townshend stated that it did not have that ability because DelDOT indicated that the signal turns red only when there is a pedestrian in the crosswalk. Their concern was that if this were changed remotely and the light changed suddenly, the pedestrian could not safely cross the street. Mr. Truax stated that this would be a concern for emergency vehicles coming from the west toward Bayhealth Kent General and the Dover Fire Department.

Mrs. Townshend expressed her opinion that the HAWK signal was probably less of a concern for emergency vehicles coming from the west than the traffic back-up that may be encountered. She indicated that there would be steady, heavy traffic on Route 8 in this area from approximately 7:05 a.m. until 7:25 a.m., and sporadic use of the HAWK signal from approximately 7:00 a.m. until 7:15 a.m., with similar use in the afternoon. Mrs. Townshend stated that the CSD had discussed having school personnel monitor the area to ensure that all students crossing Route 8 at the HAWK signal were complying.

Mr. Hutchison requested that Mrs. Townshend consult with DelDOT to determine if the HAWK signal could be controlled remotely. He stated that this matter could be discussed further based on that determination.

Responding to Mr. Hutchison, Chief Bernat confirmed that the Police Department was continuing to monitor traffic conditions at the new school. Mr. Hutchison requested that Police Department personnel contact Mrs. Townshend with an update on the morning and afternoon traffic pattern.

Briefing on Delaware Department of Transportation (DelDOT) Projects

Mrs. Ann Marie Townshend, Director of Planning and Community Development, provided updates on DelDOT projects, as follows:

Garrison Oak Connector Road

Mrs. Townshend informed members that the Garrison Oak Connector Road was the City's top transportation priority; however, it was not listed in the State of Delaware Capital Transportation Plan (CTP).

Construction of Sidewalks within the Walk Zone of the New Dover High School

Mrs. Townshend indicated that sidewalks in the vicinity of Dover High School were being completed; however, there was no report from DelDOT regarding sidewalk construction on Mifflin Road or the south side of Route 8.

Route 8/Hazlettville Road Connector

Mrs. Townshend advised members that no funding was shown for this project in the current CTP.

US Route 13 Sidewalk Construction

Mrs. Townshend stated that DelDOT does not currently have any projects in this area, although several sidewalk segments were installed by developers as part of their site plan approval. She advised members that a sidewalk was constructed in front of the former Sheraton Hotel as part of its conversion to dormitories and the charter school at Delaware State University (DSU), and this was extended to the DSU campus through funding from State legislators. She noted that a sidewalk was also being constructed on Route 13 in front of TGI Fridays.

Crawford Carroll Avenue Extension

Mrs. Townshend stated that DelDOT indicated that this project was currently funded for preliminary engineering in FY16 and FY17, although there was no right-of-way or construction funding in the current CTP spending plan.

Kenton Road Corridor Upgrades

Mrs. Townshend stated that this project was currently funded by DelDOT for preliminary engineering in FY16 and FY17, right-of-way acquisition in FY18, and construction in FY19 and FY20.

Kings Highway/Route 13 Intersection Improvements

Mrs. Townshend indicated that DelDOT did not have a project planned in this area; however, developers of the former Playtex site at this location would make improvements as part of their development. Mrs. Townshend explained that the City was working with DelDOT on a Transportation Improvement District (TID) study and that this area would also be addressed in the study.

US Route 13 Service Road Corridor

Mrs. Townshend advised members that DelDOT had no information to report at this time regarding this project; however, it was noted that representatives of The Dover Mall were in discussion with Dover International Speedway regarding the concept of a service road between Rt. 13 and Rt. 1.

Transportation Improvement District

Mrs. Townshend reported that development of a Transportation Improvement District was an ongoing project and that a progress meeting had been scheduled with DelDOT.

Mrs. Townshend indicated that DelDOT provided information on additional projects, as follows:

- Construction for the West Dover Connector would be advertised in September, with construction scheduled to begin around the first of the year.
- Safety improvements were planned for the intersection of Route 8 and Saulsbury Road and would include the addition of through and left-turn lanes on northbound and southbound Saulsbury Road at the intersection, with preliminary engineering to begin early in FY15.

- Improvements were planned for the intersection of Loockerman and Forest Streets, with preliminary engineering in FY17 and FY18, right of way acquisition in FY19, and construction in FY20.

Mrs. Townshend noted that DelDOT was also working on adding a third lane of traffic on US 13 from Lochmeath Way to the Puncheon Run Connector, with preliminary engineering in early FY 15. She noted that this project was outside the City limits but would affect the City.

Responding to Mr. Dixon regarding his concern that Delaware State University (DSU) students were crossing Route 13 through traffic, Mrs. Townshend stated that it was her understanding that there were plans to extend the brick wall in front of DSU to prevent students from accessing the highway in areas where they are not supposed to cross.

By consent agenda, Mr. Hare moved for acceptance of the Safety Advisory and Transportation Committee Report, seconded by Mrs. Williams and carried by a unanimous roll call vote.

LEGISLATIVE, FINANCE, AND ADMINISTRATION COMMITTEE REPORT - AUGUST 25, 2014

The Legislative, Finance, and Administration Committee met on August 25, 2014 with Chairman Slavin presiding.

Proposed Financial Reforms - Restrictions on Use of Appropriations

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. He requested that members consider the public safety area first and that staff be requested to review the reforms, develop recommendations, and provide information on any financial gap that may result. He explained that the review would allow members to identify whether there was a need to create policy, ordinances, or Charter changes to implement any changes that may result from those discussions.

Mr. Slavin reviewed the four (4) proposed restrictions on uses of appropriations, as follows: 1) Funds appropriated for personnel expenses shall be restricted to use as personnel expenses; 2) Funds appropriated as capital expenses shall be restricted to use as capital expenses; 3) Funds appropriated as operating expenses shall be restricted to use as operating expenses; and 4) 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).

Referring to a memo from Mr. Scott Koenig, City Manager, dated August 20, 2014, outlining his comments regarding the proposals related to restrictions on use of appropriations, Mrs. Donna Mitchell, Controller/Treasurer, noted that the City of Dover was currently following the first three (3) proposals. However, she stated that one (1) example of an exception was when Council approved use of salary savings to increase the demolition budget. Mrs. Mitchell also noted that Mr. Koenig had no objections to the proposal that all requests for additional personnel shall be accompanied with a five-year estimate on the costs of such position, including salaries and OECs.

Referring to her memo dated August 20, 2014, Mrs. Mitchell stated that the City's current Purchasing Policy and Budget Administration - Guidelines for Operating Departments outline where change orders are permitted. She explained that the Purchasing Policy pertains to project budgets and only allows for change orders within the approved budget for the project. If requested change orders are outside the project budget, the request must be approved by City Council.

Mrs. Mitchell stated that the Budget Administration - Guidelines for Operating Departments outline the procedure for internal budget amendments. She noted that this procedure was originally developed by Councilman Robert Ritter based on a procedure used by Kent County Levy Court staff. Mrs. Mitchell stated that the procedure had been modified since its inception, and that in September 2013 she added language stating that "this procedure is not intended to adjust line items for normal operating cost overages, less than $500;" however, she was planning to revise the procedure to remove this language to ensure that staff is proactive in monitoring the budget. She stated that departments have leeway to move money between 20 and 30 series budget line items, so the system is currently set up with a "flag" that allows staff to override the budget when entering a requisition or purchase order. As a consequence, the Finance Department has to monitor overrides to ensure they are within the policy guidelines and follow up to request that budget amendment forms are completed. Mrs. Mitchell explained that she recently tested the system and found that the "flag" could not be set for certain accounts or within a certain range but could only be turned on or off for everything, so she has decided to amend the procedure and turn the "flag" off.

Responding to Mr. Slavin in regard to how to handle salary savings, Mrs. Mitchell reminded members that the City had changed the accounting method for pension allocations. She stated that the City has an Annual Required Contribution (ARC) for its pension liability, and a percentage of payroll is allocated to meet this budgeted pension expense. However, the amount of funds allocated as a percentage of payroll can be affected by attrition; therefore, the funds that come in may not meet the budgeted expense. For this reason, Mrs. Mitchell suggested that any salary savings go toward pension and Other Post-Employment Benefit (OPEB) liabilities.

Mr. Koenig stated that if there were salary savings available and a specific need to address, like the recent demolition budget, he would propose that the matter be presented to City Council to allow members to vote on whether they wanted these savings to go to the unfunded liabilities or be directed to the project.

Mr. Slavin questioned whether each of the four (4) proposals would be at the policy level, noting that City Council has the freedom to override the policies. Responding, Mr. Koenig confirmed that these four (4) proposals would be at the policy level; however, if staff was struggling with something with respect to the policy, the matter would be brought before City Council.

Mr. Sudler questioned whether staff forecasted a huge amount of salary savings with future projects. Responding, Mr. Koenig confirmed that there would only be salary savings if a position were to become vacant and remain unfilled for a certain amount of time, or if staff planned to hire an employee for a full year and was not able to immediately fill the position. He stated that staff tries to budget appropriately for all open and new positions. He reminded members that the budget for retirements was moved from individual departments into a pool, and if there were more retirements than staff anticipated, it could overwhelm that pool. Mr. Koenig stated that staff does not over budget for salaries, and expressed his belief that they have budgeting for salaries down to a science.

