LEGISLATIVE, FINANCE, AND ADMINISTRATION COMMITTEE

The Legislative, Finance, and Administration Committee meeting was held on September 8, 2014, at 5:02 p.m. with Chairman Slavin presiding. Members present were Mr. Anderson, Mr. Hare (arrived at 5:13 p.m.), Mr. Shevock, and Mr. Sudler (arrived at 5:36 p.m.). Members of Council present were Mr. Dixon and Mr. Hutchison. Mayor Christiansen was also present.

AGENDA ADDITIONS/DELETIONS

Due to the absence of some members who were expected to arrive later in the meeting, Mr. Slavin requested that agenda items be reordered, as follows:

1. Purchase of Twelve (12) Additional Security Cameras
2. Civilianization of the Sex Offender Unit
3. Municipalities Continuing Disclosure Cooperation (MCDC) Initiative
4. Review of New Ordinance/Ordinance Amendment Process
5. Proposed Financial Reforms - Property Tax Governance
6. Review of Hiring by Council for Senior Positions
7. Discussion - Responsibilities and Reporting Structure for the Mayor and City Manager and Continuation of Full-Time Status for the Position of Mayor

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

Purchase of Twelve (12) Additional Security Cameras

Mr. Scott Koenig, City Manager, advised members that Mayor Christiansen and Police Chief Paul Bernat had requested the purchase of an additional twelve (12) security cameras for the downtown area. He stated that this was an unbudgeted expense; however, the Mayor and Chief proposed to purchase the cameras in the same manner that some of the other downtown cameras had been purchased, noting that the total cost of the additional twelve (12) cameras would be $102,585.00.

Mr. Koenig stated that area legislators were interested in supporting this project; however, Community Transportation Funds (CTF) could not be used to directly purchase the cameras. Therefore, staff proposed to transfer $102,585.00 from the FY 2015 Street Program (Project # ST1502) for the proposed purchase. He explained that staff would provide the area legislators with copies of the concrete and paving estimates for various street segments in need of repair throughout the city, and the legislators would be requested to backfill the transfer of funds from the Street Program with an equal amount of CTF funds.

Mr. Koenig stated that the Finance Department would create a project number in the accounting system for the camera purchase and transfer the funds upon approval from City Council, and staff would complete all of the necessary paperwork for the CTF agreement.

Staff recommended authorization to transfer up to $102,585.00 in appropriated funds from the FY 2015 Street Program to a new project to be identified as the Downtown Camera Project Expansion.

Responding to Mr. Anderson regarding whether any projects would be delayed using this approach, Mr. Koenig stated that there was no expectation of delay.

On behalf of himself and Police Chief Paul Bernat, Mayor Christiansen indicated that it was their feeling that the addition of these 12 cameras would assist in providing for the security of neighborhoods throughout the City. He stated that, in the past, cameras had been instrumental in assisting the Dover Police Department in quickly closing cases that might not have been closed otherwise. He indicated that the City was working closely with its State legislative delegation and expressed gratitude for their assistance with this project. Mayor Christiansen requested that the Committee approve the request.

Mr. Shevock questioned if the amount of funds for the 12 cameras was similar to the funds spent previously to purchase cameras and if the same contractor would be used. Responding, Chief Bernat stated that the same type of camera would be purchased as those presently in use, although new cameras would be high-definition, and they would be provided by Advantech, Inc., the previous provider. He indicated that the purchase of 12 additional cameras would allow the City to connect to 24 other cameras that the City would not have to maintain; therefore, this purchase would provide an additional 36 cameras. When added to the 35 existing cameras, there would be a total 71 cameras used in the City. Chief Bernat stated that a workstation (computer set-up) and a 65-inch monitor for viewing all of the cameras would be included with the purchase of the 12 additional cameras.

In response to Mr. Shevock regarding whether the existing cameras could be updated to high-definition, Mr. Ryan Kelly, representative from Advantech, Inc., stated that the City's cameras were covered under existing service maintenance and would be replaced with newer, high-definition cameras when they "go bad" and at some point all of the cameras would be the same.

Mr. Hutchison expressed his hope that all would embrace and support this request, noting that the cameras had been a great addition to the City and the Police Department.

Mr. Slavin stated his understanding that cameras were being used as evidence gathering devices and questioned if the City would move toward devoting employee resources to actively monitor cameras. Responding, Chief Bernat stated that he would like to see this in the future. He advised members that the Department had just become fully staffed, which allowed four (4), three (3) man shifts of dispatchers. He expressed his wish to dedicate one (1) of these individuals to monitoring cameras and to rotate this responsibility. Chief Bernat noted that there was a small kitchen area next to the Department's dispatch room and that eventually he would like to make this a camera monitoring area, noting that this would be "a lot cheaper than putting a police officer on a corner."

Mr. Slavin questioned if a ratio had been developed regarding the amount of manpower resources that would be leveraged when a certain number of cameras were available and suggested that such a strategy be developed. Responding, Chief Bernat stated that he did not have this information available; however, stated that "a picture says a thousand words and a video says a million." He advised members that this was a good program and that murders had been solved using these cameras.

Mr. Shevock moved to recommend authorization to transfer up to $102,585.00 in appropriated funds from the FY 2015 Street Program to a new project to be identified as the Downtown Camera Project Expansion, as recommended by staff, seconded by Mr. Anderson and unanimously carried.

