REGULAR COUNCIL MEETING
A G E N D A

JUNE 25, 2012 - 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 CHAPLAIN WALLACE DIXON

PLEDGE OF ALLEGIANCE LED BY COUNCILWOMAN WILLIAMS

AGENDA ADDITIONS/DELETIONS

* **CONSENT AGENDA**

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

* **1. Adoption of Minutes**
- **A. Special Council Meeting (Budget Review) of May 22, 23, 30 and June 4, 2012**
- **B. Regular Council Meeting of June 11, 2012**

2. Presentation - Dover Public Library Donation

3. Public Hearings - Violations of Dangerous Building Ordinance
- **A. Property Located at 171 Orchard Avenue, Owned by William W. Jarman**
- **B. Property Located at 488 North East Avenue, Owned by Jeffrey F. Garrison**
- **C. Property Located at 827 Townsend Boulevard (Pool), Owned by Jennifer E. Brown**

4. Board of Assessment Appeals Exemption Report - May 22, 2012
- **A. Union Missionary Baptist Church - Lot 8 Forest Street**
  (Board Recommended Denial of Request for Exemption)
- **B. Second Baptist Church - 136 South Queen Street**
  (Board Recommended Denial of Request for Exemption)
- **C. Chapter 850 Vietnam Veterans of America - Lot 1549 Rear - Forrest Avenue**
  (Board Recommended Approval of Request for Exemption)

4. **Board of Assessment Appeals Exemption Report - May 22, 2012 (Continued)**
   - **D. EJB Inc. - (Serenity Place) 327 Martin Street**
     (Board Recommended Approval of Request for Exemption)
   - **E. House of Pride Inc.**
     - **e-1. 16 North New Street** *(Board Recommended Denial of Request for Exemption)*
     - **e-2. 102 South New Street** *(Board Recommended Denial of Request for Exemption)*
     - **e-3. 115 South New Street** *(Board Recommended Denial of Request for Exemption)*

* 5. **Parks, Recreation, and Community Enhancement Committee Report - June 11, 2012**
   - **A. Proposed Amendment to 2011 Community Development Block Grant Action Plan**
     (Committee Recommended That Staff Be Authorized to Reallocate $60,081 in FY11 CDBG Funding From the City of Dover Streets Program to Provide Funding For the FY11 Housing Rehabilitation Program, American Disabilities Act (ADA) Improvements to Council Chambers, and FY12 CDBG Projects As Presented)
   - **B. Proposed Ordinances**
     - **b-1. #2012-13 - Amendment to Appendix B Zoning, Article 5 - Supplementary Regulations, Section 4 - Supplementary Sign Regulations (See Item #13-A)**
       (Committee Recommended Adoption of Proposed Ordinance #2012-13)
     - **b-2. #2012-14 - Amendment to Appendix B Zoning, Article 3 - District Regulations, Section 23 - Agricultural Zone (A) (See Item #13-B)**
       (Committee Recommended Adoption of Proposed Ordinance #2012-14)
     - **b-3. #2012-15 - Amendment to Appendix B Zoning, Article 3 - District Regulations, Section 9 - General Residence and Office Zoning (RGO) (See Item #13-C)**
       (Committee Recommended Adoption of Proposed Ordinance #2012-15)
     - **b-4. #2012-16 - Amendment to Chapter 114 - Vegetation, to Create a New Article III - Bamboo (See Item #14-A)**
       (Committee Recommended Adoption of Proposed Ordinance #2012-16)
   - **C. FY 2013 Five-Year Capital Investment Plan (CIP)**
     (Committee Recommended Acceptance of the FY2013 Five-Year Capital Investment Plan (CIP))
   - **D. Updates**
     (Committee Action Not Required)

* 6. **Utility Committee Report - June 11, 2012**
   - **A. McKee Run Generating Station Industrial Wastewater Discharge System**
     (Committee Recommended Approval of the New Capital Investment Plan (CIP) For the Industrial Waste Water Discharge System at the McKee Run Generating Station and the Transfer of Funding From Existing CIPs, As Recommended by Staff)
   - **B. Annual Engineering Consultant's Report on the Operation and Maintenance of the Electric System - Fiscal Year 2011**
     (Committee Recommended Acceptance of the Report)
   - **C. FY 2013 Five-Year Capital Investment Plan (CIP)**
     (Committee Took No Action)
   - **D. Review of Utility Related Capital Investment Plan (CIP) (Electric and Water/Wastewater)**
     (Committee Action Not Required)
   - **E. Updates**
     (Committee Action Not Required)

7. Legislative, Finance, and Administration Committee Report - June 11, 2012

* **A. Review and Recommendation - Filling Critical Positions - Library Clerk II - Dover Public Library**

(Committee Recommended Approval of the Request to Fill the Position of Library Clerk II, As Recommended by Staff)

B. Proposed 15% Healthcare Premium Cost Sharing Arrangement - Non-Bargaining Only

(Committee Recommended Approval of Employee Cost Sharing of Health Insurance Premiums for Non-Bargaining Employees Based Upon Scenario #2 - Premiums Based Upon First State Basic, To Be Effective July 1, 2012)

* **C. Proposed Ordinances**

c-1. #2012-10 - Amending Chapter 1 - General Provisions, Section 1-13 - Denial of Permits or Approvals for Failure to Comply with Requirements for Payment, Actions, or Filings (Clean Hands) With CA-#1 through #4 (Referred to Committee by City Council on May 14, 2012; Deferred by Council Committee of the Whole on May 29, 2012) (See Item #15-A)

(Committee Recommended Adoption of Proposed Ordinance #2012-10, As Amended to Include CA#2, CA#3, and CA#4)

c-2. #2012-17 - Amending Chapter 26 - Businesses, Article I - In General, Section 26-1 - Sale of Dangerous Substances (See Item #14-B)

(Committee Recommended Adoption of Proposed Ordinance #2012-17)

* **D. Elimination of Pay For Performance (Anderson/Hutchison)**

(Committee Recommended That the Pay For Performance Be Eliminated Effective Upon the Approval of a New System To Be Brought Forth By the City Manager and Staff)

* **E. Reduced Rates for All-Electric Homes in December, January, and February**

(Due To Time Constraints, This Item Was Deferred Until the Next Meeting)

8. FOP Labor Contract Agreement

9. Evaluation of Bids - City Hall Generator (DEMA Grant)

10. Setting of Electric Utility Rate for Fiscal Year 2012/2013

11. Reappointments - Recommended by Mayor Carey

A. Board of Adjustment - Three (3) Year Terms to Expire July 2015

a-1. James N. Keller

a-2. Richard Senato

B. Planning Commission - Three (3) Year Terms to Expire June 1, 2015

b-1. Michael J. Ambruso, Sr. - Second District

b-2. Thomas Holt - Second District

C. Public Advisory Committee (PAC) of the Dover-Kent County MPO - Dr. Carlton L. Cannon, Jr. - Two (2) Year Term to Expire July 2014

12. Appointment - Recommended by Mayor Carey - Planning Commission - Three (3) Year Term to Expire June 1, 2015 - Dean E. Holden - Third District

13. First Reading - Proposed Zoning Text Amendments

The First Reading is offered on the following proposed ordinances. Since they are amendments to the Zoning Code, they are recommended for referral to the Planning Commission on July 16, 2012 and that a Public Hearing be set for August 13, 2012 at 7:30 p.m. and that the Second Reading and Final Action by Council take place at that time. Copies of all proposed ordinances are available at the entrance of the Council Chambers or can be obtained from the City Clerk's Office.

A. Ordinance #2012-13 - Amendment to Appendix B Zoning, Article 5 - Supplementary Regulations, Section 4 - Supplementary Sign Regulations
(Parks, Recreation, and Community Enhancement Committee)

B. Ordinance #2012-14 - Amendment to Appendix B Zoning, Article 3 - District Regulations, Section 23 - Agricultural Zone (A)
(Parks, Recreation, and Community Enhancement Committee)

C. Ordinance #2012-15 - Amendment to Appendix B Zoning, Article 3 - District Regulations, Section 9 - General Residence and Office Zoning (RGO)
(Parks, Recreation, and Community Enhancement Committee)

14. First Reading - Proposed Ordinances

The First Reading is offered on the following proposed ordinances. Final action by Council will take place during the Second Reading of the ordinances on July 9, 2012. Copies of all proposed ordinances are available at the entrance of the Council Chambers or can be obtained from the City Clerk's Office.

A. Ordinance #2012-16 - Amendment to Chapter 114 - Vegetation, to Create a New Article III - Bamboo
(Parks, Recreation, and Community Enhancement Committee)

B. Ordinance #2012-17 - Amending Chapter 26 - Businesses, Article I - In General, Section 26-1 - Sale of Dangerous Substances
(Legislative, Finance, and Administration Committee)

15. Final Reading - Proposed Ordinance #2012-10

The First Reading of the following proposed ordinance was accomplished during the Council Meeting of April 23, 2012. Copies of the proposed ordinance are available at the entrance of the Council Chambers.

A. Ordinance #2012-10 - Amending Chapter 1 - General Provisions, Section 1-13 - Denial of Permits or Approvals for Failure to Comply with Requirements for Payment, Actions, or Filings (Clean Hands) With LF&A #1 through #3
(Legislative, Finance, and Administration Committee)

16. Final Reading - Proposed Ordinance #2012-18

The First Reading of the following proposed ordinance was accomplished during the Council Meeting of June 11, 2012. Copies of the proposed ordinances are available at the entrance of the Council Chambers.

A. Ordinance #2012-18 - Budget Ordinances - 2012/2013 City of Dover Budget

17. Council Members Announcements

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

SPECIAL COUNCIL MEETING
BUDGET REVIEW

A Special Council Meeting was held on May 22, 2012 at 6:00 p.m. with Council President Leary presiding. Council members present were Mr. Anderson (arrived at 7:30 p.m.), Mrs. Russell, Mr. Perza, Mrs. Williams, Mr. Hare, and Mr. Hutchison. Mr. Lynn and Mr. Bonar were absent.

Council staff members present were Mr Koenig, Mrs. Mitchell, and Mrs. McDowell. Mayor Carey was also present.

AGENDA ADDITIONS/DELETIONS

Mr. Hutchison moved to adopt the agenda as presented, seconded by Mrs. Williams and unanimously carried.

Mr. Hutchison stated that when the FY12 budget process began, the City had a shortfall of approximately $3.4M in the General Fund. Noting that members would be considering a $800,000 deficit in the General Fund in the draft FY13 budget, Mr. Hutchison conveyed his thanks to Mr. Scott Koenig, City Manager; Mrs. Donna Mitchell, Controller/Treasurer; the City's management team; and City employees for accomplishing this reduction in the deficit.

MISCELLANEOUS INFORMATION

Staff provided members with additional documents, as follows: 1) City of Dover Potential Savings for FY 2012 (as of May 22, 2012) ***(Exhibit #1)***; and 2) Correspondence from Mrs. Donna Mitchell, Controller/Treasurer, dated May 21, 2012 regarding Assessment Project Memo and Reassessment Estimate Figures ***(Exhibit #2)***.

INTRODUCTION AND PRESENTATION

Mr. Scott Koenig, City Manager, stated that in the past, the budget was prepared and presented by Mrs. Terry Tieman, Senior City Administrator in the City Manager's Office. He advised members that he worked closely with Mrs. Donna Mitchell, Controller/Treasurer, in preparing the FY13 budget; however, a number of staff members played a critical role in its development. He conveyed his appreciation to Mrs. Mitchell, Ms. Tracey Lisiecki, Financial Accounting and Reporting Manager (Finance Department); Ms. Jamie Fenske, Billing Clerk (Customer Service Department); Ms. Hollie Ford, Administrative Assistant (Human Resources Department); Mrs. Linda Gomes, Administrative Assistant (Finance Department); and Mrs. Marlene Loomis, Computer Operator (Information Technology Department) for their hard work and long hours spent preparing the budget.

Mr. Koenig read a letter to the Mayor and Members of City Council dated May 15, 2012 into the record, as follows:

> *Dear Mayor and Members of City Council:*
>
> *Enclosed is the proposed Fiscal Year 2012-2013 City of Dover Operating Budget to be considered by City Council over the next several weeks. As you are aware, we began the budget process this year with an expected shortfall in the General Fund of approximately $3.4 million dollars. Throughout this past year, members of city staff have worked extremely hard to cut expenses and consolidate operations as*

much as possible. The proposed budget reflects our commitment to providing efficient basic municipal services for our citizens.

Significant efforts have been made to comply with all financial policies. All budgets are balanced with current revenues equal to or greater than current expenses with the exception of the Electric Fund. As allowed by policy, we are proposing to use the Rate Stabilization Reserve for power cost adjustments. In addition, we are recommending a change in the transfer policy for utilities to a fixed dollar amount from the previous methodology to transferring a percentage of revenue.

The proposed budget has a significant impact on the city's existing workforce. The workforce will be contracted from 362 full-time personnel in Fiscal Year 2011-2012 to 347 full-time personnel in Fiscal Year 2012-2013, a reduction of 4.14%. This reduction affects almost every department in the City; however, it has the largest impact on the Economic Development Office. The proposed budget recommends the elimination of this office effective October 1, 2012. I have also proposed a 15% across-the-board healthcare premium cost sharing arrangement for all employees. In order for this recommendation to be fully implemented, we must successfully complete the collective bargaining process for all three (3) unions. In addition to the above impacts on our workforce, the budget was built without consideration for COLA raises in Fiscal Year 2012-2013 for any employee classification. The proposed budget does honor the contractual step increases in the FOP and IBEW contracts.

The capital budget has also received significant scrutiny as we have progressed through the budget process. A number of General Fund Capital Purchases and Projects have been deferred or eliminated from consideration for this budget due to financial constraints in the General Fund. The Utility Capital Investment Purchases and Projects have generally remained intact and on schedule.

Specific attention has been paid to long-term forecasting with respect to all of our funds (general, water/sewer & electric). Difficult decisions will be required to address significant structural problems related to future budgets in all of these funds. These decisions will include, but not be limited to, new revenue sources, increases in current revenue sources, further reductions in cost centers, revisions to capital plans, and the sale of assets.

All of the above efforts combined have allowed us to close the projected budget gap from $3.4 million dollars to $801,700. The recommendation to close this gap and balance the Fiscal Year 2012-2013 is as follows:

1) *Increase 90-gallon In-City Trash Fee from $11.70 per month to $17.00 per month (a 45.30% increase). All other In-City service categories will be prorated based on the $17.00 per month rate. This increase yields $487,100 in additional revenue.*

2) Increase the Tax Rate by $0.01 (a 3.00% increase). This increase yields $314,600 in additional tax revenue.

On a positive note, the Electric Cost of Service Analysis is almost complete. The preliminary results of this analysis indicate we will exceed our projected 8.5% overall cost of service reduction. Greater details of this analysis will be provided by Burns & McDonnell upon completion of the analysis.

If these recommendations are adopted as proposed, the Fiscal Year 2012-2013 Operating Budget is balanced as required. I appreciate your consideration of these recommendations and the potential impacts of all of the decisions necessary to present a balanced budget. I believe everyone involved in this process has put forth their best effort to balance the needs of our citizens, rate payers and employees. I am looking forward to the opportunity to present this document in detail at the budget hearings.

Scott D. Koenig, P.E.
City Manager

Mr. Koenig reviewed a presentation entitled "City of Dover General Fund - Recap of Last Year" ***(Exhibit #3)*** which he stated was developed to provide members an idea of how the City's budget has progressed since the development of the FY12 draft budget and provided a "backdrop" of where the City was in developing the FY13 budget.

Mr. Koenig reviewed a presentation entitled "City of Dover Fiscal Year 2013 Proposed Budget: Highlights of Overall Budget" which included information on Financial Policies, considerations that were Applicable to All Funds, General Fund Factors, Property Taxes, Sanitation Operations, Economic Development, Parks and Recreation, Sale of Current Library or Weyandt Hall, General Fund Projected Debt Service, General Fund - Long Term Forecast, Water/Wastewater Fund, and Electric Fund.

With regard to Financial Policies, Mr. Koenig explained that a change was recommended in the transfer policy for the utilities from a percentage of revenue to a fixed dollar amount. He explained that transferring 8% of total revenue in the Electric Fund (in accordance with the current policy) would have created a gap of approximately $700,000 in the General Fund, which would have created a number of problems in developing the General Fund budget.

Referring to budget measures that would be Applicable to All Funds, Mr. Koenig advised members that the FY13 budget includes a proposed cost-sharing arrangement whereby all active employees would contribute 15% of the cost of health care premiums effective July 1, 2012. He stated that currently employees make no contribution for individual coverage and pay approximately 15.34% for family coverage, 8.75% for employee and child coverage, and 13% for employee and spouse coverage. Mr. Koenig indicated that the impact of this change on employees would vary depending on the type of coverage and plan selected. He emphasized that this was a proposal that was subject

to the collective bargaining processes for the FOP, IBEW, and IUE-CWA union groups and would have a large effect on the General Fund in the present and future.

Mr. Koenig stated that bonus payments for interim directors/supervisors were proposed for three (3) months of the budget year as he hoped to have permanent directors/supervisors in these positions by October 1, 2012.

Mr. Koenig explained that all vacation sell-back and retirement payouts were removed from the department/division budgets and the estimated cost was transferred to a fund expense, which more accurately reflects how departments are budgeting for existing staff. He noted that in the past, departments included this cost in the budget and if it remained unused, it became part of the perceived baseline of that budget. Mr. Koenig explained that making it a fund expense allows staff to pool the money and budget based on the history of use, with consideration of employees who will actually retire. He noted that this would create additional savings in each fund.

In reviewing Sanitation Operations, Mr. Koenig advised members that one of the principal proposals for additional revenue in the draft proposed budget related to sanitation fees. He explained that initially sanitation was a pure General Fund expense and, over time, a fee was adopted that progressed from $5.00 per month, to $5.35, and ultimately to $11.70. Mr. Koenig proposed that the fee be increased to $17.00, which he stated would cover a majority of operating expenses and some capital expenses associated with the Sanitation Operation. He explained that the revenue projection for FY13 (Column #3), including the proposed fee increase, was $2,537,100, and expenses (including personnel, supplies, administrative expenditures, disposal fees at the landfill, overhead charges, and depreciation expenses) were estimated at $2,665,500. Under this proposal, the City would operate at a deficit of approximately$128,400. Mr. Koenig indicated that, after discussing this matter with Mrs. Mitchell, he would like to gravitate this service toward an enterprise fund; however, this would require additional accounting and place additional burdens on the Finance Department. For this reason, he indicated that the current plan was to gravitate toward cost recovery and consider an enterprise fund as an option for the future.

Responding to Mrs. Williams, Mr. Koenig stated that the out-of-City rate was kept constant at $42.75 because other trash providers in the area offer this service at approximately $25 to $28 per month and the amount of associated revenue is relatively small. He noted that, in the past year, the City has divested all customers that were not on the City's electric system and continues to provide service to approximately 150-200 out-of-City customers. Mr. Koenig stated that the out-of-City annualized revenue was approximately $10,000 and if service to these customers were eliminated, expenses for providing the service would only decrease by approximately $5,000 since these customers are paying a relatively high premium for the service. He indicated that typically neither additional personnel nor overtime are needed to serve these customers; therefore, eliminating the service (which is expected in time) would not significantly reduce expenses.

In response to Mrs. Williams, Mr. Koenig stated that if the entire sanitation operation were subcontracted, the City's expenses would be roughly unchanged. He explained that Kent County charges $4 per pick-up (per week) at each address and the County has significant sanitation restrictions. The City has many more vacant houses due to rentals, people disposing of large

amounts of material, yard debris, and outside the container set-outs than the County. He felt that a contract, if negotiated, would likely cost more than $4 per pick-up. In addition, he noted that if sanitation were contracted, the City would lose approximately 40% of its ability to plow snow because sanitation operators perform snow removal. The City would also have to find a way to provide special services, such as downtown trash pick-up and pick-up for special events (e.g., Dover Days). Mr. Koenig indicated that these functions could be contracted; however, this would represent a major change to City services.

Responding to Mrs. Williams, Mr. Koenig stated that if Council did not approve the proposed trash rate increase, other options for raising revenue would be raising the tax rate, cutting City-wide operations, or some combination of these alternatives. Because the number of personnel in the Sanitation Department was reduced from 13 to 11, additional cuts could not be made if the current level of service were to be maintained. He stated that sanitation is regarded as one of the City's high-quality services.

With regard to the City's Economic Development Office (EDO), Mr. Koenig explained that the budget was developed with the intention of eliminating this Office as of September 30, 2012; therefore, personnel and administrative costs were included for a three (3) month time period only. He suggested that current Economic Development Office personnel be laid off on October 1, 2012 if they have not secured alternative employment prior to that date. The budget was prepared assuming that the City would make a $60,000 contribution to the Downtown Dover Partnership (DDP) after October 1, 2012 (based on an annualized allocation of $80,000) to be used to address operations for the remainder of FY13. In addition, he noted that $35,000 was reserved in the budget to pursue other economic development options and he suggested that Council consider utilizing the Kent County Economic Development Office and the Kent County Economic Partnership to provide economic development services for the City.

Mr. Koenig stated that, as of May 22, 2012, the DDP had requested a contribution of $235,750 for FY13. He advised members that the Business Improvement District (BID) tax typically amounts to approximately $51,000 per year.

In response to Mrs. Williams, Mr. Koenig stated that the DDP receives parking revenue, revenue from DDP-owned properties, and other revenues; however, the main source of revenue from the City of Dover is the BID tax. His proposal was to budget $80,000 per year in the future, $51,000 of which would come from BID tax and $29,000 from general revenue.

Responding to Mrs. Williams, Mr. Koenig explained that the DDP was initially supported through seed money from the City and had received additional seed money from the City on a short-term basis throughout their history. DDP funds were increased through the sale and transfer of property. The Main Street Corporation, which was previously a stand-alone corporation, traditionally received revenues from the BID tax (roughly $50,000), which was the main source of revenue. The Parking Authority received revenue from parking fees, and these funds were used for parking lot maintenance. These three (3) entities had different funding streams. Mr. Koenig stated that the City does not transfer BID tax income to the DDP; however, BID tax revenues are used to offset the cost

of the Economic Development Office. Parking fees go directly to the DDP and additional revenue incoms, grants, etc., are associated with their operations.

In response to Mr. Hare, Mr. Koenig stated that at one time parking fees were as much $80,000 and are currently estimated to range from approximately $30,000 to $40,000.

Responding to Mrs. Williams, Mr. Koenig stated that these operations were self-sustaining prior to the hiring of staff; however, their activity level (in terms of obtaining grants and performing high-profile projects) was not the same as the current level. He noted that the Economic Development Office receives rental income from some properties and has generated grants which are covering capital projects but not operational funds.

In relation to Parks and Recreation, Mr. Koenig advised members that, from a programming standpoint, staff felt that the White Oak Park facility could be closed. He indicated that no savings were reflected in the FY13 proposed budget because this was only a proposal at this point.

Noting that more non-residents use the Pitts Center for open gym than residents, Mr. Hare questioned whether staff had considered charging non-residents for this service. Mr. Koenig stated that this was considered at the staff level; however, specific recommendations had not been made in the budget document regarding cost recovery on specific recreational programs or setting the fees related to recreational programs because the amount of revenue would be relatively small compared to the budget gaps; however, this could be something that could be implemented during FY13.

In response to Mr. Leary, Mr. Koenig stated that brief discussions had been held with the Boys and Girls Club to determine if they had an interest in the building; however, at this point no Request for Proposals (RFP) had been issued to determine if there was interest from non-profit groups. It was believed that staff could be transferred to the Pitts Center without reducing the level of service for recreation. He noted that the building was nearing the end of its life and needed repairs, including a roof, and if it were not used, the City would ultimately have to demolish it and build something in its place, such as an expanded playground or park attribute. He felt that upgrades would be needed to keep the building in operation and that these would require significant funds in upcoming budgets.

Responding to Mrs. Williams, Mr. Koenig stated that if staff were relocated within the first quarter of FY13, a decision must be made within the following six (6) months as to whether someone else would maintain the facility or if the City would demolish it, due to the possibility of deterioration, vandalization, or risk of habitation by drug dealers.

In reviewing considerations regarding the Sale of the Current Library or Weyandt Hall, Mr. Koenig advised members that the State of Delaware informed the City that the proposed purchase and refurbishment of the existing library did not meet State budget guidelines and did not "make the cut" in the Governor's proposal to the General Assembly. Staff consulted a local senator who was working on the Bond Bill to request reconsideration; however, the proposed State purchase of the facility was "up in the air." Consequently, Mr. Koenig stated that he and Mrs. Mitchell held discussions about whether the library or Weyandt Hall was best suited to meet the needs of the City

in the long term and concluded that the best alternative was to sell the library. (Mr. Koenig noted that if renovations to Weyandt Hall were made, they would be charged against the Electric Asset Fund since Weyandt Hall is an asset of the Electric Utility, not the General Fund.) Mr. Koenig felt that if an agreement were not obtained in the upcoming Bond Bill or the new State budget effective July 1, 2012, the City should pursue the library sale on its own in order to remove this property from City books so that debt associated with short-term borrowing could be paid down.

Responding to Mr. Hare, Mr. Koenig stated that the appraisal for the old library was in excess of $1.3M, including the old library, the Carriage House, and one (1) row of parking.

In response to Mrs. Williams, Mr. Koenig affirmed that the old library was in adequate condition for sale.

Mrs. Mitchell reviewed the Computation of Legal Debt Limit, advising members that the projected debt limit for FY13 was $157,267,000 against the assessed value of approximately $3.1B. The debt limit per the City's Charter was $6,425,000 (4.26%). She stated that the City was within the debt limit of 5% as required by the Charter; however, that the estimated debt applicable to the limit of $6,425,000 included the Garrison Farm improvements. If the City does not pay down the $1.2M that was planned to be paid through the sale of the library, the City would exceed the debt limit, as debt would be calculated at 5.1%. She indicated that the library must be sold in order to proceed with upgrading the infrastructure at the Garrison Farm.

In reviewing the General Fund Projected Debt Service, Mr. Koenig noted that the figures listed the net debt service from FY13 to FY33, with the highest year being 2014 at $668,000, followed by deceleration over the remaining years of the planning horizon. He noted that these amounts reflected a significant amount of debt for the General Fund in excess of $500,000 for the next four (4) to five (5) years.

In evaluating the information that was provided, Mrs. Williams stated she was troubled by the proposed policy change for the transfer from the Electric Fund to the General Fund because she recalled a time when the amount was 3%, then 4%, etc., and that each year the percentage increased. She felt the City was taking apart the savings fund that was carefully built years ago when the City contracted with Duke Energy. She felt that if the City were to go to a fixed monetary transfer figure of $8M, this approach would be solidified from policy to practice, then to preferred practice, and she believed this was not a preferred practice that the City could adhere to if the desire was to maintain solvency.

Mr. Koenig stated that this was a "baited" issue because of recent discussions by the Governor regarding electric rates and transfers to the General Fund, as well as questions regarding how to fund municipal services. He noted that in FY11, Council authorized a transfer of approximately $8.8M. In FY12, as part of the budget discussion, Mrs. Mitchell requested that Council adopt an 8% transfer fee based on her discussion of past practice and after talking to the bonding companies.

Responding to Mrs. Williams, Mr. Koenig stated that there has been a cost reduction resulting from the City's hedged power purchases, causing a projection of decreased revenue for FY13. He noted

that the 8% policy resulted in a decrease in the transfer from $8.8M in FY11 to $7.83M in FY12. If the 8% transfer policy were maintained, it would have yielded a transfer of $7.1M for FY13; therefore, all of the work done to cut costs in the General Fund, including staff cuts, health coverage cost-sharing, etc., would have evaporated. For this reason, three (3) to four (4) weeks ago, Mrs. Mitchell sent out a memo regarding a trial of the 8% transfer and the flat transfer recommendation.

Mrs. Williams was concerned that repeated withdrawals of $8M would deplete the fund, noting that the financial forecast reflected an $8M transfer for the five (5) year plan.

In response to Mrs. Williams, Mrs. Mitchell stated that the electric fund transfer is taken out of current revenue each year and is, therefore, operating income rather than a reserve fund. She indicated that the General Fund transfer is considered an expense in the Electric Revenue Fund. She noted that electric rates are based on expenses and the transfer is considered an expense that is built into the rates to recover the cost of service.

Responding to Mrs. Williams, Mrs. Mitchell explained that the City plans to maintain the $8M transfer for five (5) years and that customer electric rates will be reduced because the cost of the power supply has decreased. In addition, she noted that when the previous transfer was made at $8.8M, this was outside of City policy. The former City Manager recommended increasing the percentage to 9% (above policy) which was approved by Council. In FY12, it was returned to 8%, which was the percentage in effect prior to termination of the City's agreement with Duke Energy. When the City's fixed price agreement with Duke terminated, the City entered the real market. At the time, to keep the cost revenue neutral, the transfer was set at 6.5% so that ratepayers would not be charged for the increase, and the General Fund was in good condition. The policy change was made last year to return to the previous level of 8%.

In response to Mrs. Williams, Mrs. Mitchell stated that at this time the City is underwriting the General Fund by $8M.

Mr. Leary reiterated that this transfer is made from current revenue (profit), rather than a reserve fund that would be depleted.

Responding to Mr. Hare, Mrs. Mitchell stated that the transfer of $8.8M two (2) years ago was made in order to balance the General Fund budget. Mr. Koenig stated his belief that the reason for the increase to $8.8M was to not to pay for the new library but to pay general operation expenses for the City because the City's portion of the library expense was related to the asset reserves.

Mr. Hare felt that the $25M reserve fund was financed by the ratepayers of the City over the years as a contingency fund to use when needed and felt that the City now had a situation where some of it might be needed.

Mr. Leary stated that the purpose of the depreciation reserve fund was to replace assets and to partially or completely finance projects, such as the Cartanza Substation, and the future capacity reserve fund is to add capacity to the system, such as financing growth projects related to the plant.

Mr. Hutchison inquired about the amount of interest earned from the $25M reserve fund per year, and Mrs. Mitchell stated she would provide this information.

Responding to Mrs. Williams, Mrs. Mitchell stated that the City has raised electric rates, taxes, and trash fees in order to finance services provided by the City, and that the largest amount of money comes from ratepayers, because even in the General Fund there is more revenue from fee sources and fund transfers than from property taxes.

SUMMARIES OF FUND REVENUE AND EXPENSES

Mrs. Donna Mitchell reviewed the FY 2013 All Funds Summary - Fiscal 2013 Draft Budget including all budget balances, reserves, the operating revenues, transfers in, expenses and transfers out, and ending budget balances. She noted that balances were within the policy and that all revenues equal or exceed expenses. Mrs. Mitchell stated that the Rate Stabilization Reserves were used to help mitigate rate reductions in the Electric Fund. She advised members that the Rate Stabilization Reserve reflected a $5M expense/transfer out and the Future Capacity Reserve a $550,000 expense/transfer out (a capacity upgrade planned for the Van Sant generator). She noted additions in the Depreciation and Future Capacity Reserves in the amounts of $151,000 and $140,000, respectively, which was the interest on those two (2) reserves.

Responding to Mrs. Williams, Mrs. Mitchell stated that $153,800 in interest was added to the Rate Stabilization Reserve. The beginning balance of $10M reflected a proposed transfer of $5M to this fund in the revised FY12 budget to fund a rate decrease in FY13. She noted that the $10M was not in the account at the current time, but would be transferred if Council approved the revised FY12 budget. It was projected that the rate reduction would create an overall revenue decrease of 12%. Mrs. Mitchell cautioned that this was an estimate and anticipated further information from a consultant on May 29, 2012.

In reviewing the General Fund Cash Receipt Summary, Mrs. Mitchell noted that information provided in the central column, labeled 3/26/2012, reflected preliminary budget information reviewed by Council during their March 26, 2012 Financial Retreat. The column labeled 5/1/2012 included updated information proposed in the draft FY13 budget and included revenues received following the March Retreat. She noted that the figures proposed in March for General Fund Receipts totaled $34,218,300; however, the figures in the current draft FY13 budget were adjusted to $35,503,500, which included a trash fee increase, tax fee increase, and additional funds for School Resource Officers. Mrs. Mitchell advised members that revenue forecasts were examined by each department and all projected increases were provided.

Responding to Mr. Hare, Mrs. Mitchell explained that the amount the City charges for extra duty police officers covers labor and benefits but not overhead such as billing, collections, and accounting. Some of the grants used for extra duty officers do not completely cover benefits; therefore, the charges listed for benefits may be slightly more than what the City pays for benefits in order to cover the amounts that the grants do not pay. She noted that increasing the fees to cover the overhead costs was discussed during the Financial Retreat but required further research. She noted that such a change would potentially cause a 30% cost increase for one (1) customer who

currently permits the City to perform training on their site. It was felt that this customer might assess the City a fee for this service if their cost for extra duty officers was increased.

In reviewing the General Fund Expense Summary, Mrs. Mitchell indicated that departmental totals for expenses were projected at $28,753,500 in March and in May were $28,515,900; total expenditures were $35,998,400 in March versus $35,330,700 in May. The budget balance was projected at $974,200 in March and in May was $2,839,400, which was at the policy limit.

In response to Mr. Hare, Mrs. Mitchell stated that the Capital School District pays the City approximately $100,000, which covers the expense of one (1) School Resource Officer, and the second officer is being financed by the City at a cost of $100,000.

Mrs. Mitchell stated that the amount for vacation sell-back and retirement lump-sum payout included under other employment expenses was estimated at $624,000 in March but was now reduced to $463,400 based on actual experience. She noted that some retirements projected for FY13 occurred prior to June 30, 2012, with payment from FY12 funds.

Mrs. Mitchell stated that the Governmental Capital Projects Fund Summary showed revenues of approximately $3M in March compared to $5,257,200 currently, which included $2M extra for Garrison Farm upgrades. She reminded members that Council approved up to $6M for this project: $2M from the General Fund, $2M from the Water Fund, and $2M from the Wastewater Fund, all of which were very preliminary numbers. She noted that staff believed that less than $2M would be required from the General Fund; however, this amount was included as a placeholder until details were determined.

Mrs. Mitchell stated that there was not much change in Water/Wastewater Fund Summary since March, noting that revenues were projected at $13,925,950 in March and at $13,997,000 in the proposed budget. She indicated that significant growth was not projected in either the Electric or Water/Wastewater funds. She noted that the Water/Wastewater and Electric Fund budgets include an amendment for FY12. Mrs. Mitchell stated that the Revised 2011/12 column reflected a transfer to the Water Improvement and Extension fund (increased by $2M from the original budget) and a transfer to the Wastewater Improvement and Extension Fund (increased by $1M). She indicated that these transfers would help with the brown water issue and inflow and infiltration projects. Since rate increases were implemented for the projected debt service and the timing of the projects was delayed, the City has not had to issue a lot of the debt service. This has allowed the City to roll funds into the cost of the projects, rather than using the funds to cover the debt service.

Responding to Mrs. Williams, Mrs. Mitchell stated that the funds have been accumulated as a result of the cost of the power supply decreasing and this trend is not expected to continue.

Mrs. Mitchell stated that Water/Wastewater Improvement and Extension Fund had a $5,225,000 revenue projection in March and that figure was adjusted to $7,575,000 in May due to $4M in bond issue due to the Garrison Project. Expenses changed from $5,590,700 to $9,379,800, which was also attributed to the Garrison Project.

Mrs. Mitchell emphasized that the Electric Revenue Fund budget would change when the figures were received from the rate consultant. The March revenues for the Electric Fund were $94,029,900 and in May were projected at $91,631,300; however, Mrs. Mitchell indicated that the power cost adjustment of $8.2M would be closer to $11M when the rate study results were received.

Responding to Mrs. Williams, Mrs. Mitchell stated that the purchase power adjustment would continue to increase beyond 36.7%; however, she stated that ultimately the City would zero out the purchase power cost adjustment because it would be included in the rate; therefore, the sales to customer amount would decrease by approximately $11M. Mrs. Mitchell stated that the expenses for the operating fund budget were $96,034,550 in March and in May were $90,983,200, with a budget balance of $7.8M. She indicated that the FY 2011/12 approved budget balance of $12,375,188 reflected funds that accumulated over the past couple of years from the decreased cost of the power supply, and that was where $5M was obtained for the FY12 budget amendment which placed these funds in the Rate Stabilization Reserve to be used in the rate study.

Mrs. Mitchell stated that in March the Electric Improvement and Extension Fund reflected revenues of $4,070,500 and in May the figure was $4,090,700, due to interest charges. She noted that the transfer from the Electric Fund was reduced from the previous amount of $4,050,000 to $3.5M, which has been the City's historical trend, and the $550,000 needed for the Van San generator was taken from the future capacity reserve. Project expenses were $4,385,300 in March and were currently at $3,970,000. She noted that staff reviewed all Capital Improvement Projects (CIPs) and tried to remove projects that they felt could be removed in order to keep that amount low and reduce the amount needed for transfer from the Electric Fund.

PERSONNEL INFORMATION

Mr. Koenig reviewed the Personnel Information section of the Proposed Budget. He noted that the City consists of not only projects and physical assets but also employees. He stated that the City is heavily invested in employee expenses that are necessary for delivery of service. Referring to the City of Dover Fiscal Year 2013 Proposed Budget - Personnel Table, Mr. Koenig noted that the FY2010-2011 budget included 369 full-time positions and the proposed FY13 budget included 346 full-time personnel. The largest drop occurred in the General Fund which decreased from 283 in FY11 to 279 in FY12, and 266 full-time positions were proposed for FY13.

Referring to The Summary of Departmental Expenses by Fund, Mrs. Williams questioned why, with a reduction in force of 15 full-time employees in FY13, the budget reflected an increase of $2,483 per employee for average wages, overtime, and benefits. She stated that wages have increased by $589 per employee, in spite of the fact that the majority of employees received no wage increase in FY12.

Mrs. Mitchell stated that employees of the Fraternal Order of Police (FOP) received an increase as a result of arbitration and noted that, due to attrition, average wages earned were now being divided among fewer employees. The raise was received only by police officers; however, attrition was across the board and this would have impacted employee expenses.

Mr. Koenig explained that from FY12 to FY13, the General Fund personnel decreased from 279 to 266, the Electric Fund from 47 to 45, and the Water/Wastewater Fund staff has remained stable at 36 for both years. The total number of full-time and part-time personnel in FY12 was 397, the number proposed for FY13 was 383.

Mr. Koenig reviewed a table listing personnel changes that occurred over the past year and positions that were removed from the budget, including a number at the department head level. He stated that the Senior City Administrator, the Central Services Director, and Parks and Recreation Director positions were not budgeted, and a number of other higher-level position and labor-grade positions were eliminated as they became open. He indicated that as positions become open, they are being reviewed to determine if they meet the City's current needs; for example, Water Serviceman and Heavy Equipment Operator vacancies were downgraded to Equipment Operator positions so that staff could focus on the maintenance aspect of the Water and Sewer Utility.

Referring to the City of Dover Projected Personnel Budget, Fiscal Year 2013 - Total City by Fund, Mr. Koenig stated that the City would spend an estimated $28.95M on personnel-related expenses to accommodate full-time and part-time help and that the City is dependent upon its employees to deliver services. He reminded members that the past year has been difficult for employees. Positions have been consolidated or eliminated, a proposal was included in the draft budget to eliminate an entire office, difficult labor negotiations were being conducted, cost-sharing for health care has been proposed, and all of these factors have had varying effects on the labor force, some positive, some innocuous, and some very negative in the employees' eyes. A number of priorities were being balanced as the City moves forward; and Mr. Koenig expressed the need for all parties to "meet in the middle." He stated that if rate and fee increases are implemented, the City should demonstrate that attempts have been made to cut costs where appropriate and to manage the organization in areas where residents have criticized the level of salaries or number of employees. He stated that, while the proposed FY13 budget was not a perfect plan, it demonstrated that the employees were trying to do the best they could to meet the service levels that Council is requesting. Mr. Koenig stated that each decision made now has a face to it, and some employees have expressed hostility, anger, and frustration. Mr. Koenig stated his hope that there would be understanding, although possibly not agreement, from the employee groups about the City's position in going forward with the budget.

Responding to Mr. Hare, Mr. Koenig stated that disallowing overtime pay for those who work less than a 40-hour week (due to vacation or other leave taken during the course of the week) has been discussed during labor negotiations and this matter has yet to be determined. He stated that overtime costs in some areas are substantial; however, in many divisions there is not a great deal of overtime. He felt that the only true way to cut significant costs was to discontinue a service or reduce the number of employees, since the cost of the benefit load and hourly rate are significant. He noted that $50,000 in overtime savings barely covers the cost of one (1) Equipment Operator plus benefits.

Mr. Hare suggested that smaller savings of $10,000, $20,000, $30,000, etc., can add up to substantial savings and if $50,000 could be saved in actual hours worked over 40 hours, this would assist in reducing spending and saving citizens money. Mr. Koenig acknowledged that all potential savings were "on the table" and open for discussion. He advised members that an analysis of overtime was

included in the document titled City of Dover Overtime Trends - Fiscal Year 2010 Through 2013. He indicated that City-wide, approximately $917,000 was estimated for overtime costs, which he believed was included in the personnel costs of $29M. He concurred with Mr. Hare that ultimately managing time and schedules was necessary to control costs.