The Committee recommended approval of the proposed financial reforms related to Restrictions on Use of Appropriations.

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

Annual Investment Policy Review

In accordance with Section 14 of the City of Dover Investment Policy, the City Investment Policy is reviewed by the Committee at least once every year and any amendments require the approval of City Council.

Mrs. Mitchell, Controller/Treasurer, advised members that the policy was reviewed by staff and the City's Investment Advisor (Public Financial Management) to determine if any changes were necessary. She reviewed the three (3) revisions recommended by the City's Investment Advisor.

Mrs. Mitchell stated that the reason for the Investment Advisor's recommended change to Section 8.2, Government Agency Securities, was to give the City more diversification. She explained that, currently, the federal government is buying back their own securities in an attempt to keep the market from going volatile, but without these securities, the market is limited. Mrs. Mitchell stated that this proposed change is not for return reasons, it is only to provide the instruments to invest in and diversify the City's portfolio.

Referring to Section 8.4.5, Corporate bonds and debentures, Mrs. Mitchell explained that the Investment Advisor recommended lowering the AA rating to A- by Standard and Poor's or A3 by Moody's. She stated that A- was still investment grade, and the Investment Advisor wanted to maintain investment grade but also be able to get additional high-quality corporate issuers on their approval list. Mrs. Mitchell stated that, for the same reasons, the Investment Advisor also recommended changes to Section 8.8, Municipal Obligations, which would lower the A rating by Standard and Poor's to A- or A to A3 by Moody's.

Staff recommended approval of the submitted changes to the City's Investment Policy.

Mr. Anderson expressed his concern that once the City gets to the bottom level of investment grade, the City could be subject to the volatility of downgrades, noting that an A would get downgraded to A- and staff would still have time to look it over. He questioned if staff had any concern regarding the potential of a downgrade from an A-.

Responding, Mrs. Mitchell stated that this did not cause her any concern because most of these instruments are governmental instruments and she did not foresee a lot of downgrades occurring. However, she agreed that this could happen and that if members had this concern, she did not have a problem with keeping it at A and suggested the possibility of capping the whole policy at A instead of A-.

In response to Mr. Anderson, Mrs. Mitchell clarified that the Moody's rating would be capped at A2.

Mr. Anderson questioned if this change would create any issues with the strategy the Investment Advisor was trying to implement. Responding, Mrs. Mitchell explained that the Investment Advisor would still have the same strategy, but there may be a more limited market available. She expressed her opinion that there was not a large difference between A and A-, or A3 and A2.

Mr. Anderson stated his belief that the instruments would still allow the City to diversify with World Bank, European and African development, etc.

Mrs. Mitchell confirmed Mr. Anderson's statement and noted that she had inquired about getting involved with "bad countries," not knowing if there would be some sentiment about who the instruments are held by, and reported that this would not be a problem.

The Committee recommended amending the submitted changes to the City of Dover Investment Policy by changing the A- rating to A and the A3 rating to A2.

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

The Committee recommended approval of the City of Dover Investment Policy, with the proposed Legislative, Finance, and Administration Committee amendments.

By consent agenda, Mr. Hare moved for approval of the City of Dover Investment Policy, as revised (*Exhibit #1*), seconded by Mrs. Williams 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

During the Legislative, Finance, and Administration Committee meeting of May 12, 2014, members deferred further discussion of this item until after the 2014 Special Mayoral Election.

Mr. Hutchison reminded members that he served 25 years with the City of Dover Police Department, with five (5) years (1988 to 1992) as Chief of Police, and also served as the City's Mayor from 1994 to 2004. He stated that when he joined the Police Department in 1967, the population of the City of Dover was approximately 12,000 and the Police Department had a total of 24 officers; when he retired in 1992 there were 80 officers, and today there are 93 officers. He stated his observation that the things that had changed the most since he left the Police Department were: 1) the budget, 2) salaries and benefits, and 3) costs. Mr. Hutchison noted that the cost to maintain the Police Department is more than $13M annually and that the total taxes collected by the City of Dover do not cover the total cost of the Police Department. He stated that he believes labor negotiations, contracts, and the complexity of operations have changed the most. Mr. Hutchison expressed his opinion that the City of Dover has the finest Police Department in the State of Delaware, and he was very proud of the Department's operations.

Mr. Hutchison stated that the complexity of the City and the demands placed on the overall operation are increasing, which makes it difficult to maintain and control the City's total operations and costs. He reminded members that the City has a Council-City Manager form of government; however, based on the changes to and the complexity of the current City government, he strongly recommended that members consider changing to a strong City Manager form of government. Mr. Hutchison stated that the city manager proposes the budget and works with the controller/treasurer, mayor, and Council to get the budget approved; however, he noted that the Police Department has the biggest departmental operating budget in City and, currently, the city manager has absolutely no control over the Police Department. Likewise, there are a couple of other departments that the city manager has no control over; yet, the city manager is held totally responsible for the budget. Mr. Hutchison expressed his opinion that there is a need to change the organizational structure to provide the city manager with more control, so that the City can move forward with better controls in place and better accountability when it comes to financial matters.

Referring to the recent concern regarding the hiring of a new assistant city manager, Mr. Sudler questioned if overseeing the Police Department would overwhelm the City Manager's Office. Responding, Mr. Hutchison stated that it absolutely would not.

Mr. Anderson reminded members that when this matter was previously discussed in 1995, he was representing a public organization and recommended that this issue be placed on the City ballot for a non-binding referendum. He stated that the referendum results at that time indicated that the residents wanted a full-time mayor, and expressed his belief that the recent Special Mayoral Election reaffirmed the desire of the residents. Mr. Anderson stated that the City could definitely make some budgetary adjustments and improvements but that there is a value to having certain issues dealt with by an elected official, especially those issues that affect people most directly, such as the police.

Mayor Christiansen stated that there was no one in the Council Chamber that he had greater respect for than his friend, Mr. Hutchison, who had performed many services for the City of Dover; however, he respectfully disagreed with Mr. Hutchison's comments. Mayor Christiansen reminded members that the City of Dover has a full-time mayor as part of a consent decree with the National Association for the Advancement of Colored People (NAACP). Noting that he served as Council President at the time that the consent decree was developed, he stated that Council was remiss in not assigning the mayor any specific responsibilities in the Code or Charter, other than control of the Police Department because Mayor Hutchison was well aware of the responsibilities of the office.

Mayor Christiansen stated that he was not "ballyhooing" for a job for himself, noting his interest in serving as mayor whether the position was full-time or part-time, but stressed that it was important and incumbent upon Council to continue the full-time position since Dover is a full-time City. Concurring with Mr. Anderson, Mayor Christiansen stated that during the most recent Special Mayoral Election, the citizens of the City reaffirmed this in that all five (5) candidates felt that the City of Dover needs a full-time mayor.

Mayor Christiansen stated that, as outlined in the Charter, the mayor is the conservator of the peace, and it is important that he/she remain responsible for the public safety and well-being of the citizens of Dover, particularly during times of natural and civil emergencies. He expressed the importance of this responsibility being in the hands of an elected official.

Mayor Christiansen stated that the current city manager does an outstanding job. He explained that he had worked with Mr. Scott Koenig, City Manager, for the past two (2) months, consulting on a daily basis regarding issues that are affecting the City, citizens, and employees, and suggested that one (1) of the formal responsibilities of the mayor should be to continue that interaction on a regular basis. Mayor Christiansen expressed his opinion that a reduction of the mayor's position

and diminishing his/her responsibilities would be a step back into the past. He stated that Dover is a growing City and needs a mayor who will have the opportunity to lead the City in its growth and the field of economic development on a full-time basis.

Mayor Christiansen stated his opinion that the mayor should have fiscal responsibility by helping to prepare the Police Department's budget and the overall City budget, as well as accountability when the budget is presented to Council.

Mr. Hutchison stated that he did not think the City should do away with a full-time mayor because the full-time mayor has a tremendous amount of duties and responsibilities to the citizens of Dover. He explained that his recommendation would be to redefine the organizational structure to give the city manager more responsibility over the day-to-day operations of the City.

Referring to the consent decree mentioned by Mayor Christiansen, Mr. Hutchison noted that the City of Dover is a completely different place today, and expressed his opinion that it may be the appropriate time to revisit the consent decree to determine if there is a consensus for change. He stated that he preferred when the mayor presided over Council, noting that it may serve the citizens of Dover to bring the mayor and Council back together, instead of continuing with the current separation.

Mayor Christiansen reminded members that when the mayor presided over Council there were different personalities in office and, at the time, it worked; however, it was now the mayor's responsibility to be chief executive of the City and not part of the legislative process. Mayor Christiansen expressed his opinion that it would be detrimental to allow the mayor to return to the Council Chamber to participate as part of the legislative body, because it would place the mayor's veto in danger, which is one (1) of the safeguards provided to protect the public against actions that may not be in the best interest of the City. Mayor Christiansen stated that it was the responsibility of the legislative body to legislate and appropriate, and it should be the responsibility of the mayor, as chief executive of the City, to assist the city manager and City staff in the daily operations of the City.

