REGULAR COUNCIL MEETING
A G E N D A

FEBRUARY 24, 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 COUNCILMAN HARE

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 February 10, 2014**

2. Presentation - Heels & Wheels Bike/Walk Summit (Kate Layton)

3. Presentation - Annual Report - Dover Human Relations Commission

4. Parks, Recreation, and Community Enhancement Committee Report - February 10, 2014

* **A. Updates**

(Committee action not required)

B. Future Use of Dover Park Recreation Center

(Committee recommended 1) authorizing the City Manager to execute necessary contracts to demolish the former Dover Park Building at White Oak Park; 2) directing that an earmark of $80,000 be placed into the 2014-15 draft budget for capital improvements to White Oak Park, with the specific allocation and expenditure timetable of the said earmarked funds to be determined by the 2014 Parks and Recreation Needs Assessment Study; and 3) authorizing placement of temporary toilet facilities at White Oak Park effective immediately)

* **5. Utility Committee Report - February 10, 2014**

A. Dedication of Water and Wastewater Infrastructure - The Grande

(Committee recommended acceptance of the dedication of water and wastewater infrastructure within the public utility easement in The Grande Apartment Complex, to include all of the referenced water and wastewater infrastructure)

B. Dedication of Rights-of-Way and Public Infrastructure - Farthing Woods

(Committee recommended acceptance of the dedication of rights-of-way and public infrastructure in the Farthing Woods Subdivision, to include all of the referenced public improvements)

C. Quarterly Review of Utility Related Capital Investment Plan (CIP) (Electric and Water/Wastewater)

(Committee action not required)

D. TEA/NAES Report (*December*)

(Committee recommended acceptance of the report)

E. Updates

(Committee action not required)

6. Amendment to Engineering Services Agreement Related to Garrison Oak Technical Park

(Staff recommends authorizing the City Manager to sign an engineering services contract amendment with Becker Morgan Group to complete the subdivision design and construction documents for the Garrison Oak Technical Park at a cost not to exceed $80,800 over the $464,400 previously authorized by City Council in 2009/2012/2013)

* **7. Appointments/Reappointments - Board of Assessment Appeals - Four (4) Year Terms Expiring March 2018**

A. John Kelly, Accounting

B. Todd Stonesifer, Real Estate Brokerage of Sales

C. James Welsh, Property Appraisal/Assessments

8. Council Members' Announcements

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REGULAR COUNCIL MEETING

The Regular Council Meeting was held on February 10, 2014 at 7:30 p.m. with Councilwoman Williams presiding in the absence of President Bonar. Council members present were Mr. Dixon, Mr. Lynn, Mr. Perza, Mr. Slavin, Mr. Hare, and Mr. Hutchison. Mr. Anderson was absent.

Council staff members present were Deputy Police Chief Bernat, Mrs. Mitchell, Mr. Koenig, Mrs. Townshend, Fire Chief Carey, City Solicitor Rodriguez, and Ms. Devine. Mayor Carey was also present.

OPEN FORUM

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

There was no one present wishing to speak during the Open Forum.

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 as presented, seconded by Mr. Dixon and unanimously carried.

Mr. Slavin moved for approval of the consent agenda as presented, seconded by Mr. Hare and carried by a unanimous roll call vote (Anderson and Bonar absent).

ADOPTION OF MINUTES - SPECIAL COUNCIL MEETING OF JANUARY 27, 2014

The Minutes of the Special Council Meeting of January 27, 2014 were unanimously approved by motion of Mr. Slavin, seconded by Mr. Hare and bore the written approval of Mayor Carey.

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

The Minutes of the Regular Council Meeting of January 27, 2014 were unanimously approved by motion of Mr. Slavin, seconded by Mr. Hare and bore the written approval of Mayor Carey.

PUBLIC HEARING/ADOPTION OF RESOLUTION NO. 2014-02 - ABANDONMENT OF BUDD STREET

A public hearing was duly advertised for this time and place to consider abandonment of Budd Street.

Mr. Scott Koenig, City Manager, reminded members that staff had requested the abandonment of Budd Street, an improved street running east-west from South State Street to Kings Highway and located north of Weyandt Hall at 5 East Reed Street, and south of the former Dover Public Library at 45 South State Street and the City-owned property adjacent to South American Avenue. He noted that the abandonment of Budd Street would resolve mapping issues and lay the foundation for a

potential re-subdivision or sale of the former Dover Public Library site. He stated that part of this right-of-way appears to have been abandoned years ago, possibly when Weyandt Hall (formerly the WSFS Building) was built; however, staff research and current mapping indicate that a ten foot (10') wide portion of Budd Street exists and is improved, since it includes the sidewalk area in front of the former library site.

Mr. Koenig reminded members that, during their meeting of January 13, 2014, the Utility Committee recommended approval of the request for abandonment of the subject right-of-way with conveyance of five feet (5') of said right-of-way to 5 East Reed Street, 45 South State Street and Tax Parcel Number ED-05-077.05-04-36.00 on South American Avenue, currently owned by the City of Dover, with the provision of a public utility easement for each parcel being reserved for the City, as recommended by the Planning Commission.

Councilwoman Williams declared the public hearing open. There being no one present wishing to speak, Mrs. Williams declared the public hearing closed.

Mr. Hare moved for approval of the request to abandon Budd Street. The motion was seconded by Mr. Hutchison and by a unanimous roll call vote (Anderson and Bonar absent), Council adopted Resolution No. 2014-02, as follows:

A RESOLUTION VACATING AND ABANDONING A CERTAIN IMPROVED STREET SITUATED IN THE CITY OF DOVER.

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

Section 1. The Council of the City of Dover hereby vacates and abandons Budd Street, as specified below:

Adjacent to 5 East Reed Street (ED-05-077.05-04-35.00)
Being a portion of that certain piece or parcel of land situated in the City of Dover, Kent County, State of Delaware, being an improved public street running in a west to east direction, located to the north of East Reed Street, said portion of street beginning at a point identified as the northwest corner of Parcel No. ED-05-077.05-04-35.00; thence running with Parcel No. ED-05-077.05-04-35.00 North 86 degrees 32 minutes East 282.39 feet along the southerly line of the 10' wide street to the northeast corner of Parcel No. ED-05-077.05-04-35.00; thence running North 7 degrees 5 minutes West 5 feet crossing into said 10' wide street to a point in the center of the street, opposite the northeast corner of Parcel No. ED-05-077.05-04-35.00; thence running South 86 degrees 32 minutes West 282.39 feet parallel to the southerly line of the 10' wide street to a point; thence running South 7 degrees 5 minutes East 5 feet to the southerly side of the 10' wide street, being the point and place of beginning and containing 0.0324 acres (1,411.95 square feet) of land be the same more or less. The above described parcel of land shall be considered a public utility easement, reserving the rights of the City of Dover, their agents or assigns to free access for ingress and egress to these premises and every part thereof at all times for purpose of installing, maintaining and operating its existing public utilities.

Adjacent to 45 South State Street (ED-05-077.05-04-33.00)
Being a portion of that certain piece or parcel of land situated in the City of Dover, Kent County, State of Delaware, being an improved public street running in a west to east direction, located to the east of South State Street, said portion of street beginning at a point identified as the southwest corner of Parcel No. ED-05-077.05-04-33.00; thence running with Parcel No. ED-05-077.05-04-33.00 North 86 degrees 32 minutes East 173.5 feet along the northerly line of the 10' wide street to the southeast corner of Parcel No. 05-077.05-04-33.00; thence running South 7 degrees 5 minutes East 5 feet crossing into said 10' wide street to a point in the center of the street, opposite the southeast corner of Parcel No. 05-077.05-04-33.00; thence running South 86 degrees 32 minutes West 173.5 feet parallel to the northerly line of the 10' wide street to a point; thence running North 7 degrees 5 minutes West 5 feet, being the point and place of beginning and containing 0.0199 acres (867.5 square feet) of land be the same more or less. The above described parcel of land shall be considered a public utility easement, reserving the rights of the City of Dover, their agents or assigns to free access for ingress and egress to these premises and every part thereof at all times for purpose of installing, maintaining and operating its existing public utilities.

Adjacent to ED-05-077.05-04-36.00
Being a portion of that certain piece or parcel of land situated in the City of Dover, Kent County, State of Delaware, being an improved public street running in a west to east direction, located to the west of South American Avenue, said portion of street beginning at a point identified as the southwest corner of Parcel No. ED-05-077.05-04-36.00; thence running with Parcel No. ED-05-077.05-04-36.00 North 86 degrees 32 minutes East 108.89 feet along the northerly line of the 10' wide street to the southeast corner of Parcel No. 05-077.05-04-36.00; thence running South 7 degrees 5 minutes East 5 feet crossing into said 10' wide street to a point in the center of the street, opposite the southeast corner of Parcel No. ED-05-077.05-04-36.00; thence running South 86 degrees 32 minutes West 108.89 feet parallel to the northerly line of the 10' wide street to a point; thence running North 7 degrees 5 minutes West 5 feet, being the point and place of beginning and containing 0.0125 acres (544.45 square feet) of land be the same more or less. The above described parcel of land shall be considered a public utility easement, reserving the rights of the City of Dover, their agents or assigns to free access for ingress and egress to these premises and every part thereof at all times for purpose of installing, maintaining and operating its existing public utilities.

Section 2. Since no person has been deprived of property by the vacating and abandoning of the aforesaid street, no compensation is awarded.

Section 3. All costs of conveyance shall be borne by the property owner.

Section 4. This resolution shall be effective upon the filing of a revised plot plan of the aforesaid street.

ADOPTED: FEBRUARY 10, 2014

UTILITY COMMITTEE REPORT - JANUARY 27, 2014
The Utility Committee met on January 27, 2014 with Chairwoman Williams presiding.

Explanation of PJM (*Pennsylvania, Jersey, Maryland Power Pool*) **Reactive Service Charges - Robert Trinnear, The Energy Authority**

Mr. Robert Trinnear, The Energy Authority, reviewed a Presentation - Reactive Service Charges Update, January 2013. In recent months, the TEA/NAES Reports provided to members have reflected actual charges for reactive services that were much higher than budgeted. Mr. Trinnear stated that reactive services are used to provide voltage control on the power grid, basically allowing power to get where it needs to go. Reactive service charges are billed to generators and load-serving entities, such as the City of Dover.

Mr. Trinnear stated that the allocation change in the market tariff went into effect December 1, 2012. PJM (Pennsylvania, Jersey, Maryland Power Pool) projected that the impact of this rule change would be small and the change was not modeled. He explained that reactive service charges were previously allocated across the whole PJM region but are now allocated directly to the Delmarva Power and Light (DPL) zone, which is the Delmarva Peninsula and includes the City of Dover. Mr. Trinnear indicated that the more targeted allocation has had a very large monetary impact on the City of Dover and entities like Dover. Referring to the Reactive Services Invoice Amount on Page 4 of the presentation, Mr. Trinnear stated that the chart illustrates the significance of the tariff change and its impact on the City. The average monthly reactive services charge in 2012 was $45,000; however, monthly charges were as high as $370,000 in 2013. In December 2013, the charge was approximately $204,000. Mr. Trinnear stated that many entities affected by the new tariff allocation, like the City of Dover, have been very vocal in asking for a change in the tariff due to its massive impact on cities and utilities.

Mr. Trinnear advised members that, in addition to the tariff change, during the previous week PJM had provided a presentation outlining a $25M to $30M error in the calculation of reactive service charges, equating to an approximate 12% error. Between August 2013 and December 2013 there was an error in the PJM allocation method for reactive service charges, which resulted in PJM paying generators who should not have been receiving money. As a result, load-serving entities like the City of Dover will receive an estimated 12% credit. He indicated that the City of Dover should anticipate the entire 12% credit on the January invoice; however, it is possible that the amount for August through October may be credited in January, and the amount for November and December may be credited in February. Since PJM has corrected the procedural error, the City of Dover should notice a reduction in reactive service charges in the future.

Mr. Trinnear informed members that there will also be transmission upgrades in the DPL zone in late spring 2014 which should help mitigate many of the reactive service charges. In addition, he noted that PJM was trying to ensure that more of these charges are allocated to a pricing mechanism so that entities are able to hedge this risk and these charges, rather than receiving a bill they cannot do anything about.

Responding to Mrs. Williams, Mr. Trinnear explained that PJM has a stakeholder process in which rules are considered by committees consisting of generators and load-serving entities. The tariff change was approved through the stakeholder process in an effort to create fairness across the whole PJM region.

In response to Mrs. Williams regarding the impact when the City sells electricity from its own generators to PJM during August and January for peaking power, Mr. Trinnear stated that the City does not receive a great deal of reactive service charges for these generators. He explained that the City of Dover was not the source of the problem; however, there are transmission and voltage issues within the DPL zone south of Dover that affect the City since it is part of the DPL zone. He indicated that the City's generators would not be able to greatly reduce these charges. Mr. Trinnear advised members that PJM was well aware of the high reactive service charges in the DPL zone and was investigating possibilities for mitigating this.

Responding to Mrs. Williams regarding future decisions pertaining to the reactive service charges, Mr. Trinnear stated his opinion that any solution would likely improve things on behalf of entities like the City of Dover, as these entities had been extremely vocal about this issue and were trying to effect change.

Mrs. Williams questioned whether the impact of the tariff change was known when the decision was made to implement it. Mr. Trinnear indicated that when he asked PJM this directly, they responded that it was not known; however, PJM could not simply repeal the measure when the impact was realized because all decisions are subject to the stakeholder process. He informed members that this matter was currently being considered again through the committee process.

In response to Mr. Slavin, Mr. Trinnear indicated that he did not know whether there was any opposition at the time the rule was made or if there was a minority position counter to what was passed. He expressed his opinion that, in hindsight, if this type of impact had been projected, the rules would not have gone into effect. He stated that this was not considered a major issue, so it was not modeled and the impact was not foreseen. Not much attention was paid to the change until its impact was felt.

Responding to Mr. Slavin, Mr. Trinnear stated that The Energy Authority (TEA) was working with PJM directly to voice the City of Dover's position that additional changes must be made to the allocation of the reactive service charges. He stated that, as the stakeholder process progresses, he would inform the City if he felt a resolution from City Council would be effective.

In response to Mrs. Williams, Mr. Trinnear indicated that a tariff revision was expected by mid-year.

Responding to Mrs. Williams, Mr. Scott Koenig, City Manager, stated that, with all of the heightened expenditures for the reactive service charges, the City had spent approximately $500,000 more than anticipated through the end of December. He felt that the overage should not reach $1M for the year, since there had been an adjustment.

In response to Mr. Blakeman, Mr. Trinnear stated that he was unsure what kind of improvements Delmarva Power & Light would be making; however, it was anticipated that the improvements would be complete by late spring and should mitigate reactive service charges quite substantially.

Responding to Mr. Blakeman, Mr. Trinnear concurred that putting Unit 3 on spinning reserve for reactive control would have little to no impact on the reactive service charges, since the problem does not lie with the City of Dover.

In response to Mr. Snaman, Mr. Trinnear reiterated that reactive service charges are allocated by zone and, although the City of Dover does not contribute to the problem, the City is part of the DPL zone and there are voltage issues within the zone. He expressed his opinion that it would be too complicated to allocate the charges by individual node or city, but he was unsure of the exact methodology.

Responding to Mr. Perza, Mr. Trinnear clarified that the credit would only cover the 12% error that occurred between August and December 2013, not the entire $500,000 since some of that overage amount was the result of the charges being higher than the previous year due to the allocation change.

In response to Mrs. Williams, Mr. Trinnear stated that, based on what the City paid from August to December 2013, he estimated that the 12% credit would equate to approximately $120,000; although it could be higher because the DPL zone had one of the highest rates for reactive service charges.

By consent agenda, Mr. Slavin moved for acceptance of the Utility Committee Report, seconded by Mr. Hare and carried by a unanimous roll call vote (Anderson and Bonar absent).

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

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

Review of Proposed Acceptable Use Policy (Information Technology)

Mr. Scott Koenig, City Manager, advised members that the purpose of the Acceptable Use Policy (Information Technology) was to provide general guidance for all employees, as well as contractors and other "users" of the City's communications and computer systems. This policy, if adopted, would be applicable to anyone accessing the City's network. It would not apply to the Police Department, Fire Department, or Library except for those individuals who log on to the City's network. He noted that this matter had come up during the City's financial audits and in relation to insurance renewals and it was desired to ensure that the City was doing everything possible to protect the computer network.

Staff recommended adoption of the proposed Acceptable Use Policy.

Responding to Mr. Rushe regarding the lack of a social media policy, Mr. Koenig stated that staff had attempted to bring forth such a policy approximately two (2) years ago and encountered some issues that complicated that process. He stated that if a social media policy were brought forward again, it would not be part of the City's Acceptable Use Policy for information technology.

Mr. Slavin inquired if a hard copy signature would be required on the form, noting that as an employee of the State of Delaware, he is required to accept a similar policy each time he logs in and inquired if the City required tacit approval upon sign-in. Responding, Mr. Andy Siegel, Information Technology (IT) Director, explained when users log into the network they are greeted by a banner that notifies them that they are signing onto a City network and they must agree to the policies set forth by the IT Department.

Mr. Hare noted State employees are unable to access sites not approved by the State and inquired if this was the case in the City. In response, Mr. Siegel stated that the City has had internet filtering for many years; however, to this point there had been no policy to specifically address what employees can or cannot do. With the new policy, an employee would be aware that they would be breaking an actual policy if they access a prohibited site.

Mr. Bonar noted that the State had IT training programs available. He inquired if staff had looked into providing this type of training for the City's internet and computer users and if there were fees involved. Responding, Mr. Siegel explained that approximately two (2) years ago staff had put out a program entitled "Securing the Human," which included approximately 15-20 minute vignette videos about aspects of computer security, internet security, and home computer security. In the past year, staff had renewed this program and planned to provide this information to users again.

Mr. Bonar noted that users of State systems are required to successfully pass a quiz in order to be receive certification. He encouraged Mr. Siegel to contact Mr. Kevin Wright, Delaware Department of State, for further information.

The committee recommended adoption of the Acceptable Use Policy, as recommended by staff.

By consent agenda, Mr. Slavin moved adoption of the Acceptable Use Policy (*Exhibit #1*), seconded by Mr. Hare and carried by a unanimous roll call vote (Anderson and Bonar absent).

Request for Continued Staff Support - Downtown Dover Partnership (DDP)

Mr. Scott Koenig, City Manager, advised members that the City had received a request from the Downtown Dover Partnership (DDP) to continue staff support to the DDP through the end of Calendar Year 2014. Currently, staff support includes one (1) Administrative Assistant and one (1) Downtown Coordinator. Since these employees report to the Mayor, Mr. Koenig did not offer an opinion regarding the staff support; however, he recommended that continued staff support be tied to fiscal years rather than calendar years for budget purposes.

The City Manager recommended that the Committee receive verbal testimony from the DDP representative attending the meeting and then formulate a recommendation to City Council based on the testimony of any interested parties. He reiterated that any recommendation should be tied to fiscal years rather than calendar years.

Mr. Lynn advised members that he reviewed the City's Charter and Code of Ordinances and stated his understanding that the employees in question are shared between the Economic Development Office and the DDP and serve under the Mayor's umbrella. Confirming, Mr. Koenig stated that in the Fiscal Year 2013 budget, Council assigned the Economic Development staff to the Mayor's Office.

Mr. Lynn stated his concern regarding whether the Committee should have a role in assigning duties or responsibilities to these individuals. He questioned how it was under the purview of Council if the Mayor elected to share these employees with the DDP, separate and apart from the budgetary impact, which he noted would come under the purview of Council. He questioned if this matter was appropriate for discussion by the Committee.

Mr. Koenig stated that the Charter specifically assigns police officers to the Mayor and that Council does not have authority over the Mayor in this regard. Council acted previously to assign the Economic Development Office positions to the Mayor and it was his opinion that Council has the ability to weigh in on how they are assigned if Council so chooses.

