REGULAR COUNCIL MEETING
A G E N D A

REVISED TO INCLUDE THE MINUTES OF THE JUNE 9, 2014 REGULAR COUNCIL MEETING

JUNE 23, 2014 - 7:30 P.M.

CITY HALL COUNCIL CHAMBERS
15 LOOCKERMAN PLAZA
DOVER, DELAWARE

OPEN FORUM - 15 MINUTES PRIOR TO OFFICIAL MEETING (7:15 p.m.)

The "Open Forum" segment is provided to extend the opportunity to the general public to share their questions, thoughts, comments, concerns, and complaints. Discussion of any item appearing on the agenda as a public hearing is prohibited during the Open Forum as an opportunity will be provided during consideration of that item. Citizen comments are limited to three (3) minutes. Council is prohibited from taking action since they are not in official session; however, they may schedule such items as regular agenda items and act upon them in the future.

INVOCATION BY BISHOP THOMAS L. HOLSEY

PLEDGE OF ALLEGIANCE LED BY COUNCILWOMAN WILLIAMS

AGENDA ADDITIONS/DELETIONS

* **CONSENT AGENDA**

Those items on the Council Agenda which are considered routine and non-controversial shall be marked with an asterisk (*) and will be acted upon by a single roll call vote of the Council. There will be no separate discussion of these items unless a member of Council so requests, in which event the matter shall be removed from the Consent Agenda and considered a separate item.

* **1. Adoption of Minutes - Regular Council Meeting of June 9, 2014**

2. Proclamation - Civil Rights Act of 1964 Commemoration Day

3. Public Hearings - Violations of Dangerous Building Ordinance

A. Property located at 238 North New Street, Owned by John and Soledad Sullivan

(Staff recommends: 1. Declaring this building and all accessory structures on this property dangerous; 2. Ordering the property repaired or demolished by July 23, 2014 by the owner or equity owner at their own risk; 3. Ordering the Building Inspector to cause the repair or demolition of the structures if not completed by the owner within 10 days of the date established by City Council; 4. Ordering the City Manager with the assistance of the City Solicitor to cause the cost of repairs or demolition to be charged against the land on which the building exists as a municipal lien or cause such cost to be added to the tax duplicate as an assessment, or to be levied as a special tax, or to be recovered in a suit at law against the owner.)

3. **Public Hearings - Violations of Dangerous Building Ordinance (Continued)**

   B. Property located at 640 Nimitz Road, Owned by Deutsche Bank National Trust c/o Countrywide Home Loan

   (Staff recommends: 1. Declaring this building and all accessory structures on this property dangerous; 2. Ordering the property repaired or demolished by July 23, 2014 by the owner or equity owner at their own risk; 3. Ordering the Building Inspector to cause the repair or demolition of the structures if not completed by the owner within 10 days of the date established by City Council; 4. Ordering the City Manager with the assistance of the City Solicitor to cause the cost of repairs or demolition to be charged against the land on which the building exists as a municipal lien or cause such cost to be added to the tax duplicate as an assessment, or to be levied as a special tax, or to be recovered in a suit at law against the owner.)

* 4. **Utility Committee Report - June 9, 2014**

   A. Annual Engineering Consultant's Report on the Operation and Maintenance of the Electric System - Fiscal Year 2013

   (Committee recommended acceptance of the report)

   B. TEA/NAES Report (*April*)

   (Committee recommended acceptance of the report)

   C. Updates

   (Committee action not required)

5. **Revenue Report Update**

   (Staff recommends acceptance of the report)

6. **2014 Special Mayoral Election Results**

7. **Opposition to Transportation Secretary's Proposal to Cut $1M from Municipal Street Aid**

8. **Final Reading - Proposed Ordinances**

   The First Reading of the proposed ordinances was accomplished during the Council Meeting of June 9, 2014. Copies of the proposed ordinances are available at the entrance of the Council Chambers.

   A. Proposed Ordinance #2014-16 Amending Appendix E - Commercial and Industrial Building Redevelopment (Sponsors: Anderson and Townshend)

   B. Proposed Ordinance #2014-17 - FY2014/15 City of Dover Budget Ordinances

9. **Reconsideration of Evaluation of Bids - Dover Park Recreation Center Demolition**

   (This item was considered during the Regular Council Meeting of June 9, 2014. Staff recommends awarding the demolition contract to Delaware Mulch and Stone in the amount of $35,600.)

10. **Council Members' Announcements**

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THE AGENDA ITEMS AS LISTED MAY NOT BE CONSIDERED IN SEQUENCE. THIS AGENDA IS SUBJECT TO CHANGE TO INCLUDE THE ADDITION OR THE DELETION OF ITEMS, INCLUDING EXECUTIVE SESSIONS.

REGULAR COUNCIL MEETING

The Regular Council Meeting was held on June 9, 2014 at 7:30 p.m. with Council President Bonar presiding. Council members present were Mr. Anderson, Mr. Dixon, Mr. Lynn, Mr. Perza, Mr. Slavin, Mrs. Williams, Mr. Hare, and Mr. Hutchison.

Council staff members present were Police Chief Bernat, Mrs. Mitchell, Mr. Koenig, Mrs. Townshend, City Solicitor Rodriguez, and Mrs. McDowell.

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. Allan Gaddis, 448 N. State Street, questioned when the last property tax increase occurred for the City of Dover, not including the recent property revaluation. Responding, Mr. Scott Koenig, City Manager, indicated that there was a 2¢ tax increase in 2006 and a 2.7¢ increase in 2011 that occurred as a result of revaluation. Mr. Gaddis explained that for several years, local to federal governments had endorsed short-term solutions and pushed difficult, long-term solutions off on others. Based on his understanding of recent discussions by members of City Council, he believed that Council was taking this short-term approach. He noted that elected officials often indicate that they take these types of actions to ease burdens on constituents and their descendants; however, it was his belief that the result is short-term gains to politicians and constituents and long-term detriment to constituents. Mr. Gaddis indicated his willingness to bear a property tax increase to help the City to deal better with short-term problems and to help the City improve for decades to come.

Mr. Reuben Salters, 109 Bertrand Drive, reminded those present that the African American Festival was scheduled for June 28, 2014. As a former member of City Council, Mr. Salters indicated his understanding that the development and approval of the City's budget is a difficult process. It was his hope that the budget would include funding for the recreation center at Dover Park rather than for demolition of the structure, reminding members of the need for such a recreational facility on the east side of Dover. Mr. Salters also indicated his support for a small tax increase, explaining that such increases are necessary from time to time and do not hurt citizens. He suggested that the City gradually introduce tax increases in the City's budget at least every two (2) years to avoid falling behind. He felt citizens would be more receptive tax increases than fee increases, particularly since property taxes can be deducted from taxes.

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 Mrs. Williams and unanimously carried.

Mr. Slavin moved for approval of the Consent Agenda, seconded by Mr. Dixon and carried by a unanimous roll call vote.

ADOPTION OF MINUTES - COUNCIL BUDGET WORKSHOP OF MARCH 31, 2014

The Minutes of the Council Budget Workshop of March 31, 2014 were unanimously approved by motion of Mr. Slavin, seconded by Mr. Dixon and bore the written approval of Council President/Vice-Mayor Acting Bonar.

ADOPTION OF MINUTES - REGULAR COUNCIL MEETING OF MAY 27, 2014

The Minutes of the Regular Council Meeting of May 27, 2014 were unanimously approved by motion of Mr. Slavin, seconded by Mr. Dixon and bore the written approval of Council President/Vice-Mayor Acting Bonar.

PRESENTATION - GOVERNOR'S HEALTHY COMMUNITIES RECOGNITION

The following Tribute was read into the record by the City Clerk:

Be it hereby known to all that
Jack A. Markell, Governor of the State of Delaware,
extends sincere appreciation to

City of Dover

The Governor's Council on Health Promotion and Disease Prevention and the Delaware Coalition for Healthy Eating and Active Living are proud to recognize the City of Dover at the Bronze Level for the 2014 Recognition for Community Health Promotion Program. The Bronze Level recognizes significant progress to improve the overall health of respective community members. They are to be praised for their efforts to take a prevention-driven approach to health by supporting policies and environmental changes that promote programs to improve physical activity, nutrition/healthy eating, tobacco-free lifestyles, and healthy environments; and which promote healthy lifestyles and integration of the needs of individuals with limited mobility and disabilities in neighborhoods, schools, and workplaces. Their work addresses community economic development, environmental sustainability, and neighborhood safety: key factors in promoting healthy communities. They have demonstrated the ability to work with community-based organizations and residents to translate their vision for healthy communities into visible, concrete changes - and ultimately, healthier neighborhoods.

Awarded this 20th day of May, 2014

Council President Bonar presented the Tribute to Mrs. Ann Marie Townshend, Director of Planning and Community Development, and noted that it was a much deserved award. Mrs. Townshend advised members that the City received an "honorable mention" status last year and attained the Bronze Level this year. She stated that the City's goal for next year would be to bypass the Silver Level and obtain the Gold Level. She assured members that staff continuously strives to make improvements, in both planning and recreation, to continue to improve the health of the community and provide healthy alternatives in terms of transportation, recreation activities, etc.

PROCLAMATION - DOVER HIGH SCHOOL "COMING HOME"

The City Clerk read the following Proclamation into the record:

WHEREAS, Dover High School, 1 Pat Lynn Drive, has served as an educational landmark in our community since it first opened in 1965, producing over 16,000 graduates between its opening in 1965 through its last commencement in 2014; and

WHEREAS, the doors of the present Dover High School will be forever closed and the building will soon be demolished as the community looks forward with anticipation to the completion of a new Dover High School on Route 8, which will welcome students in August 2014; and

WHEREAS, to mark this transition, an event planning team, in conjunction with the Capital School District, the Dover High Alumni Association, the City of Dover, and countless sponsors, is planning a four-day celebration, designated as "Coming Home", at Dover High School and surrounding venues from June 12 to June 15, 2014, to allow those with a shared history and fond memories of the school to say their goodbyes; and

WHEREAS, this reunion will be commemorated by numerous events including, among others, music on The Green, a golf fundraiser to directly benefit students of the Capital School District, multi-year mini reunions, sporting and family events, a final walk down memory lane through the halls of Dover High School, one "last dance" at the school, a memorial service and tribute to students, staff, and alumni who have passed, and a "Passing of the Torch" to the new generation of Dover High School students; and

WHEREAS, all of those with ties to Dover High School, as well as its precursors which were located at the present day Central Middle and William Henry Middle Schools, are invited to participate.

NOW, THEREFORE, I, DAVID L. BONAR, VICE-MAYOR OF THE CITY OF DOVER, DELAWARE do hereby proclaim June 12-15, 2014 as *DOVER HIGH SCHOOL "COMING HOME" WEEKEND* and encourage former Dover High School students, staff, family, and friends to gather to renew relationships, share memories, and celebrate the rich history of Dover High School.

Council President Bonar presented the Proclamation to Mr. Allan Angel, Mr. Robert Kellam, Mrs. Jean Thornburg-Taylor, and other members of the organizing committee who were present.

Mr. Allan Angel, Kent County Levy Court Commissioner, thanked Mrs. Traci McDowell, City Clerk, his neighbor and graduate of Dover High School, for reading the Proclamation into the record on their behalf. He noted that graduates of Dover High School "bleed" blue and white and that once Dover High School is demolished, all that will be left is their memories until they are gone. He stated that the reunion had been "a job", but he looked forward to everyone "coming home" and enjoying themselves. It was his hope that the school would "go down with a lot of respect" and he thanked the City for the recognition.

Council President Bonar thanked everyone who had worked on the reunion and stated that he was looking forward to the activities at the new Dover High School in the near future.

Mr. Hutchison advised members that he graduated from Dover High School 53 years ago and thanked all who had worked on putting the "Coming Home" reunion together. In speaking with a graduate of 1946, he learned that his class had named the Dover High School students as "The Senators" and also chose the blue and white colors. He stated that high schools are about building foundations and that Dover High School had done that well.

Mr. Lynn recognized Mr. Rob Kellam for the work he had put into the "Coming Home" reunion, noting that Mr. Kellam updates Facebook on a regular basis to keep graduates abreast of events. He thanked all those who had done an outstanding job working on the event.

PROCLAMATION - FLAG DAY AND FLAG WEEK

The City Clerk read the following Proclamation into the record:

WHEREAS, the first official flag of the United States was adopted by the Second Constitutional Congress on June 14, 1777 and on August 3, 1949, Congress designated June 14th of each year as "National Flag Day" and requested that the President issue an annual proclamation calling for its observance; and

WHEREAS, on June 9, 1966 Congress requested that the President designate the week in which June 14th occurs as "National Flag Week" and call upon citizens to display the flag during that week; and

WHEREAS, on December 8, 1982, the National Flag Day Foundation was chartered to conduct educational programs and to encourage all Americans to pause for the Pledge of Allegiance on Flag Day; and

WHEREAS, Flag Day celebrates our nation's symbol of unity, devotion to freedom, and the equal rights of all.

NOW, THEREFORE, I, DAVID L. BONAR, VICE-MAYOR OF THE CITY OF DOVER, DELAWARE do hereby proclaim June 14, 2014 as *FLAG DAY* and the week of June 8-14, 2014 as *FLAG WEEK* in the City of Dover and urge all residents to pause for the Pledge of Allegiance in honor of the Flag of the United States of America and to proudly display the flag in recognition of the beacon of hope that it has become for our country and for people all over the world.

PUBLIC HEARING - ELECTRIC REVENUE FUND BUDGET

A public hearing on the Electric Revenue Fund Budget is required for compliance with City of Dover Electric Revenue Bonds Resolutions prior to adoption of the budget. Notice of the public hearing was properly advertised for this time and place.

Mrs. Donna Mitchell, Controller/Treasurer, advised members that the Electric Revenue Fund revenues and beginning balance totaled $89,560,100 and expenses and ended budget balance totaled $89,560,100; the Electric Improvement and Extension Fund, which is the capital project fund, receipts and beginning balance totaled $8,387,000 and expenses and budget balance totaled $8,387,000.

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

No further action was taken. Council President Bonar noted that the First Reading of the Budget Ordinances would take place during the latter part of the meeting and that the Final Reading and adoption of the Ordinances were scheduled for the Regular Council Meeting of June 23, 2014.

BOARD OF ASSESSMENT APPEALS EXEMPTION REPORT - MAY 27 AND MAY 28, 2014

The Board of Assessment Appeals met on May 27 and May 28, 2014, with Chairman Garfinkel presiding.

EXEMPTIONS

Village of Cannon Mill HOA Inc. - Open Spaces

Location: Open Spaces – Village of Cannon Mill

Background and Analysis

These parcels fall under State Statute 9 Del. C. §8110 Civic organizations owning parkland.

Exemption Request

2.7 Acres	-	Cannon Mill Drive (ED05-076.03-01-92.00)	-	$132,900
.393 Acres	-	Cannon Mill Drive (ED05-076.03-01-93.00)	-	42,400
.773 Acres	-	East Sheldrake Circle (ED05-076.03-01-94.00)	-	57,300
.2111 Acres	-	East Sheldrake Circle (ED05-076.03-01-95.00)	-	34,600
.418 Acres	-	Quillen Street (ED05-076.03-01-96.00)	-	72,300
6.1 Acres	-	East Sheldrake Circle (ED05-076.03-01-99.00)	-	135,500
3.8 Acres	-	Loftland Drive (ED05-076.03-03-38.00)	-	293,300
5 Acres	-	Paradee Drive (ED05-076.03-03-39.00)	-	223,000
				$991,300

Recommended Action

Recommend that the request for exemption be approved.

Mr. Ashburn was present for the hearing.

He explained to the board that the HOA had been recently activated and is asking for the tax exempt status for the open spaces in the development.

Chairman Garfinkel asked Mr. Ashburn to clarify what he means by open space, he wanted to make sure that these were non buildable lots. Mr. Ashburn assured the board that these lots would never be built on.

Mr. Burns asked if Mr. Ashburn had just recently bought 18 lots in the development.

Mr. Ashburn concurred and went on to explain that he was not able to build on these lots until he took responsibility of the storm ponds which is why the HOA was activated.

Chairman Garfinkel closed the hearing and opened for discussion.

Mr. Welsh made the motion to accept the request for exemption, which was seconded by Mr. Burns.

Motion carried 3-0.

Chairman Garfinkel explained to the applicant, that the City Council was the final decision and that a letter with the date of the Council Hearing would be mailed to them.

By consent agenda, Mr. Slavin moved for approval of the Board's recommendation, seconded by Mr. Dixon and carried by a unanimous roll call vote.

Rector Wardens & Vestryman of Christ Episcopal Church
Location: 509 South State Street

Background and Analysis
An appeal form was submitted to the Assessor's Office.

This property was purchased by the church in April 2012. The property is surrounded by other property owned by the church that is exempt from City of Dover taxes. This property is exempt from Kent County Taxes.

Exemption Request
$48,700

Recommended Action
Recommend that the request for exemption be approved.

Mr. Emerson, who is a member of the Vestryman of Christ Episcopal Church, was present for the hearing.

Mr. Emerson explained to the board that the church purchased this property to make it part of the church yard. He stated that the church would like to use the property simply as an extension of the church yard and use the property for events like picnics after church. Mr. Emerson told the board that the May Pole dance used to be held on that property and is hoping that one day it will be held there once more.

Chairman Garfinkel asked the City Assessor if she would like to add something, at which time Ms. Russell told the board that the City recommends the exemption be granted.

Mr. Burns suggested that the church look into combining this parcel with the parcel the church is constructed on.

Mr. Welsh made the motion to approve the exemption, which was seconded by Mr. Burns.

Motion carried 3-0.

Chairman Garfinkel explained to the applicant, that the City Council was the final decision and that a letter with the date of the Council Hearing would be mailed to them.

By consent agenda, Mr. Slavin moved for approval of the Board's recommendation, seconded by Mr. Dixon and carried by a unanimous roll call vote.

Central Habitat for Humanity

Location: 41 S. Queen Street
70 Mifflin Road
511 Schooner Way

Background and Analysis

An exemption request was submitted to the Assessor's Office.

This property is being renovated for a low-income family to provide an affordable mortgage. Once this property is complete and the ownership is transferred, the property will be added back to the tax rolls. (as a supplemental billing)

Exemption Request

$ 23,200
$ 67,400
$135,200

Recommended Action

Recommend that the request for exemption be approved.

Mrs. Tice, Executive Director, was present for the hearing.

Mrs. Tice told the board that the organization has been serving Kent County for the past 24 years and has helped 36 families find a home. The organization helps low income, hardworking people. She explained that the owners do pay a mortgage which

is offered by Habitat for Humanity at a 0% interest. The organization has built 17 homes within the City of Dover.

Chairman Garfinkel asked the Assessor what the city's recommendation is, at which time the Assessor stated that the City recommends the exemption be approved. Ms. Russell also pointed out that these properties will go back on the tax roll once they have been purchased by the new owners.

Chairman Garfinkel asked about the plans for 511 Schooner Way.

Mrs. Tice explained that the property will need some external as well as internal renovations and hopes to sell 511 Schooner Way and 70 Mifflin in 2015.

42 S Queen will be put in a Land Bank, according to Mrs. Tice, which means that the property will be held on until the surrounding are improved or more properties can be purchased by the organization which are located within the same neighborhood. She stated that it will be more than likely 2016 by the time they will be able to sell this property.

Mr. Burns made the motion to approve the exempt request for all of the three (3) properties, which was seconded by Mr. Welsh.

Motion carried 3-0.

Chairman Garfinkel explained to the applicant, that the City Council was the final decision and that a letter with the date of the Council Hearing would be mailed to them.

By consent agenda, Mr. Slavin moved for approval of the Board's recommendation, seconded by Mr. Dixon and carried by a unanimous roll call vote.

YMCA
Location: 825 Kenton Road

Background and Analysis
An exemption request was submitted to the Assessor's Office. This parcel falls under State Statute 9 Del. C. §8106 Specific organizations and purposes.

This property was purchased by the YMCA from the Kent Swimming Club. The property was exempt from property taxes at the time of purchase (July 1, 2013) and has not been placed back on the tax rolls.

Exemption Request
$1,496,000

Recommended Action
Recommend that the request for exemption be approved.

Mr. Jaywork, attorney and representative of the YMCA as well as Mr. Kelley, Chief Operating Officer, were present for the hearing.

Mr. Jaywork went over the packet submitted to the city which included the 501C3, the deed, and papers of Incorporation. He stated that the YMCA is a Non-Profit Organization.

Mr. Kelley told the board that the pool opened this weekend and that they had a great turn out.

Chairman Garfinkel asked the Assessor if she had to add anything, at which time Ms. Russell told the board that the City recommends approval of the exemption.

Mr. Burns asked how the YMCA swimming pool membership is different from the Maple Dale membership.

Mr. Kelley explained that you may become a member of the YMCA just for the summer months and be able to use the YMCA as well as the pool on Kenton Road. The YMCA also offers financial help for those who cannot afford a membership at the YMCA.

Mr. Burns asked if most of the property was considered Wet Lands.

Mr. Kelley concurred that some of the property is considered Wet Lands which will benefit the usage of the property, as the YMCA is looking to have a Day Camp at the location and will add trails where the children may explore.

Mr. Burns asked if most of the property was considered Wet Lands and if therefore the property could not be developed.

Mr. Jaywork and Mr. Kelley assured Mr. Burns that the Wet Land could not be built on.

Mr. Burns made the motion to accept the exempt request, which was seconded by Mr. Welsh.

Motion carried 3-0.

Chairman Garfinkel explained to the applicant, that the City Council was the final decision and that a letter with the date of the Council Hearing would be mailed to them.

By consent agenda, Mr. Slavin moved for approval of the Board's recommendation, seconded by Mr. Dixon and carried by a unanimous roll call vote.

Bible Church of God Inc.
Location: 1202-1204 White Oak Road
Land – Spruance Road

Background and Analysis
An appeal form was submitted to the Assessor's Office. Kent County records indicate that this property is Exempt from Kent County Taxes. Property is being used as a worshiping facility.

Exemption Request
$192,300
$ 4,200

Pastor Miller, as well as the Secretary of the Church, was present for the hearing.

The pastor told the board that the vacant land was used for church parking. He also mentioned that the church has been in place for approximately seven (7) years and that the County has already granted them the tax exemption.

Mr. Burns suggested that the church look into combining the two parcels into one.

Mr. Welsh made the motion to accept the request for exemption for both parcels which was seconded by Mr. Burns.

Motion carried 3-0.

Chairman Garfinkel explained to the applicant, that the City Council was the final decision and that a letter with the date of the Council Hearing would be mailed to them.

By consent agenda, Mr. Slavin moved for approval of the Board's recommendation, seconded by Mr. Dixon and carried by a unanimous roll call vote.

The Milford Housing Development Corp.
Location: 1361-1383 Walker Road & 1357 Walker Road

Background and Analysis
These parcels fall under State Statute 9 Del. C. §8105. Properties are exempt from Kent County Taxes as of April 2013. These properties are currently exempt with the City of Dover. The owner was required to come back again this year for review by the Board of Assessment Appeals.

Exemption Request
$464,300
$515,900

Recommended Action
Recommend that the request for exemption be approved.

Mr. Huxtable, Vice President, was present for the hearing.

Mr. Huxtable started by going over the organization's mission which is to provide affordable housing for families of modest income. He also told the board that the homes on Walker Road were built 18-19 years ago and were purchased by The Milford Housing Development Corporation last year in hopes to renovate and rent these units out to low income families.

Mr. Huxtable also stated that the organization is a Non- Profit organization and has the 501C3 Status. He provided the board with copies of the Exempt letter from Kent County, a copy of the organizations 501C3 and a copy of the organization's annual report.

Mr. Huxtable told the board that the organization was granted tax credits to help with the renovation of the properties. He went on to explain that the organization has written a letter to the City Manager to discuss a possible PILOT program which could go into effect once the organization has purchased the third parcel and all three parcels have been combined into one parcel.

Mr. Burns asked if the organization is currently in other PILOT programs.

Mr. Huxtable stated that this will be the first time they engage in such a program.

Mr. Burns expressed his concern about the outside conditions of the parcel, he told Mr. Huxtable that he drove through the development the morning of the hearing and was surprised about the trash, weeds, and uncut grass.

Mr. Huxtable explained the lengthy process the organization has to go through to get the proper funding and zoning.

In Mr. Burn's opinion no funding should be needed to power wash the siding, fix windows or door screens. He pointed out that the organization, according to the annual report provided by Mr. Huxtable, has plenty of volunteers that could perform these tasks.

Mr. Huxtable assured that he will talk to the property management company regarding the conditions of the property.

Mr. Burns went on to tell Mr. Huxtable that he more than likely will be back before the Board next year, and would like to see that the organization has improved the outside conditions of the property.

Chairman Garfinkel asked about the PILOT programs with the City of Dover and Kent County, making sure that the organization is looking into that program.

Mr. Huxtable assured that they are in contact with the City of Dover as well as Kent County regarding the PILOT program.

Mr.Burns made the motion to accept the exempt request for one (1) year and the owner to contact the City of Dover Inspections Department for maintenance issues and that the owner meet with the City Manager to discuss the PILOT program with the City of Dover, which was seconded by Mr. Welsh.

Motion passed 3-0.

By consent agenda, Mr. Slavin moved for approval of the Board's recommendation, seconded by Mr. Dixon and carried by a unanimous roll call vote.

SAFETY ADVISORY AND TRANSPORTATION COMMITTEE REPORT - MAY 27, 2014

The Safety Advisory and Transportation Committee met on May 27, 2014 with Chairman Hutchison presiding.

Request for Waiver of Public Street Frontage Requirement - Appendix A - Subdivisions, Article VI - Subdivision - General Requirements and Design Standards, Section E - Lots (Dover Mall)

Mrs. Ann Marie Townshend, Director of Planning and Community Development, advised the Committee that Simon Property Group, owner of the Dover Mall, L.P., was proposing to create three (3) parcels of land from the existing $149.3225^{+/-}$ acre parcel of the Dover Mall. She explained that the parcel would be subdivided into a $53.1704^{+/-}$ acre parcel, a $30.7046^{+/-}$ acre parcel, and a $65.4475^{+/-}$ acre parcel. Mrs. Townshend stated that the property is zoned SC-3 (Regional Shopping Center Zone), and a portion is subject to the SWPOZ (Source Water Protection Overlay Zone) Tier 3 – Excellent Recharge Area. The property is located on the east side of North DuPont Highway and south of but not adjacent to Rustic Lane.

Mrs. Townshend explained that, as proposed, the subdivision would create two (2) lots without frontage on a public street, which is required by the Zoning Ordinance. She stated that in the waiver request submitted by the applicant, the applicant stated that proposed Lots 1 and 2 have frontage on State Route 1; however, proposed Lot 2 does not have frontage on this route. The purpose of the requirement for frontage on a public street is to ensure access to lots created. As State Route 1 is a limited access highway where direct access is not permitted, frontage on State Route 1 was not deemed adequate to meet the requirements of the Land Subdivision Regulations.

Mrs. Townshend explained that, typically, a request for a waiver from the requirement of the subdivision is presented before the Planning Commission, who then makes a recommendation to City Council; however, due to the nature of this request, which involved street lengths and street design, the Planning Commission's recommendation was being presented to the Committee to make a recommendation to Council. Mrs. Townshend reviewed a map of the property, pointing out the location of Route 1 in relation to the Dover Mall and the proposed subdivided plots in the rear. Mrs. Townshend explained that the original request included residential zoning for Lot 1, but this portion of the request was withdrawn after a negative recommendation from the Planning Commission; therefore, zoning would be commercial only. She advised members that when the property was planned for residential use, all of the emergency services (Police Department, Fire Department, the Fire Marshal, etc.) expressed safety-related concerns about Lots 1 and 2 not having frontage. Once the residential component was removed, the Police Department and Fire Marshal retracted their concerns; however, the Fire Department continued to have concerns.

The Planning Commission recommended approval of the requested waiver subject to inclusion of the necessary easements listed in the Development Advisory Committee Report.

Mrs. Townshend explained that the Planning Commission and the Delaware Department of Transportation (DelDOT) expressed concerns about extending Rustic Lane; however, if the road were marked for emergency access only, they would agree to the extension.

Responding to Mr. Hutchison, Mrs. Townshend advised that, if approved, the application specifies that the property would be commercially based; however, she cautioned that this was based on the current zoning and if the zoning regulations change, this could potentially allow for residential use. Mrs. Townshend expressed her concern regarding that possibility; however, she also noted that only two (2) properties within the City of Dover had the same zoning classification (SC-3); therefore, if there was a proposal to make a change to that section of the zoning ordinance, this property would likely be considered in regard to its potential for residential use and the potential impact. In response to Mr. Hutchison, Mrs. Townshend said that any application for a change to the zoning ordinance to allow for residential use would be considered by the Planning Commission and Council and two (2) public hearings would be required.

Stating his feeling that he would never support residential zoning on the Dover Mall property, Mr. Hutchison asked if discussions had taken place with representatives of the Dover Mall. Responding, Mrs. Townshend advised members that she had made them aware of the City's concerns with approving the frontage waiver request, recognizing that the location is between the speedway, the highway, and the Dover Mall which would not be an ideal situation for a residential area.

In response to Mr. Keller, Mrs. Townshend advised that, presently, no plans were in place for Lots 1 and 2; however, discussions had taken place in consideration of "big box" tenants on Lot 2.

Responding to Mr. Keller, Mrs. Townshend concurred that the infrastructure required to build on the property would be massive. She noted that a determination would have to be made regarding how to provide sewer and water, as there would be no ability to tap into the private lines that serve the Mall. Access to the main line would have to be routed through the property, or off Rustic Lane. In addition, Mrs. Townshend stated that the Delaware Department of Transportation (DelDOT) had started discussions regarding a traffic impact study, noting that there was a concept to put in a service road that would connect Scarborough Road and Leipsic Road, and that the applicant may be responsible for constructing a portion of this road.

Mr. Keller expressed concerns that this proposal would involve major expenditures on the part of the State and City of Dover, questioning who would bear the burden of even the limited access road in the rear of the property. Responding, Mrs. Townshend stated that it was hoped that the State would work on this portion of the funding.

Responding to Mr. Hutchison regarding the timeframe that the property owner would have to move forward if the waiver were approved as presented, Mrs. Townshend advised that if the request were approved and the lots were recorded, the lots could be sold immediately.

Mr. Dixon expressed his disapproval, stating there were too many variables.

Mr. Perza advised members that, although he personally did not have any information regarding this particular project, his firm (May and Perza, PA) represents Simon Property Group; therefore, he indicated that he would not be taking a position on the matter at this time.

Responding to Mr. Hutchison regarding the result if the Committee denied the request, Mrs. Townshend stated that the Committee could only recommend against approving the request; the final decision would be determined by Council. Mrs. Townshend noted that without approval of the request, the applicant would not be able to subdivide the lots.

Mr. Hutchison stated that he believed the Dover Mall was good for the community and wanted to support their growth; however, he also wanted to be sure that the community is protected. Responding, Mrs. Townshend stated that the Committee also had the option of not make a recommendation either for or against approval of the waiver and to defer the decision directly to Council or to defer action until the next meeting and request that the applicant be present to answer questions.

Mr. Keller and Mr. Hutchison conveyed their preference to defer the matter until the next Committee meeting when the applicant could be present to answer questions. Mr. Keller noted that there was a lot of information to be considered and he felt it was very important to have all of the facts and details before a recommendation was made, noting the amount of money and infrastructure involved.

The Committee recommended deferring action on the request until the June 23, 2014 Safety Advisory and Transportation Committee meeting when the applicant can be present to answer questions.

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

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

LEGISLATIVE, FINANCE, AND ADMINISTRATION COMMITTEE REPORT - MAY 27, 2014

The Legislative, Finance, and Administration Committee met on May 27, 2014 with Chairman Lynn presiding.

Discussion - Fiscal Year 2014 Audit Program

Mrs. Donna Mitchell, Controller/Treasurer, reviewed a presentation entitled "Auditor's Responsibility for Communicating with Audit Committee." She reminded members that the Legislative, Finance, and Administration Committee had served as the City's Audit Committee during the last few years and that she typically provides a similar presentation to members each year at the commencement of the audit cycle. Mrs. Mitchell noted that the 2014 Audit Calendar was provided and included the dates that the draft and final audit report would be brought before the Committee.

The Committee recommended acceptance of the Fiscal Year 2014 Audit Program, seconded by Mr. Shevock and unanimously carried.

By consent agenda, Mr. Slavin moved for approval of the Committee's recommendation, seconded by Mr. Dixon carried by a unanimous roll call vote.

Proposed Grant-In-Aid Policy

Mrs. Donna Mitchell, Controller/Treasurer, reminded members that, during their Regular Meeting of January 27, 2014, City Council accepted the City of Dover FY 2015 Grant-In-Aid Application and Procedures, as recommended by the Committee. She stated that, since that time, she had updated this document, which was similar to that used in the State of Delaware grant-in-aid process, to incorporate a "Policy Objective" in the Grant-in-Aid Application Instructions. Mrs. Mitchell reviewed the Policy Objective and inquired if members had any suggestions for change.

The Committee recommended acceptance of the proposed Grant-In-Aid Policy ***(Exhibit #1)***.

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

Request of Dover Housing Authority for City of Dover to Serve as Responsible Entity for Environmental Reviews

Chairman Lynn advised members that a memorandum in regard to this matter from Ami Sebastian Hauer, Executive Director, Dover Housing Authority (DHA), dated May 27, 2014, had been received earlier in the day and circulated to members by email.

Mrs. Ann Marie Townshend, Director of Planning and Community Development, advised members that, in July 2013, the DHA requested that the City of Dover serve as its Responsible Entity for Environmental Reviews in accordance with Department of Housing and Urban Development (HUD) regulations. The City Manager, City Planner, and Community Development Manager met with DHA staff several months ago to discuss a draft agreement and the expectations of the City under the draft agreement. Based on the information presented, City staff verbally agreed that the commitment was acceptable. Following this discussion with the DHA, the City's Community Development Manager attended HUD training and discussed the responsible entity responsibilities with a HUD staff person responsible for environmental reviews. Based on the information obtained in this interaction with HUD, the City's responsibilities as the responsible entity would be far more significant than originally conveyed by the DHA.

Mrs. Townshend stated that, after discussing this matter with HUD, staff was advised that if the City of Dover did not agree to serve as the responsible entity, HUD would request that the Delaware State Housing Authority (DSHA) take on this responsibility and if the State declines, HUD would perform this role. She explained that the decision of the City not to enter into an agreement to serve as the responsible entity would not inhibit the DHA's eligibility to accept HUD funding.

Mrs. Townshend informed members that all federal funds spent are subject to the National Environmental Protection Act (NEPA), as well as other related acts, including the State Historic Preservation Act. For any project undertaken by DHA, a review would be required to determine: 1) if the scope of services is exempt from NEPA requirements, or 2) if there is a finding that must be pursued. Although most DHA projects consist of minor capital projects or minor rehabilitation of existing facilities and would be exempt, all of DHA's investment plans would have to be reviewed, not just the capital plan. Many of the maintenance projects imbedded in the operating budget could also be subject to environmental reviews. Staff determined that quite a bit of paperwork, project management, contract management, and oversight would be required and Mrs. Townshend stated that the City did not have adequate staff at this point to perform these functions. She explained that several years ago when one (1) of the planners left the Planning Department, a

planner position was eliminated and the associated responsibilities were combined with the Community Development Manager position. The current Community Development Manager was now performing planning and community development work. Since the scope of the DHA's funding is much larger than that received by the City of Dover from HUD through the Community Development Block Grant (CDBG) program, the amount of responsibility in terms of environmental reviews would be exponentially greater.

Mrs. Townshend indicated that she had been advised by HUD that HUD would take responsibility for environmental reviews associated with current funding that was being held from Federal FY 2013 because there was no responsible entity in place for the DHA; therefore, the current request was for the City to serve as responsible entity beyond FY 2013.

Staff recommended that the City not agree to be the Dover Housing Authority's responsible entity for environmental reviews.

Mr. Lynn stated that, in reviewing the memo received from the DHA earlier in the day, it appeared that many of the concerns would be ameliorated because the DHA would hire a third-party entity to conduct environmental reviews and would pay for these reviews. He questioned if the concern was that many of the smaller capital projects would not need environmental review. Mrs. Townshend confirmed that this was the case and that there would be a good deal of documentation that would require review, records would need to be maintained, and staff would have to look at the exact scope of each of DHA's projects to determine if they were exempt from the requirement for an environmental review. For example, although cleaning projects would be exempt, staff would have to determine if an environmental review would be required for projects such as painting, changing cabinets, and working with the HVAC system.

Responding to Mr. Slavin regarding the nature of activities that would be considered exempt, Mrs. Townshend stated that there would be a categorical exclusion for activities that had no environmental impact. She confirmed that these exclusions could change over time and there would be a need to develop a knowledge base regarding what had and had not been excluded in the past. Mrs. Townshend provided two (2) related memoranda, dated May 17, 2010, from HUD - Philadelphia Office regarding environmental reviews as they relate to operating funds that are in the operating budget and to public housing authorities. Mrs. Townshend advised members that even minor capital projects that come under the operating budget would have to go through the process. She stated that staff would have to expand their expertise and workload and she felt that this responsibility could not be absorbed at this point.

Mr. Shevock questioned what the City's financial exposure would be by taking on this responsibility, if the City could be responsible for possible class action suits that might arise, or if there would be a need to pay for insurance to protect the City.

Responding, Mrs. Townshend stated that HUD did not anticipate that the City would end up with sanctions; however, if a related Memorandum of Understanding (MOU) were signed, the City would be taking on the legal responsibility for environmental reviews. She felt that if the City were to sign off on a large capital project and state that there was no significant impact and there was such an impact, the City could be vulnerable.

Mr. Shevock stated that environmental engineering firms perform this type of work and questioned why they would not be under contract to the DHA to complete the necessary paperwork. In response, Mrs. Townshend stated that much of the work would be contracted to an environmental firm; however, there was a requirement for a legal entity to monitor this paperwork, "make the final calls," ensure that projects are done, perform record keeping, and ensure that projects that are determined to fit the definition of a categorical exclusion actually do so. She noted that HUD staff had cited examples in the City's region where housing authorities did not provide the information needed to make the correct decision to the unit of local government as it relates to the environmental review process.

In response to Mr. Lynn regarding the resultant effect on the DHA if the City did not assume this responsibility, Mrs. Townshend stated that the DHA would continue as they are now and would have to find out if the State would take on this role. If the State chose not to do so, HUD would do this. It would not affect DHA's ability to obtain capital funds and there would be no problem with its funding in the interim while the responsible entity is determined. Mrs. Townshend stated that HUD had assured her that they were taking care of the work for the current funding of the DHA.

Mr. Slavin advised members that NEPA is supposed to be conducted by the federal agency involved and that HUD was the only federal agency he was aware of that pushes this responsibility down to the grantees. As a result, a very technical review process was being pushed to organizations that are not engineered to perform this review. In his opinion, involving the City would not be the proper course and this should be directed back to HUD so that HUD can live up to the federal law. Mr. Slavin indicated that almost every federal agency has a federal historic preservation officer who handles this side of the NEPA process, conducts reviews, determines what falls under categorical exclusions, and makes these decisions or hires a firm to manage this.

Responding to Mr. Anderson regarding whether the subcontractor performing the work would be liable if the work was misconducted, Mrs. Townshend stated that the contractor would have culpability; however, as the government agency signing off on projects, she felt that the City would also incur some culpability if something were missed.