Civilianization of the Sex Offender Unit

Police Chief Paul Bernat advised members that the request to hire for these two (2) civilian Sex Offender Registry Enforcement Agent positions was related to a previous request for authorization for the Police Chief and City Manager to sign a Memorandum of Agreement (MOA) with Parkway Academy Central (PAC), an alternative school for youth, and for the Police Department to hire one (1) police officer for the position of School Resource Officer (SRO) for PAC, which was approved by City Council during the Regular Council Meeting of July 28, 2014. He stated that the Police Department signed an MOA with the school's principal in early August that would also generate $60,000 in revenues per school year for the new SRO position.

Chief Bernat stated that this was the second part of the SRO agreement with PAC. He informed members that, in addition to the $60,000 provided by the PAC, the Police Department was planning to make up approximately $25,000 through civilianizing the Sex Offender Unit. Chief Bernat advised members that only retiring officers would be replaced with civilians and no positions would be created. He stated that civilizing the Sex Offender Unit would result in a savings of approximately $45,000 for each position and a five (5) year savings of approximately $239,087.40. He explained that one (1) officer would like to retire as soon as possible and, if this occurred, the Department's total strength would be reduced from 94 officers, for which the Department was temporarily authorized, to 93. If the retired officer were to become a civilian, retraining would not be necessary, and a police officer would be put back on the road.

Mayor Christiansen expressed his hope that members would endorse this strategy, as developed by himself and Chief Bernat. He stated that this would result in a net savings to the Police Department and the City and maintain a police presence on the street. He stated that officers in the Sex Offender Unit would be replaced with competent and qualified civilians, and the Sex Offender Unit would still be supervised by a uniformed police officer.

Mr. Anderson questioned how the position would be advertised, noting the importance of complying with Equal Employment Opportunity rules. Responding, Chief Bernat stated his desire to advertise through an in-house posting, which would make eligibility exclusive to the Police Department and the current City of Dover Fire Marshal, who is a certified police officer. He stated that the City's attorneys in Wilmington had advised that this approach was allowable.

Staff recommended approval of the project as requested.

Mr. Hare moved to recommend approval of the project to civilianize the Sex Offender Unit and authorization to hire two (2) civilian Sex Offender Agent positions, as recommended by staff, seconded by Mr. Shevock and unanimously carried.

[City Clerk's Office Note: Subsequent to the meeting, members were provided a Memorandum from Chief Paul Bernat, dated September 10, 2014, which provided clarification and additional details regarding this proposed project ***(Attachment #1)****.]*

Municipalities Continuing Disclosure Cooperation (MCDC) Initiative
By unanimous consent, this item was deferred until the latter part of the meeting.

Review of New Ordinance/Ordinance Amendment Process *(Deferred by Committee on August 25, 2014 Due to Time Constraints)*
Mr. Scott Koenig, City Manager, informed members that, during the Regular City Council Meeting of July 28, 2014, a Final Reading was held for Proposed Ordinance #2014-15 Amending Chapter 110 - Utilities, Article III - Water Service, Division 3 - Water Impact Fees, Section 110-207 - Establishment of Equivalent Dwelling Units and Article IV - Sanitary Sewer Service, Division 3 - Wastewater Collection Impact Fees, Section 110-282 - Establishment of Equivalent Dwelling Units. He stated that, during the discussion related to this ordinance, several members of Council expressed frustration that staff amended the ordinance between the initial Utility Committee meeting and the First Reading of the Ordinance. Mr. Koenig advised members that someone affected by the ordinance requested a meeting with him and Council President Bonar to obtain clarification regarding the proposed ordinance. As a result, staff amendments were incorporated into the proposed ordinance, and staff believed that typical procedures were followed. He explained that the original ordinance was generated by staff, and staff did not seek additional sponsorship for the staff amendments from the members of Council who sponsored the ordinance.

Mr. Koenig questioned how this type of situation should be approached in the future. He expressed concern that there would be a significant burden if a requirement were instituted to go back through the approval process for each proposed amendment, noting that there are often amendments at the Council level that do not go to Committee for consideration. He stated that, although there was a substantial change to the wording of the ordinance, there was no change to its original concept or impact.

Mrs. Ann Marie Townshend, Director of Planning and Community Development, stated that typically, if staff recommends a change to an ordinance, this change is called Staff Amendment #1. When City Council acts on the ordinance and amendment, Council has the option to deny the amendment and return to the ordinance as originally proposed; therefore, staff amendments result in no changes without Council approval. She advised members that she and Mrs. Traci McDowell, City Clerk, often perform wordsmithing with amendments, especially with zoning ordinances, and other staff members may point out language that is unclear. Mrs. Townshend expressed concern that staff would not make these clarifications in the future if they were required to go back through the process, resulting in delays and more workload. She could not recall any other instance when this was said to be a problem, noting that these staff amendments are typically explained to Council.

She stated that if staff were precluded from offering amendments, an opportunity might be missed to improve the wording of ordinances and leave future staff and future Councils dealing with "murky language," which staff often encounters with existing ordinances.

Responding to Mr. Hare regarding whether staff reviews ordinances before they are initially brought forward, Mrs. Townshend advised members that staff does initially review ordinances but details can become apparent after additional review.