Mr. Lynn stated his position that, given that these were Mayoral employees, members would be specifically precluded from interfering except in regard to the budgetary fallout from the decision. He cited Subpart A - Article III - City Manager, Section 36 of the City of Dover Charter which states that "Except for the purpose of inquiries, and investigations by council under section 39, the council or its members shall deal with city officers and employees who are subject to the direction and supervision of the city manager solely through the city manager, and neither the council nor its members shall give orders to any such officer or employee, either publicly or privately." Given that these employees report directly to the Mayor, rather than the City Manager, he did not feel that the Committee could make this decision.

Mr. Hare agreed that "giving orders" was beyond the purview of the Committee. It was his recollection that during the FY 14 budget process, a certain amount of funds was appropriated through June 30, 2014 for these positions and that next year, if the Mayor had funding in his budget to allocate for the following six (6) months (through December), Council had no say in this matter. However, if the Mayor would require additional funds to be added to his budget, then he felt that the Committee should discuss this.

Mr. Koenig stated his recollection that when the FY 14 budget (beginning July 1, 2013) was developed, $162,400 was transferred to the DDP, which included funds to hire staff. The DDP asked to use City staff in the transition period to carry them through adoption of the FY 14 budget and subsequently submitted an additional funding request to carry the DDP through the end of calendar year. He stated that funds sent to the DDP were tied to specific expenses. He noted that the adopted City budget includes a staff budget for Economic Development. Mr. Koenig advised members that the Economic Development Office does not have many operating expenses and that 95% or more of its budget is driven by personnel costs associated with the three (3) employees. He stated that the DDP will again be asking for funds for the future and had submitted a draft request to the City Manager late last week regarding the FY 15 budget.

Mr. Hare questioned if additional funds were being requested for staff transition and inquired what happened to the $162,400 that was allocated for the DDP to transition to their own staff.

Mr. Lynn expressed his understanding that the DDP was not asking for any expenditure of funds from the City at this time but simply that the City allow for the Mayor to share his employees. He noted that the budgetary impact would be considered as Council goes through the budget hearings.

Mr. Hare inquired about the status of the DDP in regard to hiring their staff and questioned if the City had committed for City staff to serve through June 30, 2014 in the FY 2014 budget process. Responding, Mr. Koenig stated that the original request was for support through June 30, 2013; however, Mr. Koenig and the Mayor had agreed that the DDP needed a transitional period and extended staff support through the end of Calendar Year 2013. The DDP had since asked for support through Calendar Year 2014 and this had prompted the current request.

Mr. Slavin stated his appreciation to Mr. Lynn for raising the issue that these were the Mayor's employees and reminding members of the Charter provisions. He stated that, as a Council, members had always been very careful about this clause in the Charter and he recalled previous difficulties with Council members who went directly to subordinate members of the staff of Council appointees. Noting that this provision was put in the Charter for a reason, he suggested that members respect it and stated that these were the Mayor's employees to do with as he sees fit. Mr. Slavin acknowledged that there would be budget issues and felt that the proper venue for this matter would be when the budget is discussed later in the year.

Noting Mr. Koenig's comment that he and the Mayor had extended the period of this loan of staff by six (6) months, Mr. Slavin questioned if this decision was based on the Mayor's authority to extend and the City Manager's advice. Concurring, Mr. Koenig stated that he and the Mayor discussed this and felt it was appropriate to extend support through Calendar Year 2013. He explained that this was a mutual understanding between himself and Mayor Carey.

Since a mutual decision was reached between the City Manager and the Mayor previously, Mr. Slavin inquired why there was now a difference of opinion. Responding, Mr. Koenig stated that the specific request was for support for Calendar Year 2014, which crosses multiple budget years. He noted that he had no feeling one way or another if staff was to be extended to the DDP; however, he requested that any extension granted be based on the fiscal year versus the calendar year.

Mrs. Williams stated that pieces of history were missing in the discussion. She recalled that the DDP had an opportunity to take over the staff and chose not to do so, and the staff were brought under the City's auspices and placed under the Mayor so that they would not lose their jobs. The employees were then loaned back to the DDP for half a year while the DDP interviewed their own personnel. She noted that the DDP's personnel were not in place; therefore, the City was in the same position it was in two (2) years ago. She felt that the City was "going around in circles" and spending a great deal of money.

Mr. Hare stated that he had no problem allowing staff to continue until the end of June and that he was under the impression that they were already covered until June 30, 2014. It was his understanding that the DDP would hire their own people with the $162,400. He noted that the situation following June 30, 2014 would be discussed in the upcoming months. He concurred with Mr. Koenig's request for any extension to be granted on a fiscal year basis. Concurring with Mrs. Williams, he inquired at what point a conversation should be held with the DDP, to be informed of their status in regard to staffing and funding.

Mr. Bonar stated that the employees who had been moved under the Mayor's purview were the economic development arm of the City and also part of the economic development arm in the DDP that is focused primarily on the downtown area, both of which had performed admirably. He noted

that it had been a good partnership in that the DDP had brought in several millions of dollars and had "redone" the North Street area. Through the efforts of the DDP and Mr. Gary Patterson, member of the DDP Board of Directors, the Governor had committed to seeing more money funneled to downtown areas of Delaware, including Wilmington, Dover, and other possible locations, which could be used to renovate downtown, as mentioned in his State of the State address. This funding would be decided by the legislature. Mr. Bonar stated that the conundrum was whether two (2) economic development operations were needed in the City or whether all efforts could be combined into one (1) operation. He referenced remarkable events that had occurred at the Garrison Tract over the last year, noting that Uzin Utz was nearly ready to break ground, Calpine was "churning along," and infrastructure was being developed through the efforts of the City's Economic Development Office. At the same time, he stated that there was corridor development in the downtown area akin to the Riverfront Development Corporation in Wilmington, which would bring more money to the City for downtown development and enhance the City's tax base. Mr. Bonar stated that, with the new budget process, it must be decided whether to continue in this vein or streamline operations, combine or separate efforts, or eliminate one (1) of them. He cautioned members that the City should not partner with Kent County for economic development because at some point the County and City would be at odds when trying to bring new business to the region. He felt that this conundrum should be solved in this budgetary cycle and that a decision should be made regarding which direction should be taken so that all would know where economic development was going for the next several years.

Mr. Hutchison stated his desire to ensure that the Council supported the DDP's request. He questioned if Mayor Carey was in favor and if funding was in place to extend staff support as requested. Responding, Mayor Carey stated that funding was in place until the end of Calendar Year 2013; however, he was unsure if the two (2) employees were funded under the City or the DDP.

Mr. Koenig stated that all three (3) Economic Development Office personnel were funded in Fiscal Year 2014 through June 30, 2014 as part of the adopted budget; therefore, there would be no budgetary impact. He stated that this was a policy issue.

Mr. Hutchison suggested that the Mayor create a master plan for the partnership and its future regarding the issues and concerns expressed during the meeting.

Mrs. Williams agreed with Mr. Bonar regarding the existence of a "conundrum;" however, she stated that the City had other economic development partners, including Kent County and the Delaware Economic Development Office (DEDO). She felt that once an approach was determined, memorandums of understanding should be developed to avoid "crossing paths" and duplication of efforts. She noted that there were four (4) economic development groups at present, and only individuals who had been around for some time or were directly involved in economic development could tell the difference between the four (4).

Mr. Lynn disagreed with the belief of some Council members that there was a conundrum and felt that all entities were working toward common goals. He advised members that the Appendices to the City's Code of Ordinances are severely out of date, do not reflect the existence of the DDP, and continue to make references to entities that are defunct, and the funding mechanisms for the Business Improvement District (BID) are operating under appendices in the Code that are no longer valid. He requested that Mr. Koenig address this issue.

Mr. Gerald Street, 39 Hazel Road, member of the DDP Board of Directors, stated that Mr. Lou Colón, Executive Director of the DDP, had planned to attend the meeting but Mr. Street advised him that he would attend instead, stating that he had a broader understanding of the DDP's circumstances and was very sensitive to people spending time away from their families at night unnecessarily.

The committee recommended acceptance of the City Manager's recommendation to extend it for a fiscal year since the employees are already covered and then, in the future, discuss it with the Mayor during the budget hearings. *City Clerk's Office Note: Mr. Slavin abstained from voting due to his position as the Governor's appointee on the DDP Board of Directors.*

By consent agenda, Mr. Slavin moved for approval of the committee's recommendation, seconded by Mr. Hare and carried by a unanimous roll call vote (Anderson and Bonar absent).

By consent agenda, Mr. Slavin moved for acceptance of the Legislative, Finance, and Administration Committee Report, seconded by Mr. Hare and carried by a unanimous roll call vote (Anderson and Bonar absent).

UTILITY COMMITTEE REPORT - FEBRUARY 10, 2014

The Utility Committee met on February 10, 2014 with Chairwoman Williams presiding. *Except for the following time sensitive issue, the Committee Report from February 10, 2014 will be presented to Council during their Regular Meeting of February 24, 2014 for review and consideration.*

McKee Run Units 1 and 2 - 2017-2018 Capacity Auction

In a letter dated February 7, 2014, Mr. Kirk Betts, Betts & Holt LLC, Energy Attorney for the City, requested an opportunity to present a recommendation to the Utility Committee regarding McKee Units 1 and 2. Members were reminded that they, along with City Council, were provided a report last year explaining how the capacity value of these units compared to the PJM capacity auction prices on the Delmarva Peninsula would become negative within several years. Mr. Betts explained that the decision about the future of these units also affects power supply negotiations and plant operating contract negotiations, both of which have been given a high priority. In addition, he noted that there is a matter involving a request for waiver with respect to a notice that was not provided to PJM in December.

Members were reminded that during their Regular Meeting of December 9, 2013, City Council approved of the Committee's recommendations of November 25, 2013, that, for the short term, Units 1 and 2 not be offered into PJM's capacity auction for the 2017/18 delivery year; that a comprehensive analysis be performed that lays out all the decision options for the City of Dover; that a similar analysis on other parts of the generation portfolio be completed; and that all supply options be surveyed, including new generation projects in and around Dover and Power Purchase Agreement (PPA) opportunities.

Mr. Betts indicated that the City of Dover is reviewing several activities related to its power supply, such as the Purchase Power Agreement with Calpine and the renegotiation of the North American Energy Services (NAES) contract. He stated that when the Cost/Benefit Analysis for McKee Run Units 1 and 2 was presented to members, it was recommended that the units be shutdown due to operation costs and capital improvements ($1.7M between now and 2017 and an additional estimated

$2.4M). He reminded members that there was an outage on the Unit last summer which resulted in a penalty for the City. Although The Energy Authority (TEA) had recommended an evaluation of the units, he noted that the strongest recommendation was to prepare to close the units and not bid them into the market. No action regarding this specific recommendation was taken when considered by the Committee in November 2013 or City Council in December 2013. The City's membership in the PJM requires that the City provide notice three (3) years in advance as to whether or not the City will bid the units into the market; therefore, the City was required to provide notice regarding 2017/2018 in December 2013. He assured members that TEA has been working on obtaining a waiver on the notification requirement; however, if the City is not granted a waiver, the City cannot bid the Unit in and can only get what would be provided in the market place. He noted that in reviewing the 2016/2017 period, those units are not economic and according to TEA analysis, once the City begins making capital investments, in order to recover the costs to the Unit over the next five (5) years, the capacity costs for this zone would need to be $311 per megawatt day. He explained that the capacity rate for 2015/2016 is $110 per megawatt day and with construction of the facility at Garrison, the rate is expected to stay suppressed and could potentially go lower. In this case, the City would have two (2) 16 megawatt units losing money for the City at $200 per megawatt day rather than providing the City money, as they have in the past, to help subsidize the costs of these units.

Mr. Betts explained that the theory for all the City's capacity payments, the fixed ability to generate at any hour called on, is that it is the money that has been used to pay the NAES Operating Agreement and also to contribute to the overall cost of operations for the City's customer. When this number goes negative, he stated that the City pays money to maintain a facility; therefore, the long term question is if the City should be putting money into two (2) 16 megawatt units that are very manually driven, very intensive for operating, and that are 50 years old. As a result, the City must decide whether to maintain Units 1 and 2.

Mr. Betts stated that his request for bringing this issue before members at this time is due to his responsibilities to negotiate the Calpine contract and the NAES Contract since he does not know what to negotiate on the City's behalf without knowing how many megawatts are needed. If the City plans to maintain the 16 megawatt units and make the investments on Units 1 and 2, then he would not need to negotiate capacity, the City would just be in the market looking for energy, and the Calpine contract may or may not have any value. Referring to the NAES contract, he stated that there are implications for what the overall costs of operating the facility should be, explaining that if the units are maintained, there would be a certain amount of labor and other maintenance costs over the term of the contract and if those two (2) units are removed, there would be a reduction in maintenance costs. He reminded members that the maintenance costs alone are anticipated to be a minimum of $1.7M over the next several years, in addition to manpower and other operating expenses as well as other ancillary charges under the contract based upon the whole contract price. He stated that it would also affect the bonus provisions since the contract provides for a bonus of 20% of a fee based upon all those units dispatching.

Mr. Betts strongly recommended that the committee make the decision to close Units 1 and 2. He stated that the City has the option to close the units sooner or later and can always replace the capacity at a reasonable cost, explaining that the City is committed through 2016 to maintain the units or find replacement capacity. Part of his responsibility, on behalf of the City, would be to negotiate a contract that is comparable and would keep the City "in the money" in lieu of expending

the money that would otherwise be spent on the units, which may allow the City to take the capacity contract earlier rather than 2017/2018. He assured members that capacity and energy are available and that Units 1 and 2 are becoming very costly. Based on all the recommendations and current contract negotiations, he felt confident that the City should make a firm decision on the termination of Units 1 and 2.

In response to Mr. Perza, Mr. Betts indicated that there is capacity in the market place that can be purchased. He reminded members that when the City negotiated the Option Agreement for the land and the development at Garrison, one (1) of the items the City negotiated was an option to take 50 megawatts of that facility. Under this Option Agreement, there was a formula established that provided that the capacity payment should be equal to the actual cost of that unit. He informed members that the cost, as well as how to benchmark the cost against the market price for capacity, are still under negotiation to develop an appropriate price to recommend to the City.

Mr. Betts explained that this matter is not an "apples to apples" comparison between market capacity or a new unit and Units 1 and 2. He is mostly concerned with the City putting money into Units 1 and 2 and still not having the reliability desired. Reliability is critical for two (2) reasons: 1) the City pays a substantial amount of money to maintain Units 1 and 2; and 2) if Units 1 and 2 are not reliable and do not dispatch on signal from PJM, the City takes a forced outage, which results in a penalty and causes a higher reserve margin to be assigned, both of which are very costly.

Providing an explanation of a reserve margin, Mr. Betts stated that there is an assumption that a certain number of plants are going to fail and that there is flexibility in how much is actually demanded in the market. Noting that PJM has units all over the country, he stated that there is a percentage (14%-15%) over and above what is actually purchased; therefore, if 100 megawatts are purchased, 115 megawatts are the amount actually paid for in order to cover the reserve. He indicated that the City now has 175 megawatts of capacity and that, according to TEA, the City is buying 2.4-2.5 additional; however, the actual peak demand is substantially below the 175 megawatts at approximately 160 megawatts. Therefore, the additional megawatts are the reserve the City must have and maintain or purchase in the market place. If there is a failure in the dispatch, there would be a penalty and the amount of capacity the City has to buy is increased. This would require the City to purchase extra reliability due to its own failure. The goal would be to bring that amount down to what would be reasonable and consistent with the market place. However, he explained that the main goal is for the City to maintain reliability at a high level, noting that the City's customers and PJM expect 100% reliability.

In response to Mr. Blakeman, Mr. Betts stated that when the City entered into the last contract with NAES and PACE, there was an assumption that Units 1 and 2 would be taken out of service three (3) to four (4) years into the contract, and the City is well beyond that time frame now. Even though there has been an estimate of $2.4M for opening up Units 1 and 2, he stressed that there is no guarantee there will not be additional expenses, particularly since these units have not been opened for several years. The borescope device can only access a certain number of blades, and the blades that have been inspected indicate wear; therefore, the assumption is that more than likely there is wear on the larger blades that they do not see, and when the units are opened, it will cost more to repair the unit. He stated that Council has delayed opening the unit for review until FY 2017 in order

to save money while considering whether or not to close Units 1 and 2. If the units are opened in FY 2017 and it is determined that there is a $5M expense rather than the $2.4M expense that was originally anticipated, he questioned what the City would have gained, noting that the City would probably have committed out another two (2) to three (3) years by that time.

Mr. Betts reiterated that now is the right time for the City to make a decision with regard to McKee Run Units 1 and 2 because there is a serious question about their reliability. Although the NAES Contract provides rewards, there are not substantial penalties for the failure of those units, since the City takes the penalty. At the request of Mrs. Williams, Mr. Betts stated that he would forward the performance percentage and dollar amount specifics of the NAES Contract to members.

Responding to Mr. Hutchison, Mr. Betts explained that PJM operates, technically, as a non-profit facilitator of energy and transmission management for this region and the City pays annual dues as a member. Regarding the City's Budget, Mrs. Donna Mitchell, Controller/Treasurer, stated that the CIP includes $1.7M for Units 1 and 2 and an additional $2.4M for FY 2017/2018 to open up these units for re-evaluation. Mr. Betts stated that the total budget costs of $4.1M is a low estimate.

In response to Mrs. Williams and Mr. Blakeman, Mr. Betts indicated that if the City chose to decommission both Units 1 and 2, the $2.4M expense for FY 2017/2018 would be eliminated; however, the City would need to obtain replacement capacity and, depending on how quickly the City is able to find replacement capacity, could avoid expending some of the $1.7M to maintain the units.

Responding to Mrs. Williams, Mr. Betts stated that the City continues to study the VanSant Unit and that it has been determined that Unit 3 is fine but it is at capacity. Regarding the VanSant Unit, Mrs. Mitchell stated that the City currently has McHale, the company that previously conducted the analysis on the increase of capacity, re-reviewing the Unit and they have obtained bids and are running the number to determine whether the capacity can be increased. They are not guaranteeing the capacity that the City was hoping for (6 megawatts), feeling that there may be 5 megawatts. The current capacity is 39 megawatts. Mr. Betts indicated that the VanSant Unit is the most dispatched unit for the City because it comes up, serves as a "peaker", is a short-term unit that can come up for emergencies, etc. One of the challenges for this Unit is the moving target on what PJM gives for the value on a megawatt day for capacity. He explained that if the City invests a certain amount of money, there is a certain return needed on the Unit, and the PJM capacity costs are declining, which is why they are re-reviewing the analysis to make sure the City's investment is fully returned.

In regard to the questions of Mrs. Williams, Mr. Betts stated that one (1) of the creative ideas that has been discussed is whether there is value in the market place for the capacity for Units 1 and 2, and the possibility of giving someone else the rights to the capacity. If there is someone that is interested in the 32 megawatts that is located in the area, where there are transmission constraints, there may be real value to swap those megawatts. In addition, he stated that there should be consideration to the emissions credits, explaining that if it is decided to take the units out and they are not replaced, the City may be able to sell those emissions credits forward for a number of years. He noted that emissions credits have been sold in the past based on the way the units operate. Therefore, he explained that there are potential revenue opportunities with the decommissioning of the units.

Mr. Betts referred to the SOx and NOx and indicated that there was a recent EPA issuance specifying what determines what a plant should be able to dispatch out for coal and are reviewing all fossil fuel plants. As discovered several years ago, he reminded members that with older units, if any improvements are made to them, there is a risk that the new regulations will become applicable, which he did not believe had been calculated into what may happen with Units 1 and 2. He stressed that it would be difficult to make Units 1 and 2 compliant, particularly since they are burning #2 oil.