Council President Bonar reminded members that he served as a member of City Council in 1982 when it was decided to take the vote away from mayor because of strong personalities. He stated that the City has changed dramatically since that time and, after serving as mayor for a very brief time, he has a better understanding of the day-to-day operations of the City. He explained that the mayor's responsibilities do not only include attending ribbon cuttings and community meetings, but also attending appropriations' discussions at the Delaware Emergency Management Agency (DEMA), fighting and lobbying on behalf of the City to get funds from the General Assembly and various other fund giving organizations, etc. Mr. Bonar stated that although the city manager and various department heads oversee the City on a daily basis, he expressed his opinion that Council needs to develop a job description for the mayor and include it in the City's Code, so everyone understands what the responsibilities entail.

Mr. Bonar stated that it is imperative for the mayor to attend committee and community meetings in order to listen to the input provided as well as provide input. He explained that one (1) of the reasons he appointed the Ad Hoc Financial and Operational Advisory Committee was to study the structure of the City, in order to determine whether or not the City needs to reorganize and make recommendations for consideration by the Legislative, Finance, and Administration Committee.

Mr. Bonar expressed his opinion that an assistant city manager is necessary because the city manager is overwhelmed. He also stated his belief that the responsibilities of the mayor's position would not permit the City to ever reduce the position to part-time.

Mr. Anderson stated that Mr. Hutchison brought up valuable points of discussion. He noted that members previously discussed possible reforms regarding the appointment and confirmation of the chief of police and suggested that the Committee discuss that matter as well. Mr. Anderson stated that there would be value in looking at legislative descriptions and indicated that the Committee should solicit ideas from the current and former mayors and other people in the City.

Mr. Dixon concurred with Council President Bonar's comments, and expressed his opinion that the City should not get rid of the mayor, noting that it was the mayor's responsibility to ensure the safety and peace of the public, and that the mayor is the first person that citizens want to talk to.

Mr. Sudler thanked the City Clerk's Office for providing members with a complete history on this topic. Noting that former City Manager Anthony DePrima had indicated during a previous Council meeting that there was a job description for the mayor, Mr. Sudler inquired, if a job description for the mayor existed or was developed, how the mayor's work would be appraised.

Responding to Mr. Sudler, Mayor Christiansen reiterated that the former Council was remiss in not developing a job description for the mayor because Mayor Hutchison knew what was expected of the position; however, he stated that the City does need to develop specific responsibilities and benchmarks for the mayor to perform to, including bringing jobs to the City through economic development and acting as the conservator of the peace, ambassador and lobbyist. He stated that the public would judge whether the specific duties are fulfilled.

Mr. Wayne Holden, 333 Pennsylvania Avenue, reminded members that he was appointed to serve on the Ad Hoc Financial and Operational Advisory Committee during the Regular Council meeting of November 12, 2013 and was subsequently nominated to serve as Chairman of the Ad Hoc Committee. He stated that the Committee was created to advise City Council as a whole on operations, financial issues, and the organizational structure within the City of Dover. He stated that the Committee was still working and that it may take the balance of this year to look at all of the various aspects.

Mr. Holden advised members that during the first and second Ad Hoc Committee meetings, members discussed the organizational structure of the City and the fact that the City has a strong mayor type of organization. Mr. Holden stated that the organizational structure of the City of Dover reminded him of the Tammany Hall scandal in New York City and related New York Times caricatures which serve as a classic historical point for the importance of ensuring control and accountability within municipal government. He stated that this type of problem could be prevented if every division of government was accountable to a specific individual who has the knowledge, background, and tenacity to work with the employees and departments to hold them responsible in regard to financial matters as well as the quality of work. Mr. Holden expressed his opinion that the city manager should serve in this capacity for the City of Dover, and noted that members of the Ad Hoc Committee had commended City Manager Koenig for the quality of his work.

Mr. Holden indicated that over time, City Council had gradually taken responsibility from the city manager and placed the accountability elsewhere. For example, Mr. Holden expressed concern that the Finance Department was asked to respond directly to City Council, as opposed to the city manager. He stated that a council is supposed to be a body that sets policy, determines direction, and chooses focus, but does not become involved in the execution of the process to make those things happen because that is the job of the city manager.

Mr. Holden reminded members that responsibility for the Police Department was shifted to the mayor during Crawford Carroll's tenure, when there were less than 30 officers. With more than 90 officers today, he expressed his opinion that the Police Department should be accountable and respond to the city manager. He stated that this was made apparent by the recent experience when the City had to pay more than $300,000 to resolve an error created by former Mayor Carleton Carey, who was not a professional negotiator or used to working with the unions or employees on a regular basis, but was in charge of the Police Department. Mr. Holden stated it is not possible to have overlapping areas of responsibility and expect to have an efficient organization.

Mr. Slavin observed that there appeared to be more that unites than separates members on this issue. He expressed concern regarding how to proceed in order to get to an actionable proposal that City Council could consider. Mr. Slavin suggested that this item be deferred until the Committee's meeting of September 8, 2014.

Mr. Sudler moved to defer further discussion of this item until the Committee meeting of September 8, 2014, seconded by Mr. Shevock.

Mr. Anderson stated that he would not be voting in favor of this motion because he did not believe anything would change between this meeting and the next. He expressed his preference to wait for the recommendations of the Ad Hoc Financial and Operational Advisory Committee.

The Committee deferred further discussion of this item until the Committee meeting of September 8, 2014.

Review of New Ordinance/Ordinance Amendment Process

Due to time constraints, the Committee deferred the discussion regarding Review of New Ordinance/Ordinance Amendment Process until the Committee meeting of September 8, 2014.

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

SPECIAL PARKS, RECREATION, AND COMMUNITY ENHANCEMENT COMMITTEE REPORT - AUGUST 26, 2014

The Parks, Recreation, and Community Enhancement Committee met on August 26, 2014 with Chairman Dixon presiding.

Downtown Development District Boundary

Mrs. Ann Marie Townshend, Director of Planning and Community Development, advised members that the Delaware General Assembly enacted the Downtown Development District Act in June 2014 and that under this law, the Governor will designate three (3) Downtown Development Districts in the first round of designations, one from each county. Mrs. Townshend explained that development projects within designated districts will be eligible for a 20% rebate for project costs over $25,000 and that Dover is well positioned to submit a successful application for Downtown Development District designation because of the number of redevelopment incentives in place. In addition, Dover has two master plan documents that complement each other in support of revitalizing the downtown area. Mrs. Townshend noted that, within the designated development districts, Dover offers preferential treatment for other State programs, such as the Housing Development Fund and the Delaware Historic Preservation Tax Credit Program, and works with State agencies in this regard.

Referring to the "Proposed Downtown Development District" map previously provided to members, Mrs. Townshend explained that, under the program application guidelines, Downtown Development Districts are limited to 225 acres in size. She noted that Planning Office and Geographical Information Systems (GIS) staff worked together to develop a proposed 220-acre district within the Downtown Redevelopment Target Area defined in code. She stated that once a boundary is determined, staff would compile data based on the determined boundary and complete the Downtown Development District application, noting that the application deadline is November 1, 2014.

Mrs. Townshend advised members that the boundaries were set as shown on the map because the primary purpose of the bill enacted by the General Assembly was to foster private investment in the downtown areas; therefore, boundaries were focused on the downtown areas and would exclude Wesley College, BayHealth Medical Center, and State offices.

Mrs. Townshend stated that applications would be evaluated based on three (3) criteria. The first 50% of the application was based on need and impact, which includes information such as the percentage of properties that are rental or vacant, age of structures, poverty rate, median home value, etc. The second criteria, which is 30% of the application, is the district plan, which would include a combination of the City of Dover Comprehensive Plan, the Transit Center Neighborhood Plan completed by the Dover/Kent County Metropolitan Planning Organization (MPO) and the Downtown Dover Partnership (DDP), and the Restoring Central Dover Plan. The third criteria, which comprises 20% of the application, includes a summary of local incentives.

Staff recommended that the Committee endorse the proposed Downtown Development District Boundary and recommend that City Council accept the boundary.

Responding to Mr. Hutchison regarding those involved in developing the boundaries, Mrs. Townshend advised members that the planning staff and the City's GIS technician worked together to determine downtown redevelopment target area. She indicated that originally only 175 acres were to be within the boundary; however, based on feedback from Dover and Wilmington, the State increased the boundary to include 225 acres. Mrs. Townshend stated that once the options were established, the City Manager was also consulted to determine the proposed boundary.

In response to Mr. Caldwell regarding local incentives offered by the City, Mrs. Townshend stated that a number of incentives were included in the City's Code, including a waiver of building permit fees, abatement of taxes based on value of improvement for a period of ten years, and a waiver of city's impact fees for multi-story mixed use construction. She indicated that staff had also discussed the possibility of additional County incentives with Kent County.

Responding to Mr. Anderson regarding the boundary in the West and Queen Street areas, Mrs. Townshend explained the boundary line "dips down" at that location to incorporate two (2) parcels that are the proposed location of a transit center and a Transit Center Neighborhood Plan. She explained that it was hoped that a transit center could developed through public/private partnership and that the R.E. Michel site at 550 South Queen Street had the potential for redevelopment.

In response to Mr. Dixon's concerns regarding possible conflicts with the proposed boundary, Mrs. Townshend stated that the Restoring Central Dover Plan would be part of the Downtown Dover Development District and there would be no conflict with National Council on Life and Labor (NCALL) efforts.