Mr. Slavin stated that the goal was the best product with the least process whenever possible. He expressed concern, from the public's point of view, that changes might be made between the First and Final Readings of an ordinance. He felt that a process change was not needed but a communication change to provide a way to alert everyone to staff amendments or proposed language clarifications. He proposed that those who bring ordinance amendments forward should communicate to Council when there is a substantive change and the reason for it. Noting the large volume of meeting packets that are provided, he felt it would be better if it were stated in plain English why amendments were made, separate and apart from the ordinance.

Mr. Koenig questioned if it was desired to add narrative in a memo as a cover page or if the synopsis should detail this information. Responding, Mr. Hare suggested notifying members of the changes via email. Mr. Slavin suggested that these changes be flagged to alert members that the proposed changes are "a little out of the ordinary."

Mr. Anderson expressed his opinion that no changes to the ordinance amendment process were necessary; however, he felt that the public should clearly understand that such changes are proposed amendments, not changes to the ordinance. He stated that when this particular ordinance was pulled up, it appeared to be a complete substitute, which he felt caused concern. He suggested at least alerting the sponsor(s) so that they could agree to the changes.

Mr. Slavin stated his belief that staff understood the spirit of the conversation and that no action was necessary.

Proposed Financial Reforms - Property Tax Governance

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 two (2) proposed financial reforms regarding property tax governance, as follows: 9) Council shall not raise the property tax rate more than 9.5% without first holding a referendum on the proposed tax increase. This provision shall not apply in those years when a revenue-neutral adjustment to the tax rate is required because of property revaluation; and 10) Council shall not raise the property tax rate more than 9.5% without two (2) separate votes of

a two-thirds majority vote of Council, with the requirement that a municipal election occur between the first and second vote. This provision shall not apply in those years when a revenue-neutral adjustment to the tax rate is required because of property revaluation.

Mr. Slavin stated that the spirit of these reforms was to tighten controls that Council has on itself in regard to budgeting, rather than relying on a "pot of gold that might sit at the end of the rainbow" by solving the City's problems through a dramatic tax increase, which would not be in the best interest of the City or taxpayers. The purpose would be to cap Council's ability to change the tax rate without requiring additional steps. He noted that the proposed financial reforms were meant to be discussion points that could be adopted as policies and that some may involve charter changes. He indicated that the requirement could be for the conditions of both proposed reforms to be met, or one or the other.

Mr. Anderson stated that proposal #9 was his favorite proposed financial reform because he felt it was essential that the people have a say in their government and their taxes, since few things affect them as visibly and directly. He felt that this proposal would allow a nearly 10% tax hike in one (1) year with just a majority vote, without holding a referendum, and that this would allow flexibility. Mr. Anderson indicated that requiring a referendum with any tax increase would unnecessarily handicap Council, who were elected to do a job; however, he agreed with a cap that would guarantee that there would not be a 30% - 50% tax hike in one (1) year, which could send shocks to the economy. He stated this would provide a degree of certainty that would be good for economic development and would be good public policy. Mr. Anderson did not feel that both proposals #9 and #10 were necessary and favored #9. If proposal #9 were not adopted, he felt that #10 might be a possible approach.

Mayor Christiansen expressed his opinion that Proposals #9 and #10 were both viable options to encourage Council to "do the right thing" and that both should be studied very closely. While he believed that most Councils would have a tendency to be responsible to their citizens and taxpayers, he felt it important to have a mechanism in place to protect the taxpayer from unnecessary spending. However, he felt that these two (2) points should never be put in place to remove fiscal responsibility from members of Council.

Mr. Hare indicated that he did not have a problem with proposals #9 and #10, but felt that with any tax increase Council must make sure that the City has its "ducks in a row." He stated that if the City were to continue to dole out large union contracts, hire people for upper management, and then raise taxes, Council would be sending the wrong messages. Mr. Hare felt that if there were a need to raise taxes to make ends meet, then the City must tighten its own belt.

Mr. Slavin stated that these points were brought forward because he believed that Council had a fiduciary responsibility to manage and spend wisely, rather than relying on gimmicks and "kicking the can down the road" for someone else to deal with. He expressed the need to be transparent and, when the opportunity is there, to listen to the voters. He indicated that both items were brought forward because he felt that if there were a sitting Council who wanted to raise taxes beyond 9.5% and did not want to go to referendum, this would take away their ability to do so without having an intervening election.

In regard to proposal #10, Mr. Hare questioned, for example, if Council approved a tax increase beyond the limit by a two-thirds vote in June 2015, if it would be necessary to wait two (2) years to do so because the next regular election would be in 2017. Stating that he was not in opposition to the proposed change, he noted that this would delay the receipt of funds. Responding, Mr. Slavin stated that this proposal was now a recommendation and if it were to become a policy, Council could "opt out" of it. However, if it were included as an ordinance or charter change, Council would be bound by it.

Mr. Hutchison stated that elected officials have the responsibility to serve the City of Dover and that members of Council have tremendous resources in terms of staff and legal advisors to analyze issues and concerns related to raising taxes. He did not like "having hands tied" in this regard and felt that the ultimate decision should rest upon elected officials, and this concept had been honored in years past.