Mrs. Mitchell informed members that the current five-year CIP would change because the maintenance over the next three (3) years for Units 1 and 2 may change; for example, a borescope was going to be performed this year in the spring; however, if the units are decommissioned, that work will not be performed and the entire CIP will need to be reworked.

Mr. Perza questioned if shutting down Units 1 and 2 would create a leverage problem for negotiations for replacing the capacity. Responding, Mr. Betts stated that he had considered this issue and, as a negotiator, there is a certain balance to be maintained. He explained that the first question for him is how much capacity he needs to negotiate for on behalf of the City. Currently, the City does not need additional capacity, so unless a decision is made regarding Units 1 and 2, he has no direction for negotiating on behalf of the City. In addition, he stated that if the units were very efficient and competitive under PJM, there would be an entirely different type of discussion taking place at this time. He indicated that efficiency is measured by "heat rate" and that, as an example, the heat rate on the Garrison Unit (which is seen throughout PJM) is 6,800, which is really low. Units 1 and 2 are within the 1,200 - 1,300 range, which means the Garrison Unit is twice as efficient because it burns half as much gas to generate the same amount of electricity as Units 1 and 2.

The committee recommended terminating Units 1 and 2, as recommended by Mr. Kirk Betts, Energy Attorney for the City.

During the City Council meeting, Mr. Betts explained the request as presented to the Utility Committee earlier in the evening. This year, the City is receiving approximately $119 - $124 per megawatt day to have Units 1 and 2 in existence, regardless of the cost of operating the units, which is less; therefore, the City is earning money while these units are kept "alive." He explained that the problem with Units 1 and 2 is that, moving forward, the City must invest huge capital amounts into the units. The cost recovery must be over $300 but the market is $110; therefore, the City loses approximately $200 per megawatt day.

Mr. Betts urged members to act on the decision to terminate Units 1 and 2. As previously advised, he stated that there was discussion regarding the negotiation of contracts with NAES and also with Calpine for Power Supply. Under the current agreement for the development, he stated that the City has the option to take up to 50 megawatts of that unit and negotiate a price for that based upon its costs. He explained that he is unable to negotiate unless he knows how much the City needs to buy, which is why he needs to know if the City wishes to continue to operate Units 1 and 2 or close the units and replace them with new capacity. If the units are closed, he would need to negotiate, on behalf of the City, to buy approximately 34 - 40 megawatts and if the units are kept, there would not be much to negotiate since the best value is to buy capacity and energy together; otherwise, the City would just go to the market and buy energy as is currently done under the City's portfolio strategy.

With respect to the NAES contract, Mr. Betts noted that the costs have increased every year, simply by escalation as well as by operating costs. He explained the difficulty in negotiating this contract without the knowledge of how many units the City will actually have in operation and the associated number of personnel and related costs.

Mr. Betts explained the importance of making a decision so that he can move forward on those contracts and solve some spending problems, while at the same time, address what may be a major capital expense for maintaining Units 1 and 2. He stated that making such a decision will solve three (3) problems, as follows: 1) allow negotiations to move forward with NAES; 2) determine how much capacity will be bought from Calpine; and 3) solve the problem with PJM regarding the City not giving notice, explaining that the City could request a waiver, since the units are bid in for the next three (3) years and the units can be closed at any time during this period as long as there is replacement capacity. This would solve the problem of dealing with the Federal Energy Regulatory Commission (FERC) and PJM in seeking the waiver which may or may not been granted. He indicated that it would be a more difficult legal case to make regarding the delay if a decision is not made at this time.

Mr. Betts reminded members that in November 2013, TEA and City staff recommended that Units 1 and 2 be closed, and he again urged members to approve this recommendation.

Responding to Mr. Slavin, Mr. Betts explained that the urgency in making a decision at this time is due to his inability to negotiate the contract with Calpine. In addition, he stated that TEA made him aware that there is an issue with FERC because the City did not give notice back on December 1, 2013, which needs to be addressed as soon as possible. Also, he stated that in order to negotiate the NAES contract and the final cost and staffing structure necessary, it is necessary to determine how many units will be operating at McKee Run.

Mr. Slavin expressed his opinion that the word "Calpine" seems to be more and more associated with City Council breaking its own rules to do business. He is becoming more uncomfortable with borrowing money against reserve accounts to meet obligations for a Calpine project, smoothing rules for a quick decision involving a Calpine project, etc. He felt that these types of issues are becoming more and more frequent and that they are becoming an issue with which he is concerned.

Responding, Mr. Betts assured members that Calpine is not the "driver" regarding this particular matter but rather an important deadline (December 1, 2013) for PJM membership was missed, which is serious depending upon the City's decision. If the City wishes to continue to use the units, action needs to be taken regarding the FERC and PJM. If the City wishes to terminate the use of the units, then there is some flexibility. These are the reasons why he requested that this matter be presented immediately to City Council for consideration.

In response to Mr. Slavin, Mr. Koenig stated that he, as City Manager, was responsible for the missed deadline. He explained that there was discussion between City staff and TEA and it was discovered that the deadline was missed.

Mr. Hare moved for approval of the committee's recommendation to terminate Units 1 and 2, as recommended by Mr. Kirk Betts, Energy Attorney for the City, seconded by Mr. Hutchison and carried by a unanimous roll call vote (Anderson and Bonar absent).

MONTHLY REPORTS - DECEMBER 2013

By consent agenda, Mr. Slavin moved for acceptance of the following monthly reports, seconded by Mr. Hare and carried by a unanimous roll call vote (Anderson and Bonar absent).

City Assessor 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

QUARTERLY REVIEW OF CAPITAL INVESTMENT PLAN (CIP) *(OCTOBER, NOVEMBER, AND DECEMBER)*

Members were provided the Capital Investment Plan Project Tracking Report - Quarterly Report as of December 31, 2013. *(City Clerk's Office Note: The Electric Improvement & Extension Fund - Major CIP Projects Quarterly Report as of December 31, 2013 was inadvertently omitted from the packet. This information was provided to members subsequent to the meeting and has been made a part of these minutes for record purposes* ***(Exhibit #2)****.*

By consent agenda, Mr. Slavin moved for acceptance of the Capital Investment Plan (CIP) Quarterly Report as of December 31, 2013, seconded by Mr. Hare and carried by a unanimous roll call vote (Anderson and Bonar absent).

FINAL READING - PROPOSED ORDINANCE #2014-01

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

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

Chapter 102 - Taxation, Article IV - Abatement of Real Estate Taxes; Appendix C - Downtown Redevelopment, Article II - Definitions and Article III - Eligibility; and Appendix E - Commercial and Industrial Building Redevelopment, Article II - Eligibility

Mr. Scott Koenig, City Manager, reminded members that the proposed ordinance would amend the Downtown Redevelopment incentives, the Commercial and Industrial Building Redevelopment incentives, and the Tax Abatement incentives to require compliance with Section 1-13 - Clean Hands, and provide for revocation of the incentives for beneficiaries who are delinquent on obligations to the City. In addition, it would make tax exempt properties ineligible for the incentives.

By motion of Mr. Slavin, seconded by Mr. Hare, and carried by a unanimous roll call vote (Anderson and Bonar absent), Ordinance #2014-01 was adopted, as follows:

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

That Chapter 102 - Taxation, Article IV - Abatement of Real Estate Taxes, Section 102-111 - Purpose, be amended to read as follows:

In the opinion of city council, the abatement of city real estate taxes for certain qualifying industries and businesses defined herein best promotes the public welfare by providing incentives for them to expand or locate in the city, thereby creating new employment opportunities for the citizens of the city and ultimately strengthening the city's tax base.

BE IT FURTHER ORDAINED:

That Chapter 102 - Taxation, Article IV - Abatement of Real Estate Taxes, be amended by adding a new Section 102-118 - Revocation of Eligibility, to read as follows:

Sec. 102-118 - Revocation of Eligibility

The beneficiary of the incentives provided by this Article must remain current on all obligations due the City. If, at any time after the incentives have been granted, the beneficiary of the incentives becomes delinquent on any of the obligations listed in Section 1-13(b), the city manager shall revoke the eligibility for any portion of the incentives not yet received by the beneficiary. Notice shall be given to such beneficiary in writing.

For the purposes of this section, the beneficiary of the incentives shall include the person or artificial entity that receives the incentive and the owner of one-half or greater interest in an artificial entity that receives the incentive.

BE IT FURTHER ORDAINED:

That Appendix C - Downtown Redevelopment, Article II - Definitions, be amended by deleting it in its entirety and inserting in lieu thereof the following:

The following words, terms and phrases, when used in this ordinance, shall have the meanings ascribed to them in this article, except where the context clearly indicates a different meaning:

Section 1. Beneficiary of the incentives.

The *beneficiary of the incentives* shall include the person or artificial entity that receives the incentive and the owner of one-half or greater interest in an artificial entity that receives the incentive.

Section 2. Downtown Dover Partnership.

The *Downtown Dover Partnership* shall be established for the purpose of fostering redevelopment within the target area.

Section 3. Eligible project.

Eligible project shall mean a new construction or renovation which:
(a) Is located within the target area; and

(b) The fair market value of the materials to be used in and the labor to be performed on the project exceeds the sum of $15,000.00; and

(c) Is for commercial, office, or a residential use; and

(d) Conforms to the intent of this ordinance.

In order for a residential use to be an eligible project, the object of the construction or renovation must be a dwelling unit as defined in article 12 of the City of Dover zoning ordinance [appendix B]. Construction or renovation of accessory buildings as defined in article 12 of the City of Dover zoning ordinance [appendix B] shall not be eligible for development incentives. Construction or renovation which constitutes ordinary replacement or routine maintenance shall not qualify as an eligible project.

Section 4. Target area.

Target area shall mean that part of the city more particularly described as follows:

Beginning at a point at the intersection of the centerlines of Cecil and North State Streets, then continuing on the centerline of North State Street in a southerly direction to the intersection of the centerline of State Street and an extension of the centerline of Delaware Avenue, then continuing on the centerline and an extension of the centerline of Delaware Avenue in an easterly direction to the point of intersection of an extension of the centerline of Delaware Avenue and the St. Jones River, then following the centerline of the St. Jones River in a southerly direction to the point of intersection of the centerline of the St. Jones River and the southerly property line of lands now or formerly of the Catholic Diocese of Wilmington, being the site of Holy Cross Roman Catholic Church, then proceeding in a westerly direction along said property line to the easterly right-of-way line of South State Street (U.S. Route 13-A), then crossing the right-of-way line of South State Street in a westerly direction and joining the centerline of Hope Street and proceeding in a westerly direction to the centerlines of Hope Street and South Governors Avenue, then proceeding in a southerly direction along the centerline of South Governors Avenue to the point of intersection of the centerlines of South Governors Avenue and Dover Street, then proceeding in a westerly direction along the centerline of Dover Street to the point of intersection of the centerlines of Dover Street and Westview Terrace, then continuing in a northerly direction on the centerline of Westview Terrace to the point of intersection of the centerline of Westview Terrace and New Burton Road, then proceeding in a northeasterly direction on the centerline of New Burton Road to the point of intersection of New Burton Road and West Street, then continuing in a northerly direction along the westerly right-of-way line of West Street to the point of intersection of the westerly side of the right-of-way of West Street and the northerly property line of lands now or formerly of Dover Rent-All, Inc., then continuing in a westerly direction along said property line to the point of intersection of said property line and the lands of Conrail Railroad, then proceeding in a northerly direction along the easterly right-of-way line of Conrail Railroad in a northerly direction to the point of

intersection of the centerline of West North Street and then westerly along the centerline of West North Street to a point of intersection with an extension of the westerly property line of lands now or of late of Michael Nash, being the site of the former Diamond Ice Company, then proceeding in a northerly direction along the westerly property line of the Nash property and in a line extending to the intersection of the southerly property line of lands now or of late Paul T. and Aiko Moore, and then northwesterly and then northerly along the southern and western property line of the Moore property and extending north to an intersection with the centerline of Lincoln Street, and then easterly along the centerline of Lincoln Street to a point of intersection of an extension of the westerly property line of lands now or formerly of Frank Moore et al., and then northerly along the western property of Frank Moore et al. and extending to a point of intersection with the centerline of Forest Street, then easterly along the centerline of Forest Street to a point of intersection with an extension of the westerly property of the lands now or formerly of the Salvation Army, and then northerly and easterly along the western and north property line of the Salvation Army property to the point of intersection with lands now or of late Conrail Railroad, then northerly along the westerly property line of Conrail Railroad and extending to a point of intersection with the centerline of West Division Street, and then easterly along the centerline of East Division Street to the intersection of the easterly right-of-way line of Conrail Railroad, and then northerly along the easterly right-of-way line of Conrail Railroad to the intersection of the right-of-way of Conrail Railroad and the northerly property line of lands now or of late of Southern States Cooperative, Inc., then proceeding in an easterly direction a distance of 52.76 feet to the northeasterly corner of the lands now or of late of Southern States Cooperative, Inc., then proceeding in a southerly direction along the easterly property line of lands now or of late of Southern States Cooperative, Inc., to the point of intersection of said property and the centerline of Cecil Street, then proceeding in an easterly direction along the centerline of Cecil Street to the point of beginning, being the point of intersection of the centerline of Cecil and North State Streets.

BE IT FURTHER ORDAINED:

That Appendix C - Downtown Redevelopment, Article III - Eligibility, be amended to read as follows:

Section 1. Development incentive eligibility.

In order to be eligible for development incentives, the owner of an eligible project must agree to contribute ten percent of the total value of the incentives received to the Downtown Dover Partnership for reinvestment in downtown Dover.

Section 2. Development incentive ineligibility.

An otherwise eligible project shall be ineligible for development incentives if:

(a) An application for a building permit for the project was filed prior to the effective date of this ordinance; or

(b) Construction or renovation commenced prior to the effective date of this ordinance; or

(c) Issuance of the certificate of occupancy and/or the completion and finalization of the building permit occurs before the application for development incentives is received; or

(d) The subject property is exempt from City of Dover real estate taxes; or

(e) The beneficiary of the incentives is delinquent on any of the obligations listed in Section 1-13(b).

Section 3. Revocation of Eligibility

The beneficiary of the incentives provided by this Appendix must remain current on all obligations due the City. If, at any time after the incentives have been granted, the beneficiary of the incentives becomes delinquent on any of the obligations listed in Section 1-13(b), the city manager shall revoke the eligibility for any portion of the incentives not yet received by the beneficiary. Notice shall be given to such beneficiary in writing.

BE IT FURTHER ORDAINED:

That Appendix E - Commercial and Industrial Building Redevelopment, Article II - Eligibility, be amended to read as follows:

Section 1. Eligible project.

Eligible project shall mean the renovation and establishment of a business in an existing commercial or industrial building or tenant space which:

(a) Is a minimum of 5,000 square feet of floor area; and

(b) The fair market value of the materials to be used in and the labor to be performed on the project exceeds the sum of $15,000.00; and

(c) Is for commercial, industrial, or office use; and

(d) The establishment of a new business is proposed; and

(e) Conforms to the intent of this ordinance.

Construction or renovation of accessory buildings as defined in Appendix B - Zoning, Article 12 - Definitions, of the Dover Code of Ordinances shall not be eligible for redevelopment incentives. Construction or renovation which constitutes ordinary replacement or routine maintenance shall not qualify as an eligible project. Construction of new buildings shall not qualify as an eligible project.

Section 2. Redevelopment incentive ineligibility.

An otherwise eligible project shall be ineligible for redevelopment incentives if:

(a) An application for a building permit for the project was filed prior to the effective date of this ordinance; or

(b) Construction or renovation commenced prior to the effective date of this ordinance; or

(c) Issuance of the certificate of occupancy and/or the completion and finalization of the building permit occurs before the application for redevelopment incentives is received; or

(d) Construction or renovation commenced prior to the issuance of a building permit by the city of Dover; or

(e) The subject property is exempt from City of Dover real estate taxes; or

(f) The beneficiary of the incentives is delinquent on any of the obligations listed in Section 1-13(b).

For the purposes of this section, the beneficiary of the incentives shall include the person or artificial entity that receives the incentive and the owner of one-half or greater interest in an artificial entity that receives the incentive.

Section 3. Revocation of eligibility.

The beneficiary of the incentives provided by this Appendix must remain current on all obligations due the City. If, at any time after the incentives have been granted, the beneficiary of the incentives becomes delinquent on any of the obligations listed in Section 1-13(b), the city manager shall revoke the eligibility for any portion of the incentives not yet received by the beneficiary. Notice shall be given to such beneficiary in writing.

For the purposes of this section, the beneficiary of the incentives shall include the person or artificial entity that receives the incentive and the owner of one-half or greater interest in an artificial entity that receives the incentive.

ADOPTED: FEBRUARY 10, 2014

COUNCIL MEMBERS ANNOUNCEMENTS

In appreciation of their acts during the recent fire at Kirby and Holloway, Mr. Slavin thanked the Dover Fire Department, as well as Senator Bushweller for his assistance in "bundling" the services for displaced workers (meeting held at one place with assistance of the Department of Labor and Health and Social Services). He thanked Mayor Carey and the Economic Development Office for the help provided to the business owners for possible temporary relocation.

Mr. Lynn recognized Mr. Chris Flood, reporter at the *Delaware State News* for the coverage provided City Council, noting that he is leaving to begin employment with the *Cape Gazette*.

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

Meeting Adjourned at 8:00 p.m.

DENISE A. DEVINE
ASSISTANT CITY CLERK

All orders, ordinances, and resolutions adopted by City Council during their Regular Meeting of February 10, 2014, are hereby approved.

CARLETON E. CAREY, SR.
MAYOR

/DD/jg/tm
S:\AGENDAS-MINUTES-PACKETS-PRESENTATIONS-ATT&EXH\Council-Minutes\2014\02-10-2014.wpd

Exhibits
Exhibit #1 - Acceptable Use Policy
Exhibit #2 - Electric Improvement & Extension Fund - Major CIP Projects Quarterly Report as of December 31, 2013

City of Dover Acceptable Use Policy

A Message to all System Users

This document formalizes the City policy for all employees as well as contractors and other "users" of our City's communications and computer systems. Each department may also choose to develop and enforce its own acceptable use policies to further regulate use within its local environment.

This Acceptable Use Policy is your resource to help you make sound decisions in using communications and computer systems to do your job.

Our goal is to put controls in place that will help protect the City from sabotage and espionage. The threat is real, as each month, IT intercepts hundreds of viruses and suspicious messages containing executable files trying to bypass our security systems. These controls also help minimize the potential risks of misuse. This misuse includes unnecessary Internet usage causing network and server congestion. This Acceptable Use Policy is your (the user's) guide for helping us achieve this goal by conducting City of Dover business with integrity, respect, and prudent judgment.

Each department is responsible for the activity of its users and for ensuring that its users follow this Acceptable Use Policy. Violations not promptly remedied by the user may result in termination of these services.

Introduction

Users are accountable for familiarizing themselves with this policy and using it as a guidepost for your daily decisions and actions when using these services.

Read the policy and give careful attention to those subjects that most pertain to your job duties.

Understand the purpose of this policy and your overall responsibilities for standards of business conduct.

Consult with your supervisor or the IT Department for additional clarification of this policy.

Note the Following:

Applicability

City of Dover's expectations for responsible use are applicable to all parties who use the City communications and computer systems on behalf of the City, including, but not limited to, its employees, consultants, in-house contractors, and other "users."

Limitations

This acceptable use policy does not address every possible scenario or condition regarding acceptable use. If it is not specifically addressed within this document, consult with IT.

Acceptable Use of Communications and Computer Systems

City of Dover communications and computer systems are vital to our business and critical to overall

communications. Our success is directly related to safeguarding and properly using these systems.

What are City communications and computer systems?