Ms. Yvonne Hall, 228 N. State Street, State Street Inn, expressed her feeling that it was embarrassing to her when guests come from out of town or out of the country on the Greyhound bus and are dropped off at an auto transmission business with no covered area and no place to go. She stated that visitors do not realize the distance

between the bus stop and their destination. Ms. Hall also inquired as to the types of incentives that are set aside for housing, sharing her opinion that the City needs more home ownership and not rentals.

Responding to Ms. Hall, Mrs. Townshend stated that potential plans are in place for a building at the transit center and that if a public/private partnership could be established to locate a building there, including a ticket sales center, this would resolve the issue. Regarding housing, Mrs. Townshend advised that incentives are contained within the Restoring Central Dover Initiative, which would assist in promoting home ownership. Mrs. Townshend stated that 75% of housing units in the target area are currently rentals and that one (1) of the incentives of the Positive Development Working Group - Restoring Central Dover Initiative includes tax abatement for owner-occupied housing in the downtown area. In addition, she indicated that the Community Development Block Grant (CDBG) program provides down payment assistance and may be combined with housing rehabilitation efforts as well.

Mayor Christiansen noted that meetings had taken place with the Department of Housing and Urban Development (HUD) regarding allowing Section 8 housing residents to be eligible to become homeowners, noting that 51% of available City housing is owner occupied. Mayor Christiansen stated that Ms. Ami Sebastian-Hauer, Executive Director, Dover Housing Authority, is also involved with the Positive Development Housing Working Group and said they are looking at combining available tools with down payment assistance to promote home ownership.

Mr. Reuben Salters, 109 Bertrand Drive, recalled discussing this topic 25 years ago when he was on Council and shared his opinion that the City needs to hold landlords accountable and responsible for the condition of the houses they rent and enforce the City's Code, which would improve quality of housing. Mr. Salters stated that many rental costs are higher than mortgages and the homes are in poor condition because the landlords are not being held accountable to the standards for maintaining their property. He suggested including lighting, street scape, and parks as vital parts of redevelopment. In addition, Mr. Salters noted that when implementing programs or changes, the City always start east and works to the west and felt the City should start working west and move eastward. Lastly, Mr. Salters shared his belief that the City needs to continue to have a full-time mayor.

Mr. Greg Moore, President, DDP, stated that Mr. Bill Neaton, Executive Director, DDP, also helped to prepare the map outlining the boundary for the Downtown Development District and planned to provide an update to the DDP Board in September. Mr. Moore expressed full support of the outlined boundary.

Ms. Yvonne Hall shared her feeling that DDP meetings should include realtors, who can help people obtain the loans they need for homes, instead of only including developers.

The Committee recommended endorsement of the proposed Downtown Development District Boundary, as presented.

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

Capital Holiday Celebration (Tree Lighting) Location

Mrs. Ann Marie Townshend, Director of Planning and Community Development, advised members that the purpose of this agenda item was to obtain public input on the City of Dover's Annual Capital Holiday Tree Lighting Celebration. She stated that, historically, the ceremony included Caroling on the Green and the Festival of Lights, which were held on two (2) different nights in two (2) locations. She explained that four (4) years ago, the two (2) events were merged and last year a decision was made to move the tree lighting from in front of City Hall to Loockerman Way Plaza in an effort to incorporate downtown business merchants. Mrs. Townshend stated that a great deal of feedback was received, some of which was positive and some negative, including concerns about the electric supply, availability of public facilities, the location being closer to local bars, and the desertion of a longstanding tradition. Due to the varied responses and in preparation for this year's ceremony, the Capital Holiday Celebration Committee decided that the best way to determine what the public wanted was to invite the public to comment. Mrs. Townshend noted that, historically, the City partnered with the Central Delaware Chamber of Commerce (CDCC) for the event and felt that this should continue to do so if an agreement could be reached as to the location and how the downtown Dover merchants could be included.

Mr. Thomas Smith, 126 Hampton Drive, stated that in 1988 he was the President of Downtown Dover Business Association, which started the tree lighting ceremony because the downtown merchants wanted to give something back to the City for its support. He informed members that the first tree lighting ceremony was held in front of City Hall and schools brought children to sing, Santa Claus was present, and it was a great family event. Mr. Smith said that over the years some changes were made, including moving to the Wesley Church Fellowship Hall with tables displaying what the area businesses had done. This was not done for the purpose of selling because it was decided not to "push retail" in an effort to keep the event family oriented. Mr. Smith felt it was best to hold the event in front of City Hall.

Mrs. Cindy Christiansen, 714 Carol Street, stated that, as a family tradition, she had attended every tree lighting ceremony, beginning as a child. Last year when she attended with her family, she was unaware the event had moved and was "left wondering" what had happened to the event, along with many others, including dancers scheduled to perform, until they were directed to the location of the ceremony downtown. Mrs. Christiansen stated, with all of the beautiful trees outside of City Hall, that she was very upset to see the tree that was representing the City for the tree lighting ceremony. In addition, Mrs. Christiansen expressed her disappointment at not being able to hear the children singing Christmas carols at the new location, nor could she see them due to the placement of the hot chocolate truck

that was blocking the children. She felt that other alternatives could be considered to include the downtown businesses without moving the whole ceremony and suggested having Santa Claus arrive in front of City Hall and go by carriage to his house in the business area, and everyone could follow, singing carols. Mrs. Christiansen implored Council not to break a beautiful tradition, and stated opposition to trying to fix something that wasn't broken. She indicated that many people that came statewide last year left disappointed as a result of the changes that were made to the ceremony.

Mr. Zachery Carter, 248 Mifflin Road, former City of Dover Director of Parks and Recreation, stated that the tree lighting ceremony was a tradition, like many events in Dover, such as the Maypole Dancing on the Green and the Old Dover Days Parade. He noted that the event kicked off the holiday season and provided a family tradition for adults, children, parents, grandparents, and families, to come out and see the trees and lights together. Mr. Carter said the original tree still stands outside of City Hall and shared his feeling that the tradition should continue there.

Mr. Jim Thistlewood, 455 E. Loockerman Street, Wesley Methodist Church and Preschool, stated that, upon finding out about the change in plans for the Christmas Tree Lighting Ceremony, he met with Ms. Tonda Parks, Vice-President of Advertising and Development, Delaware State News, and Ms. Judy Diogo, President, CDCC. Mr. Thistlewood said that Wesley Church typically participates in the festivities and presents a live nativity and preschool students who sing Christmas carols. Mr. Thistlewood stated that last year they were unable to participate as they had done in the past because they could not move the live nativity and the preschool was not comfortable taking children through the downtown area to the new location. Referring to Mr. Thomas Smith's comments regarding having used the Wesley Church Fellowship Hall in previous years, he suggested that this might be good alternative that would allow businesses an opportunity to show their wares. He felt that the City should keep the tradition of having the ceremony in front of City Hall, which would allow the church and the preschool to continue to participate and contribute to the celebration.

Mr. Reuben Salters, 109 Bertrand Drive, expressed happiness hearing the unanimous voice of the City to get back to tradition of having the tree lighting ceremony in front of City Hall, stating that for 22 years he sang out in the cold, sometimes in the rain, with his family, kids, and grandkids. He always thoroughly enjoyed the event, noting that it was a festive time, and he felt it was important to stick to something that is solid and that everyone agreed upon.

Ms. Tonda Parks stated that she participated on the planning committee for the Capital Holiday Celebration, which was a combined effort of the CDCC, the City of Dover, and the DDP and that she was speaking as a member of this committee. She explained that part of reason the location was changed last year was in response to the businesses in downtown Dover, who expressed the desire to see more pedestrian traffic downtown surrounding the event. As a resident, Ms. Parks said she was offended by Mr. Thistlewood's comment that children were afraid to walk a block

away from City Hall and that this prevented them from participating last year. Ms. Parks indicated that another part of the agenda of the Capital Holiday Celebration was to engage the community and make people feel more comfortable and welcome in the downtown area and to build a sense of community and inclusiveness. She stated that people on the west end of the City felt excluded, and the DDP indicated their awareness of this, noting that Dover Days activities did include all of the City. Ms. Parks thanked the Mayor for attending the Downtown Dover Merchants meetings and stated that, based on some of the discussions he presented, the merchants seemed happy with potential relocation back to City Hall. However, they indicated that they would like to see more work done to be more inclusive, incorporating the arrival of Santa at Loockerman Way Plaza and heading east to include the downtown businesses and the entire City.

Ms. Paula Kinsey, owner, Tea for Two, 224 N. State Street, shared her opinion that downtown Dover was utter chaos during the tree lighting ceremony last year, noting issues with electricity, failure of those involved to work well together, and the receipt of negative comments. Ms. Kinsey suggested moving the ceremony to another night for the downtown merchants and continuing to have the ceremony and the lights in front of City Hall in accordance with tradition. Ms. Kinsey also pointed out that the tree lighting ceremony is held on Monday, which is a school night, which makes it difficult for parents to take time to patronize the local businesses. She also suggested that a farmers market type scenario be considered to include the merchants and draw people together.

Mr. Thistlewood echoed Ms. Kinsey's suggestion and suggested having the Christmas Parade on a Saturday, allowing for more time and incorporating local merchants.