Mr. Anderson inquired if this process had caused a delay in the release of hundreds of thousands of dollars in funding. Mrs. Townshend stated that this was the case. She indicated that during a conference call with HUD approximately two (2) weeks ago, she asked who had been performing this responsibility prior to the current time. HUD advised her that they had received an email that indicated that the City of Dover was doing so and, at some point after they received this email, HUD requested a MOU and funds began to be held because no MOU was provided. It was HUD's understanding that the City of Dover had agreed to be the responsible entity, had been performing this function, and had decided to no longer do so. Mrs. Townshend stated that she explained to HUD that the City had not been acting in this capacity and, once the Public Housing Office realized that the City had not been acting in this role, they assured Mrs. Townshend that the City of Dover was under no obligation to serve as the responsible entity, that HUD would serve as the responsible entity and oversee environmental reviews for the current round of funding allocated to DHA, HUD would not hold these funds, and that this would not affect DHA's ability to receive funds. However, HUD indicated that a responsible entity needed to be designated.

Mr. Hutchison inquired if the agreement had been reviewed by the City Solicitor. Mrs. Townshend explained that the City Solicitor reviewed a previous draft of the agreement; however, this was before additional information was received from HUD and staff concluded that this was not a role that the City could take on.

Mr. Lynn inquired about the ratio of the projects that would come under the umbrella of a third-party entity versus those that would go through the City. Responding, Mrs. Townshend stated that ultimately everything would go through the City. She indicated that currently there were only small capital minor rehabilitation projects involved that would likely not be contracted out and would be determined to be exempt from the requirements. However, these projects would be submitted to the City for a review of project scope and a determination regarding exemption would have to be made. New, large projects, such as building new public housing, acquiring new sites, or taking down and rebuilding existing projects, would be contracted to a third party.

Ms. Ami Sebastian Hauer, Executive Director, DHA, advised members that capital improvement work undertaken by the DHA is mainly done through the capital fund program. The funding available through operating funds is used for routine work and to cover administration. She stated that capital fund money is used for improving and upgrading units because operating funds are not available, noting that funding cuts occur every year.

Mr. Lynn questioned if an environmental review under the purview of the City would be required if a unit damaged by a tenant was in need of repair, such as repainting or redoing the kitchen, following the departure of a tenant. Responding, Ms. Hauer stated that capital fund projects would involve upgrades to the HVAC system, reinforcement of stairwells, installation of air conditioning in public housing units to improve air quality, etc.

Mr. Anderson inquired why it would be better to have the City involved than HUD. Responding, Ms. Hauer stated that HUD had informed the DHA that because they are within the City of Dover and must comply with local building codes and City ordinances, it was felt it that it would make more sense for the City of Dover to become the responsible entity. In regard to how the DHA would deal with staffing issues, she explained that the DHA would assume all responsibility for any associated costs, including staffing, contracting, and training of those working on the environmental review process.

In response to Mr. Slavin regarding why the DHA did not choose to perform the function required since they were willing to pay for it, Ms. Hauer stated that HUD prefers that a legal entity, such as the City of Dover, assume the responsibilities.

Mr. Anderson noted that HUD regulations would not allow the DHA to be its own responsible entity.

Mr. Scott Koenig, City Manager, advised members that the City was stretched very thin at the staff level and if the City did not absolutely have to perform this function, staff's preference was that it not. He noted that those involved with federal regulations know that these regulations do not get any easier. Mr. Koenig expressed his fear that if the City assumed the responsible entity role, it could become more complicated as the regulations get more stringent, change, or evolve. He reiterated that it was staff's recommendation not to take this on. He concurred with Mr. Slavin that this was an odd process in that the federal agency had pushed this responsibility down to the local level.

Responding to Mr. Lynn regarding the term of the MOU that would be required, Mrs. Townshend stated that the draft MOU had a ten-year term. Based on the City's current experience with HUD, it was her belief that if the City were to enter into an agreement, there would be quite a bit more scrutiny if the City felt the need to back out at some point. Mrs. Townshend reiterated that when HUD believed that the City had agreed to serve as the responsible entity and had decided not to serve any longer, HUD staff was very stern in their "push back" in discussions regarding the City not performing this function.

Noting Mr. Koenig's concern that the responsibility could become more cumbersome in the future due to legislative changes, Mr. Lynn questioned if this could be addressed by shortening the term of the agreement, noting that this would allow the City to observe the manpower time that would be invested. He inquired if the ten-year term was mandated. He also noted that if the DHA would hire a third-party entity to perform the work, this entity would be paid for by the DHA and presumably the third party would indemnify the City and hold the City harmless. Responding, Mrs. Townshend stated her belief that the ten-year term was not mandated; however, she did not believe that the City had the staff time to ensure quality control under the provisions of the current agreement. She advised members that under the CDBG program, the City receives approximately $250,000 per year from HUD. Of that, less than $100,000 goes to projects that are subject to NEPA, since most funds are used

for down payment assistance, program administration, money provided to the Dover Interfaith Mission for Housing and are not subject to NEPA. HUD stated that they would accept responsibility for $400,000 in Federal FY 2013 funds; therefore, she stated that staff would be looking at expanding the $100,000 that the City is currently responsible for in rehabilitations to $500,000 with the DHA capital program. This task could be contracted out but the City would still have to ensure that all of the paperwork is correct. Mrs. Townshend felt that saying the work could be contracted out minimized the fact that staff would have to put forth the effort to make sure that everything is done correctly.

Mr. Slavin stated his understanding of everything that the DHA was going through and what they were trying to accomplish; however, he felt that the City should take a stand that this was almost an unfunded federal mandate that was washing down to local government without any funding attached to it. Even if funding were present, he reminded members that the City was considering a proposed budget that requires more than a 20% increase in property taxes and hiking many fees in order to break even, and provides the same number of man hours next year that are present in the current year. He cautioned members about the need to be careful regarding taking on any additional tasks, especially those that are not in the core mission of the City.

The committee recommended acceptance of staff's recommendation that City Council agree not to be the Dover Housing Authority's responsible entity for environmental reviews.

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

Proposed Ordinance #2014-16 Amending Appendix E - Commercial and Industrial Building Redevelopment (Sponsors: Anderson and Townshend)

Mrs. Ann Marie Townshend, Director of Planning and Community Development, reminded members that, during their Regular Meeting of April 9, 2012, Council adopted Proposed Ordinance #2012-07, amending the City of Dover Code of Ordinances by inserting a new Appendix E - Commercial and Industrial Building Redevelopment. She advised members that Appendix E had proved successful and, as a result, she and Councilman Anderson had discussed extending the provisions of this ordinance. Mrs. Townshend explained that Proposed Ordinance #2014-16 would extend the sunset provision for the tax abatement, impact fee waiver, and building permit waiver incentives for three (3) years.

Mr. Anderson advised members that the incentives associated with this ordinance had been quite successful in relation to business entities, such as Redner's Warehouse Markets, and benefitted new businesses as well as existing businesses that wished to expand. He stated that, with the end of the trial for the incentives now approaching, he felt that extending the incentives would allow the economic development team to market the City with some degree of certainty. Instead of wondering if one (1) of "the better tools in their toolbox" would be lost in six (6) months, the economic development team could use the leverage of a three (3) year extension to entice

businesses to act more quickly in making decisions. Mr. Anderson noted that the incentive had worked very well in the City for organizations that are operated for profit as well as for taxable but non-profit organizations, including the cultural buildings being constructed downtown.

The Committee recommended adoption of Proposed Ordinance #2014-16.

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

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

MONTHLY REPORTS - APRIL 2014

By motion of Mr. Slavin, seconded by Mr. Dixon, the following monthly reports were accepted by consent agenda:

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

EVALUATION OF BIDS - DOVER PARK RECREATION CENTER DEMOLITION

Members were reminded that the former recreation center building at Dover Park had been vacant for almost two (2) years and had fallen into a state of disrepair. The building, which was built in 1974, was not an accessible building, had roof leaks that had caused moisture and mold, and had become functionally obsolete in meeting the current day recreation demands. The Parks, Recreation and Community Enhancement Committee thoroughly reviewed options including investing in upgrades to the building or demolishing the building, ultimately concluding that the building should be demolished and community input should be sought as to how to improve the provision of recreation opportunities in Dover Park and the surrounding area. This recommendation was ultimately approved by City Council.

Mrs. Ann Marie Townshend, Director of Planning and Community Development, advised members that bids were solicited for the demolition of the building and that the low bid was received from Delaware Mulch and Stone in the amount of $35,600. She stated that the asbestos abatement would be performed by a separate contractor in response to bids solicited by Compliance Environmental, the environmental consulting firm on contract with the City of Dover. She indicated that Compliance Environmental would oversee the asbestos abatement and the coordination between the asbestos contractor and demolition contractor. The cost of the asbestos abatement would be $12,995,

and oversight by Compliance Environmental was estimated at $8,000. She assured members that the combination of the contract with Delaware Mulch and Stone and the contracts for environmental oversight and asbestos abatement would be within the project budget, estimated at $56,595.

Staff recommended that City Council authorize staff to award the contract to Delaware Mulch and Stone in the amount of $35,600.

Mr. Hare moved for approval of staff's recommendation, seconded by Mr. Hutchison.

Mr. Lynn indicated that he could not support the demolition of the building since he was not convinced that the building required demolition. In addition, he noted that the recreation needs assessment for the City had not been completed. He stated that additional funds had been earmarked in the City's budget for the site, although it was unknown what role the building may have in the location of a new building or if the existing foundation or other areas of the current building could be used for a new building, etc.

Mr. Anderson relayed his concurrence with Mr. Lynn's comments.

The motion to approve the Committee's recommendation failed by a roll call vote of five (5) no (Anderson, Dixon, Lynn, Slavin, and Bonar) and four (4) yes (Perza, Williams, Hare, and Hutchison).

EVALUATION OF PROPOSALS - SYSTEM CONTROL AND DATA ACQUISITION (SCADA) MAINTENANCE CONTRACT

Mr. Scott Koenig, City Manager, advised members that the Department of Public Works (DPW) operates one (1) fixed System Control and Data Acquisition (SCADA) system to monitor and control forty (40) wastewater pumping stations. In addition, he stated that the DPW operates the communication system for each location which communicates through either fiber optics or a radio system. He stated that the City issued a Request for Proposals for the SCADA Maintenance Contract and that the two (2) responses received were evaluated on experience, training, emergency response time, and geographical knowledge of the City. He explained that, although both Donovan Contractual Services (DCS) and Optimum Controls Corporation presented acceptable proposals, DCS was selected based on their experience, familiarity with the City's geography, knowledge of the current SCADA configuration, and lower price. Mr. Koenig indicated that the services to be provided under this contract would include support for the current staff who are responsible for the maintenance and repair of the current SCADA components and possible assistance with upgrading obsolete equipment. In addition, the contractor will also assist staff with troubleshooting and repairing the radio/fiber communication system and related components.

Staff recommended awarding a three (3) year contract to Donovan Contractual Services (DCS) as per the proposal submitted in response to RFP #14-0040PW.

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

COUNCIL PRESIDENT APPOINTMENTS - 2014/2015 COMMITTEES (ANNUAL APPOINTMENTS DEFERRED DURING THE MEETING OF MAY 27, 2014)

Council President Bonar requested approval of the following appointments:

Legislative, Finance, and Administration Committee
Timothy A. Slavin - Chair
David L. Anderson
William F. Hare
Daniel T. Shevock (by Council President)
Roy Sudler, Jr. (by Committee Chair)

Parks, Recreation, and Community Enhancement Committee
Wallace R. Dixon - Chair
David L. Anderson
Adam M. Perza
Ann Baker Horsey (by Council President)
M. Milford Caldwell, Jr. (by Chairperson)

Safety Advisory and Transportation Committee
James L. Hutchison, Sr. - Chair
Wallace R. Dixon
Adam M. Perza
David J. Truax *(Effective July 3, 2014)* (by Council President)
Thomas J. Keller, Jr. (by Committee Chair)

Utility Committee
Beverly C. Williams - Chair
Adam M. Perza
Timothy A. Slavin
Richard K. Snaman (by Council President)
Lester L. Blakeman, Sr. (by Committee Chair)

Compensation Commission
No action was taken by Council on this agenda item.

Construction Code Appeals Committee
Adam M. Perza - Chair
Sean M. Lynn
Scott D. Koenig - City Manager

Other Post-Employment Benefits (OPEB) Trust Fund Board
William F. Hare
Beverly C. Williams

Retirement Committee - General Employee Pension Plan
David L. Anderson
Sean M. Lynn

Retirement Committee - Police Pension Plan
David L. Anderson
Sean M. Lynn

By consent agenda, Mr. Slavin moved for approval of the 2014/2015 Committee appointments as submitted by Council President Bonar, seconded by Mr. Dixon and carried by a unanimous roll call vote.

FIRST READING - PROPOSED ORDINANCE #2014-16 - APPENDIX E - COMMERCIAL AND INDUSTRIAL BUILDING REDEVELOPMENT

The First Reading was offered on Proposed Ordinance #2014-16, amending Appendix E - Commercial and Industrial Building Redevelopment. Final action by Council will take place during the Second Reading of the ordinance on June 23, 2014. Copies of all proposed ordinances are available at the entrance of the Council Chambers or can be obtained from the City Clerk's Office.

Mr. Anderson reminded members that the proposed amendment would extend the sunset provision for the tax abatement, impact fee waiver, and building permit waiver incentives for three (3) years. He stated that these incentives had been very effective in terms of economic development for small businesses as well as Wesley College and Bayhealth.

In response to Mr. Hare regarding the effectiveness of the Economic Development Office (EDO) in bringing business to the City, Mr. Anderson stated that the actions of EDO staff had brought about many positive results, noting that EDO staff had met various benchmarks as reflected in their quarterly reports. He suggested that EDO staff be requested to provide quarterly updates to Council on actions taken in regard to economic development.

Mr. Hutchison reminded members that the City's EDO was responsible for meeting with major corporation leaders and working with the Kent County Levy Court and State of Delaware Economic Development Office. Acknowledging the importance of new economic opportunities in the City, he also stressed it was important to maintain those jobs already in Dover and perhaps expand business operations.

Council President Bonar advised members that as a direct result of the involvement of the City's Economic Development Office and its partnerships, an additional 400-500 jobs had been added to the City and in excess of a half of a billion dollars in economic development construction was taking place in and around the City of Dover.

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 #2014-16** - AMENDING APPENDIX E - COMMERCIAL AND INDUSTRIAL BUILDING REDEVELOPMENT

FIRST READING - PROPOSED ORDINANCE #2014-17 - FY2014/15 CITY OF DOVER BUDGET ORDINANCES

The First Reading was offered on Proposed Ordinance #2014-17 - FY2014/15 City of Dover Budget Ordinances. Final action by Council will take place during the Second Reading of the ordinances on June 23, 2014. Copies of all proposed ordinances are available at the entrance of the Council Chambers or can be obtained from the City Clerk's Office.

Mr. Scott Koenig, City Manager, stated that the Proposed Ordinance #2014-17 was the result of the past four (4) budget sessions held by City Council and included a $136.87M spending plan. He reviewed the primary components of the motions from the Budget Hearings, as follows: 1) elimination of training and conferences for the Mayor and Council; 2) transfer of street light expenses to the Electric Fund; 3) reduction of one (1) police car, and one (1) police motorcycle, and one (1) Ford Explorer for the Emergency Management Coordinator; 4) changing the Storekeeper position in the inventory and procurement area to permanent part-time; 5) transfer of credit card fees from Customer Service area to Electric Fund; 6) a $10,000 increase in the amount of the contribution to the Downtown Dover Partnership (DDP), equating to a $70,000 total contribution to DDP; 7) increase the $8M transfer from the Rate Stabilization Fund to the General Fund by $1.5M; 8) additional Internal Service Fund allocations, as well as the transfer of an additional $100,000 to the Parkland Reserve to address components that may result from the recreation needs assessment; and 9) a 3% raise for non-bargaining employees, excluding the City Manager, which would affect the General, Water/Wastewater, and Electric Funds. He reiterated that these motions from the Budget Hearings had been incorporated into the Proposed Budget Ordinances, resulting in an approximate $136,878,000 spending plan.

Mr. Hare questioned why the Proposed Budget Ordinance included the proposed transfer of an additional $100,000 to the Parkland Reserve since the City did not have the results of the recreation needs assessment at this time. Responding, Mr. Koenig indicated that the transfer was a motion that was approved during the Budget Hearings. He explained that staff's assumption was that the City would move forward with the demolition of the old building at White Oak Park, noting that $80,000 was included in the original draft budget for this purpose, as directed by City Council earlier in the year. Based on Council's discussion earlier in the evening regarding the evaluation of bids for the Dover Park Recreation Center demolition, Mr. Hare questioned how funds could be appropriated without specific direction, explaining that the recreation needs assessment may determine that the building would remain.

Mr. Hutchison reminded members that the recreation needs assessment was currently underway, should be completed by the end of the year, and would determine the exact needs in this regard.

At the request of Mr. Slavin, Mr. Koenig stated that the FY2015 spending plan for the General Fund was proposed at $38,169,400, and for FY2014 was $36,833,500, resulting in an increase of $1,335,900 for the General Fund. The FY2015 spending plan for the Water/Wastewater Fund was proposed at $13,669,300, and for FY2014 was $13,268,700, resulting in an increase of $400,600 for the Water/Wastewater Fund. The FY2015 spending plan for the Electric Fund was proposed at $82,574,900, and for FY2014 was $81,176,100, resulting in an increase of $1,398,800 for the Electric Fund.

Mr. Slavin relayed appreciation to City Staff as well as members of City Council for their hard work in developing the City's budget; however, he stated that he had no confidence that the proposed budget will work. He felt that if the City's goal was to prepare a budget by avoiding a property tax increase, then the City had been successful. He stated that the proposed budget was not reflective of a tax and spend budget but rather a spend and spend budget, noting that there was over $3M in additional expenditures above last year, more people on the payroll, and pay raises for 90% of the workforce and the expectation that the other 10% would present a contract during FY2015, for which no money was budgeted. It was his opinion that the proposed budget violated the City's own policies regarding the electric reserve transfers, which was becoming more and more a revenue source for the General Fund, and that the budget appeared to run afoul of bond covenants. He stated that it may be illegal to transfer the costs of the street lights to the Electric Fund. Mr. Slavin stated his understanding that there were concerns with the amount of money in the Reserves and stated that, although this was considered to be a "rainy day" fund, he felt that it had been "raining every day" for nine (9) years in the recent economy. He suggested that members take a hard look at doing something different and address some hard questions, such as the type of government the City needed to structure and how it should engineer itself for the 21st Century. Mr. Slavin indicated that the path the City had been taking was unsustainable, that there would be a "crash" when the City no longer had funds available in the Reserves, and that the property taxes had not been adjusted to keep up with the times.

Mr. Anderson reminded members that the purpose of the Reserve Funds, such as the Parkland Reserve, was not necessarily to spend the money but rather to have the money set aside so that when a decision is made, there would be money budgeted to take action. Referring to the City's Capital Improvement Projects (CIP), he noted that many parks and recreation programs had been deferred by City Council for several years. He felt that there may be enough money in the Reserve Funds to complete perhaps one (1) of those projects that the City had been considering for the past five (5) years, such as the skate park, splash pads, indoor recreation east of Dover, etc. He suggested that now was the time for City Council to start planning for future recreation needs. If it were determined later that there was no need to spend the funds set aside, the money could be transferred back. Mr. Anderson stated that the proposed budget was important since it had protected the taxpayers, explaining that the Rate Stabilization Fund is the "people's" money. He stated that since the Rate Stabilization Fund was continuously collecting monies, several years ago City Council established a policy that set a limit for the amount of the Fund and established that excess would be given back to the people. He advised members that the City had exceeded the limit for several years to a level that was double the amount set. It was his feeling that by not proposing a tax increase, the City would be giving some of that money back to the people.

Concurring with Mr. Slavin, Mr. Perza indicated his opinion that the City would be facing significant hurdles over the next several years and stated that he could not support the proposed budget as presented. He felt that funds from the Reserve Funds should be taken only when there is a necessary need and not for recreation. He stated that splash parks and swimming pools were secondary concerns and that water towers, electricity, sewer systems, etc. were important needs that should be addressed. Mr. Perza relayed concern with taking accumulated savings to spend on the secondary needs when there were other needs with priority. He stated that it gave the appearance that the City was on a spending spree and spends money it does not have. He expressed support for using money from the Reserve Funds to balance the budget, noting the importance of not instituting a tax increase.

In response to Mr. Anderson's comments, Mr. Slavin indicated that the overage in the Rate Stabilization Fund was previously used to reduce the electric rates, which benefitted the rate payers. He stated that he could not logically understand how the City could say they were giving money back to people when the City would be spending $3M more this year than last year and that using money from the Reserve Fund was logic he could not follow.

Mr. Anderson noted that an increase of approximately $1M was included in the proposed FY2015 General Fund budget, which would be used for streets, replacing critical equipment for Police Department, etc. He also noted that the union contracts that had been negotiated included several "give-backs" which had actually kept personnel costs stable and helped bend the long-run curve of the City's costs, which is essential to the long-term, well-being of the City. He reminded members that with negotiations, something must be given, and the City gave a very small amount. Therefore, in consideration of the proposed budget overall, he felt that it was acceptable, although it may not be perfect. He stated that City Council would be reviewing budgets for the future as they consider new buildings, plans, and growth that is coming to the City, and members would then need to evaluate the property tax rate. At this time and with the current economy, he felt that a change in the tax rate would make the City less attractive in regard to jobs and would not be a wise move for the City. Mr. Anderson stated it was essential to provide funds for the City's water infrastructure to replace critical plants, possibly including a new well or new substation, and that these monies are covered and paid for within the Enterprise Fund and not by tapping into the Reserves. He felt that funding infrastructure from the Enterprise Fund was the responsible approach for the City.

Responding to Mr. Hutchison, Mr. Koenig stated that the FY2015 Budget included a significant increase in the street program, which had provided a baseline funding level for the program, the water line replacement program, and the Inflow and Infiltration (I&I) programs, provided that the proposed budget was adopted as presented. In addition, he felt that the City was on track with renewals and replacements in the General Fund. As a result, he stated that from an infrastructure standpoint, in regard to streets, water/wastewater, and electric, the City was on track. He indicated that the proposed budget did not include any consideration of major improvements to City Hall, 5 East Reed Street, the old Dover Public Library, or replacement of the Warehouse facility or any of the warehousing yards; therefore, there were significant building projects on the horizon for the City that would begin showing up in future City budgets that were currently not addressed in the five (5) year CIP.

Mr. Koenig advised members that discussions had been held for years regarding the structural stability of the General Fund and how the City should fund General Fund operations. It was his opinion that the City did not have difficulty funding the City's Electric Improvement and Extension and the Electric CIP and that the City had made great strides in funding the City's Water and Wastewater CIP. The City's issue involves the General Fund and, based on the recent discussions during the past few weeks, he stated that it was evident that the City's problem was consistently related to the General Fund. He explained that without a tax increase, the City had not addressed the baseline funding in the General Fund and that the proposed transfers, at this point and to his knowledge, were one (1) time transfers; therefore, this issue would need to be addressed for the future.

Referring to the comments of Mr. Slavin, Mr. Hutchison felt that there were needs and concerns regarding the City's future and urged members to take these issues into consideration.

In response to Mr. Slavin, Mrs. Donna Mitchell, Controller/Treasurer, stated that a surplus in the amount of $181,500 was expected, due to the City's expenses being less than revenue. Mr. Slavin indicated his concurrence with Mr. Anderson in regard to a property tax increase and that he would not have supported such as presented, since it included some additional expenditures. However, he disagreed with Mr. Anderson's comments regarding the other issues involving the proposed budget.

Mr. Dixon questioned when the City planned to take time and give attention to the children and communities on the east side of Dover. He stated that, there being no recreation for the area, the City had allotted $100,000 as a reserve since the costs of any action were not known at this time and that $80,000 would not be sufficient, noting that if it were determined that the Dover Park Recreation Center should be demolished, the cost would be $56,000.

Mr. Hare stated that although he had no concerns with budgeting $100,000 in the Parkland Reserves, he was concerned that the City would delay the demolition of the building at the Dover Park, which he felt had already been determined to be necessary, and the costs for the demolition would only increase with time. If the City were to provide some type of recreation facility, it should be something that would be used, which may be a smaller building, a splash park, or skate park. He reiterated his feeling that the City should not delay the demolition of the building. With regard to the electric transfer, he stated that members were advised that, rather than providing this transfer, Council could raise the property taxes and customers could then receive a reduced electric rate, noting that he felt that these were merely two (2) different ways that the City could choose to handle funds. He questioned the amount of the carry forward balance projected for the FY2014 Budget, explaining his understanding that $550,000 was taken from the FY2013 Budget which was to be paid back and that, according to recent information, there was a carry forward of almost $13M from the FY2014 Budget.

Referring to the Dover Park Recreation Center, Mrs. Williams reminded members that the facility had not been used by the children for a long time due to the health concerns with the black mold. She stated that Aid in Dover, in partnership with the Dover Housing Authority, had been holding after school and summer programs for five (5) years at the Manchester Community Center, which is a safe environment located in the vicinity. She assured members that there were programs available for the children on the east side of Dover, although these programs are not as "specified" as those available on the west side of Dover. She advised members that they recently started a basketball program, called "Hot Shots", which was so successful that they began traveling and, using school buses, brought the children from the east side to the west side of the City. She stated that grant monies were received from the Criminal Justice Council for 30 children, and to date, they had reached 127 children and had not even completed one-third of the Program. Concurring that there was a need for recreation on the east side of Dover, she assured members that it would not involve the use of the building, explaining that no child should be exposed to black mold.

Considering tonight's discussion amongst members, Mr. Lynn felt that there was no unanimity among members with regard to the proposed Budget. He suggested that additional Budget Hearings be held before the Final Reading was scheduled.

Council President Bonar encouraged members to present amendments at this time, explaining that the First Reading was held to provide an opportunity for members to present proposed amendments prior to the Final Reading. Rather than having additional budget hearings, he felt that concerns of

members could be addressed with motions to amend the proposed Budget Ordinances. He noted that the City Manager submitted a draft budget that included a 7.22¢ tax increase, which members decided to eliminate. He advised members that he had not heard a single comment from anyone opposed to a tax increase, which was something members of Council had known was necessary for several years, although the City had the ability to transfer monies from the Reserves to help balance the budget. He felt it was incumbent upon members to maintain the level of services currently provided. Mr. Bonar stated that a City that stagnates dies, explaining that if members allow the City's infrastructure to deteriorate and do not progress, provide adequate services, or encourage economic development, the City would become a ghost town. It was his feeling that City of Dover has a robust economy due to the military and some splendid corporations who had located in the City; therefore, during his tenure, he indicated that he would continue to assure that the City will make progress and become a better place to live and work than it is today. He encouraged members to submit possible amendments to be considered during the Final Reading scheduled for June 23, 2014.

Mr. Lynn noted that the Freedom of Information Act (FOIA) would preclude members from having meaningful dialogue among one another. He requested that one (1) Special Meeting be held before the next Council Meeting so that members could collectively develop ideas and consider possible amendments to provide more unanimity among members.

Mr. Lynn moved to schedule a Special Council Meeting to discuss the Proposed Budget and possible Budget Amendments, seconded by Mr. Hutchison.

Mr. Slavin stated that his concerns and comments were simply his observations and reasons for not supporting the Proposed Budget Ordinances.

Mr. Anderson stated that although he welcomed proposed amendments to consider, he supported the proposed budget as presented and suggested that members move forward on this matter.

The motion to schedule a Special Council Meeting (Wednesday, June 11, 2014 at 6:30 p.m.) to discuss the Proposed Budget and possible Budget Amendments was carried by a roll call vote of five (5) yes (Dixon, Lynn, Slavin, Hutchison, and Bonar) and four (4) no (Anderson, Perza, Williams, and Hare).

Mrs. Williams stated that although she voted no, she was not opposed to the Special Council Meeting, explaining that, due to prior commitments, she would not be able to attend and requested that members be provided more notice.

To help with the process, Mr. Lynn suggested that members submit questions to staff as soon as possible to give staff the opportunity to respond and allow for discussion during the meeting.

Council President Bonar stated that members had the opportunity to present suggestions regarding the Budget since March 28, 2014 when the draft Budget was first submitted. For the next budget, he requested staff to consider scheduling a series of "mark-up" meetings for Council's review and consideration of the Budget.

Mrs. Williams advised members that in previous years, City Council had delayed action on a final budget until July, particularly in years when there was a property tax rate issue to consider. She relayed support for the brainstorming idea as mentioned by Mr. Lynn and welcomed members who may have innovative ideas.

Mr. Hare referred back to 1991 through 1997 when the City stopped having three (3) and four (4) night marathon meetings because City Council tasks the City Manager and staff to present a balanced budget without raising taxes and they did. City Council did not have to direct staff to transfer monies from a particular account but rather staff took that initiative in presenting a balanced budget. He suggested that the City move back to that way of considering the City's budget.

Responding to Mr. Hare, Mr. Slavin felt that staff would like revenue streams to increase the way they did from 1991 through 1997, explaining that budgets were a lot easier to develop then than at the current time.

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 #2014-17** - FY2014/15 CITY OF DOVER BUDGET ORDINANCES

As a reminder, Council President Bonar announced that a Special Council Meeting would be held on Wednesday, June 11, 2014 at 6:30 p.m., in Council Chambers at City Hall to discuss the FY2015 Budget.

FINAL READING - PROPOSED ORDINANCES

The First Reading of the following proposed ordinances was accomplished during the Council Meeting of May 27, 2014.

Mr. Hutchison moved that the Final Reading of the proposed ordinances be acknowledged by title only, seconded by Mrs. Williams and unanimously carried.

Proposed Ordinance #2014-09 Amending Chapter 50 - Floods; Chapter 22 - Buildings and Building Regulations, Article III - Building Code, Section 22-61; and Appendix F - Fees and Fines

Members were provided Proposed Ordinance #2014-09, amending Chapter 50 - Floods; Chapter 22 - Buildings and Building Regulations, Article III - Building Code, Section 22-61; and Appendix F - Fees and Fines of the Dover Code, for their consideration. The Proposed Ordinance replaces Chapter 50 - Floods, of the Dover Code, in its entirety, adopts flood hazard maps, designates a floodplain administrator, adopts administrative procedures, coordinates with the building code, and adopts criteria for development in flood hazard areas. In addition, Chapter 22 - Buildings and Building Regulations and Appendix F - Fees and Fines have been amended accordingly.

Mrs. Ann Marie Townshend, Director of Planning and Community Development, reminded members that the proposed amendment provided an update of the City's floodplain regulations as required by the Federal Emergency Management Agency (FEMA) in order to be compliant with the regulations under the National Flood Insurance Program. She noted that the new flood insurance rate

maps would go into effect July 7, 2014 and the City was required to have all Code amendments in place by that time. She stated that Proposed Ordinance #2014-09 was a model ordinance developed by a consultant with the Department of Natural Resources and Environmental Control (DNREC) who had worked with FEMA to make sure it was FEMA approved and coordinated with the City's Building Code adopted (the International Code Council Codes).

In response to Mrs. Williams, Mrs. Townshend advised members that the City was currently in the National Flood Insurance Program and, as such, residents could obtain flood insurance, and that if the City were not to adopt the proposed ordinance, their eligibility could be in jeopardy.

Mrs. Williams moved for adoption of the proposed ordinance, seconded by Mr. Dixon and by a unanimous roll call vote, Council adopted Ordinance #2014-09 *(Exhibit #2).*

Proposed Ordinance #2014-10 - FY2014 Budget Amendment

Members were provided Proposed Ordinance #2014-10 - FY2014 Budget Amendment for their consideration.

Mrs. Donna Mitchell, Controller/Treasurer, reminded members that the proposed ordinance would amend the benefits for healthcare accounting, some projects, and revenues for FY2014.

Mr. Slavin moved for adoption of the proposed ordinance, seconded by Mr. Lynn and by a unanimous roll call vote, Council adopted Ordinance #2014-10 *(Exhibit #3).*

Proposed Ordinance #2014-14 Amending Appendix D - Downtown Dover Business Improvement District (DDBID), Article III - Establishment of DDBID, Section 3 - Geographic Boundaries, and Section 5 - Management Company

Members were provided Proposed Ordinance #2014-14, amending Appendix D - Downtown Dover Business Improvement District (DDBID), Article III - Establishment of DDBID, Section 3 - Geographic Boundaries, and Section 5 - Management Company of the Dover Code, for their consideration.

Mrs. Ann Marie Townshend, Director of Planning and Community Development, reminded members that the proposed amendment would name the Downtown Dover Partnership (DDP) as the "management company" for the Business Improvement District and remove the requirement that a majority of the management company's Board of Directors be owners or owners' designees of commercial properties within the Business Improvement District.

Responding to Mrs. Williams, Mrs. Townshend stated that the main purpose of the amendment was to bring the City into compliance with the State statute for the BID ordinance. She stated that there would be no change in the voting for the DDP; however, the DDP had recently approved a change in the by-laws that would require that the DDP Board of Directors have five (5) commercial property owners or designees, as permitted under the State statute and Dover Code. She confirmed that voting on issues is based on simple majority.

Mr. Anderson moved for adoption of the proposed ordinance, seconded by Mr. Lynn and by a unanimous roll call vote, Council adopted Ordinance #2014-14, as follows:

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

That Appendix D - Downtown Dover Business Improvement District, Article III - Establishment of the Dover Downtown Business Improvement District, Section 3 - Geographic Boundaries, and Section 5 - Management Company of the Dover Code be amended to read as follows:

Section 1. Purpose.

The creation of the Dover Downtown Business Improvement District is designed to assist in the revitalization of the city's downtown and adjoining commercial district by providing enhanced municipal services via a commercial property surtax. The district is created pursuant to chapter 15, title 22, Delaware Code (22 Del. C. § 1501 et seq.) (hereafter, the "enabling legislation").

Section 2. Establishment.

The mayor and council hereby create a business improvement district to be known as the "Dover Downtown Business Improvement District" ("DDBID"), which district shall be bounded, governed and administered in accordance with this appendix D.

Section 3. Geographic boundaries.

The geographic boundaries of the DDBID shall not exceed the boundaries of the downtown redevelopment target area as defined in Appendix C - Downtown Redevelopment.

Section 4. Duration of DDBID.

The city council shall have the right to dissolve the DDBID or change the designation of the management company at any time.

Section 5. Management company.

(a) *Authorized*. The DDBID shall be governed by the Downtown Dover Partnership, a management company specifically authorized by this ordinance and organized under the not-for-profit corporation provisions of the Delaware General Corporation Law (8 Del. C. § 101 et seq.).

(b) *Certification of incorporation*. The city solicitor, as incorporator of the company, shall prepare and cause, or amend, the certificate of incorporation to be filed with the secretary of State of Delaware, which certificate shall include those requirements set forth in 22 Del. C. § 1504, as amended.

(c) *Membership of company and board of directors*. The management company shall be a corporation comprised of not less than five members or directors respectively who either own a commercial property within the district, or are the designee of such owner.

(d) *Company reports*. The management company shall file with the finance department and with the city clerk a monthly financial report and shall also provide an operating report monthly. The City of Dover shall annually review the performance of the management company and shall prepare for public inspection a report which certifies that the management company is in compliance with its enabling ordinance, its certificate of incorporation and bylaws, and the provisions of this appendix and 22 Del. C. ch. 15 (22 Del. C. § 1501 et seq.); the management company is fiscally sound; and the management company has not discriminated against any person based upon race, sex, national origin, religion, age or disability.

Section 6. Services.

Except as limited by the enabling legislation, the DDBID may use proceeds of the special assessments to provide for the following services, directly or by contract: promotional events, business training and education; streetscape and store design services and assistance; marketing and advertising; economic development; market analysis and planning studies; security services; sidewalk sanitation; [and] downtown signage and lighting.

Section 7. Assessment base.

The assessment base through which the annual budget of the DDBID shall be funded shall be the real property assessment value as established by city property tax records for the qualified property in the assessment zone.

Section 8. Properties exempt from assessment.

(a) All exclusively residential properties having not more than four rental units shall be exempt from assessment.

(b) All properties which are (i) exempt from the city's real property tax and (ii) owned by either churches or the federal, state or local government shall be exempt from assessment.

(c) All assessment appeals shall be taken directly to the management company.

Section 9. Method of assessment.

(a) The management company shall assess each assessable property within the district by multiplying the total service and improvement cost as reflected in the adopted budget for each year (less any allocated surplus or estimated revenue from other sources) by the ratio of the amount of such assessable property's assessment base to the total amount of the assessment base for all assessable properties in the district or, if the district is divided into assessment zones, in the respective assessment zone, provided that, in all cases, the assessment base shall be the one designated in the enabling legislation and this appendix by the city to fund the district; and provided, further, that notwithstanding the above, the management company shall have the power to impose an assessment of a minimum amount.

(b) The management company shall by resolution authorize the payment of such assessments annually.

(c) All assessments imposed by the management company shall constitute a lien on each property so assessed, the nonpayment of which shall be collectible in the same manner as the collection of a property tax delinquency by the city in which the district lies. No action taken to enforce a claim by the management company for the annual payment shall affect the status of any subsequent installment of the same or the next assessment, each of which shall constitute a lien upon the property.

(d) Each year the city assessor shall provide the management company with a list of the assessed values of all properties located within the DDBID which are subject to assessment hereunder, as well as the:

(i) Name and address of the owner(s) of each such property; and

(ii) The address and parcel number of each such property.

(e) There shall be three assessment zones in the district as set forth in the attached map. Zones 1, 2 and 3 shall provide 50 percent, 40 percent and ten percent of the budget assessment.

(f) The annual budget and assessment zones shall be established by the management company and submitted to [the] city council for approval on or before the first council meeting in May each year. The budget shall be based on services and improvements authorized by this ordinance and shall be approved by [the] council on or before the second meeting in June. Once the budget is approved by [the] city council, the city assessor shall supply to the management company the necessary information to determine the assessments and assessment rate. The assessment rate shall be approved and accepted by [the] council on or before the second meeting in June each year. The billing and assessment year shall run from July 1 to June 30. Assessment notices shall be mailed on or before the tenth working day of July each year. Assessments not paid by August 1 shall bear a penalty of 1½ percent per month.

Section 10. Limitations on authority.

The management company shall have all of the powers and authorities described and listed in 22 Del. C. § 1504(b), as amended; provided, however, that it shall be prohibited from incurring capital debt and owning real property with funds acquired through the DDBID revenues.

ADOPTED: JUNE 9, 2014

COUNCIL MEMBERS' ANNOUNCEMENTS

Mr. Slavin reminded everyone that the African American Festival will be held on June 28, 2014 on the Legislative Mall.

Mr. Lynn stated for those viewing the meeting from home this evening, that a Budget Hearing had been scheduled for Wednesday, June 11, 2014, at 6:30 p.m., and that it was imperative for viewers to attend to have their voices heard and that members of City Council welcomed all to share their views.

Mr. Anderson informed everyone that on June 10, 2014 at 6:00 p.m., at Mt. Zion AME Church, 101 N. Queen Street, a Mayoral Candidates Forum would be held and invited all to attend. In addition, he announced that the Mayoral Election would be held on June 17, 2014 from 7:00 a.m. to 8:00 p.m. at the Dover Elk's Lodge on Saulsbury Road and encouraged everyone to vote for the person of their choice.

Mrs. Williams moved to adjourn into executive session, seconded by Mr. Lynn and unanimously carried.

Meeting adjourned at 8:55 P.M.

TRACI A. McDOWELL
CITY CLERK

All orders, ordinances, and resolutions adopted by City Council during their Regular Meeting of June 9, 2014, are hereby approved.

DAVID L. BONAR
VICE-MAYOR ACTING

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Exhibits
Exhibit #1 - Grant-in-Aid Policy
Exhibit #2 - Ordinance #2014-09 Amending Chapter 50 - Floods
Exhibit #3 - Ordinance #2014-10 - FY 2013-2014 Budget Ordinances - Second Amendment

CITY OF DOVER

GRANT-IN-AID APPLICATION INSTRUCTIONS

Funding Requests Are Due No Later Than 4:30 p.m., Friday, November 1, 20xx.