Responding to Mrs. Williams, Mr. Koenig stated that attrition has had an effect on overtime; however, this effect has not been quantified and varied by department.

Noting the variance reflected between actual and budgeted overtime in Systems Operations (176.7%), Transmission/Distribution (93.8%), and Construction and Maintenance (158.4%), Mrs. Williams questioned whether these variances were the result of new supervisors, rescheduling, or vacant positions. Mr. Koenig stated that some overtime was project-driven and created by the need to meet deadlines. However, he felt that these variances could be the result of a budgeting issue and that the City may not have budgeted according to historical averages, noting that only $4,500 was budgeted in FY12 for Construction and Maintenance; however, $19,362 was spent in 2010, $10,462 in 2011, and $7,128 thus far in FY12.

Mrs. Mitchell stated that she found that in previous budgets department heads were encouraged to reduce the overtime line item but would then come in over budget because of work demands. She indicated that, in the draft budget, she attempted to make the overtime match the trends; therefore, overtime was increased from prior years.

Mr. Koenig stated that in the past, departments that generate overtime were asked to reduce overtime expenses; however, they budgeted for being fully staffed or at 98%. Positions that became vacant were not filled until they were paid out (in the case of a retirement). This meant that the overtime expense was there, but when you looked at the salaries and benefits in total, the departments were within the budget. He explained that department managers consider the total summation of the salaries and benefits line item when they look at personnel expenses.

Mr. Hutchison stated that in the past the City participated in the Police Prosecution Program at the Justice of the Peace Court and suggested that strong consideration be given to becoming involved again as he felt this would reduce court overtime at the Police Department. Responding to Mrs. Williams, he explained that under this program, the Department could be represented by one (1) to two (2) officers who could plea bargain for 50-100 traffic offenses through J.P. Court 7, rather than handling these offenses through the Court of Common Pleas.

Responding to Mr. Hare, Mr. Koenig stated that staff had discussed the possibility of scheduling Electric crews to work Sunday through Thursday and Tuesday through Saturday rather than having two (2) crews working on the weekend, but the details of how this would work had not been determined. He noted that much of the weekend work was scheduled to reduce inconvenience to business customers to avoid having to cut their power during the weekdays.

Mr. Koenig stated that it was not his intent to review each department's budget by line item as was done previously, unless there were specific requests to do so. He stated that his intent for the following night was to review the financial models for the General Fund, Water/Sewer Fund, and

Electric Fund and then present an overview of the Capital Improvement Program (CIP) and provide members with some of the preliminary results of the cost-of-service analysis that would affect electric rates. He encouraged members to call or email any questions so that detailed answers could be provided.

Without objection, Council President Leary indicated that the Budget Review would continue on the following evening, May 23, 2012, at 6:00 p.m. with a consideration of the Financial Forecast by Fund.

Meeting recessed at 7:55.

WEDNESDAY, MAY 23, 2012 - 6:00 P.M.

The Special Council Meeting reconvened on Wednesday, May 23, 2012 at 6:00 p.m. with Council President Leary presiding. Council members present were Mr. Anderson, Mrs. Russell, Mr. Lynn, Mr. Perza, Mrs. Williams, Mr. Hare, and Mr. Hutchison. Mr. Bonar was absent.

Council staff members present were Mr. Koenig, Mrs. Mitchell, and Mrs. McDowell. Mayor Carey was also present.

MISCELLANEOUS INFORMATION

Based on the previous discussion and requests, staff provided members with additional documents, as follows: 1) Electric Fund Transfers ***(Exhibit #4)***; 2) Updated Fiscal 2013 DRAFT Capital Investment Plan - FY13 - FY17 Projects by Department and Funding Source Summary, dated Wednesday, May 23, 2012 ***(Exhibit #5)***; and 3) Updated Information Technology Fiscal Year 2013 Organization Chart and Departmental Budget ***(Exhibit #6)***.

FINANCIAL FORECAST BY FUND

Mrs. Mitchell reviewed a presentation entitled "City of Dover General Fund Updated Financial Projections - 2013-2017." She noted that the fixed amounts for General Fund Transfers were stated on Page 2 of the presentation as $8.5M; however, this amount should be corrected to $8M. In reviewing the City of Dover Financial Summary By Account on Page 3 of the Presentation, Mrs. Mitchell explained that expenditures exceeded revenues by more than $2M in the projections for FY14 - FY17 and subsequent years. The deficit for FY13 was projected at approximately $2.2M and Mrs. Mitchell stated that a tax increase of approximately a $.07 would be necessary to achieve a positive balance and this increase would carry the City through the next five (5) years, with the exception of a possible shortfall during a portion of the final year.

Mrs. Williams stated that, according to her calculations, since 2001, the City had transferred $77,906,000 from the Electric Fund into the General Fund, and she felt that this reflected an over-expenditure on the part of the City. Responding, Mr. Koenig stated that if the City did not have the Electric Utility, an additional $72M in revenue would have been required in the General Fund in order to provide the level of services that was enjoyed during the previous ten years. This could only have been accomplished through fee or tax increases, deferred purchases, or service cuts.

Mrs. Williams emphasized that when the outyears are considered, the General Fund should not be viewed as a fund that could be constantly remedied by the Electric Fund.

Mr. Leary stated that the purpose of establishing the Electric Department nearly a century ago was to augment property tax, and he felt that this goal was being accomplished.

Mr. Hare concurred that the Electric Utility was initiated to augment property tax revenues and to assist in balancing the budget. He felt that $800,000 from this fund could be used toward this effort and no taxes and fees would have to be raised.

Mr. Anderson questioned why Mr. Koenig recommended changing the percentage formula (currently 8%) used to calculate the annual Electric Fund transfer to the General Fund to a stagnant level of $8M regardless of inflation or cost. Responding, Mr. Koenig explained that as the City's hedge costs (cost of purchased power) were decreasing, income from customer sales was declining over the planning horizon. If the transfer were set at a percentage of that revenue, the transfer into the General Fund would decline, and the General Fund was the area where the City was experiencing instability. At 8% of total revenue, the $8M transfer would have amounted to approximately $7.1M, which would have "blown a $700,000 to $900,000 hole" in the General Fund; therefore, Council would be considering a deficit of approximately $1.5M rather than the current $800,000. He stated that Council would have to make a decision as to whether they agreed with the methodology or not, and make adjustments to the budget accordingly. He noted that, when making these decisions, Council must consider the City's bond counsel, bondholders, ratepayers, and taxpayers in balancing the budget. Mr. Koenig felt that all decisions were tied together and not one can be made in a vacuum because there are reactions in the financial system to every decision that must be made before the budget is adopted.

Mr. Anderson questioned whether property transfer taxes would remain level over the next five (5) years. Mrs. Mitchell stated that the projections were increased in FY13 based on one-time, non-recurring receipts that the City has been receiving each year but were kept level in the outyears. She noted that, based on the Tax Assessor's input, there has not been much growth or turnover in real estate.

Responding to Mrs. Williams, Mr. Koenig stated that discussions were held with the Governor's Office and the City's legislative contingent, who were informed that restoring Payment in Lieu of Taxes (PILOT) or Municipal Street Aid payments to FY08 or FY09 levels (approximately $150,000 for PILOT and $200,000 for Municipal Street Aid) would provide relief to the City's General Fund, and specific numbers were provided in this regard. He indicated that if any commitments were obtained, this would not occur until June 30, 2012 with the adoption of the State budget.

Mrs. Mitchell reviewed a presentation entitled "City of Dover Water and Wastewater Fund Updated Financial Projections 2013-2017." In reviewing Net Margins (Page 3), Mrs. Mitchell stated that cash flow from operations would be $3,992,800, which were funds that would be removed for projects, principal on the debt service, and reserve contributions needed. She noted that the bottom line on the chart showed a difference of $99,200, which was the cash that would remain after paying

those items. She stated that staff tries to keep a positive cash amount and ensures that the debt covenant is met.

Mrs. Mitchell explained that the Projected Debt Service listed on Page 7 included an additional $2M which was added to each fund for FY13 for infrastructure upgrades at the Garrison Tract associated with the Calpine project.

Mr. Anderson complimented staff on their work preparing the budget, noting that he had reviewed many budgets from the City over the past twenty years and this budget was very professional and easy to understand.

In response to Mr. Anderson, Mrs. Mitchell stated that current revenues for the Calpine project covered the debt service and a 2% increase was added to the projection for FY15 to cover increased costs. She explained that the models were slightly pessimistic because they include costs (which would not be incurred if the project does not occur) but no revenue assumptions (such as property taxes and water charges) since these would not be built into any of the models until these amounts could be forecasted.

For clarification, Mr. Koenig stated that Calpine would be seeking a building permit on approximately January 1, 2013, and the City would begin construction of these projects at around the same time in order to complete the projects and pay the contractors by June 2015, when energy would be produced to the grid. The City's sales to Calpine were not included as revenue at this point because the amounts were unknown; however, the figures for the debt were known. If construction were to be delayed, revenue may not be received until FY16.

Mrs. Mitchell stated that Calpine was waiting for their air permit (expected in July or August), which was the last foreseeable hurdle. She indicated that Calpine had "cleared" the PJM auction.

Mr. Anderson expressed his feeling that this project might affect the forecasted outyear shortfalls.

Responding to Mrs. Williams, Mr. Koenig indicated that revenue projections related to expected water use by Calpine were approximately $1.8M annualized.

Mrs. Mitchell reviewed a presentation entitled "City of Dover Electric Revenue Fund - Updated Financial Projections - 2013-2017." Referring to the Net Margins on Page 3, Mrs. Mitchell explained that the Power Cost Adjustment (PCA) credit was included at the top of each column. She noted that the City's current rates are set on the PJM cycle which is a three (3) year cycle, so the FY16 and FY17 were tentative figures only. Mrs. Mitchell explained that the rate consultant was asked to set a three (3) year rate, which would provide one (1) reduced rate for all three (3) years rather than -8.5%, -15.5%, and -17.5%, so the rate would not be adjusted year to year. Referring to the debt service ratio of 2.31 for FY13, she noted that staff tries to maintain a ratio of 2 to 2.5 for the bond rating agencies. She anticipated that the ratio would be close to 1.25 when the forecast was received from the consultant because the Rate Stabilization Reserve was being used to pay back customers due to the lower power supply cost. Mrs. Mitchell was confident that the ratio would increase to approximately 2% in the next year.

Referring to Page 6, Capital Investment Plan 2013-2017, Mrs. Mitchell stated that Mr. Jeremy Johnson, Interim Electric Director, and his crew did a good job of reducing these projects so that a $3.5M transfer could be maintained from the operating fund to lower the rates as much as possible.

Referring to Page 5, Mr. Anderson questioned why PJM credits were projected to decline from $1.285M to $427,000. Mrs. Mitchell stated that she was unsure what caused the decline but stated that should would email members with this information.

Responding to Mr. Anderson regarding the cost of power supply management, Mrs. Mitchell explained that the fees being paid to The Energy Authority (TEA) were less than those previously paid to PACE, and this change was reflected in the cost. The cost of power supply itself decreased from approximately $80 - $90 per MWH to approximately$50 per MWH or less; therefore, a significant amount could be returned to ratepayers. She stated that capacity credits were based on the PJM market, and the auction had cleared approximately $10 higher than projections provided by TEA.

In response to Mr. Leary, Mrs. Mitchell stated that typically, when she explains the rationale for decisions made by the City to rating agencies, she generally receives a positive response. She stated that these agencies do like to see stable policies that are adhered to; therefore, she suggested that if Council opted to adopt a flat $8M transfer policy, that this policy be maintained over the planning horizon.

Responding to Mrs. Williams, Mrs. Mitchell stated that she did not anticipate any change in the City's AA Moody bond rating.

In response to Mr. Perza, Mrs. Mitchell stated that the transfer to the General Fund has always come from the operating fund in her experience; however, if Council chose to take these funds from a reserve account rather than the operating fund, they could do so.

Referring to Page 5, Projected Purchased Power Expenses, Dover Sun Park, Mr. Anderson stated that the Purchased Power Expense for the Dover Sun Park was $1.618M (excluding the credit purchases required), was projected at $1.4M for next year, and would then increase over the next five (5) years. Mrs. Mitchell confirmed that the contract includes an escalator.

Responding to Mr. Hare, Mr. Koenig confirmed that it would cost the City approximately $1.6M in FY12 to purchase power generated in FY12 and the City would recover the kilowatt hours sold at the City's rate. He stated that the contract obligates the City to purchase the energy that the field generates over the next 20 years at a cost of $80,000 per month, and the more power that is produced, the more it will cost the City, unless that power cost drops below the cost to purchase from the grid or another source.

REVIEW OF CAPITAL INVESTMENT PLAN (CIP)

Members reviewed an updated Fiscal 2013 Draft Capital Investment Plan, FY13 - FY17 Projects by Department, dated Wednesday, May 23, 2012 (Exhibit #5). Mr. Koenig stated that Parks and

Recreation projects were the area of greatest change from the FY12 to the FY13 CIP due to their effect on the General Fund. He stated that projects that remained in the plan were basic service improvements. Mr. Koenig noted the Dover Park roof replacement was the only project slated for FY13. If closing of that facility were pursued, the $30,000 allocated would likely be used for demolition. He explained that several projects were allocated to outyears.

Responding to Mr. Leary, Mr. Koenig advised members that staff has a large backlog on pump station rehabilitations, had spent a great deal of time in the last few years advocating for the capital projects, and has structured rates to fund the CIP. He felt it important to continue the momentum on these projects. Mr. Koenig stated that staff had done an excellent job in maintaining the stations; however, they were reaching the end of their service lives, and failure would be expensive and "not pretty." He emphasized that continuous maintenance of the wastewater system would be necessary to keep the City's ratepayers and customers happy, as well as attract new businesses and residential units.

In reviewing water management projects, Mr. Koenig stated that all projects listed would either maintain current capacity at wells, expand capacity at new wells, or regenerate the piping system for the utility. He indicated that these were large projects that require design, permits for drilling, or additional capacity upgrades, so they are multi-year projects with long planning horizons, requiring a great deal of time for engineering and planning side and a great deal of money to construct. Mr. Koenig noted that the engineering and operational staff in the Electric, Water, and Sewer Divisions had done a great job in getting utilities to the current state and planning for future growth. He noted that the budget would not improve unless the City is growing because without new customers and businesses, revenue streams would remain static.

Responding to Mr. Anderson, Mr. Koenig stated that it would take approximately $1M per year for 20 years to resolve the City's brown water problem; however, he noted that operational changes made in regard to flushing and the replacement of approximately two (2) miles of pipe during the past year have assisted in that regard. He noted that the entire system is approximately 200 miles in length. Mr. Koenig stated that the recommended standard would be to replace 1% of a system each year, which would amount to two (2) miles per year at a cost of $1M per mile. Mr. Koenig indicated that the City does not have an aggressive soil, so soil and ground conditions do not "attack" and reduce the life of pipes. Old pipe that has been removed shows that the interior diameter has not been compromised with scale and sediment. The area of the system that has had difficulty is the unlined, cast iron portion of the system, which comprises approximately 50%. Based on pure mileage, it would require 50 years at two (2) miles per year to replace the system. Mr. Koenig emphasized that, from a public health standpoint, the system is better off than a decade ago, but not necessarily from a customer satisfaction standpoint

In regard to Electric Engineering, Mr. Koenig noted that it is expensive to own and maintain a utility, but there is an expected rate of return. The Electric Utility requires a lot of work, investment, and time, but the intent is that the return would be worth the effort. He felt that the City receives a very good return on this investment. He stated that staff does an excellent job of keeping the lights on and responding to outages, noting that the City's objective is to have power, because without it the City is not making money.

Mr. Koenig reviewed the Power Plant CIPs and informed members that all projects would be assessed by the operator at the facility, TEA, staff, and Mrs. Mitchell to determine if the CIP should be changed. He advised members that the plan was subject to change as projects are addressed.

Responding to Mrs. Williams, Mr. Koenig stated that Unit 1 was no longer in operation; however, all units were bid in through the 2015 auction and must be serviced through that horizon, because if called upon, the City must produce through these units. Staff was unsure how long the units would last. He noted that some of the projects included were related to the City's insurance company review, noting that the City was obligated to attend to issues pointed out by insurance company engineers.

In regard to vehicle replacement, Mr. Koenig noted that no replacements were proposed in the Code Enforcement, Facilities, Life Safety, Parks and Recreation, Permitting and Inspections, or Planning Divisions. Six (6) vehicles were proposed for replacement in the Police Department, which was a reduction from the nine (9) that were originally proposed. In the Public Works Department, two (2) vehicles were proposed for the Grounds Division and refurbishment of a truck was requested included in the Sanitation Division. This would involve requesting the vendor to use the original chassis and replace the lifting and capacity mechanisms at a cost of approximately $150,000 versus the cost of $250,000 to purchase a new truck. It would be expected that this would extend the life of the vehicle for five (5) or six (6) more years.

Responding to Mr. Anderson, Mr. Koenig noted that the reason for an increase in vehicle cost of $399,000 in FY 13 to approximately $2M in FY14 was due to deferred vehicle purchases, in some cases because vehicles were not ready for replacement, in others because the CIP did not support a vehicle purchase at this time. He explained that if the trash utility were taken to an enterprise fund, he would suggest targeting $300,000 for vehicles because it costs approximately $250,000 to replace a top-end vehicle. However, he felt that the budget could not accommodate this amount at this time.

Mr. Koenig noted that the purchase of a 2006 Vaccon Jet Vac Truck was allocated 50% to Wastewater Management and 50% to Water Management, with a purchase price of approximately $300,000. He stated that this piece of equipment was critical to the operation of the utility as it cleans sewer lines, vacuums out the excavation area around a water main in the event of a break, and gets to the repair quickly.

Responding to Mr. Perza, Mr. Koenig indicated that the existing truck could be used for jetting the storm sewer system and other operations. If the vehicle became irreparable or beyond use, it would be sold at the highest price possible.

Mr. Koenig noted that the Electric Utility capital purchases budgeted in FY13 for vehicles were relatively small due to previous vehicle purchases and their fleet was in good condition.

After completing the budget presentations, Mr. Koenig stated that he would like to revisit and highlight some of the issues. He again thanked staff who worked a considerable number of hours on the budget. He noted that citizens and ratepayers of the City enjoy a high level and outstanding quality of services, which he attributed to the investment of money, personnel, and time into

managing these systems. Mr. Koenig stated that the preparation of the budget involved difficult choices. He reminded members that revenues were fairly flat and that the proposed budget included a trash fee increase from $11.70 to $17.00, a modest tax increase of $0.01, and cutbacks in capital improvement projects and vehicle purchases, as well as a reduced staff (including a proposal to lay off three (3) employees). He explained that staff has been concerned and upset about reduced staffing (including the proposal to lay off three (3) current staff members, a proposal for 15% health care cost sharing, and no salary increases for non-bargaining employees for two (2) years. Mr. Koenig stated his feeling that these decisions were necessary in order to come to the Budget Review stating that employees and staff had done everything possible to reasonably cut the budget and maintain the current level of services in most areas. The workforce was reduced by 12 employees (in some cases these were department heads) and that work had to be distributed to other employees. He reminded Council that many staff members had taken on additional responsibilities quietly, without compensation, consideration, or accolades. He emphasized that it is the 300 plus workforce that accomplishes the goals of Council, the citizens, and ratepayers.

Mr. Leary expressed his appreciation to staff for the long, arduous process of developing the draft budget.

Responding to Mr. Hare regarding the number of employees who take City vehicles home and reside outside the City, Mrs. Mitchell stated that this list was being prepared; however, she estimated that if on-call employees were excepted, this number was fewer than 10.

In response to Mr. Anderson, Mr. Koenig stated that it would be difficult to quantify the potential loss to the City by the elimination of the Economic Development Office (EDO). He felt that there would be a potential loss of opportunity by no longer having an employee titled Economic Development Director, and that potential contacts would have to be picked up by the Mayor, City Manager, or another employee.

Mr. Anderson commented on the work performed by the EDO, noting that the Downtown Coordinator serves as a liaison to help small businesses, a United States Department of Agriculture (USDA) program has funded business start-up capital through the EDO, and the Economic Development Coordinator is helping to manage millions of dollars in projects. Mr. Anderson expressed his concern that the City could lose millions of dollars in the next phases of some of these programs if the EDO were eliminated.

During the Legislative, Finance, and Administration Committee Meeting held on February 27, 2012, Mr. Koenig presented a Recommendation for Economic Development Office/Downtown Dover Partnership. He stated that he was unable to obtain approval by the Committee for the "soft landing" approach he proposed at that time. For this reason, he felt that he needed to create a "hard line" in the budget to maintain the staff for three (3) months, transfer a portion of money to the Downtown Dover Partnership (DDP) to handle the partnership and Main Street activities, and leave a portion of money to pursue other economic development opportunities. He stated that it is not a perfect recommendation and affects three (3) existing staff members. The amount of money allocated in the budget was $60,000 prorated for the remaining three-quarters of the year or $80,000 for the year. The request he received from the DDP via email for funding was for approximately $235,000 and he felt that this was not a realistic figure.

Responding to Mr. Anderson, Mr. Koenig noted if the City were to adopt an economic development budget for FY13 that equated to the FY12 budget, the DDP's request would exceed that amount. This would require investment of an additional $100,000 and this would have to be paid through taxes and/or fees.

Mr. Anderson felt that if the EDO were eliminated and the DDP fully funded, there would be no guarantee that the same level of professionalism and success would be achieved, and the City would have no control over the employees hired.

Mr. Lynn noted that economic development was one of his primary concerns and that other jurisdictions (such as Kent County) were investing in economic development, whereas the City was contemplating eliminating its Economic Development Office. He questioned whether consideration had been given to contacting experts, such as academics or economists, on this matter.

Responding to Mr. Lynn, Mr. Koenig stated that staff had not contacted academic experts or economists regarding the importance of an economic development office or long-term ramifications of eliminating the office.

Mrs. Williams stated that one of the items included in the budget was the possibility of subsidizing the Kent Economic Partnership for regional development efforts. She felt that if a donation were made to the DDP, this would take care of the downtown area. She felt that if the EDO were eliminated, economic development would not be abandoned but would be reassigned and reallocated.

Mr. Hare believed that heading economic development was established as part of the Mayor' job description when that position became full time, and the Mayor worked in concert with the City Manager and Kent County economic development individual for many years prior to 2008 and he felt this arrangement worked very well. He felt that the DDP could hire their own staff member with BID tax funds. He concurred with staff's proposal.

Mr. Hutchson stated that he was currently serving on the Kent County Economic Development Board (representing the Council President), which consists of eight (8) members, including business leaders in Kent County, as well as Mr. Alan Levin, State of Delaware Economic Director. He felt that no economic development would come to the City or County without the State, County, and City working together. He felt the City had an opportunity and a responsibility to make an effort to become a part of the Kent County Partnership.

Responding to Mr. Anderson regarding the reduction of funding for the Fourth of July Celebration and the African American Festival, Mr. Koenig stated that the proposed budget included a 50% reduction in funding for these events ($5,000 and $7,500 respectively), Mr. Koenig indicated that he had spoken to Mr. Reuben Salters (former City Councilman and founder and organizer of the African American Festival) and Mr. Greg Patterson, President/Vice Chairman of the Fourth of July Celebration Committee on this subject.

In response to Mr. Anderson regarding the possibility of consolidating departments, Mr. Koenig stated that, over time, he would like to see consolidation of some operations where improvements could be made in the areas of operational efficiency or service delivery; however, he felt that the employee base was agitated and concerned, and until that level of concern started to die down, such changes should proceed slowly.

In response to Mr. Anderson regarding the avoidance of a tax increase, Mr. Koenig stated that, in his opinion, if tax or fee rates were not increased, the structural problem in the General Fund could not be addressed. He was unsure if a tax increase could be avoided in FY13 without creating a need for substantial increases in the future.

Noting that the proposed budget estimated that approximately $300,000 would be generated by the proposed tax increase, Mrs. Williams questioned if this relatively small amount (for a $100M budget) could be raised any other way.

Responding, Mr. Koenig stated that an additional $802,000 was needed, and there were pros and cons to putting all of that amount on the tax rate. He noted that covering the deficit would then apply only to those who pay property tax. Alternatively, the funds could have been obtained by increasing the trash fee to cover the entire deficit, which would have caused the trash fee to exceed operational expenses. He stated that he ultimately decided to propose a trash fee increase to approximately $17 and a tax rate increase of $0.01.

Noting the time, by unanimous consent, members agreed to recess until Wednesday, May 30, 2012 at 6:00 p.m.

Meeting recessed at 8:09 P.M.

WEDNESDAY, MAY 30, 2012 - 6:00 P.M.

The Special Council Meeting reconvened on Wednesday, May 30, 2012 at 6:00 p.m. with Council President Leary presiding. Council members present were Mr. Anderson (arrived at 6:18 p.m.), Mrs. Russell, Mr. Lynn, Mr. Perza (arrived at 6:05 p.m.), Mr. Bonar, and Mr. Hutchison. Mrs. Williams and Mr. Hare were absent.

Council staff members present were Mr. Koenig and Mrs. Mitchell. Mayor Carey was also present.

MISCELLANEOUS INFORMATION

Based on the previous evening's discussion and requests, staff provided members with additional documents, as follows: 1) Presentation - City of Dover FY2012-2013 Draft Budget - Budget Meeting - May 30, 2012 ***(Exhibit #7)***; 2) Correspondence from Mrs. Donna Mitchell, Controller/Treasurer dated May 30, 2012 regarding Health Benefits Committee Information ***(Exhibit #8)***; 3) Correspondence from Mrs. Donna Mitchell, Controller/Treasurer dated May 29, 2012 regarding Downtown Dover Partnership - Monthly Report - March 2012 and the History of Parking Permit Revenues ***(Exhibit #9)***; and 4) Correspondence from Mr. Greg Moore dated May 24, 2012 on behalf of the Downtown Dover Partnership (DDP) regarding the DDP Budget Request ***(Exhibit #10)***.

QUESTIONS AND ANSWERS

Mr. Koenig, City Manager, advised members that one (1) of the more extensive recommendations in the proposed budget related to the Economic Development Office (EDO). He reviewed his proposal to disband the EDO after three (3) months of operation in FY13, noting that draft budget included three (3) months of salary and operation expenses for current staff, with the expectation of laying off these staff members if they did not apply for other jobs in the City or find employment before October 1st. Additional recommendations were to transfer $60,000 to the Downtown Dover Partnership (DDP) after October 1, 2012 to offset operational costs for the DDP, which would then hire its own staff to address its objectives. The $60,000 amount was based on an annualized contribution of $80,000. The remaining amount in the budget of approximately $35,000 was reserved to pursue other economic development opportunities, possibly a more vertical alignment with the Kent County Economic Partnership. Reviewing the Economic Development budget, Mr. Koenig noted that the amount proposed for FY13 associated with his proposal reflected a difference of approximately $92,000 versus maintaining the status quo for the EDO.

With objection, Mr. Greg Moore, President of the DDP, reviewed correspondence dated May 24, 2012 on behalf of the Downtown Dover Partnership (DDP) regarding the DDP Budget Request (Exhibit #10). He explained that the request of $235,750 was to allow the DDP to continue their current efforts in the upcoming year. He stated that the total budget for the organization last year was close to $290,000 and the request was for a reduced amount. Mr. Moore explained that the DDP's cash account was at an all-time dangerously low level at approximately $150,000 as a result of decisions made over the past year and a half regarding properties purchased and projects undertaken.

Mr. Moore reminded members of the many contributions and accomplishments of the DDP in the downtown area, including the installation of security cameras, appropriations to the Police Department for night patrols, improved lighting, and work with the Safety Task Force.

Mr. Moore stated that safety downtown was of paramount importance to the DDP and they have been dealing with the Police Department on this issue. The DDP appropriated approximately $80,000 to purchase and install cameras and this has helped with safety downtown. It appropriated approximately $25,000 to work with the Police Department to address issues such as shootings at night and nightclubs that caused problems. He reminded members that the North Street Project will bring a significant amount of lighting to the area, which will also improve safety at night. Safety problems hurt the DDP's ability to rent stores and make property move.

Mr. Moore advised members that the DDP was well represented on the Safety Task Force and has been working with the Mayor, the City planners, and the Police Department to solve the problems in the downtown area, including issues relating to policing, housing stock, rental properties, and youth. He felt that the organization has great participation and momentum Mr. Moore noted that homelessness is a big issue in the City and that the DDP rented a facility for $6,000 per year for 10 years to the Interfaith Mission to serve the homeless. He stated that the DDP supports that mission in every way possible and obtained $1M from the Department of Natural Resources and Environmental Control (DNREC) for reclamation of that brownfield property.

Mr. Moore noted that the DDP received $3M in grants from the State of Delaware, and $1M of these funds would be contributed to the complete improvement of North Street, including repaving, new sidewalks, curbing, lighting, and hiding unsightly utilities. He noted that this amounted to a $1M investment in the City's public works infrastructure. He expressed his appreciation for Mrs. Mitchell's oversight of these grant funds, noting that this was very important to the State and to the DDP and requested that this stewardship continue.

Mr. Moore stated that the return on the City's investment in the DDP has amounted to $4.5M that had been secured in grant funding over the past few years. Mr. Moore felt that the City would not be able to secure these funds on its own, and the DDP could not obtain them without the City's partnership.

Mr. Moore advised members that the requested budget allocation was similar to the amount budgeted in FY12 because decisions were made over the past few years to invest nearly $500,000 of cash into projects, including the Acme site (which is now under contract and the City has co-signed on that loan). The DDP will invest $500,000 in 220-222 Loockerman Street (former C. Moore's property), which is being renovated inside and outside. This would provide the opportunity to sell the property or use the funds from leasing to help sustain the DDP.

Mr. Moore reminded members that the three (3) North Street projects are at their inception. Verizon will begin $500,000 of utility work on June 11, 2012 on North Street on the parking lot and Loockerman Way; projects which have been let to a contractor. He felt it was essential that they are finished and executed effectively and that staff and resources were needed to do that. Continued work was needed for the reclamation of the 680-684 Forrest Avenue property, where the Interfaith Housing Mission is housed, and remaining funds from the $1M received from DNREC for that project that must be spent.

Mr. Moore emphasized that this would not be a good time to completely change DDP status, due to the many projects underway, money invested, and depletion of cash. He felt that momentum and a vision had been created for downtown and that it was being executed for the first time in a positive way. Mr. Moore felt that after this year, the DDP (when the C. Moore project would be finished had occupied by renters who could pay cash) the DDP would have an opportunity to prepare and to use rental income to sustain itself and reduce dependence on the City's budget. He stated that this could not be accomplished this year because the planning occurred before the organization was aware of the current budget problem. Mr. Moore indicated that he came to realize the problem in the past three (3) months after reviewing the books, evaluating expenditures, the amount of funds remaining, and the many projects occurring in sequence, and hoped that these projects would be implemented under his watch and would be viewed favorably in the future.

Responding to Mr. Perza, Mr. Moore stated that land values have plummeted since the DDP purchased the Acme site; therefore, the funds realized from the sale could be 30% - 40% less than the purchase price. The DDP received a nearly full-price contract from a strong buyer, and if the property were sold to the buyer, the DDP would have to contribute a significant amount of cash to offset the difference in the land value. If the DDP must contribute $50,000 to $70,000 and their existing funds are only $150,000, the DDP would seriously deplete available cash and would be

close to extinction. Mr. Moore felt that the chances of the DDP returning to the City to request additional funds were not high since the organization could use rental income from the C. Moore building to sustain itself in the following year.

In response to Mr. Lynn, Mr. Moore stated that two (2) staff members were required to keep the projects going, and these individuals must have the ability to operate the land and knowledge of handling construction projects (three (3) of which were underway). If the projects were not successful, the organization would become extinct or the DDP would return to the City requesting a great deal more money because conditions facing the organization caused them to run out of money. It was his belief that when the DDP returned to the City for funding requests in the future, they would have more flexibility because: 1) they will have had an opportunity to prepare from actions taken by Council in regard to the budget; and 2) the properties that are either under contract or almost finished and ready for lease, will be better producing properties. He indicated that time was required to sell properties on the west side of the downtown area at the highest rate possible, and time would be required to accomplish this.

Mr. Bonar felt that economic development was exceptionally important to the City of Dover and that a down time is the time to pump money into this effort to bring a return. He stated that the City must work to attract new business, whether this meant allocating funding to the DDP, the Kent Economic Partnership, the DDP, or the Mayor's Office. He did not think that the amount of money requested was unreasonable; however, given the City's economic situation, he did not see how it was possible to grant this amount in FY13. He suggested an amount of approximately $150,000 to $160,000.

Mr. Moore stated that the current BID tax on the downtown area produces $50,000 to $60,000 which is targeted to the DDP. He indicated that his request could be said to be approximately $180,000 in addition to the BID tax.

Mr. Hutchison stated that there was no question that the DDP is the single force behind the changes that are needed downtown and he was a firm believer in the DDP and the work done. He felt that the downtown was moving in the right direction and felt that next year the DDP would hopefully be better prepared to handle matters better than today.

Responding to Mr. Perza, Mr. Moore stated that the only DDP asset that is encumbered by a mortgage is the Acme site. The mortgage was approximately $1.3M and was co-signed by the City. Regarding future projects, Mr. Moore indicated that the DDP has applied for two (2) $1M transportation enhancement grants, one (1) for Bradford Street and one (1) for another block on North Street, and is actively pursuing funding for a riverfront walk along the St. Jones River in concert with the Department of Natural Resources and Environmental Control (DNREC) and the Delaware Department of Transportation (DelDOT). He advised members that the vision is to create a City park in that area that would allow access and beautification to the riverfront and hopefully clean-up the former treatment plant in that area. He was unsure of the time frame regarding these projects (due to the pending status of the State Bond Bill), but estimated two (2) to three (3) years.

Mr. Bonar suggested consideration of expanding the BID tax to a City-wide temporary business development tax to accomplish a revenue stream that would aid in economic development and support the DDP for a two (2) year period or a one-half cent tax on properties in the City strictly for economic development.

Mr. Gerry Street, member of the Downtown Dover Partnership, stated that if the DDP does not receive the funding requested, some of the events that the DDP sponsored during FY12 (First Fridays, Home for the Holidays, Festival of Lights) in the amount of $20,000 would likely be discontinued. The cost of paying two (2) staff people at the current salary and benefits ($125,000) would deplete cash reserves to $25,000. He requested flexibility in hiring staff, noting that an attempt would be made to hire individuals who do not need benefits in order to conserve funds. In regard to mortgages, Mr. Street noted that the organization had collateral but not cash flow. The organization's cash flow last year, apart from City financing, was approximately $20,000 in parking permits that comes into the Parking Authority, approximately $20,000 cash flow from the Acme site (an interest only payment that would cease if the property were sold and would then become an expense). Mr. Street stated that income is expected when the front one-third of the C. Moore property is completed, as this project is expected to generate approximately$20,000 - $25,000 per year, which will support approximately $100,000 in borrowing, which is needed to finish the rear two-thirds of the building so that it can be rented as well.

Responding to Mr. Anderson, Mr. Moore stated that the benefit of a healthy economic development strategy is a vibrant downtown that looks good, is safe, has businesses and is a calling card for the rest of the world to say that Dover is a good place to be and a desirable place to locate. It can become the engine to help sustain a larger economic development approach. The downtown is the heart, where people congregate and remember their experiences from Dover, and when the heart is healthy, the body is healthy.

Mr. Street noted that when the North Street project is complete, there will be approximately 50 new parking spaces that did not exist. He felt that people would be drawn downtown if they knew there would be convenient, well-lit parking with greater safety due to five (5) security cameras.

Mr. Anderson felt that the DDP had experienced tremendous success in the last three (3) years with the new strategy being pursued by the City and questioned why the City was in discussion about which way to completely disrupt it. He understood the possibility of transitioning over a year to a different strategy; however, the numbers being requested seemed reasonable to him. He felt the current strategy should be continued and might save money.

Mr. Hutchison felt that the City of Newark had committed to revitalization in the downtown area and done a wonderful job, and that the City of Dover had the same opportunity, in view of Dover's four (4) college campuses and Dover Air Force Base.

Mr. Moore stated that the DDP is modeled after Newark; however, Newark created its partnership approximately 12-15 years ago, whereas the DDP was established two (2) to three (3) years ago. He felt that this was not enough time to make the same imprint; however, felt this could be achieved with a continuation of the current operation.

Mr. Street stated that the State was very clear that it wanted the City government to administer State grant funds, and the DDP supported this. The State reviewed the Downtown Dover Charrette, approved of the DDP's plans and progress, granted funds, and encouraged the DDP to return for additional funding. He expressed his fear of having to inform the State that the budget had been halved and staffing has changed and felt this was "not a good sales technique." He felt that if proposed projects, such as expanding the North Street project one block further were stopped abruptly, this would not send a positive message to the State in terms of future funding.

Concurring, Mr. Anderson felt that the City could be risking the loss of millions of State dollars in order to save thousands.

Mr. Street advised members that Senator Brian Bushweller and Representative Darryl Scott were in favor of the City overseeing DDP funds and that Sen. Bushweller had made it clear that there would be no future money without the Controller/Treasurer and her staff administering money.

Responding to Mr. Perza, Mr. Moore stated that currently the three (3) EDO staff members share City economic development and DDP responsibilities and that it has been problematic for staff to answer to two (2) different entities. In the long-term, he felt it would be better for the DDP to have two (2) staff members (an administrative person and a leader) who did not share responsibilities with economic development.

Mr. Street explained that the DDP's certificate of authority limits the DDP to a ten-block geographic area (which would exclude Calpine, the Garrison Tract, etc.); therefore, wrapping the entire scope of economic development in the City into the DDP's mission or vice versa would be problematic. He noted that there was no space or time on the DDP's current agenda to tackle expanding to the whole City; however, he stated that this might be a matter for discussion during the budget talks next year.

Mayor Carey felt it was important to maintain the EDO in downtown Dover as well as the DDP. He stated that the DDP has done more for downtown in the last five (5) years than has been done in the last 15 years and it was essential to maintain this movement.

Noting the evolution of the DDP and the improvements that have occurred downtown, Mr. Bonar stated it would be unwise to remove the "knitting needle" that has "knit the area together" halfway through the project. He stated that he would be willing to sponsor measures that would either place BID tax on all commercial development in the City or increase property taxes by one (1) cent geared specifically toward economic development with a portion to DDP.

Mr. Lynn was concerned about the proposed allocation of $38,000 to Kent County for economic development. He felt it was in the best interest of the City to maintain the EDO rather than subcontracting this function to another local government that is in direct competition with the City (noting that the Wal-Mart Distribution Center was not located in Dover, and the former Wal-Mart relocated the Cheswold). He felt that the EDO is the only office whose job it is to increase the City's tax base and electric, water, and wastewater customer base. In reviewing the funding, Mr. Lynn determined that the EDO is funded 56% through the General Fund, 13% from

Water/Wastewater Fund, and 31% from the Electric Fund and, therefore, did not impose a large impact on the General Fund. To resolve the economic development issue, Mr. Lynn proposed two (2) options, as follows:

1) Option A - reduce the cost to General Fund by taking the City-wide economic development function, including a full-time economic development professional, and assigning this function to the Mayor's Office, with an allocation of funding as follows: 20% General Fund, 14% Water/Wastewater Fund, and 66% from the Electric Fund. This would cut the current cost of the EDO to the General Fund by one-half.

2) Option B - reduce the cost to the General Fund by taking the City-wide economic development function, including a full-time economic development professional, and assign this function to the City Manager's Office, with an allocation of funding as follows: 36% General Fund, 14% Water/Wastewater, and 50% from the Electric Fund. This would cut the current cost of the Economic Development Office to the General Fund by over 40%.

Mr. Lynn stated that either of these solutions would address the concerns raised by Mr. Koenig in the draft budget. He suggested that $38,000 not be given to the County and those funds be retained to fund the City's Economic Development Office rather than funding competitors.

Mr. Lynn moved to significantly reduce the cost to the General Fund by taking the City-wide Economic Development Office (including the three (3) current staff members), assigning that function to the Mayor's Office, and funding that office with 20% from the General Fund, 14% from the Water/Wastewater Fund, and 66% from the Electric Fund, cutting the current cost of the Economic Development Office to the General Fund by one-half. The motion was seconded by Mr. Anderson.

Mr. Anderson stated that, per the City's charter and the current necessity for restructuring in the City, the EDO should be in the Mayor's Office, as this was part of the logic behind a full-time Mayor. He noted that the City was on the verge of significant growth, with several large projects, including Calpine, downtown projects, redevelopment of Wal-Mart, and a new manufacturer coming into the City on a corner of Route 13. He felt that the City must reinvest in economic development and agreed that the funds should not be allocated to the County.

Mr. Hutchison reminded members that he served as the first full-time Mayor in the City and expressed his feeling that economic development was a two (2) phase operation that included both the downtown area and the larger picture. In the past, the larger picture included projects such as Wilmington Unversity, Dover Downs Hotel, maintaining Playtex in Dover, Sunroc, Dover Air Force Base, Kraft Foods, and now this includes projects such as the Kent County Sports Complex being examined, the Dover Air Force Base Air Cargo Terminal, and Calpine. As a representative on the Kent County Economic Development Board, he felt that the Board speaks with one (1) voice.