Ms. Madison Christiansen, 714 Carol Street, Dover, said she has always gone to the tree lighting and enjoyed the singing and the countdown to the tree lighting, noting a memory of when the lights didn't light on the first try but did seem magical when they lit up on the second try. She indicated that she didn't stay for the tree lighting last year because it wasn't real, it wasn't tradition, and it lost its beauty and magic. She felt that the event felt "fake"and, with all of the things in the world that are materialistic and fake, that it would be nice to look at "something real and magical."

Mr. Harold King, 378 Kentwood Avenue, shared his feeling that there was no better place for the tree lighting ceremony than in front of City Hall. He agreed that last year was fake and had no sense of tradition or Christmas. He said his family looked forward to the ceremony every year but last year they were not interested and cautioned against Capital of the First State losing that sense of tradition. He requested that the ceremony be kept in front of City Hall and not next to a bar down the street.

Mr. Sean Christiansen, 216 N. Caroline Place, said that the Christmas tree lighting ceremony was a family affair based on tradition. He stated that he had been a City resident for 36 years and was a taxpayer and a registered voter. Mr. Christiansen said that he had a special bond with the tree lighting ceremony because used to drive Santa Claus in the fire truck and drop him off at his house when he was in the Dover Fire Department. Mr. Christiansen said that, in 1923, on the grounds of the White House, President Coolidge lit the first National Christmas tree and, 91 years later, that tree still stands. He said that in 1931 workers who were building 30 Rockefeller Plaza in New York decorated a 20-foot tree with cranberries, tin cans, and garlands made out of paper in celebration of Christmas and, 82 years later, the tree still stands and its lighting is the official start to the holiday season. Mr. Christiansen stated he agreed with incorporating downtown Dover and that Mr. Neaton had done a great job with the Home for the Holidays Parade and other events that benefit the downtown merchants; however, he felt that the tree in front of City Hall is the City's tree, the hub of the City, and is where the tree lighting ceremony should continue to be held. Mr. Christiansen questioned Mrs. Townshend regarding the inadequate electricity last year at the downtown ceremony and the cost involved to ensure adequate electric supply, should they continue having the ceremony at that location. Responding, Mrs. Townshend stated that the cost for electricity was approximately $4,000, assuming no complications, but could soar to $10,000 - $15,000 should they run into any difficulties when boring the lines for the electricity. Mr. Christiansen pointed out that adequate electricity is already available in front of City Hall at no additional expense and asked, for the sake of tradition and for the purpose of being financially responsible, that the ceremony be held in front of City Hall.

Mayor Christiansen thanked Ms. Parks for her presentation and for her efforts concerning the tree lighting ceremony, noting that new things are not always accepted very readily, and recognizing the importance of tradition. In addition, Mayor Christiansen addressed some of the other comments that were made, recognizing the efforts of those who volunteered in the community, and stating that because of those efforts, the City had the ability to expand on the traditional lighting by incorporating the entire length of the business district. Mayor Christiansen challenged the downtown area to hold a window decorating contest to bring people downtown to enjoy the decorations, starting with the tree lighting in front of City Hall.

Mr. Dixon thanked everyone for attending and sharing their thoughts.

The Committee recommended that the traditional location at City Hall be restored and encouraged the Committee to continue efforts to include the downtown merchants.

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

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

MONTHLY REPORTS - JULY 2014

By motion of Mr. Hare, seconded by Mrs. Williams, the following monthly reports were accepted by consent agenda:

City Assessor's Report
City Manager's Report
City Planner's Report
Economic Development Office Report
Fire Chief's Report
Police Chief's Report

TENTATIVE LABOR CONTRACT WITH AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES (AFSCME)

During their Regular Meeting of August 25, 2014, this item was deferred to allow for the review of additional financial analysis.

Councilman Lynn disqualified himself from discussion and voting on this item due to a conflict.

Mr. Scott Koenig, City Manager, summarized the major framework of the agreement, which represented 42 employees as of August 20, 2014, as follows:

1. A personal leave clause associated with employees that are assigned to the electric department so that their schedules can mirror the employees they supervise.

2. The elimination of long term disability insurance for the AFSCME members.

3. An accelerated schedule for vacation accrual with a cap of 18 hours per month.

4. Allowing vacation sell back in 20, 40, 60, or 80 hour increments.

5. An adjustment to sick and bereavement leave usage.

6. A decrease in the amount of terminal leave from 150 days to 100 days for existing employees; however, employees hired after April 13, 2014 would only be allowed to sell back 75 days of accrued sick leave.

7. Adjustments to health insurance coverage are as follows:

    a. Employees who are hired before April 13, 2014 will continue to pay the 85% (City)/15% (Employee) cost sharing for their careers while active.
    b. Employees who are hired after April 13, 2014 will pay an 80% (City)/20% (Employee) cost share.
    c. A retirement health care window was created that will affect six (6) employees in the bargaining unit who, if they retire before July 1, 2016, the City will pay 100% of their "employee only" coverage with a formulated cost sharing for retirees who elect dependent coverage.

8. Small adjustments to the recording of hours for timekeeping and the safety shoe and uniform allowance.

9. Four (4) general wage increases, as follows:

    a. 3% wage increases backdated to April 1, 2014
    b. 3% wage increases backdated to July 1, 2014
    c. 3% wage increases proposed for July 1, 2015
    d. 3% wage increases proposed for July 1, 2016
    e. Two (2) $400 bonuses

10. Three (3) position specific salary adjustments in FY 15 and FY 16.

11. Current salary ranges will remain in place.

Mr. Koenig stated that the estimated cost of the implementation of the contract was on the high end of $331,000; however, the cost would be expected to decline if employees exercise the health care retirement window. He advised members that the AFSCME bargaining unit voted overwhelmingly to approve the contract and the management side of the negotiating team recommended approval of the contract.

Responding to Mr. Anderson, Mr. Koenig stated that approval of the contract would mean an immediate 6% raise, retroactive to July 1, 2014.

Mr. Hare reminded members that the non-bargaining employees were given only two (2) weeks notice to decide to retire with full health care benefits and this contract had a self-serving clause in it that would allow six (6) people to have a two (2) year-window to decide if they want to retire with 100% health care. He felt that this would not be fair to the non-bargaining employees.

Mr. Perza stated that the management negotiating team was tasked with obtaining cost certainty over liabilities such as health care and pension costs. He agreed that there were special provisions in the contract that he did not like; however, the union approved the contract the way it was and said that he was willing to compromise in order to achieve long-term cost certainty for future generations of the City.

Mr. Perza moved to approve the American Federation of State, County and Municipal Employees (AFSCME) contract, as iterated by the City Manager. The motion was seconded by Mr. Dixon.

Mr. Slavin stated that his fiduciary responsibilities would prevent him from supporting the contract as presented.

Mr. Hutchison stated that he had a fairness issue with the contract because all 42 members of the union were not benefitting equally from the contract.

Mrs. Williams stated that the negotiating team did what they were asked to do, which was to get the long-term liability issues under control; however, she stated that she could not support a contract that favored six (6) of the 42 people and that gave 12% raises in less than a two (2) year period.

The motion to approve the American Federation of State, County and Municipal Employees (AFSCME) contract, as iterated by the City Manager, failed by a roll call vote of six (6) no (Anderson, Slavin, Williams, Hare, Hutchison, and Bonar), two (2) yes (Dixon and Perza), and one (1) abstention (Lynn).

ROUTE 13 WATER MAIN REPLACEMENT PROJECT - DELAWARE DEPARTMENT OF TRANSPORTATION (DELDOT) INVOICE REIMBURSEMENT

The City of Dover entered into an agreement with the Delaware Department of Transportation (DelDOT) on April 27, 2012. The agreement stated that the City of Dover would reimburse DelDOT $141,880 for paving work associated with its water main replacement project between North State Street and Kings Highway within the Route 13 right-of-way. The original agreement was an estimate for the work that was needed for the improvements. The estimate was created by DelDOT personnel.

The actual cost for improvements was $216,515.74. According to DelDOT, the majority of the price discrepancy derived from underestimating the curb ramps that were required to be upgraded as part of this work. The estimated quantity for the curb ramps was 2,088 square feet, however, the actual improved quantity was 8,300 square feet. Hot mix quantity was also underestimated by DelDOT.

Per the agreement, the City of Dover is responsible to pay final actual costs to complete the project. Staff is obligated to reimburse DelDOT the sum of $216,515.74 for the work associated with the Route 13 Water Main Replacement Project. In order to pay the bill due to DelDOT, staff will use the balance of funds in the project account ($152,823.00) as well as transfer ($63,692.74) from FY-2015 Water Quality Improvements; therefore the remaining funds in FY-2015 Water Quality Improvements will be ($527,500 - $63,692.74) $463,807.26.

Staff recommended authorization to transfer funds in the amount of $63,692.74 from the FY-2015 Water Quality Improvements to complete the project funding necessary to issue a final payment to DelDOT in the amount of $216,515.74 for the paving associated with the U.S. 13 Water Main Replacement Project (Project # WQ0907)).

Responding to Mrs. Williams, Mr. Scott Koenig, City Manager, stated that the invoice had been reviewed and the quantities, although correct, were underestimated. He stated that additional handicapped ramps, and their associated costs, were necessary. Mr. Koenig advised members that the City does need to reimburse the State because the general framework of the agreement indicates that the City would be responsible for the cost.