Mr. Scott Koenig, City Manager, expressed his concern that staff had experienced difficulty in getting traction in recent years on any tax increase. He explained that, under current rates, the 9.5% cap would equate to a $0.0321 proposed increase in property tax. For several years, staff had recommended tax increases to stabilize the General Fund, which had been negated in the budget process, either through fee increases, deletions of projects or initiatives, or transfers from the Electric Fund. He stated concern with a hard cap, noting that the budget is typically presented in the May time frame, which would require a "scramble" to bring it to referendum. He indicated that if Council elected to move forward the timing of these initiatives would be important. Mr. Koenig advised members that a great deal of time is spent developing the budget, and if it should go to referendum, the budget must be marketed, due diligence must be performed from the public's standpoint, and the audience would expand from a Council and Committee body to the general public. This would add a significant burden to staff to advocate for those budgets moving into the challenge of a referendum. If a vote were held before and after the election, this would move the roll-out of the budget into the March time frame to allow Council time to review the budget initially, and then bring the issue before a new Council following the election. In regard to the proposed 9.5% cap, Mr. Koenig stated that this would equate to approximately $0.0321, and it had been shown in multiple budget iterations that the need was greater than this. He reminded members that an increase of $0.0722 was proposed in FY 15, which was not palatable at the Committee or Council level, and indicated that 9.5% was not very high when looking at the City's current tax rate.

Mr. Anderson moved to recommend that proposed financial reform #9, Council shall not raise the property tax rate more than 9.5% without first holding a referendum on the proposed tax increase; this provision shall not apply in those years when a revenue-neutral adjustment to the tax rate is required because of property revaluation, be referred to staff for drafting as an ordinance and that an opinion be obtained from the City Solicitor regarding whether it should be prepared as a simple ordinance or a Charter change. The motion was seconded by Mr. Sudler and unanimously carried.

Mr. Anderson moved to recommend tabling proposed financial reform #10, Council shall not raise the property tax rate more than 9.5% without two (2) separate votes of a two-thirds majority vote of Council, with the requirement that a municipal election occur between the

first and second vote; this provision shall not apply in those years when a revenue-neutral adjustment to the tax rate is required because of property revaluation. The motion was seconded by Mr. Hare and unanimously carried.

Municipalities Continuing Disclosure Cooperation (MCDC) Initiative

By unanimous consent, members agreed to consider Agenda Item #3, Municipalities Continuing Disclosure Cooperation (MCDC) Initiative, which was deferred earlier in the meeting.

Mrs. Donna Mitchell, Controller/Treasurer, stated that in June 2013, when working on the 2013 Water Sewer Revenue Bonds, it came to staff's attention that there was a requirement to file a municipal disclosure based on new Securities and Exchange Commission (SEC) rules and that this had been a requirement since 2010. As part of that bond issue, staff developed and Council approved a Disclosure Policy. Mrs. Mitchell advised members that the SEC had provided a "grandfather period" to allow conformance with disclosure. Since this grandfather period would soon be expiring and staff was working on a new loan, Mrs. Mitchell stated that she wished to bring this to Council's attention. In addition, she stated her desire to provide education on disclosure requirements as this was an annual requirement stated in the Disclosure Policy.

Mrs. Mitchell reviewed a presentation, entitled "Municipalities Continuing Disclosure Cooperation Initiative - Securities and Exchange Commission Rule 15c2-12." She explained that Electronic Municipal Market Access (EMMA) was the repository where the City puts all of its financial information for bondholders, brokers, and dealers, and the Municipal Securities Rulemaking Board (MSRB) is the agency that oversees disclosure and ensures compliance for the SEC. Mrs. Mitchell informed members that she examined the information that City staff provided through EMMA and determined that the City's Comprehensive Annual Financial Reports (CAFRs) were submitted in December 2013, within the allowable time frame stated within the City's Disclosure Policy (275 days after fiscal year end). However, CAFRs prior to 2013 were listed as uncertified, so Mrs. Mitchell contacted EMMA and was told that this was the result of a glitch in their system. Mrs. Mitchell stated that she was able to log into EMMA and correct this problem and these reports were made available.

Referring to Event Notices, Mrs. Mitchell explained that rating changes would include anything that impacts the City's bonds. For example, she stated that the ratings of the companies that insured the City's bonds were downgraded after problems in the market, and the City was supposed to report these downgradings in addition to the City's own downgradings.

Referring to SEC Rule 15c2-2-12 Violations, Mrs. Mitchell reviewed the violations, as follows:

1. An issuer fails to accurately report its compliance with the information disclosure requirements of the Rule in the Official Statement of a subsequent securities offering.

2. An underwriter distributes a municipal security using an issuer's defective Official Statement because they failed to exercise adequate due diligence and as a result could not form a reasonable basis for believing the truthfulness of the issuer's official statement.

Mrs. Mitchell advised members that penalties can be imposed for non-compliance, that many entities and bond issuers were not in compliance, and that a grandfather date had been established. She indicated that underwriters, such as J. P. Morgan and Merrill Lynch, were paying associated fines because they were unsure what had been done with bonds that they bought for issues. Mrs. Mitchell noted that the deadline for issuers had been extended from September 10, 2014 until December 1, 2014, and this was the case with the City's deadline as well. She stated that the Disclosure Policy previously approved by Council should have been listed through EMMA but was not; however, as previously stated, the City's CAFRs were posted. She noted that the City had received correspondence from Robert W. Baird and Co., Inc., who purchased the City's water/sewer bonds, and from J. P. Morgan, who bought the City's most recent electric bonds, asking if the City was in compliance and stating that they would list the City as non-compliant because its CAFRs were not listed until 2013. Mrs. Mitchell stated that the City's policy was that the CAFR must be posted within 275 days; however, the system only provided options of 120 days or 150 days. When staff loaded the information into the system, 120 days was chosen, which might have made it appear that the City was not in compliance. Mrs. Mitchell stated that she planned to have this corrected, and she felt that having the Disclosure Policy listed would show what the City's policy is.
[City Clerk's Office Note: Subsequent to the meeting, members were advised that Robert W. Baird and Co., LLC had filed with the SEC that the City of Dover is in compliance with continuing disclosure rules since, as of the time of its bond issue in 2013, the City had completed its disclosure requirements and documented previous non-compliance in the City's official statement, Moody's upgrade, and CAFR.]