City of Dover communications and computer systems are any equipment, hardware, software, or networks (including wireless networks) owned, provided or used by or on behalf of the City of Dover that store or transmit voice or non-voice data. This includes telephones, cellular/wireless telephones, voice mail, computers, e-mail, facsimiles, pagers, and City Intranet or Internet access (including when accessed through personally owned computers).

Note: When personal computers are not owned by the City but are used for City business, the City retains the right to access any City records or materials developed for City use. Also, we must ensure that any City materials are appropriately safeguarded according to applicable standards in this section, including, but not limited to, virus protection of, protected access to, and backup of these materials.

Access, Maintenance and Protection

Users must safeguard the confidentiality and integrity of City systems, including strong password logons (see \\Dover_1\public docs\How to\Creating a Secure Password.doc), access codes, network access information, log-on IDs from improper access, alteration, destruction, and disclosure. Users shall only access or use these systems when authorized. Users must abide by City standards contained in this section and any other City policies regarding protecting data and information stored on these systems.

Unlawful and Inappropriate Use

Users are obligated to never use City systems (such as the Intranet or Internet) to engage in activities that are unlawful, violate City policies, or in ways that would:

- Be disruptive, causing unnecessary offense to others.
- Be considered harassing, discriminatory, or creating a hostile work environment.
- Result in the City of Dover's liability, embarrassment, or loss of reputation.

External groups or organizations are not permitted to access the City's computer network, except as permitted by IT.

Protection and Integrity of Data

Users must maintain the integrity of City information and data stored on City systems by:

- Introducing data into our systems that serve a legitimate business purpose.
- Only acquiring, using, altering, disposing of, or destroying data or information with proper authorization.
- Protecting data and information stored on or communicated across our systems and not accessing this data or information (customer data, employee records, etc.) unless authorized.
- Protecting data and information communicated over internal or public networks (the internet) to avoid compromising or disclosing nonpublic City communications.

Personal Use

While City systems are intended for primarily business/instructional purposes, limited (incidental and occasional) personal use may be permissible when authorized by your manager and it does not:

- Interfere with your work responsibilities.
- Involve interests in personal outside business and/or other non-authorized organizations and

activities (including, but not limited to selling personal property/items or soliciting for or promoting commercial ventures, charitable, religious, or political activities).
- Violate any of the standards contained in this code or other City policies.
- Downloading of music and video files is *specifically forbidden*.

Virus Protection

If users suspect a virus, they must not use the applicable computer systems and equipment until the virus is removed and they will report the matter immediately to the IT Department. The City of Dover has purchased anti-virus software for all city computers, including home computers. Contact IT staff for a copy to be installed on **your** home computers.

Properly Licensed Software

Users will use only approved and properly licensed software and will use it according to the applicable software owner's license agreements. **Installing any software, including freeware (screensavers, browsers, etc) is prohibited unless approved by IT**.

Treatment of Third-Party Data or Software

Users must ensure that any nonpublic City information or software of a third party that is stored, copied, or otherwise used on City systems is treated according to City of Dover's standards regarding nonpublic City information and applicable agreements and intellectual property restrictions.

City of Dover Monitoring

City communications and computer systems, including, but not limited to, computer networks, data files, e-mail and voice mail, may be monitored and/or accessed by the IT Staff and your management to ensure the integrity of the technology, protect against fraud and abuse, detect unauthorized access or use, and for other business purposes. Although the IT Department does not routinely monitor message or network transactions, IT may, without notification or approval, monitor, access and review any and all communications originating from the City of Dover or delivered to the City of Dover – employees should have no expectation of privacy in regard to use of these services.

USE OF EMAIL AND THE INTERNET

Inappropriate use of e-mail includes, but is not limited to, sending or forwarding:

- Messages, including jokes or any language that may be considered discriminatory, harassing, unlawful, defamatory, obscene, offensive, insensitive, or otherwise inappropriate (this includes but is not limited to messages about age, race, gender, disability, national origin, any other legally defined discriminatory classifications or similar matters.)
- Pornographic or sexually explicit materials.
- Chain letters.
- Information related to religious materials, activities, or causes – including inspirational messages.
- Solicitations unless sanctioned by the City of Dover.
- Auction-related information or materials unless sanctioned by the City of Dover.
- Games or other software copyrighted materials without a legitimate business or instructional purpose (and then only according to the rights and licenses granted by the owner of the games, software, or copyrighted material.)
- Messages that disparage other companies or products.
- Materials related to personal commercial ventures or solicitations for personal gain (including, but

not limited to messages that could be considered pyramid schemes).
- Information related to political materials, activities, or causes unless sanctioned or permitted by the City of Dover.
- Unauthorized or inappropriate mass distribution of communication.
- Any other materials that would be improper under this policy or other City of Dover policies.

Inappropriate use of the Internet includes, but is not limited to, accessing, sending or forwarding information about, or downloading (from):

- Sexually explicit, harassing, or pornographic sites.
- "Hate sites" or sites that can be considered offensive or insensitive.
- Auction sites for personal use.
- Gambling sites.
- Non City of Dover business-related chat sites.
- Underground or other security sites which contain malicious software and/or instructions for compromising City of Dover security.
- Games, software, audio, video, or other materials that are not properly licensed to use or transmit, or that are inappropriate.
- Offensive or insensitive materials, such as sexually or racially oriented topics.
- Intentional importation of viruses.

REMEDIAL ACTION

When IT learns of a possible inappropriate use, IT will immediately notify the employee or supervisor who must take immediate remedial action and inform IT of its action. Repeated violations will be addressed with the Department Head. In instances where criminal activity is suspected, IT will work directly with the proper authorities, and follow their guidance in determining appropriate action.

Inappropriate use of City communications and computer systems may be grounds for discipline up to and including dismissal.

In an emergency, in order to prevent further possible unauthorized activity, IT may temporarily disconnect that employee or building from the network. If this is deemed necessary, every effort will be made to inform the employee or building personnel prior to disconnecting, and every effort will be made to reestablish the connection as soon as it is safe to do so.

Unauthorized activity or non-acceptable usage determined at the department level may be subject to remedial action being taken in accordance with the acceptable use policy of that department (if applicable) as well as those actions outlined above. The remedial action outlined in departmental policies may differ from the remedial action as outlined in this policy. Should there be any conflict, Human Resources will make a determination as to applicability.

QUESTIONS OR COMMENTS ON THIS POLICY

Please address any questions or comments to the IT Director.

ACKNOWLEDGMENT STATEMENT

City of Dover - Acceptable Use Policy

City Employee

This is to certify that I have read and agree to abide by the guidelines set forth within the City of Dover Acceptable Use Policy. As an employee of the City of Dover, I fully intend to comply with this policy realizing that I am personally liable for intentional misuse or abuse of the City's communications and computer systems. If I have any questions about the policy, I understand that I need to ask my supervisor or IT for clarification.

If I refuse to sign this acknowledgement form, my supervisor will be asked to sign this form indicating that I have been given time to read and have questions answered about this policy. The supervisor will read this statement to me prior to signing the document and advise me that by not signing this document my rights to use the City's Communications and Computer Systems may be denied and may affect my ability to meet my job requirements.

Printed Name: _____

Signature: _____

Department: _____

Date: _____

Supervisor Signature (*as required)

_____

Comments:

_____

ACKNOWLEDGMENT STATEMENT

City of Dover - Acceptable Use Policy

Non-City Employee

This is to certify that I have read and agree to abide by the guidelines set forth within the City of Dover Acceptable Use Policy that apply to my use. (Some users may use a combination of communications and computing resources.) As an authorized user of the City of Dover's communications and computing resources, I fully intend to comply with this policy realizing that I am personally responsible for intentional misuse or abuse of the City's communications and computer systems. I understand that the City of Dover has no authority over non-city employees. However, all users must agree to abide by all policies, standards promulgated by the IT Department as a condition of access and continued use of these resources. If IT learns of possible inappropriate use, IT will immediately notify the affiliate responsible, which must take immediate remedial action and inform IT of its action. In instances where affiliates do not respond in a timely or reasonably appropriate manner, are "repeat offenders", or if criminal activity is suspected, IT will work directly with the proper authorities, and follow their guidance in determining appropriate action. In an emergency, in order to prevent further possible unauthorized activity, IT may temporarily disconnect the user or affiliate. If I have any questions about the policy, I understand that I need to ask IT for clarification.

If I refuse to sign this acknowledgement form, my rights to use the City's Communications and Computer Systems may be denied and may affect my ability to meet my job requirements.

Printed Name: _____

Signature: _____

Company: _____

Date: _____

Witness:_____

Witness name (printed)_____

City of Dover
Electric Improvement & Extension Fund - Major CIP Projects
Quarterly Report as of December 31, 2013

				TOTAL PROJECT - PAST, CURRENT & FUTURE BUDGETS					CURRENT FISCAL YEAR						
	Project Code	Type	Description	Original Project Budget	Latest Project Budget	Project To Date Expenses	Project Budget Balance	% Budget Spent	Current Fiscal Year Budget	Revised Fiscal Year Budget	Fiscal YTD Expenses	Budget Balance	% Budget Spent	Status	Comments
1			**FY2012**												
2	EG1212	M	Unit 3 Turbine Inspection/Repair	$ 1,494,000	$ 1,653,536	$ 518,643	$ 1,134,893	31.4%	$ 1,149,800	$ 1,149,800	$ 14,907	$ 1,134,893	1.3%	In process	Will complete Spring outage
3	EG1214	M	Industrial WW Discharge System	272,000	272,000	283,767	(11,767)	104.3%	-	8,000	9,418	(1,418)	117.7%	Complete	Expenses are a 100%
4			**Total**	$ 1,766,000	$ 1,925,536	$ 802,410	$ 1,123,126	41.7%	$ 1,149,800	$ 1,157,800	$ 24,325	$ 1,133,475	2.1%		
5															
6			**FY 2013**												
7	EE1308	M	Horsepond Substation Upgrade	$ 761,800	$ 761,800	$ 346,896	$ 414,904	45.5%	$ 591,800	$ 730,900	$ 316,046	$ 414,854	43.2%	In process	Under Construction
8	EE1312	M	General Scott Switchgear	1,155,000	1,150,000	2,851	1,147,150	0.2%	800,000	850,000	2,851	847,150	0.3%	In process	Under Design
9	EE1314		Capitol Park Upgrade	-	248,000	320,423	(72,423)	129.2%	248,000	248,000	220,551	27,449	88.9%	In process	Under Construction
10	EE1330		Morris Estates 1 Upgrade	-	32,600	249,722	(217,122)	766.0%	-	32,600	7,322	25,278	22.5%	In process	Under Construction
11	EG1312		Generator Repairs	-	4,200	-	4,200	0.0%	-	4,200	-	4,200	0.0%	Complete	Expenses are a 100%
12				$ 1,916,800	$ 2,196,600	$ 919,892	$ 1,276,708	41.9%	$ 1,639,800	$ 1,865,700	$ 546,770	$ 1,318,930	29.3%		
13															
14			**FY 2014**												
15	---		Vehicles & Equipment	$ 660,000	$ 704,600	$ -	$ 704,600	0.0%	$ 660,000	$ 704,600	$ -	$ 704,600	0.0%	In Process	Ordered
16	EE1401		Air Condition Replacement Monitors	12,000	12,000	-	12,000	0.0%	12,000	12,000	-	12,000	0.0%		
17	EE1402		Substation Battery Replacement	24,500	24,500	-	24,500	0.0%	24,500	24,500	-	24,500	0.0%	In Process	Under Design
18	EE1403		Distribution Upgrades	61,000	61,000	-	61,000	0.0%	61,000	61,000	-	61,000	0.0%		
19	EE1404		Lighting Improvements	50,000	50,000	35,314	14,686	70.6%	50,000	50,000	35,314	14,686	70.6%	In Process	Under Construction
20	EE1405		Distribution Feeder Replacement Program	170,200	170,200	-	170,200	0.0%	170,200	170,200	-	170,200	0.0%		
21	EE1406		Distribution Capacitors & Controls	60,000	60,000	29,328	30,672	48.9%	60,000	60,000	29,328	30,672	48.9%	Complete	Complete
22	EE1407		Transmission Line Maintenance Program	75,000	75,000	-	75,000	0.0%	75,000	75,000	-	75,000	0.0%		
23	EE1408		Substation Switch Replacement	80,000	80,000	-	80,000	0.0%	80,000	80,000	-	80,000	0.0%		
24	EE1410		Air Mobility Command	-	13,500	815	12,685	6.0%	13,500	13,500	815	12,685	6.0%	In Process	New Design
25	EE1411		Bergald Lane (DAFB)	-	29,000	28,709	291	99.0%	29,000	29,000	28,709	291	99.0%	Complete	Complete
26	EE1412		Capital City Trail	-	26,500	21,448	5,052	80.9%	26,500	26,500	21,448	5,052	80.9%	Complete	Complete
27	EE1413		Lebanon 400 Feeder	20,000	20,000	-	20,000	0.0%	20,000	20,000	-	20,000	0.0%	In Process	Material Ordered
28	EE1414		New Developments	600,000	144,000	89	143,911	0.1%	144,000	144,000	89	143,911	0.1%		
29	EE1417		Bayside Drive (Persimmon Tree to White Oak Rd	42,300	42,300	38,634	3,666	91.3%	42,300	42,300	38,634	3,666	91.3%	Complete	Complete
30	EE1418		The Grande	-	28,000	10,068	17,932	36.0%	28,000	28,000	10,068	17,932	36.0%	Complete	Complete
31	EE1419		Home 2 Suites Hotel	-	37,000	-	37,000	0.0%	37,000	37,000	-	37,000	0.0%	In Process	Under Construction
32	EE1421		Richardson Circle Upgrade	91,000	91,000	-	91,000	0.0%	91,000	91,000	-	91,000	0.0%	In Process	Under Construction
33	EE1423		7-Eleven New Service	-	5,800	4,397	1,403	75.8%	5,800	5,800	4,397	1,403	75.8%	Complete	Complete
34	EE1424		McKee Run Substation Repairs	45,000	45,000	-	45,000	0.0%	45,000	45,000	19,262	25,738	42.8%	In Process	Under Construction
35	EE1425		EZ-Pass Delaware	-	12,000	9,351	2,649	77.9%	12,000	12,000	9,351	2,649	77.9%	Complete	Complete
36	EE1426		Eden Hill Entrance	-	52,400	7,861	44,539	15.0%	52,400	52,400	7,861	44,539	15.0%	In Process	Under Construction
37	EE1428		Tidewater General Green	-	34,000	9,824	24,176	28.9%	34,000	34,000	9,824	24,176	28.9%	In Process	Under Construction
38	EE1429		Clearview Meadows	-	88,000	4,108	83,892	4.7%	88,000	88,000	4,108	83,892	4.7%		Not Started
39	EE1430		Calpine Equipment Move	-	83,000	21,986	61,014	26.5%	83,000	83,000	21,986	61,014	26.5%	Complete	Complete
40	EE1431		Generals Green Lighting	-	20,500	477	20,023	2.3%	20,500	20,500	477	20,023	2.3%	In Process	Under Construction
41	EE1432		Connective @ 409 Pickering Beach Rd	-	20,200	-	20,200	0.0%	20,200	20,200	-	20,200	0.0%	In Process	Under Construction
42	EE1434		50 Wolfcreek - Dr. Patel	-	6,100	-	6,100	0.0%	6,100	6,100	-	6,100	0.0%	In Process	Under Construction
43	EG1402		Unit 3 Cooling Tower Repairs	42,000	42,000	31,575	10,425	75.2%	42,000	42,000	31,575	10,425	75.2%	In Process	Will complete Spring outage - PO for work issued
44	EG1404		McKee Run #3 Aux System Component	116,000	116,000	42,922	73,078	37.0%	116,000	116,000	42,922	73,078	37.0%	In Process	Will complete Spring outage
45	EG1405		VanSant #11 Component Replacement	32,000	32,000	30,588	1,412	95.6%	32,000	32,000	30,588	1,412	95.6%	In Process	Will complete Spring outage
46	EG1406		McKee Run Energy Pipe Replacement	80,000	80,000	660	79,340	0.8%	80,000	80,000	660	79,340	0.8%	In Process	Will complete Spring outage - PO for work issued
47	EG1407		Metering System Upgrades	25,000	25,000	-	25,000	0.0%	25,000	25,000	-	25,000	0.0%	In Process	Multi-year project - Design to be complete Spring
48	EG1408		McKee/VanSant Safety & Compliance	86,000	86,000	-	86,000	0.0%	86,000	86,000	-	86,000	0.0%	In Process	Will complete in Spring
49	EG1409		McKee Run Natural Gas Valves	65,000	65,000	-	65,000	0.0%	65,000	65,000	-	65,000	0.0%	In Process	Will complete Spring outage
50	EG1413		McKee/VanSant Preserve Structure	42,000	42,000	-	42,000	0.0%	42,000	42,000	-	42,000	0.0%	In Process	Work on hold pending additional funds needed
51	EG1415		McKee Run Units 1 & 2 component Replacement	105,000	105,000	31,173	73,827	29.7%	105,000	105,000	31,173	73,827	29.7%	In Process	Will Complete spring outage
52	EG1416		VanSant Capacity Increase	250,000	250,000	24,920	225,080	10.0%	250,000	250,000	24,920	225,080	10.0%	In Process	Multi-year project - Design to be complete Spring
53				$ 2,834,000	$ 2,878,600	$ 384,247	$ 2,494,353	0.0%	$ 2,834,000	$ 2,878,600	$ 403,509	$ 2,475,091	14.0%		
54															
55			**Grand Totals**	$ 6,516,800	$ 7,000,736	$ 2,106,549	$ 4,894,187	54.6%	$ 5,623,600	$ 5,902,100	$ 974,604	$ 4,927,496	16.5%		

Legend
M = Multi-year project - a project with a specific schedule to occur over multiple years.
R = Recurring project - a project that begins and ends each fiscal year and is re-budgeted to start over each fiscal year.
B = Bonded Project
S = State fully or partially reimbursed project

EXHIBIT #2
Regular Council Meeting of 02-10-2014

Delaware Walk & Bike Summit 2014

Brought to you by:



DelDOT

Delaware Recreation & Parks Society

WILMAPCO

Dover/Kent County MPO
Metropolitan Planning Organization

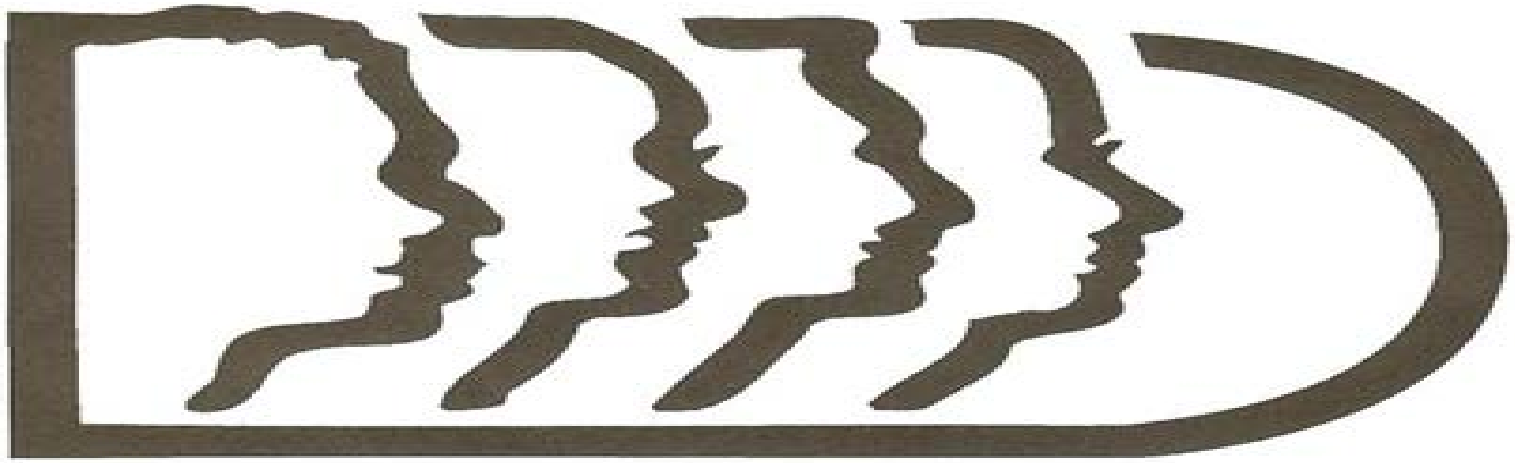
Delaware State Parks
We're saving a place for you!