On call for the question, the motion to significantly reduce the cost to the General Fund by taking the City-wide Economic Development Office (including the three (3) current staff members), assigning that function to the Mayor's Office, and funding that office with 20% from the General Fund, 14% from the Water/Wastewater Fund, and 66% from the Electric Fund, cutting the current cost of the Economic Development Office to the General Fund by one-half, carried by a roll call vote of six (1) yes, one (1) no (Mr. Hutchison), and two (2) absent (Mr. Hare and Mrs. Williams).

At the request of Mr. Koenig, Mr. Lynn clarified that the intent of the motion was to move the entire Economic Development Office (including three (3) staff members) under the Mayor's Office.

Mr. Bonar noted that the motion did not address the matter of funding for the DDP.

Mr. Koenig advised members that, in the long term, he would like to create a sanitation fund that would operate similar to an enterprise fund; however, there were additional accounting requirements that would be necessary; therefore, he did not feel that this was an appropriate time to do so.

There being no objections, Council President Leary declared a brief recess.

Meeting recessed at 7:06 and reconvened at 7:13 p.m.

Mr. Koenig reviewed a presentation entitled "City of Dover FY2012-2013 Draft Budget - Budget Meeting - May 30, 2012" (Exhibit #7). Referring to Page 2 of the Presentation titled "City of Dover Sanitation Fund - Estimated Impact on General Fund," he advised members that center column, labeled Sanitation Fund (ver 1), was the proposal in the draft budget to increase rates from $11.70 per month to $17.00 per month for the typical 90-gallon service, which would result in an increase of roughly 45% in the trash rate, but that this would not cover the full cost of the trash collection operation. The third column was an estimate of the total cost that would have to be recovered if it were viewed as a cost recovery for the service, which would increase the rate from $11.70 to $19.00 per month. He noted that Mrs. Mitchell indicated that this proposal would cover the costs of trash collection and the associated personnel and other expenses for that service for the five (5) years of the model. This increase would include complete cost recovery and would create an enterprise fund.

Referring to Page 3, Mr. Koenig stated that the draft budget presented to Council included a shortfall in the General Fund of $801,700 and staff proposed a balancing plan that included a $0.01 tax increase and a 45% trash rate increase. Both approaches were included because Mr. Koenig felt that the City should attempt to recover the cost of trash service and there were a number of tax-exempt properties in the City that would not be affected by the tax rate increase. He stated that members had expressed concern about several items that were removed from the budget, mainly the Fourth of July Celebration, which was cut from $10,000 to $5,000, and the African American Festival, which was cut from $15,000 to $7,500. He indicated that the discussion of the Economic Development Office (involving $92,000 currently accounted for in the General Fund) was another matter of concern.

Mr. Koenig stated that if Council were to express interest in restoring all of those items back into the budget, the shortfall would be increased from $801,700 to $906,200. Mr. Koenig stated that another way to address that deficit would be to increase property taxes by $0.02, which would raise $629,100, along with a smaller trash fee increase that would raise $288,000. The rate of that increase for trash would be approximately 15.4% for in-City customers and 12.9% for out-of-City customers. He presented this as one option to cover the shortfall.

Mr. Lynn advised members that, historically, street lights were paid out of the Electric Fund; however, in the middle of the last decade, this expense was moved from the Electric Fund into the General Fund, thus incurring $985,000 of expenses to that fund. Mr. Lynn suggested moving the street lights back into the Electric Fund, which would save the General Fund approximately $985,000, which would cover the General Fund shortfall, address the adjustment issues described above by Mr. Koenig, and allow funding of the DDP at the requested level as well. Mr. Lynn stated the bond agencies may not be happy with this; however, for decades the street lights were paid for out of the Electric Fund and the bond agencies did not question this and bond ratings were not negatively affected. He felt that this should be considered prior to discussions on tax increases or trash fees.

In response to Mr. Leary regarding the practical effects of this approach, Mrs. Mitchell stated that between 2002 to 2003, a Government Accounting Standards Board (GASB) 34 accounting standard was implemented that created a massive change to financial statements and reporting procedures. A consultant was brought in to help with the implementation of that accounting standard, and it was discovered that the Electric Fund was billing itself for street lights. The City was billing itself and showing the amounts as being collected by crediting a Street Light Fund within the Electric Fund. The consultant inquired about the Street Light Fund and it was discovered that there was no Street Light Fund, it was simply a way to show the billing, and it was offset by a credit to this fund. This was not proper accounting and was against the City's debt covenant because revenue indicated that the City was billing itself but the General Fund was not being billed. The Street Lights were moved to the General Fund at that time, and the General Fund now pays the Electric Fund for those street lights.

In response to Mr. Anderson's inquiry as to whether a transparent, legitimate street light surcharge (similar to the 911 fee and trash surcharges) could be included on the customer bills and would comply with debt covenant requirements, Mrs. Mitchell stated that such a charge could be attached to the electric bill as a surcharge; however, the money would have to be recorded as a transfer to the General Fund.

Mr. Anderson stated that this would accomplish the goal of legitimate, transparent, and real accounting.

For clarification, Mrs. Mitchell explained that the City must adhere to the debt covenant for bondholders, not for the bond rating agencies.

Responding to Mr. Lynn, Mrs. Mitchell stated that she would explore this concept and provide further information to Council.

For clarification, Mr. Koenig stated that if the Electric Fund were to transfer $985,000 to the General Fund, the City would have to either: 1) develop a new charge that goes on the electric bill, or 2) reduce the decrease in electric rates by $985,000 going forward.

Mr. Anderson concurred that these were the only two (2) options and stated he did not necessarily "buy into" either of those options but that both should be explored. Mr. Koenig stated that the "flip side" to doing that methodology was that the cash for the operation would somehow be coming out of the Electric as either a new fee or a reduction in the decrease in electric rates.

Mr. Bonar stated that establishing a charge on the electric bill would provide transparency to ratepayers and made common sense.

Mr. Anderson stated his appreciation for the tremendous job that staff had done in preparing the budget, particularly Mr. Koenig and Mrs. Mitchell. He questioned why a 45% trash fee increase was proposed rather than the amount needed to achieve a level that breaks even at a cost of approximately $0.50 more. He noted that the electric rates would be reduced enough to make up for the trash fee increase and questioned the idea of eliminating the EDO when these measures could fund the Office.

Mr. Koenig felt that this was an issue that Council could consider; however, noted that the proposed trash fee increase was significant.

In reviewing Page 4 of the Presentation, FY12 Review of YTD Expenses, Mr. Koenig noted that that current expenses had been reviewed and believed there would be some savings; however, those savings were committed to the unfunded Other Post- Employment Benefit (OPEB) liabilities earlier in the year, and while staff believed the savings might be as much as $500,000, there was potential for that number to erode rapidly before the end of the fiscal year if additional retirements come forward.

Mr. Lynn requested that staff seek an opinion from bond counsel regarding the street light suggestion.

Mr. Lynn stated his concern about the possible abandonment of Dover Park because that facility serves a population that does not have access to the Pitts Center. He noted his concern with putting a $30,000 roof on the property. He suggested that the property be leased as-is to a third-party entity without charging rent, on the condition that they replace the roof and offer either summer programs or programs for youth out of that facility. This would take that $30,000 line item out and maintain the facility to service a vulnerable population on that side of town that may not have access to City resources.

Mr. Koenig stated that the budget proposal was not meant to rule out such a possibility. No operational savings were included in the budget because staff was unsure of what the decision regarding the facility would be; however, if Council were to desire, an RFP could be prepared to solicit interest from qualified non-profit agencies for such use. He felt this was an excellent idea that could easily be pursued.

Mr. Leary noted that abandonment of the building was being considered, rather than abandonment of the park. He noted that $30,000 was included in the budget to either replace the roof or demolish the building.

In response to Mr. Lynn regarding the possibility of increasing rental license fees, Mrs. Ann Marie Townshend, Director of Planning and Community Development, stated that in 2007 staff proposed an increase in the rental permit fee. This was met with opposition, and staff was directed to develop an entire fee package for all Planning and Inspections fees for the following fiscal year, which was also met with opposition and was rejected. Mrs. Townshend stated that whenever this has been brought up, the real estate community has come out in full force stating that the fee increase would be passed on to the renters. When the market was high and housing prices were high, a fee increase was unpopular because it was believed that it would hurt affordable housing, when the market was strong, it was felt that people could barely stay in their properties, and again it was felt that this would hurt affordable housing. She stated that staff was not opposed to this change and research had determined that the City's fee is low in comparison to other areas, but there had not been support for an increase.

Mr. Koenig stated that part of that discussion was a proposal that the fee would escalate every year based on the Consumer Price Index (CPI), and that was soundly objected to.

Mr. Lynn stated he had in mind a simple 20% increase in the rental license fee, noting that he personally paid approximately $50 per year for a single-family dwelling for a rental license. In the aggregate, this would amount to a substantial dollar amount and small pieces put together could help the City. He asked that this be examined by staff.

Mr. Lynn noted that there were two (2) proposed hires in the Public Utilities Department, a Public Works Director and an Electric Director. He stated that, historically there was a unified Public Utilities Department under one director and that subsequently the City Manager received approval from Council to unify the Public Utilities. It was his understanding that when Mr. Koenig became the City Manager, he split the Department into two (2) separate utilities. Mr. Lynn felt that since Council approved the unification, there should be a vote from Council to separate them. He believed that this would allow for the elimination of a very expensive management position and create greater synergy and efficiency.

Responding, Mr. Koenig stated that, prior to 2006, the historical model of those two (2) entities was a traditional Public Works Department and an Electric Department that were accounted for separately. The Electric Fund solely addressed the operations of the Electric Department and the Power Plant. The Water and Sewer Fund was a separate accounting fund that addressed the operation of the Water and Sewer Utility, and the Water and Sewer Utility was attached to a more traditional Public Works Department that included engineering, sanitation, streets, vehicle maintenance, and grounds. There was a vote by Council to create positions called Public Utilities Manager and Public Services Manager (previously Mr. Koenig) and the departments were always accounted for separately. The Public Services Department incorporated the traditional Public Works operations of streets, sanitation, grounds, building construction, the Fire Marshal's Office, and Economic Development Office.

Mr. Koenig explained that since he became the Interim City Manager and subsequently the City Manager, the Central Services Director position has remained unfilled (duties were split between the Finance Office and Public Works), the Senior City Administrator position remained unfilled (some of these duties were sent to the Finance Department and some of that personnel was sent to the Human Resources Department). Mr. Koenig noted that the budget proposal does not include the Recreation Director position and that those services would be sorted out as part of the budget process. He felt that a vote of City Council was not necessarily needed to make these changes since all of those functions are under the domain of the City Manager within the Charter. He stated that he had signaled his intent to Council to make these changes. He stated he would like to return to a more traditional Public Works structure, with the Electric Department as a separate department, while keeping in mind there has been a significant amount of pressure to reduce electric rates and value the electric system to determine whether it would be in the City's economic advantage in the long term to remain in that business. He felt that reconsolidation would run counter to discussions that have happened at the Council level.

Mr. Lynn stated he would like to explore the possibility of unifying the Public Utilities Department under one (1) central head rather than hiring two (2) people to administer Public Works and Electric separately.

Responding to Mr. Leary regarding the practical effect of this proposal on the General Fund, Mr. Koenig stated that the only savings would be one (1) less administrator; however, the administrator of that department would be overseeing approximately 130 positions over a very wide range of services, which would be difficult to manage under one (1) department head.

Mrs. Mitchell advised members that one (1) of the two (2) positions being discussed was budgeted in the Water Fund and the other in the Electric Fund; therefore she was unsure how the General Fund would be impacted and said she would have to put the numbers together.

Mr. Bonar suggested that, due to the complexity of electricity and the funds involved, and the simplicity of water by comparison, a very large salary would be required to attract a candidate that was qualified to administer both, estimated at $250,000 on the open market.

Mrs. Mitchell stated that Mr. Ted Kelly, Principal, Business & Technology Services, Burns & McDonnell, performed the electric rate analysis which reflected a 12% reduction for street lights. She was unsure if street lights receive the advantage of a Power Cost Adjustment (PCA) credit (noting that they are not metered), or if this was 12% straight true credit. She noted that if the 12% was truly against the budget and City's street light budget is $985,000, this would remove $118,000 from that cost.

Mr. Koenig reminded members that they had approved the retention of the EDO fully staffed at three (3) people and moving the Office under the Mayor's Office. He noted that the DDP funding still needed to be addressed. He stated that the DDP's request was for $235,000, which was not included in the proposed budget. The DDP's request assumed that the EDO would solely focus on economic development and a payment would be made to the DDP for its operations.

For clarification, Mr. Lynn stated that his suggestion was not to physically move the EDO into the Mayor's Office but to put them under the Mayor's purview.

Mr. Anderson stated that the Mayor could loan one (1) or two staffers (2) to help the DDP if he believed that this was part of the economic development strategy and the Mayor was conducive to this. He felt that the entire $235,000 would not be necessary because the goal was to transition for one (1) year and keep the expertise of people who are familiar with the operation. He stated it might be helpful to transfer some money so the DDP could hire a new director. He felt the amount and source of funds should be a matter of discussion.

Mr. Leary advised members that FY12 would end on June 30, 2012; therefore, the second and final reading of the budget ordinance would be scheduled for June 25, 2012 and the first reading for June 11, 2012. To meet these goals, he indicated that the budget must be prepared by June 6, 2012.

By unanimous consent, members agreed to continue the Special Council Meeting (Budget Review) on June 4, June 5, and June 6, 2012, as necessary, from 6:00 to 9:00 p.m.

Mr. Lynn moved to amend the budget to fully fund the Downtown Dover Partnership (DDP) to the level of the request made this evening ($235,750), seconded by Mr. Bonar.

Mr. Anderson moved to lay the amendment on the table, seconded by Mr. Perza. The motion failed by a roll call vote of five (5) no and two (2) yes (Mr. Anderson and Mr. Perza).

On a call for the question, the original motion to amend the budget to fully fund the DDP failed by a roll call vote of three (3) no, three (3) yes (Mrs. Russell, Mr. Lynn, and Mr. Leary). *(Clerk's Office Note: During the roll call, Mr. Anderson abstained from voting; however, following the roll call, he changed his vote to a no.)*

Mr. Bonar moved to fund the Downtown Dover Partnership (DDP) in the amount of $180,000 for FY13, seconded by Mr. Lynn. The motion passed by a roll call vote of five (5) yes, two (2) no (Mr. Anderson and Mr. Perza), and two (2) absent (Mr. Hare and Mrs. Williams).

Without objection, Council President Leary indicated that the Special Council Meeting (Budget Review) would reconvene on Monday, June 4, 2012, at 6:00 p.m.

Meeting recessed at 8:06 P.M.

MONDAY, JUNE 4, 2012 - 6:00 P.M.

The Special Council Meeting reconvened on Monday, June 4, 2012 at 6:00 p.m. with Council President Leary presiding. Council members present were Mr. Anderson (arrived at 6:52 p.m.), Mrs. Russell, Mr. Perza, Mr. Bonar, Mr. Hare, and Mr. Hutchison. Mr. Lynn and Mrs. Williams were absent.

Council staff members present were Mr. Koenig and Mrs. Mitchell. Mayor Carey was also present.

QUESTIONS AND ANSWERS

Mr. Koenig reviewed a presentation entitled "City of Dover FY2012-2013 Draft Budget - Budget Meeting - June 4, 2012 ***(Exhibit #11)***, which he stated reflected the current status of the budget with the motions that were carried on May 30, 2012 and open items before Council. He explained that during the May 30, 2012 session, members approved the reinstatement of the EDO into the budget. The estimated cost of this was $92,000, since the recommendation in the FY13 budget was to disband the EDO and entirely allocate economic development to the General Fund. The motion was to put the full amount back into the budget for economic development and fund it at roughly $230,000. Subsequent to that, the motion indicated that the funding allocation of the Mayor's Office should be followed, which would be19.6% General Fund, 14.2% Water/Sewer Fund, and 66% Electric Fund (as shown at the bottom of Page 2). Mr. Koenig advised members that the change in funding allocation from FY12 to FY13 would realize some savings over what was anticipated in the General Fund.

Mr. Koenig noted that staff had reviewed the Public Services Administration and noted that moving this area back into the Public Works Department would change allocation percentages back to previous levels. In reviewing the model on Page 3, Mr. Koenig stated that both the Public Services Administration budget and the Economic Development budget were charged to the General Fund in the draft FY13 budget. The current proposal for the reallocation of the EDO and a proposal to reallocate the Public Services Administration would yield a net savings in the General Fund of $277,900, an increase to the Water/Sewer Fund of $217,300, and an increase to the Electric Fund of $152,600; however, it would more appropriately allocate each of those divisions as as they have been allocated in the past or consistent with the recommendation of the motion from Council on May 30, 2012.

Mr. Koenig advised members that Mrs. Mitchell was waiting to hear from bond counsel regarding the payment of street lights entirely from the Electric Fund. In addition, he stated that the General Fund was due a credit for the street lighting expense based on the rate study that was presented to Council during their Regular Meeting of May 29, 2012. If the City Council adopted the rates proposed by Mr. Ted Kelly, Principal, Business & Technology Services, Burns & McDonnell, the General Fund would realize a savings of $116,000 for street lighting over FY12 charges.

Mr. Koenig explained that no action had been taken regarding the discussions relating to the restoration of full funding for the Fourth of July Celebration and the African American Festival.

In reviewing Page 5 of the Presentation (Exhibit #11), Mr. Koenig stated that the budget shortfall that was projected at $801,700 on May 15, 2012, was now projected at $600,300 if motions were made this evening to account for those considerations.

Responding to Mr. Leary, Mr. Koenig stated that, in accordance with his previous recommendations, the gap could be closed solely by a trash rate increase of nearly 35%, which would increase the residential rate from $11.70 to $15.75, yielding approximately $600,000. If it was closed solely based on a tax increase, a $0.02 tax increase would yield approximately $629,000 in revenue. If a combination of these approaches were used, a $0.01 tax increase would yield $314,600 and a trash

rate increase of approximately 15.4% would yield $288,000 and the combined revenue would yield approximately $603,000.

Responding to Mr. Perza, Mr. Koenig stated the City has made a $15,000 contribution in recent history to the African American Festival and that conversations with Mr. Reuben Salters (former City Councilman and Founder/Organizer of the African American Festival) revealed that he would consider it a significant blow to his efforts if the contribution were to be reduced. Mr. Koenig stated that a reduction in funding for the Fourth of July Celebration would diminish the quality of the fireworks program.

Mrs. Mitchell stated that the Dover Fourth of July Celebration Committee monitors its fund to ensure a balance of $5,000 or greater; however, she was unaware of the status of this account for 2013.

Responding to Mr. Hare, Mrs. Mitchell stated that invoices are not submitted in connection with the African American Festival due to the extra demands that would be imposed on staff in the City's Finance Department in accounting for $15,000. In addition, she noted that these contributions do not necessarily have to come out of the General Fund.

Responding to Mr. Bonar, Mrs. Mitchell stated that the Fourth of July Celebration fund is an agency fund that the Finance Department staff reviews; however, auditors do not audit agency funds. Funds allocated to the African American Festival are considered a donation and are not reviewed.

Mrs. Russell felt that an audit should not be required of the African American Festival funding since this has not been required in past years. She felt that this was a worthwhile effort that brings people to the City and if an audit were required, a policy should have been in place previously.

Mr. Hare stated that since funds are reviewed for the Fourth of July Celebration, this should also be performed for the African American Festival.

Mr. Koenig explained that the Fourth of July Celebration is a City-sponsored event, similar to Old Dover Days, and staff is actively involved in planning for the event, whereas the African American Festival is not City sponsored.

Mr. Bonar felt that both the African American Festival and the Fourth of July Celebration should be funded to the greatest extent possible; however, they should conform to generally accepted principles of accounting and the City should be accountable for ensuring that the funds are expended properly.

In response to Mr. Leary, Mr. Koenig indicated that he was proposing that the in-City trash rate for a 90-gallon containerbe increased from $11.70 to $15.75, an approximate 34.62% increase. There would be a proration of that rate for the business classifications that use larger containers and an increase in the out-of-City rates of just under 17%, which would bring this rate up to $50.00 per month. He confirmed that the amount of the increase would be lower than the original proposal and there would be no proposed property tax increase at this time.

Mr. Hare expressed reservations regarding the proposal to move the three (3) members of the EDO staff, place them under the Mayor, eliminate their responsibilities connected with the DDP, continue to pay these members full-time salaries, and also provide the DDP $180,000 to hire two (2) staff members to handle DDP responsibilities.

Mr. Leary felt that the $180,000 was to be used as seed money for DDP properties.

Mr. Bonar stated that the intent of the motions were to help the DDP transition from having its staff spend half of their time working for the City of Dover, to allow the DDP to hire their its director so that the organization could fund itself, and to provide the City with an EDO within the City of Dover. He felt the EDO they would be required to spend 100% of their time working for the City of Dover, not just one entity within the City.

Responding to Mrs. Russell, Mr. Koenig stated that trash fees for in-City businesses with 300-gallon trash containers currently pay $39.00 per month, which would be increased to $52.40 per month under the proposal. The City has only one (1) out-of-City commercial customer, whose rates would increase from $142.50 to $166.00 per month.

Responding to Mr. Perza, Mrs. Mitchell stated that there would be no changes to the electric rate reductions based on the current budget presentation.

In response to Mr. Bonar, Mr. Koenig noted that the goals could be accomplished with a $0.01 increase in property taxes and a $15.4% increase in the overall trash fees and still provide for an electric rate reduction for City electric customers. He stated that the proposed rate reduction was 3.38% overall to residential customers and the rate for business customers varied by classification to a maximum of 16%.

In response to Mr. Leary, Mr. Koenig confirmed that the electric rate reduction proposal was independent of the tax rate or trash fee proposals.

In reference to the EDO, Mr. Hutchison suggested that if the EDO were kept, that it be left as is; however, if the EDO were eliminated, he preferred to partner with Kent County for economic development.

Mr. Koenig stated his understanding that the intent of the motion made regarding the EDO was that the EDO would maintain their office at the CenDel Building, but the three (3) staff members would report to the Mayor's Office, the budget for City-wide economic development would be $230,000; those three (3) people would work on City-wide economic development and whatever other tasks are assigned to them to make sure their 40 hours per week are expended to the maximum extent possible. The funding for these positions would be reallocated the Mayor's Office. The subsequent motion related to the DDP was to authorize payment to the DDP in the amount of $180,000 for FY13.

Mr. Hare felt that the City could not fund both the EDO and the DDP. He stated that in 1997 the City went to a full-time Mayor with one of the responsibilities of the Mayor being economic

development in concert with the City Manager and Kent County. This arrangement worked well from 1997 to 2008 when the three (3) economic development staff members were hired. He felt that if the function were restored to the Mayor's Office, the Mayor should perform this function and the three (3) positions eliminated. If the staff were retained, he felt the City should not fund the DDP.

Responding to Mr. Hare, Mrs. Mitchell stated that the budget shortfall could be balanced with funds from the Depreciation Reserve; however, she indicated that she would need to confirm this with the bond counsel. She stated that this reserve is identified in the City's bond covenants for replacing assets.

Mr. Bonar stated that whether funds are transferred from one account to another, all funds come from taxpayers' pockets. He indicated that if taxes were raised by $0.02, taxpayers would be able to write this off their income taxes if this is needed to balance the budget; however, if they were raised by $0.01 and trash fees increased by 15.4%, this could not be written off. He noted that an increase of $0.02 would provide approximately $629,000, which would provide a surplus of approximately $29,000.

Mrs. Russell felt that the DDP and the EDO were both doing a good job and brought growth to the City. She felt that both of these organizations were needed and believed that results would be seen in the next few years.

Responding to Mr. Perza, Mrs. Mitchell stated that all of the City's reserve funds were forecasted to be fully funded at the end of the seven (7) year horizon, and the Depreciation Reserve had $10M and was projected to be fully funded in 2017. She explained that the City would pull from these reserves in three (3) of those upcoming years and then replenish the funds with accrued interest. The policies mandate that if funds are pulled from those reserves for funding assets, they must be replenished over a seven (7) year time frame. She stated that this policy applies to the Future Capacity Reserve as well. The Rate Stabilization Reserve was being used to fund the rate decrease over three (3) years. Burns and McDonnell gave the City a three (3) year rate and the City would use that reserve for operating income to attain margins over the next three (3) years.

In response to Mr. Bonar, Mrs. Mitchell stated that she did not believe that the City was overcharging for electricity. She stated that when she prepares the net margins and forecast model, she achieves a positive cash level, giving everything back to the ratepayers each year, and making sure that the City meets its debt covenants. She stated her goal was not to keep accounts flush; decisions are based on policy and levels that should be attained for replacement of assets; for example, when the Cartanza Substation was put in, half of the reserves were used to help build this asset and funds were then replenished. She explained that this was the purpose of the reserves. She stated that the City has approximately $20M in the Depreciation and Future Capacity Reserves, $5M in the Rate Stabilization Reserve, and $750,000 in the Insurance Reserve.

Mr. Leary advised members that a motion was needed on the floor in regard to the budget in order to allow for a First Reading on June 11, 2012 and Final Reading and action on June 25, 2012. At that point, amendments could be offered. He explained that to change motions approved previously by rescinding or amending, a two-thirds vote of all members (six (6)), would be required.

Reconsideration would require a simple majority (five (5)) and two (2) motions: a motion to reconsider (made by a member who voted in the affirmative on the item) and a subsequent motion to amend the earlier motion.

Mr. Bonar expressed his appreciation to Mr. Koenig and Mrs. Mitchell for bringing the budget to a manageable level. He stated that Council should be very proud of what staff had accomplished. He felt that the City administration had done a complete turnaround and become a cohesive group.

There being no objections, Council President Leary declared a brief recess.

Meeting recessed at 6:55 p.m. and reconvened at 7:09 p.m.

Mr. Bonar moved for acceptance of budget, as presented by staff, with a First Reading to be held on June 11, 2012 and Final Reading on June 25, 2012, seconded by Mr. Hutchison.

Mr. Anderson moved to amend the motion to include the addition of $7,500 to the City's contribution for the African American Festival and $5,000 to the City's contribution for the Fourth of July Celebration, to restore these amounts to previous levels, seconded by Mrs. Russell.

Mr. Hare requested that the City track the finances dedicated to the African American Festival, as is done for the Fourth of July Celebration, so that there would be accountability for the City's contribution.

After further discussion, Mr. Anderson and Mrs. Russell agreed to include a provision in the motion to state that the City's $15,000 contribution for FY13 would be accounted for by the City of Dover Finance Department subject to the same standards as the Fourth of July Celebration and Old Dover Days beginning in FY13.

On a call for the question, the motion, as amended, to amend the draft budget to include the addition of $7,500 for the African American Festival and $5,000 for the Fourth of July Celebration, with the understanding that the $15,000 contribution for the African American Festival would be accounted for by the City of Dover Finance Department subject to the same standards as the Fourth of July Celebration and Old Dover Days beginning in FY13, passed by a roll call vote of six (6) yes, one (1) no (Mr. Perza), and two (2) absent (Mr. Lynn and Mrs. Williams).

Mr. Hutchison moved to reconsider the reassignment of the EDO staff, indicating he favored having the EDO report to the City Planner or City Manager and forgoing the $180,000 donation to the DDP.

Noting that Mr. Hutchison did not vote in the affirmative on the original motion regarding the reassignment of the EDO staff, Mr. Leary advised him that he was ineligible to move for reconsideration of this matter; however, he could make a motion regarding the $180,000 allocation to the DDP.

Mr. Hutchison withdrew his motion.

In response to Mr. Anderson, Mr. Koenig indicated that three (3) positions were proposed for funding in the Human Resources (HR) Department for FY13, the HR Director, an Administrative Assistant, and a HR Coordinator. He explained that there were currently two (2) active employees in the office (the HR Director and Administrative Assistant); however, it was his assessment that three (3) were needed since the office was being closed when those employees were engaged in matters outside the office.

Mr. Anderson questioned if it would be possible to relieve the burden in the HR Department by sharing the Administrative Assistant from the EDO. Responding, Mr. Koenig indicated that the open HR Coordinator position required more HR experience than an Administrative Assistant would offer. He expressed his feeling that, currently, there was a gap in the service level and that HR was a critical function that was vital in order for the City to have an integrated, dynamic workforce. Mr. Koenig noted that currently a number of hiring processes typically undertaken by the HR Coordinator were being handled by the HR Director at the present time. He noted that orientations, benefits administration, coordination with the Finance Department, harassment training, and other workplace training were HR functions critical to providing a workplace that has low turnover and few lawsuits.

In response to Mr. Anderson, Mr. Koeng stated that the estimated shortfall of $600,300 could be covered by a trash increase of just under 35%, which would take the base rate from $11.70 to $15.75 and prorate other fees over the different classifications which would be made up with electric rate cuts. He indicated that for a residential bill, the homeowner would see an increase of just under $4.00 in their trash fee but a 3% decrease in their electric bill. Depending on how much electric the customer uses, the total bill may actually go down.

Mr. Anderson felt this approach would offer more honest accounting so that customers would know exactly where their money was going, as opposed to overcharging on electric bills and transferring funds elsewhere.

Responding to Mr. Hare, Mr. Koenig stated that he would consider outsourcing many other functions before considering the HR Department. He noted that the workforce was in a highly agitated state with proposals related to health care and union contracts, and he felt that outsourcing would do more harm than good in the long run.

Concurring with Mr. Koenig, Mrs. Russell felt that the morale of the workplace was essential and the HR Department should bond and connect with workers.

Noting that a 35% or 40% trash fee increase was significant, Mr. Anderson questioned if using funds from the Electric Depreciation Fund would help to bridge the trash fee over a couple of years and if a two (2) step increase could be implemented. Responding, Mr. Koenig noted that Council adopts a budget for a one (1) year period, so there would be no guarantee that the rate increase could be accounted for. He expressed concern about using the Electric Depreciation Fund, noting that the five (5) year forecast for FY14 to FY19 presented some challenges. He felt that some of the

baseline revenue should be adjusted to meet expenses in the trash area. He felt that the proposals were not extravagant but were cost recovery issues related to taking trash to the landfill, personnel, and equipment. Without addressing the baseline budget, he anticipated that the same issues would be reviewed in the next budget.

Mr. Anderson moved to amend the draft budget to allocate $4,000 for an economic development study in conjunction with Delaware State University's economic development grant (a $20,000 grant proposal for which a matching contribution of $4,000 is being requested from the City), for a study to build data regarding economic conclusions, as well as business and demographic problems being encountered. The motion failed for lack of a second.

Mr. Bonar moved to reconsider the allocation of funding for the DDP and the reassignment of the Economic Development Office to the Mayor's Office, seconded by Mrs. Russell. On a roll call vote of four (4) yes and three (3) no (Mr. Anderson, Mr. Perza, and Mr. Leary), the motion failed for lack of a majority vote of members.

Mr. Leary explained that a majority of Council was needed to pass the motion.

Mr. Bonar moved to amend the draft budget to reinstate $33,000 for the installation of cameras in the downtown area, requested by Mayor Carey for security purposes, seconded by Mr. Anderson, and carried by a roll call vote of four (4) yes, three no (3) (Mr. Perza, Mr. Hare, and Mr. Hutchison), and two (2) absent (Mr. Lynn and Mrs. Williams).

Mrs. Mitchell stated that this item was removed from the budget due to the inclusion of additional maintenance costs. A maintenance contract was recently taken out for cameras currently owned by the City at a cost of $20,000 and she wanted members to be aware that there would be an additional cost for the cameras.

In response to Mr. Hare, Mr. Leary stated that Mr. Hare could move to rescind previous motions; however, six (6) votes would be needed.

Mr. Hare confirmed that the current plan was to retain the EDO as well as the $180,000 budget line item for the DDP.

Mr. Hare moved to rescind the motion to significantly reduce the cost to the General Fund by taking the City-wide Economic Development Office (including the three (3) current staff members), assigning that function to the Mayor's Office, and funding that office with 20% from the General Fund, 14% from the Water/Wastewater Fund, and 66% from the Electric Fund, cutting the current cost of the Economic Development Office to the General Fund by one-half, seconded by Mr. Hutchison. By a roll call vote of four (4) yes and three (3) no (Mr. Anderson, Mrs. Russell, and Mr. Leary), the motion failed for lack of a majority vote of members.

Mr. Hare moved to rescind the motion to fund the Downtown Dover Partnership (DDP) in the amount of $180,00 for FY13, seconded by Mr. Anderson. By a roll call vote of four (4) no and three (3) yes (Anderson, Perza, and Hare), the motion failed.

Responding to Mr. Anderson, Mr. Leary confirmed that the budget being voted on contained an increase in trash fee but no tax increase.

In response to Mr. Anderson, Mr. Koenig confirmed that if Council accepted the proposal to increase trash fees from $11.70 to $15.75 and prorate that rate among the different categories, there would be no shortfall, but the rate would have to be adopted.

Mr. Hare moved to amend the draft budget, as presented, by transferring funds from the from the Electric Depreciation Fund to balance the budget and to forego any tax rate or fee increases, seconded by Mr. Anderson.

Without objection, members agreed to amend the motion to allocate the funds from the Future Capacity Reserve rather than the Electric Depreciation Fund, as suggested by staff.

In response to Mr. Bonar, Mr. Koenig stated that the total amount needed to cover the budget shortfall and purchase the security cameras that were discussed previously would be $633,300.

Without objection, members agreed to amend the motion to specify that $633,300 would be transferred from the Future Capacity Reserve Fund to balance the budget.

Mr. Anderson expressed concern regarding the escalating cost of the City's trash operation due to the doubling of gas prices, increases in tipping fees, and additional yard waste charges. He was concerned that this action would not be sustainable and wondered if there was a plan to deal with this matter in the future.

The motion, as amended, to amend the draft budget, as presented, by transferring $633,300 from the Future Capacity Reserve Fund to balance the budget and forego any tax rate or fee increases carried, by a roll call vote of five (5) yes, one (1) no (Mr. Leary), one (1) abstention (Mr. Anderson), and two (2) absent (Mr. Lynn and Mrs. Williams).

On a call for the question, the motion for acceptance of the draft budget, as presented by staff and amended by Council, with a First Reading to be held on June 11, 2012 and a Final Reading on June 25, 2012, carried by a unanimous roll call vote (Mr. Lynn and Mrs. Williams absent).

Mr. Leary complimented staff on the long hard work done on the budget.

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

Meeting adjourned at 7:48 P.M.

TRACI A. McDOWELL
CITY CLERK

All orders, ordinances, and resolutions adopted by City Council during their Special Meeting of May 22, 2012, are hereby approved.

CARLETON E. CAREY, SR.
MAYOR

/TM
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Exhibits Attached to Original

Exhibit #1 - City of Dover Potential Savings for FY 2012 (as of May 22, 2012)
Exhibit #2 - Correspondence from Mrs. Donna Mitchell dated May 21, 2012 - Assessment Project Memo and Reassessment Estimate Figures
Exhibit #3 - Presentation - City of Dover General Fund - Recap of Last Year
Exhibit #4 - Electric Fund Transfers
Exhibit #5 - Updated Fiscal 2013 DRAFT Capital Investment Plan - FY13 - FY17 Projects by Department and Funding Source Summary, dated Wednesday, May 23, 2012
Exhibit #6 - Updated Information Technology Fiscal Year 2013 Organization Chart and Departmental Budget
Exhibit #7 - Presentation - City of Dover FY2012-2013 Draft Budget - Budget Meeting - May 30, 2012
Exhibit #8 - Correspondence from Mrs. Donna Mitchell dated May 30, 2012 - Health Benefits Committee Information
Exhibit #9 - Correspondence from Mrs. Donna Mitchell - dated May 29, 2012 - Downtown Dover Partnership - Monthly Report - March 2012, and the History of Parking Permit Revenues
Exhibit #10 - Correspondence from Mr. Greg Moore dated May 24, 2012 On Behalf of the Downtown Dover Partnership (DDP) - DDP Budget Request
Exhibit #11 - Presentation - City of Dover FY2012-2013 Draft Budget - Budget Meeting - June 4, 2012

REGULAR COUNCIL MEETING

The Regular Council Meeting was held on June 11, 2012 at 7:30 p.m. with Council President Leary presiding. Council members present were Mr. Anderson, Mrs. Russell, Mr. Lynn, Mr. Perza, Mr. Bonar, Mr. Hare, and Mr. Hutchison. Mrs. Williams was absent.

Council staff members present were Police Chief Hosfelt, Mrs. Mitchell, Mrs. Townshend, Fire Chief Fortney, Mr. Koenig, City Solicitor Rodriguez, and Mrs. McDowell. 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. Council President Leary declared the Open Forum in session and reminded those present that Council was not in official session and could not take formal action.

Mr. Robert Hartman, Lotus Street, Dover, speaking as an interested taxpayer, stated that it was not any easy time for the City, the City employees, or the Dover taxpayers. Each year the City is faced with budget shortfalls and they struggle with how to come to terms with them. He noted that some members of Council have indicated a willingness to increase taxes and fees to cover the shortfalls. Mr. Hartman stated that, as a taxpayer, he was willing to shoulder his share of the burden for the running of the City and pay his fair share of taxes. He also believed that the City employees should be treated fairly but that they should be prepared to pay a portion of their healthcare. Mr. Hartman stated that, as a State worker, his pay has been cut and his healthcare cost has increased.

Mrs. Patricia Virdin read the following statement:

> *My name is Patricia Virdin, I live at 70 Peach Blossom Lane in Camden. I have been an employee of the city for over 20 years and I have the honor of working at the Police Department.*
>
> *At a prior council meeting, the city manager made the comment that he felt 92 dollars was not a significant amount. I beg to differ. At the current rate, nearly 6% of my pension will go toward this new expense. And that is at TODAY's rate of 92 dollars per month. We all know that the cost will go up. Combined with the lack of pay increases for the past two years, I fully expect this new expense to wipe out more than 10% of my pension. I hardly call that insignificant. As I am coming towards the end of my career, I have had no time to adequately plan for this expense.*
>
> *My husband is also a city employee, so this measure hits my family doubly hard. However, if this proposal is implemented on my husband's salary, it will be because the FOP negotiated, voted, and agreed to it. As a non-bargaining employee, I have not been afforded that opportunity. All I have - the only thing I have - is a city handbook that was issued to me upon my hire in 1992. This handbook has 11 chapters that cover both my responsibility to the city and the city's responsibility to me. Clearly stated in Article 9 is the fact that the city will pay 100% of an employee's healthcare and will continue to do so for retirees.*

If, as the city manager believes, the handbook is simply a "guideline" and the city is not required to abide by the statements therein, it seems to follow that the employees who are not otherwise governed by a union contract cannot be required to adhere to the policies in the handbook. Policies governing such things as absences, use of city equipment, outside employment, personal conduct, disciplinary actions, and so on, would be useless.

Although morale among employees is at a record low, the non-bargaining employees are united and more organized than I have ever known. I stand with my 77 non-bargaining co-workers to ask that you abide by the city handbook and implement this policy on new hires only. We have honored and abided by the terms of this handbook for our entire careers; we ask that you do the same.

Mr. David Truax (Fire Marshal), 35 Upland Avenue, Dover, stated that it appeared that if the City could transfer funds for carnivals and cameras, it seemed that the $66,000 (amount recovered through a 15% healthcare cost share to employees) could be covered for this budget year to allow time for employees and City Council to look at this issue. He stated that previous administrations and Councils did not plan for this and he did not think it should be left to the non-bargaining employees to resolve. Mr. Truax felt that the means for covering the healthcare shortfall should be further explored and a reasonable decision made.

Maj. Paul Bernat read the following statement:

Good evening, my name is Paul Bernat and I reside at 185 Captain Davis Dr., Camden, Delaware. I am the Deputy Chief of Police for the Dover Police Department. I have been a loyal City employee for the past 23 years. I am standing before you this evening asking you not to lessen my health benefits.

I was promoted to the rank of Major in April of 2010. With my promotion I left the FOP Union and became part of the non-bargaining group of the City, which is predominately management. In fiscal year 2012 all of the Unions received raises. The non-bargaining group did not receive a raise and are not receiving raises again this year. The three City Unions are currently in contract negotiations and are in the bargaining process. The Unions will receive "something" in exchange for the 15% healthcare cost sharing.

Last year around this time I contacted the Public Employment Relations Board (PERB) and began the process to join the FOP. I later withdrew my application, after Chief Hosfelt requested I do so. Chief Hosfelt felt confident that the City Council will do the right thing and take care of the non-bargaining employees. Little did I know that ten months later the City Manager would propose in the City budget that the non-bargaining group pay 15% towards their healthcare.

I also need to mention that I attended all of the Salary and Benefits Compensation Comparison Committee meetings and was disappointed when my salary was called out as "above the maximum for the pay grade". I looked into it further and

discovered that the pay information that was provided to the committee from the City was the "2008 MAG" study. It is not reasonable to compare 2008 wages to 2012 wages.

In my 23 year career I have never felt as unappreciated as I do now. I feel that Council has the mind set that city employees are merely an expense and do not contribute to the excellent service that is provided to your constituents.