City of Dover
Finance Department
P.O. Box 475
Dover, Delaware 19903
OR
Finance Department
Weyandt Hall
5 E. Reed Street, Suite 300
Dover, Delaware 19901

Applications can be downloaded from the City website

To save the document to your computer from the website you must do the following:

- Go the http://
- Click on the Grant-In-Aid Application link;
- Right-click on the Word document (FY15 GIA Application.doc);
- Left click on Save As or Save Target As;
- Select where to save the file.

For technical assistance for downloading document please call the Finance Department at 302-736-7018.

FUNDING REQUESTS ARE DUE ON OR BEFORE FRIDAY NOVEMBER 1, 20xx.

This funding request format has been designed to provide for a tightly focused and informative presentation of the organization's request for funds based on a clear statement of the organization's purpose (or goals and objectives); a concise description, the financing requirements, and anticipated accomplishments for each of the programs or services being offered to meet these purposes; and the resulting total organization projections of income and expenses.

PLEASE READ ALL THE MATERIAL CAREFULLY BEFORE PREPARING THE REQUEST.

Additional supplemental material may be requested by the Grant-in-Aid Committee.

We are requesting that each organization provide the **original** and **one copy** of the funding request **and one copy of your most recent audit and the audit's management letter or a compilation statement, by a Certified Public Accountant or independent Public Accountant.**

DO NOT SUBMIT TAX FORMS.

Please number each page and indicate organization name on each page.
Please do not staple your application.

GENERAL DIRECTIONS

1. Fiscal Year - Your budget request from the State of Delaware is for the period July 1, 2014 through June 30, 2015.

   Information involving audited data or historical financial data will be based on your organization's fiscal year. The information for prior year would be taken from your organization's audit or compilation statement.

   PLEASE NOTE:

   Organizations using fiscal years should apply the following:

Prior Year -	FY 2013
Current Year -	FY 2014
Proposed Year -	FY 2015

   Organizations using calendar years should apply the following:

Prior Year -	2012
Current Year -	2013
Proposed Year -	2014

2. Rounding Figures - All figures should be rounded to the nearest hundred dollar.

3. Labeling - Please type the organization name clearly on each form as the forms may be separated during processing.

4. COMPLETE ENTIRE APPLICATION - ANSWER ALL QUESTIONS; EXPLAIN WHY A PARTICULAR QUESTION MAY NOT APPLY TO YOUR ORGANIZATION.

5. Forward completed application by November 1, 20xx, to:

Finance Department
Weyandt Hall
P.O. Box 475
Dover, Delaware 19903

OR

Controller/Treasurer
Weyandt Hall
5 E. Reed Street, Suite 300
Dover, Delaware 19901

POLICY OBJECTIVE

The purpose of this policy is to standardize the method by which the City of Dover provides financial assistance for community events sponsored by non-profit organizations that benefit all of the Citizens of Dover or enhances the City's Economic Development initiatives.

The applicant must be a non-profit organization incorporated in the State of Delaware and is located in the City of Dover. Any public funding request will be limited to the purpose of this policy as described above.

All City of Dover policies are to subject to the City of Dover Charter Part II Code of Ordinances Chapter 2, Article 1, Division 4 "Code of Conduct", which is "**applicable to all elected and appointed officials and to all employees of the City of Dover."**

In consideration of these guidelines and policies, one's interpretation should be on a strict, rather than loose, construction basis, and obviously, the objective should not be to rationalize ways and means for circumvention.

The City of Dover Grant-In-Aid Policy will be reviewed every three years by the Mayor and City Council.

GUIDELINES FOR FY 2015 GRANTS-IN-AID

A. Only non-profit organizations are eligible to apply for Grant-In-Aid.

B. No funds will be appropriated for the purpose of paying personnel cost, relocation, purchasing buildings or rehabilitation or renovation of buildings.

C. In order for an organization to be considered for a Grant-In-Aid for FY 2015, the organization must:

1. Be incorporated, non-profit (or under umbrella of parent organization which is incorporated, non-profit). Your organization must be incorporated and in operation for at least two years prior to July 1, 2014.

2. Have By-laws that clearly state the purpose of the Corporation and include definition of duties of Board of Directors.

3. Have an active, community-represented, volunteer Board of Directors that sets policies, goals and objectives, and maintains minutes of regularly scheduled meetings and any special meetings. Have programs that are unduplicated, and satisfy unmet human needs of the community.

4. Have personnel policies, including job descriptions and classifications.

5. No organization shall use Grant-in-Aid funding to pay any part of an elected official's salary.

6. Have competent executives, competent staffing and reasonable facilities.

7. Practice non-discrimination.

8. Have accounting (budget) procedures and an annual audit.

9. Use funds in accordance with the application.

10. Demonstrate community support.

11. Request funds only for a program which does not receive full funding from other sources of revenue.

Instructions: Form 1

MANAGEMENT ORGANIZATION

Official Name:	Indicate legal name of organization on Incorporation Certificate or other legal documents. Please list any additional names your organization uses-if a trade name or other operating name is used.
Address of Management Office:	Where should correspondence and checks, etc., be forwarded? **If you use a P.O. Box, please include your street address.**
Physical Address	This is to be provided in case a site visit by a member of the City Council or their staff is required.
Contact Representative:	List name, address, daytime phone number and e-mail address of the individual who would best be able to provide any additional information that may be requested.
Indicate:	Names of Directors and Officers.

Instructions: Form 2

ORGANIZATION BACKGROUND

Please provide the organization background in a concise narrative as follows:

1. Organization mission statement;

2. **Organization location(s), days and hours of operation.**

Instructions: Form 3

REVENUE

This form requests the total revenue for your organization.

Note that the categories are by sources of revenue as follows:

Federal Government
State Government
City Government
In-Kind City Services (estimated value)
Investment
Sale of Materials Dues
Contributions or Donations
Miscellaneous Other

Also, Federal Government and State Government require further breakdowns as shown on the form. Be sure to include details on all sources for Federal and State Government revenues.

The total of all revenue should be shown on the Total Revenue Line.

Note that the GIA received for the prior and current fiscal years is requested. However, for the proposed year, Grant in Aid under City of Dover is blanked out. The GIA for the proposed fiscal year is to be reflected on Form 6, Line 6.

Instructions: Form 4

DISBURSEMENTS

This form is used to report all disbursements by your organization by category of disbursements.

The top portion of the page is used to report operating expenses of your organization.

The lower portion is used to report non-expense disbursements by various categories.

Total Expenses and the Total Non-Expense Disbursements should be reported on the Total Disbursement line at the bottom of the form.

Instructions: Form 5

FEDERAL & STATE GRANTS

This form requests a reporting of all funding your organization has received through the Federal & State Grants.

List the project name, fiscal year in which the award was made, and the amount.

Instructions: Form 6

SUMMARY

This report consolidates the revenue (Form 3) and disbursements (Form 4).

Line 1 Total revenue from Form 3.

Line 2 Total disbursements from Form 4.

Line 3 Operating surplus/deficit - difference between Line 1 and Line 2.

Line 4 Carryover - This line should reflect for the previous year's column the available balance from the beginning of the year.

For the current year's balance, this line should reflect the amount on Line 5 for the previous year.

For the proposed year, this line should reflect the amount on Line 5 for the current year.

Line 5 Net surplus/deficit - combine Lines 3 and 4.

Line 6 Grant-in-Aid Request. Please show awards for the previous year and current year in the first two columns. The amount of the Grant-in-Aid your organization is requesting should be reflected on this line for the proposed year.

If you are using more than one Form 7, the total of all these forms (Form 7, Line 12) should total Form 6, Line 6.

Line 7 **The total of all your programs (Line 7) should equal your Proposed Year Grant-in-Aid Request (Line 6).**

Instructions: Form 7

PROGRAM INFORMATION

Note: One page is required for each program.

Line 1 Program Name & Target Population: indicate name of program and who the service is targeting. How do you make the target population aware of the service?

Line 2 Program Description - indicate the activities associated with this program.

Line 3 Which other community organizations provide this or similar services? Indicate what other community organizations are providing similar services.

Line 4 How will the program obtain its objective & how will the outcomes be measured? Describe how these activities will address the program description and how you will measure your success.

Line 5 What progress has been made in the past year to achieve program objectives? How successful were you in the last year in meeting program objectives?

Line 6 Number of people served.

Line 7 Service measure - what measurable means are there to reflect the service provided.

Example: Hours of training provided, nights of shelter provided.

Line 8 Amount of service provided - this should reflect the total number of people served by the measure selected.

Example: If ten people (the same people or different people) were trained for five hours per day, 250 days per year, the amount of service would be 12,500 hours of training.

Line 9 Program revenue.

Line 10 Program disbursements

Line 11 Difference between Lines 9 and 10.

Line 12 Program Grant-in-Aid - Proposed year should reflect that portion of Form 6, Line 6 that applies to this program.

Instructions: Form 8

SCHEDULE OF POSITIONS & SALARIES

Please list all positions filled by your organization, the number of employees in each position, and the salary and salary range of each position.

Instructions: Form 9

LETTER OF BOARD APPROVAL

Indicate that your organization meets the provisions of the six conditions and the date that the application was approved by the Board of Directors of your organization.

FINANCIAL STATEMENT – Form 10

A copy of an audit along with the management letter or a compilation statement, by a Certified Public Accountant or independent Public Accountant, is requested. If this is unavailable, please complete the Sample Forms (A-B-C) in order to comply with the request for an audit.

The audit and the management letter or compilation statement should be for the fiscal year most recently completed.

DO NOT SEND TAX FORMS IN PLACE OF AN AUDIT OR FINANCIAL STATEMENTS.

CITY OF DOVER
GRANT-IN-AID APPLICATION FORM

FY 2016

FUNDING REQUESTS ARE DUE NO LATER THAN (TIME, DAY, DATE).

Official Name of Organization: _____

Date of Incorporation: _____

9 digit Federal Employer Identification No.: ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐

Contact Representative: _____

Phone Number (daytime): _____

E-mail address: _____

	YES	NO
Are you a first time applicant?	☐	☐
Did you receive a Grant-in-Aid Award in Fiscal Year 2015?	☐	☐
If yes, does this application include a request to fund a new program?	☐	☐
Is your organization receiving or has your organization received Grant in Aid from other government agencies?	☐	☐

If yes, what is the total amount of Grant in Aid money received from other government agencies? $ _____

FORM 1

ORGANIZATION: _____ YEAR: 2015

MANAGEMENT ORGANIZATION

Official Name of Organization: _____

Address of Management Office: _____

_____

Street Address or Location: _____

Physical Location of organization for site visits _____

Phone Number: _____

Contact Representative:

Name: _____

Address: _____

Phone Number: (Daytime) _____

E-Mail Address: _____

Names of Board of Directors and Daytime Telephone Numbers:

_____

_____

_____

_____

Names of Officers and Daytime Telephone Numbers

_____

_____

_____

_____

FORM 2

ORGANIZATION: _____ YEAR: 2016

ORGANIZATION BACKGROUND

ORGANIZATION
MISSION STATEMENT: _____

ORGANIZATION LOCATION(s) where services are actually provided, days and hours of operation for site visits.

FORM 3

ORGANIZATION: _____ YEAR: 2016

REVENUE

Revenue Source	Previous Year	Current Year	Proposed Year
FEDERAL GOVERNMENT			
MEDICARE			
MEDICAID			
GRANTS			
OTHER			
STATE GOVERNMENT			
GRANT IN AID			
CONTRACTS BY STATE AGENCY			
CITY OF DOVER			
GRANT IN AID			**XXXXXXXXXX**
OTHER (LIST)			
INVESTMENTS			
DIVIDENDS & INTEREST			
SALE OF ASSETS			
SALE MATERIALS			
DUES			
CONTRIBUTIONS or DONATIONS			
MISCELLANEOUS			
TOTAL REVENUE			

FORM 4

ORGANIZATION: _____ YEAR: 2016

DISBURSEMENTS

	Previous Year	Current Year	Proposed Year
EXPENSES			
Salaries			
Employee Benefits			
Payroll Taxes			
Professional Fees			
Supplies			
Telephone and Fax			
Postage			
Rent			
Utilities			
Repairs and Maintenance			
Printing and Publications			
Travel, Conferences and Meetings			
Dues			
Assistance to Individuals			
Grants and Awards (other than Grant in Aid)			
Other (List)			
Miscellaneous			
TOTAL EXPENSES			
NON-EXPENSE DISBURSEMENTS			
Equipment			
Vehicles			
Mortgage/Loans			
Investments			
Other			
TOTAL NON-EXPENSE DISBURSEMENTS			
TOTAL DISBURSEMENTS			

FORM 5

ORGANIZATION: _____ YEAR: 2016

5A. FEDERAL & STATE GRANTS

If you are a Federal/State Grant Recipient, please complete this form;

Name of Project	Fiscal Year	Amount
		$

FORM 6

ORGANIZATION: _____ YEAR: 2016

SUMMARY

		Previous Year	Current Year	Proposed Year
1	TOTAL REVENUE on Form 3			
2	TOTAL DISBURSEMENTS on Form 4			
3	OPERATING SURPLUS/DEFICIT			
4	CARRYOVER			
5	NET SURPLUS/DEFICIT			
6	**GRANT IN AID REQUEST**			

	Programs from Form 7 to be funded through Grant in Aid in FY 2016	Amount Requested
7	**TOTAL (THIS LINE SHOULD EQUAL LINE 6 OF PROPOSED YEAR COLUMN)**	

FORM 7

ORGANIZATION: _____ YEAR: 2016

PROGRAM INFORMATION

1. Program Name & Target Population: _____

2. Program Description: _____

3. Which other community organizations provide this or similar services? _____

4. How will the program obtain its objective & how will the outcomes be measured? _____

5. What progress has been made in the past year to achieve the program's objectives? _____

		Previous Year Award	Current Year Award	Proposed Year Request
6.	Number of People Served			
7.	Service Measure			
8.	Amount of Service			
9.	Program Revenue			
10.	Program Disbursements			
11.	Surplus/Deficit			
12.	Amount of Grant in Aid Requested for this Program			

FORM 8

ORGANIZATION: _____ YEAR: 2016

SCHEDULE OF ALL POSITIONS AND SALARIES SUPPORTING ACTUAL EXPENSES AND BUDGET ESTIMATES FOR AGENCY STAFF

Position Title	Number of Positions	Salary Range	Previous Salary	Current Salary	Proposed Salary
		$	$	$	$

FORM 9

ORGANIZATION: _____ YEAR: 2016

(ORGANIZATION)

AGREES:

1. To submit funding requests on the forms provided at the times designated and to participate in the allocations review process.

2. To provide an annual certified audit and other financial statements, service figures, and reports or audits as required by the City of Dover.

3. To cooperate with other organizations, both voluntary and public, in responding to the needs of the community and in promoting high standards of efficiency and effectiveness.

4. To submit accurate information with this application. NOTE: Any misstatement of facts may forfeit any remaining balance of grants due and/or future grants.

5. That this organization meets the criteria established and uses any Grant-in-Aid appropriated by the City Council in accordance with those provisions and any additional restrictions that may be set forth in the Grant-in-Aid policy.

6. This agency agrees to provide the City Controller/Treasurer with financial or programmatic information upon request.

This agreement has been read and approved at the meeting of the governing body of the

_____

(ORGANIZATION'S NAME AND DATE)

BY:

_____

(President or Chairman) DATE

Daytime Phone Number: _____

_____

(Executive Director) DATE

FORM 10

COPY OF MOST RECENT AUDIT

PREPARED BY INDEPENDENT CERTIFIED

PUBLIC ACCOUNTANT OR PUBLIC ACCOUNTANT

SAMPLE A-B-C ATTACHED MAY BE SUBSTITUTED FOR ABOVE IF RECENT AUDIT IS NOT AVAILABLE.

DO NOT SEND TAX FORMS

SAMPLE A

ORGANIZAITON: _____ YEAR: 2016

BALANCE SHEETS FOR FISCAL YEARS ENDING (MONTH) 2014 AND 2015

	(MONTH), 2014	(MONTH), 2015
ASSETS		
Cash		
Accounts Receivable		
Investments – at cost		
(market value $_____)		
PROPERTY AND EQUIPMENT – at cost		
Land		
Buildings and Improvements		
Furniture and Equipment		
Transportation Equipment		
Less Accumulated Depreciation		
TOTAL ASSETS		
LIABILITIES AND FUND BALANCES		
Accounts payable and accrued expenses		
Grants designed for future periods		
Fund balances		
Undesignated		
Designated		
TOTAL LIABILITIES AND FUND BALANCES		

SAMPLE B

ORGANIZATION: _____ YEAR: 2016

STATEMENT OF SUPPORT, REVENUE AND EXPENSES

AND CHANGES IN FUND BALANCES FOR YEARS ENDING JUNE 30, 2014 AND 2015

	(MONTH), 2014	(MONTH), 2015
PUBLIC SUPPORT AND REVENUE		
Contributions		
Allocated by United Way of DE		
Fees and grants from government agencies		
Other revenue (losses)		
Investment Income		
Gain(loss) on sale of investments		
Miscellaneous		
EXPENSES		
Program Services		
Supporting Services		
Management and General		
EXCESS (DEFICIENCY) OF PUBLIC SUPPORT		
AND REVENUE OVER EXPENSES		
FUND BALANCES		
Beginning of year previously reported		
End of Year		

SAMPLE C

ORGANIZATION: _____ YEAR: 2016

STATEMENTS OF FUNCTIONAL EXPENSES YEARS ENDING (MONTH), 2014 AND 2015

	Program Services	Supporting Services	Total Expenses Year ending (MONTH), 2014
Salaries			
Employee Benefits			
Payroll Taxes			
Professional Fees			
Supplies			
Telephone & Utilities			
Postage and Shipping			
Rent			
Maintenance			
Printing and Publications			
Travel			
Conferences & Meetings			
Assistance to Individuals			
Membership Dues			
Awards and Grants			
Miscellaneous			
Depreciation			

	Program Services	Supporting Services	Total Expenses Year ending (MONTH), 2015
Salaries			
Employee Benefits			
Payroll Taxes			
Professional Fees			
Supplies			
Telephone & Utilities			
Postage and Shipping			
Rent			
Maintenance			
Printing and Publications			
Travel			
Conferences & Meetings			
Assistance to Individuals			
Membership Dues			
Awards and Grants			
Miscellaneous			
Depreciation			

CITY OF DOVER ORDINANCE #2014-09

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

That Chapter 50 – Floods, of the Dover Code of Ordinances, be amended by deleting it in its entirety and inserting in lieu thereof the following:

Chapter 50 FLOODS

ARTICLE I – IN GENERAL

Sec. 50-1. Findings.

The Federal Emergency Management Agency (FEMA) has identified special flood hazard areas within the boundaries of the City of Dover, Delaware. Special flood hazard areas are subject to periodic inundation which may result in loss of life and property, health and safety hazards, disruption of commerce and governmental services, extraordinary public expenditures for flood protection and relief, and impairment of the tax base, all of which adversely affect the public health, safety and general welfare. Development that is inadequately elevated, improperly floodproofed, or otherwise unprotected from flood damage also contribute to the flood loss.

The City of Dover agreed to meet the requirements of the National Flood Insurance Program and was accepted for participation in the program on September 16, 1982. As of that date or the initial effective date of the City of Dover Flood Insurance Rate Map, all development and new construction as defined herein, are to be compliant with these regulations and the flood load and flood-resistant construction provisions of the building code.

Sec. 50-2. Statement of purpose.

It is the purpose of these regulations to promote the public health, safety and general welfare, and to:

(A) Protect human life, health and welfare;

(B) Encourage the utilization of appropriate construction practices in order to prevent or minimize flood damage in the future;

(C) Minimize flooding of water supply and sanitary sewage disposal systems;

(D) Maintain natural drainage;

(E) Reduce financial burdens imposed on the community, its governmental units and its residents, by discouraging unwise design and construction of development in areas subject to flooding;

(F) Minimize the need for rescue and relief efforts associated with flooding and generally undertaken at the expense of the general public;

(G) Minimize prolonged business interruptions;

(H) Minimize damage to public facilities and other utilities such as water and gas mains, electric, telephone and sewer lines, streets and bridges;

(I) Reinforce that those who build in and occupy special flood hazard areas should assume responsibility for their actions;

(J) Minimize the impact of development on adjacent properties within and near flood prone areas;

(K) Provide that the flood storage and conveyance functions of the floodplain are maintained;

(L) Minimize the impact of development on the natural and beneficial functions of the floodplain;

(M) Prevent floodplain uses that are either hazardous or environmentally incompatible; and

(N) Meet community participation requirements of the National Flood Insurance Program as set forth in the Code of Federal Regulations at 44 C.F.R. Section 59.22.

Sec. 50-3. Areas to which these regulations apply.

These regulations shall apply to all special flood hazard areas within the jurisdiction of the City of Dover, as identified in Section 50-4.

Sec. 50-4. Basis for establishing special flood hazard areas.

For the purposes of these regulations, and for the purpose of establishing flood hazard areas in the building code [Section 1612.3 and Table R301.2(1)], the following are adopted by reference as a part of these regulations and serve as the basis for establishing special flood hazard areas:

(A) The FEMA Flood Insurance Study for Kent County, Delaware and Incorporated Areas dated July 7, 2014 and all subsequent amendments and/or the most recent revision thereof.

(B) The FEMA Flood Insurance Rate Map for Kent County, Delaware and Incorporated Areas dated July 7, 2014 , and all subsequent amendments and/or the most recent revision thereof.

(C) Other hydrologic and hydraulic engineering studies and/or maps prepared pursuant to these regulations or for other purposes, and which establish base flood elevations, delineate 100-year floodplains, floodways or other areas of special flood hazard.

(D) The City of Dover may identify and regulate new local flood hazard or ponding areas. These areas should be delineated and adopted on a "Local Flood Hazard Map" using best available topographic data and locally derived information such as flood of record, historic high water marks or approximate study methodologies.

(E) Where field surveyed topography indicates that ground elevations are below the closest applicable base flood elevation, even in areas not delineated as a special flood hazard area on a flood hazard map, the area shall be considered as special flood hazard area.

Maps and studies that establish special flood hazard areas are on file at the City of Dover Department of Planning and Inspections.

Sec. 50-5. Abrogation and greater restrictions.

These regulations are not intended to repeal or abrogate any existing ordinances including subdivision regulations, zoning ordinances or building codes. In the event of a conflict between these regulations and any other ordinance, the more restrictive shall govern. These regulations shall not impair any deed restriction, covenant or easement, but the land subject to such interests shall also be governed by these regulations.

Sec. 50-6. Interpretation.

In the interpretation and application of these regulations, all provisions shall be:

(A) Considered as minimum requirements;

(B) Liberally construed in favor of the governing body;

(C) Deemed neither to limit nor repeal any other powers granted under state statutes; and

(D) Where a provision of these regulations may be in conflict with a state or Federal law, such state or Federal law shall take precedence, where more restrictive.

Sec. 50-7. Warning and disclaimer of liability.

The degree of flood protection required by these regulations is considered reasonable for regulatory purposes and is based on scientific and engineering considerations. Larger floods can and will occur on rare occasions. Flood heights may be increased by man-made or natural causes. These regulations do not imply that land outside of the special flood hazard areas or uses that are permitted within such areas will be free from flooding or flood damage. These regulations shall not create liability on the part of the City of Dover, any officer or employee thereof, or the Federal Emergency Management Agency, for any flood damage that results from reliance on these regulations or any administrative decision lawfully made thereunder.

50-8. Severability.

Should any section or provision of these regulations be declared by the courts to be unconstitutional or invalid, such decision shall not affect the validity of the regulations as a whole, or any part thereof other than the part so declared to be unconstitutional or invalid.

Secs. 50-9—50-19. Reserved.

ARTICLE II. ADMINISTRATION

50-20. Designation of the floodplain administrator.

The city planner is hereby appointed to administer and implement these regulations and is referred to herein as the floodplain administrator. The floodplain administrator is authorized to: (A) Fulfill the duties and responsibilities set forth in these regulations, (B) Delegate duties and responsibilities set forth in these regulations to qualified technical personnel, plan examiners, inspectors, and other employees, or (C) Enter into a written agreement or written contract with another jurisdiction or agency, or private sector entity to administer specific provisions of these regulations, upon receiving necessary approvals. Administration of any part of these regulations by another entity shall not relieve the community of its responsibilities pursuant to the participation requirements of the National Flood Insurance Program as set forth in the Code of Federal Regulations at 44 C.F.R. Section 59.22.

50-21. Duties and responsibilities of the floodplain administrator.

The duties and responsibilities of the floodplain administrator shall include but are not limited to:

(A) Coordinate with the building official to support administration, interpretation, and enforcement of the flood load and flood-resistant construction provisions of the building code.

(B) Review applications for permits to determine whether proposed activities will be located in special flood hazard areas.

(C) Interpret floodplain boundaries and provide flood elevation and flood hazard information.

(D) Review applications to determine whether proposed activities will be reasonably safe from flooding.

(E) Review applications to determine whether all necessary permits have been obtained from those Federal, state or local agencies from which prior or concurrent approval is required.

(F) Verify that applicants proposing to alter or relocate a watercourse have notified adjacent communities and the Delaware Department of Natural Resources and Environmental Control (Division of Watershed Stewardship), and have submitted copies of such notifications to the Federal Emergency Management Agency.

(G) Issue permits to develop in special flood hazard areas when the provisions of these regulations have been met, or disapprove the same in the event of noncompliance.

(H) Inspect special flood hazard areas to determine compliance with these regulations or to determine if noncompliance has occurred or violations have been committed.

(I) Review submitted Elevation Certificates for completeness.

(J) Submit to FEMA data and information necessary to maintain flood hazard maps, including hydrologic and hydraulic engineering analyses prepared by or for the City of Dover, corrections to labeling or planimetric details, etc.

(K) Maintain and permanently keep all records for public inspection that are necessary for the administration of these regulations including Flood Insurance Rate Maps, Letters of Map Amendment and Revision, records of issuance and denial of permits, determinations of whether development is in or out of special flood hazard areas for the purpose of issuing permits, elevation certificates, other required certifications, variances, and records of enforcement actions taken for violations of these regulations.

(L) Enforce the provisions of these regulations.

(M) Assist with and coordinate flood hazard map maintenance activities.

(N) Conduct, with the building official, determinations as to whether existing buildings and structures damaged by any cause and located in special flood hazard areas, have been substantially damaged.

(O) Make reasonable efforts to notify owners of substantially damaged buildings and structures of the need to obtain a permit prior to repair, rehabilitation, or reconstruction, and to prohibit the non-compliant repair of substantially-damaged buildings except for temporary emergency protective measures necessary to secure a property or stabilize a structure to prevent additional damage.

(P) Undertake, as determined appropriate by the floodplain administrator due to the circumstances, other actions which may include but are not limited to: issuing press releases, public service announcements, and other public information materials related to permit requests and repair of damaged structures; coordinating with other Federal, state, and local agencies to assist with substantial damage determinations; providing owners of damaged structures materials and other information related to the proper repair of damaged structures in special flood hazard areas; and assisting owners with National Flood Insurance Program claims for Increased Cost of Compliance payments.

(Q) Notify the Federal Emergency Management Agency when the corporate boundaries of the City of Dover have been modified.

50-22. Permits required.

It shall be unlawful for any person or entity to begin construction or other development which is wholly within, partially within, or in contact with any identified special flood hazard area, as established in Section 50-4, including but not limited to: subdivision of land, filling, grading, or other site improvements and utility installations; placement or replacement of a manufactured home; recreational vehicles; installation or replacement of storage tanks; or alteration of any watercourse, until a permit is obtained from the City of Dover. These regulations are intended to be administered and enforced in conjunction with the building code. No permit shall be issued until the requirements of these regulations and, as applicable, the flood load and flood-resistant construction provisions of the building code, have been met. Permit fees shall be as provided for in Appendix F – Fees and Fines.

50-23. Application required.

Application for a permit shall be made by the owner of the property or his/her authorized agent, herein referred to as the applicant, prior to the actual start of construction. The application shall be on a form furnished for that purpose. For applications for buildings and structures, these required minimum contents of the application are in addition to the requirements of the building code.

(A) Application contents.

At a minimum, applications shall include:

(1) Site plans drawn to scale showing the nature, location, dimensions, existing and proposed topography of the area in question, the limits of any portion of the site that was previously filled, and the location of existing and proposed structures, excavation, filling, storage of materials, drainage facilities, and other proposed activities.

(2) Elevation of the existing natural ground where structures are proposed, referenced to the datum on the Flood Insurance Rate Map, and an Elevation Certificate that shows the ground elevation and proposed building elevations (identified in Section C of the Elevation Certificate as "Construction Drawings").

(3) Delineation of special flood hazard areas, floodway boundaries, flood zones, and base flood elevations. Where surveyed natural ground elevations are lower than the base flood elevations, base flood elevations shall be used to delineate the boundary of special flood hazard areas. If proposed, changes in the delineation of special flood hazard areas shall be submitted to and approved by FEMA in accordance with Section 50-23(B). Where special flood hazard areas are not delineated or base flood elevations are not shown on the flood hazard maps, the floodplain administrator has the authority to require the applicant to use information provided by the floodplain administrator, information that is available from other sources, or to determine such information using accepted engineering practices.

(4) For subdivision proposals and development proposals containing at least 50 lots or at least 5 acres, whichever is the lesser, and where base flood elevations are not shown on Flood Insurance Rate Maps, hydrologic and hydraulic engineering analyses and studies as required by Section 50-31(D).

(5) Elevation of the lowest floor, including basement, or elevation of the bottom of the lowest horizontal structural member, as applicable to the flood zone, of all proposed structures, referenced to the datum on the Flood Insurance Rate Maps.

(6) Such other material and information as may be requested by the Floodplain Administrator necessary to determine conformance with these regulations.

(7) For work on an existing structure, including any improvement, addition, repairs, alterations, rehabilitation, or reconstruction, sufficient information to determine if the work constitutes substantial improvement, including:

(a) Documentation of the market value of the structure before the improvement is started or before the damage occurred.

(b) Documentation of the actual cash value of all proposed improvement work, or the actual cash value of all work necessary to repair and restore damage to the before damaged condition, regardless of the amount of work that will be performed.

(8) Certifications and/or technical analyses prepared or conducted by an appropriate design professional licensed in the State of Delaware, as appropriate to the type of development activity proposed and required by these regulations and the building code:

(a) Floodproofing Certificate for dry floodproofed non-residential structures, as required by the building code.

(b) Certification that flood openings that do not meet the minimum requirements for non-engineered openings but designed to automatically equalize hydrostatic flood forces, as required by the building code.

(c) Technical analyses to document that the flood carrying capacity of any watercourse alteration or relocation will not be diminished and documentation of maintenance assurances as required in Section 50-40(C).

(d) Hydrologic and hydraulic engineering analyses demonstrating that the cumulative effect of proposed development, when combined with all other existing and anticipated development will not increase the water surface elevation of the base flood by more than one foot in special flood hazard areas where the Federal Emergency Management Agency has provided base flood elevations but has not delineated a floodway, as required by Section 50-40(B).

(e) Hydrologic and hydraulic engineering analyses of any development proposed to be located in an identified floodway, as required by Section 50-40(A).

(f) Hydrologic and hydraulic engineering analyses to develop base flood elevations for subdivisions and large-lot developments, as required by Section 50-31(D) or otherwise required by the floodplain administrator.

(B) Right to submit new technical data.

The applicant has the right to seek a Letter of Map Change and to submit new technical data to FEMA regarding base maps, topography, special flood hazard area boundaries, floodway boundaries, and base flood elevations. Such submissions shall be prepared in a format acceptable by FEMA and the floodplain administrator shall be notified of such submittal. Submittal requirements and processing fees shall be the responsibility of the applicant.

(C) Requirement to submit new technical data.

The Floodplain Administrator shall notify FEMA of physical changes affecting flood hazard areas and flooding conditions by submitting technical or scientific data as soon as practicable, but not later than six (6) months after the date such information becomes available. The Floodplain Administrator has the authority to require applicants to submit technical data to FEMA for Letters of Map Change.

50-24. Review, approval or disapproval.

(A) Review.

The floodplain administrator shall:

(1) Review applications for development in special flood hazard areas to determine the completeness of information submitted. The applicant shall be notified of incompleteness or additional information required to support the application.

(2) Review applications for compliance with these regulations after all information required in Section 50-23 or identified and required by the floodplain administrator has been received.

(3) Review all permit applications to assure that all necessary permits have been received from those federal, state or local governmental agencies from which prior approval is required. The applicant shall be responsible for obtaining such permits, including but not

limited to:

(a) Permits issued by the U.S. Army Corps of Engineers under Section 10 of the Rivers and Harbors Act and Section 404 of the Clean Water Act, and the Delaware Environmental Protection Agency under Section 401 of the Clean Water Act.

(b) Permits required by the State of Delaware.

(4) Permit fees shall be as provided for in Appendix F – Fees and Fines.

(B) Approval or disapproval.

The floodplain administrator shall approve applications that comply with the applicable requirements of these regulations. The Floodplain administrator shall disapprove applications for proposed development that does not comply with the applicable provisions of these regulations and shall notify the application of such disapproval, in writing, stating the reasons for disapproval.

(C) Expiration of permit.

A permit is valid provided the actual start of construction occurs within 180 days of the date of permit issuance. If the actual start of construction is not within 180 days of the date of permit issuance, requests for extensions shall be submitted in writing. Upon reviewing the request and the permit for continued compliance with these regulations, the Floodplain Administrator may grant, in writing, one or more extensions of time, for periods not more than 180 days each. Permit fees shall be as provided for in Appendix F – Fees and Fines.

50-25. Inspections.

The Floodplain Administrator shall make periodic inspections of development permitted in special flood hazard areas, at appropriate times throughout the period of construction in order to monitor compliance. In addition to the inspections required by the building code, such inspections may include:

(A) Stake-out inspection, to determine location on the site relative to the special flood hazard area and floodway.

(B) Foundation inspection, upon placement of the lowest floor and prior to further vertical construction, to collect information or certification of the elevation of the lowest floor.

(C) Enclosure inspection, including crawlspaces, to determine compliance with applicable provisions.

(D) Utility inspection, upon installation of specified equipment and appliances, to determine appropriate location with respect to the base flood elevation.

(E) Storage of Materials.

50-26. Submissions required prior to issuance of a certificate of occupancy.

The following certifications are required to be submitted by the permittee for development that is permitted in special flood hazard areas prior to the issuance of a Certificate of Occupancy:

(A) For new or substantially improved residential structures or nonresidential structures that have been elevated, an Elevation Certificate that shows the ground elevation and finished elevations (identified in Section C of the Elevation Certificate as “Finished Construction”).

(B) For nonresidential structures that have been dry floodproofed, a Floodproofing Certificate based

on “Finished Construction” (identified in Section II).

(C) For all development activities subject to the requirements of Section 50-23(B), a Letter of Map Revision shall be provided.

50-27. Flood insurance rate map use and interpretation.

The floodplain administrator shall make interpretations, where needed, as to the exact location of special flood hazard areas, floodplain boundaries, and floodway boundaries. The following shall apply to the use and interpretation of special flood hazard maps and data:

(A) In FEMA-identified special flood hazard areas where base flood elevation and floodway data have not been identified and in areas where FEMA has not identified special flood hazard areas, any other flood hazard data available from a federal, state, or other source shall be reviewed and reasonably used. When a Preliminary Flood Insurance Rate Map has been provided by FEMA to identify base flood elevations where such elevations were not previously shown, the base flood elevations on the Preliminary Flood Insurance Rate Map shall be used.

(B) Special flood hazard area delineations, base flood elevations, and floodway boundaries on FEMA maps and in FEMA studies shall take precedence over delineations, base flood elevations, and floodway boundaries by any other source that reflect a reduced special flood hazard area, reduced floodway width and/or lower base flood elevations.

(C) Other sources of data shall be reasonably used, with the approval of the floodplain administrator, if they show increased base flood elevations and/or larger floodway areas than are shown on FEMA flood maps and studies.

(D) Where field surveyed topography indicates that ground elevations are below the base flood elevation, even in areas not delineated as a special flood hazard on a flood hazard map, the area shall be considered as special flood hazard area.

Secs. 50-28—50-29. Reserved.

ARTICLE III. REQUIREMENTS IN ALL SPECIAL FLOOD HAZARD AREAS

50-30. Application of requirements.

The general requirements of this section apply to all development proposed within special flood hazard areas identified in Section 50-4.

50-31. Subdivisions and developments.

(A) All subdivision and development proposals shall be consistent with the need to minimize flood damage and are subject to all applicable standards in these regulations.

(B) All subdivision and development proposals shall have utilities and facilities such as sewer, gas, electrical, and water systems located and constructed to minimize flood damage.

(C) All subdivision and developments proposals shall have adequate drainage provided to reduce exposure to flood damage.

(D) All subdivision proposals and development proposals containing at least 50 lots or at least 5 acres, whichever is the lesser, in FEMA-delineated special flood hazard areas where base flood elevation data are not available, shall be supported by hydrologic and hydraulic engineering analyses that determine base flood elevations and floodway delineations. The analyses shall be prepared by a licensed professional engineer in a format required by FEMA for a Conditional Letter of Map Revision or Letter of Map Revision. Submittal requirements and processing fees

shall be the responsibility of the applicant.

50-32. Protection of water supply and sanitary sewage systems.

(A) New and replacement water supply systems shall be designed to minimize or eliminate infiltration of flood waters into the systems.

(B) New and replacement sanitary sewage systems shall be designed to minimize or eliminate infiltration of floodwaters into systems and discharges from systems into floodwaters.

(C) On-site waste disposal systems shall be located to avoid impairment to or contamination from them during conditions of flooding.

50-33. Buildings and structures.

All new construction of buildings and structures, including placement of manufactured homes and substantial improvements to existing buildings and structures, that are to be located, in whole or in part, in special flood hazard areas shall comply with flood load and flood-resistant construction requirements of the building code.

50-34. Fill.

(A) Disposal of fill, including but not limited to rubble, construction debris, woody debris, and trash, shall not be permitted in special flood hazard areas.

(B) Where permitted by the building code (Zones A, AE, and AO), fill placed for the purpose of raising the ground level and to support a building or structure shall meet the following requirements:

(1) Extend laterally from the building footprint to provide for adequate access, as a function of use; the Floodplain Administrator may seek advice from the Fire Marshal's Office and/or the local fire services agency.

(2) Placed and compacted to provide for stability under conditions of rising and falling floodwaters and resistance to erosion, scour, and settling.

(3) Consist of soil or rock materials only.

(4) Sloped no steeper than one (1) vertical on two (2) horizontal, unless approved by the Floodplain Administrator.

(5) Designed with provisions for adequate drainage and no adverse effect on adjacent properties.

(C) Fill placed for a purpose other than to support a building or structure shall meet the requirements of Section 50-(B)(2) through (B)(5).

50-35. Historic structures.

As specified by the building code, repair, alteration, or rehabilitation of historic structures shall be subject to the requirements of the building code unless a determination is made that compliance will preclude a structure's continued designation as a historic structure and a variance is granted in accordance with Section 50-46 and such variance is the minimum necessary to preserve the historic character and design of the structure.

50-36. Recreational vehicles.

(A) Recreational vehicles in special flood hazard areas shall be fully licensed and ready for highway use, and shall be placed on a site for less than 180 consecutive days.

(B) Recreational vehicles that are not fully licensed and ready for highway use, or that are to be placed on a site for more than 180 consecutive days, shall meet the requirements of Section 50-38 for manufactured homes.

50-37. Gas or liquid storage tanks.