9 a.m. to 4:30 p.m.

March 21, 2014
Clayton Hall
University of Delaware

www.wilmapco.org/heelsandwheels

DHRC



2013 ANNUAL REPORT

SUBMITTED BY: DHRC - CHAIRMAN

ROY SUDLER, JR.

DATE: 2 / 12 / 2014

Contents of Presentation

1. **DHRC** Enabling Legislative Powers & Members of Commission
2. Operating Procedural Flowchart
3. Intake Forms & Statements from Dover's Constituents
4. **DHRC-Concerns**
5. Certificates of Training & Partnerships
6. Adoption of Resolution; Titled: Cessation of Illegal Gang Formation in Dover, Delaware.
7. Conclusion
8. Questions Regarding **DHRC-2013 Annual Report**

Enabling Legislative Powers & Duties

1. **Pursuant to Chapter 2** – Administrative, Article I, Division **6**, Section **2 – 21** and Article II Section **58 – 31** Titled: Human Relations Commission's Purpose;

- To Promote **Diversity, Inclusiveness and Fair-treatment** among all Residents of Dover, while **Monitoring Racial Tension and Hate Crime Activity** in the City of Dover.

DHRC – Commissioners:

1). Mr. Roy Sudler, Jr. **– Chairman**, 2). Mrs. Dawn Allen Pyne **– Vice Chairwomen**, **3).** Dr. Phyllis Edamatsu, **4).** Dr. Linda Hackett, **5).** Mrs. Fay D. White, **6).** Ms. Justina Brewington, **7).** Ellen O. Wasfi and; **8)**. Richard Senato,

- ✓ In the year **2013**, only 1 commission member resigned.

[Richard Senato], who returned back to the **State Human Relations Commission** to serve another three year term in mid **2013**.

DHRC - Active Committees;

1). Intake Screening Committee Chair [**Justina Brewington**]
2). School Programs Chair [**Ellen O. Wasfi**]
3). Assessment Chair [**Dr. Phyllis Edamatsu**]

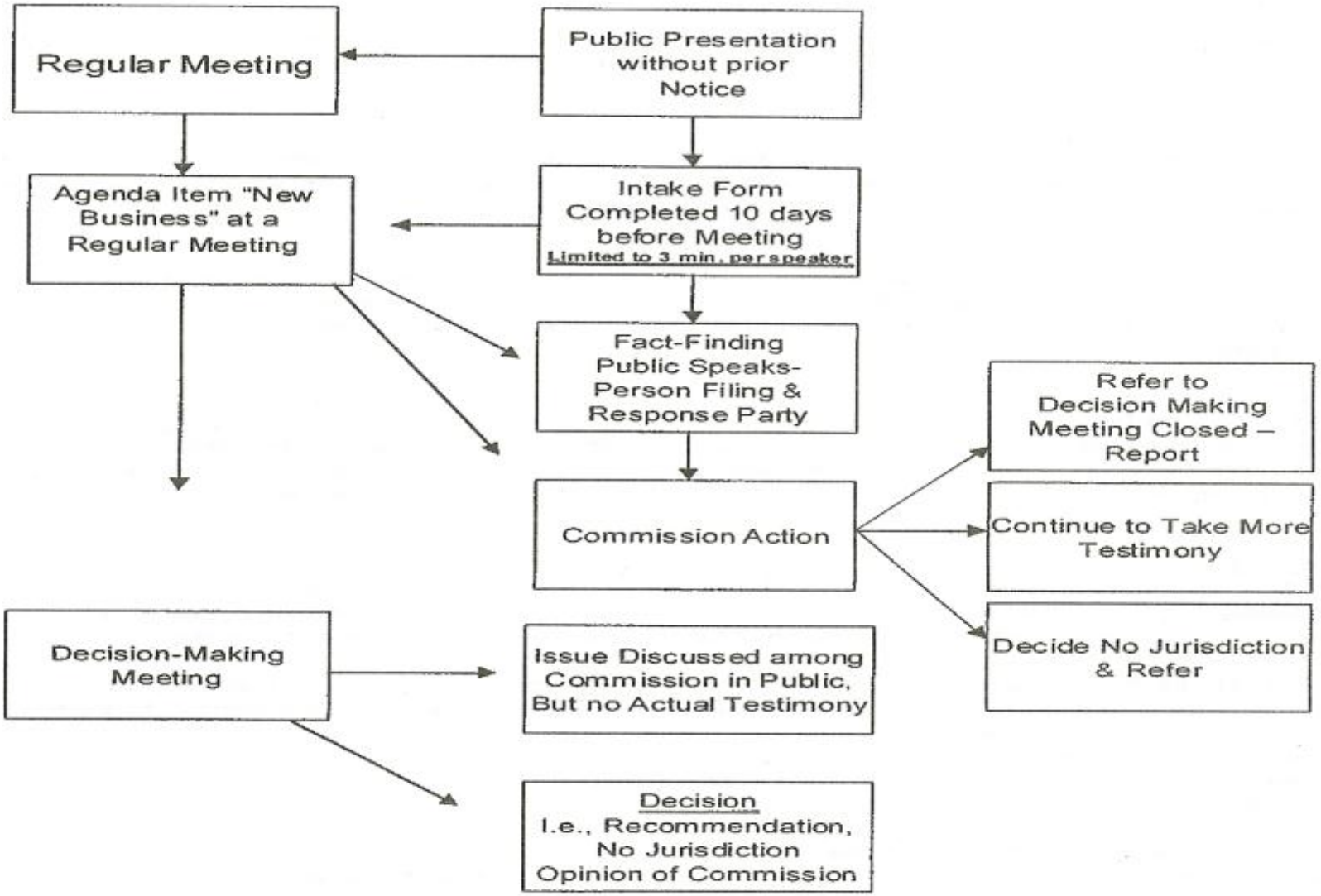
Fiduciary Duties of DHRC Commissioners:

DHRC - Members have a *Fiduciary Duty* to be **Non-Bias** in Investigating and Resolving Case Disputes.

- **Commission Member's** exemplify Unique Professional and Personal Characteristics, that are imperative for allowing the commission to properly carry out and effectively accomplish the objectives, functions, and services contemplated by **Division 6, Section 2-21 of the Dover Code.**

D. Commission Meeting Flowchart

Meeting Procedural Flowchart



3). DHRC Intake Forms Reported

1. 1- Alleged Unfair-Housing Practices against Dover Housing Authority
2. 2 - Alleged Police Brutality Complaint against Dover Police Department
3. 1- Alleged Excessive Damage to Citizen's Vehicle Complaint due to Dover Police Pursuit Chase
4. **9-** Written Documents Regarding Unfair-treatment Concerning Minority Constituents of Dover, Delaware
   - [Exhibit A & B pg. 56-57 Annual Report]

4). DHRC – CONCERNS

A). THE **DOVER HUMAN RELATIONS COMMISSION** IS CONCERNED ABOUT NOT HAVING A TANGIBLE TOOL TO MONITOR, MEASURE AND ASSESS RACIAL TENSION IN COMMUNITIES THAT ARE INTIMIDATED BY OFFICIAL FORMALITIES AND SPEAKING TIME CONSTRAINTS REQUIRED BY **CITY COUNCIL MEETINGS IN THE CHAMBERS**.

FOR SOME CONSTITUENTS OF DOVER SUCH AS, **BISHOP GORDON,** HAS EXPRESSED THAT;

"AT TIMES, HE FELT THAT 3 MINUTES WAS NOT ENOUGH TIME TO EFFECTIVELY CONVEY HIS TOTAL EMOTIONS AND THOUGHTS ABOUT THE CRIMES OR ISSUES EFFECTING HIS MINISTRY AND HOUSING PROGRAMS AT CITY HALL CHAMBERS"

B). THE NEED FOR **MORE HOUSING** AND **EMPLOYMENT OPPORTUNITIES** FOR REHABILITATED OFFENDERS, ESPECIALLY SEX-OFFENDERS WHO ARE TRYING TO TRANSITION BACK INTO CIVILIAN LIFE AND CULTURE SUCCESSFULLY.

C). THE MOST EFFECTIVE OPERATIONAL PROCEDURE TO ADDRESS COMPLAINTS AND CONCERNS LISTED ON PAGE **54-55** OF THE **2013 ANNUAL REPORT SUCH AS……**

1). **Statistical Analysis of Minority vs. Non-Minority Complaints of Alleged Excessive Force** and *Medical Attention Needed after an arrest has been made* by **Dover's Police Officers, [Informal Complaint]**

2). **Dover's Planning and Inspections Division Allegedly Exercising Unfair – Treatment** by exercising the use of Delay Tactics, Manifesting Potential Financial Hardship and Non-compliance for the House of Pride and Minority Real Property Owners in the Downtown Area according to **[Mr. Lamar Gunn House of Pride Representative],**

3). **Internal Affairs Division for Dover Police Department being Bias in the Fact Finding and Communication Process** for conveying a **Status Report to Minority Plaintiffs** within a reasonable and respectable amount of time,

Mr. LaVonne K. Moore stated that, "he had to keep inquiring over **3 month period** and still no written documentation of actual investigation results were given or explained to him for the record. **[pg. 42-46 in DHRC-annual report]**

4). **Certain Dover Community Members are Demanding a Special City Council Meeting** to address the Dover Community in regards to an **up-dated Report in regards to the lynching allegations** and the **3/5 Racial Derogatory Hate Slurs** disseminated upon the streets of **Down Town Dover and Delaware State University's Campus in 2012**
[Bill Washington - Plaintiff]



5). **Allegations of Unfair Practices towards Minority Contractors** in the **Biding** and **Award Process** for the **City of Dover**
[Bobby Wilson – Minority Contractor \ Plaintiff],

5). National Neighborhood Works Training

Topics Discussed in Training:

CL127b " Celebrating Differences in Our Communities: Building Bridges Across Lines of Race, Age and Ethnicity"

CL107b Young People as Leaders of Community Change

CL101a Developing Your Leadership Potential

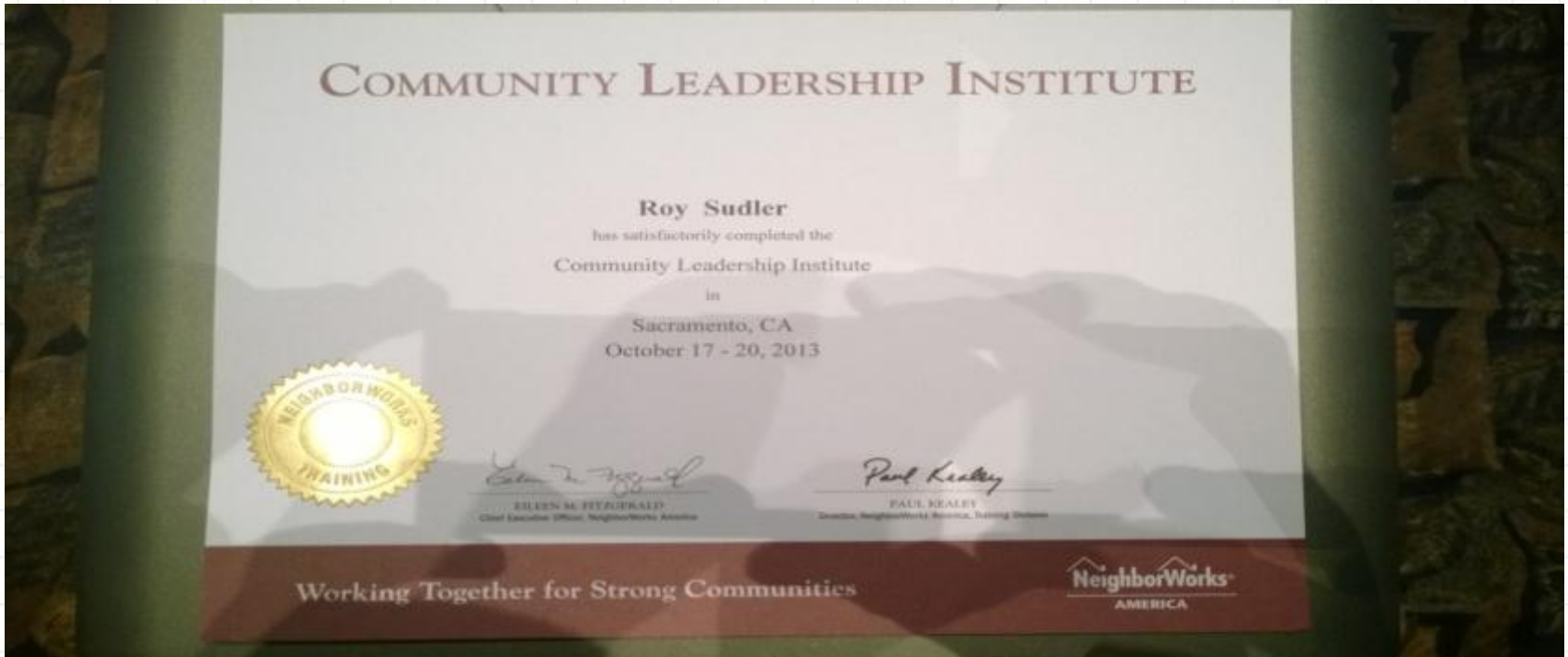
CL199a Action Planning: How to Plan for Action and How to Act on the Plan

CL518 Building Healthy Communities Making It Happen

CL 515 How to Develop a Walking Tour in Your Community




SACRAMENTO CONVENTION CENTER


COMMUNITY LEADERSHIP INSTITUTE
Roy Sudler
has satisfactorily completed the
Community Leadership Institute
in
Sacramento, CA
October 17 - 20, 2013
NEIGHBORWORKS TRAINING
EILEEN M. FITZGERALD
PAUL KEALEY
Working Together for Strong Communities
NeighborWorks AMERICA

Delaware Department of Justice Crime Free Multi-Housing Program Training

[Page 25-26 of DHRC 2013 AnnualReport]

1. City of Dover's Property InspectionTips
2. Best Practices for Landlords
3. Best Eviction Process for Landlords; and
4. Fair Housing and Tenant Screening Techniques

Also, after receiving training in this area, **DHRC-Partnered** with the **Planning and Inspections Division** to review the rules and regulations of newly adopted

City Ordinance # 2013-04 section 22-331 – 373;

In an effort to mitigate ambiguity of landlord and tenant's obligation to manifest a safe rental dwelling climate that deters delinquent behavior and commission of criminal enterprises, in quest of eradicating undesirable residents and their guest who engaged in unlawful activity and delinquent behavior throughout the City of Dover.



Click Icon on Video Coverage **[Page 39 of DHRC - 2013 Annual Report]**





- **DHRC** Partners with **Dover Police Department** and **Mayor** to address Allegations of
- Antonio Barlow's
- Police Brutality Claim

6). ADOPTION OF RESOLUTION: CESSATION OF ILLEGAL GANG FORMATION IN DOVER, DELAWARE

****

Whereas; The City of Dover, the State Capital, strives to be a model for all Cities in Delaware and the United State.

Whereas; The Mayor and City Council have granted Powers and Duties to the Dover Human Relations Commission, **Pursuant to Article II. Sec. 58-31.**



OJJDP FY 2012 Defending Childhood Resource Center:

- **Improving the Nation's Response to Children Expose to Violence.**

Private & Public Sectors Defaced













7:

IN CONCLUSION OF YEAR 2013:

On **December 19, 2013,**

Jack A. Markell, the **Governor for the State of Delaware** appointed the **Chairman of the Dover Human Relations Commission**

- **Roy Sudler, Jr.** to serve on the **State Human Relations Commission** for a term to expire by

- **December 19, 2017.**



The State of Delaware

To Roy Sudler, Jr.
of Kent County Greetings:

Know You, That reposing special trust and confidence in your knowledge, integrity, prudence, and ability we have constituted and appointed, and by these presents do constitute and appoint you,

the said Roy Sudler, Jr.

To be appointed a member of the State Human Relations Commission to serve a term to expire December 19, 2017.

Resident at Dover/Kent County, Delaware

giving hereby and granting unto you the said Roy Sudler, Jr.
full power and authority to execute and discharge the said office of the commission aforesaid in all the several parts and branches thereof and keeping of all records, books, papers and writings whatsoever to the said office belonging:

To Hold, Exercise and Enjoy the Said Office

With all fees, perquisites, emoluments and advantages thence lawfully arising, or thereunto of right in anywise appertaining, until your term therein, according to law, shall of course expire, you behaving yourself well so long in the said office.

In Witness Whereof, I,

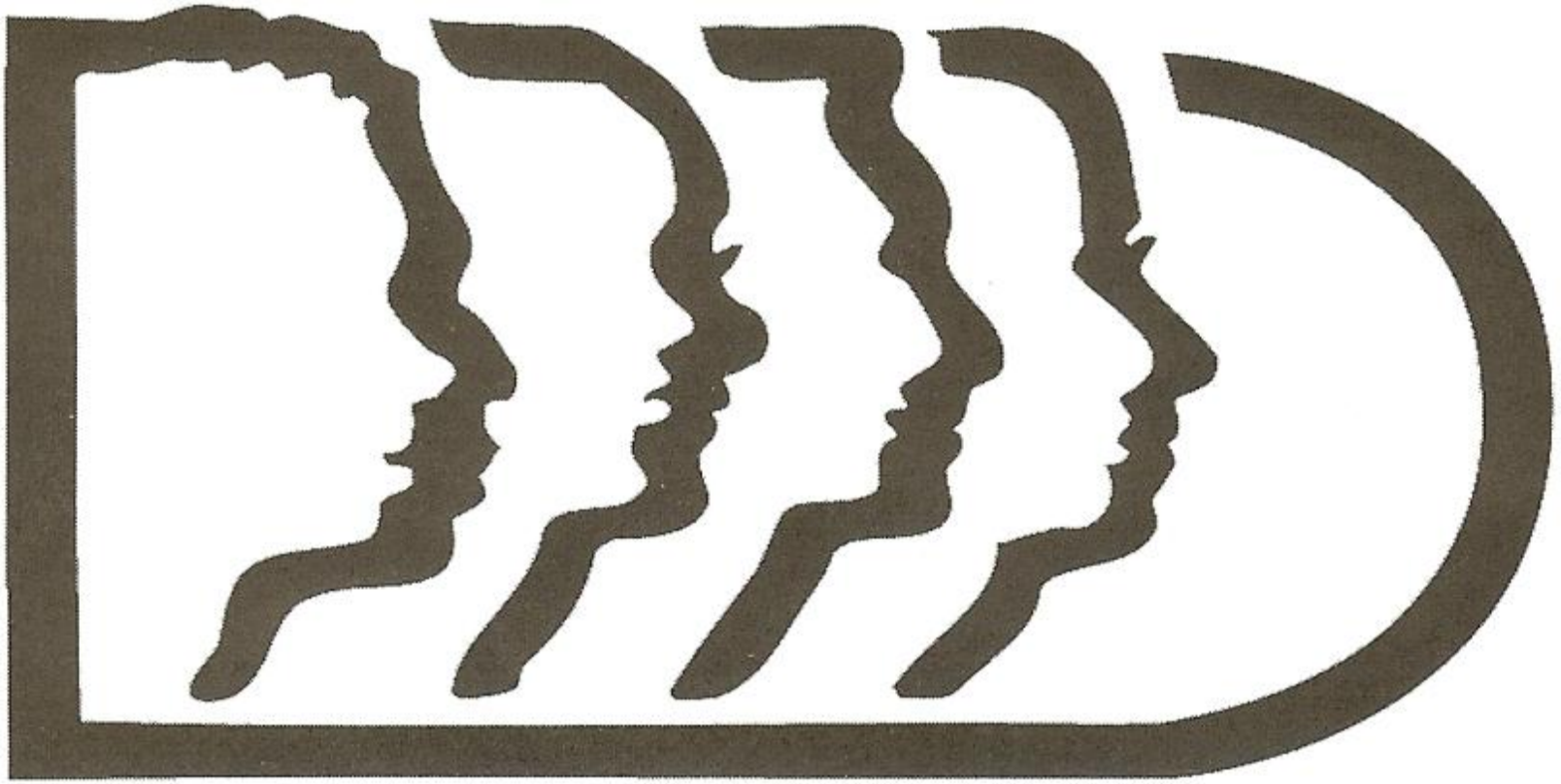
Jack A. Markell

Governor of the State of Delaware have hereunto set my hand and the Great Seal of the State of Delaware has been hereunto affixed by the Secretary of State, at Dover, On this 19th day of December, in the year of Our Lord two thousand and thirteen and in the year of the Independence of the United States of America the two hundred and thirty-eighth.