I do understand that the growing trend is to reduce government employees' benefits. However, I believe any lessening of benefits should apply to new hires or take effect in ten years for tenured employees. Currently the City has several employees that are at the 20 year mark and will retire within the next ten years. It is imperative that the City not lose all of the knowledge and expertise from tenured employees. Lessening current employees benefits are causing good employees to retire early. This is causing the City to pay retirement benefits and new employee benefits as well.

In conclusion, I would like to reiterate that the non-bargaining employees did not receive a raise last year, when Union employees did. The proposed 15% healthcare cost share would only save the City a nominal amount but will continue to affect employees in their retirement for the rest of their lives. Thank you for your time and much needed support.

Mrs. Nancy Swaggard, 2629 Farm Lane, Wyoming, stated that 18 years ago, when she applied to the City of Dover, she signed paperwork that stated that she would receive 100% medical insurance through employment and retirement and that was very important to her decision to accept the position. She stated that 18 years later employees are doing more and more work because of the hiring freeze, which they gladly accept; however, there is a limit and they feel they need to be appreciated somehow. Mrs. Swaggard asked Council to keep the promise that was made to her and other employees when they accepted their positions.

Ms. Carolyn Courtney, 24 Lamplighter Lane, Dover, stated that she is a City of Dover resident and has been all of her life. She stated that she felt that Council could look at other ways to find this unfunded portion of the budget this year and give employees another year (to prepare). Ms. Courtney stated that it was a "slap in the face" to the employees who have not had raises, noting that those who did receive raises had them taken away with days off (employee furloughs). Ms. Courtney stated that the employees came up with so many avenues (to raise funds) that Council has either rejected or was not interested in hearing. She requested Council to hear the employees now - they are disgruntled, upset, and no longer can they keep bearing the burdens of the City budget on their back. Employees needed a pay raise this year, not money taken out of their paychecks. She felt that the unfunded liabilities that put the City into this position should not be paid for out of employees' paychecks.

Mr. Paul Cookson, 233 Hibiscus Terrace, Magnolia, stated that he has been a loyal and dedicated employee for over 20 years, and that his employment began with an unpaid internship that he chose over paid positions with other police departments. When looking at potential employers, the City's benefits won him over. He he felt that he had picked an organization that he could trust and retire securely with the benefits outlined for him. He stated that every employee, regardless of position,

plays an important part. He advised Council that non-bargaining employees, from middle-management right up to department heads, are what hold everything together in the City and are the longest serving and most experienced employees. He felt that these employees are the foundation, and if they cannot trust their employer, that foundation is undermined. Mr. Cookson stated that when a foundation is not sound, neither is what is above it. He advised members that they must honor what was offered to employees when they came on board, and stop putting the burden of financial woes on their shoulders; otherwise, they will be setting a precedent that will surely be weighed by the City's future foundation.

The invocation was given by Chaplain Dixon, followed by the Pledge of Allegiance.

AGENDA ADDITIONS/DELETIONS

Mr. Bonar moved for approval of the agenda, seconded by Mr. Lynn and unanimously carried.

Mrs. Russell requested that Item #8 - Board of Assessment Appeals Exemption Report, be removed from the Consent Agenda.

Mr. Bonar moved for approval of the Consent Agenda, as amended, seconded by Mr. Hutchison and carried by a unanimous roll call vote (Mrs. Williams absent).

ADOPTION OF MINUTES - COUNCIL RETREAT OF MARCH 26, 2012

The Minutes of the Council Retreat of March 26, 2012 were unanimously approved by motion of Mr. Bonar, seconded by Mr. Hutchison, and bore the written approval of Mayor Carey (Mrs. Williams absent).

ADOPTION OF MINUTES - REGULAR COUNCIL MEETING OF MAY 29, 2012

The Minutes of the Regular Council Meeting of May 29, 2012 were unanimously approved by motion of Mr. Bonar, seconded by Mr. Hutchison, and bore the written approval of Mayor Carey (Mrs. Williams absent).

CERTIFICATE OF APPRECIATION AND CONGRATULATIONS - ZACHERY CARTER

The following Certificate of Appreciation and Congratulations was read into the record by the City Clerk:

MAYOR AND COUNCIL

Be It Hereby Known To All That The Mayor and Council Commend

ZACHERY CARTER

for Dedicated Service to the City of Dover

September 1988 - June 2012
23 Years of Service

The Mayor and Council Extend Sincere Appreciation and Congratulations

On behalf of the Mayor and Council, Mayor Carey presented the Certificate, City Plaque, and Dover Cup in appreciation for the years and service provided by Mr. Carter.

Mr. Carter stated that it had been a privilege and an honor to be able to work at the City with all of the citizens and employees. He said that it would not be possible to hold all of the events without the help of all of the departments.

Mrs. Russell, on behalf of the Parks, Recreation, and Community Enhancement Committee, expressed appreciation for Mr. Carter's assistance and congratulations on his retirement.

Mr. Hutchison thanked Mr. Carter for his friendship and leadership and for serving the citizens well.

Mr. Lynn stated that Mr. Carter had become a fixture in the community and he thanked him for his years of dedicated service.

Mr. Leary expressed his appreciation for Mr. Carter's service to the City.

Mr. Bonar stated that Mr. Carter's assistance had been invaluable to him and praised his accomplishment of the construction of the new library.

CERTIFICATE OF CONGRATULATIONS - REVEREND RICHARD AVANT - 30TH ANNIVERSARY OF MINISTRY

The following Certificate of Appreciation and Congratulations was read into the record by the City Clerk:

WHEREAS, Reverend Richard M. Avant, Ph.D., was ordained a minister of the gospel in 1979 and was called to pastor Calvary Baptist Church in Dover, Delaware in 1982; and

WHEREAS, under Reverend Avant's leadership, Calvary Baptist Church has experienced unprecedented growth and has greatly expanded outreach programs that serve disadvantaged populations in the Greater Dover area; and

WHEREAS, in 1982 Reverend Avant established the Interdenominational Ministerial Alliance of Dover and Vicinity, an organization of pastors, ministers, and evangelists that brings the worshiping community together to share their faith and resources to benefit those in need in Kent County and to support area non-profit organizations, and served as the President of this organization from its inception until 2010; and

WHEREAS, Reverend Avant is celebrating his 30th year in ministry in the Dover area and throughout his service has worked tirelessly to spread the gospel through word and deed, inspire his dynamic congregation to acts of faith and outreach, break down racial barriers in the church and the community, and serve the poor and disadvantaged, all of which have greatly benefitted the City of Dover and surrounding area.

NOW, THEREFORE, THE MAYOR AND COUNCIL OF THE CITY OF DOVER, DELAWARE, are privileged to present this Certificate of Congratulations to Reverend Richard M. Avant, Ph.D. on this 11th day of June, 2012 in recognition of his dedication to his congregation and to the residents of the Greater Dover Area.

On behalf of the Mayor and Council, Mayor Carey presented the Certificate to Reverend Avant.

Reverend Avant expressed appreciation for the recognition and the relationship that he and Calvary Baptist Church have enjoyed with the City for many years.

VIOLATION OF DANGEROUS BUILDING ORDINANCE - PROPERTY LOCATED AT 14 SOUTH QUEEN STREET, OWNED BY CHARLES E. MARSHALL

On March 12, 2012, City Council held a public hearing regarding violation of the Dangerous Building Ordinance for the property located at 14 South Queen Street. Mr. Charles Marshall, the owner of the property, testified at the hearing, stating that he had obtained a building permit and was making the necessary repairs to the property. Following the public hearing, City Council approved the following motion:

> Mr. Hare moved that, if a valid permit is obtained, the property owner be provided 30 days prior to inspection by City staff to determine if one-third of the work has been completed and if so, that the permit be extended and the property be inspected every 30 days until the end of the 90 days requested; however, if one-third of the required work has not been accomplished at the end of each 30-day period, that the structure located at 14 South Queen Street be declared a dangerous building and subject to demolition, as recommended by staff. The motion was seconded by Mr. Bonar and carried by a unanimous roll call vote (Mrs. Russell and Dr. McGlumphy absent).

Mrs. Ann Marie Townshend, Director of Planning and Community Development, advised members that since the City Council Meeting of March 12, 2012, the owner obtained a renovation permit. There had also been a permit issued for a roof replacement. To date, no inspections had been scheduled or performed relating to either permit. The rear of the house has been removed. A City code enforcement officer has made contact on multiple occasions with the owner or the people performing the work; however these contacts have not resulted in scheduling any inspections. As reported previously, work performed under a previous permit was disapproved, and that permit expired.

Mrs. Townshend provided a chronological history and presentation on the conditions of the house located at 14 South Queen Street ***(Exhibit #1)***.

Mrs. Townshend advised members that the house had been totally gutted and there was no kitchen or bathroom. Due to the extent of the renovations, it would now have to meet current building code and would require full building plans submitted by an architect to move forward. Mrs. Townshend stated that it appeared that the property was being occupied, as evidenced by a sofa and a propane tank hooked to a burner.

Given the continued lack of progress and the lack of inspections to confirm that any repairs or renovations made are compliant with City codes, staff recommended the following:

1) Declare this building and all accessory structures on this property dangerous.

2) Order the property repaired or demolished by July 11, 2012 by the owner or equity owner at their own risk.

3) Order the Building Inspector to cause the repair or demolition of the structures, if not completed by the owner within 10 days of the date established by City Council.

4) Order the City Manager, with the assistance of the City Solicitor, to cause the cost of repairs or demolition to be charged against the land on which the building exists as a municipal lien, or cause such cost to be added to the tax duplicate as an assessment, or to be levied as a special tax, or to be recovered in a suit at law against the owner.

Responding to Mrs. Russell, Mrs. Townshend stated that the property owner was given an extension in 2010; however, the situation was currently worse than it was then. She indicated that she would make the property owner aware of the new requirements to move forward.

Mrs. Russell asked if the people working on the property were required to be licensed contractors. Mrs. Townshend stated that if a contractor does the work, a license is required. In some cases, people are employed by the property owner to perform the work, and if the property owner represents to the City that the work is being done by their employees, a contractor's license is not required.

Mr. Bonar moved for approval of staff's recommendation to: 1) declare this building and all accessory structures on this property dangerous; 2) order the property repaired or demolished by July 11, 2012 by the owner or equity owner at their own risk; 3) order the Building Inspector to cause the repair or demolition of the structures if not completed by the owner within 10 days of the date established by City Council and; 4) order the City Manager, with the assistance of the City Solicitor, to cause the cost of repairs or demolition to be charged against the land on which the building exists as a municipal lien, or cause such cost to be added to the tax duplicate as an assessment, or to be levied as a special tax, or to be recovered in a suit at law against the owner. The motion was seconded by Mr. Perza and carried by a unanimous roll call vote (Mrs. Williams absent).

PUBLIC HEARING/VIOLATION OF DANGEROUS BUILDING ORDINANCE - PROPERTY LOCATED AT 118 NORTH ANN AVENUE, OWNED BY MARY H. SHOCKLEY AND OTHERS

A public hearing was duly advertised for this time and place to consider a violation of the Dangerous Building Ordinance at 118 North Ann Avenue, owned by Mary H. Shockley and Others. Mrs. Ann MarieTownshend, Director of Planning and Community Development, stated that the property consists of a one-story, wood-framed, single-family home. The dwelling was condemned as unfit for human habitation on April 3, 2012 due to the degree of damage to the structure from a fire that occurred on the night of April 2, 2012. The cause of the fire has been determined as arson.

Prior to the fire, the house was vacant. She stated that, currently the structure was still vacant, with no utilities and in a serious state of disrepair.

Mrs. Townshend provided a chronological history and presentation on the conditions of the house located at 118 North Ann Avenue ***(Exhibit #2)***.

Staff recommended that City Council:

1) Declare this building and all accessory structures on this property dangerous.

2) Order the property repaired or demolished by July 11, 2012 by the owner or equity owner at their own risk.

3) Order the Building Inspector to cause the repair or demolition of the structures if not completed by the owner within 10 days of the date established by City Council.

4) Order the City Manager, with the assistance of the City Solicitor, to cause the cost of repairs or demolition to be charged against the land on which the building exists as a municipal lien, or cause such cost to be added to the tax duplicate as an assessment, or to be levied as a special tax, or to be recovered in a suit at law against the owner.

Mrs. Russell stated that she had received calls from five (5) or six (6) residents on Ann Avenue indicating that the property was an eyesore. She noted that otherwise the neighborhood was well kept.

Council President Leary declared the public hearing open. There being no one present to speak either in favor or opposition of to declaring the property dangerous, the public hearing was closed.

Mrs. Russell moved for approval of staff's recommendation to: 1) declare this building and all accessory structures on this property dangerous; 2) order the property repaired or demolished by July 11, 2012 by the owner or equity owner at their own risk; 3) order the Building Inspector to cause the repair or demolition of the structures if not completed by the owner within 10 days of the date established by City Council and; 4) order the City Manager, with the assistance of the City Solicitor, to cause the cost of repairs or demolition to be charged against the land on which the building exists as a municipal lien or cause such cost to be added to the tax duplicate as an assessment, or to be levied as a special tax, or to be recovered in a suit at law against the owner. The motion was seconded by Mr. Bonar and carried by a unanimous roll call vote (Mrs. Williams absent).

PUBLIC HEARING - ELECTRIC REVENUE FUND BUDGET

A public hearing on the Electric Revenue Fund Budget is required for compliance with Section 505 of the 1993 Electric Revenue Refunding Bond Issue (Refunding 1985 Electric Revenue Bond) prior to adoption of the budget. Notice of the public hearing was properly advertised for this time and place.

Mrs. Donna Mitchell, Controller/Treasurer, advised membersthat the proposed Electric Fund budget for the Fiscal Year beginning July 1, 2012 through June 30, 2013 was included in the draft budget presented to City Council during the Special Council Meeting (Budget Review) held on May 22, May 23, May 30, and June 4, 2012.

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

No further action was taken. Council President Leary noted that the First Reading of the Budget Ordinances would take place during the latter part of the meeting and that the Final Reading and adoption of the Ordinances are scheduled for the Regular Council Meeting of June 25, 2012.

PUBLIC HEARING/FINAL READING - ORDINANCE #2012-11 - PROPOSED ZONING MAP AMENDMENT

A public hearing was duly advertised for this time and place to consider approval of proposed zoning map amendments to the Source Water Protection Overlay Zone - Tier 3 Excellent Recharge Area in the vicinity of North Dupont Highway and Leipsic Road.

Mr. Hutchison moved that the Final Reading of proposed Ordinance #2012-11 be acknowledged by title only, seconded by Mr. Bonar and unanimously carried. *(The First Reading of the ordinance was accomplished during the Council Meeting of April 9, 2012.)*

Mrs. Ann Marie Townshend, Director of Planning and Community Development, advised members that the proposed amendment would change the boundary of the SWPOZ (Source Water Protection Overlay Zone) – Tier 3 Excellent Recharge areas in the vicinity of North DuPont Highway (U.S. Route 13) and Leipsic Road. The change in the boundary was done following the provisions of Appendix B, Article 3, Section 29, which sets out the procedure for contesting the delineation of the source water protection overlay zone.

Mrs. Townshend advised members that geotechnical reports were completed by the owner of 741 N. DuPont Highway and reviewed by the Department of Natural Resources and Environmental Control (DNREC). Following this review, DNREC provided an updated contour for the SWPOZ Tier 3: Excellent Recharge Area in this general vicinity. The Planning Office contacted all affected property owners to inform them of the map amendment. She noted that the Planning Commission unanimously recommended adoption of the ordinance.

Council President Leary declared the public hearing open.

Mr. John Paradee of Prickett, Jones, and Elliot, 11 N. State Street, Dover, representing the property owner of the former Berry Van Lines site, stated that the current Source Water Protection ordinance makes use of the property completely unfeasible. He noted that the delineation was reviewed and onsite surveys of the property revealed that the delineation was inaccurate based on the DNREC maps. He encouraged favorable consideration of the ordinance.

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

Mr. Hare moved for adoption of the ordinance, as recommended by the Planning Commission. The motion was seconded by Mr. Hutchison and, by a unanimous roll call vote (Mrs. Williams absent), Council adopted Ordinance #2012-11, as follows:

AN ORDINANCE AMENDING THE ZONING MAP, SOURCE WATER PROTECTION OVERLAY ZONE - TIER 3 EXCELLENT RECHARGE AREA IN THE VICINITY OF NORTH DUPONT HIGHWAY AND LEIPSIC ROAD

WHEREAS, the Delaware Code, Title 7 - Conservation, Chapter 60 - Environmental Control, Subchapter VI - Source Water Protection requires that municipalities adopt regulations to protect areas around public wells and areas identified as "excellent recharge areas;" and

WHEREAS, on November 26, 2007, City Council adopted the Source Water Protection Overlay Zone (SWPOZ) and on March 24, 2008, City Council amended this zone by adding protections for "excellent recharge areas;" and

WHEREAS, Appendix B - Zoning, Article 3 - District Regulations, Section 29 - Source Water Protection Overlay Zone (SWPOZ) includes a procedure for contesting the delineation of the source water protection overlay zone; and

WHEREAS, the Dover Planning Office received a geotechnical evaluation for the site known as Dover Crossroads at the southeast corner of North DuPont Highway (U.S. 13) and Leipsic Road; and

WHEREAS, the Department of Natural Resources and Environmental Control has reviewed the evaluation and provided an updated contour of the "excellent recharge area" in this vicinity.

NOW, THEREFORE, BE IT ORDAINED THAT the Mayor and Council of the City of Dover hereby amend the Zoning Map as it relates to the SWPOZ - Tier 3 Excellent Recharge Areas in the area including and adjacent to the Dover Crossroads site in accordance with the exhibit entitled "Amendment to the SWPOZ - Tier 3 Excellent Recharge Area," dated June 11, 2012.

ADOPTED: JUNE 11, 2012

BOARD OF ASSESSMENT APPEALS EXEMPTION REPORT - MAY 22, 2012

The Board of Assessment Appeals Committee met on May 22, 2012 with Chairman Garfinkel presiding.

EXEMPTIONS

Union Missionary Baptist Church (Location: Lot 8 Forest St. - ED05-076.11-01-09.00)

Background and Analysis

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

This property was purchased in January 2006.

This is a vacant "grassy" area located next to another taxable property owned by the Church. The application states that this property is being used for overflow parking as needed.

Per code for zoning & chapter 106, parking on the grass is not permitted. Since this parcel is not "legally" being utilized for its intended use, we recommend denial of the request.

Exemption Request - $30,600

Recommended Action: Staff recommends that the request for exemption be denied.

Ms. Russell explained to the board that the Assessor's recommendation was to deny the application, because the lot is used as overflow parking as per the application. She told the board that she contacted the City Planning Office and was told that per zoning code Section 106-130, parking on grass is not permitted.

Mr. Moore, who represented the Union Missionary Baptist Church, told the board that the properties next to the lot were exempt and are being used for parking as well. Ms. Russell explained that one of her goals was to look at all of the exempt properties to make sure that they are in compliance.

Mr. Moore explained that he was under the impression that there was no problem parking on these lots, and explained to the board that there was not a lot of room for parking on the road.

Mr. Burns asked Mr. Moore to explain the GIS Map provided, he asked about the alley and 922 Forest St., which is not exempt. He also told Mr. Moore that he does not feel comfortable to grant the exemption because the 922 Forest St. was not tax exempt. Mr. Burns suggested that Mr. Moore have the alley abandoned, which runs between the properties, this would give him a better chance to get the exemption for the Lot in the future.

Mr. Moore explained that he had tried to do just that, but one of the property owners would not agree to the alley abandonment.

Chairman Garfield closed the hearing and opened up for deliberation.

Mr. Burns made the motion to deny the application. Mr. Galvin seconded the motion.

Chairman Garfinkel stated for the record that he too feels the exemption should not be granted based on the information provided.

The motion carried 4-0.

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

Second Baptist Church (Location: 136 S. Queen St. - ED05-076.12-02-71.00)

Background and Analysis

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

This property is being used for storage.

The assessor's office noticed that the utilities on this property were low. We checked with Inspections and Planning to make sure the property was not vacant. The inspector was told that the property was being used for storage. Per the City Planner, this is NOT permitted.

Exemption Request (2011 & future years) - $120,000

Recommended Action: Staff recommends that the request for exemption be denied.

Mr. Bagley was present to represent Second Baptist Church and explained to the board that the building was used for functions as bible school, warming food to be served out of the church and other church projects.

The Assessor recommended that the application be denied because the house had been on the city's vacant list. She was told by an inspector that the house was used for storage, which is not allowed under the current zoning.

Mr. Galvin pointed to the check list on the application and asked if the organization had the 501(c)3, which they did not. Mr. Galvin asked if the organization would qualify for the exemption without the 501(c) 3.

Mr. Townsend told the board that the exemption can be obtained without the 501(c) 3.

Mr. Burns asked what the building was used for.

Mr. Bagley acknowledged that the building is used for storage but is also used for the programs mentioned earlier, if money is available. He told the board that organs are stored in the building and are there for the purpose of teaching the children.

Mr. Burns asked if the property was deed as an exempt property, which it was but the property has been taxed because nobody had ever filed for the exemption. He also asked if the building meets the required code which would allow children to be taught. In Mr. Burns' opinion, should the church decide to bring the building up to code to where it can be used to teach children how to play the organ, they would probably not have any problems getting the exemption.

Mr. Bagley agreed and told the board that if the church planned to use the property to teach the children, he would make sure that the building would be up to code.

Mr. Burns told the board that he would not feel comfortable granting the exemption based on the use and condition of the building.

Chairman Garfinkel closed the hearing and opened for deliberations.

Mr. Welsh made the motion, based on the information provided, to deny the request for exemption, which was seconded by Mr. Burns, who also explained that due to the current use and testimony he would not recommend an exempt status.

Mr. Galvin and Chairman Garfinkel concurred with the other two members.

Motion carried 4-0.

Mr. Bagley wanted to state for the record, that he is going to speak to the city's planning department to find out what is required to meet the requirements.

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

Chapter 850 Vietnam Veterans of America (Location: 1549 Rear Forrest Ave. - ED05-076.05-01-10.00)

Background and Analysis

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

This property is a wooded lot owned by the appellant and does not seem to be utilized by its intended use for exemption qualification.

Exemption Request (2011 & future years) - $43,400

Recommended Action: Recommend that the request for exemption be denied.

Mr. Davis, Vice President and Mr. Schilling, Treasurer were present for the hearing.

Mr. Davis explained that the property was a piece of vacant land and was donated to the organization by one of its members. The purpose of the land was to keep it in case the organization needed money for a memorial, it could be used as collateral. Mr. Davis explained that the property used to be open space for a development and cannot be built on. He went on to say that if he was not granted the exemption he would like the value of the property to be dropped.

The Assessor recommended that the applications for exemption be denied, because the property does not seem to be utilized for its intended use for exemption qualifications. Ms. Russell also explained that the value could not be appealed at this time, because the timeline to appeal the value has passed.

Mr. Townsend explained that the Board of Assessments will be looking at 2 criteria's, one would be what the property would be used for in the future and if this will be consistent with the mission of the organization, this being a charitable mission. Mr. Townsend asked if the property is generating income and what the property is or will be used for.

Mr. Davis explained to the board that the city has limited the organizations ability to use the property by zoning it as a R20. He told the board that they will not build on the property but if the City would like for them to use the property as a picnic area, that they could do so.

Mr. Townsend asked if this is a property being held by way of investment, which would disqualify the property from the exempt request.

Mr. Galvin asked if the property was accessible from the road, which Mr. Davis concurred that it was.

Mr. Galvin explained that if the property was larger than 20,000 square feet, which it would have to be according to the zoning it would be large enough to build a house on and could therefore be sold as a buildable lot.

Mr. Davis wanted to state for the record that the property was a piece of land which the City had sold by accident. Once the city realized that the sold it back to the original owner. Mr. Davis explained that the lot used to be open space for the Marshcreek Development and could therefore not be built on.

In Mr. Burns' opinion this piece of open space was probably sold because the Home Owners Association failed to pay the taxes for the parcel at which time it probably was sold in a tax sale. Being the fact that it is a piece of open space, it cannot be built on.

Mr. Galvin asked how the Home Owners Association could get tax exemption for the open spaces.

Ms. Russell explained that the Association would have to file an application for the exemption and proof that the open space is used only by the Home Owners of the neighborhood.

Mr. Galvin wanted to know what the purpose of the organization is.

Mr. Davis went into the history of the organization and told the board that the purpose of the organization is to help and assist other Vietnam Veterans as well as all veterans.

Mr. Galvin asked how this piece of property would help to further their mission.

Mr. Davis told the board that they have not had the property for long and the organization does not know what to do with the property.

Mr. Garfinkel pointed out that nothing has been done with the property and by the appellant stating that the property is being used as collateral would suggest the property is being held as an investment property.

Mr. Galvin pointed out that according the state code the parcel could fall under investment property and would therefore not be able to be tax exempt.

Mr. Davis pointed out that the lot is open space and that there will be no gains in utilizing the property, the organization could take children out there and teach them about the Vietnam War.
Mr. Burns pointed out that in his opinion the land was given to the organization by the owner to further the mission and asked if this would not qualify the property to be tax exempt.

Mr. Townsend pointed out that there are two items one must look at to make sure that a tax emption would be appropriate, one of which would be if the properties use is consistent with the chartable purpose of the organization and then whether the property is held by way of investment.
Mr. Townsend pointed out that it would be up to the organization to link the use for that property with the mission of the organization.

Mr. Burns pointed out that the property does not fully qualify for the tax exempt status, but should be looked at from the valuation standpoint; he believes the assessed value for the piece of land to be too high.

Mr. Galvin asked to look at the record plan to find out if that piece of land was dedicated for open space.

Mr. Garfinkel made the suggestion to grant the exemption for one year and then go back to look at the property, he agrees that this seems to be a valuation question rather than a question for exemption.

In Mr. Townsend opinion the board has come to the conclusion that the property is not being held by way of investment and that the organization has not settled on the use of the property yet. He also pointed out that the city could look at the use of the property year by year and could therefore withdraw the exempt status, should the property not be used to further the mission of the organization.

Chairman Garfinkel closed the hearing and opened for deliberations.

Mr. Burns summarized that the organization has recently been given this property but has not come up with a purpose for the land which could help their organization. He also pointed out that the property cannot be held as an investment because it cannot be built on.

Mr. Burns went on to make the motion to accept the applicant request for one year. He pointed out that this will be a temporary exemption, because all exemptions are looked at yearly.

Mr. Galvin seconded the motion, he also made the recommendation the organization find the record plan which shows that the parcel is in fact open space.

Ms. Russell pointed out that the exemption had been filed in the fall of 2011 and that the exemption would have to be granted for 2011 and 2012.

Mr. Burns suggested to Mr. Davis that in one year he should have a better understanding of what the property will be used for.

Chairman Garfinkel clarified that the organization would have to apply for the exemption for the tax year 2013.

Mr. Townsend pointed out that in 2013 the organization should receive a tax bill which should trigger the refilling for the exemption.

Ms. Russell explained that there is not deadline for charitable organizations to file an application for exemption; this can be done any time during the year, but that she would prefer the exemption be filed during the month of April, 2013. That way they can be heard during the Board of Assessment Appeal hearing for that year.

Motion carried 4-0.

EJB Inc. (Location: 327 Martin Street - ED05-077.10-01-48.00)

Background and Analysis

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

There was a fire at this property last summer. The property owner is requesting an exempt status for this past July and in the future.

At this time, the property is vacant and is going through the process of rebuilding.

My recommendation is that the property be given exempt status for the billing cycle after the improvements receive the certificate of occupancy.

Exemption Request 2011 - $420,800
Exemption Request 2012 - $114,700
Exemption Request (future) undetermined (114,700 + improvement value)

Recommended Action: Recommend that the request for exemption be denied until improvements are complete.

Mr. Boyles was present for the hearing.

Mr. Boyles told the board that they filed for the exemption in 2011 after a fire destroyed the building. He told the board that they have been at this location for 20 years and are a licensed drug and alcohol abuse treatment facility with 10 beds. He mentioned that they are hoping to build the new facility with 18 beds.

Ms. Russell explained that it was the City's recommendation that the exemption would be denied until improvements have been completed.

Chairman Garfinkel asked Mr. Boyles to explain what EJB Inc. is.

Mr. Boyles explained that EJB Inc. is a subsidiary of Serenity Place, where Serenity Place leases from EJB Inc. and the proceeds go back into the organization.

Mr. Burns wanted to clarify the City's recommendation that the city would accept the application once the building would be complete. He asked if the application would be denied this year, would they owe back taxes.

Mr. Townsend asked how close the building was to completion.

Mr. Boyles explained the lengthy process and went on to say that the estimated date of completion would be September of 2013.

Chairman Garfinkel closed the hearing and opened for deliberation.

Mr. Burns asked that based on the fact that the organization is charitable and the property is not held by way of investment, would the property, assuming there would be a structure, meet the qualifications for the exemption.

Mr. Galvin made the motion to grant the exemption for 2011 and 2012 despite the unfortunate fire.

Mr. Welsh seconded the motion.

Mr. Burns wanted it to be known that he understands the lengthy approval period and agrees.

Motion carried 4-0.

Ms. Russell explained to the appellant the council has the final say and that a letter would be mailed with the date and time of that meeting.

House of Pride Inc. (Location: 16 N New Street - ED05-076.08-05-22.00)

Background and Analysis

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

This property was listed as an exempt property from July 2002 until July 2012. The exemption was revoked because the Conditional Use permits were revoked; therefore the property did not meet the qualifications for an exempt status with the City of Dover. Since the properties did not have the proper permits, they were no longer being used for the intended purpose of the exemption.
Exemption Request (2011 & future years) - $75,800

Recommended Action: Recommend that the request for exemption be denied.

Mr. Harris and Mrs. Dean, legal counsel, to House of Pride, were present for the hearing.

Mrs. Dean explained to the board that all three properties up for exemption were owned and rented by the House of Pride and that all of the income goes to the House of Pride program to be used for the benefit of the organization.

Ms. Russell told the board that it is the Assessor's recommendation to deny the request for exemption. She told the board that the property had been receiving the exemption in the past, but the exemption had been revoked because it had no longer been used for the intended purpose. She also pointed to correspondence in the packet given to the board, from Mr. Rodriguez, city solicitor and a letter from Mrs. Dean regarding the revocation of the exemption.

Mr. Townsend asked if Mrs. Dean was at the meeting to represent the organization, at which time Mrs. Dean explained that she also sits on the board of directors.

Mr. Burns asked why the exemption was revoked.

Ms. Russell explained that the planning director as well as the city manager and solicitor met with the Assessor to discuss the revocation of the exemption because the House of Pride did not have the proper rental permits for 16 S New Street as well as 102 S New Street.

Mrs. Dean explained that the conditional use was for the participants of the House of Pride to be able to live there; the other properties were used as regular rentals, where the income is used for the program.

Chairman Garfinkel closed the hearing and opened for deliberations.

Mr. Burns stated that because the use of the properties did not meet the legal requirement and based on the letter from Mr. Rodriguez that he would make the motion to deny the application for exemption.

Chairman Garfinkel seconded the motion based on the information provided.

In Mr. Galvin's opinion the properties are not used for their intended purpose and the organization was not able to disclose how much of the income goes to the House of Pride.

Motion passed 4-0.

Chairman Garfinkel explained to the appellant the council has the final say and that a letter would be mailed with the date and time of that meeting.

Mrs. Dean pointed out that the other two upcoming properties fall und the same scenario.

House of Pride (Location: 115 S New Street - ED05-077.09-01-43.00)

Background and Analysis

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

This property was purchased in November 2008.

To our knowledge, this property has always been a market rental. The Assessor's Office does not have any official documentation to confirm or deny this information.

Exemption Request - $186,900

Recommended Action: Recommend that the Board of Assessment Appeals Review Information

Chairman Garfinkel asked Mrs. Dean to explain the purpose of the property.

Mrs. Dean explained that this property is used for rental property and that the renters have no connection to the organization.

Chairman Garfield closed the hearing and opened for deliberation.

Mr. Burns made the motion to deny the request for exemption based on the testimony and information provided by the city and from the city solicitor that this property does not meet the requirements.

Motion carried 4-0.

House of Pride (Location: 102 S New Street - ED05-077.09-01-35.00)

Background and Analysis

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

This property was listed as an exempt property from July 2002 until July 2012. The exemption was revoked because the Conditional Use permits were revoked; therefore the property did not meet the qualifications for an exempt status with the City of Dover. Since the properties did not have the proper permits, they were no longer being used for the intended purpose of the exemption.

Exemption Request (2011 & future years) - $137,600

The Assessor recommended the application be denied.

Mrs. Dean explained that this property is used for rental property and that the renters have no connection to the organization.

Chairman Garfinkel closed the hearing and opened for deliberations.

Mr. Galvin made the motion to deny the exemption based on the testimony provided.

Mr. Burns seconded the motion based on the information provided.

Motion carried 4-0.

Ms. Cheryl Russell, City Assessor, stated that legal counsel was present during all of the Board of Assessment appeal hearings and determined the exemption status of all properties being appealed.

Responding to Mr. Anderson, Ms. Russell stated that the appeal for Union Missionary Baptist Church was denied because the vacant "grassy" area located next to another taxable property owned by the church was being used for overflow parking and, per the Code for Zoning and Chapter 106, parking on the grass is not permitted and this parcel was not "legally" being utilized for its intended use. She noted that the applicant was advised that they could pave the property as a parking lot, which would make it a legal use eligible for exemption.

With reference to the Second Baptist Church, Ms. Russell explained that the property was listed as being vacant but was being used for storage, which is not permitted under the zoning. She stated that the property was not exempted because it was not being used for its intended purpose (as a church). Responding to Mr. Lynn, Ms. Russell stated that the property owner was directed to Planning Department staff to determine the actions necessary to bring the property into compliance with Code for use for functions such as bible school, warming food to be served out of the church, and other church projects.

Responding to Mr. Anderson, Ms. Russell explained that the residents at the House of Pride properties are not participants in their programs. The House of Pride is engaging in commerce with commercial leases for these properties; therefore, the exemption request was denied.

Mr. Bonar moved for acceptance of the Board of Assessment Appeals Exemption Report of May 22, 2012, seconded by Mr. Hutchison.

Mr. Anderson moved for Division of the Question to vote on each item separately, seconded by Mr. Perza. The motion failed by a roll call vote of four (4) yes and four (4) no (Mr. Bonar, Mr. Hare, Mr. Hutchison, and Mr. Leary) (Mrs. Williams absent).

The motion for acceptance of the Board of Assessment Appeals Exemption Report of May 22, 2012 failed by a roll call vote of four (4) yes and four (4) no (Mr. Anderson, Mrs. Russell, Mr. Lynn, and Mr. Perza) (Mrs. Williams absent).

COUNCIL COMMITTEE OF THE WHOLE REPORT - MAY 29, 2012

The Council Committee of the Whole Meeting was held on May 29, 2012 at 5:30 p.m. with Council President Leary presiding.

Council President Leary requested those present wishing to speak regarding Agenda Items #5 and #6 to limit remarks to three (3) minutes due to the lengthy agenda and time constraints.

Downtown Dover Business Improvement District (BID)

Mrs. Donna Mitchell, Controller/Treasurer, reviewed the Business Improvement District (BID) Assessment (Tax) Rates for Fiscal Year 2012-2013 and advised members that staff proposed a BID tax rate based on an estimated revenue calculation of $51,600 for FY 2012-2013. She explained that this revenue would pay for personnel and administrative expenses used to support economic development. Staff requested approval of the BID tax assessment rate in accordance with the Business Improvement District Tax Calculation Worksheet - July 1, 2012 - June 30, 2013.

Responding to Mr. Lynn, Mr. Scott Koenig, City Manager, stated that projected BID tax revenues in the amount of approximately $51,600 would be part of the City's annual appropriation to the Downtown Dover Partnership (DDP) under the proposed draft FY 2012-2013budget if the City's Economic Development Office were eliminated, as previously proposed. He noted that the funds generated by the BID tax have traditionally been utilized to offset the funding of the DDP (or formerly the Main Street Dover Program).

Mr. Lynn moved to table the matter until the future of the City's relationship with the DDP as well as the future of the Economic Development Office could be finalized through the budget process or further action of Council. The motion failed due to the lack of a second.

Mrs. Mitchell explained that City Code requires that the BID tax rate be established in May in order for the City to be able to assess the BID tax for Fiscal Year 2012-2013.

Mr. Hare stated that the purpose of the discussion was to set the BID tax rate and that Council's budget discussions would determine where resulting funds would be directed.

Mr. Anderson moved to recommend approval of the Business Improvement District (BID) tax assessment rate according to the Business Improvement District Tax Calculation Worksheet - July 1, 2012 - June 30, 2013, as recommended by staff. The motion was seconded by Mrs. Russell.

Mr. Lynn expressed concerns regarding the Business Improvement District Cash Receipts and Budget for 2012-13 which specified BID tax revenue of $51,600 and projected personnel and administration expenses in the same amount. He questioned if the provisions of the City's Code require earmarking these revenues for personnel and the DDP and if the rate could be set without addressing this underlying issue.

Mr. Bonar felt that in order to have Mr. Lynn's question fully answered, an interpretation of the ordinance and an opinion of the City Solicitor were needed; therefore, he moved to table the matter. The motion failed due to the lack of a second.

Mr. Leary advised members that time constraints required that a first reading of the ordinance be scheduled for June 11, 2012 and a final reading for June 25, 2012 in order to adopt the tax rate for Fiscal Year 2012-2013 for billing purposes.

Mr. Anderson stated that the question would not affect the motion that was made to set the annual rate as required by Code and that related budget considerations were a separate item which could be discussed at the City Council meeting held subsequently in the evening after consulting with the City Solicitor.

The Committee recommended approval of the Business Improvement District (BID) tax assessment rate according to the Business Improvement District Tax Calculation Worksheet - July 1, 2012 - June 30, 2013, as recommended by staff.

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

Evaluation of Proposals - Fiscal Year 2012-2016 Audit Services

Mrs. Donna Mitchell, Controller/Treasurer, reviewed the results of a Request for Proposals (RFP) issued for professional audit services, noting that the City's current contract with Faw Casson & Company, LLC, expired last year. She explained that five (5) proposals were received and evaluated (one (1) from Maryland, two (2) from Wilmington, and one (1) from Dover; one was minority owned and one female owned). Mrs. Mitchell indicated that the proposals were comparable in quality and staff's recommendation was based on price. She advised members that SB & Company, LLC, in Huntsville, Maryland was given a 3% discount preference as a minority-owned business and was the lowest bidder. She stated that, if approved, SB & Company would perform fieldwork and testing of internal controls since many files are sent through security portals. She noted that staff did not see a problem with the distance of the firm from the City of Dover and recommended approval of SB & Company, LLC for the City's audit services provider.

Responding to Mr. Anderson, Mrs. Mitchell explained that references were checked for all firms and all were favorable, and that testing for internal controls, including statistical sampling, was a standard practice.

In response to Mr. Perza, Mrs. Mitchell stated that SB & Company had adequate support staff, including an audit manager and two (2) support staff, and did not appear to have a problem with staff turnover. In addition, SB & Company stated they would plan to begin testing of Accounts Payable vouchers in-house as early as the month of April each year (beginning in 2013).

Responding to Mr. Bonar, Mrs. Mitchell stated that she believed that SB & Company had clients in Delaware and offered to verify this. In addition, she confirmed that SB & Company was licensed to operate in the State of Delaware and had included their Delaware Minority Business Certificate in the proposal.

In response to Mr. Leary, Mrs. Mitchell advised members that Faw Casson had been the City's auditor since at least the 1970s and that she felt it was a good idea to change auditors periodically.

The Committee recommended that staff be authorized to execute an agreement with SB & Company, LLC, to perform audit services for the City of Dover for an amount not to exceed the fixed prices provided in the Audit Services RFP 12-0032FN Cost Comparisons, as recommended by staff.

Mrs. Mitchell advised members that, prior to the FY 2012-2013 budget hearings, she deducted $28,000 from the budget in anticipation that one of the lower-priced firms would be selected.

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

Health Benefits Committee Report of April 18, 2012

Mr. Scott Koenig, City Manager, advised members that the Health Benefits Committee was created by Council in 2010 to evaluate possible options for long-term health care and to consider how the City could control the cost of long-term health care liabilities. He explained that members of the Committee included Council President Leary; Councilwoman Williams; the City Manager; the Human Resources Director; the Controller/Treasurer; representatives from the IUE-CWA, IBEW, and FOP; a representative for non-bargaining employees; and a retiree representative. As of November 29, 2011, the Committee had developed a number of alternatives, and members were requested to narrow those options to four (4) possibilities that could be sent to the actuary for cost evaluation. The options chosen were as follows:

1) Option #1 - City Contribution for a Preferred Provider Organization (PPO) Will Equal the Amount City Contributes for a Blue Cross/Blue Shield (BCBS) Health Maintenance Organization (HMO);

2) Alternative #1 - State Plan With Changes to Mirror State of Delaware - House Bill 81 Effective July 1, 2012;

3) Alternative #2 - City of Dover with Flat Percentage @ 15% for Under 65 and 10% for Over 65 of Total Premium; and

4) Alternative #3 - City of Dover with Flat Percentage @ 10% for Under 65 and 10% for Over 65 of Total Premium.