(A) Underground tanks in special flood hazard areas shall be anchored to prevent flotation, collapse or lateral movement resulting from hydrostatic loads, including the effects of buoyancy, during conditions of the base flood.

(B) Above-ground tanks in special flood hazard areas shall be elevated and anchored to or above the base flood elevation plus 18 inches or shall be anchored at- grade and designed and constructed to prevent flotation, collapse, or lateral movement resulting from hydrodynamic and hydrostatic loads, including the effects of buoyancy, during conditions of the base flood.

(C) In special flood hazard areas, tank inlets, fill openings, outlets and vents shall be:

(1) At or above the base flood elevation or fitted with covers designed to prevent the inflow of floodwater or outflow of the contents of the tanks during conditions of the base flood.

(2) Anchored to prevent lateral movement resulting from hydrodynamic and hydrostatic loads, including the effects of buoyancy, during conditions of the base flood.

50-38. Manufactured homes.

(A) **Elevation.** All new and replacement manufactured homes to be placed or substantially improved in a flood hazard area shall be elevated such that the bottom of the lowest horizontal structural supporting member of lowest floor of the manufactured home is elevated to or above the base flood elevation plus 18 inches.

(B) **Foundations**. All new and replacement manufactured homes, including substantial improvement of existing manufactured homes, shall be placed on permanent, reinforced foundations that are designed in accordance with Section R322 of the residential code based on the applicable flood zone identified on the FIRM.

(C) **Anchoring.** All new and replacement manufactured homes to be placed or substantially improved in a special flood hazard area shall be installed using methods and practices which minimize flood damage. Manufactured homes shall be securely anchored to an adequately anchored foundation system to resist flotation, collapse and lateral movement. The anchor and tie-down specifications of the manufacturer are permitted, provided such specifications are specific to installation in special flood hazard areas. This requirement is in addition to applicable state and local anchoring requirements for resisting wind forces.

(D) **Enclosures.** Fully enclosed areas below elevated manufactured homes shall comply with the requirements of Section R322 of the residential code based on the applicable flood zone identified on the FIRM.

(E) **Protection of mechanical equipment and outside appliances.** Mechanical equipment and outside appliances shall comply with the requirements of Section R322 for protection of mechanical and electrical systems.

50-39. Accessory structures.

Accessory structures shall meet the requirements of these regulations. Accessory structures that have a footprint of no more than 200 square feet may be allowed without requiring elevation or floodproofing provided such structures meet all of the following requirements:

(A) Useable only for parking or limited storage;

(B) Constructed with flood damage-resistant materials below the base flood elevation;

(C) Constructed and placed to offer the minimum resistance to the flow of flood waters;

(D) Firmly anchored to prevent flotation, collapse, and lateral movement;

(E) Electrical service and mechanical equipment elevated to or above the level of the base flood elevation plus 18 inches; and

(F) Equipped with flood openings that meet the requirements of Section R322.2.2 of the residential code.

(G) For guidance, see FEMA Technical Bulletin #7 – *Wet Floodproofing Requirements*.

50-40. Protection of flood-carrying capacity.

(A) Development in floodways.

Within any floodway area designated on the Flood Insurance Rate Map, no encroachments, including fill, new construction, substantial improvements, or other development shall be permitted unless it has been demonstrated through hydrologic and hydraulic engineering analysis that the proposed encroachment would not result in any increase in flood levels within the community during the occurrence of the base flood discharge. Such technical data shall be submitted to the Floodplain Administrator and to FEMA. The analyses shall be prepared by a licensed professional engineer in a format required by FEMA for a Conditional Letter of Map Revision or Letter of Map Revision. Submittal requirements and processing fees shall be the responsibility of the applicant.

The proposed development activity may be permitted if the analyses demonstrate that the activity:

(1) Will not result in any increase in the base flood elevation; or

(2) Will result in an increase in the base flood elevation, provided a Conditional Letter of Map Revision has been issued by FEMA and the applicant completes all of the following:

(a) Submits technical data required in Section 50-23(A)(8)(e);

(b) Evaluates alternatives which would not result in increased base flood elevations and an explanation why these alternatives are not feasible;

(c) Certifies that no structures are located in areas which would be impacted by the increased base flood elevation;

(d) Documents that individual legal notices have been delivered to all impacted property owners to explain the impact of the proposed action on their properties;

(e) Requests and receives concurrence of the City Manager of the City of Dover and the Chief Executive Officer of any other community impacted by the proposed actions; and

(f) Notifies the Delaware Department of Natural Resources and Environmental Control (Division of Watershed Stewardship).

(B) Development in areas with base flood elevations but no foodways.

For development activities in a special flood hazard area with base flood elevations but no designated floodways, the applicant shall develop hydrologic and hydraulic engineering analyses and technical data reflecting the proposed activity and shall submit such analyses and data to the Floodplain Administrator and to FEMA. The analyses shall be prepared by a licensed professional engineer in a format required

by FEMA for a Conditional Letter of Map Revision or Letter of Map Revision. Submittal requirements and processing fees shall be the responsibility of the applicant.

The proposed development activity may be permitted if the analyses demonstrate that the cumulative effect of the proposed development activity, when combined with all other existing and potential special flood hazard area encroachments will not increase the base flood elevation more than 1.0 (one) foot at any point.

(C) Deliberate alterations of a watercourse.

For the purpose of these regulations, a watercourse is deliberately altered when a person causes a change to occur within its banks. Deliberate changes to a watercourse include, but are not limited to: widening, deepening or relocating of the channel; installation of culverts; construction of bridges, and excavation or filling of the channel or watercourse banks.

For any proposed deliberate alteration of a watercourse, the applicant shall develop hydrologic and hydraulic engineering analyses and technical data reflecting such changes and submit such technical data to the Floodplain Administrator and to FEMA. The analyses shall be prepared by a licensed professional engineer in a format required by FEMA for a Conditional Letter of Map Revision or Letter of Map Revision. Submittal requirements and processing fees shall be the responsibility of the applicant.

The proposed alteration of a watercourse may be permitted upon submission, by the applicant, of the following:

(1) Documentation of compliance with Section 50-40(A) if the alteration is in a floodway or Section 50-40(B) if the alteration is in a watercourse with base flood elevations but no floodway.

(2) A description of the extent to which the watercourse will be altered or relocated as a result of the proposed development.

(3) A certification by a licensed professional engineer that the bankful flood-carrying capacity of the watercourse will not be diminished.

(4) Evidence that adjacent communities, the U.S. Army Corps of Engineers, and the Delaware Department of Natural Resources and Environmental Control (Division of Watershed Stewardship) have been notified of the proposal and evidence that such notifications have been submitted to the Federal Emergency Management Agency.

(5) Evidence that the applicant shall be responsible for providing the necessary maintenance for the altered or relocated portion of the watercourse so that the flood carrying capacity will not be diminished. The Floodplain Administrator may require the permit holder to enter into an agreement with the City of Dover specifying the maintenance responsibilities; if an agreement is required, the permit shall be conditioned to require that the agreement be recorded on the deed of the property which shall be binding on future owners.

Secs. 50-41—50-45. Reserved.

ARTICLE IV. VARIANCES.

50-46. Variances.

The City of Dover Construction Code Appeals Committee shall have the power to authorize, in specific cases, such variances from the requirements of these regulations and the flood load and flood load and flood-resistant construction of the building code, not inconsistent with Federal regulations, as will not be contrary to the public

interest where, owing to special conditions of the lot or parcel, a literal enforcement of the provisions of these regulations would result in unnecessary hardship.

(A) Application for a Variance.

(1) Any owner, or agent thereof, of property for which a variance is sought shall submit an application for a variance to the Floodplain Administrator.

(2) At a minimum, such application shall contain the following information: Name, address, and telephone number of the applicant; legal description of the property; parcel map; description of the existing use; description of the proposed use; location of the floodplain; description of the variance sought; and reason for the variance request. Each variance application shall specifically address each of the considerations in Section 50-46(B) and the limitations and conditions of Section 50-46(C).

(B) Considerations for variances.

In considering variance applications, the City of Dover Construction Code Appeals Committee shall consider and make findings of fact on all evaluations, all relevant factors, requirements specified in other sections of these regulations, and the following factors:

(1) The danger that materials may be swept onto other lands to the injury of others.

(2) The danger to life and property due to flooding or erosion damage.

(3) The susceptibility of the proposed development and its contents (if applicable) to flood damage and the effect of such damage on the individual owner.

(4) The importance of the services provided by the proposed development to the community.

(5) The availability of alternative locations for the proposed use which are not subject to, or are subject to less, flooding or erosion damage.

(6) The necessity to the facility of a waterfront location, where applicable, or if the facility is a functionally dependent use.

(7) The compatibility of the proposed use with existing and anticipated development.

(8) The relationship of the proposed use to the comprehensive plan for that area.

(9) The safety of access to the property in times of flood for ordinary and emergency vehicles.

(10) The expected heights, velocity, duration, rate of rise, and sediment transport of the flood waters and the effects of wave action, if applicable, expected at the site.

(11) The costs of providing governmental services during and after flood conditions, including maintenance and repair of public utilities and facilities such as sewer, gas, electrical, and water systems, and streets and bridges.

(C) Limitations for variances.

(1) An affirmative decision on a variance request shall only be issued upon:

(a) A showing of good and sufficient cause. A “good and sufficient” cause is one that deals solely with the physical characteristics of the property and cannot be based on the character of the planned construction or substantial improvement, the personal characteristics of the owner or inhabitants, or local provisions that regulate standards other than health and public safety standards.

(b) A determination that failure to grant the variance would result in exceptional hardship due to the physical characteristics of the property.

(c) Increased cost or inconvenience of meeting the requirements of these regulations does not constitute an exceptional hardship to the applicant.

(d) A determination that the granting of a variance for development within any designated floodway, or special flood hazard area with base flood elevations but no floodway, will not result in increased flood heights beyond that which is allowed in these regulations.

(e) A determination that the granting of a variance will not result in additional threats to public safety; extraordinary public expense, nuisances, fraud on or victimization of the public, or conflict with existing local laws.

(f) A determination that the structure or other development is protected by methods to minimize flood damages.

(g) A determination that the variance is the minimum necessary, considering the flood hazard, to afford relief.

(2) Upon consideration of the individual circumstances, the limitations and conditions, and the purposes of these regulations, the City of Dover Construction Code Appeals Committee may attach such conditions to variances as it deems necessary to further the purposes of these regulations.

(3) The City of Dover Construction Code Appeals Committee shall notify any applicant in writing to whom a variance is granted for a building or structure with a lowest floor elevation below the base flood elevation that the variance is to the floodplain management requirements only, and that the cost of federal flood insurance will be commensurate with the increased risk.

Secs. 50-47—50-49. Reserved.

ARTICLE V. ENFORCEMENT

50-50. Compliance required.

(A) No structure or land development shall hereafter be located, erected, constructed, reconstructed, repaired, extended, converted, enlarged or altered without full compliance with these regulations and all other applicable regulations which apply to uses within the jurisdiction of these regulations.

(B) Failure to obtain a permit shall be a violation of these regulations and shall be punishable in accordance with Section 50-51.

(C) Permits issued on the basis of plans and applications approved by the Floodplain Administrator authorize only the specific activities set forth in such approved plans and applications or amendments thereto. Use, arrangement, or construction of such specific activities that is contrary to that authorized shall be deemed a violation of these regulations.

50-51. Violations and Penalties

(a) Violation of any provision or requirement of this ordinance or violation of any statement, plan, application, permit or certificate approved under the provisions of this ordinance shall be considered a misdemeanor.

(b) The owner, general agent or contractor of a building, premises, or part thereof, where such a violation had been committed or does exist, shall be guilty of such misdemeanor.

(c) Any agent, contractor, architect, builder, corporation or other person who commits, takes part or assists in such violation shall be guilty of such misdemeanor.

(d) The imposition of a fine or penalty for any violation of, or noncompliance with, this article shall not excuse the violation or noncompliance or permit it to continue; and all such persons shall be required to correct or remedy such violations or noncompliances within a reasonable time. Each day that a violation continues after due notice has been served shall be deemed a separate offense.

(e) Penalties for violations or non-compliance shall be as provided for in Appendix F – Fees and Fines.

ARTICLE VI. DEFINITIONS

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning. Where terms are not defined in these regulations and are defined in the building code, such terms shall have the meanings ascribed to them in that code.

Accessory structure: For the purposes of these regulations, a structure on the same lot with, and of a nature customarily incidental and subordinate to, the principal structure.

Area of shallow flooding: A designated Zone AO on a community's Flood Insurance Rate Map with a one percent annual chance or greater of flooding to an average depth of one to three feet where a clearly defined channel does not exist, where the path of flooding is unpredictable, and where velocity flow may be evident. Such flooding is characterized by ponding or sheet flow.

Base flood: The flood having a one percent chance of being equaled or exceeded in any given year; the base flood also is referred to as the 100-year flood (or the 1%-annual-chance flood).

Base flood discharge: The volume of water resulting from a Base Flood as it passes a given location within a given time, usually expressed in cubic feet per second (cfs).

Base flood elevation: The elevation of the base flood, including wave height, relative to the National Geodetic Vertical Datum (NGVD), North American Vertical Datum (NAVD) or other datum specified on the community's Flood Insurance Rate Map.

Basement: Any area of the building having its floor subgrade (below ground level) on all sides.

Building Code: The family of building codes specifically adopted by the City of Dover in the Dover Code of Ordinances – Chapter 22 – Buildings and Building Regulations. The code that applies to one- and two-family dwellings is referred to as the "residential code."

Development: Any manmade change to improved or unimproved real estate, including but not limited to buildings or other structures, placement of manufactured homes, mining, dredging, filling, grading, paving, excavation or drilling operations or storage of equipment or materials.

Dry floodproofing: A combination of measures which results in a structure, including attendant utilities and equipment, being watertight with all elements substantially impermeable and with structural components having the capacity to resist flood loads.

Elevation Certificate: The *National Flood Insurance Program, Elevation Certificate* (FEMA Form 086-0-33), used to document building elevations and other information about buildings. When required to be certified, the form shall be completed by a licensed professional land surveyor.

Federal Emergency Management Agency (FEMA): The federal agency with the overall responsibility for administering the National Flood Insurance Program.

FEMA Technical Bulletin: A series of guidance documents published by FEMA to provide guidance concerning building performance standards of the National Flood Insurance Program. See sections where specific TBs are identified.

Flood *or* Flooding: A general and temporary condition of partial or complete inundation of normally dry land areas from:

(1) The overflow of inland or tidal waters, and/or
(2) The unusual and rapid accumulation or runoff of surface waters from any source.

Flood damage-resistant materials: Any construction material capable of withstanding direct and prolonged contact with floodwaters without sustaining any damage that requires more than cosmetic repair. See FEMA Technical Bulletin #2 – *Flood Damage-Resistant Materials Requirements* and FEMA Technical Bulletin #8 – *Corrosion Protection for Metal Connectors in Coastal Areas.*

Flood Insurance Rate Map (FIRM): An official map on which the Federal Emergency Management Agency (FEMA) has delineated both the special flood hazard areas and the risk premium zones applicable to the community.

Zone A: Special flood hazard areas inundated by the 1% annual chance flood; base flood elevations are not determined.

Zone AE: Special flood hazard areas subject to inundation by the 1% annual chance flood; base flood elevations are determined; floodways may or may not be determined.

Zone AO: Areas of shallow flooding, with or without a designated average flood depth.

Zone X (shaded): Areas subject to inundation by the 500-year flood (0.2% annual chance); areas subject to the 1% annual chance flood with average depths of less than 1 foot or with contributing drainage area less than 1 square mile; and areas protected by levees from the base flood.

Zone X (unshaded): Areas determined to be outside the 1% annual chance flood and outside the 500-year floodplain.

Flood Insurance Study: The official report provided by the Federal Emergency Management Agency (FEMA) containing the Flood Insurance Rate Map (FIRM), the Flood Boundary and Floodway Map (FBFM), the water surface elevations of the base flood and supporting technical data.

Floodplain: Any land area susceptible to being inundated by water from any source (see "Flood" or "Flooding").

Floodproofing Certificate: The *National Flood Insurance Program, Floodproofing Certificate for Non-Residential Structures* (FEMA Form 86-0-34), used by registered professional engineers and architects to certify dry floodproofing designs.

Floodway: The channel of a river or other watercourse and the adjacent land areas that must be reserved in order to pass the base flood discharge such that the cumulative increase in the water surface elevation of the base flood discharge is no more than a designated height.

Functionally dependent use: A use which cannot perform its intended purpose unless it is located or carried out in close proximity to water; the term includes only docking facilities, port facilities that are necessary for the loading and unloading of cargo or passengers, and ship building and ship repair facilities, but does not include long-term storage or related manufacturing facilities.

Highest adjacent grade: The highest natural elevation of the ground surface prior to construction next to the proposed walls of a structure.

Historic structure: Any structure that is:

(1) Individually listed in the National Register of Historic Places (a listing maintained by the U.S. Department of Interior) or preliminarily determined by the Secretary of the Interior as meeting the requirements for individual listing on the National Register;
(2) Certified or preliminarily determined by the Secretary of the Interior as contributing to the historical significance of a registered historic district or a district preliminarily determined by the Secretary to qualify as a registered historic district.

Hydrologic and hydraulic engineering analysis: An analysis performed by a professional engineer, licensed in the State of Delaware, in accordance with standard engineering practices as accepted by FEMA, used to determine the base flood, other frequency floods, flood elevations, floodway information and boundaries, and flood profiles.

Letter of Map Change: A Letter of Map Change is an official FEMA determination, by letter, to amend or revise an effective Flood Insurance Rate Map, Flood Boundary and Floodway Map, and Flood Insurance Study. Letters of Map Change include:

Letter of Map Amendment (LOMA): An amendment based on technical data showing that a property was inadvertently included in a designated special flood hazard area. A LOMA amends the current effective Flood Insurance Rate Map and establishes that a specific property is not located in a special flood hazard area.

Letter of Map Revision (LOMR): A revision based on technical data that may show changes to flood zones, flood elevations, floodplain and floodway delineations, and planimetric features. One common type of LOMR, a Letter of Map Revision Based on Fill (LOMR-F), is a determination that a structure or parcel of land has been elevated by fill above the base flood elevation and is, therefore, no longer exposed to flooding associated with the base flood; in order to qualify for this determination, the fill must have been permitted and placed in accordance with these regulations.

Conditional Letter of Map Revision (CLOMR): A formal review and comment as to whether a proposed flood protection project complies with the minimum National Flood Insurance Program requirements for such projects with respect to delineation of special flood hazard areas. A CLOMR does not amend or revise effective Flood Insurance Rate Maps, Flood Boundary and Floodway Maps, or Flood Insurance Studies; upon submission to and approval of certified as-built documentation, a Letter of Map Revision may be issued.

Lowest floor: The lowest floor of the lowest enclosed area, including basement, but excluding any unfinished or flood-resistant enclosure, usable solely for vehicle parking, building access or limited storage

provided that such enclosure is not built so as to render the structure in violation of the non-elevation requirements specified in the building code for enclosures below the lowest floor.

Manufactured home: A structure, transportable in one or more sections, which is built on a permanent chassis and is designed for use with or without a permanent foundation when connected to the required utilities. The term "manufactured home" does not include a "recreational vehicle".

New construction: Buildings and structures for which the "start of construction" commenced on or after September 16, 1982, including any subsequent improvements to such structures

Person: An individual or group of individuals, corporation, partnership, association, or any other entity, including state and local governments and agencies.

Recreational vehicle: A vehicle which is built on a single chassis, 400 square feet or less when measured at the largest horizontal projection, designed to be self- propelled or permanently towable by a light duty truck, and designed primarily not for use as a permanent dwelling but as temporary living quarters for recreational, camping, travel, or seasonal use.

Special flood hazard area: The land in the floodplain subject flood hazards and shown on a Flood Insurance Rate Map as Zones A, AE, and AO. The term includes areas shown on other flood hazard maps that are specifically listed or otherwise described in Section 50-4.

Start of construction: The date of issuance of permits for new construction and substantial improvements to existing structures, provided the actual start of construction, repair, reconstruction, rehabilitation, addition, placement, or other improvement was within 180 days after the date of issuance. The actual start means the first placement of permanent construction of a building (including a manufactured home) on a site, such as the pouring of a slab or footings, installation of pilings, or construction of columns. Permanent construction does not include land preparation (such as clearing, grading and filling), the installation of streets or walkways, excavation for a basement, footings, piers, or foundations, the erection of temporary forms or the installation of accessory buildings such as garages or sheds not occupied as dwelling units or not part of the main building. For a substantial improvement, the actual “start of construction” means the first alteration of any wall, ceiling, floor, or other structural part of a building, whether or not that alteration affects the external dimensions of the building.

Structure (or building): That which is built or constructed.

Substantial damage: Damage of any origin sustained by a structure whereby the cost of restoring the structure to its before damaged condition would equal or exceed 50 percent of the market value of the structure before the damage occurred.

Substantial improvement: Any repair, alteration, reconstruction, rehabilitation, addition, or other improvement of a structure, the cost of which equals or exceeds 50 percent of the market value of the structure before improvement or repair is started. If the structure has sustained substantial damage, any repairs are considered substantial improvement regardless of the actual repair work performed. The term does not, however, include any project for improvement of a building required to correct existing health, sanitary, or safety code violations identified by the building official and that are the minimum necessary to assure safe living conditions.

Violation: The failure of a structure or other development to be fully compliant with the community’s flood plain management regulations. A structure or other development without the Elevation Certificate, other

certifications, or other evidence of compliance required in these regulations is presumed to be in violation until such time that documentation is provided.

ARTICLE VII. APPLICABILITY

For the purposes of jurisdictional applicability, this ordinance shall apply in the City of Dover, Delaware. This ordinance shall apply to all applications for development, including building permit applications and subdivision proposals, submitted on or after July 7, 2104.

BE IT FURTHER ORDAINED:

That Chapter 22 – Buildings and Building Regulations, Article III – Building Code, Section 22-61 – Adopted, (a) International Building Code adopted, Section 1612.3 - Establishment of flood hazard areas, of the Dover Code, be amended by deleting it in its entirety and inserting in lieu thereof the following:

Section 1612.3: Flood Insurance Study for the City of Dover, dated July 7, 2014, or as subsequently amended or revised.

That Chapter 22 – Buildings and Building Regulations, Article III – Building Code, Section 22-61 – Adopted, (a) International Residential Code adopted, Section R301.2, Table R301.2(1) Climatic and Geographic Design Criteria, of the Dover Code, be amended by deleting it in its entirety and inserting in lieu thereof the following:

Table R301.2(1) Climatic and Geographic Design Criteria

Ground Snow Load	Wind Design		Seismic Design Category [f]	Subject to Damage From			Winter Design Temp [e]	Ice Barrier Under-layment Required [h]	Flood Hazards [g]	Air Freezing Index ;sup\sup;	Mean Annual Temperature [j]
	Speed [d] (mph)	Topographic effects [k]		Weathering [a]	Frost line Depth ;sup\sup;	Termite [c]					
25	95 gust 77 fastest	NO	A	Severe	24"	Moderate To Heavy	14°	NO	Adopted in Chapter 50 of the Code of the City of Dover	450	55°

BE IT FURTHER ORDAINED:

That Chapter 22 – Buildings and Building Regulations, Article III – Building Code, Section 22-61 – Adopted, (a) International Building Code adopted, be amended by inserting Section 1612.4.1, as follows:

Section 1612.4.1 Elevation requirements. The minimum elevation requirements shall be as specified in ASCE 24 or the base flood elevation plus 18 inches, whichever is higher.

BE IT FURTHER ORDAINED:

That Chapter 22 – Buildings and Building Regulations, Article III—Building Code, Section 22-61 – Adopted, International Residential Code Adopted, be amended by inserting the following:

Table R301.2(1), footnote (g): September 16, 1982, Flood Insurance Study for Kent County and Incorporated Areas], dated July 7, 2014, or as subsequently amended or revised.

R322.2.1 Elevation requirements.

1. Buildings and structures in flood hazard areas not designated as Coastal A Zones shall have the lowest floors elevated to or above the base flood elevation plus 18 inches or the design flood elevation, whichever is higher.
2. Buildings and structures in flood hazard areas designated as Coastal A Zones shall have the lowest floors elevated to or above the base flood elevation plus 1 foot (305 mm), or to the design flood elevation, whichever is higher.
3. In areas of shallow flooding (AO Zones), buildings and structures shall have the lowest floor (including basement) elevated at least as high above the highest adjacent grade as the depth number specified in feet on the FIRM plus 18 inches or at least 3.5 feet if a depth number is not specified.
4. Basement floors that are below grade on all sides shall be elevated to or above the base flood elevation plus 18 inches or the design flood elevation, whichever is higher.

Exception: Enclosed areas below the design flood elevation, including basements whose floors are not below grade on all sides, shall meet the requirements of Section R322.2.2.

BE IT FURTHER ORDAINED:

That Appendix F – Fees and Fines, Chapter 50 – Floods, be amended to read as follows:

Chapter 50 - Floods, Article II. Administration		
50-22. Permits required.	Permit	$50.00
	Permit Extension	$25.00
	Violation and non-compliance; penalties	Not less than $25.00 nor more than $100.00, plus cost of prosecution

ADOPTED: JUNE 9, 2014

SYNOPSIS

The proposed amendment replaces Chapter 50 – Floods, of the Dover Code of Ordinances in its entirety, adopts flood hazard maps, designates a floodplain administrator, adopts administrative procedures, coordinates with the building code, and adopts criteria for development in flood hazard areas. Additionally, Chapter 22 – Buildings and Building Regulations and Appendix F – Fees and Fines have been amended accordingly.

Actions History
06/09/2014 - Final Reading at Council/Adopted
05/27/2014 - First Reading at Council
04/28/2014 - Introduced at the Legislative, Finance, and Administration Committee

CITY OF DOVER ORDINANCE # 2014-10
2013-2014 BUDGET ORDINANCES - SECOND AMENDMENT

GENERAL FUND
REVENUES AND BUDGET FOR 2013-2014

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:
The amount hereinafter named aggregating Forty-One Million, Ninety-Seven Thousand dollars ($41,097,000) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the Fiscal Year beginning July 1, 2013 and ending June 30, 2014:

	ORIGINAL 2013/14 BUDGET	REVISED 2013/14 BUDGET
BEGINNING BALANCE	$ 3,455,200	$ 4,219,800
REVENUES		
FINES AND POLICE REVENUE	666,000	573,900
INVESTMENT INCOME	75,000	40,000
LIBRARY REVENUES	66,600	70,500
KENT COUNTY BOOK REIMBURSEMENT	400,000	460,000
BUSINESS LICENSES	1,460,000	1,460,000
PERMITS AND OTHER LICENSES	1,167,500	1,332,500
MISCELLANEOUS CHARGES	63,300	53,100
POLICE EXTRA DUTY	650,000	650,000
PROPERTY TAXES	11,120,000	11,046,000
BID REVENUE	49,500	49,500
RECREATION REVENUE	133,000	148,800
FRANCHISE FEE	606,200	636,000
TRASH FEES	2,676,500	2,595,600
RENT REVENUE - GARRISON FARM	118,500	118,500
COURT OF CHANCERY FEES	863,200	1,002,200
REVENUES SUBTOTAL	20,115,300	20,236,600
INTERFUND SERVICE RECEIPTS		
INTRAFUND SERVICE RECEIPTS WATER/WASTEWATER	1,134,900	1,360,300
INTRAFUND SERVICE RECEIPTS ELECTRIC	3,319,400	3,572,700
INTERFUND SERVICE RECEIPTS SUBTOTAL	4,454,300	4,933,000
GRANTS		
POLICE RELATED	110,000	126,800
POLICE PENSION GRANT	500,000	500,000
GREEN ENERGY GRANT	98,500	98,500
MISCELLANEOUS GRANTS	25,000	25,000
GRANTS SUBTOTAL	733,500	750,300
TRANSFERS FROM		
TRANSFER TAX	1,315,500	1,393,000
MUNICIPAL STREET AID	527,400	663,900
CIVIL TRAFFIC PENALTIES	600,000	368,400
WATER/WASTEWATER	500,000	500,000
ELECTRIC	8,000,000	8,000,000
OTHER RESERVES	32,000	32,000
TRANSFERS FROM SUBTOTAL	10,974,900	10,957,300
TOTAL REVENUES	36,278,000	36,877,200
TOTALS	**$ 39,733,200**	**$ 41,097,000**

2013-2014 BUDGET ORDINANCES - SECOND AMENDMENT - CONTINUED

GENERAL FUND - EXPENDITURES AND BUDGET BALANCE FOR 2013-2014

DEPARTMENT EXPENSES	ORIGINAL 2013/14 BUDGET	REVISED 2013/14 BUDGET
CITY CLERK	$ 334,400	$ 371,700
COUNCIL	107,800	107,800
TAX ASSESSOR	198,300	208,400
FIRE	692,100	741,600
GROUNDS MAINTENANCE	948,500	1,160,700
LIBRARY	1,330,400	1,336,900
RECREATION	708,200	717,200
LIFE SAFETY	468,200	491,400
CODE INFORCEMENT	377,100	432,300
PLANNING	444,800	422,600
INSPECTIONS	540,300	695,200
ECONOMIC DEVELOPMENT	215,200	215,200
POLICE	13,571,800	13,988,700
POLICE EXTRA DUTY	760,000	776,800
STREETS	603,700	660,300
SANITATION	2,153,800	2,253,500
CITY MANAGER	457,300	460,000
INFORMATION TECHNOLOGY	660,500	740,000
FINANCE	906,500	980,000
PUBLIC WORKS - ADMINISTRATION	425,800	513,100
FACILITIES MANAGEMENT	632,600	689,100
PROCUREMENT & INVENTORY	517,600	559,400
FLEET MAINTENANCE	720,700	770,900
CUSTOMER SERVICES	1,109,400	1,232,200
HUMAN RESOURCES	334,300	393,100
MAYOR	83,300	83,300
DEPARTMENT SUBTOTALS	29,302,600	31,001,400
OTHER EXPENSES		
DEBT SERVICE	557,300	557,300
CONTRIBUTION TO DDP	162,400	162,400
MISCELLANEOUS GRANT RELATED EXPENSES	25,000	25,000
INSURANCE	658,900	658,900
RETIREES HEALTH CARE	1,636,500	1,636,500
OTHER EMPLOYMENT EXPENSES	400,000	118,800
PENSION UNFUNDED LIABILITY	1,159,100	121,000
POLICE PENSION FUND - STATE GRANT	500,000	500,000
POLICE PENSION FUND - UNFUNDED LIABILITY	307,400	689,400
UNCOLLECTIBLES - TRASH AND OTHER	10,000	10,000
STREET LIGHTS	836,000	774,500
OTHER EXPENSE SUBTOTAL	6,252,600	5,253,800
TRANSFERS		
TRANSFER TO CAPITAL FUND - PROJECTS	1,278,300	1,448,800
TRANSFERS SUBTOTAL	1,278,300	1,448,800
TOTAL EXPENDITURES	36,833,500	37,704,000
CURRENT YEAR BALANCE	2,899,700	3,393,000
TOTALS	**$ 39,733,200**	**$ 41,097,000**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: JUNE 9, 2014

2013-2014 BUDGET ORDINANCES - SECOND AMENDMENT - CONTINUED

GOVERNMENTAL CAPITAL PROJECTS FUND
REVENUES AND BUDGET FOR 2013-2014

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:
The amount hereinafter named aggregating Five Million, Three Hundred Thirty-Three Thousand, Six Hundred dollars ($5,333,600) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2013 and ending June 30, 2014:

REVENUES

	ORIGINAL 2013/14 BUDGET	REVISED 2013/14 BUDGET
BEGINNING BALANCE	$ 241,200	$ 2,801,800
BEGINNING BALANCE - LIBRARY PROJECT	(74,700)	256,500
REVENUES		
STATE GRANTS - OTHER	15,000	15,000
CONTRACTOR'S CONTRIBUTIONS	-	264,800
TRANSFER FROM COMMUNITY TRANSPORTATION	-	60,500
TRANSFER FROM GENERAL FUND FOR PROJECTS	1,278,300	1,448,800
TRANSFER FROM MUNICIPAL STREET AID - CAPITAL	-	251,200
TRANSFER FROM PARKLAND RESERVE	95,000	80,000
SUBTOTAL PROJECT RECEIPTS	1,388,300	2,120,300
STATE GRANTS - LIBRARY	-	150,000
LIBRARY CAPITAL PLEDGES	-	5,000
SUBTOTAL LIBRARY PROJECT RECEIPTS	-	155,000
TOTAL REVENUES	1,388,300	2,275,300
TOTAL BEGINNING BALANCE AND REVENUES	**$ 1,554,800**	**$ 5,333,600**

EXPENSE SUMMARY

DEPARTMENT EXPENSES	ORIGINAL 2013/14 BUDGET	REVISED 2013/14 BUDGET
FIRE	$ 238,500	$ 238,500
GROUNDS MAINTENANCE	50,100	50,100
LIBRARY	-	446,500
RECREATION	95,000	172,000
CODE ENFORCEMENT	30,000	30,900
POLICE	257,300	342,400
STREETS	251,500	1,524,600
STREETS - GARRISON FARM INFRASTRUCTURE	-	1,936,100
SANITATION	402,100	395,600
INFORMATION TECHNOLOGY	7,000	7,000
FACILITIES MANAGEMENT	17,800	17,800
PROCUREMENT & INVENTORY	55,000	55,000
DEPARTMENT SUBTOTAL	1,404,300	5,216,500
CURRENT YEAR BALANCE	150,500	117,100
TOTALS	**$ 1,554,800**	**$ 5,333,600**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: JUNE 9, 2014

WATER/WASTEWATER FUND
REVENUES AND BUDGET FOR 2013-2014

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:
The amount hereinafter named aggregating Fourteen Million, One Hundred Eighty Thousand, Three Hundred dollars ($14,180,300) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2013 and ending June 30, 2014:

	ORIGINAL 2013/14 BUDGET	REVISED 2013/14 BUDGET
BEGINNING BALANCE - WATER	$ 770,800	$ 732,700
BEGINNING BALANCE - WASTEWATER	412,600	441,400
BEGINNING BALANCE - KCSA	141,600	(17,300)
TOTAL BEGINNING BALANCES	1,325,000	1,156,800
BASE REVENUE		
WATER FEES	4,730,700	4,396,000
WASTEWATER FEES	3,642,700	3,529,000
WASTEWATER ADJUSTMENT FEES	2,980,300	2,900,000
GROUNDWATER INFLOW ADJUSTMENT	1,324,600	1,302,300
WATER TANK SPACE LEASING	333,800	321,200
SEWER IMPACT FEES	323,000	237,900
WATER IMPACT FEES	357,000	262,700
INTEREST - WATER	9,100	3,900
INTEREST - WASTEWATER	14,000	6,100
MISCELLANEOUS SERVICE FEE	82,000	64,400
TOTAL REVENUES	13,797,200	13,023,500
TOTAL BEGINNING BALANCES AND REVENUES	**$ 15,122,200**	**$ 14,180,300**

WATER/WASTEWATER FUND - EXPENDITURES AND BUDGET BALANCE FOR 2013-2014

DIRECT EXPENSES	ORIGINAL 2013/14 BUDGET	REVISED 2013/14 BUDGET
ENGINEERING & INSPECTION	$ 664,400	$ 499,000
WATER CONSTRUCTION	351,400	340,800
WATER MANAGEMENT	433,900	474,700
WATER TREATMENT PLANT	1,501,800	1,495,200
WASTEWATER MANAGEMENT	945,100	885,700
DIRECT EXPENDITURE SUBTOTAL	3,896,600	3,695,400
OTHER EXPENSES		
DEBT SERVICE - WATER	403,800	403,800
DEBT SERVICE - WASTEWATER	615,700	603,400
RETIREES HEALTH CARE	200,000	200,000
OTHER EMPLOYMENT EXPENSES	25,000	10,800
PENSION UNFUNDED LIABILITY	339,400	-
KENT COUNTY TREATMENT CHARGE	3,524,800	4,030,000
INTRAFUND SERVICE FEES	1,233,400	1,458,800
OTHER EXPENSES SUBTOTAL	6,342,100	6,706,800
TRANSFER TO		
GENERAL FUND FROM WATER	250,000	250,000
GENERAL FUND FROM WASTEWATER	250,000	250,000
WATER IMP AND EXT	1,200,000	1,233,200
WASTEWATER IMP AND EXT	1,330,000	1,330,000
TRANSFER TO SUBTOTAL	3,030,000	3,063,200
TOTAL EXPENSES	13,268,700	13,465,400
CURRENT YEAR BALANCES		
CURRENT YEAR BALANCE WATER	1,056,400	658,400
CURRENT YEAR BALANCE WASTEWATER	797,100	(98,500)
CURRENT YEAR BALANCE KCSA	-	155,000
CURRENT YEAR BALANCE SUBTOTALS	1,853,500	714,900
TOTAL CURRENT YEAR BALANCES AND EXPENSES	**$ 15,122,200**	**$ 14,180,300**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: JUNE 9, 2014

2013-2014 BUDGET ORDINANCES - SECOND AMENDMENT - CONTINUED

WATER/WASTEWATER IMPROVEMENT & EXTENSION FUND
CASH RECEIPTS/REVENUES AND BUDGET FOR 2013-2014

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:
The amount hereinafter named aggregating Fifteen Million, Four Hundred Fifty-Four Thousand, Nine Hundred dollars ($15,454,900) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2013 and ending June 30, 2014:

CASH RECEIPTS

	ORIGINAL 2013/14 BUDGET	REVISED 2013/14 BUDGET
PRIOR YEAR BALANCE - WATER	$ 1,620,000	$ 4,473,800
PRIOR YEAR BALANCE - WASTEWATER	660,900	2,807,000
TOTAL BEGINNING BALANCES	2,280,900	7,280,800
RECEIPTS		
BOND PROCEEDS - WATER - 2013 ISSUE	-	3,000,000
BOND PROCEEDS - WASTEWATER - 2013 ISSUE	-	1,067,900
BOND PROCEEDS - WASTEWATER - 2011 ISSUE (DRLP)		62,000
ARBITRAGE REBATE - IRS REFUND	-	66,000
TRANS FROM OPERATING FUND FOR WATER	1,200,000	1,233,200
TRANS FROM OPERATING FUND FOR WASTEWATER	1,330,000	1,330,000
TRANSFER FROM WATER IMPACT FEE RESERVE	390,000	390,000
TRANSFER FROM WASTEWATER IMPACT FEE RESERVE	-	1,000,000
INTEREST INCOME	25,000	25,000
TOTAL RECEIPTS	2,945,000	8,174,100
TOTALS	**$ 5,225,900**	**$ 15,454,900**

EXPENSE SUMMARY

EXPENSES	ORIGINAL 2013/14 BUDGET	REVISED 2013/14 BUDGET
WATER	$ 1,476,800	$ 7,649,700
WASTEWATER	1,251,000	5,252,400
WATER CONSTRUCTION	90,000	90,000
TOTAL EXPENSES	2,817,800	12,992,100
CURRENT YEAR BALANCE - WATER	1,655,700	1,402,800
CURRENT YEAR BALANCE - WASTEWATER	752,400	1,060,000
CURRENT YEAR BALANCE SUBTOTALS	2,408,100	2,462,800
TOTALS	**$ 5,225,900**	**$ 15,454,900**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: JUNE 9, 2014

ELECTRIC REVENUE FUND
REVENUES AND BUDGET FOR 2013-2014

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:
The amount hereinafter named aggregating Ninety-Four Million, Seven Hundred Twenty-Two Thousand, One Hundred dollars ($94,722,100) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2013 and ending June 30, 2014:

	ORIGINAL 2013/14 BUDGET	REVISED 2013/14 BUDGET
BEGINNING BALANCE	$ 7,152,400	$ 6,620,900
BASE REVENUE		
DIRECT SALES TO CUSTOMER	76,286,700	78,792,300
UTILITY TAX	1,492,200	1,309,300
MISCELLANEOUS REVENUE	602,000	579,100
RENT REVENUE	251,000	180,000
GREEN ENERGY	135,800	130,000
INTEREST EARNINGS	119,400	12,000
TRANSFER FROM RATE STABILIZATION	4,000,000	7,000,000
INTRAFUND SERVICE RECEIPTS WATER/WASTEWATER	98,500	98,500
TOTAL REVENUES	82,985,600	88,101,200
TOTALS	**$ 90,138,000**	**$ 94,722,100**

ELECTRIC REVENUE FUND - EXPENDITURES & BUDGET BALANCE FOR 2013-2014

EXPENSES	ORIGINAL 2013/14 BUDGET	REVISED 2013/14 BUDGET
POWER SUPPLY	$ 23,832,000	$ 25,977,700
SOLAR ENERGY	1,565,800	1,729,200
SOLAR RENEWAL ENERGY CREDITS	300,000	352,600
POWER SUPPLY MANAGEMENT	996,000	996,000
PJM CHARGES - ENERGY	12,812,900	17,274,000
PJM CHARGES - TRANSMISSION & FEES	4,740,000	7,420,000
CAPACITY CHARGES	15,787,200	15,614,100
SUB-TOTAL POWER SUPPLY	60,033,900	69,363,600
PLANT OPERATIONS	6,015,800	5,851,600
GENERATION FUELS	-	1,603,800
PJM SPOT MARKET ENERGY	(230,500)	(1,004,500)
PJM CREDITS	(397,000)	(5,314,800)
CAPACITY CREDITS	(15,079,800)	(15,079,800)
GENERATION SUBTOTAL	(9,691,500)	(13,943,700)
POWER SUPPLY & GENERATION SUBTOTAL	50,342,400	55,419,900
DIRECT EXPENDITURES		
TRANSMISSION/DISTRIBUTION	3,302,500	3,776,300
ELECTRICAL ENGINEERING	1,192,200	1,285,300
ADMINISTRATION	597,000	628,400
METER READING	220,300	273,800
SYSTEMS OPERATIONS	543,600	675,800
DIRECT EXPENDITURE SUBTOTALS	5,855,600	6,639,600
OTHER EXPENSES:		
UTILITY TAX	1,492,200	1,309,300
ALLOW FOR UNCOLLECTIBLES	200,000	200,000
CONTRACTUAL SERVICES - RFP'S	100,000	100,000
RETIREES HEALTH CARE	513,300	513,300
OTHER EMPLOYMENT EXPENSES	150,000	125,700
TRANSFER TO PENSION UNFUNDED LIABILITY	1,314,200	-
OPEB UNFUNDED LIABILITY	975,700	975,700
GREEN ENERGY PAYMENT TO DEMEC	135,800	135,800
INTRAFUND SERVICE FEES	3,319,400	3,572,700
INTEREST ON DEPOSITS	27,000	20,000
DEBT SERVICE	3,301,900	3,301,900
OTHER EXPENSES SUBTOTAL	11,529,500	10,254,400
TRANSFER TO		
IMPROVEMENT & EXTENSION	5,448,600	4,918,600
GENERAL FUND	8,000,000	8,000,000
TRANSFER TO SUBTOTAL	13,448,600	12,918,600
TOTAL EXPENSES	81,176,100	85,232,500
CURRENT YEAR BALANCE	8,961,900	9,489,600
TOTALS	**$ 90,138,000**	**$ 94,722,100**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: JUNE 9, 2014

2013-2014 BUDGET ORDINANCES - SECOND AMENDMENT - CONTINUED

ELECTRIC UTILITY IMPROVEMENT AND EXTENSION FUND
CASH RECEIPTS/REVENUES AND BUDGET FOR 2013-2014

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:
The amount hereinafter named aggregating Nine Million, Two Hundred Fifty-two Thousand Three Hundred dollars ($9,252,300) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2013 and ending June 30, 2014:

CASH RECEIPTS

	ORIGINAL 2013/14 BUDGET	REVISED 2013/14 BUDGET
BEGINNING BALANCE	$ 3,091,000	$ 3,868,500
RECEIPTS		
TRANSFER FROM ELECTRIC	5,448,600	4,918,600
GENERAL SERVICE BILLING	440,000	440,000
INTEREST EARNINGS	25,200	25,200
TOTAL RECEIPTS	5,913,800	5,383,800
TOTALS	**$ 9,004,800**	**$ 9,252,300**

EXPENSE SUMMARY

EXPENSES	ORIGINAL 2013/14 BUDGET	REVISED 2013/14 BUDGET
ELECTRIC GENERATION	$ 2,117,800	$ 2,130,000
TRANSMISSION AND DISTRIBUTION	1,100,000	1,144,600
ELECTRICAL ENGINEERING	2,405,800	2,615,500
TOTAL EXPENSES	5,623,600	5,890,100
CURRENT YEAR BALANCE	3,381,200	3,362,200
TOTALS	**$ 9,004,800**	**$ 9,252,300**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: JUNE 9, 2014

PROCLAMATION

WHEREAS, *the Civil Rights Act of 1964 was landmark legislation in the United States that outlawed discrimination based on race, color, religion, sex, or national origin, and July 2, 2014 will mark the 50th anniversary of the signing of this historic Act; and*

WHEREAS, *the Dover Public Library was selected as one of a limited number of institutions nationwide to be awarded a "Created Equal: America's Civil Rights Struggle" grant, which was offered through the "Bridging Cultures" initiative of the National Endowment for the Humanities through its partnership with the Gilder Lehrman Institute of American History; and*

WHEREAS, *to commemorate the signing of the Civil Rights Act, the Dover Public Library, in partnership with the Dover Human Relations Commission and Delaware State University, will offer a series of documentaries recounting the stories of courageous individuals who challenged the social and legal status quo of deeply rooted institutions, from slavery to segregation, to open doors of opportunity for Americans. The series will begin with a viewing of "The Freedom Riders" at the Schwartz Center on July 2, 2014 at 7:00 p.m. and three additional films will be offered at the Dover Public Library during the months of July, August, and September, 2014, with all films to be followed by discussions with civil rights activists or scholars.*

NOW, THEREFORE, I, DAVID L. BONAR, VICE-MAYOR OF THE CITY OF DOVER, DELAWARE *do hereby proclaim July 2, 2014 as* ***CIVIL RIGHTS ACT OF 1964 COMMEMORATION DAY*** *and encourage all residents to participate in the events being offered, educate themselves on the history of civil rights in the United States, and reflect on the ideals of freedom and equality that have helped to bridge cultural and racial division.*

David L. Bonar
Council President/Vice-Mayor
Acting

ACTION FORM

PROCEEDING: City Council

DEPARTMENT OF ORIGIN: Planning & Inspections **DATE SUBMITTED**: 6-12-2014

PREPARED BY: Ann Marie Townshend, AICP, Director of Planning and Community Development

SUBJECT: 238 N New St, Dover, Delaware – Violation of Dangerous Building Ordinance

REFERENCE: Chapter 22, Article XI – Dangerous Buildings, Sec. 22-385 - Hearing before Council and Chapter 22, Article XI - Dangerous Buildings Case # 12-647 & 11-1968

RELATED PROJECT: N/A

APPROVALS: N/A

EXHIBITS: PowerPoint Presentation and File Photos to be presented at the Council meeting.

EXPENDITURE REQUIRED: Preliminary estimate is $15,000 $20,000.

AMOUNT BUDGETED: $247.000.00 Budgeted for all demolitions Citywide in the FY-2014 Budget; As of June 12, 2014, there is $28,439.89 remaining in the line item. The draft FY-2015 budget includes $150.000.00 for all demolitions.

FUNDING SOURCE (Dept./Page in CIP & Budget): 110-1600-534-30-33.

TIMETABLE: As soon as possible.

RECOMMENDED ACTION:

1. Declare this building and all accessory structures on this property dangerous.
2. Order the property repaired or demolished by **July 23, 2014** by the owner or equity owner at their own risk.
3. Order the Building Inspector to cause the repair or demolition of the structures if not completed by the owner **within 10 days of the date established by City Council**.
4. Order the City Manager with the assistance of the City Solicitor to cause the cost of repairs or demolition to be charged against the land on which the building exists as a municipal lien or cause such cost to be added to the tax duplicate as an assessment, or to be levied as a special tax, or to be recovered in a suit at law against the owner.

BACKGROUND AND ANALYSIS

The property is owned by John & Soledad Sullivan. The property is a two-story wood-framed single family home. The house has been vacant since May 9, 2012, and is registered with the City as a Vacant Building. On June 22, 2011, staff from the Planning and Inspections Department condemned the home due to the numerous code violations and the failure of the owner to have a state certified electrical inspection completed. The home was ordered boarded in July of 2011. Currently the home is still vacant, with no utilities and numerous outstanding code violations.

ACTION FORM

PROCEEDING: City Council

DEPARTMENT OF ORIGIN: Planning & Inspections **DATE SUBMITTED**: 6-12-2014

PREPARED BY: Ann Marie Townshend, AICP, Director of Planning and Community Development

SUBJECT: 640 Nimitz Rd, Dover, Delaware – Violation of Dangerous Building Ordinance

REFERENCE: Chapter 22, Article XI – Dangerous Buildings, Sec. 22-385 - Hearing before Council and Chapter 22, Article XI - Dangerous Buildings Case # 14-1537 & 13-1587

RELATED PROJECT: N/A

APPROVALS: N/A

EXHIBITS: PowerPoint Presentation and File Photos to be presented at the Council meeting.

EXPENDITURE REQUIRED: Preliminary estimate is $15,000 $20,000.

AMOUNT BUDGETED: $247.000.00 Budgeted for all demolitions Citywide in the FY-2014 Budget; As of June 12, 2014, there is $28,439.89 remaining in the line item. The draft FY-2015 budget includes $150,000.00 for all demolitions.

FUNDING SOURCE (Dept./Page in CIP & Budget): 110-1600-534-30-33.

TIMETABLE: As soon as possible.

RECOMMENDED ACTION:

1. Declare this building and all accessory structures on this property dangerous.
2. Order the property repaired or demolished by **July 23, 2014** by the owner or equity owner at their own risk.
3. Order the Building Inspector to cause the repair or demolition of the structures if not completed by the owner **within 10 days of the date established by City Council**.
4. Order the City Manager with the assistance of the City Solicitor to cause the cost of repairs or demolition to be charged against the land on which the building exists as a municipal lien or cause such cost to be added to the tax duplicate as an assessment, or to be levied as a special tax, or to be recovered in a suit at law against the owner.

BACKGROUND AND ANALYSIS

The property is owned by Deutsche Bank National Trust, C/O Countrywide Home Loan. The property is a two-story wood-framed single family home. The house has been vacant since May 8, 2013, and is currently registered with the City as a Vacant Building. On May 6, 2014, staff from the Planning and Inspections Department condemned the home due to a fire that occurred earlier in the morning. The home was ordered boarded and was completed on May 15, 2014 by a City contractor. Currently the home is still vacant, with no utilities and numerous outstanding code violations.

UTILITY COMMITTEE

The Utility Committee Meeting was held on June 9, 2014 at 6:01 p.m. with Chairwoman Williams presiding. Members present were Mr. Perza (arrived 6:02 p.m.), Mr. Slavin, Mr. Blakeman, and Mr. Snaman. Councilmen Dixon and Hutchison (arrived at 6:13 p.m.) were also present.

AGENDA ADDITIONS/DELETIONS

Mr. Blakeman moved for approval of the agenda as presented, seconded by Mr. Snaman and unanimously carried.

Annual Engineering Consultant's Report on the Operation and Maintenance of the Electric System - Fiscal Year 2013

Mrs. Donna Mitchell, Controller/Treasurer, reviewed the conclusions of the Annual Engineering Consultant's Report on the Operation and Maintenance of the Electric System - Fiscal Year 2013.

Referring to Table 4-2: Annual Revenues and Sales Ratios on Page 4-4, Mr. Blakeman noted that revenues were $99,513,156 in FY 2011 and $88,331,196 in FY 2013, and he expressed concern about this $11M reduction in revenue. He indicated that the forecast for the current year was approximately $76M, which would be another $12M reduction, and inquired if this would be a continuing trend. Mrs. Mitchell explained that this was the result of decreases in the power supply cost and that the City had reduced rates in the last two (2) years by approximately 20%. She noted that higher-priced hedges in earlier years had now ended and noted that rates were based on rate studies performed by Burns & McDonnell that took into consideration the cost of services.

Referencing Table 4-2, Mr. Blakeman also observed that the residential rate was reduced from $0.1479/kWh to $0.1400 over a three (3) year period, which he felt was a small reduction compared to the reduction in non-residential rates, which had decreased by one (1) cent or more during this period. He questioned if customers were reaping the benefit of more efficient operation of the system. Mrs. Mitchell explained that the rates were based on allocations determined by the cost of service. She stated that residential use accounts for more of the cost of service, noting that nearly all of the distribution is to residential users.

Mrs. Williams noted that the historic tenacity of the Electric Fund was beginning to wane a bit and that the City would probably make up the difference in the Water Fund.

Mr. Slavin moved to recommend acceptance of the report as presented, seconded by Mr. Blakeman and unanimously carried.

(City Clerk's Office Note: Following the meeting, it was determined that the Annual Engineering Consultant's Report on the Operation and Maintenance of the Electric System Fiscal Year 2013 did not include updated information. Mrs. Donna Mitchell, Controller/ Treasurer, subsequently provided a revised report ***(Attachment #1)****.*

TEA/NAES Report (*April*)

The TEA/NAES Monthly Report for April 2014 was provided to members to enable them to monitor electric sales and revenues received, which will provide a better understanding of any fluctuations that occur and allow the opportunity to make improvements if deemed necessary.

Referring to the Power Supply Summary on Page 1, Mr. Scott Koenig, City Manager, explained that overall power supply costs for April 2014 were $267,987 under budget and that this was one (1) of the few times that the City had been under budget for this component of the power cost. He reminded members that the City had experienced difficulty with some of the PJM charges earlier in the fiscal year; however, these charges had now stabilized. In January 2014, the City spent considerably more on the cost of power than anticipated during the budget preparation; however, it was hoped that these costs would track relatively well entering into the FY 15 budget. Prior to this year, there were a number of extremely high cost hedges and the City's actual costs for power supply had tracked consistently below the budget. Mr. Koenig noted that the budget for the current year had been revised and was tracking much "tighter."

In reference to the April 2014 Power Supply Sources on Page 2 of the report, Mr. Koenig explained that hedge purchases accounted for 79% of the load, the City was in the spot market or day ahead market for 17%, and the Dover Sun Park provided 4% of the City's power. Referring to the YTD Variance Report, Page 12, he noted that Total - Utilities Cost reflected that these costs exceeded the target by $6,774,576, which was related to very high PJM charges in January. However, he noted that this was allowed for in the budget and staff believed that these costs would be under control in FY 15.

Referring to the Capital Improvement Projects (CIP), Page 23, Mr. Koenig stated that NAES seemed to be progressing well through the projects, and noted that the spring outage was complete. He stated that work had been performed on the turbines which involved extra costs associated with their inspection and eventual replacement in the PJM; however, all units were available for operation after the spring outage and were expected to produce when necessary for the PJM.

Mr. Blakeman questioned why the actual Hedged Cost and Unhedged Costs ($/MWh) reflected on Page 2 varied from the budgeted costs, since these costs should be known when the budget is developed. Responding, Mr. Koenig explained that the City's program states that the City should be 80% hedged on July 1, 2014 for FY 2015; therefore, the cost of 80% of the projected power load should be known. The other 20% is purchased from the market or is related to the Dover Sun Park. At the beginning of the fiscal year, these costs are relatively known. But the hedge position for the out-years is less than 80% because the City does not get up to full 80% hedge until it is coming into the power year. Mr. Koenig explained that the total budget includes the amounts anticipated for the unhedged costs.

Mrs. Mitchell further explained that the variance between the $55.67 budgeted hedged cost and the actual hedged cost of $47.91 was the result of the unhedged portion of the power supply and reflected cost reductions in the market. She stated that staff would research the variance in the unhedged energy cost between the budgeted amount of $38.93 and the actual amount of $6.10.

Mrs. Williams noted that it was difficult for civilian and elected officials to understand hedged funds and requested that a workshop be provided to members on this topic. She stated her preference that this meeting be scheduled for late in the afternoon (approximately 3:00 p.m. or 4:00 p.m.).

Mr. Koenig noted that the City's contact for The Energy Authority meets with staff each month on a Thursday and suggested that a workshop could be scheduled to follow this monthly meeting.

Mr. Blakeman moved to accept the report, seconded by Mr. Snaman and unanimously carried.

Updates

Garrison Oak Technical Park Project Updates

Mr. Scott Koenig provided updates on the Garrison Oak Technical Park projects, as follows:

City Infrastructure

Mr. Koenig stated that City infrastructure contracts were underway at the Garrison Oak Technology Park. A-Del Construction Company had been doing a significant amount of earthwork associated with stormwater management as it ties into the White Oak Tax Ditch. George & Lynch, Inc. was constructing the force main, had done the directional bore underneath Route 1 as well as some additional directional bores under the White Oak Tax Ditch, and was in the process of connecting various components of the force main. He indicated that a field construction issue had arisen adjacent to Baytree and the contractor was working to ensure that the force main could fit between other utilities. Mr. Koenig stated that excavation work for the wet well at the pump station was expected to begin shortly. Delivery of some of the stormwater structures had begun. Staff had been working with Chicago Bridge and Iron (CB&I), who would be constructing the water tower, and a mobilization date would be established with this contractor.

Calpine Energy Center

Mr. Koenig informed members that a number of deliveries were occurring every day to the Calpine Energy Center. The first unit at the Energy Center was well underway, and much of the outside of the unit had been assembled, although a good deal of related piping had yet to be completed. The right-of-way was being cleared of trees for the contractors to run a radial line from the Energy Center back to the 230kV Cartanza Substation. It was Mr. Koenig's understanding that pole line construction would begin in the next 30 to 60 days and that a good deal of work was taking place at the back of the substation to make necessary improvements for the connection to the grid.

Mr. Koenig advised members that a significant amount of activity was taking place at the Garrison Oak Technical Park, including a "kickoff ceremony" that was held in the last 30 days for the Uzin Utz manufacturing facility, which will be constructed on the west side of the Garrison Farm. Approximately 300 construction workers were expected to be associated with the Garrison Energy Center and approximately 30-40 (or more) construction workers with the Uzin Utz property once the steel assembly occurs. Once up and running, City contracts related to infrastructure improvements would involve approximately 20-50 workers, depending on the particular trades that are underway.

Mr. Koenig stated that the only contracts that had not been let so far had to do with the relocation of the 69kV electric line on the roadway, and those were expected to be bid out shortly and would be brought forward to Council. This line would start on the east side of the property and involve pole adjustment across the frontage of the Garrison property.

Mr. Koenig stated that activities were converging on the date of June 1, 2015, when Calpine expected to be operational in the PJM, and the Uzin Utz facility was tracking along the same lines. It was hoped that the infrastructure and all City projects would be substantially complete by December 31, 2014. Testing for Calpine would occur in February or March 2015, and this date would be in line with the time that the City expected to have staff on line at the Water Treatment Plant to help buffer the impact on the City's system. Philip Utz, from Uzin Utz, indicated that he

hoped to have the outside of the facility constructed by the end of the year and to put equipment in early next year, with the expectation that manufacturing operations would begin in the June timeframe. Mr. Koenig stated that the projects all seemed to be tracking correctly and staff was actively marketing the balance of the property. He expressed that, from a marketing standpoint, interest had increased now that there was construction activity and infrastructure, and staff was hopeful that one (1) or two (2) additional tenants would be realized this year.

Responding to Mr. Blakeman regarding the status of the gas pipeline, Mr. Koenig stated his understanding that line construction was on track, and almost all of the pipe in the area from Leipsic Road going back behind Dover Downs was in place and had been tested. It was his recollection from a conference call with Calpine, that the pipeline was approximately half complete. The right-of-way along the back of Wild Meadows had been cleared, and it was Mr. Koenig's belief that the line had been dug through this area, but he was unsure if it had yet reached the Calpine property. He stated that this project was moving very smoothly. He stated that his office had not received complaints from residents or motorists. After driving through Wild Meadows a couple of times, he felt that the visual impact of the clearing was not as intense as he anticipated and some trees were left between the houses and the actual right-of-way as a buffer.

In response to Mr. Hutchison, Mr. Koenig stated that the target completion date for the gas line was the end of 2014, if not sooner, and that the lateral line would be 16 inches in diameter.

Dover Sun Park
Members reviewed the Electric Revenue Fund FY14 White Oak Solar Park Incremental Cost.

Progress Update on Purchase Power Agreement
Mr. Scott Koenig, City Manager, advised members that Mr. Kirk Betts, the City's Utility Attorney, had been working with a specific contact at Calpine to bring forward a purchase power agreement. A number of iterations had gone back and forth to determine the economic value of power going forward. Mr. Betts was not prepared to bring information forward at this time, and it was hoped that he would be closer to obtaining a number that he believed should be brought forward to Council in this regard within the coming weeks. Discussions were continuing about closing the gap between what the City believed was reasonable and what Calpine believed was reasonable. Mr. Koenig indicated that a draft agreement would come before Council, likely in Executive Session since this would be a legal matter, and would be voted upon in a public session.

Responding to Mr. Blakeman, Mr. Koenig stated that staff had not participated in negotiations to this point, and that Mr. Betts and the "number crunchers" from The Energy Authority (TEA) had been passing numbers back and forth. He stated that it was likely that he, Mrs. Mitchell, Mr. Betts, and other key individuals would be included. Mr. Blakeman suggested that if there was someone on staff who would be dealing with this matter on a daily basis, this staff member should be included in negotiations as well.

In response to Mrs. Williams, Mrs. Mitchell stated that $100,000 was budgeted in the Electric Fund budget for RFP and contract negotiations in FY 14 and $100,000 in FY 15 because the City was also negotiating with NAES.

Mr. Blakeman moved for adjournment, seconded by Mr. Snaman and unanimously carried.

Meeting adjourned at 6:31 p.m.

Beverly C. Williams
Chair

BCW/TM/js/dd
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Attachment
Attachment #1 - Revised Annual Engineering Consultant's Report on the Operation and Maintenance of the Electric System - FY 2013

Annual Engineering Consultant's Report

on the

Operation and Maintenance of the Electric System Fiscal Year 2013

City of Dover, Delaware

Project No. 78609
June 2014

Annual Engineering Consultant's Report

on the

Operation and Maintenance
of the Electric System
Fiscal Year 2013

prepared for

City of Dover, Delaware
Dover, Delaware

June 2014

Project No. 78609

prepared by

Burns & McDonnell Engineering Company, Inc.
Missouri City, Missouri

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June 10, 2014

Ms. Donna S. Mitchell, CPA
Controller/Treasurer
City of Dover
5 East Reed Street
Weyandt Hall, Suite 300
Dover, Delaware 19901

RE: Annual Engineering Consultant's Report
Project No. 78609

Dear Ms. Mitchell:

In compliance with the requirements of Section 705 and Section 504 of the City of Dover, Delaware Resolution Authorizing and Securing Electric Revenue Bonds, adopted December 23, 1985 (Resolution), Burns & McDonnell submits this Annual Engineering Consultant's Report for the fiscal year ended June 30, 2013. This report summarizes our review and assessment of the City of Dover's (City) Electric System, its existing retail electric rates, its insurance coverage in effect, and its reserve funds. Financial, statistical, and operating data used in preparing the report were initially reported in the City's annual financial statements and accounting records. Additional information was furnished by City and Electric Division staff.

In the preparation of this Engineering Consultant's Report, Burns & McDonnell completed assessments of the electric generating stations and the transmission and distribution system of the City's Electric Division. Assessments involved interviews, observations, and review of fiscal year 2013 expenditures and fiscal year 2014 budgets. In addition, an analysis of the balances of the Improvement and Extension Fund as well as other funds supporting the Electric Division was performed. Burns & McDonnell also reviewed the adequacy of revenues provided by current retail rates in relation to the requirements of the Resolution. Finally, a high-level assessment of the City's insurance coverage related to the Electric Division was completed.

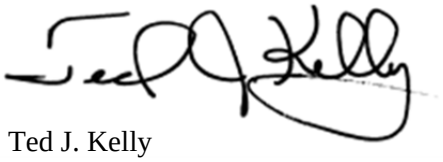
Based on these reviews and assessments, it is the opinion of Burns & McDonnell that the Electric System is being operated and maintained, including replacements and upgrades as appropriate, in a manner that is consistent with current electric utility practices. In addition, the current retail rates have provided sufficient revenues to satisfy the debt service coverage requirement in the Resolution.

Further, it is the opinion of Burns & McDonnell that the balances in the various reserve funds maintained by the City for the Electric Division are sufficient for their intended purposes.

9400 Ward Parkway • Kansas City, MO 64114-3319
Tel: 816 333-9400 • Fax: 816 333-3690 • www.burnsmcd.com

We appreciate the cooperation and assistance provided by the City and the Electric Division staff in the preparation of this report. We will be happy to discuss the report with you at your convenience.

Sincerely,
BURNS & McDONNELL



Ted J. Kelly
Principal & Senior Project Manager
Business & Technology Services

TJK/pcf

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LIST OF ABBREVIATIONS

Abbreviation	Term/Phrase/Name
Burns & McDonnell	Burns & McDonnell Engineering Company, Inc.
City	City of Dover, Delaware
DCS	distributed control system
EDQP	Employee Development and Qualification Program
EIA	U.S. Energy Information Administration
FY	Fiscal Year
GWh	gigawatt-hour
I&E Fund	Electric Improvement & Extension Fund
kV	kilovolt
kW	kilowatt
kWh	kilowatt-hour
LAN	local area network
McKee Run	McKee Run Generating Station
MW	megawatt
MWh	megawatt-hour
NAES	North American Energy Services Corporation
NERC	North American Electric Reliability Corporation
NRG	NRG Energy Center
Ohm	standard unit of electrical resistance
PJM	Pennsylvania New Jersey Maryland Interconnection
Report	2014 Engineering Consultant's Report on the Operation and Maintenance of the Electric System
Resolution	Resolution Authorizing and Securing Electric Revenue Bonds, adopted December 23, 1985

VanSant	VanSant Generating Station
TEA	The Energy Authority, Inc.

STATEMENT OF LIMITATIONS

In preparation of the 2014 Engineering Consultant's Report on the Operation and Maintenance of the Electric System (the Report), Burns & McDonnell relied upon information provided by the City of Dover, Delaware (the City). The information included various analyses, computer-generated information and reports, audited financial reports, and other financial and statistical information, as well as other documents such as operating budgets and current retail electric rate schedules. While Burns & McDonnell has no reason to believe that the information provided, and upon which Burns & McDonnell has relied, is inaccurate or incomplete in any material respect, Burns & McDonnell has not independently verified such information and cannot guarantee its accuracy or completeness. In addition, Burns & McDonnell has used the information provided to make certain assumptions with respect to conditions that may exist in the future. While Burns & McDonnell believes the assumptions made are reasonable for the purposes of the Report, it makes no representation that the conditions assumed will occur.

1.0 – EXECUTIVE SUMMARY

1.0 EXECUTIVE SUMMARY

1.1 Introduction

The 2014 Engineering Consultant's Report on the Operation and Maintenance of the Electric System (Report) has been prepared in compliance with the requirements of the City of Dover, Delaware Resolution Authorizing and Securing Electric Revenue Bonds, adopted December 23, 1985 (Resolution). Burns & McDonnell was retained as the Engineering Consultant by the City of Dover, Delaware (City) to complete an inspection of the Electric System and prepare a report on findings. The Resolution requires that the Engineering Consultant complete the following:

> *"The City covenants that it will cause the Engineering Consultants employed under the provisions of Section 705 of this Resolution . . . to make an inspection of the Electric System at least once each fiscal year and . . . to submit to the City Manager a report setting forth (a) their findings whether the properties of the Electric System have been maintained in good repair, working order and condition and whether they have been operated efficiently and economically and (b) their recommendation as to*
>
> *(i) the proper maintenance, repair and condition of the Electric System during the ensuing fiscal year and an estimate of the appropriations which should be made for such purposes,*
>
> *(ii) the insurance to be carried under the provisions of Article VII of this Resolution,*
>
> *(iii) the amount that should be deposited during the ensuing fiscal year to the credit of the Improvement and Extension Fund for the purposes set forth in Section 510 of this Article,*
>
> *(iv) the extensions, improvements, renewals and replacements which should be made during the ensuing fiscal year, and*
>
> *(v) any necessary or advisable revisions of the electric rates."*

This is the eleventh annual Engineering Consultant's Report prepared for the City by Burns & McDonnell.

1.2 Electric System Overview and Assessment

The Electric Division served 23,446 customers at the end of fiscal year (FY) 2013, 19,993 of which were residential customers. Four of the Electric Division customers take service from the 69-kV transmission system. These customers include the Dover Air Force Base, Kraft, Proctor & Gamble, and NRG Energy

Center (NRG). NRG is an exempt wholesale generator that sells power that must be transmitted through the City's transmission system to third party purchasers. When the NRG plant is not operational, the Electric Division provides power for the plant site.

1.2.1 General Plant

General plant facilities consist primarily of Electric Division administrative and operations facilities and pollution control related equipment on McKee Run Generating Station (McKee Run) and VanSant Generating Station (VanSant). Other types of general plant include office furniture and equipment, transportation and power-operated equipment, and communication equipment.

Effective July 1, 2011, the City entered into an Energy Management Agreement with The Energy Authority, Inc. (TEA) to assist the City with its energy procurement, energy sale, purchase of fuels, establishment and management of risk policies, and the development and management of hedging protocols and related energy procurement challenges. Headquartered in Jacksonville, Florida, TEA is a non-profit energy manager owned by seven public utility systems operating across the nation.

1.2.2 Production Plant

The City owns two generating plants, the McKee Run and VanSant generating stations. McKee Run consists of three steam turbine generating units with a total combined capacity of 136 megawatts (MW). VanSant is a 39 MW simple-cycle combustion turbine unit. North American Energy Services Corporation (NAES Corporation) operates the generating plants. The agreement between the City and NAES Corporation has been in effect since July 1, 2006. The various systems and components of the generating plants reviewed by the Engineering Consultant are listed below:

Major Equipment

- Steam turbines/generators
- Boilers and auxiliaries
- Station cooling water systems
- Fuel handling systems
- Water treatment systems
- Station electrical systems
- Station control systems
- General facilities

Management and Organization

- Safety
- Training
- Staffing

Based on statements and information provided by the City, as well as the observations and reviews performed, it is the Engineering Consultant's opinion that the City's power generation facilities are being operated and maintained consistent with generally accepted electric utility practice in the United States. In general, the performance, operation, maintenance, staff, planning, and training aspects for the McKee Run and VanSant were found to be above average. Specifically, the generation facilities have demonstrated a high level of availability despite the dispatching of the units primarily for peak demand.

1.2.3 Transmission and Distribution Plant

The transmission and distribution network includes 44 miles of overhead transmission lines, 0.12 miles of underground transmission lines, 190 miles of overhead distribution lines and 268 miles of underground distribution lines. Four Electric Division customers take service off of the 69-kV transmission system. The following list includes areas of the transmission and distribution system that were considered and reviewed.

- System reliability
- Power quality
- Operations and maintenance
- Design standards and specifications
- Transmission and distribution improvements

It is the Engineering Consultant's opinion that the design, construction, operation, and maintenance of the City's electric transmission and distribution system and the associated facilities are consistent with current generally accepted electric utility standards. In recent years, the City has made appropriate upgrades and improvements which the Engineering Consultant has observed while conducting the reviews and assessments to complete the annual reports.

1.3 Financial Assessment

The level of revenues required from the retail electric rates for the Electric Division were determined through the analysis of the financial results and net income or net margins for FY 2013. The Resolution requires that the Electric Division maintain a debt service coverage ratio of 1.25.

Customers of the Electric Division of the City were charged for the electric service they received based on the City's rate schedules and contracts that were in place in FY 2013. A comprehensive cost-of-service and rate design study was completed in 2006 and subsequent rate analyses were completed in 2007, 2008, 2012, and 2013 to examine revenue requirements and revenue generation. Specifically, the 2006 rate study was conducted to address increased costs associated with a new power supply contract that became effective on July 1, 2006. The rate study recommended combining a number of rate classes and implementing rate increases on July 1, 2006. The 2006 rate study also recommended an additional increase be implemented on January 1, 2007 to cover increased costs associated with operating the generating station. The 2007 and 2008 rate analyses re-examined Electric Division revenues and expenses and recognized additional revisions to power supply costs. As a result of these analyses, additional rate increases were implemented on July 1, 2007, July 1, 2008, and July 2012. The July 2013 rate adjustments established the rate schedules utilized by the Electric Division today.

Total energy sales increased from 710.3 GWh in FY 2012 to 723.1 GWh in FY 2013, an increase of 1.8 percent. Total revenue from sales to electric customers in FY 2013 was $88.3 million, representing a decrease of $3.6 million from FY 2012 rate revenue of $91.9 million. In FY 2013, the average revenue per kWh for residential customers was 14.00 cents and the system-wide average price was 12.22 cents per kWh.

The Electric Division's largest cost in providing electric service to its customers is the wholesale cost of power purchased from the Pennsylvania New Jersey Maryland Interconnection (PJM) marketplace through its energy manager, TEA. From FY 2012 to FY 2013, the cost of power increased from $58.9 million to $65.4 million. Net income decreased from $8.5 million in FY 2012 to $6.2 million in FY 2013. The net income decrease in FY 2013 was due in large part to the increase in transfers out of the Electric Revenue Fund.

Following is an excerpt from Section 502(c) of the Resolution.

> *"(c) The total amount of the Revenues of the Electric System during the preceding fiscal year shall have been not less than the total of the following:*
>
> *The Current Expenses of the Electric System during the current fiscal years shown by the Annual Budget . . . for such fiscal year, and*

One hundred twenty-five percent (125%) of the maximum amount of the Principal and Interest Requirements for any fiscal year thereafter on account of all bonds then Outstanding under the provisions of this Resolution."

The Resolution requires that annual revenues of the Electric Division be no less than the total current expenses plus 125 percent of the greatest remaining annual debt service. The Electric Division achieved debt service coverage ratios for FY 2011, FY 2012, and FY 2013 of 5.45, 6.48, and 6.56 respectively; therefore, the revenues generated by the current electric rates have been sufficient to meet the applicable covenant of the Resolution.

The City maintains a comprehensive insurance program to cover varying types of liabilities, as well as significant losses related to various Electric Division properties. It is the opinion of Burns & McDonnell as Engineering Consultant, and not as insurance counselor, the insurance in full force and affect appears to satisfy the requirements of Section 706 of the Resolution.

The City established the Electric Revenue Fund and the Electric Improvement & Extension (I&E) Fund to make moneys available for specific purposes when they are needed. The following is a list of these funds' respective cash accounts:

Electric Revenue Fund

- Insurance Reserve Account
- Contingency Reserve Account
- Electric Rate Stabilization Reserve Account
- Interest and Sinking Account

Electric Improvement and Extension Fund

- Depreciation Reserve Account
- Future Capacity Reserve Account

The Engineering Consultant reviewed activity information on the accounts listed above and found that the balances in those accounts as of June 30, 2013, were consistent with the required or target balances.

1.4 Conclusions

Based on the reviews and assessments completed, it is the opinion of Burns & McDonnell that:

1. The City's power generation facilities are being operated and maintained consistent with generally accepted electric utility practice in the United States.
2. The design, construction, operation, and maintenance of the City's electric transmission and distribution system and the associated facilities are consistent with current generally accepted electric utility standards and over the past few years, the system has been upgraded in order to improve operation and service to customers.
3. The Electric Division capital projects included in the City's Capital Investment Plan and the FY 2014 Operating Budget are necessary and should provide improved reliability and power quality for the Electric System.
4. The cash balances as of June 30, 2013 for the various accounts maintained by the City for the Electric Division appear to be sufficient for their defined purposes.
5. The insurance coverage in full force and effect as maintained by the City related to the various assets of the Electric Division appears to satisfy the requirements of Section 706 of the Resolution.
6. The electric revenues generated by the City's current retail rates are more than sufficient to fulfill the debt service coverage requirement (125 percent of current expenses) defined in Section 502(c) of the Resolution.

2.0 – INTRODUCTION

2.0 INTRODUCTION

The City of Dover, Delaware (City) operates a municipally-owned electric utility system that served 23,446 customers within the City and surrounding areas at the end of fiscal year (FY) 2013. The service area of the electric utility is located in central Delaware; with the City itself located approximately 70 miles south of Philadelphia, Pennsylvania.

2.1 Purpose of Report

This 2014 Annual Engineering Consultant's Report (Report) has been prepared in compliance with the requirements adopted December 23, 1985 of the City of Dover Electric Bond Resolution (Resolution). Burns & McDonnell was retained by the City as the Engineering Consultant defined in Section 705 of the Resolution, as follows.

> *"The City covenants that it will, for the purpose of performing and carrying out the duties imposed on the Engineering Consultants under the provisions of this Resolution, employ an independent engineer or engineering firm or corporation having a nationwide and favorable repute for skill and experience in such work."*

The required scope of the Report is described in Section 504 of the Resolution, as follows.

> *"The City covenants that it will cause the Engineering Consultants employed under the provisions of Section 705 of this Resolution . . . to make an inspection of the Electric System at least once each fiscal year and . . . to submit to the City Manager a report setting forth (a) their findings whether the properties of the Electric System have been maintained in good repair, working order and condition and whether they have been operated efficiently and economically and (b) their recommendation as to*
>
> *(vi) the proper maintenance, repair and condition of the Electric System during the ensuing fiscal year and a estimate of the appropriations which should be made for such purposes,*
>
> *(vii) the insurance to be carried under the provisions of Article VII of this Resolution,*
>
> *(viii) the amount that should be deposited during the ensuing fiscal year to the credit of the Improvement and Extension Fund for the purposes set forth in Section 510 of this Article,*
>
> *(ix) the extensions, improvements, renewals and replacements which should be made during the ensuing fiscal year, and*

(x) any necessary or advisable revisions of the electric rates."

2.2 Organization

The Electric Utility Director is responsible for the overall management of the Electric Utility Division. ***(The Electric Utility Director position is currently vacant.)*** The Electric Director oversees the day-to-day operations of the Electric Division and manages the Division's staff. The Director also provides oversight of the Power Plant budget, monitors the contracts of the energy coordinator and the power generation operator/manager, and is responsible for North American Energy Services Corporation (NAES Corporation) contracts and oversight. The Electric Division is organized into four separate operating sections. Descriptions of the current Electric Division sections are provided below.

Administration Section – Administration provides the overall management of the Electric Division's Engineering and Transmission & Distribution Sections. This section performs all planning and budgeting, monitors all construction projects, administers all power supply and generating station operations agreements, and coordinates with customer service and public relations for the Electric Division.

System Operations Section – System Operations is responsible for the operation of a 24/7 system operations control center. This section was formally a part of the Electric Engineering Section, but now has been identified as its own section comprising of the System Operators Crew Leader and the Operators.

Electric Engineering Section – Electric Engineering provides design, specifications, construction management, and project inspection for all capital investment projects of the Electric Division. This section also develops and maintains maps, plans, and specifications, as well as engineering standards for construction and maintenance of the Electric System.

Transmission & Distribution Section – Transmission & Distribution constructs, operates, and maintains the overhead and underground electric systems and fiber optic communication facilities. This section installs and maintains all electric metering, as well as street and security lighting. This section also investigates and resolves customers' power problems and oversees the work of tree trimming contractors.