Mr. Shevock inquired, when insurers were downgraded, whether they were supposed to notify the City or if staff must monitor this. Responding, Mrs. Mitchell stated her opinion that the insurers should notify the City; however, this question was being debated. She advised members that issuers and underwriters had stated that this was public information and questioned why they were being asked to put additional information out, explaining that Fitch Ratings Corporation and Moody's Corporation issue press releases when the City's ratings are changed. She assured members that staff would list all of this information by December 1, 2014.

Mr. Anderson questioned if the City would be completely compliant by December 1, 2014. Responding, Mrs. Mitchell assured members that staff would put all of this information out by this deadline, stating that it might require the expenditure of funds for the assistance of the City's bond financial advisor or bond counsel and that funds budgeted for training would be used to cover this expense.

Responding to Mr. Anderson regarding potential changes in revenue projections in relation to this matter, Mrs. Mitchell stated that she did not anticipate any changes.

Review of Hiring by Council for Senior Positions *(Request of Councilman Hare)*

Mr. Hare stated his opinion that when senior positions with salaries of $75,000 - $80,000 become vacant, these positions should come before Council for review, even if these positions have been previously approved. He felt that there was a need to evaluate each of these positions and vet them through Council to ensure that nothing changed from the time when the position was approved, and that Council may choose to hold off on filling such positions in the context of making decisions about possible tax increases.

Mr. Anderson expressed his opinion that Mr. Hare had a valid concern; however, reminded members that existing procedures required justifications, cost projections, back-up, budget procedures, and separate review by the Legislative, Finance, and Administration Committee and City Council. He was unsure if it would be advantageous to add an extra layer of oversight, stating that, after Council approval, there must be a point where the City Manager is allowed to perform his job.

Mr. Hare clarified that he was not suggesting that this matter come through the Legislative, Finance, and Administration Committee again but that it be reviewed by Council.

Mr. Slavin noted that sometimes there was a difference between the budgeted salary and the actual salary and questioned if there were a related procedure. Responding, Mr. Koenig stated that he was not aware of any formal requirement and could think of only one (1) or two (2) upper level positions that might prompt such discussion. He indicated that a position may be budgeted for ten months and occupied for only eight (8) months, creating a difference in salary. He stated that it had not been his experience that staff had gone "way out of the ballpark" on any positions. Mr. Koenig stated that there was concern when hiring the Electric Director that the established limits would be exceeded, but staff was able to meet the budget.

Mr. Slavin agreed with Mr. Hare's comment that this issue should be considered by Council without undue delay, and he noted that this matter would require a very careful evaluation of the personnel issues that require executive session.

Mr. Koenig stated that he did not share Mr. Hare's concerns, noting that setting the bar at $75,000 would likely interrupt police promotions at the higher level and bring about debate for individual positions.

Mr. Hare stated that he was considering only positions that are new to the City or newly created positions.

Mr. Koenig requested that he be allowed to administer the budget as adopted.

Mr. Slavin moved to recommend that Council review senior positions with salaries of $75,000 - $80,000 when they become vacant, even if these positions have been previously approved. The motion was seconded by Mr. Hare.

Mr. Anderson stated that he was "not sold" on this concept, stating that it may be necessary to hear more on this matter. He felt that the process in place was extensive and was unsure if an additional level of approval was necessary.

The motion to recommend that Council review senior positions with salaries of $75,000 - $80,000 when they become vacant was carried by a vote of four (4) yes (Slavin, Hare, Shevock, and Sudler) and one (1) no (Anderson).

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 August 25, 2014, members deferred this item for further discussion.

Councilman Hutchison stated that he felt it was important to keep in mind that the City currently had a Council/City Manager form of government. He explained that the City previously had a Mayor/Council/City Manager form of government, but the 1988 Consent Decree between the Central Delaware Branch of the National Association for the Advancement of Colored People (NAACP) and the City of Dover changed this and removed the mayor from presiding over council.

Mayor Christiansen explained that, during the mid-1980s, the NAACP and others found that the City government and the election process in the City were not fair and equitable to all citizens. The 1988 Consent Decree established the current form of government, did away with dual voter registration and the election of council members by an at-large voting pool and added a ninth council member. This was agreed upon by the parties involved and evolved to the point where the Mayor was to become the full-time chief executive of the City, with council as a purely legislative body presided over by a council president. Mayor Christiansen stated that this began the march toward a truly full-time mayor in 1997. He stated that the provisions of the Consent Decree were deemed fair and equitable by all parties involved and led to the structure of the City's government today.

Noting the change in the City's population and its diversity today, Mr. Hutchison questioned if it would be in the City's best interest to go back to the parties involved to examine the Consent Decree and determine if it could be removed.