Mr. Koenig stated that these options were sent to Mr. Scott Porter of Milliman, Inc., to perform an actuarial study, and Mr. Porter attended the April 18, 2012 Committee meeting and reviewed the potential financial impact of each of the options on long-term health care. During this discussion, a motion was made in Committee that the cost-sharing provisions and the medical plan in effect at the time of retirement remain in effect with no changes for all current retirees, and this passed by a roll call vote of eight (8) yes and one (1) no. This was the only formal motion that came from the Committee and the Committee has not met since. Mr. Koenig requested that the minutes of this

meeting be placed in the record as they outline the options that were discussed by the Committee. He stated his feeling that the Committee had no further work at this point. He advised members that he planned to make related recommendations regarding this matter during consideration of the following agenda item.

Responding to Mr. Lynn, Mr. Koenig agreed that it would be prudent to retain the Health Care Committee regardless of the recommendations made on this matter during the budget hearings. He noted that health care is a changing issue and felt that Council might find it advantageous for the Committee to be available to consider health care issues in the future.

Mr. Anderson requested that the results of the actuarial study performed by Milliman, Inc., be provided to members for their review. *(Clerk's Office Note: This information was subsequently provided to members by Mrs. Mitchell and was previously provided Health Benefits Committee members in the packet materials for the Committee meeting held on April 18, 2012.)*

In response to Mrs. Russell regarding the third option that was evaluated by the actuary, Mr. Koenig explained that the difference in percentages for individuals under and over age 65 related to the fact that those over 65 reverted to Medicare coverage. In addition, Mrs. Mitchell noted that the 10% figure was arrived at in an attempt to keep the cost neutral for individuals over age 65.

Mr. Lester Blakeman, 206 Falmouth Way, stated that he was not a member of the Health Benefits Committee but attended all the Committee's meetings. He advised members that individuals who are not represented by a union have no opportunity to negotiate a benefit that they might receive in exchange for increased health care payments. He expressed concern regarding the legality of retroactively changing benefits that were promised to employees upon hire. Mr. Blakeman provided members information containing excerpts from the minutes of the Health Benefits Committee Meeting held on April 18, 2012. Referring to Mrs. Hawkins' statement in those minutes that a change in benefits in 2009 that increased benefits was not "fought" by employees, he noted that an automatic cost-of-living increase was eliminated for new hires in 1980 and in 1981 the City issued checks to employees who gave up their cost-of-living increases. Mr. Blakeman felt that this action established that benefits cannot be simply removed without the agreement of the employees and concurred with this approach from a moral standpoint. Mr. Blakeman believed that these concerns must be addressed before action on this matter is taken. He stated that he worked for the City from 1971 until 2004, believing that he would get 100% paid health care in retirement and, although he felt it was "fine" to tell new hires that they would not receive full health care coverage, he deemed it unfair to tell this to employees who have been working for years under the assumption that this was a benefit that they would receive.

The Committee recommended acceptance of the Health Benefits Committee report dated April 18, 2012.

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

Proposed 15% Healthcare Premium Cost Sharing Arrangement - Non-Bargaining Only

Mr. Leary noted the receipt of correspondence from Mrs. Pattee Luppino, Electric Department, dated May 25, 2012 regarding the Proposed 15% Healthcare Premium Cost Sharing Arrangement.

Mr. Scott Koenig, City Manager, stated that the Fiscal Year 2012-2013 budget expense for health care coverage for all active City employees is $3,195,200. In an attempt to offset and manage the rising cost of health care coverage, the City Manager's proposed Fiscal Year 2012-2013 Operating Budget includes a 15% across-the-board cost sharing proposal for all employees. The budget proposal states that, beginning July 1, 2012, all employees would contribute 15% of the health care premium for the specific plan and tier which they select. The employees who are covered by collective bargaining agreements would fall under the terms of those negotiated contracts once the negotiations are concluded. City Council has direct responsibility for the non-bargaining employees; therefore, the City Manager put forth this proposal for Council's consideration. Currently, individual coverage is provided at no cost to employees and 25% of dependent coverage is paid by the employee and 75% by the City. Based upon the health coverage rates for Fiscal Year 2012-2013 and the health care enrollment schedule as of January 2012, the projected annual savings resulting from the implementation of a 15% across-the-board cost sharing arrangement for all non-bargaining employees was estimated at approximately $66,500.

Once implemented, the 15% cost sharing contribution would follow the non-bargaining employee into retirement. To clarify, Mr. Koenig provided the example of a non-bargaining employee who begins contributing 15% of the total monthly health insurance coverage premium on July 1, 2012 and elects to retire on December 1, 2012. The employee would continue to pay 15% of the total monthly health insurance premium throughout retirement. This recommendation would not affect anyone who is considered a non-bargaining retiree as of June 30, 2012.

Mr. Koenig stated that the maximum impact of the proposal would be $92.93 for employees who select the employee only tier of the Preferred Provider Option (PPO) plan and that employees who have selected the family tier of any of the plans would see a slight decrease in monthly premiums.

Mr. Koenig reviewed the Non-Bargaining Health Insurance Analysis and noted that the Draft 2012-2013 Budget was prepared based on this recommendation.

During the City Council Meeting held on January 12, 2009, Council considered benefit parity between non-bargaining and union employees. At that time, Council approved certain enhanced benefits for non-bargaining employees while retaining current practices for other employee groups. Mr. Anderson questioned the effect that the current proposal would have on the doctrine of benefit parity between all City employees that was previously adopted by Council. Responding, Mr. Koenig indicated that this proposal would offset the doctrine of parity; however, he did not feel that true parity existed across all City units. He felt that the parity proposal that was brought forth previously had specific provisions. He noted that the current proposal could change parity going forward; however, the parity clause was previously changed at the discretion of Council.

Responding to Mr. Anderson, Mr. Koenig was unsure if the proposal would save more money than capping the City's 100% contribution at the level required to provide health coverage through a Health Maintenance Organization (HMO) and allowing employees to choose to obtain additional coverage at their own expense; however, he stated his desire to develop a recommendation that was easy to communicate to Council and, in his opinion, treated all tiers equally. He indicated his expectation that, over an approximately 25-year career, many employees would progress through the various tiers as they move through their careers, and under this proposal each tier would be treated equally. Although he felt that this was not a perfect solution, he explained that time was granted to discuss other options at the Committee level; however, no recommendation of this type came out of the Health Benefits Committee because all the bargaining units and groups were interested in trying

to maintain the status quo. Mr. Koenig stated that the City has a major financial issue and this was not an easy recommendation to make; however, it was his desire to get everyone involved in the health care discussion and decision because he believed that health care coverage would no longer be a benefit covered 100% by the City of Dover. He acknowledged that he expected many individuals to disagree with his position.

In response to Mr. Anderson, Mr. Koenig stated that, although he had not performed specific research, he felt that coverage such as that currently provided by the City would be an exception to coverage available in the market. He felt that the 15% cost-sharing proposal was a fair solution, given the economic constraints of the City and funds required to maintain a very good health care plan.

Mr. Anderson noted that he had requested a copy of the actuarial report that provided financial information regarding various health care options and was reviewed by the Health Benefits Committee. He questioned if a decision on the proposal could be postponed until the report could be reviewed by members to determine which options would save more money in the future.

Mrs. Mitchell advised members that a summary of the actuarial results could be viewed in the "Future Retirees Only" column of the letter dated March 27, 2012 from Milliman, Inc., regarding the Cost Sharing Options Model for Retiree Health Benefits – Update for Future Retirees.

Responding to Mrs. Russell, Mr. Koenig stated that when City employees are hired, they typically receive a City of Dover Employee Handbook that reflects information regarding health care coverage; however, it was his opinion that the Handbook was not a "contract for life." He stated that he believed that the current Handbook states that the cost-sharing arrangement for dependent coverage is shared by the City (75%) and the employee (25%). He stated that the Handbook has undergone various changes throughout the years.

In response to Mrs. Russell, Mr. Koenig stated that his recommendation for cost sharing was based on the best information available and he had no knowledge of any pre-existing document that would present a challenge to the proposal.

Mr. Lynn stated he was opposed to this proposal and requested that he be "walked through the decision-making matrix" as to how this option was chosen compared to the other options presented by the actuary.

Mr. Koenig stated that discussions on the matter as it related to retirees was fairly unanimous. He explained his perception that when Council considers health care, the entire dynamic of the discussion alters when retirees are considered because there are retirees who retired more than 20 years ago who may not be able to afford changes to their health care. Mr. Koenig personally agreed with excluding retirees from the discussion for that reason; however, he indicated that excluding retirees would place a greater financial burden on active employees. Mr. Koenig advised members that he felt he had to draw "a line in the sand" to prepare the budget when considering three (3) bargaining units and non-bargaining employees. He noted that the draft proposed budget includes a potential tax increase, potential layoffs, and potential fee increases. He stated that the recommendation was made in order to gain control over certain parts of the expenses. He did not feel that 15% was extravagant and that it seemed justifiable "across the board."

Mr. Lynn stated that he opposed the proposal for a number of reasons. He stated he was unsure that this was the most advantageous option and also felt it would leave non-bargaining employees with no representation or bargaining position to enable them to come forward and express their points of view. He was concerned that it would open the floodgates for retirees who would want to leave before the June 30, 2012 deadline, and the next set of municipal meetings would be occupied with filling critical positions, leaving the City with an inexperienced workforce. Mr. Lynn was unsure of the City's ability to recruit new talent, especially single people who would be most affected financially by the proposal. He expressed his concern about the estoppel detrimental reliance argument, noting that employees who have been with the City for many years relied on the statement in the Employee Handbook that their health care would always be paid for, especially those approaching the end of their careers who are not yet eligible for retirement. Mr. Lynn felt there was a fundamental fairness issue that "smacks of inequity" and that this proposal would have a negative impact on morale that is "already bad throughout the City."

Mr. Koenig stated that a number of those employees who select single coverage are married and have spouses who have their own health care coverage, with children carried on the spouse' plan.

Responding to Mr. Perza, Mrs. Mitchell stated that the State of Delaware has recently changed their coverage and that all employees will contribute to health care costs beginning on July 1, 2012, with specific contributions for coverage depending on options selected. She noted that coverage similar to the State's was the second option costed out by the City's actuary.

Mr. Hare indicated that, as a State pensioner, he contributes to his health care coverage and that recent increases have been implemented by the State, with more to occur in July 2012. He felt that perhaps different levels of health care coverage payments should be required for retirees depending upon date of retirement. He also suggested that if the City participates in the State health care plan, employee contributions should follow that model; if State retirees receive a pension increase, City of Dover pensioners should get an increase; if active State employees receive a salary increase, City of Dover employees should get an increase (noting that, under this scenario, City employees would have received no increase in 2007, 2008, 2009, and 2010). He stated that action must be taken since costs are increasing. In addition, he believed that former employees who have been retired for many years and have not had pension increases for the last three (3) to five (5) years should receive an increase.

Mr. Leary invited those present who wished to speak on this topic to come forward to present their comments in order of their signature placement on the Speaker Sign-In Sheet. He cautioned members that, due to the number of signatures on the list, time constraints would likely prohibit all those present from speaking.

Ms. Christina Kober, 343 Orchard Grove Drive, (Dover Police Department), read the following statement into the record:

> "My name is Christina Kober and I reside at 343 Orchard Grove Drive in Camden, Delaware. Good evening. Thank you for allowing me this opportunity to speak regarding health insurance cost sharing for non-bargaining employees. I am a part of a group of the non-bargaining employees.
>
> I accepted employment with the City of Dover for several reasons, one of which was the health benefits. I have been a dedicated and loyal City of Dover employee for 23

years. I would have never imagined at this point of my career, that I would continuously be in front of City Council asking for my voice to be heard. Once again, I choose to take this opportunity to speak in hopes that you will listen and value my opinion.

The city budget for 2013 will soon be discussed and voted on; once again all non bargaining employees will receive no pay increase. Although, I understand that the City of Dover has tough challenges to meet, the constraints put on non-bargaining employees over the past three years is equally as hard. On May 10th, 2012, City Manager Koenig conducted a meeting to inform non-bargaining members of his decision to recommend to City Council a 15% employee cost share for health insurance. The timing of this meeting left non-bargaining members with no time to financially prepare for the decrease in salary. This decision not only affects the employees but their families are impacted on a financial and emotional level as well. The employee cost sharing is neither equal nor balanced. For example: On the proposed plan, an employee with no dependents on the Blue Cross Blue Shield PPO coverage would now pay $ 92.92, while at the same time, an employee on the family coverage would actually save $ 5.42. Again, this is neither equal nor balanced.

Let me read the critical success factors from the City of Dover Vision, Mission and Success Factors statement. The following factors are determined to be critical in meeting the overall goals and mission of the City of Dover. **Without them, the success of the program would be in jeopardy. And I quote "without them".** Customer satisfaction: Regardless of what is done, if at the end of the day our customers are not satisfied, then the mission and goals have failed. Customer satisfaction was determined to be the overall base strategy. Employee satisfaction: It is through our employees that our services are provided to our customers. Only if our employees are satisfied with being a part of the organization will they provide services in a manner that accomplishes the vision, mission and goals. You may not be aware but morale is indeed at an all time low. At this point, a 23 year veteran, I feel devalued.

Thank you for your time and consideration in this important matter."

Ms. Kober indicated that she also wished to submit a letter dated May 29, 2012 into the record on behalf of a group of non-bargaining employees in regard to the health care cost-sharing proposal.

Mr. Lester Blakeman, 209 Falmouth Way, (City of Dover retiree from the Electric Department) provided members information containing excerpts from a variety of City documents related to health care coverage. He stated that Employee Handbooks from 1984 and 2004 indicate that the City paid 100% of healthcare coverage expenses for the employee and 50% for families; however, he noted that in 2004 the City's contribution for family coverage increased to 75% by action of Council. He felt that Employee Handbooks have been consistent on this matter over time, stating that he also had a 1976 Employee Handbook that contains provisions for 100% coverage for employees and 50% for family coverage.

Mr. Blakeman circulated a City of Dover Employee Handbook which he stated was in effect in 1976 to members for their review, and Mr. Lynn requested that copies of the pertinent section of this Handbook be provided to members. *(Clerk's Office Note: This information was provided to members subsequent to the meeting.)*

Mr. Blakeman stated that the minutes from the Legislative, Finance, and Administration Committee Meeting held on December 12, 2005 reflect adoption of a resolution to establish a special fund for post-retirement benefits in accordance with new requirements of the General Accounting Standards Board (GASB). Mr. Blakeman felt it was unfair to resolve the problem of meeting GASB requirements by reducing employee benefits.

Mr. Steve Enss, 244 Enss Road (Electric Department), read the following statement into the record:

> "My Name is Steve Enss. I have worked for the City of Dover Electric department for 23 years. I know you have received some letters from my co-workers in reference to the Healthcare cost sharing; however I chose to speak to you directly.
>
> I chose to invest my career with the city of Dover in order to receive the benefits in which they offered along with a fair salary. I began my career with the city of Dover making less than I was making with my original job. My original job did not offer the benefits equal to Dover. After getting 15 years' experience in several positions with the electric department I was offered jobs multiple times with neighboring electric utilities for substantial greater salaries. The so called "Golden Handcuffs" was the best thing the city could have had. I chose to stay in order to keep the benefits that I had earned. The city benefitted by keeping an experienced employee.
>
> I have been part of a team rebuilding an aging electric system to one of the most reliable electric companies in the Mid Atlantic. I would put our system up against any other electric company for reliability at any time. I do understand how the current economy is affecting the City. It has affected everyone the same. Increased cost for gasoline, food and other services. My county taxes have increased, my school taxes have increased. I have not been able to reduce the cost for services that are provided to me such as Phone, Electric, TV and trash. I have had to find alternatives to reduce my budget strains; such as not going to the movies, dinner and traveling.
>
> Just as I can't reduce the cost of services I'm provided, I don't believe the city should reduce the cost for services the employees provide to the citizens of Dover and I ask that the city look at other alternatives such as I have."

Noting that there was insufficient time to hear from all those who had expressed a desire to speak on this matter by signing the Speaker Sign-In Sheet, Council President Leary inquired if any of these individuals wished to present information that was different in nature from that already presented.

Mr. David Giglio, 165 Merion Road (Dover Public Library), stated that he had worked for the City since 1995 and had reviewed the structure of the proposed cost-sharing proposal in light of other movements around the country where other public employees have been asked to contribute. He indicated that he believed the time had passed to ask employees to contribute something, acknowledging the City's financial constraints, lack of salary increases for several years, and short

staffing at the Library and other City departments. Mr. Giglio felt that the City's current plan, which offers 100% employee coverage and 75% dependent coverage, was very generous compared to other places where he had worked and that an employee contribution should be considered, noting that sacrifices must be made. Mr. Giglio did not object to the idea that non-bargaining employees were being asked to "lead the way;" however, he objected to the current plan. As a taxpayer, he stated his lack of understanding that some employees with individual coverage were being asked to contribute an additional $92 contribution, whereas some others with family coverage would pay approximately $5 less for coverage. He stated that, as a taxpayer, he was unable to understand that the City had the money to decrease the payment for those with dependents.

(Clerk's Office Note: Due to time constraints, Mr. Richard Gardner, 233 Squawigm Road (Electric Department) was unable to provide comment; however, subsequent to the meeting, members were provided a statement related to proposed healthcare cost sharing.

Mr. Lynn moved to reject the proposed 15% healthcare premium cost-sharing arrangement for non-bargaining employees. The motion failed due to the lack of a second.

The Committee recommended that the proposed 15% healthcare premium cost-sharing arrangement for non-bargaining employees be referred back to staff for further evaluation.

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

Proposed Ordinance #2012-10 - Amending Chapter 1 - General Provisions, Section 1-13 - Denial of Permits for Failure to Comply with Requirements for Payment, Actions, or Filings (Clean Hands)
Due to time constraints, by unanimous consent this item was deferred for consideration at a subsequent meeting.

By consent agenda, Mr. Bonar moved for acceptance of the Committee's report, seconded by Mr. Hutchison and carried by a unanimous roll call vote (Mrs. Williams absent).

MONTHLY REPORTS - APRIL 2012

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

Budget
Chief of Police
City Assessor
City Manager
City Planner
Dover Fire Department
Capital Investment Plan (CIP)

EVALUATION OF BIDS - LEPORE ROAD PUMP STATION REPLACEMENT

The FY 2011 Capital Investment Plan (CIP) for the Public Utilities Wastewater Management Division included a project to replace the existing wet well/dry well submersible pump station with a vacuum primed capsular Smith and Loveless station on Lepore Road. The station was originally installed in 1970 and is located along Lepore Road, approximately 350 feet east of State Street. The existing pump station is equipped with two (2), seven and one-half (7.5) HP pumps and has an

existing pump rate of 400 gallons per minute (GPM). The new package pump station will be mounted on top of the existing wet well and will be equipped with two (2), seven and one-half (7.5) HP pumps capable of a discharge rate of 400 GPM The new Lepore Road Pump Station will improve the City's wastewater system by replacing an older antiquated station at the location. The new station will also be more reliable and energy efficient.

The bid package was advertised to the public as an Invitation to Bid in accordance with the City's purchasing policy by the City's Purchasing Agent under Bid #12-0033WW. The sealed bids were opened on Wednesday, May 22, 2012. Brandywine Construction Company, Inc., of New Castle, Delaware submitted a bid in the amount of $340,000 for the project.

The Brandywine Construction Company, Inc., bid package was reviewed by staff and found to be free of math errors and/or irregularities. In addition, the contractor's qualification information, which included a list of recently completed projects similar in scope, as well as a financial statement, were all found to be adequate. It is staff's opinion that the bid represents fair market value and their qualifications are in accordance with the requirements of this project.

Staff recommended awarding a construction contract to Brandywine Construction Company, Inc. in the amount of $340,000 for the Lepore Road Pump Station Replacement Project.

Responding to Mr. Perza, Mr. Scott Koenig, City Manager, stated that it was unusual to receive only one (1) bid; however, several of the local contractors were currently busy with other projects. Mrs. Mitchell, Controller/Treasurer, advised that rebidding would cause a delay that could jeopardize the funding for the project.

Mr. Bonar moved for approval of staff's recommendation, seconded by Mr. Anderson and carried by a roll call vote of seven (7) yes and one (1) no (Mr. Perza) (Mrs. Williams absent).

REAPPOINTMENT - RECOMMENDED BY MAYOR CAREY - DOVER PUBLIC LIBRARY COMMISSION - EDWARD J. HYNES - FIVE (5) YEAR TERM TO EXPIRE JUNE 16, 2017

Mayor Carey recommended the reappointment of Edward J. Hynes to serve on the Dover Public Library Commission for a five (5) year term to expire June 16, 2017.

By consent agenda, Mr. Bonar moved for approval of the reappointment of Edward J. Hynes to the Dover Public Library Commission, as recommended by Mayor Carey, seconded by Mr. Hutchison and carried by a unanimous roll call vote (Mrs. Williams absent).

FIRST READING - PROPOSED ORDINANCE #2012-18 - 2012/2013 CITY OF DOVER BUDGET

Council President Leary reminded the public that copies of the proposed ordinance were available at the entrance of the Council Chambers or could be obtained from the City Clerk's Office. Final action by Council on the proposed ordinances was scheduled for the Council Meeting of June 25, 2012.

Mr. Scott Koenig, City Manager, advised members that the draft budget required a transfer from the Future Capacity Reserve in the amount of $633,300 to balance the budget. The budget also included the reinstallation of the Economic Development Office, full funding for both the African American Festival and the Fourth of July Celebration, and a payment to the Downtown Dover Partnership of $180,000. He noted that no tax or fee increases were proposed and a reduction in the electric rates, as presented by Mr. Ted Kelly, Burns & McDonnell, at the last meeting, was included.

Mrs. Mitchell advised members that Section 510 of the Electric Bond Resolution dated August 24, 2004 states the following:

> Section 510. Application of Moneys in the Improvement and Extension Fund. Except as hereinafter provided in this Section and in Section 706 of this Resolution, or except in case of an emergency caused by some extraordinary occurrence, so characterized in a certificate signed by the City Manager and filed with the City Treasurer, and an insufficiency of moneys to the credit of the Revenue Fund to meet such emergency, moneys held for the credit of the Improvement and Extension Fund shall be disbursed only for paying all or a part of (i) the cost of unusual or extraordinary maintenance or repairs, renewals or replacements, (ii) the cost of acquiring, installing or replacing equipment, (iii) the cost of constructing extensions, additions or improvements to the Electric System, or (iv) the cost of engineering expenses relating to the foregoing.
>
> Payments from the Improvement and Extension Fund, except the withdrawals which the City is authorized to make as hereinafter provided in this Section, shall be made in the same manner as payments from the Revenue Fund under the provisions of Section 506 of this Article in so far as such provisions shall be applicable.
>
> If at any time the moneys held for the credit of the Bond Service Account and the Reserve Account shall be insufficient for the purpose of paying the interest on and the principal of the bonds as such interest and principal shall become due, then the City shall withdraw from the Improvement and Extension Fund and deposit to the credit of the Bond Service Account an amount sufficient to make up any such deficiency. Any moneys so withdrawn from the Improvement and Extension Fund and deposited to the credit of the Bond Service Account shall be restored from the first available moneys in the Revenue Fund.

Mrs. Mitchell stated that she was unsure if the $633,300 could be taken from the Improvement and Extension Fund. She noted that she had requested an opinion from Bond Counsel. Mrs. Mitchell suggested, as an alternative, utilizing the economic hardship provision in the current policy for the General Fund to allow the reserve percentage to fall below 8% (to 6.3%) with the understanding that it would be replenished within three (3) years.

Mr. Lynn stated that he was concerned with the alternative because it was “kicking the can” and incurring debt. He requested Mrs. Mitchell to pursue the idea of establishing a surcharge on the electric bill to fund the street lights out of the electric fund. Mr. Lynn stated that the proposal would put $985,000 back into the General Fund each year. Mrs. Mitchell stated that she was still waiting for an opinion from Bond Counsel regarding this proposal.

Responding to Mr. Hare, Mrs. Mitchell stated that the Electric Fund transfer could be increased by $633,300; however, it could affect the proposed rate decrease for the customers.

Mr. Anderson asked if setting the maximum of the reserve funds to a level that transferred the excess money back to the operating fundwould be a possibility. Mrs. Mitchell indicated that she would need an opinion from Bond Counsel on the uses of the Improvement and Extension Fund. Mr. Anderson stated that it is set based on future needs.

Mr. Bonar stated that any action this year would add to the shortfall for next year and the year after. He noted that the shortfall for this year had been significantly reduced to a manageable level and it could be managed by being bold and taking bold steps.

Mr. Anderson stated that the reduction in the electric rates would lend itself to making the sanitation department partially pay for itself. He felt that residents would still come out ahead on their bills with an increase in trash fees and a reduction in the electric rate.

Mr. Hutchison stated that the City provides excellent trash service "at the cheapest rates anywhere." The City Manager has recommended an increase in the fee from $11.70 to $17 per month which would generate $487,000. Mr. Bonar stated that a one (1) cent tax increase would raise $314,000 for this year and a two (2) cent tax increase would raise $628,000, which would address the budget shortfall. He noted that the trash fee could not be written off on residents' taxes. Mr. Hare stated that the City Manager also recommended eliminating the Economic Development Office, giving the Downtown Dover Partnership $80,000 instead of $180,000, and cutting the funding for the African American Festival and the Fourth of July Celebration by 50%.

Mr. Hutchison moved to increase the trash fee from $11.70 per month to $17.00 per month, seconded by Mr. Anderson. Mr. Leary suggested waiting for the response from Bond Counsel before amending the First Reading of the Budget Ordinance. Mr. Lynn suggested giving Bond Counsel a deadline for the response.

Mr. Anderson moved to lay the motion on the table, seconded by Mr. Hare and carried, with Mr. Bonar voting no.

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

Ordinance #2012-18 - 2012/2013 City of Dover Budget

COUNCIL MEMBERS ANNOUNCEMENTS

Mr. Anderson announced that the First Southern Baptist Church would be providing a free meal and concert on the Fourth of July.

Mrs. Russell reminded everyone that the African American Festival would be held on Saturday, June 23, 2012.

Mr. Hare moved for adjournment into the Special Council Meeting, seconded by Mr. Lynn and unanimously carried.

Meeting Adjourned at 8:52 P.M.

TRACI A. McDOWELL
CITY CLERK

All orders, ordinances, and resolutions adopted by City Council during their Regular Meeting of June 11, 2012 are hereby approved.

CARLETON E. CAREY, SR.
MAYOR

/TM
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Exhibits Attached to Original Minutes
Exhibit #1 - Presentation - Violation of Dangerous Building Ordinance - 14 South Queen Street
Exhibit #2 - Presentation - Violation of Dangerous Building Ordinance - 118 North Ann Avenue

ACTION FORM

PROCEEDING: City Council
DEPARTMENT OF ORIGIN: Planning & Inspections **DATE SUBMITTED**: June 13, 2012
PREPARED BY: Tim Taraila, Code Enforcement Supervisor; Ann Marie Townshend, AICP, Director of Planning and Community Development
SUBJECT: 171 Orchard Ave, Dover, Delaware – Violation of Dangerous Building Ordinance
REFERENCE: Chapter 22, Article XI – Dangerous Buildings, Sec. 22-385 - Hearing before Council and Chapter 22, Article XI - Dangerous Buildings Case # 10-2434
RELATED PROJECT: N/A
APPROVALS: N/A
EXHIBITS: PowerPoint Presentation and File Photos to be presented at the Council meeting.
EXPENDITURE REQUIRED: Preliminary estimate is $10,000-15,000. **AMOUNT BUDGETED**: $150,000 Budgeted for all demolitions Citywide in the DRAFT FY-2013 Budget **FUNDING SOURCE (Dept./Page in CIP & Budget)**: 110-1600-534-30-33.
TIMETABLE: As soon as possible.
RECOMMENDED ACTION: 1. Declare this building and all accessory structures on this property dangerous. 2. Order the property repaired or demolished by **July 25, 2012** by the owner or equity owner at their own risk. 3. Order the Building Inspector to cause the repair or demolition of the structures if not completed by the owner **within 10 days of the date established by City Council**. 4. Order the City Manager with the assistance of the City Solicitor to cause the cost of repairs or demolition to be charged against the land on which the building exists as a municipal lien or cause such cost to be added to the tax duplicate as an assessment, or to be levied as a special tax, or to be recovered in a suit at law against the owner.

BACKGROUND AND ANALYSIS

The property is owned by William W. Jarman. The property is a one story wood framed single family home. The dwelling was condemned as unfit for human habitation on 6/25/2010 due to the degree of damage to the structure from a fire that occurred on the night of 6/24/2010. Currently the structure is still vacant, with no utilities and in a serious state of disrepair.

ACTION FORM

PROCEEDING: City Council
DEPARTMENT OF ORIGIN: Planning & Inspections **DATE SUBMITTED**: June 13, 2012
PREPARED BY: Tim Taraila, Code Enforcement Supervisor; Ann Marie Townshend, AICP, Director of Planning and Community Development
SUBJECT: 488 N East Ave, Dover, Delaware – Violation of Dangerous Building Ordinance
REFERENCE: Chapter 22, Article XI – Dangerous Buildings, Sec. 22-385 - Hearing before Council and Chapter 22, Article XI - Dangerous Buildings Case # 09-2944
RELATED PROJECT: N/A
APPROVALS: N/A
EXHIBITS: PowerPoint Presentation and File Photos to be presented at the Council meeting.
EXPENDITURE REQUIRED: Preliminary estimate is $10,000-15,000. **AMOUNT BUDGETED**: $150,000 Budgeted for all demolitions Citywide in the DRAFT FY-2013 Budget **FUNDING SOURCE (Dept./Page in CIP & Budget)**: 110-1600-534-30-33.
TIMETABLE: As soon as possible.
RECOMMENDED ACTION: 1. Declare this building and all accessory structures on this property dangerous. 2. Order the property repaired or demolished by **July 25, 2012** by the owner or equity owner at their own risk. 3. Order the Building Inspector to cause the repair or demolition of the structures if not completed by the owner **within 10 days of the date established by City Council**. 4. Order the City Manager with the assistance of the City Solicitor to cause the cost of repairs or demolition to be charged against the land on which the building exists as a municipal lien or cause such cost to be added to the tax duplicate as an assessment, or to be levied as a special tax, or to be recovered in a suit at law against the owner.

BACKGROUND AND ANALYSIS

The property is owned by Jeffery E. Garrison. The property is a one story wood framed single family home. The dwelling was condemned as unfit for human habitation due to no electrical service and to the amount of interior water damage caused from numerous roof leaks. The dwelling was vacated in March of 2010 and is full mold and mildew. Currently the structure is still vacant, with no utilities and in a serious state of disrepair.

ACTION FORM

PROCEEDING: City Council
DEPARTMENT OF ORIGIN: Planning & Inspections **DATE SUBMITTED**: June 13, 2012
PREPARED BY: Tim Taraila, Code Enforcement Supervisor; Ann Marie Townshend, AICP, Director of Planning and Community Development
SUBJECT: 827 Townsend Blvd, Dover, Delaware – Violation of Dangerous Building Ordinance
REFERENCE: Chapter 22, Article XI – Dangerous Buildings, Sec. 22-385 - Hearing before Council and Chapter 22, Article XI - Dangerous Buildings Case # 11-2627
RELATED PROJECT: N/A
APPROVALS: N/A
EXHIBITS: PowerPoint Presentation and File Photos to be presented at the Council meeting.
EXPENDITURE REQUIRED: Preliminary estimate is $10,000-15,000. **AMOUNT BUDGETED**: $150,000 Budgeted for all demolitions Citywide in the DRAFT FY-2013 Budget **FUNDING SOURCE (Dept./Page in CIP & Budget)**: 110-1600-534-30-33.
TIMETABLE: As soon as possible.
RECOMMENDED ACTION: 1. Declare the pool on this property dangerous. 2. Order the pool repaired or demolished by **July 25, 2012** by the owner or equity owner at their own risk. 3. Order the Building Inspector to cause the repair or demolition of the pool if not completed by the owner **within 10 days of the date established by City Council**. 4. Order the City Manager with the assistance of the City Solicitor to cause the cost of repairs or demolition to be charged against the land on which the pool exists as a municipal lien or cause such cost to be added to the tax duplicate as an assessment, or to be levied as a special tax, or to be recovered in a suit at law against the owner.

BACKGROUND AND ANALYSIS

The property is owned by Jennifer E. Brown. The pool is an in-ground oval concrete pool. Currently the pool is not being maintained, is not covered and has stagnant water within the pool causing insanitary conditions. The pool has no operational pump or filtration system.

Office of City Assessor

June 2012

City Council's
Board of Assessment Appeals

May 22, 2012

The Board of Assessment Appeals was brought to order by Chairman Garfinkel. Board Members present were: Chairman William Garfinkel, James Welsh, James Galvin and Tom Burns. Staff present was City Assessor Cheryl Russell, Fred Townsend, Legal Counsel to the Assessor and Administrative Assistant Annette Hart.

Exemptions

2. A. 1. Union Missionary Baptist Church

Location: Lot 8 Forest St. – ED05-076.11-01-09.00

BACKGROUND AND ANALYSIS

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

This property was purchased in January 2006

This is a vacant "grassy" area located next to another taxable property owned by the Church. The application states that this property is being used for overflow parking as needed.

Per code for zoning & chapter 106, parking on the grass is not permitted. Since this parcel is not "legally" being utilized for its intended use, we recommend denial of the request.

Exemption Request
$30,600

Recommended Action: Staff recommends that the request for exemption be denied

Ms. Russell explained to the board that the Assessor's recommendation was to deny the application, because the lot is used as overflow parking as per the application. She told the board that she contacted the City Planning Office and was told that per zoning code Section 106-130, parking on grass is not permitted.

Mr. Moore, who represented the Union Missionary Baptist Church, told the board that the properties next to the lot, where exempt and are being used for parking as well. Ms. Russell explained that one of her goals was to look at all of the exempt properties to make sure that they are in compliance.

Mr. Moore explained that he was under the impression, that there was no problem parking on these lots, and explained to the board that there was not a lot of room for parking on the road.

Mr. Burns asked Mr. Moore to explain the GIS Map provided, he asked about the alley and 922 Forest St., which is not exempt. He also told Mr. Moore that he does not feel comfortable to grant the exemption because the 922 Forest St. was not tax exempt. Mr. Burns suggested that Mr. Moore have the alley abandoned, which runs between the properties, this would give him a better chance to get the exemption for the Lot in the future.

Mr. Moore explained that he had tried to do just that, but one of the property owners would not agree to the alley abandonment.

Chairman Garfield closed the hearing and opened up for deliberation.

Mr. Burns made the motion to deny the application. Mr. Galvin seconded the motion.

Chairman Garfinkel stated for the record that he two feels the exemption should not be granted based on the information provided.

The motion carried 4-0

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

2. B.1. Second Baptist Church

Location: 136 S. Queen St. – ED05-076.12-02-71.00

BACKGROUND AND ANALYSIS

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

This property is being used for storage.

The assessor's office noticed that the utilities on this property were low. We checked with Inspections and Planning to make sure the property was not vacant. The inspector was told that the property was being used for storage. Per the City Planner, this is NOT permitted.

Exemption Request (2011 & future years)
$120,000

Recommended Action: Staff recommends that the request for exemption be denied.

Mr. Bagley was present to represent Second Baptist Church and explained to the board that the building was used for functions as bible school, warming food to be served out of the church and other church projects.

The Assessor recommended that the application be denied because the house had been on the city's vacant list. She was told by an inspector that the house was used for storage, which is not allowed under the current zoning.

Mr. Galvin pointed to the check list on the application and asked if the organization had the 501(c) 3, which they did not. Mr. Galvin asked if the organization would qualify for the exemption without the 501(c) 3.

Mr. Townsend told the board that the exemption can be obtained without the 501(c) 3.

Mr. Burns asked what the building was used for.

Mr. Bagley acknowledged that the building is used for storage but is also used for the programs mentioned earlier, if money is available. He told the board that organs are stored in the building and are there for the purpose of teaching the children.

Mr. Burns asked if the property was deed as an exempt property, which it was but the property has been taxed because nobody had ever filed for the exemption. He also asked if the building meets the required code which would allow children to be taught. In Mr. Burns' opinion, should the church decide to bring the building up to code to where it can be used to teach children how to play the organ, they would probably not have any problems getting the exemption.

Mr. Bagley agreed and told the board that if the church planned to use the property to teach the children, he would make sure that the building would be up to code.

Mr. Burns told the board that he would not feel comfortable granting the exemption based on the use and condition of the building.

Chairman Garfinkel closed the hearing and opened for deliberations.

Mr. Welsh made the motion, based on the information provided, to deny the request for exemption, which was seconded by Mr. Burns, who also explained that due to the current use and testimony he would not recommend an exempt status.

Mr. Galvin and Chairman Garfinkel concurred with the other two members.

Motion carried 4-0.

Mr. Bagley wanted to state for the record, that he is going to speak to the city's planning department to find out what is required to meet the requirements.

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

2. C. 1. Chapter 850 Vietnam Veterans of America

Location: 1549 Rear Forrest Ave. – ED05-076.05-01-10.00

BACKGROUND AND ANALYSIS

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

This property is a wooded lot owned by the appellant and does not seem to be utilized by its intended use for exemption qualification.

Exemption Request (2011 & future years)
$43,400

Recommended Action: Recommend that the request for exemption be denied.

Mr. Davis, Vice President and Mr. Schilling, Treasurer were present for the hearing.

Mr. Davis explained that the property was a piece of vacant land and was donated to the organization by one of its members. The purpose of the land was to keep it in case the organization needed money for a memorial, it could be used as collateral. Mr. Davis explained that the property used to be open space for a development and cannot be built on. He went on to say that if he was not granted the exemption he would like the value of the property to be dropped.

The Assessor recommended that the applications for exemption be denied, because the property does not seem to be utilized for its intended use for exemption qualifications. Ms. Russell also explained that the value could not be appealed at this time, because the timeline to appeal the value has passed.

Mr. Townsend explained that the Board of Assessments will be looking at 2 criteria's, one would be what the property would be used for in the future and if this will be consistent with the mission of the organization, this being a charitable mission. Mr. Townsend asked if the property is generating income and what the property is or will be used for.

Mr. Davis explained to the board that the city has limited the organizations ability to use the

property by zoning it as a R20. He told the board that they will not build on the property but if the City would like for them to use the property as a picnic area, that they could do so.

Mr. Townsend asked if this is a property being held by way of investment, which would disqualify the property from the exempt request.

Mr. Galvin asked if the property was accessible from the road, which Mr. Davis concurred that it was.
Mr. Galvin explained that if the property was larger than 20,000 square feet, which it would have to be according to the zoning it would be large enough to build a house on and could therefore be sold as a buildable lot.

Mr. Davis wanted to state for the record that the property was a piece of land which the City had sold by accident. Once the city realized that the sold it back to the original owner. Mr. Davis explained that the lot used to be open space for the Marshcreek Development and could therefore not be built on.

In Mr. Burns' opinion this piece of open space was probably sold because the Home Owners Association failed to pay the taxes for the parcel at which time it probably was sold in a tax sale. Being the fact that it is a piece of open space, it cannot be built on.

Mr. Galvin asked how the Home Owners Association could get tax exemption for the open spaces.

Ms. Russell explained that the Association would have to file an application for the exemption and proof that the open space is used only by the Home Owners of the neighborhood.

Mr. Galvin wanted to know what the purpose of the organization is.

Mr. Davis went into the history of the organization and told the board that the purpose of the organization is to help and assist other Vietnam Veterans as well as all veterans.

Mr. Galvin asked how this piece of property would help to further their mission.

Mr. Davis told the board that they have not had the property for long and the organization does not know what to do with the property.

Mr. Garfinkel pointed out that nothing has been done with the property and by the appellant stating that the property is being used as collateral would suggest the property is being held as an investment property.

Mr. Galvin pointed out that according the state code the parcel could fall under investment property and would therefore not be able to be tax exempt.

Mr. Davis pointed out that the lot is open space and that there will be no gains in utilizing the property, the organization could take children out there and teach them about the Vietnam War.

Mr. Burns pointed out that in his opinion the land was given to the organization by the owner to further the mission and asked if this would not qualify the property to be tax exempt.

Mr. Townsend pointed out that there are two items one must look at to make sure that a tax emption would be appropriate, one of which would be if the properties use is consistent with the chartable purpose of the organization and then whether the property is held by way of investment. Mr. Townsend pointed out that it would be up to the organization to link the use for that property with the mission of the organization.

Mr. Burns pointed out that the property does not fully qualify for the tax exempt status, but should be looked at from the valuation standpoint; he believes the assessed value for the piece of land to be too high.

Mr. Galvin asked to look at the record plan to find out if that piece of land was dedicated for open space.

Mr. Garfinkel made the suggestion to grant the exemption for one year and then go back to look at the property, he agrees that this seems to be a valuation question rather than a question for exemption.