Figures 2-1 through 2-4 provide organizational charts illustrating the staffing hierarchies of the various sections in the Electric Division. The number of individuals in each position was indicated as appropriate. Electric Division staff totaled 38 at the time the FY 2014 budget was issued.

The subsequent sections of the Report provide a discussion of the required reviews and inspections conducted pursuant to Section 504 of the Resolution. Section 3 describes the assessment of the Electric System and its condition. Section 4 presents the financial results for the Electric Division, including an analysis of the adequacy of revenues provided by the electric rates. Section 5 summarizes the conclusions of Burns & McDonnell regarding the operation and maintenance of the Dover Electric System.

Figure 2-1: Organization

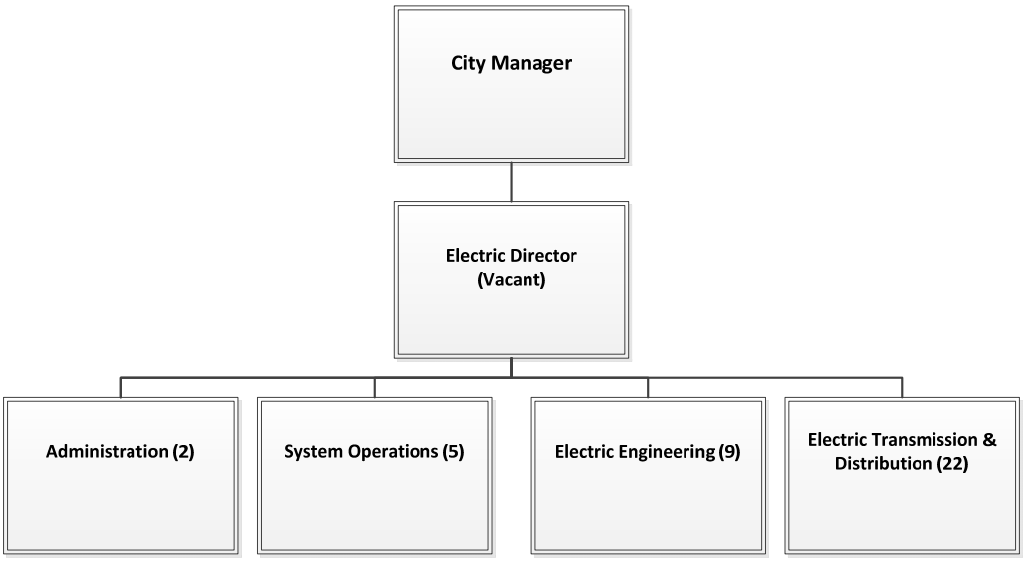


Figure 2-2: Administration



Figure 2-3: System Operations

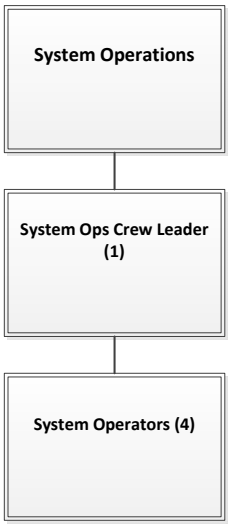


Figure 2-4: Electric Engineering

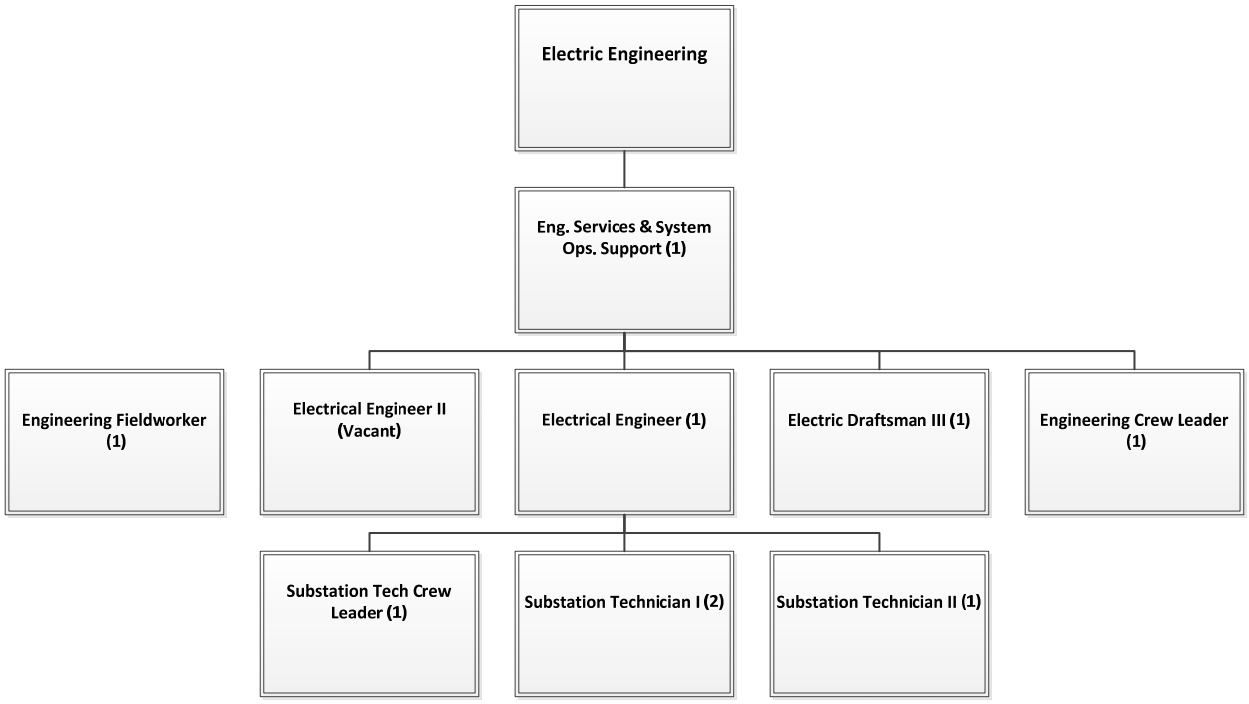
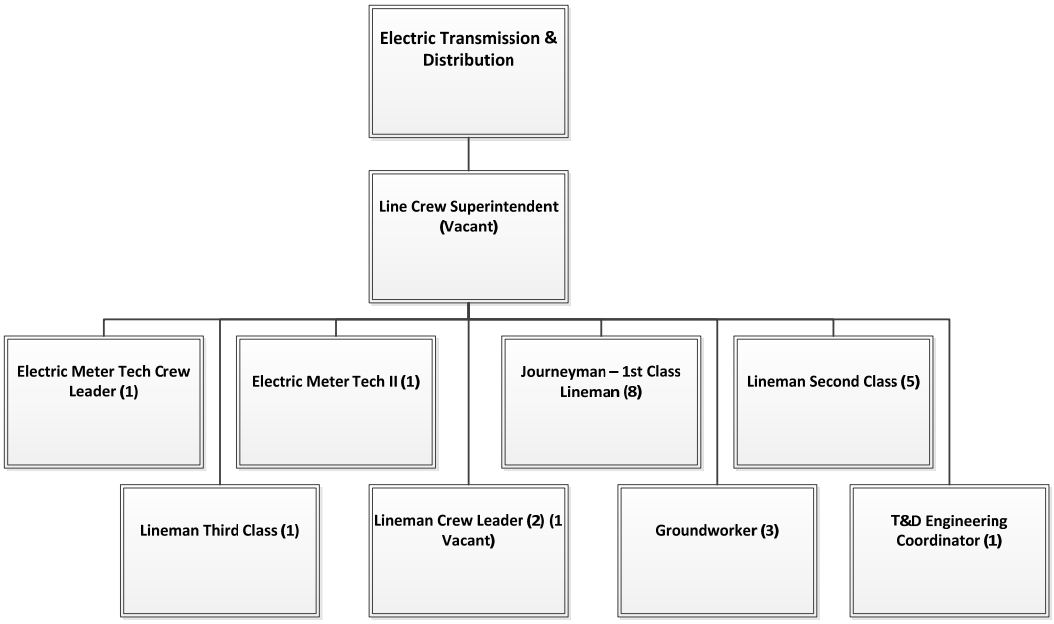


Figure 2-5: Electric Transmission and Distribution



3.0 – ELECTRIC SYSTEM OVERVIEW AND ASSESSMENT

3.0 ELECTRIC SYSTEM OVERVIEW AND ASSESSMENT

3.1 Electric System Overview

The Electric System owned by the City primarily consists of production plant, transmission plant, distribution plant, and general plant facilities, and construction work in progress. Table 3-1 displays the year-end balances of the various plant components for FY 2011 through FY 2013. Table 3-2 itemizes the specific capital investment plan projects and anticipated expenditures included in the FY 2014 budget.

Table 3-1: Year-End Plant in Service

	FY 2011	FY 2012	FY 2013
Capital assets, not being depreciated			
Land	$ 1,458,066	$ 1,458,066	$ 1,458,066
Construction in progress	424,809	789,014	1,338,909
Total capital assets, non-depreciable	$ 1,882,875	$ 2,247,080	$ 2,796,975
Capital assets, being depreciated			
Buildings	$ 17,383,566	$ 17,456,628	$ 17,619,349
Production	63,408,937	64,610,399	65,040,049
Transmission	32,558,944	33,106,748	34,010,686
Distribution	59,824,248	60,680,365	61,752,469
Administration	1,551,280	1,634,017	1,743,754
Vehicles	622,236	640,096	625,876
Total capital assets, being depreciated	$ 175,349,211	$ 178,128,253	$ 180,792,183
Less accumulated depreciation for:			
Buildings	$ (10,992,065)	$ (11,400,308)	$ (11,795,879)
Production	(39,931,442)	(41,416,622)	(42,682,428)
Transmission	(9,206,982)	(10,344,554)	(11,537,017)
Distribution	(23,817,302)	(25,322,267)	(26,832,246)
Administration	(1,102,778)	(1,196,545)	(1,316,532)
Vehicles	(435,188)	(464,219)	(481,527)
Total accumulated depreciation	$ (85,485,757)	$ (90,144,515)	$ (94,645,629)
Total capital assets, being depreciated, net	89,863,454	87,983,738	86,146,554
Total capital assets, net	$ 91,746,329	$ 90,230,818	$ 88,943,529

In FY 2013, the Electric System experienced a decrease in the annual system peak demand and an increase in annual energy sales from the previous year. The Electric System experienced its peak at 2 p.m. on July 8, 2012 of 171.6 MW. For the year, 723.1 GWh of energy were sold, an increase of 1.8 percent from the preceding year. The Electric Division projects energy sales in FY 2014 to total 721.2 GWh, a decrease of 0.3 percent. The Electric Division expects annual energy sales to remain relatively constant from FY 2014 through FY 2018.

Table 3-2: Fiscal Year 2014 Planned Capital Expenditures

Electric Engineering Projects:		
General Scott Switchgear	$	800,000
Air Conditioner Replacement/Monitors		12,000
Substation Battery Replacement		24,500
Distribution Upgrades		400,000
Lighting Project and Rehabilitation		50,000
Distribution Feeder Replacement Program		277,500
Distribution Capacitors and Controls		60,000
Transmission Line Maintenance Program		75,000
69 kV Substation Switch Replacement		80,000
Horsepond Substation Reliability Upgrade		591,800
Subtotal Electric Engineering Division	$	2,370,800
Electric Transmission & Distribution Projects:		
New Developments	$	600,000
Advanced Metering Infrastructure		150,000
Subtotal Electric Transmission Division	$	750,000
Electric Generation Projects:		
Unit 3 Cooling Tower Repairs	$	42,000
McKee Run Unit 3 Auxiliary System Components		116,000
VanSant Unit 11 Component Replacements		32,000
McKee Run High Energy Piping Repairs		80,000
Metering Systems Upgrades		25,000
McKee Run & VanSant Safety & Compliance Improvemetns		86,000
McKee Run Natural Gas System Block/Bleed Valves		65,000
McKee Run & VanSant Mobile Crane Repair/Replace		125,000
McKee Run & VanSant Preservation of Structures		42,000
McKee Run Unit 3 Turbine Repairs		1,149,800
McKee Run Units 1 & 2 Component Repairs		105,000
Van Sant Capacity Increase		250,000
Subtotal Electric Generation Division	$	2,117,800
Total Planned Capital Investment Projects	$	5,238,600

3.1.1 Production Plant

The City owns two plants, the McKee Run and VanSant generating stations. McKee Run consists of three steam turbine generating units with a total combined capacity of 136 megawatts (MW). VanSant is a 39-MW simple-cycle combustion turbine unit.

North American Energy Services Corporation (NAES Corporation) operates the generating plants. The agreement between the City and NAES Corporation has been in effect since July 1, 2006. The Engineering Consultant's observations regarding the generating stations and units are described later in this section of the Report.

Effective July 1, 2011, the City entered into an Energy Management Agreement with The Energy Authority, Inc. (TEA) to assist the City with its energy procurement, energy sales, purchase of fuels, establishment and management of risk policies, the development and management of hedging protocols and related energy procurement challenges.

3.1.2 Transmission and Distribution Plant

The service area includes 44 miles of overhead transmission lines, 0.12 miles of underground transmission lines, 190 miles of overhead distribution lines and 268 miles of underground distribution lines. Four Electric Division customers take service off of the 69-kV transmission system. These customers include the Dover Air Force Base, Kraft, Proctor & Gamble, and NRG Energy Center (NRG). NRG is an exempt wholesale generator that sells power that must be transmitted through the City's transmission system to third party purchasers. When the NRG plant is not operating the Electric Division provides power for the plant site.

The Electric Division has two contracts for providing transmission service through the Electric System. The Electric Division provides transmission service to NRG for the output of its 16 MW electric generator. The Electric Division also has a point-to-point contract for the output of an NRG Combustion Turbine which ties directly to the Kent Substation and is not part of the Dover transmission system.

3.1.3 General Plant

The general plant category consists primarily of Electric Division administrative and operations facilities, and pollution control-related equipment at McKee Run and VanSant. The agreement with NAES Corporation stipulates NAES Corporation manage the operation and maintenance of the facilities while the City funds all replacements and upgrades required to maintain the capability of the two generating stations. The City is also responsible for the costs of compliance with new regulations promulgated. Other types of items included in the general plant category include office furniture and equipment, computer-related equipment, transportation and power-operated equipment, and communication equipment. Burns & McDonnell did not specifically assess the items in the general plant category for the Report.

3.2 Electric System Assessment

Burns & McDonnell made observations and conducted assessments of the Electric System assets in support of the development of this annual Engineering Consultant's Report. The findings of Burns & McDonnell from the review of the City's Electric System are documented herein.

3.2.1 Electric Generating Stations

On April 17, 2014, Mr. Ted Kelly of Burns & McDonnell met with representatives of NAES Corporation to discuss the condition of the McKee Run and VanSant generating stations. Mr. Kenneth Beard, the Plant O&M Manager, coordinated the visit along with Mr. Vince Scire, the Plant Manager.

3.2.1.1 Description

McKee Run consists of three units. Units 1 and 2 were originally coal-fired units, which began operations in 1961 and 1962, respectively. In 1972, these units were converted to burn No. 6 fuel oil. Units 1 and 2 each have rated capacities of 17 MW. Unit 3 began operations in 1975 and was designed to fire No. 6 fuel oil and natural gas. Unit 3 has a rated capacity of 102 MW. In FY 2008, the City began work to convert all three units at McKee Run to burn No. 2 fuel oil in order to reduce pollution from the plant. To date, the necessary upgrades and new equipment had been installed allowing each of the units to burn both natural gas and No. 2 fuel oil.

VanSant consists of a simple cycle combustion turbine with a rated capacity of 39 MW. This unit commenced operation in 1991. VanSant remains unmanned, except when it is dispatched into service. On the occasions when the unit is dispatched, personnel from McKee Run are transferred to VanSant to startup and operate the unit.

3.2.1.2 Management and Organization

Station management is very well organized and knowledgeable. Personnel take a logical approach to the operation and maintenance of the generation facilities. Mr. Vince Scire serves as the Plant Manager. The management/leadership team consists of eight positions including Mr. Scire's position. The Administrative Manager, O&M Manager, Compliance Coordinator, and Materials Coordinator, all report directly to Mr. Scire. One Operations Supervisor and two Day Shift Operator positions are currently open at the plant. The open Operations Supervisor position is part of the management/leadership team.

The O&M Manager oversees a Maintenance Supervisor and four Operations teams. Each operations team consists of two supervisors and three operators working 12-hour rotating shifts. Two operators work eight-hour flex time shifts Monday through Friday, and fill in as needed. The maintenance team consists of a planner, a supervisor and five employees working eight-hour shifts. The operations and maintenance personnel are all union employees. The relationship between the union and management was reported to be excellent. McKee Run is currently at a staff level of 29 employees, with 32 approved positions.

3.2.1.3 Safety

"Safety First" is an overall theme and attitude of the Electric Division. Near-miss incidents are documented, reviewed, and corrective follow-up actions are taken as required with an employee-run safety committee actively in place. This committee conducts monthly safety meetings, completes safety equipment inspections, and defines and implements tasks to improve safety in all areas. Members of the safety committee complete periodic visual inspections of employee work activities utilizing an observation checklist to detail their findings. Recorded observations are discussed and infractions corrected. Safety is the first topic discussed at all meetings at the generating plant. An indoctrination video emphasizing safety is shown to all visitors when entering the Station.

There were no restricted work days or lost time accidents reported in FY 2013. NAES ended the year with 51,786 man-hours worked with no OSHA recordable accidents.

3.2.1.4 Training

The required annual OSHA compliance training is completed and documented for each employee. A formal two-day employee orientation program is required for all new employees. This orientation covers a multitude of subjects from employee benefits to a review of the various Station operating manuals.

For operator training, the Employee Development and Qualification Program (EDQP) has been established. EDQP is a formal program for training operators to progressively advance to positions with additional responsibilities. In addition to the above programs, cross training of various disciplines also occurs. An example of cross training would be plant operators training with maintenance staff.

Plant staff receive environmental and safety training online via the GPi Learning website. The training includes tutorials and exams to ensure comprehension of the subject matter. Plant manuals, meetings, etc. offer additional safety training.

Plant staff continues to receive appropriate operator certification training for the Pennsylvania New Jersey Maryland Interconnection (PJM) market. This training should continue in the future. The plant also completes planning and scheduling training on a regular basis for plant operators.

3.2.1.5 Major Equipment Operation and Maintenance

In general, the generation facilities appear to have been properly operated and maintained, and in good condition as evidenced by the high availability of the units. The generation facilities are dispatched sparingly and operate primarily as peaking units. As such, the individual units incur a relatively large

number of starts per year and low annual capacity factor. Table 3-3 summarizes the major FY 2013 operating statistics.

The large amount of time that units are not operating allows for maintenance and repair of the units. As a result, the FY 2013 overall equivalent availability factor for the generation facilities averaged 58.99 percent. Low net capacity factors are partially offset by PJM capacity credits. In FY 2013, $14.3 million of PJM capacity credits helped cover the fixed operating and maintenance costs of the Electric System. PJM capacity credits are expected to continue to provide similar benefits in FY 2014 and beyond.

3.2.1.6 Electronic Management System

Maintenance activities are organized, planned, and managed using MP2[tm] by CMMS Data Group, a computer-based management system. All three major categories of maintenance activities (corrective, preventative, and predictive) are electronically managed by MP2[tm].

Table 3-3: FY 2013 Generating Plant Operating Statistics

Unit Number	Rated Capacity - MW	Net Production - MWh	Net Capacity Factor	Net Heat Rate Btu/kWh	Number of Starts
VanSant	39	1,568.4	0.46%	12,096	8
McKee Run					
Unit 1	17	545.5	0.37%	15,866	2
Unit 2	17	1,024.4	0.69%	14,812	4
Unit 3	102	12,692.5	1.42%	11,715	18
Total	175	15,830.7	1.03%		32

Unit Number	Forced Outage Hours	Operating Hours	Service Factor	Equivalent Availability Factor
VanSant	-	52.1	0.59%	59.45%
McKee Run				
Unit 1	80.0	74.8	0.85%	57.62%
Unit 2	-	170.3	1.94%	59.45%
Unit 3	-	201.8	2.30%	59.45%
Total	80.0	499.0	5.70%	

For corrective maintenance activities, any station operator or mechanic can enter a work order into the system at any terminal on the Station local area network (LAN). A supervisor reviews the request, turns it into a work order, and assigns a priority according to a predetermined categorization. The work order is planned, parts are ordered, and then the work order is assigned to an operator or maintenance technician for completion once the material has been received.

This system is also used to manage and track preventative maintenance activities that follow a schedule. Changing filters, and turning on and off heat tracing are examples of preventative maintenance. Predictive maintenance activities practiced include oil analyses, vibration testing, and infrared surveys. Portable vibration testing equipment is used at the Stations to improve the frequency of and capabilities to trouble-shoot rotating equipment. The technology allows personnel to identify problems and take corrective actions before equipment failure occurs.

3.2.1.7 Electric Generation Improvements

The following describes completed, on-going, and planned improvements to the City's generation assets:

Recently Completed:

- DOE Grant - Photovoltaic Panels
- McKee Run & VanSant Arc Flash
- McKee Run Driveway Repaving
- Unit 3 Fire Protection System
- Unit 3 Cooling Tower Life Extension
- Unit 1 Outage FY 2011
- Unit 2 - Boiler Inspection & Repair
- VanSant CT Mark IV Upgrades
- Work Management Software Replacement
- Unit 3 - Gas Modification
- Unit 3 Air Heater Expansion Joint
- Units 1 and 2 Control Modifications
- Units 1 and 2 Stack Repairs Inspection
- Unit 3 - Stack Repairs Inspection
- Unit 3 Boiler Air Heater
- Unit 3 FD and ID Fan Controller Upgrade
- Unit 3 DCS Computers & Software Upgrades
- Units 1 and 2 Component Repairs
- VanSant Component Replacements
- Unit 3 Auxiliary System Components
- Industrial Wastewater Discharge System
- Unit 3 Air Heater Expansion Joint
- Unit 3 Generator Repairs

- Units 1 & 2 Stack Repairs
- Unit 1 Gasket Leak Repair

On-Going:

- McKee Run Preservation of Structures
- Unit 3 Boiler Systems
- Unit 3 Auxiliary System Components
- Unit 3 Turbine Outage – Inspections & Repairs
- Units 1 & 2 Component Repairs

Planned:

- McKee Run Building Equipment Replacements
- McKee Run High Energy Piping
- McKee Run Natural Gas System Block/Bleed Valves
- McKee Run Fuel Oil System Refurbishment
- Unit 3 – Stack Repairs
- Unit 3 – Cooling Water Line Replacement
- Unit 3 – Cooling Tower Life Extension
- Units 1, 2 & 3 Hydrogen Purity Analyzers
- VanSant Capacity Increase
- VanSant Major Overhaul & Inspection
- VanSant Component Replacements
- Metering System Upgrades
- Safety & Compliance Improvements
- Vehicles, Trucks & Equipment

3.2.1.8 Condition Assessment

The following is a summary of the condition assessment of major equipment at McKee Run and VanSant as presented by the NAES corporation staff. Burns & McDonnell made no internal assessments of equipment during the facility tour.

3.2.1.9 Steam Turbines/Generators

The steam turbines and generators for VanSant and McKee Run Units 1 and 2 were reported to be in satisfactory condition with no major problems. McKee Run Unit 3 turning gear engagement problems were reported in the summer 2010 outage report and repairs were completed in FY 2012.

XL Insurance completes inspections of the Electric Division production facilities on an annual basis. After each inspection the insurance provider issues a report detailing its risk reduction recommendations. A recommendation following the FY 2011 inspection addressed safety. XL Insurance recommended the installation of a permanent fire protection system for the turbine generator bearings at McKee Run. The City completed the installation of the system in FY 2011 for Unit 3. The City and XL Insurance agree that portable foam generating carts are sufficient fire protection for Units 1 and 2, due to their light use.

For FY 2012, Unit 1 conducted turbine generator checks and found a bearing steam seal leak. Steam seals were removed and sent out for refurbishment by Siemens Energy Services during the fall 2012 outage. Bearing was inspected and checked for wear. Bearing did have some wear and did not meet acceptable tolerance, so it was sent out for refurbishment by Fusion Babbiting. Turbine condition assessment was conducted during the fall outage and the Units were found to be in satisfactory working condition.

For Spring 2013, an extensive inspection and testing was performed on Unit 3's turbine and generator. The inspection showed signs of seam oil, hydrogen, and busing box leakages. All issues were fixed and brought to acceptable operating standards. NAES Instrument, Control and Electrical (IC&E) Technicians completed four recommended General Electric Technical Information Letters (TIL) projects for VanSant Unit 11 in both spring and fall 2013 outages as shown below:

1. Annual TIL 1004-2R1 (IGV's and first stage corrosion/pitting inspection)
2. Annual TIL 1068-2R1 (IGV's bushing inspection)
3. Annual TIL 1132-2 (IGV thrust washer corrosion inspection)
4. Annual TIL 1049-2R1 (Inspect and measure dovetail material loss)

During the fall 2013 outage, NAES mechanics installed new hand wheel throttle valve mechanical parts. Thereafter, the IC&E installed a portable vacuum pump to the Unit 1 turbine to simulate vacuum. The turbine was reset and the throttle valve was closed. The throttle valve was then fully opened with no issues and the handle was freewheeling.

3.2.1.10 Boilers and Auxiliaries

Boiler inspections are conducted every year on each of the boilers. The annual inspections typically include the inspection and cleaning of the major boiler components, including the mud and steam drums, the forced draft and induced draft fans, the windbox, condenser water box, condenser tubes, hotwell, air preheater components, and safety valves.

In FY 2011, the outlet duct expansion joint was replaced on Unit 3. Operations removed the appropriate insulation and lagging to prepare the duct. The Electric Division contracted Apex to complete the installation the equipment. A complete seam weld was utilized to seal the joint and the job site was cleaned. No additional problems with this joint developed in FY 2012.

In FY 2012, several principle changes were made on the generating system's boiler and auxiliary units at McKee Run. New beck drives were installed on Unit 3 induced draft and forced draft fans. Also, sector plates and seals were replaced in the Unit 3 air heater.

Following its FY 2010 annual inspection of the production facilities, XL Insurance recommended the City implement a program that tracks annual hot and cold settings of hangers in the steam, reheat, feedwater and boiler systems. In FY 2011 and FY 2012, the City met the recommendation by implementing a program that will examine the high energy piping systems on a five-year basis, beginning in 2014.

During FY 2013 inspections, no major issues were found within the Unit 1 or Unit 2 boiler. Unit 3 had an issue during the startup of the boiler while attempting to obtain a boiler purge. The issue was fixed by replacing a Gas Fuel Trip Relay. Waterwall tubing sections were replaced within Unit 3's A-2 burner.

3.2.1.11 Station Cooling Water Systems

The Station has split cooling water systems with one system serving Unit 1 and Unit 2 and a separate system serving Unit 3. Projectile tube cleaning was completed on the Unit 1 and Unit 2 condensers during the spring FY 2011 outage. All the tubes in each unit were cleaned utilizing the scraper blade plug method. Samples were taken from the tube cleanings and retained for inspection. No leaks were detected in the expansion joint or condenser tubes. Each condenser box was cleaned. Projectile tube cleaning was last completed in the 1980's. The cooling water systems are reported to be sufficiently sized and in satisfactory condition, with no major issues reported at the time of this Report.

3.2.1.12 Fuel Handling Systems

Natural gas is delivered to the Station via a 4-inch pipeline for Unit 1 and Unit 2 and in a 10-inch diameter pipeline for Unit 3. No. 2 fuel oil is delivered to the Station by truck and unloaded into tanks.

Forwarding pumps deliver the fuel oil to each of the units. No major fuel projects were reported to be completed in FY 2012.

3.2.1.13 Water Treatment/Steam Purity

Quality control parameters for boiler feed-water, internal boiler water, cooling tower water, and steam purity are checked at a minimum of twice per day when systems are operating. Results are recorded and graphically compared to control limits. Adjustments are then made as required. Boiler feed water is treated city water (well water from the City) using a regenerative ion resin demineralizer system, along with deaeration for oxygen control. Boilers 1 and 2 use a coordinated phosphate control for boiler internal purity control and Boiler 3 uses a balanced trisodium phosphate and disodium phosphate within a narrow pH range. A deep-bored water well was installed to provide water in addition to the City supplied water. City water has a high chlorine level which may exceed the Station permitted limits. By combining City water with the well water, the chlorine levels can be maintained at the permitted limits. Water for cooling tower makeup is also obtained from City water. The primary control parameter is silica concentration. Blow down is adjusted as required to maintain control. The City is currently undergoing the approval process with Kent County to obtain an integrated waste water permit to be able to discharge cooling water to the sewer system. No major water treatment issues were reported at the time of this Report.

Steam purity is not continuously monitored. Samples are taken twice daily and tested for pH, conductivity, and silica. There have not been any problems with steam purity. Annual inspections of the boiler drums and separation internals have verified that these systems are intact and operating properly.

Following its FY 2010 annual inspection of the production facilities, XL Insurance recommended the City implement lay-up procedures to protect water systems from corrosion. In FY 2011 and FY 2012, NAES worked to update plant procedures to conform to best practices/OSHA standards.

In FY 2012, the station did not experience any internal corrosion related failures, steam path deposits, or excessive condenser fouling. NALCO provides water treatment consulting services and chemicals. A representative visits the Station periodically to review test data and check chemical usage rates. No major issues were reported at the time of this Report.

3.2.1.14 Station Electrical Systems

Overall, Station electrical systems and transformers are considered to be in satisfactory condition. A condition assessment of the generation facilities' transformers was conducted in February 2011. Oil inspections and analyses were conducted. The inspector recommended that normal operation continue for

all the transformers at the plant. Oil sampling is now completed twice per year on the generator step-up transformers (GSUs). All plant transformers are examined annually.

Following its FY 2008 annual inspection of the production facilities, XL Insurance recommended the City build blast walls around transformers at the plant. In FY 2011, the City continued to research blast wall protection. Fire barrier walls were installed between the Unit 1 and 2 auxiliary transformers and the Unit 3 start-up transformer. Based on the 2012 XL Insurance annual inspection, there is still no sprinkler protection for GSU's 1-3.

3.2.1.15 Station Control Systems

Unit 1 and Unit 2 controls are electro-pneumatic and Unit 3 controls are a distributed control system (DCS). During the March FY 2011 spring outage, a controls upgrade was completed at McKee Run Units 1 and 2. The new devices control igniters, pilots and shut down main fuel to protect the boiler. The project included the installation of new limit switches on main gas, pilot gas, and oil supply/return valves. The controls upgrades help the system meet national fire protection codes.

Following its 2007 annual inspection of the production facilities, XL Insurance recommended the City seal openings in fire barriers through which cables pass. The City has worked each year since to make progress on sealing openings in fire barriers. The City completed sealing the rest of the openings as part of its boiler controls and control room upgrades in 2013.

In general, the station control systems are considered to be in satisfactory condition. The Unit 1 and Unit 2 control systems are outdated but perform satisfactorily. All relays have recently been inspected at both McKee Run and VanSant for North American Electric Reliability Corporation, PJM Interconnection and Mid-Atlantic Area Council compliance. The electro hydraulic control system was modified to become a primary/primary system in 2013. In 2013 additional control wiring was installed to upgrade the Unit 1 and Unit 2 gas control system. No major controls issues were reported at the time of this Report.

3.2.1.16 General Facilities

No major projects or improvements were completed to the General Facilities in FY 2013 other than routine maintenance and repairs. In general, the station facilities appeared clean and well maintained during the site visit.

3.2.1.17 VanSant Generating Station

In general, the unit is operated infrequently, but is well maintained. Although the station is only manned when operating, an operator performs a twice daily walk through with a checklist of items to review and

the results are logged. The annual overhaul and inspections were conducted at VanSant during FY 2013. No major problems were found.

The VanSant unit has the capability of black starts. The unit has the capability of remote control; however, the unit is not permitted for remote control.

XL Insurance completes inspections of the Electric Division production facilities on an annual basis. After each inspection the insurance provider issues a report detailing its risk reduction recommendations. The lone recommendation for VanSant following the FY 2012 inspection addressed safety. XL Insurance recommended the installation of gas detection equipment at the plant. A gas detection system has been installed. The gas detectors will activate the fire suppression system and alarm to the central control system. No other major repairs or upgrades were made at VanSant in FY 2013.

3.3 Transmission and Distribution Systems

On April 17, 2014, Mr. Ted Kelly visited the City to collect information and to observe the City transmission and distribution system, as operated and maintained by the Electric Division. Mr. Bill Hewlett provided information related to the transmission and distribution system. Mr. Hewlett also led a tour of the electric transmission and distribution system.

The Electric Division distributes power to its customers by a network of transmission lines, distribution substations, and distribution lines. The transmission lines are rated at 69 kV and are connected to fifteen distribution substations located throughout the service area. The distribution substations reduce the power from transmission voltages to the primary distribution voltages of 12 kV to facilitate distribution of electric power to customers.

3.3.1 Safety

Mr. Hewlett reported to Burns & McDonnell that there were no reportable injuries or lost workdays in FY 2013.

3.3.2 System Reliability

The Electric Division provides for reliability of its distribution system by configuring a majority of its distribution circuits in primary open loop arrangements, improving existing circuits, and installing adequate substation transformer capacity. Normal transformer and line loading are limited to provide sufficient margin to convey firm power requirements during an emergency or a switching operation, or for maintenance.

3.3.3 Power Quality

The Electric Division does not have any significant power quality problems. The overall power factor for the Electric System decreased from 99.86 percent in FY 2012 to 98.43 percent in FY 2013. Power transformers are equipped with load tap changers that regulate bus voltages at the distribution substations. Distribution transformers are equipped with no-load taps to make voltage adjustments. There are capacitors and voltage regulators on the Electric System that control voltage and vars on the portion of the system furthest away from the current source and generation. The system operators monitor the power factor closely and turn on capacitors or adjust the generation to compensate for low power factors.

3.3.4 Operations and Maintenance

The Electric Division has a SCADA system that is monitored continuously for any problems that may arise in the Electric System. The main control room has two system operator desks and a large screen where system operating information is displayed. System operators can monitor the Electric System operation, such as voltage levels, current flows, etc. and make necessary adjustments as problems arise. The systems operators have received some PJM training, but are not required to be certified as Delmarva Power is the controlling agency.

Loading on substation transformers used for an emergency, a switching operation, or maintenance is limited to 120 percent of the rated capacity, followed by a twelve-hour cool-down period. The Electric Division has eight line crews to work on the system. Four crews are responsible for overhead lines, four crews are responsible for underground lines, and one crew is responsible for maintenance. The primary responsibilities of the eight line crews are installation of new service connections and construction of new lines. The trouble crew maintains the street lights, repairs underground services and is the first responder to outages. Tree trimming is contracted out and is no longer performed by the Electrical Division; however, performance of the contractor is monitored by the Line Crew Superintendent.

The Substation/Relay Maintenance Division is responsible for operation and maintenance of the substations and associated equipment. Visual inspections of substations, associated equipment, trip counter checks and battery systems checks are performed regularly. The Substation/Relay Maintenance Division is also responsible for contractor oversight during annual transformer condition assessments.

TJ/H2b Analytical Services completed the annual transformer condition assessments in February 2011. No abnormal gas was indicated and since the oil condition was within acceptable parameters, TJ/H2b recommended the continuation of normal operation. The City has a contract with an environmental

consultant to check each substation for oil leaks and to provide instruction on cleaning up in the event of an oil spill.

The City contracts with an outside firm to inspect and chemically treat each wood pole in the Electric System every ten years. This is accomplished by awarding a five-year contract to spread out the expenses. Pole treatments were completed in May of 2013. Dover treated and inspected over 760 poles during 2013, of which, only one pole was rejected providing a 99.9% pass rate.

3.3.5 Design Standards and Specifications

The Electric Division designs the transmission and distribution circuits and some substation upgrades in conformance with national safety standards. Other substation and transmission design is contracted to Pike Electric, Inc.

The underground distribution design utilizes road or alley front access construction. This design means the electrical equipment, such as transformers and underground cable, are installed beside the road instead of behind houses or buildings. The advantage of front access construction is the accessibility for maintenance and repairs to cable and electric equipment. The underground cables are installed in polymerized vinyl chloride pipe for added protection and for easy cable replacement. The Electric Division installs jacketed, concentric cable that is rated at 15 kV, with 133 percent ethylene propylene rubber insulation.

The standard overhead distribution design utilizes a flat construction with a single cross-arm and insulators on 45-foot class 2 poles. Typically all electrical equipment locations have ground rods installed with measured readings of 25 ohms or less.

The substation design is generally a low-profile rigid bus design. The circuit breakers are SF6 gas-filled and the relays are microprocessor based with SCADA control and monitoring.

3.3.6 Transmission and Distribution Capital Improvements

The following describes completed, on-going, and planned improvements to the City's transmission and distribution assets:

Recently Completed:

- 69-kV Feeders 3 and 4
- Replacement of 69-kV Breakers & Design
- Governors Avenue Rebuild

- Mid-City Substation Upgrades
- Substation PT and CT Replacement
- Transmission Relaying, Replacement and Calibrations
- Outage Management System
- Wyoming Avenue – Underground
- Pleasanton Acres – Underground
- Royal Grant – New Underground Service
- Dover Downs Switchgear
- Substation Equipment & Fencing
- 69kV Switch Replacement
- Frazier Substation Reliability Upgrade

On-Going:

- Capitol Park – Underground
- Morris Estates – Underground
- Bayside Drive (Persimmon to White Oak Road)
- Lighting Project and Rehabilitation
- Horsepond Road Substation Reliability Upgrade
- Transmission Line Maintenance Program
- Distribution Capacitors – Overhead
- Distribution Capacitors – Underground
- New Developments – UG Transformers
- New Developments – UG Conductors/Devices
- Meter Replacements
- Vehicles, Trucks, & Equipment

Planned:

- Substation Battery Replacement
- Richardson Circle
- Lebanon 400 Feeder
- Townpoint Distribution Upgrades
- Distribution System Upgrades – Unidentified
- Horsepond Road URD – Distribution Feeders

- McKee Run Yard Rebuild (Transmission)
- Distribution Feeder Replacement Program
- McKee Run & State College Road Feeder Replacements
- GOTP Transmission Line Relocation
- McKee Run Transformer/Substation Repairs
- Horsepond SS to Cartanza 69kV Rebuild
- 69kV Substation Cable Replacement North Street
- General Scott Switchgear
- Dover Air Force Base Substation Rebuild
- System Automation
- DNREC R&R Metering
- West Dover Connector
- Meadows at Jefferson Terrace
- Chestnut Grove Development
- Garrison Oak Technical Park
- Uzin Utz Manufacturing

3.3.7 Condition Assessment

The transmission and distribution system assessment included drive-by observations of a sample of the transmission circuits, distribution circuits, and substations. Many of the fifteen substations were physically observed during the tour. The following substations were observed during the tour:

- McKee Substation
- College Park Substation
- Dover Downs Substation
- Frazier Substation
- VanSant Substation
- General Scott Substation
- Division Street Substation
- Mid-City Substation
- Mayfair Substation
- St. Joan's Substation
- Cartanza Substation

- Horsepond Substation
- Danner Farm Substation
- Lebanon Substation

In general, the substations were in acceptable operating conditions. Bill Hewlett provided a tour of the substations with Ted Kelly on April 17, 2014. The Frazier Substation was rebuilt last year; an additional 3 breaker system was added for a 69 kV bus. The General Scott Substation has relatively new breakers, and the controls are scheduled to be upgraded in FY 2014 or 2015. Horsepond Substation is currently being rebuilt. Work started in late February and scheduled to be back in service by June, 2014. Conductor line was replaced at the Savannah and White Oak Substation areas. The City's in the process of replacing conductor throughout the entire 69 kV system. Moving forward, a greater portion of the system will be converted from overhead to underground distribution.