Mr. Sudler read the following statement into the record:

> *After listening to Mr. Holden's concerns [during the Committee meeting of August 25, 2014] regarding accountability and clear organizational structure for the City's modified Council-City Manager form of government. In addition to reviewing the minutes and dialogue on the history of a full-time or part-time mayor for the City of Dover, it is my recommendation that the committee should support a full-time mayor's position and consider changing our current form of government to a Mayor/Council form of government where the city manager and chief of police would be appointed by the mayor and confirmed by City Council.*

I believe that a Mayor/Council form of government will provide City Council with the mayor's job description criteria consisting of strategic goals, objectives, and programs to be orchestrated by the chief executive officer - approved and appraised by City Council.

In closing, a Mayor/Council form of government will allow City Council the opportunity to focus more on legislative rules and regulations that navigate our community's climate, but also, will enhance the Mayor's understanding of department's Strengths, Weaknesses, Opportunities and Threats [SWOT] that impact the social, demographic and economic development of our great City of Dover.

Mr. Hare stated that he had no problem with a full-time mayor; however, he felt that Council must decide what the City's form of government would be: a strong Mayor/Council form of government or a city manager form of government, noting that the City was a hybrid right now. He reminded members that a full-time mayor was established through a vote in 1997 and expressed his belief that voters were under the impression that there would be a strong mayor; however, the mayor's duties were economic development, lobbying the legislature, and public relations. Mr. Hare stated that the City now had three (3) economic development people, which he felt was perhaps more than Kent County or all cities combined within the County, and also a public relations person, but was unsure if the City lobbied the legislature anymore. Mr. Hare felt that there should be a job description for the mayor that was aligned with other positions, rather than continuing to add positions that might not be needed. He felt that an assistant city manager would not be needed with a full-time mayor and suggested that perhaps the mayor should be paid more. It was Mr. Hare's belief that a full-time mayor should do more than "breakfast, lunch, and dinners," and he concurred with Mr. Sudler's recommendation as long as these changes were made.

Mr. Hutchison stated his opinion that the City was where it needed to be at this point. He strongly supported a Mayor/Council/City Manager form of government and indicated that he would like to see the Committee focus in that direction. He felt that the main issue was to review the Consent Decree and that the timing was right.

Expressing his reluctance to appear self-serving, Mayor Christiansen stated his interest in serving the City of Dover and doing the job that needed to be done. He indicated that he had great respect for former Mayor Hutchison and felt that the City needed to continue to move into the future with a full-time mayor. He stated that he believed in a strong mayor who would be in charge of the Police Department as conservator of the peace and expressed his belief that the mayor should be chief executive of the City. Mayor Christiansen indicated that a professional manager was needed, as most cities have, who may be termed as managing director or administrative assistant, and that professional departments of the City should report to that manager, who should report on a daily basis to and work in consort with the mayor. He believed that council, presided over by the council president, should be the legislative body of the City and in charge of City Clerk's Office and an independent Finance Director's Office for checks and balances. Mayor Christiansen felt it very important that the mayor, as chief executive officer, maintain a veto and not participate in the legislative process, in order to protect the City. He felt that the City had "dallied" since 1997 and not given the mayor responsibilities to be judged and held accountable by the public. He stated that

the City was very fortunate in its history to have had two (2) full-time mayors such as former Mayors Crawford Carroll and James Hutchison. Mayor Christiansen felt that Council had been remiss in not assigning the mayor's responsibilities and had an opportunity now to do so for the betterment of the City's future.

Mr. Anderson stated that this was a worthy idea; however, cautioned members that radical changes in government should not be made lightly. He stated he would like to see this matter studied, although he felt that previous studies supported Mr. Sudler's proposal. He indicated that he would like to start by seeking a legal opinion, as he was not convinced that a reorganization would necessarily abolish the Consent Decree. He expressed a desire to know how far the City could go with these changes and felt that Mr. Hutchison had raised a very important point. If it were decided to go this route, Mr. Anderson stated that it would be necessary to make sure that certain protections would be in place in regard to the professional staff that the City had taken decades to hire to make sure that council would be involved in the process of appointing a city administrator or managing director and that the current people could not be removed except by cause with council consent. This would be an important check and balance in the system and, if included, he would be open to the idea.

Mr. Dixon stated that he did not agree with Councilman Anderson and Mayor Christiansen. He stated that when Mayor Hutchison was in office, things were taken care of. He felt that it should be strongly recommended to do what needed to be done to make the City strong and more progressive.

Mr. Hare stated that he did not have a problem with what Mayor Christiansen said; however, if there was to be a strong mayor form of government, a strong mayor would be needed and the mayor should preside over council. The mayor could still have veto power and the power to break a tie. He felt that the at-large position would then be the mayor's position and the people would elect a strong mayor. In reference to Mr. Anderson's comments, Mr. Hare felt that nothing would change in terms of personnel; those who report to council would continue to do so. He concurred with Mr. Sudler that the police chief and city manager would be approved through council. The departments that report to the city manager or administrator would still report to him and if he found cause for termination, this would not have to come before council. Staff members that were council appointees would continue to report to council.