In Mr. Townsend opinion the board has come to the conclusion that the property is not being held by way of investment and that the organization has not settled on the use of the property yet. He also pointed out that the city could look at the use of the property year by year and could therefore withdraw the exempt status, should the property not be used to further the mission of the organization.

Chairman Garfinkel closed the hearing and opened for deliberations.

Mr. Burns summarized that the organization has recently been given this property but has not come up with a purpose for the land which could help their organization. He also pointed out that the property cannot be held as an investment because it cannot be built on.

Mr. Burns went on to make the motion to accept the applicant request for one year. He pointed out that this will not be a temporary exemption, because all exemptions are looked at yearly.

Mr. Galvin seconded the motion, he also made the recommendation the organization find the record plan which shows that the parcel is in fact open space.

Ms. Russell pointed out that the exemption had been filed in the fall of 2011 and that the exemption would have to be granted for 2011 and 2012.

Mr. Burns suggested to Mr. Davis that in one year he should have a better understanding of what the property will be used for.

Chairman Garfinkel clarified that the organization would have to apply for the exemption for the tax year 2013.

Mr. Townsend pointed out that in 2013 the organization should receive a tax bill which should trigger the refilling for the exemption.

Ms. Russell explained that there is not deadline for charitable organizations to file an application for exemption; this can be done any time during the year, but that she would prefer the exemption be filed during the month of April, 2013. That way they can be heard during the Board of Assessment Appeal hearing for that year.

Motion carried 4-0

2. D.1. EJB Inc.

Location: 327 Martin Street – ED05-077.10-01-48.00

BACKGROUND AND ANALYSIS

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

There was a fire at this property last summer. The property owner is requesting an exempt status for this past July and in the future.

At this time, the property is vacant and is going through the process of rebuilding.

My recommendation is that the property be given exempt status for the billing cycle after the improvements receive the certificate of occupancy.

Exemption Request 2011	Exemption Request 2012	Exemption Request (future)
$420,800	$114,700	undetermined (114,700 + improvement value)

Recommended Action: Recommend that the request for exemption be denied until improvements are complete.

Mr. Boyles was present for the hearing.

Mr. Boyles told the board that they filed for the exemption in 2011 after a fire destroyed the building. He told the board that they have been at this location for 20 years and are a licensed drug and alcohol abuse treatment facility with 10 beds. He mentioned that they are hoping to build the new facility with 18 beds.

Ms. Russell explained that it was the City's recommendation that the exemption would be denied until improvements have been completed.

Chairman Garfinkel asked Mr. Boyles to explain what EJB Inc. is.

Mr. Boyles explained that EJB Inc. is a subsidiary of Serenity Place, where Serenity Place leases from EJB Inc. and the proceeds go back into the organization.

Mr. Burns wanted to clarify the City's recommendation that the city would accept the application once the building would be complete. He asked if the application would be denied this year, would they owe back taxes.

Mr. Townsend asked how close the building was to completion.

Mr. Boyles explained the lengthy process and went on to say that the estimated date of completion would be September of 2013.

Chairman Garfinkel closed the hearing and opened for deliberation.

Mr. Burns asked that based on the fact that the organization is charitable and the property is not held by way of investment, would the property, assuming there would be a structure, meet the qualifications for the exemption.

Mr. Galvin made the motion to grant the exemption for 2011 and 2012 despite the unfortunate fire.

Mr. Welsh seconded the motion.

Mr. Burns wanted it to be known that he understands the lengthy approval period and agrees.

Motion carried 4-0

Ms. Russell explained to the appellant the council has the final say and that a letter would be mailed with the date and time of that meeting.

2. E.1 House of Pride Inc.

Location: 16 N New Street – ED05-076.08-05-22.00

BACKGROUND AND ANALYSIS

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

This property was listed as an exempt property from July 2002 until July 2012. The exemption was revoked because the Conditional Use permits were revoked; therefore the property did not meet the qualifications for an exempt status with the City of Dover. Since the properties did not have the proper permits, they were no longer being used for the intended purpose of the exemption.

Exemption Request (2011 & future years)
$75,800

Recommended Action: Recommend that the request for exemption be denied.

Mr. Harris and Mrs. Dean, legal counsel, to House of Pride, were present for the hearing.

Mrs. Dean explained to the board that all three properties up for exemption were owned and rented by the House of Pride and that all of the income goes to the House of Pride program to be used for the benefit of the organization.

Ms. Russell told the board that it is the Assessor's recommendation to deny the request for exemption. She told the board that the property had been receiving the exemption in the past, but the exemption had been revoked because it had no longer been used for the intended purpose. She also pointed to correspondence in the packet given to the board, from Mr. Rodriguez, city solicitor and a letter from Mrs. Dean regarding the revocation of the exemption.

Mr. Townsend asked if Mrs. Dean was at the meeting to represent the organization, at which time Mrs. Dean explained that she also sits on the board of directors.

Mr. Burns asked why the exemption was revoked.

Ms. Russell explained that the planning director as well as the city manager and solicitor met with the Assessor to discuss the revocation of the exemption because the House of Pride did not have the proper rental permits for 16 S New Street as well as 102 S New Street.

Mrs. Dean explained that the conditional use was for the participants of the House of Pride to be able to live there; the other properties were used as regular rentals, where the income is used for the program.

Chairman Garfinkel closed the hearing and opened for deliberations.

Mr. Burns stated that because the use of the properties did not meet the legal requirement and based on the letter from Mr. Rodriguez that he would make the motion to deny the application for exemption.

Chairman Garfinkel seconded the motion based on the information provided.

In Mr. Galvin's opinion the properties are not used for their intended purpose and the organization was not able to disclose how much of the income goes to the House of Pride.

Motion passed 4-0

Chairman Garfinkel explained to the appellant the council has the final say and that a letter would be mailed with the date and time of that meeting.

Mrs. Dean pointed out that the other two upcoming properties fall und the same scenario.

2. E.3 House of Pride

Location: 115 S New Street – ED05-077.09-01-43.00

BACKGROUND AND ANALYSIS

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

This property was purchased in November 2008.

To our knowledge, this property has always been a market rental. The Assessor's Office does not have any official documentation to confirm or deny this information.

Exemption Request
$186,900

Recommended Action: Recommend that the Board of Assessment Appeals Review Information

Chairman Garfinkel asked Mrs. Dean to explain the purpose of the property.

Mrs. Dean explained that this property is used for rental property and that the renters have no connection to the organization.

Chairman Garfield closed the hearing and opened for deliberation.

Mr. Burns made the motion to deny the request for exemption based on the testimony and information provided by the city and from the city solicitor that this property does not meet the requirements.

Motion carried 4-0

2. E.2. House of Pride

Location: 102 S New Street – ED05-077.09-01-35.00

BACKGROUND AND ANALYSIS

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

This property was listed as an exempt property from July 2002 until July 2012. The exemption was revoked because the Conditional Use permits were revoked; therefore the property did not meet the qualifications for an exempt status with the City of Dover. Since the properties did not

have the proper permits, they were no longer being used for the intended purpose of the exemption.

Exemption Request (2011 & future years)
$137,600

The Assessor recommended the application be denied.

Mrs. Dean explained that this property is used for rental property and that the renters have no connection to the organization.

Chairman Garfinkel closed the hearing and opened for deliberations.

Mr. Galvin made the motion to deny the exemption based on the testimony provided.

Mr. Burns seconded the motion based on the information provided.

Motion carried 4-0

PARKS, RECREATION, AND COMMUNITY ENHANCEMENT COMMITTEE

The Parks, Recreation, and Community Enhancement Committee Meeting was held on June 11, 2012, at 12:00 noon, with Chairwoman Russell presiding. Members present were Mr. Anderson (arrived at 12:08 p.m.), Mr. Bonar, Mrs. Horsey, and Mr. Lewis (departed at 12:40 p.m.). Mr. Perza was also present.

AGENDA ADDITIONS/DELETIONS

Mrs. Horsey moved for approval of the agenda, as presented, seconded by Mr. Bonar and unanimously carried.

Proposed Amendment to 2011 Community Development Block Grant Action Plan

Mrs. Tracey Harvey, Planner I, reminded members that the 2011 CDBG Action Plan included an allocation in the amount of $60,081 for the City of Dover Streets Program to repave South New Street. She noted that the funds had not been expended during the program year because of the need to replace a water line before the repaving of the street. Since Department of Housing and Urban Development (HUD) regulations require expenditure of funds in a timely manner, she stated that it would be feasible to reallocate the funding to other CDBG projects in order to ensure timely expenditure.

Mrs. Harvey advised members that the Housing Rehabilitation Program incurred unexpected expenses during the program year and additional environmental testing must be completed to bring a home into compliance with HUD guidelines, at a projected cost of $2,500. In addition, a budget request for a chair lift to be installed in Council Chambers would make Council Chambers compliant with the American Disabilities Act (ADA) and satisfy the HUD requirement for all City buildings to be handicapped accessible. The cost estimate to install the chair lift in Council Chambers was $19,214, with an existing balance of $3,931.76 in the ADA line item account. Staff recommended that $20,000 be allocated to cover any additional expenses that might be required to complete this project.

Mrs. Harvey explained that the remaining balance of $37,581 would be divided among the FY 2012 CDBG projects, excluding public service projects which are capped at 15%, bringing the remainder of projects close to their requested amounts, as follows:

CDBG FY2012 funded amounts		Increase
Serenity Place	$27,983	$ 2,017
Homeownership Assistance Program	$30,000	$10,000
MHDC Homeowner Rehabilitation Program	$40,000	$12,782
Elizabeth W. Murphey School	$20,000	$12,782
Total		**$37,581**

Staff recommended authorization to reallocate $60,081 in FY11 CDBG funding from the City of Dover Streets Program to provide funding for the aforementioned projects.

Mr. Bonar moved to recommend that staff be authorized to reallocate $60,081 in FY11 CDBG funding from the City of Dover Streets Program to provide funding for the FY11 Housing Rehabilitation Program, American Disabilities Act (ADA) improvements to Council Chambers, and FY12 Community Development Block Grant (CDBG) projects, as presented, seconded by Mrs. Horsey and unanimously carried.

Proposed Ordinance - #2012-13 - Amendment to Appendix B - Zoning, Article 5 - Supplementary Regulations, Section 4 - Supplementary Sign Regulations

Mrs. Ann Marie Townsend, Director of Planning and Community Development, advised members that in January 2012, staff began meeting with members of the business community to discuss changes to the Zoning Ordinance. She stated that this group identified a number of areas where the Zoning Ordinance created impediments to business. The top priority identified was the Sign Regulations. She explained that since that time, monthly meetings have been held to work through proposed revisions to the Sign Regulations. As a result of these efforts, a draft ordinance has been developed that includes a combination of clarifications, simplification of the requirements, and significant relaxation of the regulations currently in place.

Mrs. Townshend provided a brief summary of the proposed changes to the substance of the regulation. She noted that the proposed ordinance was the result of detailed discussion about how the regulations could be more business friendly, while still protecting the character of Dover and avoiding sign clutter that could contribute to driver safety concerns. She assured members that there were a number of concessions made by the Planning Office and the business representatives to ensure that the product achieved this delicate balance.

In response to Mr. Lewis, Mrs. Townshend explained that the regulations would be applicable for any new sign permit and would not affect existing signs that may be non-compliant.

Staff recommended that Proposed Ordinance #2012-13 - Amendment to Appendix B - Zoning, Article 5 - Supplementary Regulations, Section 4 - Supplementary Sign Regulations be forwarded to City Council for First Reading on June 25, 2012, that a Public Hearing be set before the Planning Commission on July 16, 2012, and that a Public Hearing and Final Reading be set before City Council on August 13, 2012.

Mrs. Horsey moved for approval of staff's recommendation, seconded by Mr. Anderson and unanimously carried.

Proposed Ordinance - #2012-14 - Amendment to Appendix B - Zoning, Article 3 - District Regulations, Section 23 - Agricultural Zone (A)

Mrs. Ann Marie Townsend, Director of Planning and Community Development, presented members with a proposed ordinance that would permit the sale of agricultural supplies and products, accessory to the agricultural use, within the A Zone (Agricultural) in Dover.

Mr. Bonar advised members that the proposed ordinance was the result of a request of a constituent who desired to open a farm pole building with existing office and warehouse space available for the sales of agricultural products. The property was located on a farm that was currently within the farmland preservation zone. It was anticipated that the business would generate no more than six (6) to seven (7) vehicles per day.

Staff recommended that Proposed Ordinance #2012-14 - Amendment to Appendix B - Zoning, Article 3 - District Regulations, Section 23 - Agricultural Zone (A) be forwarded to City Council for First Reading on June 25, 2012, that a Public Hearing be set before the Planning Commission on July 16, 2012, and that a Public Hearing and Final Reading be set before City Council on August 13, 2012.

Mrs. Horsey moved for approval of staff's recommendation, seconded by Mr. Bonar and unanimously carried.

Proposed Ordinance #2012-15 - Amendment to Appendix B - Zoning, Article 3 - District Regulations, Section 9 - General Residence and Office Zone (RGO)

Mrs. Ann Marie Townsend, Director of Planning and Community Development, presented members with a proposed ordinance that would remove the prohibition of alcohol sale in restaurants within the RGO Zone (General Residence and Office). She explained that restaurants are a conditional use in the RGO zone, subject to approval by the Planning Commission.

Mr. Bonar advised members that the proposed ordinance was developed at the request of a constituent who owns property known as the "Governors Club", who would like to be permitted to have alcohol sales in the establishment. He explained that the establishment was currently licensed as a restaurant and was requesting to provide limited alcohol beverage sales on the premises only.

Responding to Mrs. Horsey, Mrs. Townshend explained that restaurants are permitted as a conditional use in the RGO zone subject to a public hearing; however, alcoholic beverages are currently prohibited. Other restaurants in the area that serve alcohol are within a different zoning classification. She advised members that a public hearing would also be required in order to obtain a liquor license; therefore, there would be ample opportunity for public comment.

Staff recommended that the Proposed Ordinance #2012-15 - Amendment to Appendix B - Zoning, Article 3 - District Regulations, Section 9 - General Residence and Office Zone (RGO) be forwarded to City Council for First Reading on June 25, 2012, that a Public Hearing be set before the Planning Commission on July 16, 2012, and that a Public Hearing and Final Reading be set before City Council on August 13, 2012.

Mr. Anderson moved for approval of staff's recommendation, seconded by Mr. Bonar and unanimously carried.

Proposed Ordinance #2012-16 - Amendment to Chapter 114 - Vegetation, to Create a New Article III - Bamboo

Mrs. Ann Marie Townsend, Director of Planning and Community Development, reviewed a proposed ordinance that would prohibit the planting or growing of bamboo in the City of Dover. She indicated that it would also authorize the City to abate bamboo that has encroached onto adjacent properties and public ways and charge the cost of this abatement to the property owner. She advised members that bamboo is a highly invasive plant that spreads underground. Treating overgrowth of bamboo under the current code requirements does not prevent the plant from invading adjacent properties and the right-of-way. She noted that the only way to effectively control bamboo was to remove it and that the proposed ordinance would allow the City to require removal of bamboo on private property when it has spread. In addition, it would prohibit the planting of bamboo on private property except under certain conditions and in accordance with practices that would prevent the spreading thereof.

Mrs. Townshend advised members that the proposed ordinance would prohibit the planting of bamboo unless planted within a planter or if a steel barrier were installed that would prevent the spreading of the bamboo underground. It would not affect bamboo that is currently in place unless there is expansion and overgrowth of the bamboo that causes it to intrude into other properties.

Staff recommended that the proposed ordinance be forwarded to City Council for a First Reading on June 25, 2012, and a Final Reading and action by City Council on July 9, 2012.

Mr. Bonar moved to recommend adoption of Proposed Ordinance #2012-16 - Amendment to Chapter 114 - Vegetation, to Create a New Article III - Bamboo, as recommended by staff. The motion was seconded by Mrs. Horsey and unanimously carried.

FY2013 - Five-Year Capital Investment Plan (CIP)

Mr. Scott Koenig, City Manager, reviewed the Fiscal Year 2013 draft Capital Investment Plan for Fiscal Year 2013 through Fiscal Year 2017.

Referring to the Dover Park - Roof Replacement Project for FY2013 in the amount of $30,000, Mr. Koenig explained that staff has been contemplating whether or not the facility would continue in the future. He stated that staff planned to issue a Request for Proposals (RFP) after June 1, 2012 to determine if a third party, non-profit organization would be interested in renting and/or using the facility. If there was such interest, staff would present a lease and allow Council to determine whether they wished to keep the facility in operation through a third party. Should Council wish to keep the facility in operation by the City, roof repairs would be necessary. If no interest was expressed by a third party and the City had no interest in maintaining the facility, Mr. Koenig stated that the $30,000 could be utilized to demolish the building and create open space for future redevelopment.

Mrs. Russell stated her desire to maintain the Dover Park facility, explaining that there is a need for the children who reside in this area and are not able to travel across town to use other facilities. She indicated no objections to a third party using the facility as long as it is utilized for youth and/or senior citizens.

In response to Mr. Anderson, Mr. Koenig stated that the $10,000 to be budgeted in FY2016 for Skate Parks would be used to begin designs. Referring to the need for the Splash Pad, which is proposed for FY2015 and FY2016, Mr. Anderson suggested the possibility moving the project forward to begin prior to FY2015. Responding, Mr. Koenig stated that the project was delayed due to lack of funding in the General Fund.

Mr. Bonar suggested that staff investigate the possibility of obtaining grant monies and other opportunities to help fund the Splash Pad project. In addition, he felt that the City should take steps to clean Silver Lake and felt that there were funds available through the Federal Government. He noted that such a project would include draining, excavation, capping, and allowing the Lake to refill.

Noting that Mr. Zachery Carter, Parks and Recreation Director would be retiring, Mrs. Russell relayed appreciation for his work and dedication to the youth in the community and wished him well in his future endeavors.

Mr. Bonar moved to recommend acceptance of the FY2013 Five-Year Capital Investment Plan (CIP), seconded by Mr. Anderson and unanimously carried.

UPDATES

The following updates were provided to members:

Planning and Funding for New Library

Mr. Zachery Carter, Parks and Recreation Director, stated that construction on the new Dover Public Library remained on time and within budget. He reminded members that a $100,000 matching challenge pledge donation was received and that, to date, the City needs to raise an additional $44,000.

Within the next month, Mr. Carter stated that the parking lot should be paved and the Reading Garden should be completed. He noted that the "green" roof is currently being installed and most of the exterior and interior work has been completed.

Mr. Bonar moved to recommend acceptance of the Update on Planning and Funding for the New Library, seconded by Mr. Anderson and unanimously carried.

CDBG Program

Mrs. Tracey Harvey, Planner I, reported on the Status of FY2011 CDBG Projects as of June 2012. She assured members that staff has met the requirement for the expenditure of funds in a timely manner and that grantees are continuing to draw down funds.

Housing and Recovery Act of 2008 Funds (Neighborhood Stabilization Fund)

Mrs. Tracey Harvey, Planner I, reviewed the Update on the Housing and Recovery Act of 2008 Funds (Neighborhood Stabilization Program) for Fiscal Year July 1, 2011 through June 30, 2012.

Dover Youth Advisory Committee

Mrs. Russell advised members that the Committee members have now graduated from high school and are moving on to college. As a result, she noted that it would be necessary to appoint new members; however, the president would continue to serve since she will be attending Delaware Technical and Community College and had a desire to continue to serve.

Mrs. Horsey moved for adjournment, seconded by Mr. Bonar and unanimously carried.

Meeting Adjourned at 12:45 P.M.

Sophia R. Russell
Chairwoman

SRR/jg/dd
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UTILITY COMMITTEE

The Utility Committee Meeting was held on June 11, 2012 at 5:00 p.m. with Chairman Bonar presiding. Members present were Mr. Perza, Mr. Blakeman, and Mr. Snaman. Mrs. Williams was absent. Members of Council present were Council President Leary and Mr. Hutchison. Mayor Carey was also present.

AGENDA ADDITIONS/DELETIONS

Mr. Bonar noted that staff had requested the deletion of Agenda Item #2 - Proposed Resolution No. 2012-11 - Adoption of the American Public Power Association Safety Manual.

By unanimous consent, the agenda was approved as amended.

McKee Run Generating Station Industrial Wastewater Discharge System

Mr. Vince Scire, Manager of the McKee Run Generating Station, submitted a new Capital Improvement Project - Industrial Waste Water Discharge System at McKee Run Generating Station and Exceptions in Capital Outlay. He advised members that the project has been developed to address a change in wastewater discharge requirements identified during an internal program audit and that there are three (3) main items being addressed simultaneously, as follows:

1) In the Fall of 2011, during a program assessment, it was identified that the McKee Run facility did not have metering in place for its sanitary wastewater discharge. Additionally, it was identified that, due to changes in the Kent County code, the facility needed to apply for an Industrial Wastewater Discharge Permit (IWDP). Based on both these requirements, the facility needs to segregate its industrial and sanitary sewer flows, meter both discharges, and sample the industrial flows per Kent County requirements.

2) This project facilitates the diversion of the current National Pollutant Discharge Elimination System (NPDES) wastewater discharges at outfalls 004 and 005 to the Kent County Wastewater Treatment Plant (WWTP). During the same wastewater assessment, and based on operational data supporting the decision to divert the flows, the cooling tower blowdowns will be re-routed from the McKee Run stream, to the Kent County sewer. Minimal additional work in the project scope has been required to make this change which will provide regulatory and operational flexibility to the facility during run times. The facility is at risk of not meeting the discharge parameters set forth by the Delaware River Basin Commission (DRBC) in Docket No. D-2009-014 CP-1. After evaluating various methods to comply, it was determined that the Kent County WWTP would be both willing and able to treat the cooling water discharge and this could be added into the already required IWDP application. This would also alleviate the need for the facility to conduct a thermal study of the discharge as required by the DRBC in the above Docket, a study which would likely provide no value and cost in the tens of thousands of dollars to conduct. In the past, due to the infrequent running of the cooling towers, bacterial growth (enterococci) has been a NPDES permit limit of concern and great care must be taken to both disinfect and circulate the cooling tower water prior to discharge. Diverting this discharge to the sanitary sewer alleviates this risk.

3) As the wastewater discharge is currently routed, a large amount of dilution water must be sent to the cooling towers to maintain the discharge concentrations of Total Dissolved Solids (TDS) to remain below permit limits as set by the DRBC. Based on current data and calculations, and depending on the operating conditions, it is projected that water consumption will increase between three (3) and 10 times to foster compliance. Additionally, it has been projected that if Unit 3 was to be called to run for an extended period of time, such as longer than one (1) week,

the TDS parameter would eventually rise to a level exceeding the permit limit, due to restrictions on how much dilution water could be added. Permit non-compliance would be simply a matter of when, not if, under an extended operating scenario. This increased water usage also directly contradicts the efforts the facility has made to conserve water, especially in times of drought, when the extended operating scenario would be most likely to occur.

Mr. Scire reviewed a Presentation - McKee Run Industrial Wastewater System, Tie-In of the McKee Run Industrial Wastewater Flow to the Kent County Sewer System and Elimination of the NPDES Industrial Discharge Points, as well as the benefits to implementing this project. He advised members that in the time since these needs were identified, an official application for an IWDP had been submitted to Kent County and the permit was ready to finalize. The permit included an exception, granted by Kent County Levy Court, to discharge the cooling water to the sanitary sewer. The proposed permit also included language specific to the McKee Run site which would allow for the operational flexibility needed to run the facility as required by the current demands placed on it. Preliminary engineering had been completed for the overall industrial wastewater system changes, and the site had been developing estimated project costs based on the best available information.

Mr. Scire reviewed the next steps to be taken involving this project. He noted that this was a new project that was not identified or funded in the original 2012 Capital Budget. In order to support the funding of the new project, he advised members that exceptions in the capital outlay for various original projects had been identified which will provide the needed offset in funding, as follows:

CIP	Original Projects	Approved 2012 budget	Proposed 2012 Budget	Notes
EG1102	Units #1-#2 Cooling Tower Life Extension	$25,410.00	$0.00	Project workscope deferred to 2014 due to run time
EG1107	Units #1-#2 Boiler / Turbine Life Extension	$196,331.00	$113,000.00	Work put on hold waiting for decision on continued operation of Units 1 and 2.
EG1112	Unit #3 Air Heater Expansion Joint	$82,807.00	$77,000.00	Project Complete
EG1113	Units #1-#2 Boiler Controls Upgrades	$25,700.00	$28,000.00	Project Complete
EG1114	Unit #3 Gas Line Modifications	$20,207.00	$16,000.00	Project Complete
EG1201	Unit #3 Boiler Air Heater	$440,000	$395,000.00	Project Complete
EG1202	Unit #3 Boiler Systems	$130,000.00	$121,000.00	Includes 40k for fuel
EG1203	Unit #3 ID and FD Fan Controls Upgrades	$92,000.00	$81,000.00	Complete in May
EG1206	McKee Run DI Controls Replacement	$65,000.00	$0.00	Workscope to be deferred due to higher priority workscope
EG1208	MCKee Run Switchyard Blast Walls	$50,000.00	$45,000.00	Project Complete
EG1210	Unit #3 Cooling Water Line Inspection	$25,000.00	$0.00	Reschedule to 2013 due to Unit run time
EG1211	Unit #3 Stack Repairs	$25,000.00	$20,000.00	Project Complete
EG1212	Unit 3 Turbine Inspection	$424,000	$405,000.00	Project closeout remaining
	Total Original Projects	$1,601,455	$1,301,000	
	Newly Proposed Project			
EG12XX	Industrial Waste Water System		$272,000	
	Total New Projects		$272,000	
	Revised Total		$1,573,000.00	

Mr. Bonar noted that there was a notoriously long backorder time for parts for projects such as this and questioned if the parts required were readily accessible and could be obtained in a timely fashion. Responding, Mr. Scire stated that he anticipated the longest lead item would be approximately four (4) to six (6) months.

In response to Mr. Blakeman, Mr. Scire indicated that stormwater discharges at the other outfalls were related to wastewater discharge to the cooling towers at the station and that the limits associated with these cooling towers were the concern. Clarifying, Mr. Brian Hoyt, Compliance Specialist, explained that the cooling tower portion of those outfalls would be taken out of service and they would be converted to general stormwater outfalls that are governed under the general permit in the State of Delaware. This would result in four (4) outfalls with much less stringent stormwater guidelines.

Responding to Mr. Bonar, Mr. Scire felt assured that the requested changes to the Power Plant Capital budget should not have an impact on any long-term CIPs.

Mr. Blakeman moved to recommend approval of the new Capital Investment Plan (CIP) for the Industrial Waste Water Discharge System at the McKee Run Generating Station and the transfer of funding from existing CIPs, as recommended by staff. The motion was seconded by Mr. Snaman and unanimously carried.

Annual Engineering Consultant's Report on the Operation and Maintenance of the Electric System - Fiscal Year 2011

Members were provided the Annual Engineering Consultants's Report on the Operation and Maintenance of the Electric System for Fiscal Year 2011, as prepared by Burns and McDonnell Engineering Company, Inc.

Mrs. Donna Mitchell, Controller/Treasurer, advised members that the report was required to fulfill the City's bond covenants. She reviewed the conclusion of the report (Page ES-6) which indicated that the City's power generation facilities were being operated and maintained in a manner consistent with accepted electric utility practices in the United States.

Responding to Mr. Blakeman, Mrs. Mitchell stated that, to her knowledge, this is the only inspection conducted. Elaborating, Mr. Vince Scire, Manager of the McKee Run Generating Station, indicated that insurance representatives conduct inspections at least once per year and these inspections are accomplished during the general overhaul period so that internal components can be inspected and internal procedures and processes can be reviewed.

Mr. Blakeman noted that the report indicated that *"the Electric Division has nine line crews to work on the system. Four crews are responsible for overhead lines, four crews are responsible for underground lines, and one crew is responsible for maintenance"* and questioned if one (1) crew was sufficient to maintain the system. Responding, Mr. Jeremy Johnson, Interim Electric Director, stated that although there was only one (1) maintenance crew, the four (4) overhead crews were also utilized for maintenance when necessary.

Noting that the report indicated that the majority of the four (4) overhead crews' time was spent on new construction, Mr. Blakeman questioned how much time is spent on maintenance. Responding, Mr. Richard Gardner, Line Crew Superintendent, stated that the underground crews generally work on new construction

building infrastructure, since most new construction is underground. He advised members that the overhead crews work on new distribution upgrade projects; however, there are times when they are needed and utilized for maintenance.

Mr. Blakeman moved to recommend acceptance of the Annual Engineering Consultant's Report on the Operation and Maintenance of the Electric System for Fiscal Year 2011, seconded by Mr. Snaman and unanimously carried.

FY 2013 FIVE-YEAR CAPITAL INVESTMENT PLAN (CIP)

Mr. Scott Koenig, City Manager, provided members with the draft FY2013 Five-Year Capital Investment Plan (CIP) for the Public Utilities. He noted that these were the same projects that have been presented and discussed by the Committee and Council during the past several months. In addition to Fiscal Year 2012-2013, the Plan included Fiscal Years 2013-2017

In response to Mr. Blakeman, Mr. Vince Scire, Manager of the McKee Run Generating Station, confirmed that the photo provided for project EG1202 was incorrect, as it reflected the package boiler and not the main boiler.

No further action was taken by the Committee.

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

Members were provided a Project Tracking Report, as of April 30, 2012, for the Utility (Electric and Water/Wastewater) Related Capital Investment Plan (CIP).

No further action was taken by the Committee.

Update - Garrison Oak Technical Park Project

Mr. Scott Koenig, City Manager, stated that the Garrison Oak Technical Park had been platted and approved. The City was continuing to work with the Garrison Energy Center on finalizing amendments to their lease, which is expected to be presented to the Legislative, Finance, and Administration Committee for their review and recommendation. He stated that the organization was working on the preliminary authorization from the Planning Commission, noting that there were several issues that needed to be addressed, such as performance standards, compliance with stormwater management, etc. He stated that the Garrison Energy Center was also working through air permitting with the State of Delaware.

Mr. Koenig indicated that the project was on track and the organization had apprised staff that they were anticipating building permits to be obtained during the first part of 2013, with capacity into the PJM grid in the summer of 2015.

In response to Mr. Hutchison, Mr. Koenig stated his understanding that Calpine and LS Power were meeting last week to resolve their issues. He stated that if these concerns were not resolved, the City would become involved with the matter; however, he advised members that they have committed to work out their differences.

Update - Green Energy Funding and Programming

Mr. Scott Koenig, City Manager, noted that members had received an update on Green Energy Funding and Programming and offered to respond to any questions.

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

Referring to the National Pollution Discharge Elimination System (NPDES) Municipal Separate Storm Sewer Systems (MS4) Permit, Mrs. Ann Marie Townshend, Director of Planning and Community Development, relayed appreciation to the generosity of the Wesley College Environmental Sciences Program, which provided an intern during the school year who, she stated, has been working for the City for 10 hours per week, at no charge, to help keep the City permit compliant.

Mrs. Townshend noted that the City held two (2) Compost Workshops and that Drip Irrigation Workshops would be held at the Public Assembly Room at the Dover Police Department on June 28 and June 30, 2012. She stated that the City was working on incorporating environmental programming into the City's Summer Day Camp Program. She stated that the progress the City has made in this regard was due to the assistance provided by Wesley College.

By unanimous consent, the meeting adjourned at 5:27 P.M.

David L. Bonar
Chairman

DLB/TM/jg/js/dd
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LEGISLATIVE, FINANCE, AND ADMINISTRATION COMMITTEE

The Legislative, Finance, and Administration Committee meeting was held on June 11, 2012 at 5:30 p.m. with Chairman Lynn presiding. Members present were Mr. Anderson, Mr. Hare, Mr. Rushe, and Mr. Shevock. Members of Council present were Mrs. Russell, Mr. Perza, Mr. Bonar, Mr. Hutchison, and Council President Leary. Mayor Carey was also present.

AGENDA ADDITIONS/DELETIONS

Mr. Lynn requested that Items #1 and #2 be reversed in order of sequence as well as Items #4 and #5.

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

Review and Recommendation - Filling Critical Positions - Library Clerk II - Dover Public Library

Mr. Scott Koenig, City Manager, reviewed a request to fill a Library Clerk II position in the Dover Public Library. He stated that it was anticipated that the individual selected would begin employment on or about August 1, 2012. He reminded members that, as the opening of the new Library approaches, it will be imperative that the City return to the previous staffing level of the Library in order to maintain the current level of service. This position was previously budgeted and has remained unfilled. Although it was not included in the FY12 budget, it has been included in the FY13 budget. He estimated the budgetary impact for wages and benefits at $40,245.

Mr. Anderson moved to recommend approval of the request to fill the position of Library Clerk II, as recommended by staff, seconded by Mr. Shevock and unanimously carried.

Proposed 15% Healthcare Premium Cost Sharing Arrangement - Non-Bargaining Only *(Referred Back to Staff by City Council on May 29, 2012 for Further Evaluation)*

During the Council Committee of the Whole Meeting on May 29, 2012, members considered a proposal submitted by the City Manager for a 15% healthcare premium cost sharing arrangement for non-bargaining employees. After much discussion, the Committee recommended that the proposal be referred back to staff for further evaluation.

Mr. Scott Koenig, City Manager, read a memorandum dated June 7, 2012, from the City Manager to Members of the Legislative, Finance, and Administration Committee regarding Health Insurance Premiums for Non-Bargaining Employees, as follows:

> *During the Council Committee of the Whole meeting on Tuesday, May 29, 2012, a motion was made to refer the issue of a 15% cost sharing contribution for all non-bargaining employees back to the City Manager for further consideration. Attached are eight (8) different cost sharing scenarios as described, as well as, the estimated annualized savings to the City if the scenario were to be implemented for non-bargaining employees:*
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> | | | |
> |---|---|---|
> | *1)* | *HB81* | *$ 44,973* |
> | *2)* | *Premiums Based Upon First State Basic* | *$ 46,547* |
> | *3)* | *Stepped Percentage (10, 15, 18 & 20)* | *$ 58,057* |

4)	*Stepped Percentage (10, 15, 20 & 20)*	*$ 60,170*
5)	*15% Across the Board (City Manager's Preferred Option)*	*$ 66,559*
6)	*Stepped Percentage (12, 15, 18 & 21)*	*$ 66,724*
7)	*Stepped Percentage (10, 15, 20 & 25)*	*$ 66,835*
8)	*Additional 15% to All Current Percentages*	*$ 114,554*

I also held a meeting on Monday, June 4, 2012 with a group of approximately thirteen (13) non-bargaining employees to receive their ideas and feedback on the City Manager's original 15% Across the Board proposal. Several revenue generating proposals were put forth by staff that could be implemented to generate additional revenue for the city. The employees also expressed a number of concerns that I would like the opportunity to relay to the committee during a brief verbal update to the committee on Monday night. I am therefore requesting a few minutes at the podium to further express their concerns to the committee.

Mr. Koenig noted that members had received spreadsheets with details regarding the eight (8) scenarios as well as the "Other Postemployment Benefit GASB 45 Actuarial Valuation," which indicated an unfunded Other Post-Employment Benefit (OPEB) liability for the City of Dover in the amount of $76,393,013, as of June 30, 2012.

Mr. Koenig advised members that the ideas that employees had suggested as revenue-generating proposals related to itinerant merchant licenses, rental and lodging fees, business license fees, open gym fees, downtown banner fees, etc. Several of these fees, such as business licenses, had been brought before City Council in previous years and were not supported. As a result, it was his feeling that staff could not present such revenue ideas to offset the unfunded liability costs. He reiterated that the unfunded liability was a long-term issue that he was attempting to address through the cost sharing proposal and that each employee has a vested interest in ensuring that the benefit will be available in retirement.

Mr. Koenig stated that non-bargaining employees also relayed concerns about representation, since they were not unionized. He explained his difficulty in representing both sides of the issue. He indicated that the non-bargaining employees were concerned that they would become an isolated group in this matter, and that the 15% cost-sharing would be implemented for them and not be carried through to the unions. Mr. Koenig indicated that he could make no guarantees in this regard, since his role was to make proposals rather than to act on them. Although his intent was to bring forward proposals that would achieve the same scenario for union employees, he could not guarantee their approval.

Mr. Koenig stated that concerns were also relayed by employees who were eligible or nearly eligible for retirement that the City was "changing the game" near the end of their careers, and they questioned if implementation of the proposal could be delayed for employees with significant years of service. He explained the difficulty of implementing the proposal "fairly" since others would feel that such a proposal was unfair. In addition, he stated that employees have brought up the possibility of providing a phase-in for the proposal. He noted that when the State proposed HB81,

approximately 18 months prior notice was provided to employees that they would begin to pay for health insurance. Mr. Koenig stated that, because of the timing of the budget and the expiration of union contracts, he was unable to work with that type of horizon and reminded members that the draft budget included a "tag line" for 15% healthcare cost sharing across the board, with a credit of approximately $250,000 to the budget if approved. The credit for non-bargaining employees would only be approximately $66,750. Therefore, he stated that the budget submitted to Council included an assumption that on July 1, 2012, 15% healthcare sharing across the board would be implemented for all four (4) of the employee groups (non-bargaining employees and all three (3) union groups). As previously indicated, he explained he could not disclose the nature of collective bargaining discussions or agreements. He also could not guarantee that all three (3) union contracts would be signed by July 1, 2012.

Mr. Koenig stated that the non-bargaining employees also reminded him and wanted members of Council to be aware that they received no step or Pay-for-Performance increases in FY12 and that the current draft budget for FY13 did not allow for any non-bargaining increases.

At the request of Mrs. Mitchell, Controller/Treasurer, Mr. Koenig advised members that, of the eight (8) scenarios, only two (2) had been studied and analyzed by the City's Actuary - Scenarios #1 (HB81) and #5 - 15% across the board. As such, he stated that these were the only two (2) options that provided certainty regarding the City's long-term liabilities. He noted that, over the past two (2) years, the City had spent approximately $57,000 for the Actuary's work for the Health Benefits Committee to assist in determining which options would benefit the City's long-term liabilities. He reminded members that this was not a one-time budget concern but a long-term issue for the City.

Mr. Koenig noted the receipt of several letters and other correspondence from various employees which were submitted for consideration ***(Attachment #1)***. He reminded members that, as the City Manager, he represented employees, Council, rate payers, and taxpayers to the best of his ability, and as such, he recommended the 15% across-the-board proposal. Mr. Koenig stated that this recommendation was based on all information provided, including the independent administrative evaluation. He considered this the option that would cause the least harm to the organization. He acknowledged that employees receiving individual healthcare would be the most affected; however, he felt that this was a fair proposal when viewed over the span of an employee's career.

In response to Mr. Shevock, Mrs. Donna Mitchell, Controller/Treasurer, stated that the City follows State guidelines, including the requirement of an affidavit regarding spousal coverage, and the coverage that the City's employees have is predicated on those forms being completed; therefore, any change in coverage as a result of these forms was built into the budget. She was not aware of the savings that this provided, if there were a savings, since this was already included in the budget. Noting that the City pays 75% for dependent coverage and that dependent coverage for State employees is paid 100% by the employee, Mr. Shevock questioned if the City had considered this option. Responding, Mr. Koenig stated that staff had considered this option; however, due to the costs and the employees who would be affected (primarily those below mid-level management), it was determined that some of the City's lower paid employees would not be able to afford this insurance.

Mr. Anderson relayed appreciation for the work staff had conducted on this matter and supported the efforts to contain costs for the City. He questioned if the City should take a position before the provisions of the union contracts were known, explaining his concerns regarding parity and fairness. Responding, Mr. Koenig stated his desire to be fair and estimated that signed contracts with the unions should be obtained by August or September, and possibly sooner. He indicated concern that if the Committee were to recommend approval of staff's recommendation, this matter would be considered by City Council on June 25, 2012, with a possible implementation date of July 1, 2012. This would create an administrative problem for employees wishing to retire. Should members wish to delay implementation until September 1, 2012 for current employees, he felt that this could be handled administratively and would not affect the proposed budget. However, he suggested that there be a caveat included that any new non-bargaining employees hired would be responsible for the 15% cost sharing for healthcare costs.

Responding to Mr. Lynn, Mr. Koenig advised members that in discussions with other managers throughout the State, it appeared that almost every municipality was unique, noting that some were completely non-unionized, others did not offer any post-employment benefits, and others intermingle health insurance with Workman's Compensation insurance. As a result, it was difficult to obtain an "apples to apples" comparison. He advised members that employees who were hired in recent years from the private sector had indicated to him that even if required to pay the 15%, they would still be paying less than they paid previously.

Mr. Koenig noted that the Controller/Treasurer indicated that if HB81 were applied to all City employees and retirees, this would be the best option for the City and would actually reduce healthcare costs for some employees; however, staff has had a difficult time discussing this issue as it pertains to retirees. He reminded members that one of the recommendations of the Health Benefits Committee was for the City not to take action regarding retirees' healthcare.

At the request of Mr. Lynn, Mr. Perza stated that the report of the Salary and Benefits Compensation Comparison Committee, which includes information comparing healthcare and retirement benefits of various jurisdictions, had not yet been released. To his recollection, the comparison included larger towns such as Newark, Wilmington, Middletown, Dover, Harrington, Smyrna, Lewes, etc., as well as the three (3) Delaware counties and the State of Delaware. He confirmed that there was some form of cost sharing across the board; however, this varied by degree depending on the size of the municipality. There was no consistent percentage or unified factor for cost sharing.