3.4 Conclusions

Based on statements and information provided, as well as the observations and reviews performed, it is the opinion of Burns & McDonnell that the City's power generation facilities are being operated and maintained consistent with accepted electric utility practice in the United States. In general, the performance, operation, maintenance, staff, planning, and training aspects for the McKee Run and VanSant stations were found to be above average. Specifically, the generation facilities have demonstrated a high level of availability despite the dispatching of the units primarily for peak demand.

It is the opinion of Burns & McDonnell that the design, construction, operation and maintenance of the City's electric transmission and distribution system and the associated facilities are consistent with current generally accepted electric utility standards. In completing Annual Engineering Consultant's Reports over the past several years, Burns & McDonnell has observed that the City has made appropriate system upgrades and improvements. The City and the Electric Division are proactive in preventative maintenance and expansion of the Electric System before problems arise.

4.0 – FINANCIAL ASSESSMENT

4.0 FINANCIAL ASSESSMENT

A review of the financial results of the Electric System for the fiscal year ended June 30, 2013, is provided below.

4.1 Financial Results

The total revenue of the Electric Division during FY 2013 included revenue from charges for electric service, as well as miscellaneous revenues from items such as rents, penalties, reconnection fees, and development fees. On Table 4-4, revenues were compared to the Electric Division's costs of providing services to its customers to determine whether the financial requirements of the Electric Division were met.

4.1.1 Required Revenue Level

The level of revenues required from the retail electric rates for the Electric Division was determined through the analysis of the financial results and net income or net margins for the most recent fiscal year. The City of Dover, Delaware Resolution Authorizing and Securing Electric Revenue Bonds, adopted December 23, 1985 requires that the Electric Division maintain a debt service coverage ratio of 1.25. The following is an excerpt from Section 502(c) of the resolution.

> *"(c) The total amount of the Revenues of the Electric System during the preceding fiscal year shall have been not less than the total of the following:*
>
> *(3) The Current Expenses of the Electric System during the current fiscal years shown by the Annual Budget . . . for such fiscal year, and*
>
> *(4) One hundred twenty-five percent (125%) of the maximum amount of the Principal and Interest Requirements for any fiscal year thereafter on account of all bonds then Outstanding under the provisions of this Resolution.*
>
> *The City further covenants that, from time to time and as often as it shall appear necessary, it will adjust the electric rates as may be necessary or proper so that the revenues of the Electric System in each fiscal year will not be less than the total of the amounts set forth in subdivision (c) of this section."*

4.1.2 Electric Rates

Customers of the Electric Division are charged for the electric service based on rate schedules, tariffs, or contracts that reflect the costs to the Electric Division of providing that service. For purposes of setting

electric rates, customers with similar load and service characteristics should be placed in the same rate classification.

A comprehensive cost-of-service and rate design study was completed in 2006 and subsequent rate analyses were completed in 2007 and 2008 to examine revenue requirements and revenue generation. Specifically, the 2006 rate study was conducted to address increased costs associated with a new power supply contract that became effective on July 1, 2006. The rate study recommended combining a number of rate classes and implementing rate increases on July 1, 2006. The 2006 rate study also recommended an additional increase be implemented on January 1, 2007 to cover increased costs associated with operating the generating station. The 2007 and 2008 rate analyses re-examined Electric Division revenues and expenses and recognized additional revisions to power supply costs. As a result of these analyses, additional rate increases were implemented on July 1, 2007 and July 1, 2008. The City retained Burns & McDonnell to conduct cost-of-service and rate design study in 2012 followed by an update in 2013. The 2012 study examined revenue adequacy, revenue responsibility, and revenue recovery for the Electric Division. It scrutinized customer classes and proposed adjustments for demand rate components and corresponding changes to energy charges. In May 2013, the City retained Burns & McDonnell to incorporate updated power supply cost projections, and other updates, into the model it developed as part of the 2012 Study. The current rate classes are listed below.

- Residential
- Small Commercial (1 Phase, 3 Phase, 1 Phase Heating, Church, and Municipal)
- Medium Commercial (1 Phase & 3 Phase)
- Large Commercial (3 Phase with Reactive Metering)
- Primary
- Transmission
- Outdoor Development Lighting
- Private Outdoor Lighting

4.1.3 Operating Results

Table 4-1 presents a summary of the annual energy sales, the average monthly number of customer accounts, and the annual average kilowatt-hour (kWh) energy per customer of the Electric Division for FY 2011 through FY 2013. Annual energy sales decreased in FY 2012 to 710.3 GWh, a decrease of 3.2 percent from 734.1 GWh in FY 2011. Energy sales increased to 723.1 GWh in FY 2013, a 1.8 percent increase from FY 2012.

Table 4-1: Annual Sales and Customer Accounts

	FY 2011	FY 2012	FY 2013
Energy Sales (kWh)			
Residential	208,092,047	196,388,942	204,759,680
Commercial	243,985,517	230,814,311	232,220,877
Primary	153,879,249	160,560,686	167,144,717
Transmission	128,146,159	122,563,783	119,003,804
Total Energy Sales	734,102,972	710,327,722	723,129,078
Average Number of Monthly Customers (bills)			
Residential	19,730	19,910	19,990
Commercial	3,140	3,355	3,412
Primary	42	39	37
Transmission	3	4	4
Total Customers Accounts	22,915	23,308	23,443
Energy Usage Per Customer (kWh/cust./yr.)			
Residential	10,547	9,864	10,243
Commercial	77,702	68,797	68,060
Primary	3,663,792	4,116,941	4,517,425
Transmission	42,715,386	30,640,946	29,750,951
Average Usage Per Customer	32,036	30,476	30,846

Table 4-2 presents revenues from sales, revenue per kWh ratios, and average revenue per customer ratios for each revenue classification. Total revenue from sales to electric customers in FY 2013 was $88.3 million, representing a decrease of $3.6 million, or 3.9 percent from FY 2012. Total revenue from sales to electric customers includes utility tax revenue and power cost adjustment revenue.

In FY 2013, the average rate revenue per kWh for residential customers was 14.00 cents and the total average rate revenue was 12.22 cents per kWh. The July 2012, through June 2013 national average monthly utility-level retail sales of electricity and associated revenue per kWh, as published by the US Energy Information Administration (EIA), were 11.88 and 9.84 cents per kWh, respectively. For a state-wide comparison, the EIA summarized the Delaware July 2012 through June 2013 average monthly utility-level retail sales of electricity and associated revenue per kWh to be 13.58 cents per kWh for residential customers and 11.06 cents per kWh across all sectors.[1]

[1] US Energy Information Administration, Form EIA-826 Data Monthly Electric Utility Sales and Revenue Data, http://www.eia.gov/electricity/data/state/avgprice_annual.xls (May 22, 2014)

Table 4-2: Annual Revenues and Sales Ratios

	FY 2011	FY 2012	FY 2013
Revenue			
Residential	$ 30,774,462	$ 28,072,775	$ 28,668,248
Commercial	36,572,134	33,381,554	30,520,784
Primary	18,450,238	17,986,987	17,699,865
Transmission	13,716,322	12,506,664	11,442,299
Total Revenue	$ 99,513,156	$ 91,947,980	$ 88,331,196
Revenue/kWh			
Residential	$ 0.1479	$ 0.1429	$ 0.1400
Commercial	0.1499	0.1446	0.1314
Primary	0.1199	0.1120	0.1059
Transmission	0.1070	0.1020	0.0962
Total Revenue/kWh	$ 0.1356	$ 0.1294	$ 0.1222
Revenue Per Customer			
Residential	$ 1,560	$ 1,410	$ 1,434
Commercial	11,647	9,950	8,945
Primary	439,291	461,205	478,375
Transmission	4,572,107	3,126,666	2,860,575
Average Revenue Per Customer	$ 4,343	$ 3,945	$ 3,768

The Electric Division's largest cost in providing electric service to its customers in FY 2013 was the wholesale cost of power. The Electric Division purchased power from the PJM Interconnection marketplace through its Energy Manager, TEA. The cost of non-generated power includes energy and demand costs, power supply management expense, PJM charges and credits, generation fuels cost, and capacity charges and credits.

The significance of power supply cost to the Electric Division is illustrated in Table 4-3. The top portion of the Table shows net operating revenue as the difference between total revenues generated by the rates and the cost of power supply.[2] The ratios of power supply cost to sales revenues were calculated for FY 2011 through FY 2013. As illustrated, the Electric Division's power supply cost as a percentage of rate revenue increased from 64.1 percent in FY 2012 to 63.0 percent in FY 2013.

[2] For the purposes of this Report, the phrase "Power Supply" refers to the sum of the costs of power purchased and power generated. This includes plant costs and the cost of fuel. Power Supply also includes any expenses in the CIP Fund that are not capital expenses. The phrase "Purchased Power" refers only to the cost of power purchased from the market and other directly associated costs.

Table 4-3: Revenue Margins and Unaccounted for Energy

	FY 2011	FY 2012	FY 2013
Net Revenue Margins ($)			
Sales Revenues	$ 99,513,156	$ 91,947,980	$ 88,331,196
Power Supply	69,616,076	58,929,133	55,681,251
Net Revenue Margin	$ 29,897,080	$ 33,018,847	$ 32,649,945
Net Revenue Ratio	70.0%	64.1%	63.0%
Unaccounted for Energy (kWh)			
Power Supply	768,254,000	738,190,000	752,869,000
Energy Sales	734,102,972	710,327,722	723,129,078
Unaccounted for Energy (Losses) [1]	34,151,028	27,862,278	29,739,922
Percentage	4.4%	3.8%	4.0%

[1] Unaccounted for Energy (Losses) includes street lighting energy

Table 4-3 also illustrates the ratio of the amount of energy purchased and delivered to the electric system to total energy sales. This relationship identifies the level of unaccounted for energy in the Electric System. This unaccounted for energy may include energy that was unmetered, metered inaccurately, stolen, lost, PJM transmission line losses, local system line/transformer losses, etc. The bottom portion of Table 4-3 presents these comparisons for the Electric Division for FY 2011 through FY 2013. As shown, the percentage ratio of the unaccounted for energy to the total energy purchased for FY 2013 was 4.0 percent. This is up from 3.8 percent in FY 2012.

Table 4-4 presents a re-creation of the Electric Division's Statement of Revenues, Expenses, and Changes in Unreserved Retained Earnings for the Electric Revenue Fund for FY 2011 through FY 2013. Net income decreased from FY 2012, totaling $6.2 million in FY 2013. An increase in Operating – Transfers Out resulted in a $2.3 million decrease in net income for the year. The General Fund Transfer was increased by $2.0 million to help finance the Calpine Project which the City is currently negotiating with for a Purchase Power Agreement and Capacity Agreement in light of the decommissioning Units 1 and 2.

Table 4-4: Comparative Statement of Revenues, Expense, and Changes in Unreserved Retained Earnings

	FY 2011	FY 2012	FY 2013
Operating Revenues:			
Charges for Electric Service	$ 99,513,157	$ 91,947,980	$ 88,331,196
Miscellaneous Services/Incomes	2,389,462	1,581,421	2,354,497
Total Operating Revenues	$ 101,902,619	$ 93,529,401	$ 90,685,693
Operating Expenses:			
General Administration	$ 5,298,869	$ 5,223,149	$ 4,470,795
Power Supply	69,616,076	58,929,133	55,681,251
Transmission/Distribution	3,083,714	3,023,566	3,267,698
Engineering	1,722,244	1,163,379	1,107,231
Metering	204,352	205,791	219,010
System Operations	486,894	498,063	544,405
Utility Tax	1,944,543	1,548,208	1,443,853
Depreciation	4,710,658	4,783,444	4,621,501
Retirees Pension			1,115,765
Retiree Health Care	1,839,110	1,015,731	696,500
Total Operating Expenses	$ 88,906,460	$ 76,390,464	$ 73,168,009
Net Operating Income	$ 12,996,159	$ 17,138,937	$ 17,517,684
Non-operating Revenues (Expenses)			
Interest Earned			
Operating Fund	$ 832,145	$ 120,876	$ 190,469
Reserved Funds	511,922	348,640	506,771
Net Increase in Fair Value of Investments	(861,216)	45,200	(614,989)
Interest and Fiscal Charges	(1,385,035)	(1,283,174)	(1,432,779)
Bond Discount Amortized	(21,579)	-	
Gain/(Loss) on Sale of Assets	16,830	47,966	5,203
Total Non-operating Revenues(Expenses)	$ (906,933)	$ (720,492)	$ (1,345,325)
Net Income Before Operating Transfers	$ 12,089,226	$ 16,418,445	$ 16,172,359
Operating Transfers - In	-	-	8,282
Operating Transfers - Out	(8,856,000)	(7,876,288)	(10,000,000)
Total Net Operating Transfers	$ (8,856,000)	$ (7,876,288)	$ (9,991,718)
Net Income	$ 3,233,226	$ 8,542,157	$ 6,180,641

4.1.4 Adequacy of Electric Rates

The City's Bond Resolution requires annual revenues of the Electric Division be no less than the total current expenses plus 125 percent of the greatest remaining annual debt service. "Current expenses", as defined in the Resolution, includes all expenses necessary to maintain and repair the Electric System, all administrative expenses, and engineering, legal or other consultant fees. Transfers to reserve accounts and special purpose funds, and allowances for depreciation are specifically excluded from "current expenses."

In order to determine if the City and the Electric Division have met this requirement, the net income shown in Table 4-4 was adjusted to include the interest on bonds, depreciation expense, and other non-cash income and expenses. Table 4-5 summarizes net income adjustments and the calculation of the revenues available for debt service for FY 2011 though FY 2013.

Table 4-5: Debt Service Coverage

	FY 2011	FY 2012	FY 2013
Net Income	$ 3,233,226	$ 8,542,157	$ 6,180,641
Plus Excluded Expenses:			
Operating Transfers - Out	$ 8,856,000	$ 7,876,288	$ 10,000,000
Depreciation	4,710,658	4,783,444	4,621,501
Interest and Fiscal Charges	1,385,035	1,283,174	1,432,779
Bond Discount Amortized	21,579	-	-
Gain/(Loss) on Sale of Assets	(16,830)	(47,966)	(5,203)
Less Excluded Income:			
Net Increase in Fair Value of Investments	861,216	(45,200)	614,989
Interest Earned - Reserve Funds	(511,922)	(348,640)	(506,771)
Revenues Available for Debt Service	$ 18,538,962	$ 22,043,257	$ 22,329,654
Maximum Principal and Interest in Any Year	$ 3,401,954	$ 3,401,954	$ 3,401,954
Debt Service Coverage	5.45	6.48	6.56
Minimum Required Debt Service Ratio	1.25	1.25	1.25

As Table 4-5 illustrates, the City and the Electric Division maintained a debt service coverage ratio each year that exceeded the required 125 percent plus current expenses. Therefore, the revenues generated by the current electric rates have been sufficient to meet the applicable covenants of the Resolution.

Section 502 of the Resolution requires that the annual debt service used in evaluating the revenues is to be the maximum amount for any fiscal year thereafter. Table 4-6 presents the annual totals of principal and interest amounts due on bonds currently outstanding. The calculation of the debt service coverage ratio in Table 4-5 is based on the total maximum debt service expense in any fiscal year. The FY 2013 calculation was based on the total FY 2016 debt service expense of $3,401,954.

4.2 Status of Revenue Bonds

At the end of FY 2013, the City had two series of outstanding electric revenue bonds that were issued pursuant to the Resolution. On July 1, 2008, the City issued $22,200,000 in Electric Revenue Bonds (2008 Bonds). The proceeds from the sale of the 2008 Bonds were used (i) to finance or reimburse the

City for improvements to the City's electric system; (ii) to fund a Debt Service Reserve Fund; and (4) to pay the costs of issuance of the 2008 Bonds.

On November 17, 2010, the City issued $8,810,000 of Electric Revenue Refunding Bonds (Series 2010). The proceeds from the sale of the Series 2010 Bonds were used (i) to refund the Series 2004 Bonds, and (ii) to pay the costs of issuance of the Series 2010 Bonds. The non-taxable Series 2010 Bonds received an underlying rating of Aa2 by Moody's Investors Services and an underlying rating of A+ by Fitch Ratings.

Table 4-6 illustrates the debt service schedule for the Series 2008 and 2010 Bonds. The principal and interest and the annual total are shown for each series of bonds. At the time of issuance of the Series 2010 Bonds, the combined outstanding principal balance for both series of bonds was $30,280,000.

Table 4-6: Debt Service Schedule of Electric Revenue Bonds

	2008 Electric Revenue Bonds			2010 Electric Revenue Refunding Bonds			Total Annual
Period	Principal	Interest	Debt Service	Principal	Interest	Debt Service	Debt Service
FY 2014	430,000	986,454	1,416,454	1,740,000	219,100	1,959,100	3,375,554
FY 2015	450,000	964,954	1,414,954	1,810,000	166,900	1,976,900	3,391,854
FY 2016	475,000	942,454	1,417,454	1,890,000	94,500	1,984,500	3,401,954
FY 2017	695,000	918,704	1,613,704	-	-	-	1,613,704
FY 2018	730,000	883,954	1,613,954	-	-	-	1,613,954
FY 2019	765,000	847,454	1,612,454	-	-	-	1,612,454
FY 2020	800,000	815,706	1,615,706	-	-	-	1,615,706
FY21-34	16,325,000	6,618,185	22,943,185	-	-	-	22,943,185
Total	$21,470,000	$15,013,223	$36,483,223	$8,810,000	$ 911,867	$ 9,721,867	$46,205,090

4.3 Insurance

The City maintains a comprehensive insurance program to insure against varying types of liabilities and significant losses related to various Electric Division properties. Section 706 of the Resolution reads:

> *"The City covenants that it will maintain a practical insurance program, with reasonable terms, conditions, provisions and costs, which the City Manager determines, with the approval of the Engineering Consultants, will afford adequate protection against loss, including loss of Revenues, caused by damage to or destruction of the Electric System or any part thereof and also comprehensive public liability insurance on the Electric System for bodily injury and property damage in such amounts as may be approved by the Engineering Consultants."*

Table 4-7 summarizes itemized insurance coverage procured by the City for the period July 1, 2013, through June 30, 2014. Burns & McDonnell has reviewed this list of insurance, and in the opinion of

Burns & McDonnell, as Engineering Consultant and not as insurance counselor, the insurance in full force and affect appears to satisfy the requirements of Section 706 of the Resolution.

Table 4-7: Schedule of Insurance Coverage in Effect

Starr Technical Risks Agency	July 1, 2013 - June 30, 2014 Coverage
Property	
Earth Movement -Per Occurrence and in the Annual Aggregate, except	$20,000,000
Earth Movement in High Hazard Earth Movement Zones;	EXCLUDED
Earth Movement in California;	EXCLUDED
Flood -Per Occurrence and in the Annual Aggregate;	10,000,000
Accounts Receivable;	100,000
Business Interruption;	EXCLUDED
Contingent Time Element Coverage;	EXCLUDED
Debris Removal (or 25% of Direct Property Loss, whichever the greater);	2,500,000
Demolition and Increased Cost of Construction;	10,000,000
EDP Media;	1,000,000
Errors and Omissions;	2,000,000
Expediting Expense;	1,000,000
Extra Expense, excluding replacement power or increased cost of generation, transmission and/or distribution of electricity, water or natural gas;	2,000,000
Fire Department Service Charges and Extinguishing Expenses;	500,000
Hazardous Substances -Per Occurrence and in the Annual Aggregate;	500,000
Inland Transit;	2,500,000
Newly Acquired Locations -90 Days reporting;	1,000,000
Personal Property Temporarily Off Premises;	100,000
Professional Fees;	250,000
Incidental Course of Construction;	5,000,000
Miscellaneous Unnamed Locations (except perils of Flood, Earth Movement and	500,000
Valuable Papers and Records;	100,000

Deductibles

For each Occurrence giving rise to a claim under this policy, the Insured agrees to retain for its own account an initial amount of:

In respect of Damage to Insured Property:

$350,000 per Occurrence, except;

$100,000 per Occurrence as respects Transit.

In respect of Time Element loss (Extra Expense):

45 days per Occurrence, except;

72 hours per Occurrence in respect of Service Interruption.

XL Insurance	July 1, 2013 - June 30, 2014 Coverage
Property	
per Occurrence and in the Annual Aggregate in respect of Flood;	$ 10,000,000
per Occurrence and in the Annual Aggregate in respect of Earth Movement, Excluded. per Occurrence and in the Annual Aggregate applicable in High Hazard Movement zones;	20,000,000
per Occurrence and in the Aggregate in respect Hazardous Substance;	500,000
per Occurrence in respect of Business Interruption;	EXCLUDED
per Occurrence in respect of Accounts Receivable;	100,000
per Occurrence in respect of scheduled, direct Contingent Time Element;	EXCLUDED
per Occurrence in respect of Incidental Course of Construction;	5,000,000
(or 25.00% of the direct physical loss, whichever greater) per Occurrence in respect of Debris Removal;	2,500,000
per Occurrence in respect of Demolition and Increased Cost of Construction;	10,000,000
per Occurrence in respect of Electronic Data Processing Media;	1,000,000
per Occurrence in respect of Errors and Omissions;	2,000,000
per Occurrence in respect of Expediting Expense;	1,000,000
per Occurrence in respect of Extra Expense excluding replacement power of increased cost of generation, transmission and/or distribution of electricity, water or natural gas;	2,000,000
per Occurrence in respect of Fire Department Service Charges and Extinguishing Expenses;	500,000
per Occurrence in respect of Newly Acquired Locations (ninety (90) days reporting);	1,000,000
per Occurrence in respect of property in Course of Inland Transit;	2,500,000
per Occurrence in respect of Miscellaneous Unnamed Locations, except:	500,000
Excluded. per Occurrence in respect of Flood;	
Excluded. per Occurrence in respect of Earth Movement;	
Excluded. per Occurrence in respect of Named Storm;	
per Occurrence in respect of Valuable Papers and Records;	100,000
per Occurrence in respect of Personal Property Temporarily Off Premise.	100,000

Deductibles / Retentions

For each Occurrence giving rise to a claim under this policy, the Insured agrees to retain for its own account an initial amount of:

In respect of Damage to Insured Property:

$350,000, Per Occurrence, except;

$100,000, per Occurrence as respect Transit;

In respect of Time Element loss (Extra Expense):

45 days per Occurrence except;

72 hours Per Occurrence in respect of Service Interruption

4.4 Operating and Reserve Accounts

The Electric Revenue Fund and the Electric Improvement & Extension (I&E) Fund are the City's two funds devoted to the Electric Division. The funds are used to manage cash and transactions related to utility operations and capital expenditures, respectively. Each fund includes certain cash accounts established to make moneys available for specific purposes when they are needed. The accounts maintained within the Revenue and I&E Funds are listed herein.

Electric Revenue Fund

- Insurance Reserve Account
- Contingency Reserve Account
- Electric Rate Stabilization Reserve Account
- Interest and Sinking Account

Electric Improvement & Extension Fund

- Depreciation Reserve Account
- Future Capacity Reserve Account

The following are descriptions of each Fund, their respective accounts and their purposes.

4.4.1 Electric Revenue Fund

The Electric Revenue Fund was established in Section 503 of the Resolution. All revenues are to be deposited into the Electric Revenue Fund when received. Current expenses are to be paid and other accounts are to be maintained from the Electric Revenue Fund. Moneys are transferred from the Electric Revenue Fund to the Electric Rate Stabilization Reserve Account, the Interest and Sinking Account, the I&E Fund, the Depreciation Reserve Account, and the Future Capacity Reserve Account.

4.4.1.1 Insurance Reserve Account

The Insurance Reserve Account was established by the City to fund insurance deductibles in the event of loss(es) covered by the City's insurance policies then in effect. The target minimum balance in the Insurance Reserve is $350,000. The reserve balance at the end of FY 2013 was $733,043. Dover will be proposing raising the minimum balance from $350,000 to $750,000 per insurance carrier recommendation in order to reduce premiums. This proposal will be taken to City Council in 2014.

4.4.1.2 Contingency Reserve Account

The Contingency Reserve Account was established by the City in FY 2003 to provide for unplanned expenditures that may not be avoidable. The City's Financial Policies require that a minimum balance be maintained in the Contingency Reserve Account equal to 1.0 percent of the current year revenues for the Electric Revenue Fund. The FY 2013 year-end balance was $814,236, which is equal to 0.92 percent of the FY 2013 revenues for the Electric Revenue Fund.

4.4.1.3 Electric Rate Stabilization Account

The Electric Rate Stabilization Reserve Account was established in FY 2005 to offset the costs of the power cost adjustment to the customers of Dover. The account's target balance is a minimum of 3.0 percent, not to exceed 10.0 percent, of purchase power cost in any given year. Any excess of this amount will be refunded to customers in future years by reducing the rate of the power cost adjustment. The account's FY 2013 end-of-year balance was $17,382,124, which was 31.2 percent of the FY 2013 purchased power cost.

4.4.1.4 Interest and Sinking Account

The Interest and Sinking Account was established in Section 507 of the Resolution. This account consists of two restricted accounts: the Bond Service account and the Reserve Account. The Bond Service Account is funded with equal monthly transfers from the Electric Revenue Fund such that the balance, as of each payment date for interest or for principal and interest, will be equal to the amount of the payment due. The payments of principal and interest due on bonds are made from the Bond Service Account. The Reserve Account is funded by transfers from the Electric Revenue Fund, as necessary, to maintain a balance equal to the maximum combined principal and interest for any future fiscal year through the life of all bonds then outstanding. Moneys in the Reserve Account are used for paying interest on and principal of bonds when the balance in the Bond Service Account is insufficient for making those payments. Excess moneys in the Reserve Account are also used towards paying current interest payments. The total amount in the Restricted Accounts for the 2008 and 2010 bonds as of June 30, 2013, was $3,522,833.

4.4.2 Electric Improvement and Extension Fund

The I&E Fund was established in Section 507 of the Resolution. Funds are added to the I&E Fund from the Electric Revenue Fund to the extent that the amount of funds available from the Electric Revenue Fund exceeds the total of the amounts required to be added to the Interest and Sinking Account. The I&E Fund also receives additional funding from the Depreciation Reserve Account, the Future Capacity Reserve Account, and from development receipts. Section 510 of the Resolution indicates that, except for certain situations, moneys held in the I&E Fund are to be used only for payment of costs of unusual maintenance or repairs, renewals or replacements, obtaining or replacing equipment, constructing extensions, additions, or improvements, and engineering expenses related to the foregoing activities.

4.4.2.1 Depreciation Reserve Account

The Depreciation Reserve Account represents moneys that have been set aside for the sole purpose of funding renewals and replacements of the Electric System as components or equipment wear out,

deteriorate, or otherwise become unsuitable for the intended purpose. Transfers from the Electric Revenue Fund and investment earnings are the only sources of additional moneys for the Depreciation Reserve Account. Transfers to the I&E Fund are made as necessary to fund capital projects. The target appropriation for the Depreciation Reserve Account each year is the excess of depreciation expense for the year over the amount of principal included in debt service payments made during the year. The reserve balance at the end of FY 2013 was $9,855,704.

4.4.2.2 Future Capacity Reserve Account

The Future Capacity Reserve Account was established to set aside and accumulate funds from the Electric Revenue Fund for use in evaluating and pursuing activities related to the Electric Division's alternatives for power supply resources for future demand for electricity. The original target balance for this reserve was $5,000,000. The reserve balance at the end of FY 2013 was $10,004,190.

Table 4-8 presents FY 2011 through FY 2013 year-end summaries of the activity within the cash accounts described above. The Insurance Reserve Account, the Contingency Reserve Account, the Electric Rate Stabilization Reserve Account, and the Interest and Sinking Account are accounts within the Electric Revenue Fund. The Depreciation Reserve Account and the Future Capacity Reserve Account are accounts within the I&E Fund.

Table 4-8: Reserve Account Activity and Balances

	Insurance Reserve Account	Contingency Reserve Account	Electric Rate Stabilization Account	Bond Reserve Account	Depreciation Reserve Account	Future Capacity Account
Year Ended June 30, 2011						
Balance in Account on July 1	$ 396,530	$1,039,766	$ 4,776,519	$3,337,822	$ 8,021,155	$ 9,023,928
Receipts						
Interest Earned	6,804	17,022	83,648	108,665	141,066	154,843
Appropriations	-	-	1,300,000	3,588,881	2,250,000	-
Total Funds Available	$ 403,334	$1,056,788	$ 6,160,167	$7,035,368	$10,412,221	$ 9,178,771
Disbursements						
Debt Service Payments	-	-	-	(3,515,992)	-	-
Transfer to Capital Projects	-	-		-	-	-
Balance in Account on June 30	$ 403,334	$1,056,788	$ 6,160,167	$3,519,376	$10,412,221	$ 9,178,771
Year Ended June 30, 2012						
Balance in Account on July 1	$ 403,334	$1,056,788	$ 6,160,167	$3,519,376	$10,412,221	$ 9,178,771
Receipts						
Interest Earned	4,661	14,026	69,966	3,443	129,837	126,711
Appropriations	-	-	4,000,000	3,370,068	-	-
Total Funds Available	$ 407,995	$1,070,814	$10,230,133	$6,892,886	$10,542,058	$ 9,305,482
Disbursements						
Debt Service Payments	-	-	-	(3,370,054)	(500,000)	-
Transfer to Capital Projects	(70,730)	-		-	(300,000)	500,000
Balance in Account on June 30	$ 337,265	$1,070,814	$10,230,133	$3,522,833	$ 9,742,058	$ 9,805,482
Year Ended June 30, 2013						
Balance in Account on July 1	$ 337,265	$1,070,814	$10,230,133	$3,522,833	$ 9,742,058	$ 9,805,482
Receipts						
Interest Earned	10,178	16,022	151,991	3,224	172,146	153,208
Appropriations	385,600	-	7,000,000	3,375,534	-	2,100,000
Total Funds Available	$ 733,043	$1,086,836	$17,382,124	$6,901,591	$ 9,914,204	$12,058,690
Disbursements						
Debt Service Payments	-	(272,600)	-	(3,375,534)	(58,500)	(54,500)
Transfer to Capital Projects	-	-		-	-	(2,000,000)
Balance in Account on June 30	$ 733,043	$ 814,236	$17,382,124	$3,526,057	$ 9,855,704	$10,004,190

5.0 – CONCLUSIONS

5.0 CONCLUSIONS

In the preparation of this Engineering Consultant's Report, Burns & McDonnell completed assessments of the electric generating stations and the transmission and distribution system of the City Electric Division. The investigations included interviews, observations, and reviews of FY 2013 expenditures and FY 2014 budgets. In addition, an analysis of the balances of the Improvement and Extension Fund and other funds benefiting the Electric Division was performed. Burns & McDonnell also reviewed the adequacy of the revenues provided by the current retail rates in relation to the requirements of the City of Dover, Delaware Resolution Authorizing and Securing Electric Revenue Bonds, adopted December 23, 1985. A high level assessment of the City's insurance coverage related to the Electric Division was also completed. Based on these reviews and assessments, it is Burns & McDonnell's opinion that:

1. The City's power generation facilities are being operated and maintained consistent with accepted electric utility practice in the United States.
2. The design, construction, operation, and maintenance of the City's electric transmission and distribution system and the associated facilities are consistent with current generally accepted electric utility standards and over the past few years. The system has been upgraded in order to improve operation and service to customers.
3. The Electric Division capital projects included in the City's Capital Investment Plan and the FY 2014 Operating Budget are necessary and should provide improved reliability and power quality for the Electric System.
4. The balances as of June 30, 2013 for the various reserve funds maintained by the City for the Electric Division appear to be sufficient for their defined purposes.
5. The insurance coverage in full force and affect as maintained by the City related to the various assets of the Electric Division appears to satisfy the requirements of Section 706 of the Resolution.
6. The electric revenues generated by the City's current retail rates are more than sufficient to fulfill the debt service coverage requirement defined in Section 502(c) of the Resolution.

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Missouri City, MO 64114
Phone: 816-333-9400
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Burns & McDonnell: Making our clients successful for more than 100 years

CITY OF DOVER
FISCAL YEAR JULY 1, 2013 TO JUNE 30, 2014
REVENUE REPORT
As of May 31, 2014

	GENERAL FUND	FY14 BUDGET	FY14 REVISED BUDGET	YTD REVENUES	92.0% % BUDGET RECEIVED	FY15 BUDGET	COMMENTS	FY13 REVENUES	FY12 REVENUES
1	Property Taxes	$ 10,852,300	$ 10,778,300	$ 10,788,900	100.1%	$ 10,782,200		$ 10,768,815	$ 10,765,741
2	Payment In Lieu of Taxes	317,200	317,200	316,700	99.8%	317,000		357,580	284,457
3	Transfer from Electric Fund	8,000,000	8,000,000	8,000,000	100.0%	10,000,000		8,000,000	7,876,288
4	Intrafund Service Receipts Electric	3,319,400	3,572,700	2,885,700	80.8%	3,508,100		3,195,818	3,105,015
5	Transfer from Transfer Tax Fund	1,315,500	1,393,000	1,455,400	104.5%	1,250,000	Includes May; Received in June	1,107,959	1,373,208
6	Business Licenses	1,460,000	1,460,000	1,448,700	99.2%	1,460,000		1,462,503	1,470,097
7	Intrafund Service Receipts Water/Wastewater	1,134,900	1,360,300	1,039,400	76.4%	1,354,900		1,046,492	894,186
8	Sanitation Fees	2,676,500	2,595,600	2,380,400	91.7%	2,595,600		2,624,877	1,903,623
9	Permits & Other Licenses	1,167,500	1,332,500	1,500,400	112.6%	1,354,200		1,162,765	1,346,769
10	Transfer from Municipal Street Aid Fund	527,400	663,900	498,000	75.0%	663,900		531,121	527,042
11	Fines & Police Revenue	666,000	573,900	575,800	100.3%	629,300		612,193	681,952
12	Police Extra Duty Fees	650,000	650,000	334,000	51.4%	659,500		703,575	600,310
13	Transfer from Police Grant Funds	110,000	126,800	63,400	50.0%	124,000		113,980	600,310
14	Court of Chancery Fees	863,200	1,002,200	945,200	94.3%	1,023,000	Includes May; Received in June	917,700	863,220
15	Transfer from Water/Wastewater Fund	500,000	500,000	500,000	100.0%	500,000		500,000	424,508
16	Transfer from Civil Traffic Penalties Fund	600,000	368,400	288,200	78.2%	500,000	Thru April 2014	299,828	518,638
17	Library Revenues & County Reciprocal Pymt	466,600	530,500	492,700	92.9%	521,600		471,065	475,822
18	Franchise Fees	606,200	636,000	477,800	75.1%	636,000		618,347	568,240
19	General Fund Grant Receipts	623,500	623,500	571,000	91.6%	623,500		777,987	1,010,452
20	Recreation Revenue	133,000	148,800	136,000	91.4%	148,800		144,490	112,480
21	Other Miscellaneous Receipts	213,800	203,600	169,800	83.4%	159,300		228,729	232,535
22	Interest Income	75,000	40,000	32,300	80.8%	40,000		93,173	53,175
23	Transfer from Reserves	-	250,000	250,000	0.0%	-	Contingency Reserve	-	-
	TOTALS	$ 36,278,000	$ 37,127,200	$ 35,149,800	96.9%	$ 38,850,900		$ 35,738,997	$ 35,688,068
	Final Budget		**$ 849,200**	**FY14 Chg.**		**$ 2,572,900**		**$ 35,569,000**	**$ 35,016,778**

CITY OF DOVER
FISCAL YEAR JULY 1, 2013 TO JUNE 30, 2014
REVENUE REPORT
As of May 31, 2014

	WATER/WASTEWATER FUND	FY14 BUDGET	FY14 REVISED BUDGET	YTD REVENUES	92.0% % BUDGET RECEIVED	FY15 BUDGET	COMMENTS	FY13 REVENUES	FY12 REVENUES
1	Water Fees	$ 4,730,700	$ 4,730,700	$ 4,044,500	85.5%	$ 4,616,400		$ 4,551,840	$ 4,707,918
2	Wastewater Fees	3,642,700	3,642,700	3,250,700	89.2%	3,706,800		3,564,615	3,722,985
3	Wastewater Adjustment Fees - County Trtmt	2,980,300	2,980,300	2,673,500	89.7%	2,902,600		2,926,616	3,050,127
4	Groundwater Inflow Adjustment	1,324,600	1,324,600	1,200,900	90.7%	1,862,500		1,314,033	1,290,968
5	Water Impact Fees	357,000	357,000	237,500	66.5%	472,700		220,362	308,700
6	Wastewater Impact Fees	323,000	323,000	216,900	67.2%	427,900		385,986	277,400
7	Water Tank Space Leasing	333,800	333,800	305,000	91.4%	331,900		300,067	313,101
8	Interest Income	23,100	23,100	3,000	13.0%	23,000		13,507	31,889
9	Other Miscellaneous Revenues	82,000	82,000	60,100	73.3%	156,600		73,312	104,634
10	Grant Receipts	-	-	-	0.0%	-		50,876	-
	TOTALS	$ 13,797,200	$ 13,797,200	$ 11,992,100	86.9%	$ 14,500,400		$ 13,401,214	$ 13,807,722
	Final Budget		**$ -**	**FY14 Chg.**		**$ 703,200**		**$ 13,822,200**	**$ 13,819,800**

	ELECTRIC REVENUE FUND	FY14 BUDGET	FY14 REVISED BUDGET	YTD REVENUES	92.0% % BUDGET RECEIVED	FY15 BUDGET	COMMENTS	FY13 REVENUES	FY12 REVENUES
1	Sales to Customers	$ 76,286,700	$ 76,286,700	$ 70,671,500	92.6%	$ 78,043,000		$ 86,887,345	$ 99,859,602
2	Purchased Power Adjustment	-	-	-	0.0%	-		-	(2,290,989)
3	Utility Tax	1,492,200	1,492,200	1,149,600	77.0%	1,296,900		1,443,852	1,944,543
4	Transfer from Rate Stabilization Reserve	4,000,000	4,000,000	7,000,000	175.0%	2,000,000		5,400,000	-
5	Miscellaneous Revenue	988,800	988,800	812,600	82.2%	954,600		2,026,127	1,381,300
6	Interest Income	119,400	119,400	9,000	7.5%	12,000		137,718	12,662
7	Intrafund Service Fees - Water/Wastewater	98,500	98,500	94,200	95.6%	-		136,413	171,646
	TOTALS	$ 82,985,600	$ 82,985,600	$ 79,736,900	96.1%	$ 82,306,500		$ 96,031,455	$ 101,078,764
	Final Budget		**$ -**	**FY14 Chg.**		**$ (679,100)**		**$ 95,971,700**	**$ 99,934,036**

TO: Mayor and Members of City Council
FROM: Traci A. McDowell, City Clerk
DATE: June 18, 2014
SUBJECT: June 17, 2014 Special Mayoral Election Results



Following are the results of the 2014 Special Mayoral Election, as certified by the Election Board:

	1st District Votes	2nd District Votes	3rd District Votes	4th District Votes	Total Votes
CHEVIS R. ANDERSON	34	17	25	25	101
% of District Votes	5.84%	3.78%	5.81%	11.57%	
% of Total Votes Cast	2.03%	1.01%	1.49%	1.49%	6.02%
% of District Registered Voters	0.51%	0.27%	0.43%	0.63%	
% of Total Registered Voters	0.15%	0.07%	0.11%	0.11%	0.44%
DAVID L. ANDERSON	173	123	137	101	534
% of District Votes	29.73%	27.33%	31.86%	46.76%	
% of Total Votes Cast	10.31%	7.33%	8.16%	6.02%	31.82%
% of District Registered Voters	2.58%	1.98%	2.34%	2.53%	
% of Total Registered Voters	0.76%	0.54%	0.60%	0.44%	2.34%
ROBIN R. CHRISTIANSEN	**182**	**194**	**210**	**72**	**658**
% of District Votes	31.27%	43.11%	48.84%	33.33%	
% of Total Votes Cast	10.85%	11.56%	12.51%	4.29%	39.21%
% of District Registered Voters	2.71%	3.12%	3.59%	1.80%	
% of Total Registered Voters	0.80%	0.85%	0.92%	0.32%	2.89%
R. JEFFERSON REED	99	55	38	5	197
% of District Votes	17.01%	12.22%	8.84%	2.31%	
% of Total Votes Cast	5.90%	3.28%	2.26%	0.30%	11.74%
% of District Registered Voters	1.47%	0.88%	0.65%	0.13%	
% of Total Registered Voters	0.43%	0.24%	0.17%	0.02%	0.86%
JAMES P. WEBSTER	94	61	20	13	188
% of District Votes	16.15%	13.56%	4.65%	6.02%	
% of Total Votes Cast	5.60%	3.64%	1.19%	0.77%	11.20%
% of District Registered Voters	1.40%	0.98%	0.34%	0.33%	
% of Total Registered Voters	0.41%	0.27%	0.09%	0.06%	0.83%
Total Votes Cast	582	450	430	216	1,678
% of District Voters	8.67%	7.23%	7.36%	5.41%	
% of Total Registered Voters	2.56%	1.98%	1.89%	0.95%	7.37%
Total Registered Voters	6,715	6,224	5,846	3,994	22,779

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FINAL READING

CITY OF DOVER PROPOSED ORDINANCE #2014-16

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

That Appendix E - Commercial and Industrial Building Redevelopment, Article VI - Severability and Effective Dates, Section 2 - Effective Dates of the Dover Code be amended by deleting the text indicated in bold, red, strikeout, and inserting the text indicated in bold, blue text, as follows:

Section 2. Effective dates.