Mrs. Williams moved to authorize the City Manager to transfer funds in the amount of $63,692.74 from the FY-2015 Water Quality Improvements to complete the project funding necessary to issue a final payment to DelDOT in the amount of $216,515.74 for the paving associated with the U.S. 13 Water Main Replacement Project (Project # WQ0907)). The motion was seconded by Mr. Dixon and carried by a roll call vote of five (5) yes (Dixon, Perza, Williams, Hutchison, and Bonar) and four (4) no (Anderson, Lynn, Slavin, and Hare).

2014/15 STAFF APPOINTMENT - LORI PEDDICORD - ASSISTANT TREASURER

By consent agenda, Mr. Hare moved to appoint Ms. Lori Peddicord to serve as Assistant Treasurer, seconded by Mrs. Williams and carried by a unanimous roll call vote.

PROPOSED RESOLUTION NO. 2014-11 AUTHORIZING SIGNATURES FOR BANKING SERVICES ON BEHALF OF THE CITY OF DOVER, DELAWARE - CONTROLLER/TREASURER, ASSISTANT CONTROLLER/TREASURER, AND ASSISTANT TREASURERS

By consent agenda, Mr. Hare moved for adoption of the Resolution. The motion was seconded by Mrs. Williams and, by a unanimous roll call vote, Council adopted Resolution No. 2014-11, as follows:

A RESOLUTION AUTHORIZING SIGNATURES FOR BANKING SERVICES ON BEHALF OF THE CITY OF DOVER, DELAWARE

WHEREAS, the City of Dover's investment policy includes the investment of funds up to $100,000 per banking institution, investments in the State of Delaware Investment Pool, and the purchase and sale of investment grade corporate bonds, and U.S. Treasury and agency securities; and

WHEREAS, the banking institutions, brokerage firms, trust companies, and other various financial institutions require an Authorizing Resolution for the opening of accounts, and for purchasing, selling, transferring, assigning, and handling securities;

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Dover, that the Controller/Treasurer, Assistant Controller/Treasurer, and Assistant Treasurers are hereby authorized to open accounts with banking institutions and purchase, sell, transfer, assign, and handle securities and that they are authorized to sign all related forms;

BE IT FURTHER RESOLVED that the transactions in these accounts be carried out with any one signature; and

That the following are the office holders authorized for these purposes, until further notice:

Donna S. Mitchell	-	Controller/Treasurer
Lori Peddicord	-	Assistant Controller/Treasurer
Traci A. McDowell	-	Assistant Treasurer
Denise L. Devine	-	Assistant Treasurer

ADOPTED: SEPTEMBER 8, 2014

FIRST READING - PROPOSED ORDINANCE #2014-21

Council President Bonar reminded the public that copies of the proposed ordinance were available at the entrance of the Council Chambers or could be obtained from the City Clerk's office. The Final Reading of the ordinance and action by Council would take place on September 22, 2014.

Mrs. Ann Marie Townshend, Director of Planning and Community Development, advised members that the proposed ordinance clarifies the standards for impact protection surrounding natural gas and liquid propane gas devices. Currently the code does not specify the standards, specifically dimensions and color, for bollards installed to protect natural gas and liquid propane gas devices.

The standards in the proposed ordinance are consistent with the direction provided by the Fire Marshal's Office when questioned about impact protection. Formally adopting the standards into code will reduce potential for confusion about requirements.

Mr. Perza requested the addition of a definition for "bollard".

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

> PROPOSED ORDINANCE #2014-21 AMENDING CHAPTER 46 - FIRE PREVENTION AND PROTECTION, ARTICLE I - IN GENERAL, SECTION 46-4 - IMPACT PROTECTION OF NATURAL GAS AND LP GAS DEVICES

FINAL READING - PROPOSED ORDINANCE #2014-19

The First Reading of the proposed ordinance was accomplished during the Council Meeting of August 25, 2014.

Ordinance #2014-19 Amending Chapter 98 - Streets, Sidewalks, Storm Sewers and Other Public Places, Article I - In General, Section 98-5 - Duty of Tenants or Owners to Maintain Sidewalks and Landscaped Areas Within the Street Right-of-Way

Mr. Hare moved that the Final Reading of the proposed ordinance be acknowledged by title only, seconded by Mr. Slavin and unanimously carried.

Mrs. Townshend, Director of Planning and Community Development, advised members that the amendment would make it unlawful to sweep, blow, or otherwise discharge grass clippings into any street, sidewalk, storm drain, or water course. She noted that the amendment would also be a move toward compliance with the Department of Natural Resources and Environmental Control (DNREC) Municipal Separate Storm Sewer System (MS4) permit.

Mr. Anderson stated that he had heard a lot of concern around the community regarding this ordinance.

Mr. Anderson moved that Line 17 be amended by striking the period after the word "course" and adding "more than incidental amounts of grass." The motion was seconded by Mr. Slavin.

Responding to Mr. Perza, Mr. Lynn noted that the rules of statutory construction control the interpretation of ordinances and, if there were not a specific definition in the Code, the definition of incidental, as found in the dictionary, would apply.

Mrs. Williams stated that the ordinance was directed at people who are blowing large amounts of grass into the stormwater system.

The motion that Line 17 be amended by striking the period after the word "course" and adding "more than incidental amounts of grass." was carried by a roll call vote of eight (8) yes (Anderson, Dixon, Lynn, Slavin, Williams, Hare, Hutchison, and Bonar) and one (1) no (Perza).

By motion of Mr. Anderson, seconded by Mr. Slavin and carried by a roll call vote of eight (8) yes (Dixon, Lynn, Slavin, Williams, Hare, Bonar, and Anderson) and one (1) no (Perza), Ordinance #2014-19, as amended, was adopted, as follows:

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

That Chapter 98 - Streets, Sidewalks, Storm Sewers and Other Public Places, Article I - In General, Section 98-5 - Duty of tenants or owners to maintain sidewalks and landscaped areas within the street right-of-way be amended to read as follows:

Sec. 98-5. Duty of tenants or owners to maintain sidewalks and landscaped areas within the street right-of-way.

(a) It shall be unlawful for the owner or occupant of any premises abutting upon a sidewalk to permit or allow snow or ice to remain thereon for longer than 12 hours of daylight after it has ceased snowing, or to permit debris or other materials to accumulate at any time so that pedestrians may conveniently and safely pass.

(b) It is the responsibility of the owner or occupant of any premises abutting upon a sidewalk to keep the landscaped area between the sidewalk and the curbline, or where no sidewalk exists between the property line and curbline or paved street, maintained in accordance with the standards set forth in chapter 114, article II, pertaining to weeds.

(c) It shall be unlawful to sweep, blow, or otherwise discharge grass clippings into any street, sidewalk, storm drain, or water course more than incidental amounts of grass.

(d) Violations; penalties

Any person(s) violating any provision of this section shall be fined as provided for in Appendix F—Fees and Fines.

BE IT FURTHER ORDAINED:

That Appendix F - Fees and Fines, be amended by inserting the following:

Chapter 98 - Streets, Sidewalks, Storm Sewers and Other Public Places, Article I - In General		
Sec. 98-5	Duty of tenants or owners to maintain sidewalks and landscaped areas within the street right-of-way	Not in excess of $100.00, nor less than $5.00 for each violation

ADOPTED: SEPTEMBER 8, 2014

COUNCIL MEMBERS' ANNOUNCEMENTS

Council President Bonar reminded members that the following day was the State Primary Election and that everyone, no matter who they support, should vote. He noted that the polls would be open from 7:00 a.m. to 8:00 p.m.

Mr. Dixon moved for adjournment, seconded by Mr. Anderson and unanimously carried.

Meeting adjourned at 8:29 P.M.

TRACI A. McDOWELL
CITY CLERK

All orders, ordinances, and resolutions adopted by City Council during their Regular Meeting of September 8, 2014, are hereby approved.

ROBIN R. CHRISTIANSEN
MAYOR

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Exhibits
Exhibit #1 - City of Dover Investment Policy

City of Dover, DE

Investment Policy Statement

Dated September 8, 2014

1.0 Governing Authority

It is the policy of the City of Dover to invest public funds under its control in a manner that will provide the highest investment return consistent with the maximum safety of principal, while meeting cash flow needs of the City. The investment program shall conform to all state and local statutes governing the investment of public funds.

2.0 Scope

This Investment Policy Statement (the "Policy") applies to all financial assets of the City of Dover for which the City retains direct or indirect daily control. Funds for which the City has retained outside fund manager(s) shall also be governed by this Policy or, in the case of bond proceeds, related governing bond documents.

2.1 Accounts

2.1.1 Cash and Liquidity Accounts: The majority of the City's cash balance available for investment is maintained in the cash and liquidity accounts. These accounts will be managed and invested by investment managers, selected by the City Council through competitive bid, in order to maximize the return to the City while, at the same time, providing for safety of principal and sufficient liquidity for the City to meet its cash needs. The City will manage its short-term investments to ensure sufficient liquidity and prevent their premature sale for the purpose of covering expenditures. Short-term investments should mature at face value in sufficient amounts to meet any liquidity needs.

2.1.2 Reserve Cash (Intermediate) Account: To the extent cash is not expected to be needed on short notice, the City shall invest such funds in the Reserve Cash Account. This fund shall be managed and invested by an investment manager or managers**,** selected by the City Council after a competitive bid, in order to maximize the return on said money to the City while providing for the safety of principal.