In response to Mr. Hutchison, Mr. Koenig confirmed that one year ago, the City's budget reflected a $3.4M shortfall. Over the past year, that deficit had been reduced to approximately $630,000 and there has been a reduction of 12 employees. He advised members that the five (5) year projection for the General Fund budget reflected a $2M deficit in FY14, which must be addressed by adjusting the budget, gaining an increase in economic activity, cutting costs, or a combination of these approaches.

Responding to Mr. Anderson, Mr. Koenig stated that the scenario recommended by staff would have no impact on current retirees. If the recommendation were approved for implementation on July 1, 2012, employees who retired after that date would carry the 15% cost sharing into retirement.

Referring to Scenario #7, Mr. Bonar requested that the City Manager provide more detail and an explanation of the stepped percentages which he stated varied between a financial contribution of $58,057 and $66,835. Mr. Koenig explained that the steps were based on the percentage of contribution; for example, on Spreadsheet #3, an employee with only "employee" coverage would pay 10% of the premium for the plan selected, an employee with "child" coverage would pay 15% of the premium for the plan selected, an employee with "spouse" coverage would pay 18% of the premium for the plan selected, and an employee with "family" coverage would pay 20% of the premium for the plan selected.

Mr. Bonar questioned if an analysis had been performed for a stepped cost sharing based on years of service. Responding, Mr. Koenig stated that such an analysis was not conducted, since he personally had multiple years of service and he did not want his recommendation to be considered self-serving. He advised members that there were 78 non-bargaining employees and, although staff had the data to conduct such an analysis, they would have to bring the information forward at a later time. Although he understood the position of the City Manager, Mr. Bonar indicated that it was the role of staff to present recommendations and it was ultimately Council's decision as to the final action taken on matters. He felt that a stepped cost sharing based on years of service would be more palatable.

In response to Mr. Bonar's suggestion, Mrs. Donna Mitchell, Controller/Treasurer, reminded members that entry-level employees, who are paid at a lower rate, would be hit hardest under such a proposal. Although in most instances higher paid employees have been employed by the City the longest, she noted this was not always the case, such as newly employed department heads.

Mr. Lynn opened the floor for public comment and reminded all that each individual was provided three (3) minutes or less to speak. He requested that individuals refrain from duplicating comments and suggested that, since some individuals would also be speaking later in the evening before City Council, it might be appropriate to select a representative to speak.

Mrs. Patricia Virdin, 70 Peach Blossom Lane, Camden, (Police Department) stated that she had been an employee of the City for over 20 years and read the following statement into the record:

> *My name is Patricia Virdin, I live at 70 Peach Blossom Lane in Camden. I have been an employee of the city for over 20 years and I have the honor of working at the Police Department.*
>
> *At a prior council meeting, the city manager made the comment that he felt 92 dollars was not a significant amount. I beg to differ. At the current rate, nearly 6% of my pension will go toward this new expense. And that is at TODAY's rate of 92 dollars per month. We all know that the cost will go up. Combined with the lack of*

pay increases for the past two years, I fully expect this new expense to wipe out more than 10% of my pension. I hardly call that insignificant. As I am coming towards the end of my career, I have had no time to adequately plan for this expense.

My husband is also a city employee, so this measure hits my family doubly hard. However, if this proposal is implemented on my husband's salary, it will be because the FOP negotiated, voted, and agreed to it. As a non-bargaining employee, I have not been afforded that opportunity. All I have – the only thing I have – is a city handbook that was issued to me upon my hire in 1992. This handbook has 11 chapters that cover both my responsibility to the city and the city's responsibility to me. Clearly stated in Article 9 is the fact that the city will pay 100% of an employee's healthcare and will continue to do so for retirees.

If, as the city manager believes, the handbook is simply a "guideline" and the city is not required to abide by the statements therein, it seems to follow that the employees who are not otherwise governed by a union contract ***cannot be required*** *to adhere to the policies in the handbook. Policies governing such things as absences, use of city equipment, outside employment, personal conduct, disciplinary actions, and so on, would be useless.*

Although morale among employees is at a record low, the non-bargaining employees are united and more organized than I have ever known. I stand with my 77 non-bargaining co-workers to ask that you abide by the city handbook and implement this policy on new hires only. We have honored and abided by the terms of this handbook for our entire careers; we ask that you do the same.

Mr. Dave Truax, 35 Upland Avenue, Dover, (Fire Marshal's Office) stated his frustration that previous action by Council approved additional monies to be given to organizations and for providing cameras downtown, etc., and Council transferred funds to accommodate these expenses; however, never addressed the $630,000 budget deficit. He requested that members consider the possibility of funding the $66,000 that would be acquired by implementing the City Manager's recommendation, in a way similar to what has been done for others. This would provide everyone an additional year to consider and prepare for such a change and to know the results of contract negotiations. He expressed confidence that the City Manager and Council would take the appropriate action. He indicated that he had been an employee for 22 years and stated his hope that there would be no change to his healthcare benefits.

Mr. Paul Bernat, 185 Captain Davis Drive, Camden, (Police Department) read the following statement into the record:

Good evening, my name is Paul Bernat and I reside at 185 Captain Davis Dr., Camden, Delaware. I am the Deputy Chief of Police for the Dover Police Department. I have been a loyal City employee for the past 23 years. I am standing before you this evening asking you not to lessen my health benefits.

I was promoted to the rank of Major in April of 2010. With my promotion I left the FOP Union and became part of the non-bargaining group of the City, which is predominately management. In fiscal year 2012 all of the Unions received raises. The non-bargaining group did not receive a raise and are not receiving raises again this year. The three City Unions are currently in contract negotiations and are in the bargaining process. The Unions will receive "something" in exchange for the 15% healthcare cost sharing.

Last year around this time I contacted the Public Employment Relations Board (PERB) and began the process to join the FOP. I later withdrew my application, after Chief Hosfelt requested I do so. Chief Hosfelt felt confident that the City Council will do the right thing and take care of the non-bargaining employees. Little did I know that ten months later the City Manager would propose in the City budget that the non-bargaining group pay 15% towards their healthcare.

I also need to mention that I attended all of the Salary and Benefits Compensation Comparison Committee meetings and was disappointed when my salary was called out as "above the maximum for the pay grade". I looked into it further and discovered that the pay information that was provided to the committee from the City was the "2008 MAG" study. It is not reasonable to compare 2008 wages to 2012 wages.

In my 23 year career I have never felt as unappreciated as I do now. I feel that Council has the mind set that city employees are merely an expense and do not contribute to the excellent service that is provided to your constituents.

I do understand that the growing trend is to reduce government employees' benefits. However, I believe any lessening of benefits should apply to new hires or take effect in ten years for tenured employees. Currently the City has several employees that are at the 20 year mark and will retire within the next ten years. It is imperative that the City not lose all of the knowledge and expertise from tenured employees. Lessening current employees benefits are causing good employees to retire early. This is causing the City to pay retirement benefits and new employee benefits as well.

In conclusion, I would like to reiterate that the non-bargaining employees did not receive a raise last year, when Union employees did. The proposed 15% healthcare cost share would only save the City a nominal amount but will continue to affect employees in their retirement for the rest of their lives. Thank you for your time and much needed support.

Mrs. Nancy Swaggard, 2629 Farm Lane, Camden Wyoming, (Customer Service Department) stated she was an 18 year employee who had taken a non-bargaining position approximately six (6) years ago. She advised members that when she first took the position, she had five (5) employees and now has two (2), with the same amount of normal work to perform and additional responsibilities

transferred from other departments that have also been shorted employees. She assured members that staff was doing the best they could and that having benefits taken away only hurts. Mrs. Swaggard noted that, taking her salary into consideration and the 15% healthcare costs, her employees would actually be making more money than she would receive as their supervisor. She indicated that there were others in the same situation and relayed concern that this could affect their hard work and will to do a good job. She requested that all non-bargaining employees in attendance stand united and be recognized *(City Clerk's Office Note: There were approximately 18 individuals who stood.)*

Ms. Carolyn Courtney, 24 Lamplighter Lane, Dover (Parks and Recreation Department) advised members that she was born and raised in the City of Dover and had worked for the Parks and Recreation Department for over 11½ years. As a taxpayer, she felt that the City provides excellent services, parks, facilities, flowers, clean streets, etc., and stated that residents are able to put out almost anything for the trash to be picked up by the City. She noted that other jurisdictions do not have such services; however, their residents pay much higher taxes. She relayed no objections to a slight tax increase to continue to pay for the services and noted the benefit of "writing off" taxes on income tax returns. As an employee, Ms. Courtney relayed concerns regarding the lack of pay raises and reminded members that the last time a raise was provided, the City instituted furlough days; therefore, there was no pay raise realized. She noted that members of Council have continued to fund events, festivals, and downtown economic development; however, they are unable to fund the City's obligation to employees as reflected in the Employee Handbook. She explained that employees were hired with the understanding that the Employee Handbook reflected the employee's benefit package. She stated that although she has had opportunities to work in the private sector at a much higher salary since being employed with the City, she declined and remained employed by the City due to the benefit package. She requested that members consider the effect their decision would have on those employees who are and have been dedicated.

Mr. Paul Cookson, 233 Hibiscus Terrace, Magnolia, (Police Department) read the following statement into the record:

> *My name is Paul Cookson. I reside at 233 Hibiscus Terrace, in Magnolia. I have been a loyal and dedicated employee, working in the Police Department, for over 20 years.*
>
> *My employment with the City had a unique start, and I feel that I had a part in starting something meaningful. In 1991, while finishing my Bachelors Degree in Law Enforcement Administration at Western Illinois University, I was required to complete an internship with an agency of my choice for a full semester. I contacted several police departments here in Delaware to see if they would take me. One of those agencies was Dover PD. The chief at the time, Chief Hutchison, explained to me that Dover had never received any prior intern requests. Nevertheless, I must have done something right since he offered to work with me. I don't know if Chief Hutchison knew at the time that I had contacted several other agencies: Rehoboth Beach PD, and the Department of Natural Resources. Both of those agencies had*

offered me a paid internship in an enforcement officer capacity. Dover's internship was offered with no pay; only for the experience. In considering the possibility that my internship could lead to future employment, I took into consideration the organizations and what they had to offer. The paid positions would most likely lead to permanent police officer positions. However, I saw a good thing with Dover and its excellent benefits and that is what I chose.

My 16 weeks of experience working with the various units paid off, as I was hired the following year in the communications center. The rest is history. Dover still takes on interns to this day.

My point here is not about my internship, only that I had a choice of where to conduct it. The benefits offered by prospective future employment played a big part in my decision. When I picked Dover I felt that I made the right choice and would be working for an organization I could trust, and retire securely with the benefits outlined for me. I am sure there are many similar stories from those behind me that will not have the chance to be heard tonight.

Every employee regardless of position is an important part of this organization. Your non-bargaining employees, from middle-management right up to department heads, are what hold everything together. They are your longest serving and most experienced employees. They are your foundation. If they cannot trust their employer, that foundation is undermined. When a foundation is not sound, neither is what is above it. You MUST honor what was offered to your employees when they came on board, and stop putting the burden of financial woes on their shoulders. If you do not, you will be setting a precedence that will surely be weighed by your future foundation.

Ms. Diane Glenn, 218 Northdown Drive, Dover, (Police Department) noted that at a recent Council meeting, members approved, with little to no resistence, an amended budget that included transferring $600,000 from the Electric Department's Reserve to offset the deficit. She was excited that money was found at a time when employees were advised that cuts and extreme measures would need to be taken. All the while, she thought the $600,000 eliminated the need for a healthcare cost share with non-bargaining employees. Although these funds did not offset the $66,000 necessary to eliminate the need for a healthcare cost share, the necessary funds were found for the continuation of two (2) City festivals for the next fiscal year. At this point, she felt that members of Council must feel that these two (2) festivals are more important to them than the non-bargaining employees. She felt that Council had the opportunity to transfer the necessary $66,000 but chose to fund the festivals only. Mrs. Glenn indicated her understanding for the need to "tighten the purse strings" and forego a pay raise and have furlough days; however, the healthcare cost share would result in a decrease in salary. She advised members that she is a single mother and moved to Dover 19 years ago to take the job with the City and has no family in the area. She explained that the benefits offered by the City lured her to make the move. She requested that City Council and the City Manager work together to develop a proposal that would not include an attempt to "balance the budget on the backs of the employees."

Ms. Christina Kober, 343 Orchard Grove Drive, Camden, (Police Department) advised members that she has been a loyal and dedicated employee for 23 years and would be eligible for retirement in only two (2) years. She reminded members that non-bargaining employees did not receive a pay increase last year or this year. She stated that non-bargaining employees have no rights to negotiate benefits, which were promised during employment and into retirement. It was her understanding that the Employee Handbook, approved by City Council, was equivalent to a contract. She trusted and hoped that members of Council would honor those written agreements. She felt it was clear and evident that the financial impact for non-bargaining employees was a genuine hardship and a severe blow to employee morale that may not be reversible. Ms. Kober requested that members honor the written promise (or agreement), as stated in the Employee Handbook, that the City would pay 100% of each full-time, regular employee's individual coverage and eliminate healthcare premium cost sharing for non-bargaining employees.

Ms. Robin Adkins, 27 Waterwheel Circle, (Police Department) indicated that she had been employed with the City of Dover Police Department for almost 13 years. In addition to the issues previously discussed, she stated her concern that non-bargaining employees do not have the ability to negotiate for any benefit changes, salaries, etc. She reminded members that bargaining employees receive step increases as well as promotions and that there are no step increases or automatic increases built into the non-bargaining employees' pay scale. She indicated that there was no set schedule after retirement; therefore, as healthcare costs increase, the retirement pay for retired non-bargaining employees would continue to decrease. Ms. Adkins advised members that one (1) of the main reasons for selecting the City's employment was the benefit package. She encouraged members to consider the concerns relayed in making their decision regarding this matter.

Mr. Anderson felt that it was essential for members of Council to be provided with information regarding long-term healthcare costs; however, he noted that it was necessary for immediate action to be taken at this time. He explained that Scenario #2 would provide the employee the choice to maintain a 100% premium for basic coverage and if additional coverage were desired, the employee could pay more. This would address the concerns of those who could not afford cost sharing and, at the same time, save the City a substantial amount of money.

Mr. Anderson moved to recommend approval of employee cost sharing of health insurance premiums for non-bargaining employees based upon Scenario #2 - Premiums Based Upon First State Basic, to be effective July 1, 2012, seconded by Mr. Hare and carried, with Mr. Lynn voting no.

Mr. Bonar advised members and those in attendance that he departed the meeting during the public comment period to make some telephone calls regarding healthcare premiums. Based on these three (3) calls, he discovered that monthly premiums for health insurance ranged from a $96 contribution to a $274 contribution. He noted that the $274 monthly contribution in the private sector also included a $10,000 deductible on health insurance premiums. He suggested that this information provided an indication of how the City compared to the private sector.

Proposed Ordinance #2012-10 - Amending Chapter 1 - General Provisions, Section 1-13 - Denial of Permits or Approvals for Failure to Comply with Requirements for Payment, Actions, or Filings (Clean Hands) with CA-#1 through #4 ***(Referred to Committee by City Council on May 14, 2012; Deferred by Council Committee of the Whole on May 29, 2012)***
During the Annual Council Meeting of May 14, 2012, members referred CA-#1 through CA-#4 to Proposed Ordinance #2012-10 to the Legislative, Finance, and Administration Committee for their review and recommendation. During the Council Committee of the Whole Meeting of May 29, 2012, consideration of Proposed Ordinance #2012-10 amending Chapter 1 - General Provisions, Section 1-13 - Denial of Permits or Approvals for Failure to Comply with Requirements for Payment, Actions, or Filings (Clean Hands) was deferred due to time constraints.

Mr. Anderson stated that, after speaking with Mrs. Ann Marie Townshend, Director of Planning and Community Development, regarding CA-#1, he no longer wished to make these changes at this time and provided an overview, including a narrative, of CA-#2 through CA-#4, as follows:

CA-#2 - The proposed language would ensure that the inclusion of owners and/or members of corporations would apply to owners of a one-half or greater interest in the said corporation. It would ensure that members of non-profit boards and other minority owners in corporations would not be denied services or permits due to the delinquencies of that corporation.

Mr. Anderson moved to recommend adoption of CA-#2, seconded by Mr. Lynn.

Mr. Perza questioned how the City would be able to determine owners of a one-half or greater interest since LLC's and corporations are private entities and the percentages of ownership would not be known. Responding, Mrs. Townshend explained that it was staff's intent that if a corporation applied for a permit or site plan, a disclosure form would be required listing the owners above the specified threshold as of the date of application.

In response to Mr. Hare, Mrs. Townshend confirmed that homeowners wishing to rent properties were required to obtain a permit; however, owners of commercial buildings were not required to obtain a permit to rent to another business or entity.

The motion recommending adoption of CA-#2 to proposed Ordinance #2012-10 ***(Attachment #2)*** **was unanimously carried.**

CA-#3 - The proposed language would allow for persons to serve on city committees, commissions, or boards, even if they are responsible for delinquencies or code violations; however, it requires that the city clerk inform the city council president of such delinquencies or violations and that an executive session of council be held to discuss such delinquencies or violations.

Mr. Anderson moved to recommend adoption of CA-#3 to proposed Ordinance #2012-10 *(Attachment #3)*, seconded by Mr. Hare and unanimously carried.

CA-#4 - The proposed language would add an appeal to city council for applicants aggrieved by the decision of the city manager.

Mr. Anderson moved to recommend adoption of CA-#4 to proposed Ordinance #2012-10 *(Attachment #4)*, seconded by Mr. Hare and carried, with Mr. Lynn voting no.

Mr. Anderson moved to recommend adoption of proposed Ordinance #2012-10, as amended to include CA#2, CA#3, and CA#4, seconded by Mr. Hare and unanimously carried.

Proposed Ordinance #2012-17 - Amending Chapter 26 - Businesses, Article I - In General, Section 26-1 - Sale of Dangerous Substances

Members reviewed proposed Ordinance #2012-17 - Chapter 26 - Businesses, Article I - In General, Section 26-1 - Sale of Dangerous Substances. Mrs. Ann Marie Townshend, Director of Planning and Community Development, explained that the proposed ordinance was developed in response to the chemical industry moving faster than staff's ability to present code amendments. As a result, she stated that the proposed ordinance would amend the City Code regarding sale of Bath Salts to refer to Delaware Code, Title 16, Chapter 47, as it relates to Schedule 1 Controlled Substances, rather than listing the prohibited substances by name. It would also amend the penalties to declare any businesses that sells such substances a public nuisance and refers to license revocation through summary action.

Mr. Lynn commended staff for taking immediate action to address the epidemic occurring with bath salts.

Mr. Hare moved to recommend adoption of proposed Ordinance #2012-17, seconded by Mr. Shevock.

Mr. Anderson relayed concern that the proposed ordinance could affect potential legislation dealing with medicinal marijuana, the use of which he felt would be appropriate.

The motion recommending adoption of proposed Ordinance #2012-17 *(Attachment #5)* was carried, with Mr. Anderson voting no.

Elimination of Pay for Performance

Mr. Hutchison questioned if the Pay for Performance policy identified the value of each and every job and a recommendation for entry-level, midpoint, and maximum salary for every employee. Responding, Mr. Scott Koenig, City Manager, stated that the Pay for Performance policy currently includes a salary table that states a minimum, midpoint, and maximum. This was the salary scale that was in place for Fiscal Year 2008. He stated that there is a scale that considers every position in the City, puts it on a grade, and provides a pay "band." This was the table that was presented to the Salary and Benefits Committee.

Mr. Hutchison questioned how the salaries for certain employees could become inconsistent with the policy. Mr. Koenig explained his understanding that, under the previous City Manager, the annual budget included a section called Pay for Performance, which included a matrix that provided a score. In addition, there was a page that included the existing salary scale and a proposed salary scale. For several years, he stated that City Council adopted the matrix but never adopted the new salary scale (which included a cost of living increase for the entire scale). He explained that this was the reason several positions that were identified in the Salary and Benefits Committee were beyond the scale, because the scale itself did not move forward as the raises were earned.

Based on this information, Mr. Hutchison noted the need for fairness and the need to identify each employee's value and to develop a salary scale. He suggested that staff consider the use of bonuses rather than salary increases. He felt that Council, along with the help of the City Manager, must "get a handle" on this matter for the future.

In addition to concurring with Mr. Hutchison, Mr. Anderson relayed concern that there were employees who received raises based upon factors that had very little to do with the core performance of their jobs. He noted that job descriptions did not match the actual job responsibilities and the Pay for Performance system seemed to slide based on the favor of the evaluator more than job performance. As such, he felt that the City should rework the Pay for Performance system. He indicated that he was not opposed to the concept of pay for performance, but that the current system was irrevocably broken, should be discarded, and a totally new system developed.

Mr. Hutchison requested, if members decide to move forward with the development of a new system, that this be accomplished by City staff (a management team).

Mrs. Russell advised members that she served as a president and chief shop steward for over 25 years and had never believed in pay for performance, feeling that it generates unfairness.

Mr. Anderson moved to recommend that the current Pay for Performance system to be eliminated effective July 1, 2012, seconded by Mr. Hare.

Mr. Shevock relayed concern with eliminating a system if there were no system to replace it, explaining that this could potentially cause chaos for the City Manager.

Mr. Hutchison requested that the motion be amended to request the City Manager to develop a recommendation and allow for the Pay for Performance System to remain in place until such time as a new system is in place.

Mr. Anderson moved to recommend that the Pay for Performance be eliminated effective upon the approval of a new system brought forth by the City Manager and staff, seconded by Mr. Hare.

Mr. Bonar suggested that the City Manager be provided a specific date, such as August 1, 2012, as a set date to submit a recommendation in order to ensure a timely response, and that members of Council be included in the discussion with the City Manager, as well as the Human Resources staff.

Disagreeing, Mrs. Russell requested that staff be provided ample time to develop a recommendation due to the importance of the issue and its effect on employee salaries, noting that this would not affect the current budget.

The motion recommending that the Pay for Performance be eliminated effective upon the approval of a new system to be brought forth by the City Manager and staff was carried, with Mr. Lynn voting no.

Reduced Rates for All-Electric Homes in December, January, and February *(Requested by Ted George During Open Forum at City Council)*
Due to time constraints, this item was deferred until the next meeting.

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

Meeting Adjourned at 7:08 P.M.

Sean M. Lynn
Chairman

SML/jg/js/dd
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Attachments to Original and File Copy
Attachment #1 - Letters and Other Correspondence from Various Employees
Attachment #2 - CA-#2 to proposed Ordinance #2012-10
Attachment #3 - CA-#3 to proposed Ordinance #2012-10
Attachment #4 - CA-#4 to proposed Ordinance #2012-10
Attachment #5 - Proposed Ordinance #2012-17

ACTION FORM

PROCEEDING: City Council **AGENDA ITEM NO.:**
DEPARTMENT OF ORIGIN: Mayor's Office / City Manager's Office **DATE SUBMITTED**: 6/15/12
PREPARED BY: Carleton E. Carey, Sr. - Mayor
SUBJECT: Evaluation of Bids – City Hall Generator (DEMA Grant)
REFERENCE: N/A
RELATED PROJECT: N/A
APPROVALS: City Manager, Controller
EXHIBITS: Generator Tabulation
EXPENDITURE REQUIRED: **$**84,400 **AMOUNT BUDGETED**: $93,000 **FUNDING SOURCE (Dept./Page in CIP & Budget)**: DEMA Grant
TIMETABLE: Complete installation by September 15th.
RECOMMENDED ACTION: Staff recommends that the City purchase the 200KW generator from Cahill Contracting Inc. for $84,400 to include installation and a five year warranty.

BACKGROUND AND ANALYSIS

Proposals were solicited and advertised according to City Policy by the City's Contract and Procurement Manager, under Bid Number 12-0039EL and nine (9) bids were received. The bids were evaluated based on specifications, lead time and installation. The lowest bid had a 12-16 week lead time, which results in the completion date falling outside the DEMA grant requirement. Any portion of the project completed after the DEMA deadline, are **not** reimbursed by the grant.

Staff contacted the lowest bidder to confirm that the delivery dates were firm. The response was that the dates were the best that they could do. In addition to the timeline issue, the lowest bidder proposed a generator that is physically larger than the generator specified. This results in reduced clearance, which decreases maintenance and operational safety.

The second lowest bidder proposed the generator specified by staff and meets the DEMA deadline requirements. Additionally, this proposal is within the DEMA grant award amount of $93,000.

Staff recommends the second lowest bid, Cahill Contracting Inc.

(See included Generator Tabulation for bid information)

City of Dover
Bid Tabulation

Bid Number: 12-0039EL Bid Opening: June 6, 2012, 2:00 pm

Bid Title: Generator for City Hall

Vendor Name	Price Bid	Comments
Cahill Contracting, Inc. Kevin Cahill 104 Sleepy Hollow Dr. Ste 201 Middletown, DE 19709 302-378-9650 Fax 302-378-9653 cahillelectricco@verizon.net	$82,600.00 5 year warranty: $1,800.00	Lead time: 7 Weeks Local vendor: Rule 3 Kohler Generator / meets mech specs a little larger than specified.
Mid-Atlantic Electrical Services, Inc. Victor Rolli 24556 Betts Pond Rd Millsboro, DE 19966 302-934-7171 Fax 302-934-7170 vrolli@maes1.com	$96,000.00 5 year warranty: $550.00	Lead time: 8-10 Weeks Local vendor: Rule 3 Kohler Generator / Meets mech specs a little larger than specified
Roy's Electrical Service, Inc. James Roy 543 Main St Cheswold, DE 19936 302-674-3199 Fax 302-674-3062 royselectricalservice@gmail.com	$97,000.00 5 year warranty: $3,000.00	Lead time: 45-60 Days Local vendor: Rule 2 Meets all specs
Triton Construction Co. Inc. Charlie Coxe 101 Pigeon Point Rd New Castle, DE 19720 302-224-5457 Fax 302-224-5460 ccoxe@tccico.com	$89,900.00 5 year warranty: $3,000.00	Lead time: 7 Weeks Local vendor: Rule 3 Minority vendor Meets all specs
Tudor Electric Inc. Bobby Tudor 801 Otis Dr Dover, DE 19901 302-736-1444 Fax 302-736-1483 tudorelectric@verizon.net	$91,700.00 5 year warranty: $346.50	Lead time: 8-10 Weeks Local vendor: Rule 1 Kohler Generator / Meets mech specs a little larger than specified
H&A Electric Company Joe/Rich 59 Roosevelt Ave Dover, DE 19901 302-678-8252 Fax 302-678-5610 Joew.handa@comcast.net	$88,400.00 5 year warranty: $398.00	Lead time: 8-10 Weeks Local vendor: Rule 1 Kohler generator / Meets mech specs a little larger than specified

City of Dover
Bid Tabulation

Diamond Electric, Inc. Jerry Craig 3566 Peachtree Run Dover, DE 19901 302-697-3296 Fax 302-697-1328	$99,580.00 Optional 5 year warranty $2,300.00	Lead time: 8 Weeks Local vendor: Rule 2 Assumption that bid meets specs. No other specs were provided
Nickle Electrical Companies Scott Frieze 540 S. Bedford St Georgetown, DE 19947 302-856-1006 Fax 302-856-6119	$68,425.00 5 year warranty: $1,500.00	Lead time: 12-16 Weeks Local vendor: Rule 3 Generac generator / Specs not clear in packet. Phone conversation with Scott – Unit physically too big for location.
Carey's Diesel Stephen Morin 168 Denny Rd Dover, DE 19901 302-678-3797	$96,577.00 5 year warranty: $2,500.00	Lead time: 7 Weeks Local vendor: Rule 2 Meets spec.

ACTION FORM

PROCEEDING: City Council	**AGENDA: 06/25/2012**
DEPARTMENT OF ORIGIN: Finance	**DATE SUBMITTED: 6/18/12**
PREPARED BY: Donna Mitchell, Controller/Treasurer	
SUBJECT: Electric Rates & Tariffs	
RELATED PROJECT: Cost of Service Study – Burns & McDonnell dated May 29, 2012	
APPROVALS: City Council	
EXHIBITS: Exhibit 1 – Current & Proposed Rates (Burns & McDonnell);	
TIMETABLE: To be implemented July 1, 2012	
RECOMMENDED ACTION: Staff recommends Council approval of the proposed electric rates and tariffs as presented by Mr. Ted Kelly of Burns & McDonnell on May 29, 2012.	

As approved by City Council on February 13, 2012, Burns and McDonnell updated the 2008 Cost of Service Study for the Electric Revenue Fund. The study was completed in light of the City's reduced cost of current and forecasted power supply and presented to City Council on May 29, 2012. The revised rates and tariffs are attached for implementation on July 1, 2012.

It is important to note, that these rates were forecasted to cover the years FY13, FY14 and FY15. In doing so, the City will be required to use forecasted budget balances over the 8% policy in addition to funds in the rate stabilization reserve as a means of balancing the budget for the Electric Operating Fund. The financial forecast puts the Electric Revenue Fund back to the policy requirement at the end of the third year.

RESIDENTIAL SERVICE CLASSIFICATION
"R"

This rate is available throughout the City of Dover electric service area for household related services in a single private dwelling and incidental service outside of the home through the same meter, provided such incidental service does not exceed 20 KW of connected load. Service size cannot exceed 600 amps.

CHARACTER OF SERVICE
Secondary voltage, 60 cycle, alternating current, single phase service

Customer Charge	
Per bill	5.00
Energy Charge	
All kwh - per kwh	0.13160

MINIMUM MONTHLY BILL
The minimum monthly bill shall be the Customer Charge.

PURCHASE POWER ADJUSTMENT
All kilowatt-hours billed under this rate shall be subject to the Purchase Power Clause included in this schedule.

PUBLIC UTILITY TAX
In addition to the charges provided in this service classification a surcharge will apply in accordance with any tax imposed by governmental authority upon sales of electricity.

RENEWABLE ENERGY CHARGE
All kilowatt hours billed under this rate shall be subject to the "GEF" Rider.

RULES AND REGULATIONS
The General Rules and Regulations of the City of Dover for electric service shall apply to service rendered under this service classification.

Effective Date: July 1, 2012

SMALL COMMERCIAL SERVICE CLASSIFICATION
"C and C1"

AVAILABILITY

This rate is available throughout the City of Dover electric service area for small commercial and industrial purposes through a single meter. The maximum monthly usage must not exceed 3,500 KWH per month or have instrument rated metering. If there is a major change in the character of service or if the KWH usage exceeds 3,500 KWH for two (2) consecutive billing months, the account will be automatically transferred to the Medium Commercial Service Classification. If the customer's usage does not exceed 3,500 KWH after a period of one (1) year, the customer may be returned to the Small Commercial Service Classification.

CHARACTER OF SERVICE

Secondary voltage, 60 cycle, alternating current, single or three phase service. Other voltages may be applicable where available and at the option of the City.

Customer Charge	
Per bill - Single Phase Service	5.00
Per bill - Three Phase Service	15.00
Energy Charge	
Per KWH	0.11760

MINIMUM MONTHLY BILLING

The minimum monthly billing shall be the Customer Charge.

PURCHASE POWER ADJUSTMENT

All kilowatt-hours billed under this rate shall be subject to the Purchase Power Clause included in this schedule.

PUBLIC UTILITY TAX

In addition to the charges provided for in this service classification, a surcharge will apply in accordance with any tax imposed by governmental authority upon sales of electricity.

RENEWABLE ENERGY CHARGE

All kilowatt hours billed under this rate shall be subject to the "GEF" Rider.

RULES AND REGULATIONS

The General Rules and Regulations of the City of Dover for electric service shall apply to service rendered under this service classification.

Effective Date: July 1, 2012

MEDIUM COMMERCIAL SERVICE CLASSIFICATION
"C2 and C3"

AVAILABILITY

This rate is available throughout the City of Dover electric service area for commercial and industrial purposes through a single meter having monthly usages of more than 3,500 KWH for two (2) consecutive months. If the customer has a major change in the character of service and falls below the above criteria, the customer may be returned to the Small Commercial Service Classification.

CHARACTER OF SERVICE

Secondary voltage, 60 cycle, alternating current, single or three phase service. Other voltages may be applicable and at the option of the City.

Customer Charge	
Per Bill - Single Phase Service	5.00
Per Bill - Three Phase Service	15.00
Demand Charge	
All KW, per KW	15.70
Energy Charge	
All KWH, per KWH	0.07580

DETERMINATION OF DEMAND

The Billing Demand will be the maximum fifteen (15) minute demand during the month, determined by a block demand meter.

MINIMUM MONTHLY BILLING

The minimum monthly bill shall be the Customer Charge and a Demand Charge based on sixty percent (60%) of the greatest Billing Demand established during any month of the 12-month period ending with the current billing month.

PURCHASE POWER ADJUSTMENT

All kilowatt-hours billed under this rate shall be subject to the Purchase Power Clause included in this schedule.

PUBLIC UTILITY TAX

In addition to the charges provided for in this service classification, a surcharge will apply in accordance with any tax imposed by governmental authority upon sales of electricity.

RENEWABLE ENERGY CHARGE

All kilowatt hours billed under this rate shall be subject to the "GEF" Rider.

RULES AND REGULATIONS

The General Rules and Regulations of the City of Dover for electric service shall apply to service rendered under this service classification.

Effective Date: July 1, 2012

LARGE COMMERCIAL SERVICE CLASSIFICATION
"C5"

AVAILABILITY
This rate is available throughout the City of Dover electric service area for commercial and industrial purposes having instrument rated metering. If there is a significant change in the character of service, the City will, at its option on a case by case basis, temporarily transfer the account to another tariff.

CHARACTER OF SERVICE
Secondary voltage, 60 cycle alternating current, single or three phase service. Other voltages may be applicable when available and at the option of the City.

Customer Charge	
Per bill - single or three phase service	15.00
Demand Charge	
All kW - per kW	15.70
Energy Charge	
All kwh - per kwh	0.07580

DETERMINATION OF DEMAND
The Billing Demand will be the maximum fifteen (15) minute demand during the month, determined by a block demand meter. In any month in which the average power factor at the delivery point is greater or less than ninety-five percent (95%) the measured demand shall be corrected in accordance with the following formula:

$$\text{Billing Demand} = \frac{\text{Measured demand X .95}}{\text{Average Power Factor}}$$

The city measures both leading and lagging power factor, treating both as non-unity power factors, and the customer is billed accordingly.

MINIMUM MONTHLY BILLING
The minimum monthly bill shall be the Customer Charge and a Demand Charge based on sixty percent (60%) of the greatest Billing Demand established during any month of the 12-month period ending with the current billing month.

PURCHASE POWER ADJUSTMENT
All kilowatt-hours billed under this rate shall be subject to the Purchase Power Clause included in this schedule.

PUBLIC UTILITY TAX
In addition to the charges provided for in this service classification, a surcharge will apply in accordance with any tax imposed by governmental authority upon sales of electricity.

RENEWABLE ENERGY CHARGE
All kilowatt hours billed under this rate shall be subject to the "GEF" Rider.

RULES AND REGULATIONS
The General Rules and Regulations of the City of Dover for electric service shall apply to service rendered under this service classification.

Effective Date: July 1, 2012

PRIMARY SERVICE CLASSIFICATION
"P"

AVAILABILITY

This rate is available throughout the City of Dover electric service area for commercial and industrial customers taking delivery at the primary voltage available, and where the transforming and protective apparatus is furnished, owned and maintained by the customer.

CHARACTER OF SERVICE

Primary voltage, 60 cycle, alternating current, single phase or three phase service.

Customer Charge	
Per bill - single or three phase	10.00
Demand Charge	
All KW - per KW	11.25
Energy Charge	
All kwh - per kwh	0.07540

DETERMINATION OF DEMAND

The Billing Demand will be the maximum sixty (60) minute demand during the month, determined by a block demand meter. In any month in which the average power factor at the delivery point is greater or less than ninety-five (95%), the measured demand shall be corrected in accordance with the following formula:

$$\text{Billing Demand} = \frac{\text{Measured demand x .95}}{\text{Average Power Factor}}$$

The City measures both leading and lagging power factor, treating both as non-unity power factors and the customers are billed accordingly.

MINIMUM MONTHLY BILL

The minimum monthly bill shall be the Customer Charge and a Demand Charge which shall be based on the greater of three hundred kilowatts (300 KW) or 60% of the greatest Billing Demand established during any month of the 12 month period ending with the current billing month.

PURCHASE POWER ADJUSTMENT

All kilowatt hours billed under this rate shall be subject to the Purchase Power Clause approved by the Council of the City of Dover.

PUBLIC UTILITY TAX

In addition to the charges provided for in this service classification, a surcharge will apply in accordance with any tax imposed by governmental authority upon sales of electricity.

RENEWABLE ENERGY CHARGE

All kilowatt hours billed under this rate shall be subject to the "GEF" Rider.

RULES AND REGULATIONS

The General Rules and Regulations of the City of Dover for electric service shall apply to service rendered under this service classification. If a customer who is on the Primary Service Classification wishes to switch to the Large Commercial Service Classification, the customer may do so at the customer's choice. If such a change occurs, the City will determine on a case-by-case basis which portion, if any, of the customer-owned electrical equipment will be maintained by the City provided, however, that any equipment transferred to City ownership will be so transferred at no cost to the City.

Effective Date: July 1, 2012

TRANSMISSION VOLTAGE
"T"

AVAILABILITY
This rate is available by special contract throughout the City of Dover electric service area to customers located where Dover's existing facilities are adequate to supply the character of service as specified below.

CHARACTER OF SERVICE
The electric power delivered hereunder shall be three phase, 60 cycle, alternating current at a nominal potential of sixty-nine thousand (69,000) volts.

Demand, energy and power factor will be metered at the point of delivery of service. All transformation, circuiting and protective apparatus beyond the point of delivery shall be installed, owned and maintained by the customer. Service shall be supplied and metered at 69,000 volts, and the customer is required to own and maintain all transforming, switching and protective equipment.

Demand Charge	
All KW - per KW	10.50
Energy Charge	
All KWH, per KWH	0.07270

DETERMINATION OF DEMAND
The measured demand shall be the average of the four (4) greatest sixty (60) minute demands measured on separate days of each month. In any month in which the average power factor at the delivery point is greater or less than ninety-eight and one half percent (98.5%), the measured demand shall be corrected in accordance with the following formula:

$$\text{Billing Demand} = \frac{\text{Measured demand x .985}}{\text{Average Power Factor}}$$

The City measures both leading and lagging power factor, treating both as non-unity power factors and the customers are billed accordingly.

MINIMUM MONTHLY BILL
The minimum monthly charge shall be seventy-five percent (75%) of the greatest Billing Demand during the preceding 11 months and energy equal to three hundred (300) hours' use of that demand.

PURCHASE POWER ADJUSTMENT
All kilowatt hours billed under this rate shall be subject to the Purchase Power Clause included in this schedule.

PUBLIC UTILITY TAX
In addition to the charges provided for in this service classification, a surcharge will apply in accordance with any tax imposed by governmental authority upon sales of electricity.

RENEWABLE ENERGY CHARGE
All kilowatt hours billed under this rate shall be subject to the "GEF" Rider.

RULES AND REGULATIONS
The General Rules and Regulations of the City of Dover for electric service shall apply to service rendered under this service classification.

Effective Date: July 1, 2012

OUTDOOR DEVELOPMENT LIGHTING RATE
(Residential Area Lighting Only)
"OL"

AVAILABILITY
This rate is available throughout the City of Dover service area for residential developments/mobile home park lighting.

CHARACTER OF SERVICE
Secondary voltage, 60 cycle alternating current, single phase.

TERMS OF SERVICE
The association and/or owner shall install and maintain all lighting and associated equipment. This rate applies to one metering point. If multiple metering points are required to reduce voltage drop, a totalized bill will be rendered. The metering point(s) will be governed by the City of Dover.

The initial term for lighting service shall be for one (1) year with automatic month to month extension until either party terminated this agreement via letter. Billing will be monthly. If this contract is terminated prior to the one year agreement, the customer shall reimburse the City of Dover for all expenses incurred.

Customer Charge	
Per Bill	9.00
Energy Charge	
All kwh - per kwh	0.1225

MINIMUM MONTHLY CHARGE
The minimum monthly bill shall be the Customer Charge.

PURCHASE POWER ADJUSTMENT
All kilowatt-hours billed under this rate shall be subject to the Purchase Power Clause included in this schedule.

PUBLIC UTILITY TAX
In addition to the charges provided for in this service classification, a surcharge will apply in accordance with any tax imposed by governmental authority upon sales of electricity.

RENEWABLE ENERGY CHARGE
All kilowatt hours billed under this rate shall be subject to the "GEF" Rider.

RULES AND REGULATIONS
The General rules and Regulations of the City of Dover for electric service shall apply to service rendered under this service classification.

Effective Date: July 1, 2012

PRIVATE OUTDOOR LIGHTING
SERVICE CLASSIFICATION

AVAILABILITY

This rate is available throughout the City of Dover electric service area for all-night outdoor lighting service for lighting of outdoor areas on private property.