This ordinance ~~**shall be**~~ **became** effective ~~**as of**~~ April 15, 2012. The provisions of this ordinance shall no longer apply after December 31, ~~**2015**~~ **2018**.

ADOPTED: *

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SYNOPSIS

The proposed amendment extends the sunset provision for the tax abatement, impact fee waiver, and building permit waiver incentives for three (3) years.

(SPONSORS: ANDERSON AND TOWNSHEND)

Actions History

06/23/2014 - Scheduled for Final Reading at Council
06/09/2014 - First Reading at Council
05/27/2014 - Introduced at Legislative, Finance, and Administration Committee

Draft

CITY OF DOVER ORDINANCE # 2014-17

2014-2015 BUDGET ORDINANCES

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:
The amount hereinafter named aggregating Forty Two Million Two Hundred Forty Three Thousand Nine Hundred dollars ($42,243,900) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

GENERAL FUND
REVENUES AND BUDGET FOR 2014-2015

	2013/14 REVISED	2014/15 BUDGET
BEGINNING BALANCE	$ 4,219,800	$ 3,393,000
REVENUES		
FINES AND POLICE REVENUE	573,900	629,300
INVESTMENT INCOME	40,000	40,000
LIBRARY REVENUES	70,500	71,600
KENT COUNTY BOOK REIMBURSEMENT	460,000	450,000
BUSINESS LICENSES	1,460,000	1,460,000
PERMITS AND OTHER LICENSES	1,332,500	1,354,200
MISCELLANEOUS CHARGES	53,100	53,900
POLICE EXTRA DUTY	650,000	659,500
PROPERTY TAXES	11,046,000	11,049,200
BID REVENUE	49,500	50,000
RECREATION REVENUE	148,800	148,800
FRANCHISE FEE	636,000	636,000
SANITATION FEES	2,595,600	2,595,600
RENT REVENUE - GARRISON FARM	118,500	101,400
COURT OF CHANCERY FEES	1,002,200	1,023,000
REVENUES SUBTOTAL	20,236,600	20,322,500
INTERFUND SERVICE RECEIPTS		
INTRAFUND SERVICE RECEIPTS WATER/WASTEWATER	1,360,300	1,354,900
INTRAFUND SERVICE RECEIPTS ELECTRIC	3,572,700	3,508,100
INTERFUND SERVICE RECEIPTS SUBTOTAL	4,933,000	4,863,000
GRANTS		
POLICE RELATED	126,800	124,000
POLICE PENSION GRANT	500,000	500,000
GREEN ENERGY GRANT	98,500	98,500
MISCELLANEOUS GRANTS	25,000	25,000
GRANTS SUBTOTAL	750,300	747,500
TRANSFERS FROM		
TRANSFER TAX	1,393,000	1,250,000
MUNICIPAL STREET AID	663,900	663,900
CIVIL TRAFFIC PENALTIES	368,400	500,000
WATER/WASTEWATER	500,000	500,000
ELECTRIC	8,000,000	10,000,000
OTHER RESERVES INCLUDING CONTINGENCY	32,000	4,000
CONTINGENCY FUND	250,000	-
TRANSFERS FROM SUBTOTAL	11,207,300	12,917,900
TOTAL REVENUES	37,127,200	38,850,900
TOTALS	**$ 41,347,000**	**$ 42,243,900**

2014-2015 BUDGET ORDINANCES - CONTINUED

GENERAL FUND - EXPENDITURES AND BUDGET BALANCE FOR 2014-2015

DEPARTMENT EXPENSES	2013/14 REVISED	2014/15 BUDGET
CITY CLERK	$ 371,700	$ 383,200
COUNCIL	107,800	106,600
TAX ASSESSOR	208,400	309,500
FIRE	741,600	716,100
GROUNDS MAINTENANCE	1,160,700	1,123,800
LIBRARY	1,336,900	1,393,100
RECREATION	717,200	706,400
LIFE SAFETY	491,400	504,800
CODE INFORCEMENT	432,300	418,400
PLANNING	422,600	444,100
INSPECTIONS	695,200	602,100
ECONOMIC DEVELOPMENT	215,200	223,000
POLICE	14,346,800	13,986,100
POLICE EXTRA DUTY	776,800	712,500
STREETS	660,300	665,100
SANITATION	2,253,500	2,248,000
CITY MANAGER	460,000	592,500
INFORMATION TECHNOLOGY	740,000	728,700
FINANCE	980,000	947,100
PUBLIC SERVICES - ADMINISTRATION	513,100	514,800
FACILITIES MANAGEMENT	689,100	677,800
PUBLIC WORKS - ENGINEERING	-	192,600
PROCUREMENT & INVENTORY	559,400	535,600
FLEET MAINTENANCE	770,900	776,700
CUSTOMER SERVICES	1,232,200	1,040,300
HUMAN RESOURCES	393,100	379,700
MAYOR	83,300	74,900
DEPARTMENT SUBTOTALS	31,359,500	31,003,500
OTHER EXPENSES		
DEBT SERVICE	557,300	708,600
CONTRIBUTION TO DDP	162,400	70,000
MISCELLANEOUS GRANT RELATED EXPENSES	25,000	25,000
INSURANCE	658,900	724,800
RETIREES HEALTH CARE	1,636,500	1,636,500
OTHER EMPLOYMENT EXPENSES	10,700	500,000
PENSION UNFUNDED LIABILITY	121,000	-
POLICE PENSION FUND - STATE GRANT	500,000	500,000
POLICE PENSION FUND - UNFUNDED LIABILITY	689,400	655,000
UNCOLLECTIBLES - TRASH AND OTHER	10,000	50,000
STREET LIGHTS	774,500	774,500
OTHER EXPENSE SUBTOTAL	5,145,700	5,644,400
TRANSFERS		
TRANSFER TO CAPITAL FUND - PROJECTS	1,448,800	2,196,000
TRANSFERS SUBTOTAL	1,448,800	2,196,000
TOTAL EXPENDITURES	37,954,000	38,843,900
CURRENT YEAR BALANCE	3,393,000	3,400,000
TOTALS	**$ 41,347,000**	**$ 42,243,900**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: *

2014-2015 BUDGET ORDINANCES - CONTINUED

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:
The amount hereinafter named aggregating Six Million Forty Five Thousand Five Hundred dollars ($6,045,500) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

GOVERNMENTAL CAPITAL PROJECTS FUND
REVENUES AND BUDGET FOR 2014-2015

REVENUES

	2013/14 REVISED	2014/15 BUDGET
BEGINNING BALANCE	$ 3,058,300	$ 117,100
REVENUES		
STATE GRANTS - OTHER	15,000	153,000
BOND PROCEEDS - STREET PROGRAM	-	2,661,100
LEASE PURCHASE OF FIRE AND POLICE EQUIPT	-	918,300
CONTRACTOR CONTRIBUTIONS	264,800	-
TRANSFER FROM GENERAL FUND FOR PROJECTS	1,448,800	2,196,000
TRANSFER FROM PARKLAND RESERVE	80,000	-
TRANSFER FROM MUNICIPAL STREET AID CAPITAL GRANT	251,200	-
TRANSFER FROM COMMUNITY TRANSPORTATION GRANT	60,500	-
SUBTOTAL PROJECT RECEIPTS	2,120,300	5,928,400
STATE GRANTS - LIBRARY	150,000	-
LIBRARY CAPITAL PLEDGES	5,000	-
TOTAL REVENUES	2,275,300	5,928,400
TOTAL BEGINNING BALANCE AND REVENUES	**$ 5,333,600**	**$ 6,045,500**

EXPENSE SUMMARY

DEPARTMENT EXPENSES	2013/14 REVISED	2014/15 BUDGET
FIRE	$ 238,500	$ 827,300
GROUNDS MAINTENANCE	50,100	68,100
LIBRARY	446,500	-
RECREATION	172,000	146,000
CODE ENFORCEMENT	30,900	-
POLICE	342,400	499,100
STREETS	1,524,600	1,370,300
STREETS GARRISON FARM INFRASTRUCTURE	1,936,100	2,586,100
SANITATION	395,600	256,500
INFORMATION TECHNOLOGY	7,000	-
FACILITIES MAINTENANCE	17,800	-
PROCUREMENT & INVENTORY	55,000	-
DEPARTMENT SUBTOTAL	5,216,500	5,753,400
BOND/LOAN ISSUANCE COST	-	75,000
TRANSFER TO PARKLAND RESERVE	-	100,000
CURRENT YEAR BALANCE	117,100	117,100
TOTALS	**$ 5,333,600**	**$ 5,945,500**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: *

2014-2015 BUDGET ORDINANCES - CONTINUED

GENERAL FUND CONTINGENCY
CASH RECEIPTS/REVENUES AND BUDGET FOR 2014-2015

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

The amount hereinafter named aggregating Four Hundred Sixty Seven Thousand Nine Hundred dollars ($467,900) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

CASH RECEIPTS

	2013/14 REVISED	2014/15 BUDGET
BEGINNING BALANCE	$ 734,000	$ 466,000
INTEREST EARNED	3,000	1,900
TOTALS	**$ 737,000**	**$ 467,900**

EXPENSE SUMMARY

	2013/14 REVISED	2014/15 BUDGET
TRANSFER TO OPERATING ACCOUNT	$ 271,000	$ -
CARRY FORWARD TO NEXT YEAR	466,000	467,900
TOTALS	**$ 737,000**	**$ 467,900**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: *

2014-2015 BUDGET ORDINANCES - CONTINUED

GENERAL CAPITAL ASSET RESERVE
CASH RECEIPTS/REVENUES AND BUDGET FOR 2014-2015

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

The amount hereinafter named aggregating Five Hundred Twelve Thousand Three Hundred dollars ($512,300) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

CASH RECEIPTS

	2013/14 REVISED	2014/15 BUDGET
BEGINNING BALANCE	$ 507,300	$ 509,800
RECEIPTS		
INTEREST EARNINGS	2,500	2,500
TOTAL RECEIPTS	2,500	2,500
TOTALS	**$ 509,800**	**$ 512,300**

EXPENSE SUMMARY

	2013/14 REVISED	2014/15 BUDGET
CARRY FORWARD TO NEXT YEAR	$ 509,800	$ 512,300
TOTALS	**$ 509,800**	**$ 512,300**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: *

2014-2015 BUDGET ORDINANCES - CONTINUED

PARKLAND/RECREATION RESERVE
CASH RECEIPTS/REVENUES AND BUDGET FOR 2014-2015

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

The amount hereinafter named aggregating Three Hundred Four Thousand Eight Hundred Dollars ($304,800) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

OPERATING REVENUES

	2013/14 REVISED	2014/15 BUDGET
PRIOR YEAR BALANCE	$ 202,900	$ 203,800
GENERAL FUND APPROPRIATION	-	100,000
INTEREST INCOME	900	1,000
TOTALS	**$ 203,800**	**$ 304,800**

OPERATING EXPENSES

	2013/14 REVISED	2014/15 BUDGET
CURRENT YEAR BALANCE	203,800	304,800
TOTALS	**$ 203,800**	**$ 304,800**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: *

2014-2015 BUDGET ORDINANCES - CONTINUED

MUNICIPAL STREET AID FUND
CASH RECEIPTS/REVENUES AND BUDGET FOR 2014-2015

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

The amount hereinafter named aggregating Six Hundred Sixty Four Thousand dollars ($664,000) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

CASH RECEIPTS

	2013/14 REVISED	2014/15 BUDGET
BEGINNING BALANCE	$ 251,500	$ 100
STATE GRANT - OPERATIONS	663,900	663,900
TOTALS	**$ 915,400**	**$ 664,000**

BUDGET SUMMARY

	2013/14 REVISED	2014/15 BUDGET
TRANSFER TO GENERAL FUND - OPERATIONS	$ 664,100	$ 663,900
TRANSFER TO GENERAL FUND - CAPITAL	251,200	-
CURRENT YEAR BALANCE	100	100
TOTALS	**$ 915,400**	**$ 664,000**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: *

2014-2015 BUDGET ORDINANCES - CONTINUED

WATER/WASTEWATER FUND
REVENUES AND BUDGET FOR 2014-2015

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

The amount hereinafter named aggregating Fifteen Million Two Hundred Fifteen Thousand Three Hundred dollars ($15,215,300) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

	2013/14 REVISED	2014/15 BUDGET
BEGINNING BALANCE - WATER	$ 732,700	$ 658,400
BEGINNING BALANCE - WASTEWATER	441,400	(98,500)
BEGINNING BALANCE - KCSA	(17,300)	155,000
TOTAL BEGINNING BALANCES	1,156,800	714,900
BASE REVENUE		
WATER FEES	4,396,000	4,616,400
WASTEWATER FEES	3,529,000	3,706,800
WASTEWATER ADJUSTMENT FEES	2,900,000	2,902,600
GROUNDWATER INFLOW ADJUSTMENT	1,302,300	1,862,500
WATER TANK SPACE LEASING	321,200	331,900
SEWER IMPACT FEES	237,900	427,900
WATER IMPACT FEES	262,700	472,700
INTEREST - WATER	3,900	9,000
INTEREST - WASTEWATER	6,100	14,000
MISCELLANEOUS SERVICE FEE	64,400	156,600
TOTAL REVENUES	13,023,500	14,500,400
TOTAL BEGINNING BALANCES AND REVENUES	**$ 14,180,300**	**$ 15,215,300**

2014-2015 BUDGET ORDINANCES - CONTINUED

	2013/14 REVISED	2014/15 BUDGET
DIRECT EXPENSES		
ENGINEERING & INSPECTION	$ 499,000	$ 500,900
WATER CONSTRUCTION	340,800	252,500
WATER DEPARTMENT	474,700	485,300
WATER TREATMENT PLANT	1,495,200	1,576,900
WASTEWATER DEPARTMENT	885,700	974,100
DIRECT EXPENDITURE SUBTOTAL	3,695,400	3,789,700
OTHER EXPENSES		
DEBT SERVICE - WATER	403,800	534,100
DEBT SERVICE - WASTEWATER	603,400	617,900
RETIREES HEALTH CARE	200,000	200,000
OTHER EMPLOYMENT EXPENSES	10,800	17,700
KENT COUNTY TREATMENT CHARGE	4,030,000	3,655,000
INTRAFUND SERVICE FEES	1,458,800	1,354,900
OTHER EXPENSES SUBTOTAL	6,706,800	6,379,600
TRANSFER TO		
GENERAL FUND FROM WATER	250,000	250,000
GENERAL FUND FROM WASTEWATER	250,000	250,000
WATER IMP AND EXT	1,233,200	1,200,000
WASTEWATER IMP AND EXT	1,330,000	1,800,000
TRANSFER TO SUBTOTAL	3,063,200	3,500,000
TOTAL EXPENSES	13,465,400	13,669,300
CURRENT YEAR BALANCES		
CURRENT YEAR BALANCE WATER	658,400	1,020,100
CURRENT YEAR BALANCE WASTEWATER	(98,500)	(739,200)
CURRENT YEAR BALANCE KCSA	155,000	1,265,100
CURRENT YEAR BALANCE SUBTOTALS	714,900	1,546,000
TOTAL CURRENT YEAR BALANCES AND EXPENSES	**$ 14,180,300**	**$ 15,215,300**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: *

2014-2015 BUDGET ORDINANCES - CONTINUED

WATER/WASTEWATER IMPROVEMENT & EXTENSION FUND
CASH RECEIPTS/REVENUES AND BUDGET FOR 2014-2015

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

The amount hereinafter named aggregating Six Million Four Hundred Twenty One Thousand Eight Hundred dollars ($6,421,800) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

CASH RECEIPTS

	2013/14 REVISED	2014/15 BUDGET
PRIOR YEAR BALANCE - WATER	$ 4,473,800	$ 1,021,200
PRIOR YEAR BALANCE - WASTEWATER	2,807,000	1,060,000
TOTAL BEGINNING BALANCES	7,280,800	2,081,200
RECEIPTS		
BOND PROCEEDS - WATER - 2013 ISSUE	3,000,000	-
BOND PROCEEDS - WASTEWATER - 2013 ISSUE	1,067,900	-
STATE LOAN-WASTEWATER 2011 ISSUE	62,000	-
ARBITRAGE REBATE - IRS REFUND	66,000	-
TRANS FROM OPERATING FUND FOR WATER	1,233,200	1,200,000
TRANS FROM OPERATING FUND FOR WASTEWATER	1,330,000	1,800,000
TRANSFER FROM WASTEWATER IMPACT FEE RESERVE	1,000,000	1,315,600
INTEREST INCOME	25,000	25,000
TOTAL RECEIPTS	7,784,100	4,340,600
TOTALS	**$ 15,064,900**	**$ 6,421,800**

CASH RECEIPTS/REVENUES AND BUDGET FOR 2014-2015

EXPENSE SUMMARY

EXPENSES	2013/14 REVISED	2014/15 BUDGET
WATER	$ 7,641,300	$ 1,336,900
WASTEWATER	5,252,400	3,277,200
WATER TREATMENT PLANT	-	38,100
WATER CONSTRUCTION	90,000	-
TOTAL EXPENSES	12,983,700	4,652,200
CURRENT YEAR BALANCE - WATER	1,021,200	858,700
CURRENT YEAR BALANCE - WASTEWATER	1,060,000	910,900
CURRENT YEAR BALANCE SUBTOTALS	2,081,200	1,769,600
TOTALS	**$ 15,064,900**	**$ 6,421,800**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: *

2014-2015 BUDGET ORDINANCES - CONTINUED

WATER/WASTEWATER CAPITAL ASSET RESERVE
CASH RECEIPTS/REVENUES AND BUDGET FOR 2014-2015

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:
The amount hereinafter named aggregating One Million Forty Four Thousand Three Hundred Dollars ($1,044,300) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

CASH RECEIPTS

	2013/14 REVISED	2014/15 BUDGET
BEGINNING BALANCE - WATER	$ 505,400	$ 514,000
BEGINNING BALANCE - WASTEWATER	504,300	512,900
TOTAL BEGINNING BALANCES	1,009,700	1,026,900
RECEIPTS		
INTEREST EARNINGS - WATER	8,600	8,700
INTEREST EARNINGS - WASTEWATER	8,600	8,700
TOTAL RECEIPTS	17,200	17,400
TOTALS	**$ 1,026,900**	**$ 1,044,300**

EXPENSE SUMMARY

	2013/14 REVISED	2014/15 BUDGET
CURRENT YEAR BALANCE - WATER	$ 514,000	$ 522,700
CURRENT YEAR BALANCE - WASTEWATER	512,900	521,600
CURRENT YEAR BALANCE SUBTOTALS	1,026,900	1,044,300
TOTALS	**$ 1,026,900**	**$ 1,044,300**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: *

2014-2015 BUDGET ORDINANCES - CONTINUED

WATER/WASTEWATER IMPACT FEE RESERVE
CASH RECEIPTS/REVENUES AND BUDGET FOR 2014-2015

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:
The amount hereinafter named aggregating Three Million Seventy One Thousand Eight Hundred Dollars ($3,071,800) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

CASH RECEIPTS

	2013/14 REVISED	2014/15 BUDGET
BEGINNING BALANCE - WATER	$ 197,100	$ 200,500
BEGINNING BALANCE - WASTEWATER	3,756,100	2,820,000
TOTAL BEGINNING BALANCES	3,953,200	3,020,500
RECEIPTS		
INTEREST EARNINGS - WATER	3,400	3,400
INTEREST EARNINGS - WASTEWATER	63,900	47,900
TOTAL RECEIPTS	67,300	51,300
TOTALS	**$ 4,020,500**	**$ 3,071,800**

EXPENSE SUMMARY

	2013/14 REVISED	2014/15 BUDGET
TRANSFER TO I & E FUND FROM WASTEWATER IMPACT FEES	$ 1,000,000	$ 1,315,600
CURRENT YEAR BALANCE - WATER	200,500	203,900
CURRENT YEAR BALANCE - WASTEWATER	2,820,000	1,552,300
CURRENT YEAR BALANCE SUBTOTALS	3,020,500	1,756,200
TOTALS	**$ 4,020,500**	**$ 3,071,800**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: *

2014-2015 BUDGET ORDINANCES - CONTINUED

WATER/WASTEWATER CONTINGENCY RESERVE
CASH RECEIPTS/REVENUES AND BUDGET FOR 2014-2015

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

The amount hereinafter named aggregating Three Hundred Two Thousand Five Hundred dollars ($302,500) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

CASH RECEIPTS

	2013/14 REVISED	2014/15 BUDGET
BEGINNING BALANCE - WATER	$ 104,100	$ 105,900
BEGINNING BALANCE - WASTEWATER	188,300	191,500
TOTAL BEGINNING BALANCES	292,400	297,400
RECEIPTS		
INTEREST EARNINGS	5,000	5,100
TOTAL RECEIPTS	5,000	5,100
TOTALS	**$ 297,400**	**$ 302,500**

BUDGET SUMMARY

	2013/14 REVISED	2014/15 BUDGET
CURRENT YEAR BALANCE - WATER	105,900	107,700
CURRENT YEAR BALANCE - WASTEWATER	191,500	194,800
CURRENT YEAR BALANCE SUBTOTALS	297,400	302,500
TOTAL EXPENSES AND CURRENT YEAR BALANCES	**$ 297,400**	**$ 302,500**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: *

2014-2015 BUDGET ORDINANCES - CONTINUED

ELECTRIC REVENUE FUND
REVENUES AND BUDGET FOR 2014-2015

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:
The amount hereinafter named aggregating Ninety One Million Five Hundred Sixty Thousand One Hundred dollars ($91,560,100) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

	2013/14 REVISED	2014/15 BUDGET
BEGINNING BALANCE	$ 6,620,900	$ 9,253,600
BASE REVENUE		
DIRECT SALES TO CUSTOMER	78,971,700	78,043,000
UTILITY TAX	1,312,300	1,296,900
MISCELLANEOUS REVENUE	579,100	624,600
RENT REVENUE	180,000	200,000
GREEN ENERGY	130,000	130,000
INTEREST EARNINGS	12,000	12,000
TRANSFER FROM RATE STABILIZATION	7,000,000	2,000,000
INTRAFUND SERVICE RECEIPTS WATER/WASTEWATER	98,500	-
TOTAL REVENUES	88,283,600	82,306,500
TOTALS	**$ 94,904,500**	**$ 91,560,100**

ELECTRIC REVENUE FUND - CONTINUED
REVENUES AND BUDGET FOR 2014-2015

EXPENSES	2013/14 REVISED	2014/15 BUDGET
POWER SUPPLY	$ 26,458,900	$ 21,823,000
SOLAR ENERGY	1,729,200	2,067,600
SOLAR RENEWAL ENERGY CREDITS	352,600	378,600
POWER SUPPLY MANAGEMENT	996,000	996,000
PJM CHARGES - ENERGY	17,274,000	11,499,800
PJM CHARGES - TRANSMISSION & FEES	7,420,000	7,234,100
CAPACITY CHARGES	15,614,100	9,958,900
SUB-TOTAL POWER SUPPLY	69,844,800	53,958,000
PLANT OPERATIONS	5,791,600	6,141,100
GENERATIONS FUELS	1,603,800	1,611,100
PJM SPOT MARKET ENERGY	(1,004,500)	(2,232,800)
PJM CREDITS	(5,314,800)	(486,700)
CAPACITY CREDITS	(15,079,800)	(8,881,500)
GENERATION SUBTOTAL	(14,003,700)	(3,848,800)
POWER SUPPLY & GENERATION SUBTOTAL	55,841,100	50,109,200
DIRECT EXPENDITURES		
TRANSMISSION/DISTRIBUTION	3,776,300	4,028,700
ELECTRICAL ENGINEERING	1,285,300	1,370,900
ADMINISTRATION	628,400	636,600
METER READING	273,800	267,600
SYSTEMS OPERATIONS	675,800	686,300
DIRECT EXPENDITURE SUBTOTALS	6,639,600	6,990,100
OTHER EXPENSES:		
UTILITY TAX	1,312,300	1,296,900
ALLOW FOR UNCOLLECTIBLES	200,000	200,000
CONTRACTUAL SERVICES	100,000	246,800
RETIREES HEALTH CARE	513,300	513,300
OTHER EMPLOYMENT EXPENSES	125,700	54,200
OPEB UNFUNDED LIABILITY	975,700	1,009,800
GREEN ENERGY PAYMENT TO DEMEC	130,000	130,000
INTRAFUND SERVICE FEES	3,572,700	3,508,100
INTEREST ON DEPOSITS	20,000	20,000
INVENTORY WRITE OFFS	-	175,000
DEBT SERVICE	3,301,900	3,297,000
OTHER EXPENSES SUBTOTAL	10,251,600	10,451,100
TRANSFER TO		
IMPROVEMENT & EXTENSION	4,918,600	4,750,000
GENERAL FUND	8,000,000	10,000,000
TRANSFER TO SUBTOTAL	12,918,600	14,750,000
TOTAL EXPENSES	85,650,900	82,300,400
CURRENT YEAR BALANCE	9,253,600	9,259,700
TOTALS	**$ 94,904,500**	**$ 91,560,100**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: *

2014-2015 BUDGET ORDINANCES - CONTINUED

ELECTRIC UTILITY IMPROVEMENT AND EXTENSION FUND
CASH RECEIPTS/REVENUES AND BUDGET FOR 2014-2015

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:
The amount hereinafter named aggregating Eight Million Three Hundred Eighty Seven Thousand dollars ($8,387,000) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

CASH RECEIPTS

	2013/14 REVISED	2014/15 BUDGET
BEGINNING BALANCE	$ 3,868,500	$ 3,362,200
RECEIPTS		
TRANSFER FROM ELECTRIC	4,918,600	4,750,000
GENERAL SERVICE BILLING	440,000	250,000
INTEREST EARNINGS	25,200	24,800
TOTAL RECEIPTS	5,383,800	5,024,800
TOTALS	**$ 9,252,300**	**$ 8,387,000**

EXPENSE SUMMARY

EXPENSES	2013/14 REVISED	2014/15 BUDGET
ELECTRIC GENERATION	$ 2,130,000	$ 2,240,000
TRANSMISSION AND DISTRIBUTION	1,144,600	1,061,700
ELECTRICAL ENGINEERING	2,615,500	1,663,100
TOTAL EXPENSES	5,890,100	4,964,800
CURRENT YEAR BALANCE	3,362,200	3,422,200
TOTALS	**$ 9,252,300**	**$ 8,387,000**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: *

2014-2015 BUDGET ORDINANCES - CONTINUED

ELECTRIC UTILITY CONTINGENCY RESERVE
CASH RECEIPTS/REVENUES AND BUDGET FOR 2014-2015

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:
The amount hereinafter named aggregating Eight Hundred Twenty Six Thousand dollars ($826,000) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

CASH RECEIPTS

	2013/14 REVISED	2014/15 BUDGET
BEGINNING BALANCE	$ 814,200	$ 820,100
RECEIPTS		
INTEREST EARNINGS	5,900	5,900
TOTAL RECEIPTS	5,900	5,900
TOTALS	**$ 820,100**	**$ 826,000**

EXPENSE SUMMARY

	2013/14 REVISED	2014/15 BUDGET
CURRENT YEAR BALANCE	820,100	826,000
TOTALS	**$ 820,100**	**$ 826,000**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: *

2014-2015 BUDGET ORDINANCES - CONTINUED

ELECTRIC UTILITY DEPRECIATION RESERVE
SOURCES AND USE OF FUNDS FOR 2014-2015

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:
The amount hereinafter named aggregating Nine Million Nine Hundred Ninety Eight Thousand Two Hundred dollars ($9,998,200) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

CASH RECEIPTS

	2013/14 REVISED	2014/15 BUDGET
BEGINNING BALANCE	$ 9,855,700	$ 9,898,000
INTEREST EARNINGS	42,300	100,200
TOTALS	**$ 9,898,000**	**$ 9,998,200**

BUDGET SUMMARY

	2013/14 REVISED	2014/15 BUDGET
CURRENT YEAR BALANCE	9,898,000	9,998,200
TOTALS	**$ 9,898,000**	**$ 9,998,200**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: *

2014-2015 BUDGET ORDINANCES - CONTINUED

ELECTRIC UTILITY FUTURE CAPACITY RESERVE
SOURCES AND USE OF FUNDS FOR 2014-2015

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:
The amount hereinafter named aggregating Ten Million One Hundred Forty Eight Thousand Seven Hundred dollars ($10,148,700) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

CASH RECEIPTS

	2013/14 REVISED	2014/15 BUDGET
BEGINNING BALANCE	$ 10,004,200	$ 10,076,200
INTEREST EARNINGS	72,000	72,500
TOTALS	**$ 10,076,200**	**$ 10,148,700**

BUDGET SUMMARY

	2013/14 REVISED	2014/15 BUDGET
CURRENT YEAR BALANCE	10,076,200	10,148,700
TOTALS	**$ 10,076,200**	**$ 10,148,700**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: *

2014-2015 BUDGET ORDINANCES - CONTINUED

ELECTRIC UTILITY INSURANCE STABILIZATION RESERVE
SOURCES AND USE OF FUNDS FOR 2014-2015

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:
The amount hereinafter named aggregating Seven Hundred Forty Three Thousand Six Hundred dollars ($743,600) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

CASH RECEIPTS

	2013/14 REVISED	2014/15 BUDGET
BEGINNING BALANCE	$ 733,000	$ 738,300
INTEREST EARNINGS	5,300	5,300
TOTALS	**$ 738,300**	**$ 743,600**

BUDGET SUMMARY

	2013/14 REVISED	2014/15 BUDGET
CURRENT YEAR BALANCE	738,300	743,600
TOTALS	**$ 738,300**	**$ 743,600**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: *

2014-2015 BUDGET ORDINANCES - CONTINUED

ELECTRIC UTILITY RATE STABILIZATION RESERVE
SOURCES AND USE OF FUNDS FOR 2014-2015

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

The amount hereinafter named aggregating Ten Million Five Hundred Eighty Three Thousand dollars ($10,583,000) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

CASH RECEIPTS

	2013/14 REVISED	2014/15 BUDGET
BEGINNING BALANCE	$ 17,382,100	$ 10,507,300
INTEREST EARNINGS	125,200	75,700
TOTALS	**$ 17,507,300**	**$ 10,583,000**

BUDGET SUMMARY

	2013/14 REVISED	2014/15 BUDGET
TRANSFER TO ELECTRIC FUND	$ 7,000,000	$ 2,000,000
CURRENT YEAR BALANCE	10,507,300	8,583,000
TOTALS	**$ 17,507,300**	**$ 10,583,000**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: *

2014-2015 BUDGET ORDINANCES - CONTINUED

WORKERS COMPENSATION FUND
CASH RECEIPTS/REVENUES AND BUDGET FOR 2014-2015

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

The amount hereinafter named aggregating One Million Six Hundred Thirty Six Thousand One Hundred dollars ($1,636,100) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

OPERATING REVENUES

	2013/14 REVISED	2014/15 BUDGET
PRIOR YEAR BALANCE	$ 1,267,800	$ 1,135,000
INTEREST INCOME	10,600	10,600
PREMIUM FROM CITY	490,700	490,500
MISCELLANEOUS REVENUE	3,100	-
TOTALS	**$ 1,772,200**	**$ 1,636,100**

OPERATING EXPENSES

	2013/14 REVISED	2014/15 BUDGET
PROGRAM EXPENSES/SUPPLIES - CLAIMS	$ 450,000	$ 450,000
INSURANCE	92,600	92,600
BANK FEES	600	600
STATE OF DEL - SELF INSURANCE TAX	37,000	37,000
CONTRACTUAL SERVICES	57,000	57,000
TOTAL EXPENSES	637,200	637,200
CURRENT YEAR BALANCE	1,135,000	998,900
TOTALS	**$ 1,772,200**	**$ 1,636,100**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: *

2014-2015 BUDGET ORDINANCES - CONTINUED

COMMUNITY TRANSPORTATION IMPROVEMENT FUND
CASH RECEIPTS/REVENUES AND BUDGET FOR 2014-2015

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

The amount hereinafter named aggregating Five Hundred Seventy Nine Thousand Four Hundred dollars ($579,400) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

OPERATING REVENUES

	2013/14 REVISED	2014/15 BUDGET
PRIOR YEAR BALANCE	$ 209,200	$ 78,900
GRANTS REVENUE - DELDOT	1,387,600	500,000
INTEREST INCOME	500	500
TOTALS	**$ 1,597,300**	**$ 579,400**

OPERATING EXPENSES

	2013/14 REVISED	2014/15 BUDGET
PROGRAM EXP. GRANT RELATED	$ 1,395,100	$ 500,000
PROGRAM EXP. CITY APPROPRIATED	62,800	-
OPERATING TRANSFERS OUT - GENERAL CAPITAL PROJECTS FUND	60,500	-
CURRENT YEAR BALANCE	78,900	79,400
TOTALS	**$ 1,597,300**	**$ 579,400**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: *

2014-2015 BUDGET ORDINANCES - CONTINUED

LIBRARY GRANT FUND
CASH RECEIPTS/REVENUES AND BUDGET FOR 2014-2015

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

The amount hereinafter named aggregating Two Hundred Ninety One Thousand Four Hundred dollars ($291,400) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

OPERATING REVENUES

	2013/14 REVISED	2014/15 BUDGET
BEGINNING BALANCE	$ 27,800	$ 17,300
STATE GRANT	274,100	274,100
FEDERAL GRANT	2,500	-
TOTALS	**$ 304,400**	**$ 291,400**

OPERATING EXPENSES

	2013/14 REVISED	2014/15 BUDGET
PROGRAM EXPENSES/SUPPLIES	$ 4,700	$ 2,000
OFFICE SUPPLIES	24,000	24,000
PRINTING/DUPLICATING	8,900	8,900
POSTAGE	28,000	28,000
BOOKS	128,900	128,900
FURNITURE	74,000	74,000
AUDIO VISUAL SUPPLIES	100	100
TRAINING/CONF/FOOD/TRAV	3,500	3,500
OFFICE EQUIPMENT/REPAIRS & MAINT	2,000	2,000
COMPUTER HARDWARE	-	2,700
OTHER EQUIP - PURCHASE	10,500	-
SUBTOTAL EXPENSES STATE GRANTS	284,600	274,100
PROGRAM EXPENSES/SUPPLIES	2,500	-
SUBTOTAL EXPENSES FEDERAL GRANTS	2,500	-
CURRENT YEAR BALANCE	17,300	17,300
TOTALS	**$ 304,400**	**$ 291,400**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: *

2014-2015 BUDGET ORDINANCES - CONTINUED

POLICE GRANTS FUND
CASH RECEIPTS/REVENUES AND BUDGET FOR 2014-2015

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

The amount hereinafter named aggregating Four Hundred Sixteen Thousand Two Hundred dollars ($416,200) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

OPERATING EXPENSES

	2013/14 REVISED	2014/15 BUDGET
BEGINNING BALANCE	$ 175,200	$ 77,200
STATE AND FEDERAL GRANTS	390,500	339,000
TOTALS	**$ 565,700**	**$ 416,200**

OPERATING EXPENSES

	2013/14 REVISED	2014/15 BUDGET
POLICE EQUIPT & PROG SUPP	224,700	156,000
TECHNOLOGY EQUIPMENT	60,000	50,000
CELL PHONE CHARGES	15,000	15,000
TRAINING	36,000	32,000
AUDIT FEES	1,000	1,000
CONTRACTUAL SERVICES	-	6,000
SUBTOTAL EXPENSES	336,700	260,000
OPERATING TRANSFERS-OUT	151,800	124,000
SUBTOTAL FINANCING USES	151,800	124,000
CURRENT YEAR BALANCE	77,200	32,200
TOTALS	**$ 565,700**	**$ 416,200**

The above budget represents the combination of all State & Federal Grants.

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: *

ACTION FORM

PROCEEDING: City Council
DEPARTMENT OF ORIGIN: Parks & Recreation **DATE SUBMITTED**: June 2, 2014
PREPARED BY: Ann Marie Townshend, AICP, Director of Planning and Community Development
SUBJECT: Evaluation of Bids –Dover Park Recreation Center Demolition
REFERENCE: N/A
REVIEWED BY: City Manager, Controller/Treasurer
EXHIBITS: Vendor Quote
EXPENDITURE REQUIRED: $35,600 **AMOUNT BUDGETED**: $70,500 **FUNDING SOURCE (Dept./Page in CIP & Budget)**: Recreation Division CIP Fund 147
TIME TIMETABLE: Demolition will begin following approval by City Council
RECOMMENDED ACTION: Staff recommends that City Council authorize staff to award the contract to Delaware Mulch and Stone in the amount of $35,600.

BACKGROUND AND ANALYSIS

As City Council is aware, the former recreation center building at Dover Park has been vacant for almost two years and has fallen into a state of disrepair. The building, which was built in 1974, is not an accessible building, has roof leaks that have caused moisture and mold, and has become functionally obsolete in meeting the current day recreation demands. The Parks, Recreation and Community Enhancement Committee thoroughly reviewed options for whether to invest in upgrades to the building or `demolish the building, ultimately concluding that the building should be demolished and community input sought as to how to improve the provision of recreation opportunities in Dover Park and the surrounding area. This recommendation was ultimately approved by City Council.

Staff solicited bids for the demolition of the building. Two responsive bids were received. These include:

Delaware Mulch and Stone	$35,600
Design Contracting, Inc.	$39,800

The asbestos abatement will be performed by a separate contractor in response to bids solicited by Compliance Environmental, the environmental consulting firm on contract with the City of Dover. Compliance Environmental will oversee the asbestos abatement and the coordination between the asbestos contractor and demolition contractor. The cost of the asbestos abatement will be $12,995, and oversight by Compliance Environmental is estimated at $8,000. The combination of the contract with Delaware Mulch and Stone and the contracts for environmental oversight and asbestos abatement will be within the project budget, estimated at $56,595.

Staff recommends that Council authorize staff to award the demolition contract to Delaware Mulch and Stone in the amount of $35,600.