Jack Markell
By the Governor

Secretary of State

8). That Concludes the Dover Human Relations Commission's 2013 Annual Report





QUESTIONS PLEASE???

PARKS, RECREATION, AND COMMUNITY ENHANCEMENT COMMITTEE

The Parks, Recreation, and Community Enhancement Committee Meeting was held on February 10, 2014, at 3:30 p.m. with Chairman Dixon presiding. Members present were Mr. Hutchison, Mr. Perza (arrived at 3:33 p.m.), Mr. Caldwell, and Mrs. Horsey (arrived at 3:33 p.m.).

AGENDA ADDITIONS/DELETIONS

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

UPDATE - Community Development Block Grant (CDBG) Program

Mrs. Tracey Harvey, Planner I, reviewed the Update of the Community Development Block Grant (CDBG) Program, including the status of FY-2013 CDBG Projects - Monthly Statistics for January 2014. In addition, members were provided an update on the Neighborhood Stabilization Program (NSP). She noted that the application deadline for the FY-2014 grant applications was February 10, 2014 and that staff would be submitting recommendations to the Committee during their March meeting. She reminded members that this would be the last year for the current program's multi-year grants since the new five (5) year consolidated plan will be implemented in FY-2015.

Referring to the NSP, Mrs. Harvey stated that the eleventh, and last, property will be sold in March 2014, which will result in the completion of the Program.

No further action was taken by the Committee.

Update - Recreation Needs Assessment

During the Committee meeting of January 13, 2014, members considered a Recreational Needs Assessment and recommended authorizing the City's Planning Department, beginning February 1, 2014, to perform a recreational needs assessment for the City of Dover, utilizing City staff to conduct workshops and other similar outreach efforts across the City to inventory park infrastructure and develop the needs of all of the City parks for future use. The objective would be to gather the necessary information from the public, study it, and deliver a needs assessment report to the Committee by December 1, 2014. For clarification, Mr. Perza stated that this motion was unrelated to the Dover Park building and that the purpose of the assessment would be to gather information from the public to determine where resources relating to the future use of all City parks should be invested. He indicated that he planned to draft a separate motion and place this matter on the Committee's February agenda in an attempt to resolve this matter.

Mrs. Ann Marie Townshend, Director of Planning and Community Development, advised members that background meetings and data gathering had begun to develop a Recreation Needs Assessment for the City of Dover, which would include a review of the City's outdoor recreation inventory and sampling data that the State of Delaware Department of Parks and Recreation gathered for their state-wide outdoor recreation plan, which is a planning document produced every five (5) years. She stated that staff intended to build on the current plan already developed by the State to be more specific to Dover's parks. Mrs. Townshend explained that staff would conduct a survey and schedule workshops in various locations throughout the City in late March.

In response to Mr. Hutchison, Mrs. Townshend stated that staff will consider parks and recreation provided by the County and reach out to groups such as churches, the YMCA, Boys and Girls Club, Delaware Senior Olympics, Delaware Special Olympics, Wesley College, etc. She stated that the participants in the related informal meetings of the central Delaware recreation working group consist of representatives of recreation providers. She advised members that this group is scheduled to meet later in the week and will be discussing the recreation needs assessment and how they can assist the City in notifying those interested so that they may provide input. She noted that the City works closely with the Capital School District and, although they have not attended any of the meetings, it was staff's desire for this partnership to be used to gather information as well. With regard to the age groups being considered in the assessment, Mrs. Townshend stated that consideration will be given to providing various activities and programs to a wide range of ages.

Responding to Mr. Hutchison, Mrs. Townshend reminded members that members requested that staff provide a report back to the Committee on the Recreation Needs Assessment by December 2014.

Mrs. Townshend introduced Mr. Bill Cook, Planner I, who began employment with the City on February 10, 2014 and will be working on the project and Mr. Wayne Voshell, Recreation Director, who will serve as the lead on this project.

No further action was taken by the Committee.

Future Use of Dover Park Recreation Center

During the Committee meeting of November 12, 2013, members considered the future use of the Dover Park Recreation Center and recommended demolishing the Dover Park Recreation Center and that the City Manager be authorized to earmark the balance of the construction/demolition project up to $80,000 for future capital improvements, in the City's future budgets, to Dover Park after a needs assessment is accomplished (see previously discussed agenda item). The Committee's recommendation was approved by City Council during their Regular Meeting of November 25, 2013. On November 26, 2013, the City Clerk's Office received a memorandum from Mayor Carey stating that he wished to veto the demolition of the Recreation Center at Dover Park. Mayor Carey's memorandum stated his belief that there should be a plan to proceed, including a timeline, to determine the future use at the Dover Park off of Whiteoak Road. He requested that Committee members consider some form of action to move forward at their meeting scheduled for January 13, 2014.

Mrs. Ann Marie Townshend, Director of Planning and Community Development, provided members with copies of photos taken earlier in the day depicting the current condition of the recreation building ***(Attachment #1)***. She reminded members that staff had not been authorized to move forward with the demolition of the building, nor had resources been made available for making any improvements to the building. She noted that the photos reflected deteriorating roofing material, mold caused by water damage to the interior and exterior, damage to the HVAC system (which had been stripped), deterioration of wood, etc. Although she understood the concerns that there were no

immediate plans to replace the building, she noted that no funds had been allocated to bring the current building up to any reasonable standard. Since there was no longer a functioning HVAC system, she stated that the previous estimates for repairs did not account for the need for an entirely new HVAC system.

Mrs. Townshend advised members that the Recreation Needs Assessment will include a review of the needs and the necessary capital investments across the City, which would include the Dover Park Recreation Center. She noted that there had been previous comments indicating that since the City had not maintained this facility, opportunities had not been provided for recreation on the east side of Dover. She explained that for the past 19 years, the City's only after school program has been held on the east side of the City; therefore, she assured members that there had been active programming held in this area. In addition to the after school program, athletic leagues had used outside facilities on the east side. Although she felt that the City may wish to consider providing an indoor facility on the east side of Dover, the current building was continuing to deteriorate to the point where repairing it was becoming less and less of an option.

Responding to Mr. Perza regarding safety issues, Mrs. Townshend stated that if the building remained in its current condition, there may be safety and hazard concerns for the City. She explained that, as she and Police Chief James Hosfelt had previously stated, vacant buildings in a state of disrepair are a safety problem and attract nuisances and vandalism, etc. She explained that there were safety issues if the building were not invested in or demolished.

Mr. Dixon noted that there had been criminal activity occurring at the building, citing the recent stolen parts from the HVAC system, and that the longer the City waits to take action, the more cost will be involved and the situation would worsen. He urged members to make a determination as to what action should be taken and then to consider what programs should be offered.

Mr. Reuben Salters, former City Council Representative, 109 Bertrand Drive, questioned the location of the after school program provided by the City. Responding, Mrs. Townshend stated that the program is offered at the Towne Point Elementary School. Mr. Salters stated that the school is located approximately one (1) mile from the Dover Park and that providing one (1) after school program does not fit the criteria for providing recreation to children who reside on the east side of the City. He understood the safety concerns, the condition of the building, and that the structure was continuously deteriorating; however, he reiterated that the front part of the building was sound. He suggested that by performing minor repairs to that section of the building, the City could provide a temporary recreation facility for the area at minimal cost. He felt that the City should concentrate on providing activities and programs for the youth rather than on the demolition of the building.

Mr. Salters stated that the Inner City Cultural League had been providing recreation activities at Manchester for the past three (3) months (Tuesday evenings) and that the youth and their parents are desperate for activities. He felt that making use of a part of the building would allow for indoor activities and programs at this time, since any final action on this matter will not occur for over a year. He encouraged members to provide renovations to the front part of the building, install a temporary heating and A/C system, and move forward with providing activities to the youth who reside on the east side of town.

Ms. Gail Tolbert, 1001 White Oak Road, advised members that in the past her grandson had visited from New Jersey and during three (3) summers she paid $60 to allow him to participate in the summer camp at the Dover Park. When she asked him what types of activities were offered, he indicated that they simply "played" outside, unless the weather would not permit, then the children would be allowed in the building. She explained that no activities, such as movies, games, etc. were offered and that the children were bored. Ms. Tolbert suggested that if a recreation facility were to be provided for activities, the City should have employees who understand what types of activities should be provided for children of all ages. She advised members that she, along with other parents in the area, visited the Center and that none of them had been asked to serve on a committee to consider the recreation needs in the area. She suggested that members "think outside the box" and challenge themselves and neighbors to develop a vision for the area. Ms. Tolbert stated that she went to residents in areas such as Manchester, Baytree, and White Oak and asked residents what their needs were for programs if the building remained open and stated that she had related petitions. She suggested that the City allow residents in the area to become involved with the future of the Center and offered to provide assistance in this way.

Ms. Dee Anderson-Blackman, 7 Starboard Court, indicated that there were aesthetic issues involving the building that needed to be addressed to attract people to the area, as well as safety concerns, noting that activities were held in the building for groups of women who felt unsafe. Not knowing the costs involved to refurbish and upgrade the building, she suggested that steps such as landscaping, trimming shrubs, installation of a gate, etc. could be taken at this time to address some of the aesthetic and safety concerns. She felt that the City should concentrate its efforts on the east side of town, acknowledging the success of its efforts on the west side of town with Schutte Park. She suggested that action be taken now to make the Dover Park area more attractive and that the police make themselves more visible so that people will know that there is a new perception of the area.

Mr. George Kinser, 129 Nixon Lane, stated that his property abuts the Dover Park and he felt that the City may have the "cart before the horse," explaining that it did not matter what was torn down or built, because he felt that it will be in the same state of repair as the building is today since the City does not maintain the property. He stated that the park was in deplorable condition and that the worst tenant ever to utilize the facility was the YMCA during the previous summer, which brought "garbage and filth." Mr. Kinser advised members that as he walks his dogs through the park several times each day, he picks up garbage and cleans up limbs and damaged trees, and closes the gate at sunset every night and opens it at sunrise every morning. He also takes the dumpsters out to the roadside to be collected when they are full and then puts them back afterwards since the park personnel are not doing their jobs. He explained that no matter what the City decides to do, it will be in total disrepair if it is not maintained. Mr. Kinser stated that after Hurricane Sandy, he removed three (3) oak trees that were damaged and that the City had marked 15 trees with an "X" to be taken down since they are dead. He stated that no action was taken to remove these trees and that the City returned this past fall, marked these trees again, and still no action had been taken. He stated that tree limbs are falling constantly. Mr. Kinser advised members that he had been cleaning the storm drains in the park for 30 years and that he had recently contacted the City when there was flooding due to storm drains not being maintained and was advised that the City was not even aware that there were storm drains in the park.

Mr. Kinser stated that there were formerly park benches throughout the park and steel barbecue pits for every park bench. Now some park benches are missing and no barbecue pits remain in the park. The water faucets throughout the park are no longer operational. He reiterated that the City is taking no action to maintain the Dover Park and suggested that prior to considering building new structures, consideration should be given to budgeting and providing staff for maintenance of the Dover Park. Mr. Kinser noted that, currently, there were holes in the fencing and that the leaves had not yet been raked. Although the City does plow the sidewalks around the building after a snowfall, City staff does not pick up the trash, rake the leaves, remove limbs, repair holes in fences, etc.

Referring to the ball diamond, Mr. Kinser noted that in years past, several baseball/softball games were held every day and, most recently, there were maybe four (4) games held. He stated that a nice, large, swing set had been located at the entrance of the park for 30 years; however, it was removed during the past summer and nothing was put in its place. Mr. Kinser also indicated that several pole lights were not in operation and questioned why, if the park closes at sundown, there would be a need for the lights. However, he stated that basketball courts were being used every day, from sun-up to sundown, and that if there was adequate lighting, perhaps the children could continue to use the basketball courts after hours.

Mr. Kinser advised members that there was no longer any police presence at the Dover Park and that a blacktop section of the roadway had been closed from inside the park to Nixon Lane due to the drinking, shootings, rapes, stabbings, and murders that had occurred in the area. He stated that illegal activities, such as drugs, prostitution, homosexual sexual activities, etc., remained. As a result, he understood the safety concerns regarding the Dover Park and recalled machine gun fights several years ago and other shootings that had occurred at the Park. He reminded members that this was once a vibrant park utilized by many. He urged members to consider their priorities and provide maintenance for whatever action is decided.

Mr. Roy Sudler, Jr., 353 Rita Wilma Drive, stated that he serves as Chairman of the Dover Human Relations Commission (DHRC), a member of the Social Action Commission (SAC) Community Task Force of Mt. Zion A.M.E. Church, and was a Fourth District constituent. He advised members that "you can take the person out of the ghetto but you can't take the ghetto out of the person." He suggested that there was a need to change the mindset and way of approaching this matter to provide a long-term result and solution to benefit all. Mr. Sudler inquired if staff had thought about reaching out to churches in regard to determining recreational needs.

Responding to Mr. Sudler, Mrs. Townshend stated that staff would begin discussing outreach once a recommendation is provided by the Committee and assured him that Mt. Zion A.M.E. Church, as well as others, would be contacted.

Mr. Sudler reminded members that subsequent to the Committee's meeting held on January 13, 2014, he provided members with the results of a survey entitled "Mt. Zion A.M.E. Church's Social Action Commission's Community Survey of Dover's Recreational Park Programs and Facility Assessment" and questioned if this information had been reviewed by staff. Responding, Mrs. Townshend stated that this information had been included with the data being collected to be further reviewed. Mr. Sudler explained that the survey was gathered from the

community on the east side of Dover and that over 350 surveys were provided. He felt that the people must be heard in order to meet the needs of that community. Since the future use of the Dover Park Recreation Center was a matter of great concern, he suggested that the City wait for Councilman Anderson to return to allow for full representation in the voting regarding this matter. *[City Clerk's Office Note: Councilman David Anderson is currently serving in Afghanistan as a member of the Delaware National Guard.]* As a 4th District constituent, Mr. Sudler felt that representation on City Council was unfair since the 4th District had only one (1) voting member serving on Council at this time and all other districts had two (2) votes. He reiterated that the Social Action Commission was very much interested in playing a significant role in assisting the City in this process to ensure that the east side "voice" will be heard.

In response to the comments regarding Council representation, Mr. Hutchison indicated that although he was elected for the 1st District, his role as a member of Council is to represent the entire City and that he, along with all other members of Council, had just as much responsibility to consider the needs of the residents located on the east side of Dover.

Mrs. Townshend clarified that there had been no significant review of any of the data that had been received, including the State's survey. However, regarding the surveys provided by Mr. Sudler, she noted that the surveys were not just from residents of the east side of Dover, explaining that several had a 19904 zip code and others had residences listed in other municipalities, such as Magnolia, Felton, and Newark. Therefore, she explained that it will be clearly understood where the information was gathered for any data to be used, including that collected from those residents within a certain radius of the Dover Park. Responding, Mr. Sudler requested that staff review the material to determine the exact number of responses from County residence and those who reside within the immediate area, explaining that the survey began in Manchester Square, Town Point, Mapleton, etc.

Ms. Gail Tolbert assured members that the building could be used by the residents of the area every day and suggested that the facility be community based, including its maintenance. She suggested that those in the community could be involved in cleaning and raking leaves in the Dover Park. She urged members to allow for the community to be made a part of whatever action is decided.

Mr. Perza explained that the City was attempting to determine how to best use the City's resources to improve the Dover Park. He stated that the ideas shared during the meeting were exactly what members were looking for before committing to spending any money. He reiterated that there should be no preconceived notions regarding the expenditure of funds at Dover Park. The Committee was attempting to make a decision whether money should be set aside and if the community wanted to invest in the Dover Park with those resources. He stated that a building may not be necessary, explaining that as a youngster growing up on the south side of town, there was no community building; however, there were parks for children to play baseball, basketball, etc. and that the City provided maintenance for these parks, including backstops, grass cutting, etc.

Mr. Perza assured everyone that the City will do whatever the community asks and that there would be no objections to the community becoming involved in cleaning up the park. If the community needed help with this, he felt confident that any member of Council could be contacted for assistance.

Mr. Perza reminded members that a lot of information had been provided to them in order to make a decision regarding this matter. Based on the conclusions made by the community, he stated that the City was not prepared to maintain the building in its current form, nor was it willing to invest the resources necessary to repair the building. He explained that if the building were repaired, upgraded, and all environmental issues resolved, there would still be another problem since the building was not suitable for modern use in accordance with the statistical analysis maintained by the Parks Department, or with what had been relayed by that community. He anticipated massive attendance when needs assessment meetings are held and participation providing input; this would allow for the City to respond to the energy provided by the citizens in the community and would benefit senior citizens, middle-aged residents, and children. He stressed the need to decide what action should be taken with regard to the building, and then what to do once the building is gone, whether it be replacing the building, installing a swimming pool or a soccer field, installing lights, bathrooms, fencing, flowers, and committing resources to make sure there is full-time staffing if this is the desire of the community.

Mr. Perza moved to recommend the following: 1) authorize the City Manager to execute necessary contracts to demolish the former Dover Park Building at White Oak Park; 2) direct that an earmark of $80,000 be placed into the 2014-15 draft budget for capital improvements to White Oak Park, with the specific allocation and expenditure timetable of the said earmarked funds to be determined by the 2014 Parks and Recreation Needs Assessment Study; and 3) authorize placement of temporary toilet facilities at White Oak Park effective immediately. The motion was seconded by Mr. Hutchison.

Responding to Mr. Salters regarding consideration of modifying the building at Dover Park, Mr. Perza explained that there had been no application at any time to modify the building; the analysis had been whether to restore the building. He explained that several meetings were held during the past six (6) to seven (7) months, including a meeting held at the Dover Park Recreation Center, reviewing the building and reports submitted by engineers and environmental remediation professionals, and discussion with members of the public who had an interest in the building and statistical uses of the building. The Committee and Council previously made a decision on what to do with the information and the application before the Committee was to consider removing or restoring the building. Mr. Perza noted that there had been no further ideas brought before the Committee during any of those meetings or this evening that would give members a reason to consider taking any other action for the use of the building. He assured members that all decisions regarding this matter had been made in open meetings held by the Committee and City Council.

In response to Mr. Dixon regarding the need for community involvement, Mr. Perza stressed the need for input to come from the community and felt that if the community did not provide the City with direction, the City should not take any further action.

On a call for the question by Mr. Hutchison, the motion to recommend the following: 1) authorize the City Manager to execute necessary contracts to demolish the former Dover Park Building at White Oak Park; 2) direct that an earmark of $80,000 be placed into the 2014-15 draft budget for capital improvements to White Oak Park, with the specific allocation

and expenditure timetable of the said earmarked funds to be determined by the 2014 Parks and Recreation Needs Assessment Study; and 3) authorize placement of temporary toilet facilities at White Oak Park effective immediately, was unanimously carried.