Mr. Slavin stated that everyone had brought a lot of energy to the discussion and that the underlying driver for the City's existing form of government was the Consent Decree, which was the City's tacit acknowledgment that there had been ills in the City. There was consent to meet those measures, and as a City, seriousness and sincerity was brought to those efforts and the City committed to nearly 25 years of actions to support the Decree. Mr. Slavin felt that it would be in the City's best interest to open a polite dialogue about the Consent Decree. He stated that a recommendation had been heard from Mr. Sudler that was clear and concise and asked that it be considered for adoption as Option A, noting that there may be additional options, so that a decision could ultimately be reached.

Mr. Hutchison stated that if the City should return to a Mayor/Council/City Manager form of government, whereby the mayor presides over council, his personal opinion was that the mayor should vote on every issue. He indicated that there had been a problem in terms of a clear separation

of the mayor from issues. The mayor had only the power of veto, which might be exercised only one (1) to three (3) times per year, or perhaps not at all. Mr. Hutchison felt that the mayor should be actively involved in every discussion and part of the voting process, which would allow the mayor to become more actively involved in day-to-day operations of the City.

Mayor Christiansen voiced his respect for Mr. Hutchison and Mr. Hare. He explained, however, that the mayor sits on council in the Town of Smyrna and presides over council in the City of Milford, and these forms of government are suitable in these municipalities, but not for Dover, which has a population of 36,000 to 38,000. He pointed out that the growth of Dover was anticipated 25 years ago and the City continues to grow. Mr. Christiansen indicated that Mr. Sudler had made a great point and that it was necessary to move forward rather than stepping back into the past. He asked that members not put his face, as the current mayor, into the position but consider what was in the best interest for the future of the City of Dover.

Mr. Sudler concurred with Mr. Hutchison that a strong mayor form of government was needed and that this was the future of the City.

Mr. Anderson stated that when the people are voting, they are not voting on who has the best skills to chair a meeting but on a lot of other factors. He commented that he was aware of no large or medium-sized city where the mayor presides over council and felt there should be a separation of powers and that the mayor should not vote, noting that someone with the ability to vote should not also have veto power. He felt that the current structure, whereby the mayor serves ex officio on committees and makes a number of appointments, gives the mayor an ability to engage early in the process which makes vetoes rare, and that it was important to maintain these provisions. He indicated that if Mr. Sudler were willing to accept a friendly amendment that any proposal would protect the current council-appointed employees with due process, he had no problem with moving this matter forward for further study and legal review, starting with the Consent Decree, to find out what the options were.

Mr. Slavin invited members of the public to comment.

Mr. Bernhard Greenfield, 901 Wilson Drive, stated that he came to Dover in approximately 1960 with the Air Force and retired from the Air Force. He advised members that he had seen what the City's mayors could do, including one (1) who said that things must be done his way and insulted people at meetings, and that a street near Sam's Club was named after this individual. Mr. Greenfield also explained that during a former mayor's service, trees on State Street uprooted the sidewalks, causing people to fall. Mr. Greenfield advised members that he spent 21 years in the Air Force, where there was one (1) command organization; no one on the base could do what was to be done without asking the commander. He felt that if there were a mayor and a city manager, there could be a problem whereby "one (1) hand doesn't know what the other hand is doing." Mr. Greenfield asserted that if there were too many people working in too many places, the work would be fragmented. He stated his opinion that Mayor Christiansen would not "go bullheaded," stating that he was "a fine man" who came down the street to help people when the snow was three (3) to four (4) feet deep, and that he would do the job.

Mr. Sudler moved that his proposal be recommended as Option A, with consideration of Mr. Anderson's amendment as part of the proposal, seconded by Mr. Hare.

For clarification, Mr. Slavin requested Mr. Anderson to summarize the amendment. Responding, Mr. Anderson stated that his recommended amendment was that any positions which currently report to council that are moved to report to the mayor would only be removed for cause and with council approval.

Mr. Slavin stated that this would be considered as Option A which would be considered along with any other options presented.

Mr. Shevock questioned if a review or consensus regarding the Consent Decree between the City and the other parties would be required before moving forward. Responding, Mr. Slavin stated that he was prepared to entertain a second motion to open a dialogue in this regard.

Mr. Hutchison felt that Option A should be examined to see if there were other things that could be added before returning with a final version.

The motion to recommend for future consideration Option A, as follows: a full-time mayor's position, with consideration of changing the City's current form of government to a Mayor/Council form of government, where the city manager and chief of police would be appointed by the mayor and confirmed by City Council, and that any positions which currently report to council that are moved to report to the mayor would only be removed for cause and with council approval, was unanimously carried.

Mr. Shevock moved to recommend that the Council President open a dialogue with the parties to the 1988 Consent Decree, seconded by Mr. Hare and unanimously carried.

Mr. Anderson expressed his opinion that discussion was needed regarding the organization of the City. He indicated that perhaps some functions should be placed under the city manager, reminding members that the City previously had a senior city administrator who dealt primarily with budgets. He suggested the possibility that the individual in this "deputy" position might deal with budgets, Parks and Recreation, or other functions that had been consolidated, which would free finance and other staff to perform their responsibilities. He stated his desire for the Committee to propose that Council hold an Executive Session some time in the future where staff, as those who deal with City issues on a daily basis, could provide their opinions freely and off the record regarding what should be done.

Mayor Christiansen cautioned members that Mr. Anderson's suggestion may not be acceptable under the Freedom of Information Act (FOIA).

Mr. Anderson expressed his opinion that personnel issues and reviews would be exempt; however, indicated that it would be necessary to obtain a legal opinion from the City Solicitor on this matter.