All of the City of Dover's funds are accounted for in its Comprehensive Annual Financial Report. Those funds to which this Policy applies include (excluding the Deferred Compensation Plan and Pension Trusts):

2.2 Funds

2.2.1 General Fund
2.2.2 Capital Project Funds
2.2.3 Special Revenue Funds
2.2.4 Enterprise Funds
2.2.5 Internal Service Funds
2.2.6 Any new fund created by the City Council, unless specifically exempted

3.0 Objectives

The primary objectives of the City of Dover's investment activities, in order of importance shall be:

3.1 Safety

Preservation of principal is the foremost objective of the investment program. To attain this objective, funds shall be diversified among securities of high credit quality and liquidity, so that risk of loss of principal is minimized.

3.2 Liquidity

The City's investments shall be made for such periods as to enable the City to meet all operating requirements that may be scheduled or reasonably anticipated.

3.3 Return on Investments

A goal of the investment program shall be to maximize investment return within the constraints of Sections 3.1 and 3.2.

4.0 Delegation of Authority

Authority to manage the City of Dover's investment program is derived from this Policy, which is approved by City Council, and "Dover Code, PART I, Subpart A, Article II, Section 17" (attachment B) which states in part that "The Controller/Treasurer shall be the custodian of all of the City funds."

The City's Controller/Treasurer shall:

1) Review the this Policy annually and recommend changes, if any, to City Council;
2) Be charged with implementing the Policy, and may delegate authority to make investments to an investment advisor. The Controller/Treasurer shall be responsible for all investment transactions and shall establish controls to regulate the activities of the investment advisor, if any.
3) Ensure that records of the City's investment activities are kept for ten-years.

5.0 Prudence, Ethics and Conflicts of Interest

Any official of the City or investment advisor/manager empowered to make investments on behalf of the City of Dover shall comply with the following:

5.1 "Prudent Person" Rule

Investment decisions shall be made with the judgment and care which persons of reasonable intelligence, under circumstances prevailing at the time the investment is made, would exercise in the management of their own investments assuming that their objectives are those shown in Section 3.0 of this policy.

5.2 Ethics and Conflict of Interest

The delegate authorized to make City investments shall act at all times in an ethical manner, and shall not engage in activity that could impair or be perceived to impair their ability to make impartial investment decisions. They shall disclose to the Mayor and City Council any material interests in financial institutions with which the City has financial dealings, and which may be related to the performance of the investment program. Employees and officers shall refrain from undertaking personal investment transactions with the same individual(s) with whom business is conducted on behalf of the City.

6.0 Authorized Institutions and Dealers

All broker/dealers that desire to become qualified for investment transactions with the City shall meet the following:

1. Primary dealers and regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule)
2. Capital of at least $25,000,000 or capital of $5,000,000 for firms incorporated in the State of Delaware
3. Registered as a dealer under the Securities Exchange Act of 1934
4. Member of the Financial Industry Regulatory Authority (FINRA)
5. Registered to sell securities in the State of Delaware
6. Engaged in the business of effecting transactions in U.S. government, federal agency, and corporate securities for at least five (5) consecutive years

To the extent the City utilizes the services of an outside Investment Advisor, it shall be the responsibility of the Investment Advisor to maintain an approved list of brokers.

7.0 Safekeeping and Custody

To ensure that securities are deposited in an eligible financial institution prior to the release of funds, all trades of marketable securities will be executed by delivery vs. payment ("DVP").

Further, all securities will be held by an independent third-party custodian, in the name of the City, and evidenced by safekeeping receipts in the City's name. The custodian shall provide daily confirmation of held securities as well as a monthly transactions and holdings report.

8.0 Authorized Investments and Trading of Securities

The Controller/Treasurer or authorized delegate may invest only in the types of securities listed below. The maximum stated maturity of any security shall be limited to 10 years at time of purchase, unless otherwise stated. For Agency mortgage backed securities, the maximum maturity shall be defined as the weighted average life ("WAL"). WAL is a convention that estimates the expected weighted amount of time, in years, for the principal amount of an issue to be fully paid. For this sector, WAL shall be limited to 10 years, measured at the original purchase date, provided by Bloomberg Financial Markets.

8.1 United States Government Securities

Marketable securities issued by the U.S. Government and supported by the full faith and credit of the U. S. Treasury either by statue or an opinion of the attorney general of the United States. Up to 100% of the portfolio may be invested in this sector.

8.2 Government Agency Securities

Debt securities issued by government-sponsored enterprises ("GSE"), federal agencies, federal financing banks, and instrumentalities of the U.S. Government. Up to 100% of the portfolio may be invested in this sector.

8.3 Certificates of Deposit and Time Deposits

8.3.1 Domestic Institutions: Issued or endorsed by a domestic bank, or a savings and loan association, organized and supervised under the laws of the United States and denominated in U.S. dollars; provided, however, that deposits are fully insured or guaranteed by the Federal Deposit Insurance Corporation ("FDIC").

If not insured by the FDIC:

- The banking institution must have assets of not less than $5 billion; and
- Issuers must have a short-term rating of A-1 by Standard & Poor's and P1 by Moody's and a long-term rating of AA by Standard & Poor's or Aa by Moody's.

The maximum stated maturity of any investment in this sector shall be limited to 5 years at time of purchase. This sector shall not exceed 25% of the total portfolio. No single issuer shall exceed 5% of the City's portfolio.

8.3.2 Delaware-Domiciled Institutions: Issued by or endorsed by any bank or savings association domiciled in the State of Delaware and organized and supervised under federal or State of Delaware banking laws which does not meet the requirements of Section 8.3.1 hereto; provided, however, that:

- For each of the latest two years, the bank or association has had a return on total average assets of 0.50% or greater and an average capital ratio (defined as total equity capital to total assets) of at least 1 to 20, or the instrument is secured as set forth in Section 9, "Collateralization of City Deposits," hereto; and
- Not more than the lesser of $10 million or 25% of an issuer's total equity capital, may be invested in any one issuer. (Investments due to mature in one business day may be excluded from the computation of this percentage.)
- The Board expressly affirms that, consistent with these guidelines, Delaware banks and savings associations should be considered as a source of investment.
- The maximum stated maturity of any investment in this sector shall be limited to 5 years at time of purchase. This sector shall not exceed 20% of the total portfolio. No single issuer shall exceed 5% of the City's portfolio.

8.4 Corporate Debt Instruments

Such instruments include commercial paper bankers' acceptances, and non-convertible senior debt securities (bonds and debentures).

8.4.1 Corporate securities must be denominated/issued in US dollars. Many foreign corporations issue debt/securities in the US market, in US dollars.

8.4.2 No single issuer shall exceed 5% of the City's portfolio.

8.4.3 Commercial Paper shall be limited to a final stated maturity of 270 days. This sector shall not exceed 25% of the total portfolio. Issuers shall be rated at least A-1 by Standard & Poor's and P-1 by Moody's.

8.4.4. Bankers' Acceptances shall be limited to a final maturity of 365 days. This sector shall not exceed 25% of the City's Portfolio. Issuers shall be rated at least A-1 by Standard & Poor's and P1 by Moody's.

8.4.5 Corporate bonds and debentures shall be limited to a final stated maturity of 5 years. This sector shall not exceed 50% of the total portfolio. Issuers shall hold a long-term rating of at least A by S&P or A2 by Moody's.

8.5 Repurchase Agreements

The underlying collateral shall consist of U.S. government and/or GSE securities provided, however, that:

8.5.1 All repurchase agreements must be governed by a written master repurchase agreement;

8.5.2 Agreements will be entered into only with respect to underlying securities in which the investment manager may otherwise invest as described above, and only with a recognized U.S. Government/broker or a bank which meets the requirements set out under paragraph Section 8.3.1 or 8.3.2 above;

8.5.3 In the case of repurchase collateral held in book-entry form in the Federal Reserve System, all deliveries of securities must be made, for the transfer thereof, through the Federal Reserve book-entry system to the account designated by the investment manager for such purpose. Securities held in certificated form must be delivered to the investment manager or a custodian as directed by the investment manager.

8.5.4 Any collateral employed under this paragraph shall be counted towards the applicable maximum limits set forth within these guidelines for such type of investment, and such collateral shall be valued at market at not less than 103 percent of the maturity value of the agreement and marked-to-the-market as requested by the investment manager.

8.5.5 Repurchase agreements shall be limited to a maximum maturity of 90 days from date of purchase. No single issuer shall exceed 25% of the City's portfolio.

8.6 Registered Investment Companies (Money Market Funds)

No single fund shall exceed 25% of the City's portfolio. Money market funds shall be rated AAAm by Standard & Poor's. A current prospectus must be obtained before investing in any money market fund, and current holdings reports must be maintained at least each month.

8.7 Mortgage-Backed Securities

Mortgage-backed securities issued by the following: Government National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Association (FHLMC). This sector shall not exceed 50% of the total portfolio.

8.8 Municipal Obligations

Taxable and tax-exempt securities issued by state and local governments and public authorities in the United States. The maximum stated maturity of any investment in this sector shall be limited to 5 years at time of purchase. This sector shall not

exceed 30% of the City's portfolio. No single issuer shall exceed 5% of the City's portfolio. Issuers shall be rated at least "A" by Standard & Poor's or A2 by Moody's. Additionally Issuers in the short term market (under one year) shall be rated at a minimum of "mig-1" or "sp-1" for Moody's and S&P.