Mr. Hutchison moved for adjournment, seconded by Mr. Perza and unanimously carried.

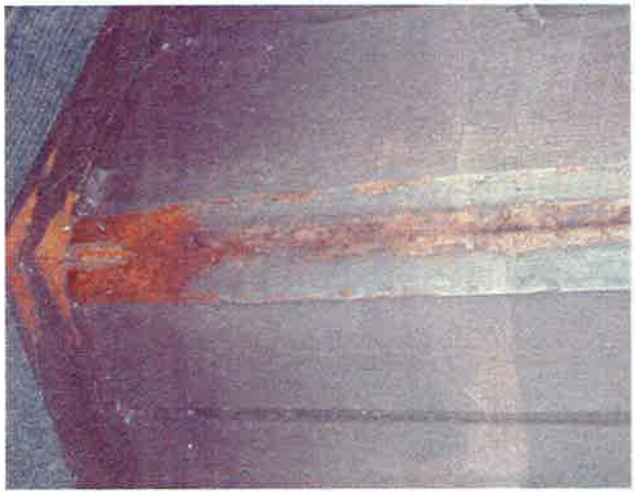
Meeting adjourned at 4:32 p.m.

Wallace R. Dixon
Chairman

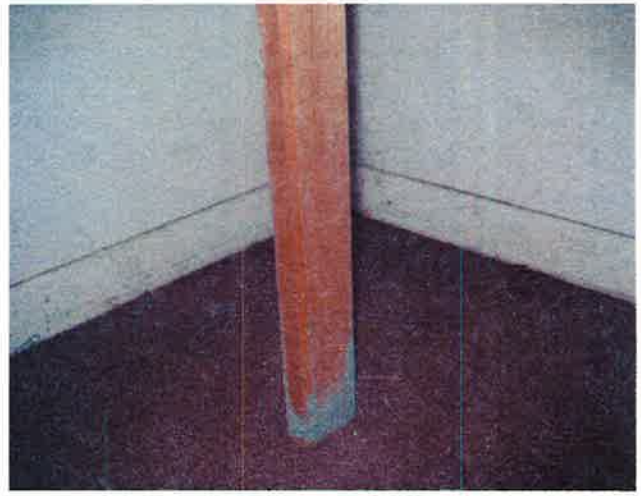
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Attachment
Attachment #1 - Photos of Dover Park Recreation Center





ATTACHMENT #1
PR&CE Committee Meeting of 2/10/2014

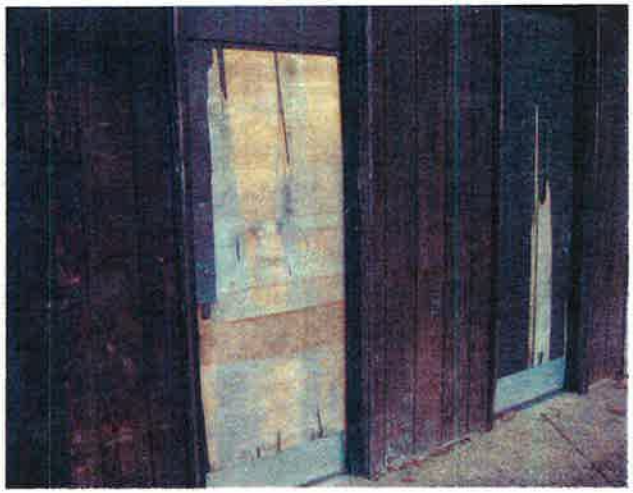












UTILITY COMMITTEE

The Utility Committee Meeting was held on February 10, 2014 at 5:30 p.m. with Chairwoman Williams presiding. Members present were Mr. Perza and Mr. Blakeman. Mr. Slavin and Mr. Snaman were absent. Members of Council present were Mr. Dixon (arrived at 5:31 p.m.) and Mr. Hutchison. Mayor Carey was also present.

AGENDA ADDITIONS/DELETIONS

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

McKee Run Units 1 and 2 - 2017-2018 Capacity Auction

In a letter dated February 7, 2014, Mr. Kirk Betts, Betts & Holt LLC, Energy Attorney for the City, requested an opportunity to present a recommendation to the Utility Committee regarding McKee Units 1 and 2. Members were reminded that they, along with City Council, were provided a report last year explaining how the capacity value of these units compared to the PJM capacity auction prices on the Delmarva Peninsula would become negative within several years. Mr. Betts explained that the decision about the future of these units also affects power supply negotiations and plant operating contract negotiations, both of which have been given a high priority. In addition, he noted that there is a matter involving a request for waiver with respect to a notice that was not provided to PJM in December.

Members were reminded that during their Regular Meeting of December 9, 2013, City Council approved of the Committee's recommendations of November 25, 2013, that, for the short term, Units 1 and 2 not be offered into PJM's capacity auction for the 2017/18 delivery year; that a comprehensive analysis be performed that lays out all the decision options for the City of Dover; that a similar analysis on other parts of the generation portfolio be completed; and that all supply options be surveyed, including new generation projects in and around Dover and Power Purchase Agreement (PPA) opportunities.

Mr. Betts indicated that the City of Dover is reviewing several activities related to its power supply, such as the Purchase Power Agreement with Calpine and the renegotiation of the North American Energy Services (NAES) contract. He stated that when the Cost/Benefit Analysis for McKee Run Units 1 and 2 was presented to members, it was recommended that the units be shutdown due to operation costs and capital improvements ($1.7M between now and 2017 and an additional estimated $2.4M). He reminded members that there was an outage on the Unit last summer which resulted in a penalty for the City. Although The Energy Authority (TEA) had recommended an evaluation of the units, he noted that the strongest recommendation was to prepare to close the units and not bid them into the market. No action regarding this specific recommendation was taken when considered by the Committee in November 2013 or City Council in December 2013. The City's membership in the PJM requires that the City provide notice three (3) years in advance as to whether or not the City will bid the units into the market; therefore, the City was required to provide notice regarding 2017/2018 in December 2013. He assured members that TEA has been working on obtaining a waiver on the notification requirement; however, if the City is not granted a waiver, the City cannot bid the Unit in and can only get what would be provided in the market place. He noted that in reviewing the 2016/2017 period, those units are not economic and according to TEA analysis, once the City begins making capital investments, in order to recover the costs to the Unit over the next

five (5) years, the capacity costs for this zone would need to be $311 per megawatt day. He explained that the capacity rate for 2015/2016 is $110 per megawatt day and with construction of the facility at Garrison, the rate is expected to stay suppressed and could potentially go lower. In this case, the City would have two (2) 16 megawatt units losing money for the City at $200 per megawatt day rather than providing the City money, as they have in the past, to help subsidize the costs of these units.

Mr. Betts explained that the theory for all the City's capacity payments, the fixed ability to generate at any hour called on, is that it is the money that has been used to pay the NAES Operating Agreement and also to contribute to the overall cost of operations for the City's customer. When this number goes negative, he stated that the City pays money to maintain a facility; therefore, the long term question is if the City should be putting money into two (2) 16 megawatt units that are very manually driven, very intensive for operating, and that are 50 years old. As a result, the City must decide whether to maintain Units 1 and 2.

Mr. Betts stated that his request for bringing this issue before members at this time is due to his responsibilities to negotiate the Calpine contract and the NAES Contract since he does not know what to negotiate on the City's behalf without knowing how many megawatts are needed. If the City plans to maintain the 16 megawatt units and make the investments on Units 1 and 2, then he would not need to negotiate capacity, the City would just be in the market looking for energy, and the Calpine contract may or may not have any value. Referring to the NAES contract, he stated that there are implications for what the overall costs of operating the facility should be, explaining that if the units are maintained, there would be a certain amount of labor and other maintenance costs over the term of the contract and if those two (2) units are removed, there would be a reduction in maintenance costs. He reminded members that the maintenance costs alone are anticipated to be a minimum of $1.7M over the next several years, in addition to manpower and other operating expenses as well as other ancillary charges under the contract based upon the whole contract price. He stated that it would also affect the bonus provisions since the contract provides for a bonus of 20% of a fee based upon all those units dispatching.

Mr. Betts strongly recommended that the committee make the decision to close Units 1 and 2. He stated that the City has the option to close the units sooner or later and can always replace the capacity at a reasonable cost, explaining that the City is committed through 2016 to maintain the units or find replacement capacity. Part of his responsibility, on behalf of the City, would be to negotiate a contract that is comparable and would keep the City "in the money" in lieu of expending the money that would otherwise be spent on the units, which may allow the City to take the capacity contract earlier rather than 2017/2018. He assured members that capacity and energy are available and that Units 1 and 2 are becoming very costly. Based on all the recommendations and current contract negotiations, he felt confident that the City should make a firm decision on the termination of Units 1 and 2.

In response to Mr. Perza, Mr. Betts indicated that there is capacity in the market place that can be purchased. He reminded members that when the City negotiated the Option Agreement for the land and the development at Garrison, one (1) of the items the City negotiated was an option to take 50 megawatts of that facility. Under this Option Agreement, there was a formula established that

provided that the capacity payment should be equal to the actual cost of that unit. He informed members that the cost, as well as how to benchmark the cost against the market price for capacity, are still under negotiation to develop an appropriate price to recommend to the City.

Mr. Betts explained that this matter is not an "apples to apples" comparison between market capacity or a new unit and Units 1 and 2. He is mostly concerned with the City putting money into Units 1 and 2 and still not having the reliability desired. Reliability is critical for two (2) reasons: 1) the City pays a substantial amount of money to maintain Units 1 and 2; and 2) if Units 1 and 2 are not reliable and do not dispatch on signal from PJM, the City takes a forced outage, which results in a penalty and causes a higher reserve margin to be assigned, both of which are very costly.

Providing an explanation of a reserve margin, Mr. Betts stated that there is an assumption that a certain number of plants are going to fail and that there is flexibility in how much is actually demanded in the market. Noting that PJM has units all over the country, he stated that there is a percentage (14%-15%) over and above what is actually purchased; therefore, if 100 megawatts are purchased, 115 megawatts are the amount actually paid for in order to cover the reserve. He indicated that the City now has 175 megawatts of capacity and that, according to TEA, the City is buying 2.4-2.5 additional; however, the actual peak demand is substantially below the 175 megawatts at approximately 160 megawatts. Therefore, the additional megawatts are the reserve the City must have and maintain or purchase in the market place. If there is a failure in the dispatch, there would be a penalty and the amount of capacity the City has to buy is increased. This would require the City to purchase extra reliability due to its own failure. The goal would be to bring that amount down to what would be reasonable and consistent with the market place. However, he explained that the main goal is for the City to maintain reliability at a high level, noting that the City's customers and PJM expect 100% reliability.

In response to Mr. Blakeman, Mr. Betts stated that when the City entered into the last contract with NAES and PACE, there was an assumption that Units 1 and 2 would be taken out of service three (3) to four (4) years into the contract, and the City is well beyond that time frame now. Even though there has been an estimate of $2.4M for opening up Units 1 and 2, he stressed that there is no guarantee there will not be additional expenses, particularly since these units have not been opened for several years. The borescope device can only access a certain number of blades, and the blades that have been inspected indicate wear; therefore, the assumption is that more than likely there is wear on the larger blades that they do not see, and when the units are opened, it will cost more to repair the unit. He stated that Council has delayed opening the unit for review until FY 2017 in order to save money while considering whether or not to close Units 1 and 2. If the units are opened in FY 2017 and it is determined that there is a $5M expense rather than the $2.4M expense that was originally anticipated, he questioned what the City would have gained, noting that the City would probably have committed out another two (2) to three (3) years by that time.

Mr. Betts reiterated that now is the right time for the City to make a decision with regard to McKee Run Units 1 and 2 because there is a serious question about their reliability. Although the NAES Contract provides rewards, there are not substantial penalties for the failure of those units, since the City takes the penalty. At the request of Mrs. Williams, Mr. Betts stated that he would forward the performance percentage and dollar amount specifics of the NAES Contract to members.

Responding to Mr. Hutchison, Mr. Betts explained that PJM operates, technically, as a non-profit facilitator of energy and transmission management for this region and the City pays annual dues as a member. Regarding the City's Budget, Mrs. Donna Mitchell, Controller/Treasurer, stated that the CIP includes $1.7M for Units 1 and 2 and an additional $2.4M for FY 2017/2018 to open up these units for re-evaluation. Mr. Betts stated that the total budget costs of $4.1M is a low estimate.

In response to Mrs. Williams and Mr. Blakeman, Mr. Betts indicated that if the City chose to decommission both Units 1 and 2, the $2.4M expense for FY 2017/2018 would be eliminated; however, the City would need to obtain replacement capacity and, depending on how quickly the City is able to find replacement capacity, could avoid expending some of the $1.7M to maintain the units.

Responding to Mrs. Williams, Mr. Betts stated that the City continues to study the VanSant Unit and that it has been determined that Unit 3 is fine but it is at capacity. Regarding the VanSant Unit, Mrs. Mitchell stated that the City currently has McHale, the company that previously conducted the analysis on the increase of capacity, re-reviewing the Unit and they have obtained bids and are running the number to determine whether the capacity can be increased. They are not guaranteeing the capacity that the City was hoping for (6 megawatts), feeling that there may be 5 megawatts. The current capacity is 39 megawatts. Mr. Betts indicated that the VanSant Unit is the most dispatched unit for the City because it comes up, serves as a "peaker", is a short-term unit that can come up for emergencies, etc. One of the challenges for this Unit is the moving target on what PJM gives for the value on a megawatt day for capacity. He explained that if the City invests a certain amount of money, there is a certain return needed on the Unit, and the PJM capacity costs are declining, which is why they are re-reviewing the analysis to make sure the City's investment is fully returned.

In regard to the questions of Mrs. Williams, Mr. Betts stated that one (1) of the creative ideas that has been discussed is whether there is value in the market place for the capacity for Units 1 and 2, and the possibility of giving someone else the rights to the capacity. If there is someone that is interested in the 32 megawatts that is located in the area, where there are transmission constraints, there may be real value to swap those megawatts. In addition, he stated that there should be consideration to the emissions credits, explaining that if it is decided to take the units out and they are not replaced, the City may be able to sell those emissions credits forward for a number of years. He noted that emissions credits have been sold in the past based on the way the units operate. Therefore, he explained that there are potential revenue opportunities with the decommissioning of the units.

Mr. Betts referred to the SOx and NOx and indicated that there was a recent EPA issuance specifying what determines what a plant should be able to dispatch out for coal and are reviewing all fossil fuel plants. As discovered several years ago, he reminded members that with older units, if any improvements are made to them, there is a risk that the new regulations will become applicable, which he did not believe had been calculated into what may happen with Units 1 and 2. He stressed that it would be difficult to make Units 1 and 2 compliant, particularly since they are burning #2 oil.

Mrs. Mitchell informed members that the current five-year CIP would change because the maintenance over the next three (3) years for Units 1 and 2 may change; for example, a borescope was going to be performed this year in the spring; however, if the units are decommissioned, that work will not be performed and the entire CIP will need to be reworked.

Mr. Perza questioned if shutting down Units 1 and 2 would create a leverage problem for negotiations for replacing the capacity. Responding, Mr. Betts stated that he had considered this issue and, as a negotiator, there is a certain balance to be maintained. He explained that the first question for him is how much capacity he needs to negotiate for on behalf of the City. Currently, the City does not need additional capacity, so unless a decision is made regarding Units 1 and 2, he has no direction for negotiating on behalf of the City. In addition, he stated that if the units were very efficient and competitive under PJM, there would be an entirely different type of discussion taking place at this time. He indicated that efficiency is measured by "heat rate" and that, as an example, the heat rate on the Garrison Unit (which is seen throughout PJM) is 6,800, which is really low. Units 1 and 2 are within the 1,200 - 1,300 range, which means the Garrison Unit is twice as efficient because it burns half as much gas to generate the same amount of electricity as Units 1 and 2.

Mr. Blakeman moved to recommend terminating Units 1 and 2, as recommended by Mr. Kirk Betts, Energy Attorney for the City, seconded by Mr. Perza and unanimously carried. *(City Clerk's Office Note: Due to time constraints, this item was placed on the Council agenda for the meeting being held later in the evening.)*

Dedication of Water and Wastewater Infrastructure - The Grande

Members reviewed a request of Doveview Investors, LLC, the responsible party for completing the water and wastewater infrastructure within the Grande Apartment Complex, for all water and wastewater infrastructure within the public utility easement to be dedicated to the City of Dover for permanent ownership and maintenance, including a list outlining the entire water and wastewater infrastructure associated with this complex. The total construction value of the infrastructure is $130,620.

Mr. Scott Koenig, City Manager, assured members that Doveview Investors, LLC completed construction of the infrastructure in accordance with City standards and specifications. After construction was completed, City staff inspected the water and wastewater infrastructure and developed a list of repairs to be made to meet the City of Dover Standards and Specifications for Public Works Construction. All work required by the Public Works Director has been completed and a one (1) year Maintenance Agreement and a Release of Liabilities will be submitted as part of the dedication process. The required as-built drawings of the infrastructure as well as videos of the sanitary sewer mains have been provided to staff.

Staff recommended acceptance of the dedication of water and wastewater infrastructure within the public utility easement in The Grande Apartment Complex, to include all of the referenced water and wastewater infrastructure.

Mr. Perza moved to recommend approval of staff's recommendation for the acceptance of the dedication of water and wastewater infrastructure within the public utility easement in The Grande Apartment Complex, to include all of the referenced water and wastewater infrastructure. The motion was seconded by Mr. Blakeman and unanimously carried.

Dedication of Rights-of-Way and Public Infrastructure - Farthing Woods

Members reviewed a request of Ashburn Homes, Inc., the responsible party for completing the public infrastructure within the Farthing Woods Subdivision, for all public infrastructure improvements to be dedicated to the City of Dover for permanent ownership and maintenance, including a list outlining all of the public improvements associated with this development. The total construction value of the infrastructure is $261,262.

Mr. Scott Koenig, City Manager, assured members that Ashburn Homes, Inc. completed construction of the improvements in accordance with City standards and specifications. After construction was completed, City staff inspected the public improvements and developed a list of repairs to be made to meet the City of Dover Standards and Specifications for Public Works Construction. All work required by the Public Works Director has been completed. He indicated that a one (1) year Maintenance Agreement and a Release of Liabilities will be submitted as part of the dedication process. Required as-built drawings of the infrastructure as well as videos of the sanitary sewer mains have been provided to staff.

Staff recommended acceptance of the dedication of rights-of-way and public infrastructure in the Farthing Woods Subdivision to include all of the referenced public improvements.

Responding to Mr. Perza, Mr. Koenig stated that there are three (3) lots that remain undeveloped within the Subdivision. He explained that 80% of the development must be completed prior to the City's acceptance of the dedication.

Mr. Perza moved to recommend approval of staff's recommendation for the acceptance of the dedication of rights-of-way and public infrastructure in the Farthing Woods Subdivision to include all of the referenced public improvements. The motion was seconded by Mr. Blakeman and unanimously carried.

Quarterly Review of Utility Related Capital Investment Plan (CIP) (Electric and Water/Wastewater)

Mr. Scott Koenig, City Manager, reviewed the Capital Investment Plan Project Tracking Report, as of December 31, 2013, noting that the spreadsheet for the Electric Improvement & Extension Fund - Major CIP Projects was inadvertently omitted from the packet and would be provided to members following the meeting ***(Attachment #1)***.

Mr. Koenig stated that several of the projects have progressed since December 31, 2013. He noted that the New Library Project is still listed because the City has not made final payments since there are still some close out items associated with the Library, and the Roof Replacement Project for Dover Park is on hold since discussion related to the demolition of the structure has been ongoing. The Annual Contribution to Robbins Hose is a standard item which is paid out of the Capital Fund.