Mr. Sudler concurred with Mr. Anderson that input from administrative staff would be valuable in this regard.

Councilman Dixon cautioned members to be very careful in regard to FOIA.

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

Meeting adjourned at 6:39 p.m.

Timothy A. Slavin
Chairman

TAS/TM/js/dd
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Attachment
Attachment #1 - Memorandum from Chief Paul Bernat, dated September 10, 2014, RE: Committee Action Form - Civilianization of the Sex Offender Unit

Memorandum

To: Dover City Council

From: Paul M. Bernat, Chief of Police

CC: Mayor Robin Christiansen
Scott Koenig
Donna Mitchell

Date: 09/10/2014

RE: **Committee Action Form – Civilization of the Sex Offender Unit**

This memo is to serve as clarification regarding the Committee Action Form presented at the Legislative and Finance Committee meeting on Monday, September 8, 2014 regarding the civilization of the Sex Offender Unit. The clarifications are as follows:

> If City retired officers fill these positions we would require they stay on active health care to reduce the OPEB liability. Based on our research, this is the same process the State of Delaware follows.
>
> We will follow applicable Human Resource procedures for posting and recruiting for these positions to insure compliance with EEOC policies and coordinate these efforts with the City Human Resources Department.
>
> An analysis of the net savings with the change in health care is attached.

I hope this clears up any concerns or question that you might have had.

Thank you.

/Attachment

Dover Police Department

FY15-19 Cost Comparison

Item	First Year Costs		5-Year Costs		Remarks
	FY15 Officer Cost	FY15 SO Officer Cost	FY15-19 Officer Cost	FY15-19 SOU Civilian Cost	
Salary	$45,999.00	$35,900.00	$260,131.00	$188,600.00	
Unscheduled Overtime	5,444.15	-	27,220.74	-	
Shift Differential	957.45	-	4,787.25	-	
Social Security	2,851.94	2,225.80	13,964.42	13,338.28	
Medicare	666.99	520.55	3,771.90	2,734.70	
Health Insurance	13,775.79	13,775.79	68,878.95	68,878.95	employee + spouse
Life Insurance	85.56	66.42	483.84	348.91	
Worker's Compensation	1,815.12	1,416.61	10,264.77	7,442.16	
AD&D	16.56	12.92	93.65	67.90	
Vision Insurance	39.60	39.60	198.00	198.00	
OPEB	5,473.88	-	30,955.59	-	
Retirement	6,522.66	2,154.00	36,886.58	11,316.00	
Total Benefits	$37,649.69	$20,211.69	$197,505.69	$104,324.89	
Total Salary + Benefits	$83,648.69	$56,111.69	$457,636.69	$292,924.89	
Training, Uniforms, Equipment & Ammo	$11,052.24	$6,936.12	$13,393.12	$8,015.40	doesn't include ammo, taser cartridges or other uniform insignia/accoutrement items
Total Cost Per Officer	$94,700.93	$63,047.81	$471,029.81	$300,940.29	
Savings		$31,653.12		$170,089.52	

as of: 9/10/14

City of Dover
Wage and Benefit Information for Employee Hiring and Transfer Request

DEPARTMENT/DIVISION ORIGINATING REQUEST: POLICE

HIDE COLUMNS

Position	Current Grade/Step	Reason	Person	Separation Date	FY15 Wages Budgeted	FY15 Benefits Budgeted	FY15 Total Budgeted Wages & Benefits	% Year Wages Used	# Mos. Benefits Used	To Date Wages Paid	To Date Benefits Paid	Lump Sum Vacation/Sick Payment	FY14 Total Paid To Date	Balance	Remarks
Accessions													-		
Police Officer	Sgt	retirement	Humphrey	**10/11/14**	89,600.00	41,900.00	131,500.00	27.9%	3.4	25,038.90	11,707.76	see below	36,746.66	94,753.34	
Budgeted Retirements ($220,700 budgeted and maintained by Finance in a separate account)					54,040.30	-	54,040.30	n/a	-	-	-	54,040.30	54,040.30	-	lump sum est for Humphrey
Police Officer	PFC	reassignment	Knight, T	8/22/14	57,100.00	29,200.00	86,300.00	14.2%	1.7	8,134.79	4,159.54		12,294.34	74,005.66	
Projected Additional Revenues for new SRO Position							60,000.00			-	-	-	-	60,000.00	
Totals							**331,840.30**						**103,081.30**	**228,759.00**	

Position	Position	Reason		Hire Date	FY15 Salary	FY15 Benefits	Total Pay	% Year Wages Needed	# Mos. Benefits Needed	Wages	Benefits	Total Pay Needed	Remarks
New Positions													
SOU Civlian	PG??	new position	Humphrey	**10/12/14**	35,900.00	20,200.00	56,100.00	71.5%	8.6	25,670.96	14,444.38	40,115.34	$67,320.00
SOU Civlian	PG??	new position	TBD	**1/4/15**	35,900.00	20,200.00	56,100.00	48.5%	5.8	17,409.04	9,795.62	27,204.66	transfer funds to dept 542
New SRO	PFC	new position	Knight, T	8/23/14	57,100.00	29,200.00	86,300.00	85.2%	10.2	48,652.33	24,880.00	73,532.33	
Totals							**198,500.00**					**140,852.33**	
Balance												**$87,906.67**	