8.9 State of Delaware Investments Pool

8.9.1 Delaware Local Government Investment Pool (DELGIP) -The investment in this pool is permitted in relation to the City's cash flow and the guidelines set forth by the State of Delaware. The investment in this pool will not exceed 25% of the total funds available and will be monitored by the City's Finance Department on a monthly basis.

8.9.2 Delaware Local Government Retirement Investment Pool (DELRIP) The investment in this pool is permitted in relation to the City's Post-Retirement Benefits Fund. The investment in this pool will not exceed 25% of the total funds available and will be monitored by the City's Finance Department on a monthly basis.

8.10 Trading Securities

The Controller/Treasurer is hereby authorized to sell securities prior to their stated maturity date in the following circumstances:

1. A security with declining credit may be sold prior to its maturity to minimize loss of principal;
2. A security swap may be executed if it would improve the quality, yield, or target duration of the portfolio;
3. Securities may be sold to provide needed liquidity.

8.11 Internal Control on such transactions

8.11.1 An investment report will be provided to the Council on a quarterly basis.

8.11.2 All investment reporting documents will be provided to the independent auditors.

8.11.3 Investment records will be kept by the City for ten (10) years.

8.11.4 The trading shall not involve any hedge, derivatives and/or borrowing funds for trading purposes.

9.0 Collateralization of City Deposits

If the City deposits funds in any financial institution, those funds will be subject to the following collateralization requirements. The financial institution shall:

9.1 Collateralize the City's daily ledger balance(s) if, for any quarter during the most recent eight quarters the bank has not met both of the following two criteria:

- Return on total average assets of 0.50 percent or greater.
- Average capital ratio (total equity to total assets) of 5.00 percent or greater.

9.2 If either criterion in paragraph 9.1 is not satisfied collateral must be pledged and shall consist of one or more of the following securities:

- U.S. Government securities
- U.S. Government agency securities
- Federal Home Loan Board letters of credit
- State of Delaware securities

- Mortgaged backed securities as referenced in Section 8.7
- Securities of a political subdivision of the State of Delaware with a Moody's rating of "A" or better

9.3 Ensure that the securities pledged as collateral (except for Federal Home Loan Board letters of credit) have a market value equal to or greater than 102 percent of the ledger balance(s) in the account(s) marked to market each day.

9.4 Ensure that securities pledged as collateral are housed at the Federal Reserve Bank or a mutually agreed upon third party depository. (The trust department of the winning vendor will not be acceptable.)

9.5 Provide reports on a monthly basis to the City Finance Department detailing the collateral pledged.

9.6 Provide a Call Report (Consolidated Report of Condition and Income, FFIEC 031) on a quarterly basis to the City Finance Department.

10.0 Policy Considerations

If securities owned by the City are downgraded by either Standard & Poor's or Moody's to a level below the quality required by this Policy, it shall be the City's policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio.

If a security is downgraded two grades below the level required by the Policy, the security shall be sold immediately.

If a security is downgraded one grade below the level required by this Policy and matures within 6 months, the security may be held to maturity. The Controller/Treasurer may determine to sell the security if it is determined that there is a probability of default prior to maturity.

If a decision is made to retain a downgraded security in the portfolio, its presence in the portfolio will be monitored and reported monthly to the Controller/Treasurer.

11.0 Internal Controls

The Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse. The Treasurer shall also establish a process for an annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following:

- Control of collusion
- Separation of transaction authority from accounting and recordkeeping
- Custodial safekeeping
- Prohibition of physical delivery securities
- Clear, written delegation of authority to subordinate staff members
- Written confirmation of transactions for investments and wire transfers

12.0 Performance Standards

The City of Dover's investment decisions shall be made with the objective of obtaining a rate of return commensurate with the investment risk constraints and the cash flow needs. On a quarterly basis, the Controller/Treasurer shall compare the City's portfolio against the

Merrill Lynch 0-5 Year U.S. Treasury Index, in terms of time-weighted total return and average duration for the period under review.

13.0 Reporting

At the end of each calendar quarter, the Controller/Treasurer will submit a report of all quarter-ending investments to the Mayor and City Council. Reports shall include the following:

- Listing of individual securities held as of last day of reporting period, sorted by sector
- Par, market, and amortized cost values of each security
- Coupon, current yield, and final stated maturity date of each security

14.0 Investment Policy Adoption

The City of Dover's investment policy will be adopted by the City Council after review and recommendation of the Legislative and Finance Committee. The policy will be reviewed at least once every year by the Legislative and Finance Committee, which is charged with considering the existing policy and any recommendations to modify the policy. Any modifications to the policy must be approved by the City Council.

LEGEND

1. Original approval by City Council - November 14, 1988
2. Revised policy approved by City Council - March 7, 2005
3. City Council Approved with No Changes – April 14, 2008
4. Revised policy approved by City Council – July 25, 2011
5. Revised policy approved by City Council – August 12, 2013
6. Revised policy approved by City Council – September 8, 2014

ATTACHMENT A

GLOSSARY

AGENCIES: Federal agency securities, otherwise known as "Government Sponsored Enterprises."

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Large denomination CD's are typically negotiable.

BANKERS ACCEPTANCE: A short-term credit investment which is created by a non-financial firm and whose payment is guaranteed by a bank.

COLLATERAL: Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COMMERCIAL PAPER: An unsecured obligation issued by a corporation or bank to finance its short-term credit needs. Maturities typically range from one (1) to 270 days.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): The official annual report for the City of Dover. It includes five combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

CORPORATE BONDS: A debt security issued by a corporation based in the United States of America. Such bonds usually have a par value of $1,000, have a term maturity, and are traded on a major exchange.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns, in an attempt to limit risk.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to $250,000 per deposit.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANKS (FHLB): The institutions that regulate and lend to savings and loan associations. The Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Banks vis-a-vis member commercial banks.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FMHM mortgages. The term "passthroughs" is often used to describe Ginnie Mae's.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE: The price at which a security is trading and could presumable be purchased or sold.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MORTGAGE-BACKED SECURITIES (MBS): An investment instrument that represents ownership of, and is backed by, an individual interest in a pool of mortgages such as those issued by Ginnie Mae or Freddie Mac. Principal and interest from the individual mortgages is used to pay principal and interest on the MBS.

MUNICIPAL NOTES AND BONDS: Securities issued by a state, city, or local government to finance operations or special projects.

PRUDENT PERSON RULE: An investment standard. In some states the law requires that a

fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state--the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN: A measure of worth, either at security or aggregate portfolio level, over a period of time. There are many return conventions, including but not limited to yield to maturity at cost, yield to maturity at market, yield to worst, time weighted total return, dollar weighted total return.

REPURCHASE AGREEMENT (RP OR REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agree-ment, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money, that is, increasing bank reserves.

REVERSE REPURCHASE AGREEMENT: The purchase of a security by a dealer with the agreement to sell it back to the seller at a fixed price at a later date. Typically used by owners of securities to finance short-term needs without having to liquidate the security.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

TIME DEPOSITS: A savings account or CD held for a fixed term or with the understanding that the customer can withdraw only by giving advanced notice.

TREASURY BILLS: A short-term (less than one year) non-interest bearing discount security issued by the U.S. Treasury department to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BOND: Long-term U.S. Treasury securities having initial maturities of more than 10 years.

TREASURY NOTES: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months or one year.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1: also called net capital rule and net capital ratio.

Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting

syndicates. Liquid capital includes cash and assets easily converted into cash.

VARIABLE RATE MASTER DEMAND NOTES: A floating rate security with initial maturities and indexed rates chosen by the investor. The interest rate is adjusted periodically, usually off a standard such as that prevailing on a Treasury Bill or the prime interest rate.

YIELD: The rate of annual income return on an investment, expressed as a percentage.

INCOME YIELD is obtained by dividing the current dollar income by the current market price for the security.

NET YIELD or YIELD TO MATURITY is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

ATTACHMENT B

Dover, Delaware, Code of Ordinances >> PART I - CHARTER AND RELATED LAWS

PART I - CHARTER AND RELATED LAWS [1]

Subpart A - CHARTER

PREAMBLE [3]

We the people of the City of Dover, under the constitution and laws of the state of Delaware, in order to secure the benefits of local self-government and to provide for an honest and accountable council-manager government, do hereby adopt this charter and confer upon the city the following powers, subject to the following restrictions, and prescribed by the following procedures and governmental structure. By this action, we secure the benefits of home rule and affirm the values of representative democracy, professional management, strong political leadership, citizen participation, and regional cooperation.

ARTICLE I. - POWERS OF THE CITY

ARTICLE II. - MAYOR AND COUNCIL

Sec. 17. - Controller/treasurer.

At the annual meeting the council shall elect a controller/treasurer to hold office until the next annual meeting of the council, or until his/her successor has been duly chosen and qualified, but subject to removal at any time by the council.

The controller/treasurer shall be the custodian of all the city funds and shall deposit them in a banking institution designated by the council.

(Amd. of 7-12-2005 (S.B. 126); Amd. of 7-8-2009 (S.B. 165, § 15))