Project ST1404, for the completion of the streets in the Village of Westover IV, has been completed since December 31, 2013.

Mr. Koenig noted that several of the projects listed on the Community Transportation & General Fund Street Funds - Major CIP Projects have been completed but that the City is awaiting final billing. Referring to the Water/Wastewater Improvement & Extension Fund - Major CIP Projects, he stated that there have been some changes based on the approvals of Garrison. In addition, he noted that the City is still working on alternative sites for the 1M gallon elevated water storage facility off of Denneys Road. He stated that the Piney Point Well is actually in the final phases and the project was extended to March 1, 2014 for final testing. Although the well, several control systems, and standby generator are in place, there are some minor items which need to be completed in order to obtain final authorization from DNREC to put the project into the system.

With reference to the Tar Ditch Interceptor Upgrade, Mr. Koenig stated that since the City has additional engineers on staff, final easements will be obtained from surrounding property owners. He noted that the Garrison improvements are identified; however, the report reflects the old budgets, and has not been updated to include the most recent approvals by City Council. He advised members that further work has been completed on several of the wastewater projects and assured members that these information would be reflected on the next quarterly report.

No further action was taken by the committee.

TEA/NAES Report *(December)*

The TEA/NAES Monthly Report for December 2013 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.

Mr. Koenig noted that the overall power supply costs were $258,397 over budget due to higher load and reactive services costs and that staff was continuing to monitor these costs. Referring to the Supply Variance, he explained that the actual Gross Load of 61,756 was higher than the budgeted amount because the actual power demand in the City has been slightly higher than originally anticipated. Mr. Koenig stated that YTD Variance Report indicated that the total utilities cost was approximately $600,000 over budget as a result of the reactive services charges, which, as explained during the Committee meeting of January 27, 2014, staff hopes will be closer to the budgeted amount for the remainder of the year. He noted that the City did run during the month of January, due to the colder temperatures; however, the City was buying the unhedged portion of the portfolio in the market and the costs were very high.

In response to Mrs. Williams, Mr. Scott Koenig, City Manager, indicated that the City's portfolio is 80% hedged; therefore, the City purchases approximately 20% on the market. As a result, when the prices increase, the City is subject to that portion of the market and when there is a decrease in the prices, the City benefits. He confirmed that the prices were very high during the recent extreme cold weather and that the system was constrained.

Mr. Blakeman moved to recommend acceptance of the TEA/NAES Monthly Report for December 2013, seconded by Mr. Perza and unanimously carried.

UPDATES

Members were provided the following updates:

Green Energy Funding and Programming

Mr. Scott Koenig, City Manager, reviewed details regarding the Green Energy Funding and Programming.

Mr. Koenig reminded members that, during the Utility Committee meeting held on November 12, 2013, members reviewed a request from the Presbyterian Church of Dover (the Church) to consider a change in tariff language to have the wording "or have instrument rated metering" removed from the C/C1 (Small Commercial) classification description, and staff committed to working with the Church to provide assistance with a Green Energy Grant Application to facilitate energy efficiency within the City's electric system. He advised members that the grant for the Church had been processed and the Church was able to replace its meter and change classification.

National Pollution Discharge Elimination System (NPDES) Municipal Separate Storm Sewer Systems (MS4) Permit

Mr. Scott Koenig, City Manager, advised members that the City continues to operate under an expired National Pollution Discharge Elimination System (NPDES) Municipal Separate Storm Sewer Systems (MS4) Permit. The City is anticipating that the State will be issuing a Permit later in 2014 and that it will be more of a State-wide permit, which will provide for equal treatment and an expected level of compliance. He stated that additional information will be presented to members in the next few months as the City receives the permits and conditions presented.

Garrison Oak Technical Park Project Updates

Mr. Scott Koenig, City Manager, provided an update regarding the Garrison Oak Technical Park Project, as follows:

City Infrastructure

Mr. Koenig stated that during the Council meeting of January 27, 2014, a number of construction contracts were approved and there will be additional items presented to Council related to the adjustment of the pole line for the 69kV transmission and some final changes to the Engineering Services Agreement. He indicated that the administrative site plan for the water tower was submitted and construction is anticipated to begin once the weather improves. He stated that staff is working to get both the pump station and the general development contracts for the balance of the park signed and that construction meetings will be scheduled soon so that work can begin once weather improves.

Mr. Koenig advised members that the Uzin Utz facility is finalizing their designs, permitting, contracts, etc. and anticipates beginning work in the spring. All projects are converging on a early 2015 completion; therefore, he stated that there will be a substantial amount of work being done at the Park.

Mr. Koenig stated that Mr. Bill Neaton, Economic Development Director, has begun to focus his attention on marketing the remainder of the lots at the Park.

Calpine Energy Center

Mr. Koenig stated that once the weather improves, he will be scheduling tours of the Calpine facility and as construction progresses staff will be providing updates and tours. He stated that the Calpine facility is anticipated to be complete in June 2015; however, since testing is scheduled to take place early in 2015, he felt that it may be completed by late 2014/early 2015.

In response to Mr. Blakeman, Mr. Koenig stated that he had selected a candidate for the Electric Director position and was at the point of making an offer but was unable to move forward; therefore, he will begin the process again.

Dover Sun Park

Mr. Koenig reviewed information regarding the Electric Revenue Fund FY14 - White Oak Solar Park Incremental Cost, noting that the incremental Sun Park costs was $226,600 as of December 31, 2013. He assured members that the solar park is meeting the City's green energy portfolio demands and while it is slightly more costly then regular energy, it is performing as expected.

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

Meeting Adjourned at 6:21 p.m.

Beverly C. Williams
Chairwoman

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Attachment
Attachment #1 - Quarterly Report - Electric Improvement & Extension Fund - Major CIP Projects

City of Dover
Electric Improvement & Extension Fund - Major CIP Projects
Quarterly Report as of December 31, 2013

	Project Code	Type	Description	TOTAL PROJECT - PAST, CURRENT & FUTURE BUDGETS: Original Project Budget	Latest Project Budget	Project To Date Expenses	Project Budget Balance	% Budget Spent	CURRENT FISCAL YEAR: Current Fiscal Year Budget	Revised Fiscal Year Budget	Fiscal YTD Expenses	Budget Balance	% Budget Spent	Status	Comments
1			**FY2012**												
2	EG1212	M	Unit 3 Turbine Inspection/Repair	$ 1,494,000	$ 1,653,536	$ 518,643	$ 1,134,893	31.4%	$ 1,149,800	$ 1,149,800	$ 14,907	$ 1,134,893	1.3%	In process	Will complete Spring outage
3	EG1214	M	Industrial WW Discharge System	272,000	272,000	283,767	(11,767)	104.3%	-	8,000	9,418	(1,418)	117.7%	Complete	Expenses are a 100%
4			**Total**	$ 1,766,000	$ 1,925,536	$ 802,410	$ 1,123,126	41.7%	$ 1,149,800	$ 1,157,800	$ 24,325	$ 1,133,475	2.1%		
5															
6			**FY 2013**												
7	EE1308	M	Horsepond Substation Upgrade	$ 761,800	$ 761,800	$ 346,896	$ 414,904	45.5%	$ 591,800	$ 730,900	$ 316,046	$ 414,854	43.2%	In process	Under Construction
8	EE1312	M	General Scott Switchgear	1,155,000	1,150,000	2,851	1,147,150	0.2%	800,000	850,000	2,851	847,150	0.3%	In process	Under Design
9	EE1314		Capitol Park Upgrade	-	248,000	320,423	(72,423)	129.2%	248,000	248,000	220,551	27,449	88.9%	In process	Under Construction
10	EE1330		Morris Estates 1 Upgrade	-	32,600	249,722	(217,122)	766.0%	-	32,600	7,322	25,278	22.5%	In process	Under Construction
11	EG1312		Generator Repairs	-	4,200	-	4,200	0.0%	-	4,200	-	4,200	0.0%	Complete	Expenses are a 100%
12				$ 1,916,800	$ 2,196,600	$ 919,892	$ 1,276,708	41.9%	$ 1,639,800	$ 1,865,700	$ 546,770	$ 1,318,930	29.3%		
13															
14			**FY 2014**												
15	---		Vehicles & Equipment	$ 660,000	$ 704,600	$ -	$ 704,600	0.0%	$ 660,000	$ 704,600	$ -	$ 704,600	0.0%	In Process	Ordered
16	EE1401		Air Condition Replacement Monitors	12,000	12,000	-	12,000	0.0%	12,000	12,000	-	12,000	0.0%		
17	EE1402		Substation Battery Replacement	24,500	24,500	-	24,500	0.0%	24,500	24,500	-	24,500	0.0%	In Process	Under Design
18	EE1403		Distribution Upgrades	61,000	61,000	-	61,000	0.0%	61,000	61,000	-	61,000	0.0%		
19	EE1404		Lighting Improvements	50,000	50,000	35,314	14,686	70.6%	50,000	50,000	35,314	14,686	70.6%	In Process	Under Construction
20	EE1405		Distribution Feeder Replacement Program	170,200	170,200	-	170,200	0.0%	170,200	170,200	-	170,200	0.0%		
21	EE1406		Distribution Capacitors & Controls	60,000	60,000	29,328	30,672	48.9%	60,000	60,000	29,328	30,672	48.9%	Complete	Complete
22	EE1407		Transmission Line Maintenance Program	75,000	75,000	-	75,000	0.0%	75,000	75,000	-	75,000	0.0%		
23	EE1408		Substation Switch Replacement	80,000	80,000	-	80,000	0.0%	80,000	80,000	-	80,000	0.0%		
24	EE1410		Air Mobility Command	-	13,500	815	12,685	6.0%	13,500	13,500	815	12,685	6.0%	In Process	New Design
25	EE1411		Bergald Lane (DAFB)	-	29,000	28,709	291	99.0%	29,000	29,000	28,709	291	99.0%	Complete	Complete
26	EE1412		Capital City Trail	-	26,500	21,448	5,052	80.9%	26,500	26,500	21,448	5,052	80.9%	Complete	Complete
27	EE1413		Lebanon 400 Feeder	20,000	20,000	-	20,000	0.0%	20,000	20,000	-	20,000	0.0%	In Process	Material Ordered
28	EE1414		New Developments	600,000	144,000	89	143,911	0.1%	144,000	144,000	89	143,911	0.1%		
29	EE1417		Bayside Drive (Persimmon Tree to White Oak Rd	42,300	42,300	38,634	3,666	91.3%	42,300	42,300	38,634	3,666	91.3%	Complete	Complete
30	EE1418		The Grande	-	28,000	10,068	17,932	36.0%	28,000	28,000	10,068	17,932	36.0%	Complete	Complete
31	EE1419		Home 2 Suites Hotel	-	37,000	-	37,000	0.0%	37,000	37,000	-	37,000	0.0%	In Process	Under Construction
32	EE1421		Richardson Circle Upgrade	91,000	91,000	-	91,000	0.0%	91,000	91,000	-	91,000	0.0%	In Process	Under Construction
33	EE1423		7-Eleven New Service	-	5,800	4,397	1,403	75.8%	5,800	5,800	4,397	1,403	75.8%	Complete	Complete
34	EE1424		McKee Run Substation Repairs	45,000	45,000	-	45,000	0.0%	45,000	45,000	19,262	25,738	42.8%	In Process	Under Construction
35	EE1425		EZ-Pass Delaware	-	12,000	9,351	2,649	77.9%	12,000	12,000	9,351	2,649	77.9%	Complete	Complete
36	EE1426		Eden Hill Entrance	-	52,400	7,861	44,539	15.0%	52,400	52,400	7,861	44,539	15.0%	In Process	Under Construction
37	EE1428		Tidewater General Green	-	34,000	9,824	24,176	28.9%	34,000	34,000	9,824	24,176	28.9%	In Process	Under Construction
38	EE1429		Clearview Meadows	-	88,000	4,108	83,892	4.7%	88,000	88,000	4,108	83,892	4.7%		Not Started
39	EE1430		Calpine Equipment Move	-	83,000	21,986	61,014	26.5%	83,000	83,000	21,986	61,014	26.5%	Complete	Complete
40	EE1431		Generals Green Lighting	-	20,500	477	20,023	2.3%	20,500	20,500	477	20,023	2.3%	In Process	Under Construction
41	EE1432		Connective @ 409 Pickering Beach Rd	-	20,200	-	20,200	0.0%	20,200	20,200	-	20,200	0.0%	In Process	Under Construction
42	EE1434		50 Wolfcreek - Dr. Patel	-	6,100	-	6,100	0.0%	6,100	6,100	-	6,100	0.0%	In Process	Under Construction
43	EG1402		Unit 3 Cooling Tower Repairs	42,000	42,000	31,575	10,425	75.2%	42,000	42,000	31,575	10,425	75.2%	In Process	Will complete Spring outage - PO for work issued
44	EG1404		McKee Run #3 Aux System Component	116,000	116,000	42,922	73,078	37.0%	116,000	116,000	42,922	73,078	37.0%	In Process	Will complete Spring outage
45	EG1405		VanSant #11 Component Replacement	32,000	32,000	30,588	1,412	95.6%	32,000	32,000	30,588	1,412	95.6%	In Process	Will complete Spring outage
46	EG1406		McKee Run Energy Pipe Replacement	80,000	80,000	660	79,340	0.8%	80,000	80,000	660	79,340	0.8%	In Process	Will complete Spring outage - PO for work issued
47	EG1407		Metering System Upgrades	25,000	25,000	-	25,000	0.0%	25,000	25,000	-	25,000	0.0%	In Process	Multi-year project - Design to be complete Spring
48	EG1408		McKee/VanSant Safety & Compliance	86,000	86,000	-	86,000	0.0%	86,000	86,000	-	86,000	0.0%	In Process	Will complete in Spring
49	EG1409		McKee Run Natural Gas Valves	65,000	65,000	-	65,000	0.0%	65,000	65,000	-	65,000	0.0%	In Process	Will complete Spring outage
50	EG1413		McKee/VanSant Preserve Structure	42,000	42,000	-	42,000	0.0%	42,000	42,000	-	42,000	0.0%	In Process	Work on hold pending additional funds needed
51	EG1415		McKee Run Units 1 & 2 component Replacement	105,000	105,000	31,173	73,827	29.7%	105,000	105,000	31,173	73,827	29.7%	In Process	Will Complete spring outage
52	EG1416		VanSant Capacity Increase	250,000	250,000	24,920	225,080	10.0%	250,000	250,000	24,920	225,080	10.0%	In Process	Multi-year project - Design to be complete Spring
53				$ 2,834,000	$ 2,878,600	$ 384,247	$ 2,494,353	0.0%	$ 2,834,000	$ 2,878,600	$ 403,509	$ 2,475,091	14.0%		
54															
55			**Grand Totals**	$ 6,516,800	$ 7,000,736	$ 2,106,549	$ 4,894,187	54.6%	$ 5,623,600	$ 5,902,100	$ 974,604	$ 4,927,496	16.5%		

Legend
M = Multi-year project - a project with a specific schedule to occur over multiple years.
R = Recurring project - a project that begins and ends each fiscal year and is re-budgeted to start over each fiscal year.
B = Bonded Project
S = State fully or partially reimbursed project

ATTACHMENT #1
Utility Committee Meeting of 02-10-2014

ACTION FORM

PROCEEDING: City Council	**AGENDA ITEM NO.:**
DEPARTMENT OF ORIGIN: Public Works	**DATE SUBMITTED**: 2/14/14
PREPARED BY: Sharon J. Duca, P.E., Public Works Director	
SUBJECT: Revisions to the Engineering Services Agreement - Garrison Oak Technical Park (Becker Morgan Group)	
REFERENCE: N/A	
RELATED PROJECT: Request for Proposals Number 10-002ED Professional Engineering & Land Planning Services City of Dover – Garrison Oak Technical Park, Engineering Design of Elevated Water Storage Tank – Garrison Farm, Engineering Design of Wastewater Facilities – Garrison Farm	
APPROVALS: City Manager, Controller	
EXHIBITS: N/A	
EXPENDITURE REQUIRED: $ 80,800	**AMOUNT AVAILABLE**: $ 80,800
FUNDING SOURCE (Dept/Page in CIP & Budget): The costs for this project will be charged against the infrastructure projects for the Garrison Farm Improvements identified in the FY-2013 Operating Budget and Capital Investments Plan. The funds for this project were included in the Committee Action Form brought forward to City Council in January 2014 entitled Evaluation of Bids – Garrison Oak Technical Park.	
TIMETABLE: Notice to Proceed will be issued following Council approval.	
RECOMMENDED ACTION: Authorize the City Manager to sign an engineering services contract amendment with Becker Morgan Group to complete the Subdivision Design and Construction Documents for the Garrison Oak Technical Park at a cost not to exceed $80,800 over the $464,400 previously authorized by City Council in 2009 / 2012 / 2013.	

BACKGROUND AND ANALYSIS

In 2009, the City of Dover's Economic Development Office solicited Requests for Proposals (RFP) for engineering services related to the future development of Garrison Oak Technical Park. Land Planning and Engineering Design of the subdivision have been ongoing since 2009. Due to the following, additional costs have been identified related to tasks necessary to bring the project to completion which were not included in previous proposals:

- White Oak Road drainage redesign,
- water main redesign for internal subdivision along with water main redesign at each entrance to subdivision,
- entrance upgrades including geometric improvements, pedestrian refuge island and mill and overlay design negotiations to reduce construction costs,
- conditional letter of map revision (CLOMR) of the current floodplain delineation,
- as-built survey of tax ditch improvements,
- letter of map amendment (LOMA) in accordance with Federal Emergency Management Agency (FEMA) regulations,

In September 2009, City Council authorized $322,100 for the engineering services contract with Becker Morgan Group. Two of the original tasks were eliminated from the contract, reducing the contract value to $289,500. In August 2012, City Council authorized an additional $88,000 to address utility design changes and environmental considerations. In May 2013, City Council authorized an additional $86,900 to address utility design changes, hydrology / hydraulic analysis, geotechnical evaluation and bid specifications for a current approved total of $464,400.

The following table outlines each engineering task in terms of the original contract cost, amendments previously accepted by City Council and the proposed amendments to be adopted by City Council:

TASK	25-Aug-09 Proposal Fee	27-Jul-12 Proposal Fee	17-May-13 Proposal Fee	14-Feb-14 Proposal Fee
Master Plan Concept / Preliminary	$60,000			
Geotechnical Evaluation / Stormwater Ponds	$10,500			
Geotechnical Evaluation / Roads			$13,750	
Phase 2 Environmental Evaluation	$5,500			
Hydrology Analysis / Flood Plain	$10,000		$16,500	
Budget Estimating	$8,000			
Wetlands Permitting	$18,000	$10,000		
Flood Plain Variance / Board of Adjustment	$10,000			
Preliminary Land Use Service	$2,500			
Site Development Master Plan / Submission Documents	$25,000			
Minor Subdivision Plat	$5,000			
Record Subdivision Plat			$11,000	
Construction Field Survey	$15,000			
Limited Survey / Road & Pump Station		$3,000		
Right-of-Way Stakeout			$2,200	
Construction Documents	$120,000	$65,000		
City of Dover / Drainage Evaluation / Design		$10,000		
Water Line Extension Separate Package			$12,650	
Coordination / Pump Station Flows			$4,400	
Project Specifications			$11,000	
Bidding / Negotiation			$15,400	
White Oak Drainage				$5,000
Water System Improvements				$5,000
Entrance Upgrades				$15,500
CLOMR Upgrades				$25,300
As-Built Tax Ditch				$11,000
LOMA				$19,000
TOTAL	**$289,500**	**$88,000**	**$86,900**	**$80,800**
CUMMULATIVE TOTAL	**$289,500**	**$377,500**	**$464,400**	**$545,200**
City Council Approval	**September 2009**	**August 2012**	**May 2013**	