CHARACTER OF SERVICE

UNMETERED - This will be the standard installation practice. The lights under this classification shall be fed directly from the City of Dover's energy source.

METERED - This classification will be available at the City of Dover's discretion and only when it is not feasible to install the lighting service from an unmetered source. These lights will have the energy supplied through the customers meter and the monthly rental fee shall be reduced to reflect this customer expense.

TERMS OF SERVICE

The equipment supplied will be the type of fixture currently being furnished by the City at the time of installation as described below in the Classifications of Security Lights, Decorative Lighting, and Roadway/Area Lighting. Lighting shall be from dusk to dawn each day.

The initial term for lighting service shall be for two (2) years. The City may require a fee if the installation is removed prior to the two (2) year term.

Where service is not associated with a metered service, a Customer Charge of $5.00 for residential lights and $10.00 for commercial lights will be added to cover the associated costs of billing and related consumer costs not reflected in the lighting schedule.

Unmetered - The City shall maintain, relamp, and supply the energy to the lighting equipment that it owns.
Metered - The City shall also maintain and relamp the lighting equipment it owns where energy is not supplied.

The City will perform relamping, repair, and/or maintenance during normal working hours within a reasonable period following notification by the Customer.

Customers requiring unique or unusual lighting service different than outlined below may obtain such service under a mutually agreeable contractual arrangement.

SECURITY LIGHTS

Includes a 2' (+/-) arm, pole not included. If a pole needs to be installed, the location shall be accessible to truck traffic via driveway, roadway, alleyway, or other public accessible parking areas. If a pole must be installed and the location is not truck accessible, a decorative lighting fixture may be installed at the applicable rated.

	Unmetered Monthly Charge	Est. Monthly KWH	Metered Monthly Rental Charge
100 watt HPS	8.40	47	2.97
175 watt MV	9.91	68	2.53
The following style is not available after February 28, 1997.			
70 watt HPS	7.30	33	

DECORATIVE LIGHTING

Includes a 18' fiberglass pole (15' above ground). The electrical service to these poles shall be underground; therefore, the installation location shall be accessible to trencher traffic.

	Unmetered Monthly Charge	Est. Monthly KWH	Metered Monthly Rental Charge
70 watt HPS w/o ladder rest	12.71	33	6.99
150 watt HPS w/o ladder rest	15.83	62	7.18
250 watt HPS w/o ladder rest	22.16	101	9.19

The following styles are not available after February 28, 1997:

	Monthly Charge	Est. Monthly KWH
175 watt MV w/o ladder rest	15.46	68
175 watt MV contemporary	16.16	68

ROADWAY/AREA LIGHTING

Includes choice of bracket from 8' to 16' if the fixture is accessible to truck traffic via driveway, roadway, alleyway, or other public accessible parking areas. If not accessible to trucks a 2' (+/-) arm shall be used. Pole not included.

	Unmetered Monthly Charge	Est. Monthly KWH	Metered Monthly Rental Charge
100 watt HPS	10.04	47	4.08
175 watt MV	11.24	68	3.50
250 watt HPS	15.58	101	4.39
250 watt MV	15.58	101	4.39
400 watt MV	20.90	154	4.60
400 watt HPS	21.00	155	4.66

POLE CHARGES PER MONTH

For each wood pole required exclusively for the support of lighting fixtures or lighting circuits under this service classification a per pole charge will be assessed as follows:

	Monthly Charge
Poles installed through February 28, 1997	2.28
Poles installed or changed out after February 28, 1997	3.52

PURCHASE POWER ADJUSTMENT

This rate will not be subject to the Purchase Power Clause.

PUBLIC UTILITY TAX

In addition to the charges provided for in this service classification, a surcharge will apply in accordance with any tax imposed by governmental authority upon sales of electricity.

RULES AND REGULATIONS

The General Rules and Regulations of the City of Dover for electric service shall apply to service rendered under this service classification.

Effective Date: July 1, 2012

Table 19A - Test Period 2013 Rates Summary
Version: 5/21/2012

Exhibit 1

	Tariff	Customer Charge Current	Customer Charge Proposed	Energy Charge Current	Energy Charge Proposed	Demand Charge Current	Demand Charge Proposed
Customer Class		- $/Month -	- $/Month -	- $/kWh -	- $/kWh -	- $/kW-mo. -	- $/kW-mo. -
Transmission	T						
Dover Air Force Base		$ -	$ -	$ 0.08750	$ 0.07270	$ 10.50	$ 10.50
First State Power Mgmt. (NRG)		$ 3,680.00	$ 3,680.00	$ 0.08750	$ 0.07270	$ 10.50	$ 10.50
Kraft		$ -	$ -	$ 0.08750	$ 0.07270	$ 10.50	$ 10.50
Procter & Gamble		$ -	$ -	$ 0.08750	$ 0.07270	$ 10.50	$ 10.50
Small Commercial							
Small Commercial-1 Phase	C	$ 5.00	$ 5.00	$ 0.14650	$ 0.11760	$ -	$ -
Small Commercial-3 Phase	C-1	$ 15.00	$ 15.00	$ 0.14650	$ 0.11760	$ -	$ -
Medium Commercial							
Medium Commercial-1 Phase	C-2	$ 5.00	$ 5.00	$ 0.09150	$ 0.07580	$ 15.70	$ 15.70
Medium Commercial-3 Phase	C-3	$ 15.00	$ 15.00	$ 0.09150	$ 0.07580	$ 15.70	$ 15.70
Large Commercial	C-5	$ 15.00	$ 15.00	$ 0.09150	$ 0.07580	$ 15.70	$ 15.70
Primary	P	$ 10.00	$ 10.00	$ 0.08950	$ 0.07540	$ 11.25	$ 11.25
Residential	R	$ 5.00	$ 5.00	$ 0.14500	$ 0.13160	$ -	$ -

	Tariff	Current - $/Month -	Proposed - $/Month -	Current - $/Month -	Proposed - $/Month -	Estimated kWh Current - kWh/Month -
Outdoor Lighting						
Outdoor Development Lighting	OL	$ 10.00	$ 9.00	$ 0.13920	$ 0.12250	$ -
Private Outdoor Lighting		Unmetered Charge		Metered Rental Charge		
Security Lights						
100 watt HPS		$ 9.54	$ 8.40	$ 3.37	$ 2.97	47
175 watt HPS		$ 11.26	$ 9.91	$ 2.88	$ 2.53	68
70 watt HPS		$ 8.30	$ 7.30			33
Decorative Lighting:						
70 watt HPS w/o ladder rest		$ 14.44	$ 12.71	$ 7.94	$ 6.99	33
150 watt HPS w/o ladder rest		$ 17.99	$ 15.83	$ 8.16	$ 7.18	62
250 watt HPS w/o ladder rest		$ 25.18	$ 22.16	$ 10.44	$ 9.19	101
175 watt MV w/o ladder rest		$ 17.57	$ 15.46			68
175 watt MV contemporary		$ 18.36	$ 16.16			68
Roadway/Area Lighting						
100 watt HPS		$ 11.41	$ 10.04	$ 4.64	$ 4.08	47
175 watt MV		$ 12.77	$ 11.24	$ 3.98	$ 3.50	68
250 watt HPS		$ 17.70	$ 15.58	$ 4.99	$ 4.39	101
250 watt MV		$ 17.70	$ 15.58	$ 4.99	$ 4.39	101
400 watt MV		$ 23.75	$ 20.90	$ 5.23	$ 4.60	154
400 watt HPS		$ 23.86	$ 21.00	$ 5.29	$ 4.66	155
Pole Charges						
Poles installed through 2/28/1997	POL1	$ 2.59	$ 2.28	$ 2.59	$ 2.28	
Poles installed/changed out after 2/28/1997	POL2	$ 4.00	$ 3.52	$ 4.00	$ 3.52	

[1] Large Commercial, Primary and Transmission customer classes have power factor requirement/adjustment.

FIRST READING

CITY OF DOVER
ORDINANCE #2012-13

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

That Appendix B – Zoning, Article 5 – Supplementary Regulations, Section 4 – Supplementary Sign Regulations be amended by deleting the text in red, bold, strikethrough and inserting the text in blue, bold, italics as follows:

Section 4. Supplementary sign regulations.

4.1 *Purpose statement*. The purpose of this ~~**ordinance [**~~section~~**]**~~ is to create a legal framework for a comprehensive and balanced system of signs and other street graphics to facilitate an easy and pleasant communication between people and their environment. ~~**This ordinance [**~~The ordinance from which this section is derived~~**]** is enacted to avoid the visual clutter that is potentially harmful to vehicular and pedestrian safety, property values, business environment and opportunities, and community appearance. With these purposes in mind, it is the intent of this ~~**ordinance [**~~section~~**]** to authorize the use of signs which are compatible with their surroundings, appropriate to the activity that displays them, expressive of the identity of individual activities and the community as a whole, and legible in the circumstances in which they are seen, understanding that it is important for the economic vitality of the community as well as individual businesses and institutions that they are clearly identified and their services are understood by the traveling public.

All signs, which are regulated by this ~~**ordinance**~~ ***section***, shall conform to the following general guidelines:

A. *The legibility of signs*. Signs shall be legible under the circumstances in which they are primarily seen. Signs shall legibly convey their messages without being distracting or unsafe to motorists reading them. The legibility of signs is related to the speeds at which they are viewed; the context and surroundings in which they are seen; ~~**[**~~and~~**]** the design, colors, and contrasts of the sign copy and sign face.

B. *The relationship of signs to the buildings and sites they identify*. Signs shall be an integral architectural element of the buildings and sites that they identify and their design shall be consistent with, and not detract from, the overall architectural concept of the site. Signs should be of an appropriate size and scale in relation to the buildings on the lot.

4.2 *General provisions*.

A. *Permitting*. No sign, advertising display or structure, poster or device shall be erected, moved, enlarged or reconstructed except in accordance with this ordinance. All signs, except exempt signs, shall require a permit and fee as prescribed in Appendix F, Chapter 22-Buildings and Building Regulations.

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B. *Administration*. Administration, interpretation, and enforcement of the provisions of this section shall be under the authority of the city planner or their authorized designee. In administering the provisions of this ~~ordinance~~ ***section***, the city planner shall evaluate signs and applications for sign permits for conformity with the design guidelines, standards, and specifications contained herein. Appeals from the application or interpretation of any provision of this ~~ordinance~~ ***section*** may be processed in accordance with the provisions of article 9 (board of adjustment) of this ~~ordinance~~ ***section***.

C. *Unsafe, dilapidated and illegal signs*. If it is determined by the city planner or his authorized designee that any sign is unsafe, presents a hazard to the safe operation and movement of motorized or nonmotorized vehicular traffic, or to pedestrians, or is in a dilapidated condition, or is in a state of disrepair, or is otherwise in violation of any provision of this ~~ordinance~~ ***section***, the owner of such sign shall be responsible for removal of such sign and supporting structure within 14 days of receipt of written notification by the city planner. In cases where signs are determined to be unsafe or present a hazard, the city planner may order their removal in a shorter period of time. Responsibility for removal shall be in accordance with subsection 4.10 - Nonconforming signs, B., and subsection 4.11 - Abandoned ***and Damaged*** signs, of this section.

D. Setback. All signs, including those which do not require a permit, shall be setback from the right-of-way in accordance with the provisions of Article 5, Section 4.7, unless otherwise specified, and shall not interfere with aboveground or underground utilities.

E. Administrative Waiver. For existing developed properties where placement of the sign in accordance with the required setback would interfere with existing required parking, fire lane, or other site improvements, the city planner shall have the authority to waive the setback requirement.

4.3 *Sign definitions*.

Abandoned sign: A sign relating to or identifying a business or activity which has not been conducted on the premises for ~~60~~ ***90*** days, or seven days after an election or event ***that the sign is advertising***.

Adjacent to residential: Property lines which are situated within 200 feet and which front on the same street as a parcel, or group of parcels containing residential uses, or that are zoned for residential uses, excluding residential uses and districts fronting on principal arterial roads.

Architectural feature: An exterior component of the architecture of a building, which has a structural, functional or decorative purpose. This term shall apply to elements such as windows, doors, entry porticos, porte-cocheres, colonnades, cornices, porch columns, railings and balusters, band courses, ~~coins~~ ***quoins***, water tables, exterior vents and louvers, moldings and other trim.

Awning sign: A wall sign that is a part of a fabric or other non-structural awning.

Banner: A light-weight fabric or similar ***non-rigid*** material which is mounted to a pole or structure, either enclosed in a frame or mounted to allow movement caused by the atmosphere.

Canopy sign: A type of wall sign attached to a permanent, decorative porch or walkway cover, other than an awning, which is attached to a building or supported by columns, extending to the ground.

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Changeable ~~**copy**~~ *sign*: ~~**Any sign involving mechanical or electronic systems which enable such signs, letters, numbers, or graphics to be changed periodically to display different text messages or graphics.**~~ ***A sign with the capability of content change by means of manual or remote input, includes the following types:***

(1) Manually activated – Changeable sign whose messages, copy or content can be changed manually on a display surface.

(2) Electrically activated – Changeable sign whose message copy or content can be changed by means of remote electrically energized on-off switching combinations of alphabetic or pictographic components arranged on a display surface. Illumination may be integral to the components, such as characterized by lamps or other light-emitting devices; or it may be from an external light source designed to reflect off the changeable component display. See also Electronic Message Center.

Clear Height: The distance from the ground to the bottom of the sign. The minimum clear height shall be eight feet for pylon sign, projecting sign, and any other sign that may impact pedestrian traffic.

Comprehensive signage plan: A plan for all signs associated with a unified campus or complex.

Conforming sign: Any sign that conforms to the provisions of this ~~**ordinance**~~ ***section***.

Construction sign: A sign which identifies architects, engineers, contractors and other individuals or firms involved with construction on the premises, the name of the building or development, the intended purpose of the building, and/or the expected completion date.

Directional sign: A freestanding sign whose primary function is to give aid to motorists or pedestrians in locating buildings or roads.

Electronic Message Center or Sign (EMC): An electrically activated changeable sign whose variable message and/or graphic presentation capability can be electronically programmed by computer from a remote location. Also known as an EMC. EMC's typically use light emitting diodes (LEDs) as a lighting source.

Exclusion zone: The area adjacent to an existing or proposed freestanding sign within which no other freestanding sign of a similar sign type shall exist or be placed. The exclusion zone shall be measured outward in all directions from the extreme limits of the sign structure a prescribed distance.

Flag: A rectangular or pennant shaped piece of fabric or flexible material of distinctive design that is used as a symbol (as of a nation or state), as a signaling device, or as a decoration and is attached to a flag pole.

Freestanding sign: A sign that is not attached to a building and is permanently attached to the ground by one or more supports. Freestanding signs include monument, pylon, post and panel, and post signs.

Frontage: For the purposes of this section, the term "frontage" refers to a ~~**lot's frontage**~~ ***parcel's property line*** along a right-of- way, be it public or private, excluding alleys and service drives that are abutting residential properties. The parcel must be directly adjacent to the right-of-way for it to be

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considered to have frontage.

Historical or memorial sign: A sign or tablet attached to a building indicating the date of construction and/or the names of the building, the principals involved in its construction, or the history of the building or the site.

Illuminance: The amount of light falling upon a real or imaginary surface, commonly called "light level" or "illumination". Measured in foot candles (lumens/square foot) in the English system and lux (lumens/square meter) in the SI (metric) system.

Illuminated Sign: A sign characterized by the use of artificial light, either projecting through its surface (s) internally or trans-illuminated; or reflecting off its surface(s).

Inflatable sign: A sign that is designed to be filled with air to form a three-dimensional shape which is designed to be anchored to the ground.

Luminance: The light that is emitted by or reflected from a surface. Measured in units of luminous intensity (candelas) per unit area (square meters in SI measurement units or square feet in English measurements units). Expressed in SI units as cd/m2, and in English units as foot lamberts. Sometimes also expressed as "nits", a colloquial reference to SI Units. Can be measured by means of a luminance meter.

Lux: The SI (metric) unit for illuminance. One lux equals 0.093 foot candles.

Monument sign: A low freestanding sign that is affixed to a base that is equal to or wider than the sign itself. The height of the sign is to be measured from the finished grade to the top of the sign. (See figure 5-3.) ~~**Such signs shall be situated so as to have the longer dimension oriented horizontal, and to have the shorter dimension oriented vertical.**~~

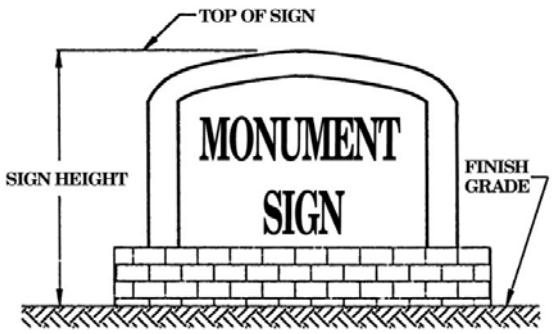


FIGURE 5-3

~~**Mountable wall area: The area of a wall where a wall sign is to be physically mounted. The area of the wall must be a regular geometric shape (square, rectangle, triangle, or circle), and be uninterrupted by windows, doors, or other architectural features. (See figure 5-4.)**~~

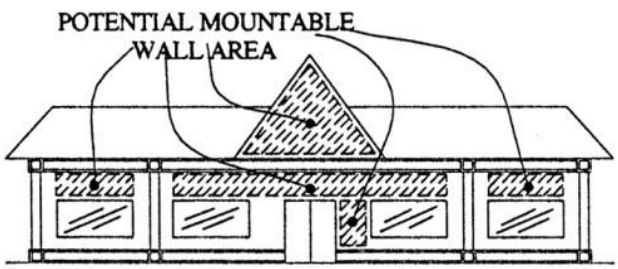


Figure 5-4

FIGURE 5.4 TO BE REMOVED

Nit: A photometric unit of measurement referring to luminance. One nit is equal to one cdm2.

Nonconforming sign: Any sign which does not conform to the regulations of this ordinance, including any signs granted by variance where it can be demonstrated that the original hardship on which the variance was based no longer exists. This definition also includes the structure upon which the sign is erected, or the mounting hardware in the case of wall mounted signs.

Off-premises sign (billboard, etc.): ~~**A sign, other than a shared freestanding sign as defined by this section, which directs attention to a business, commodity, service or entertainment not conducted, sold or offered on the premises where the sign is located, or which business, commodity, service or entertainment forms only minor or incidental activity upon the premises where the sign is displayed. The sale of a commodity is considered a minor activity if the commodity advertised is a specific brand or if the operator of the on-premises business does not directly control the advertising content. These product- oriented signs shall be considered on-premises signs if they comply with on-premises sign requirements.**~~ ***A permanent or temporary sign erected, maintained, or used in the outdoor environment for the purpose of the display of commercial or noncommercial messages not appurtenant to the use of, products sold on, or the sale or lease of the property on which it is displaced. Also referenced as billboard or commercial outdoor advertising sign.***

On-premises sign: A sign which advertises or directs attention to a business, commodity, or service conducted, offered, or sold on the premises, or directs attention to the business or activity conducted on the premises.

Political Sign: A temporary sign intended to advance a political statement, cause, or candidate for office.

Portable sign: Any sign not permanently attached to the ground or other permanent structure, including but not limited to signs with attached wheels~~;~~**,** A- or T-frame signs~~;~~**,** ~~[~~and~~]~~ menu and sandwich board signs.

Post sign: A freestanding sign that is attached to the underside of a horizontal plane or arm and is supported by the horizontal plane. (See figure ~~*5-5*~~ ***5-4***.)

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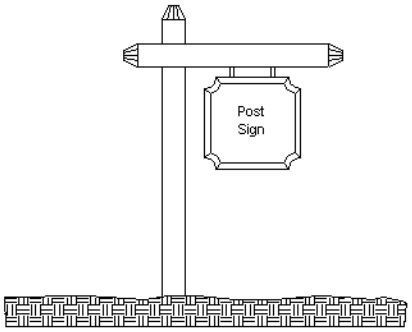


Figure 5.4

Post and Panel sign: A freestanding sign that has a noninternally illuminated panel, not more than six inches in depth that is affixed to two posts and is not more than seven feet in total height. The sign shall not be higher than the supporting posts. (See figure ~~5-6~~ *5-5.*)

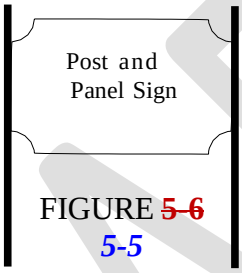


FIGURE ~~5-6~~
5-5

Projecting sign: A wall sign attached to a building with a bracket or other support projecting at a right angle from the building face. (See figure ~~5-7~~ *5-6*.)

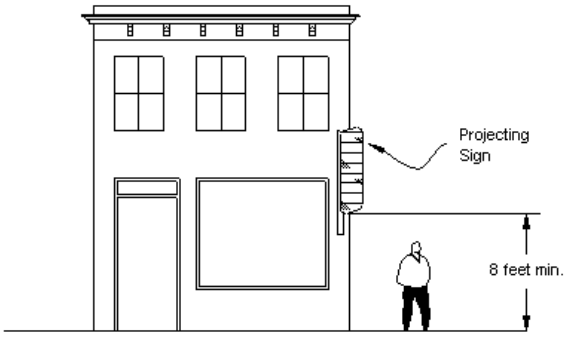


Figure 5.6

Public sign: A sign erected by or on behalf of a governmental body to post a legal notice, identify public property or public buildings, convey public information, and direct or regulate pedestrian or vehicular traffic.

Pylon sign: A tall freestanding sign that is held up by a pole or poles. The supporting structure must be equal to or narrower than the sign itself. (See figure ~~5-8~~ *5-7*.)

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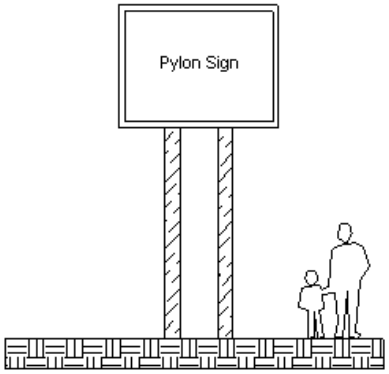


Figure 5.7

Race weekend sign: Any sign erected seven days prior to ~~or after~~ a sanctioned automobile race for the purpose of advertising products and services to race fans.

Real estate sign: A sign advertising the premises for sale, rent or lease.

Roof sign: A sign that is attached or painted on the roof, including porch roofs, dormer roofs, overhang roofs, canopy roofs or roofs of another architectural feature. Signs on the lower portion of a mansard or canopy are considered wall signs.

SI (International System of Units): The modern metric system of measurement.

Shared freestanding sign: A sign structure which is shared among ~~not more than two~~ ***multiple*** nonresidential properties or business interests for the purpose of displaying the name, logo type or other commercial message of ~~not more than two~~ ***multiple*** nonresidential occupants of said adjoining properties.

Sign: ~~Any letter, word, model, banner, pennant, insignia, trade flag, device or representation used as, or which is in the nature of, an advertisement, attraction, or directive.~~ ***Any device visible from a public place whose essential purpose and design is to convey either commercial or noncommercial messages by means of graphic presentation of alphabetic or pictorial symbols or representations.***

Sign area: ~~Sign area is determined by calculating the area of an imaginary rectangle, circle or triangle which fully encloses the sign face, including background and logos, but not including supports or braces. For sign structures limited to two sign faces of identical dimensions oriented parallel to one another and not more than 24 inches apart; or not more than 36 inches apart for freestanding signs on an Urban Principal Arterial, sign area shall be determined by calculating the area of one of the sign faces. For all other multi-faced signs, the sign area shall be determined by calculating the sum of all sign faces in aggregate.~~ ***The area of the smallest geometric figure, or the sum of the combination of regular geometric figures, which comprise the sign face. The area of any double-sided or "V" shaped sign shall be the area of the largest single face only. The area of a sphere shall be computed as the area of a circle. The area of all other multiple-sided signs shall be computed as fifty (50) percent of the sum of the area of all faces of the sign.***

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Sign face: ~~**The outwardly visible portion of the sign upon which a name or names, logo types or other commercial message, or combination thereof, is displayed.**~~ ***The surface upon, against or through which the sign copy is displayed or illustrated, not including structural supports, architectural features of a building or sign structure, nonstructural thematic or decorative trim, or any areas that are separated from the background surface upon which the sign copy is displayed by a distinct delineation, such as a reveal or border.***

Sign height: The height of a sign shall be the vertical distance from normal grade to the highest point of the sign. Any berming, filling or excavating solely for the purpose of locating the sign shall be computed as a part of the sign height.

Sign setback: The straight line distance measured in linear feet between the street right-of-way line and the nearest element of a sign.

Temporary sign: ~~**Any sign which is intended for temporary use or which is not permanently mounted and intended for a designated period in time not to exceed 30 days except as stated in subsection 4.9 - Supplementary sign provisions, D., 1., of this section.**~~ ***A sign intended to display either commercial or noncommercial messages of a transitory or temporary nature. Any sign not permanently embedded in the ground, or not permanently affixed to a building or sign structure that is permanently embedded in the ground, is considered a temporary sign.***

Unified campuses and complexes: The term "unified campuses and complexes" means:

(1) Any "shopping center" as the term is defined in this ~~**ordinance**~~ ***section***;

(2) Or, any group of three or more principal structures under common management and operation, located on one or more contiguous properties;

(3) Or, any single commercial or institutional parcel which has more than 400 linear feet of frontage on a principal arterial roadway which is occupied by a conforming commercial or institutional use. Unified campuses and complexes include, but are not limited to, shopping centers; entertainment, educational, medical, governmental, or religious campuses; office complexes; and industrial parks.

Urban Collector and Local Streets: All streets or portion of streets within the corporate limits of the City of Dover which are not specifically classified as urban principal arterials or urban minor arterials under the provisions of this ~~**ordinance**~~ ***section***.

Urban Minor Arterials: Delaware (DE) Route 8 (including all alternative names); McKee Road; Saulsbury Road; College Road; North Street (from Saulsbury Road to the western city limits); Kenton Road (from College Road to DE Route 8); State Street (from Walker Road north to US Route 13 and Wyoming Avenue south to the southern city limits); Loockerman Street; Leipsic Road; Webbs Lane, New Burton Road, Scarborough Road, Walker Road and Governors Avenue (from Division Street to the southern city limits) are considered to be urban minor arterials under the provisions of this ~~**ordinance**~~ ***section***.

Urban Principal Arterial: US Route 13, Bay Road, and Court Street between 13 and Bay Road are considered to be urban principal arterials under the provisions of this ordinance. Delaware State Route 1 is not considered to be a road that will provide frontage for any parcel.

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Vehicle sign: A sign displaying a name or names, logo types, graphics, commercial messages or any combination thereof, which is attached to, painted on, or otherwise applied to a motor vehicle.

Wall area: For purposes of calculating wall area, the calculations shall include the height of the wall from ground level to the roofline (mansard roofs also count as wall area), multiplied by the width of the wall (including all architectural features). ~~**(See figure 5-4.)**~~

Wall sign: Any sign, other than a projecting sign, which is attached to or painted on any wall of any building and projects from the plane of the wall less than ~~**12**~~ ***18*** inches. A sign attached to the lower slope or face of a mansard roof, canopy, or awning shall be considered a wall sign for purposes of this ordinance. For purposes of this section only, a "wall" shall include any permanent architectural extension of a wall, including parapets, even if such extension projects beyond or above the enclosed portions of the building. Canopy, marquee, and awning signs are all types of wall signs. (See figure ~~**5-9**~~ ***5-8***).



Figure 5.8

Window sign: ~~**A wall sign which is attached to, painted on or etched into a window or door, or which is displayed within 12 inches of the window and is legible from outside the window.**~~ ***A sign affixed to the surface of a window with its message intended to be visible to the exterior environment.***

4.4 *Design requirements.*

A. *Freestanding signs.*

1. Freestanding signs and attendant structures and bases shall be designed as an integral part of the site development and shall be coordinated and compatible with site grading, utility placements, landscaping and architectural elements.

2. Freestanding signs and associated landscaping shall be situated and maintained so as not to impair or block visibility of motorists and/or pedestrians traveling within the public street right-of-way or entering, exiting or crossing vehicular site entrances. No sign or landscaping in excess of three (3) feet in height above the adjacent street grade, shall be erected, placed or maintained on any corner within the triangular area formed by intersecting right-of-way lines. Two sides of the triangular area shall be 20 feet in length and measured from the point of intersection of the right-of-way lines.

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3. Freestanding signs shall be situated on the site and dimensioned so as not to substantially impair or block the visibility of adjacent buildings and/or existing signs.

4. All freestanding signs shall respect the exclusion zone. When a sign is not permitted within the exclusion zone, ~~a second~~ ***one (1) additional*** wall sign may be permitted in accordance with the wall sign regulations.

5. When the presence of an existing freestanding sign on an adjoining property precludes a property from placing a freestanding sign due to exclusion zone provisions, the ~~two~~ adjoining property owners and/or business interests may share a single freestanding sign structure in accordance with the provisions of subsection 4.9 - Supplementary sign provisions, ~~G~~ ***F*** - Shared freestanding signs, of this section.

6. Location of monument ***signs and*** ~~/~~post and panel signs may be approved by the Planning Commission as part of a Site Development Plan Approval process.

B. *Materials and craftsmanship of signs*. Signs shall be carefully crafted, durable, and consistent with the quality and permanence of the buildings and sites that they identify. Lettering shall be of a professional quality.

C. *Wall sign placement*.

1. When wall signs are planned, such signs shall be designed as an integral component of the building facade architectural composition.

2. Wall signs shall be limited in area and number in accordance with the provisions of subsection 4.7 - Permitted signs, of this section~~, except that the aggregate area of a wall sign on a building shall not exceed 50 percent of the mountable wall area of the building~~.

3. Wall signs shall be situated so as not to cover or overlap decorative architectural elements such as cornices, belt courses, and window and doorframe moldings. ~~Wall signs shall not project beyond the exterior wall corners of a building.~~

4. In cases where only one wall sign is permitted because the lot has one frontage, the business may choose to locate the sign on any exterior wall of the building to afford the best possible visibility for the traveling public.

5. In cases where more than one wall sign is permitted, the city planner or their authorized designee may allow the business to locate the additional wall sign on a different exterior wall of the building to afford the best possible visibility for the traveling public.

~~6. Wall sign height may be increased by the Planning Commission as a part of the Architectural Review of a Site Development Plan Approval process; however, the wall sign height may not exceed the building height. The proposed height shall complement the architecture of the building as determined by the Planning Commission.~~

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D. ~~**Illumination.**~~ ***Sign Illumination Standards*** ~~**Sign lighting is one of the greatest sources of light in commercial districts. The glare and aesthetic impacts of signage depend strongly on the design of the sign and its lighting. Proper illumination affects the legibility of signs. This subsection discourages excessive lighting by favoring darker backgrounds for internally illuminated signs, and the lighting of only the sign faces for externally illuminated signs to reduce light pollution, while increasing legibility.**~~

1. ~~**Signs that are equipped with illumination sources shall be designed to be equally legible during the day and at night.**~~ ***A sign may be illuminated at night. Signs that are illuminated at night may not exceed a maximum luminance level of seven hundred fifty (750) cd/m2 or Nits, regardless of the method of illumination.***

2. ~~**The intensity of illumination for the sign shall not be excessively bright and shall be evenly illuminated over the face of the sign, with no bright spots, in order to prevent direct glare.**~~ ***Signs that have external illumination, whether the lighting is mounted above or below the sign face or panel, shall have lighting fixtures or luminaries that are fully shielded.***

~~**3. Exterior illumination shall be shielded so that its direct light is confined to the surface of the sign.**~~ ***All illuminated signs must comply with the maximum luminance level of seven hundred fifty (750) cd/m2 or Nits at least one-half hour before Apparent Sunset. All illuminated signs must comply with this maximum luminance level throughout the night, if the sign is energized, until Apparent Sunrise.***

~~**4. Internally illuminated signs, except changeable copy signs, not in or not adjacent to residential areas must conform to one of the following styles:**~~

~~**(a) Illuminated with an opaque background and translucent text or symbols.**~~

~~**(b) Illuminated with a colored (not pure white, off-white, light gray, cream, or yellow) background and lighter text or symbols.**~~

~~**(c) Illuminated with a background that is white, yellow, off-white, light gray, [or] cream, consisting of no more than 40 percent of the sign area and not less than 60 percent is text or symbols of a dark color.**~~

~~**5. Internally illuminated signs in or adjacent to a residential use must conform to one of the following styles:**~~

~~**(a) Illuminated with an opaque background and translucent text or symbols.**~~

~~**(b) Illuminated with a colored (not pure white, off-white, light gray, cream, or yellow) background and lighter text or symbols.**~~

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E. *Changeable copy signs.*

1. Changeable copy signs may be incorporated into a sign face when the changeable component of the sign face occupies less than 70 percent of the total area of that sign face.

2. Changeable copy sign area shall be integrated into the sign face and shall be enclosed by a border or similar enclosure so as to form one sign panel.

~~3. The changeable copy sign area text message and/or graphics shall not change any more than one time in any given 15-second period, except for time and temperature displays which may change more frequently than every 15 seconds. There shall be no movement for any part of the sign including: flashing, animation, scrolling, etc. When the sign changes it shall change in less than 1 second and it shall not flash or have animation.~~

3. Electronic Message Centers (EMC)

(a) The following EMC display features and functions are permitted: scrolling, fading and dissolving while transitioning between messages.

(b) EMC's shall have a minimum display time of eight seconds. The transition time between message and/or message frames is limited to one second.

(c) The following EMC display features and functions are prohibited: traveling, flashing, spinning, rotating, any other moving effects, and all dynamic frame effects or patterns of illusionary movement or simulated movement.

~~4. The colors, text styles, graphic patterns, and brightness of the changeable copy sign area shall be compatible with and complimentary to the colors, text styles, graphic patterns and brightness of other signs on the premises, and signs on other properties in the immediate vicinity.~~

~~5. Changeable copy signs shall comply with the provisions of subsection 4.4 – Design Requirements, D – Illumination, of this section pertaining to sign illumination.~~

~~F. Sign lettering size for freestanding signs. The lettering of numeric and alphanumeric text messages on signs shall be sized to comply with the following minimum specifications:~~

~~TABLE INSET:~~

~~Minimum Letter Height for Freestanding Signs~~		
~~Road Type~~	~~Primary Message~~	~~Secondary Message~~

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~~Urban Principal Arterial~~	~~16 inches~~	~~8 inches~~
~~Urban Minor Arterial~~	~~10 inches~~	~~5 inches~~
~~Urban Collector and Local~~	~~8 inches~~	~~4 inches~~

4.5 *Signs permitted in all districts and not requiring permits*

A. Signs advertising the sale, lease, or rental of the premises upon which the sign is located, which sign shall not exceed six and one-fourth square feet in residential districts and 32 square feet in all other districts, and shall ~~be located behind the property line~~ ***comply with setback regulations***. One such sign shall be permitted for each 200 linear feet of street frontage for the parcel.

B. Signs designating the name and address of the occupants, hours of operation, security notices, and business policy statements, and may not exceed four square feet.

C. Signs denoting the architect, engineer, developer, or contractor placed on premises where construction, repair, or renovation is in progress, which signs shall not exceed 32 square feet in area. No more than two signs of any type are permitted for any one property or building project. Signs shall be fifty feet from other signs on the site, except where it is not physically possible, then the signs shall be as far away from the other sign as much as possible.

D. Directional signs limited in area to no more than ~~three~~ ***five*** square feet per sign, plus one square foot for each additional tenant. A permit is required for directional signs identifying the entrance or exit of a site if over ~~three (3)~~ ***five*** square feet in sign area. The sign area for these larger directional signs shall not exceed ~~five (5)~~ ***eight*** square feet and shall not be over four feet in height.

E. Public signs.

F. Historical and memorial signs.

G. Any sign located in an internal location on a site, campus, or complex and that cannot be seen from any public right-of-way or adjacent property.

~~**H. Window signs made of paper, cardboard, plastic or similar material, provided such signs are in compliance with all provisions of subsection 4.9 - Supplementary Sign Regulations, A., of this section.**~~

~~**I**~~**H**. People wearing costumes of the logo or character associated with the company as long as they are located on the business location.

~~**J**~~ **I**. Political signs shall not be over six square feet in sign area in all Residential Zones and Districts ~~**and the signs shall not be over 32 SF in all other zoning districts**~~ ***and all other zoning districts shall comply with the size regulations in subsection 4.7 Permitted Signs, of this section***. All election signs shall be removed no later than seven days after the election.

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~~K~~ J. Signs noting a tenant, store, building, etc. is "coming soon", which sign shall not exceed 32 square feet and only one sign is permitted on the site. The sign shall be 50 feet from other signs. The sign shall not be placed on the site for more than six months. After six months the sign shall be removed even if the tenant, store, building, etc. has not opened or been constructed.

~~[L~~ *K.* Portable signs designed to be transported, including, but not limited to, A-frames, sandwich boards, and umbrellas ~~used for advertising, except those associated with cafés, restaurants, or outdoor eating establishments throughout the city and retail and personal service stores located within the Downtown Redevelopment Target Area (as defined in Appendix C)~~. These types of signs shall not obstruct pedestrian or vehicular access~~. and are limited to~~ *No more than* one sign *is permitted* per business, *and* shall not ~~be over~~ *exceed* four feet in height.]

L. Signs required by federal or state law or by a municipal authority.

M. Signs carved into a building or raised in integral relief on a building.

N. Flags on flag poles.

O. Public Art.

P. "Open" signs for business not to exceed two per business.

4.6 *Sign prohibited in all districts.*

A. ~~Any sign which emits a sound, odor or visible matter~~. ***Signs which emit audible sound, vapor, smoke, odor, particles or gaseous matter.***

B. Any sign which competes for attention with, or may be mistaken for, traffic signals. Also, any sign that is determined by the city planner to constitute a traffic hazard by reason of size, location, content, color, or type of illumination.

C. Off-premises signs of any type (billboards, temporary signs, directional signs for developments, ~~real estate signs,~~ etc.), except for shared freestanding signs as provided in subsection 4.4 - Design requirements, A.~~,~~5., and subsection 4.9 - Supplementary sign provisions, ~~G~~ ***F.***, of this section.

D. Inflatable signs, except as specifically permitted in subsection 4.9 - Supplementary sign provisions, D.~~,~~ 3., of this section.

~~E. Portable signs designed to be transported, including, but not limited to, signs designed to be transported by means of wheels, signs converted to A-frames or T-frames, sandwich boards, and umbrellas used for advertising, except those permitted in subsection 4.5 - Signs permitted, L., of this section.~~

~~F~~ ***E.*** ***Vehicle*** Signs, including changeable ~~copy~~ signs, attached to or painted on vehicles parked so as to be visible from the public right-of-way, unless no other parking spaces out of the public view are available on the lot. Vehicles shall not be located immediately adjacent to the right-of-way unless there are no other parking spaces available.

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~~G. Roof signs, except where it has been determined that the building's mountable wall area would permit less than one-half of the permitted maximum wall signage, in which case, a roof sign is permitted under the following conditions:~~

~~(1) The sign must be mounted within three feet of the eave.~~

~~(2) The sign cannot exceed one-half of the maximum permitted wall sign area. (3) The sign may not be higher than it is wide.~~

~~(4) The sign may not be higher than the roof ridge.~~

~~(5) The sign must meet the same design standards as wall signs.~~

~~H~~ *F*. Signs painted on or attached to trees, fence posts, natural features, or telephone or utility poles.

~~I~~ *G*. Signs that are flashing, rotating, ~~or fluttering material~~ or that give the appearance of movement, or are illuminated by flashing or intermittent lights, or lights of changing degrees or intensity, except as permitted under subsection 4.4 - Design requirements, of this section.

~~J~~ *H*. People wearing sandwich boards or holding other types of signs.

~~K~~ *I*. Temporary signs made of cardboard, paper, canvas or similar impermanent material, except those permitted in subsection 4.9 - Supplementary sign provisions, of this section.

~~L~~ *J*. Window signs covering more than ~~30~~ *50* percent of a window or a door, or mounted above the first floor, except those permitted in ~~[~~subsection~~]~~ 4.9 - Supplementary sign regulations, A.5., ~~and F.,1.,~~ of this section.

~~M. Window signs in or adjacent to residential properties or districts.~~

~~N~~ *K*. Pennants, balloons, streamers, flags, etc. except when permitted in ***subsection 4.5 - Signs permitted in all districts and not requiring permits and in subsection*** 4.9 - Supplementary sign regulations, D.~~,~~1., of this section.

4.7 *Permitted signs*. Signs are permitted in all zones in accordance with the following table, which is a list of permitted sign types by use, proximity to residential uses and road classification.

TABLE INSET:

~~SIGN TABLE~~									
~~Use~~			~~Permitted Signs~~						
~~–~~	~~Specific~~	~~Road Type~~	~~Sign Type~~	~~# Permitted~~	~~Max Size~~	~~Max Height~~	~~% of Wall**~~	~~Setback (R.O.W)~~	~~Exclusion Zone~~
~~Residential Uses and~~	~~Single-Family Detached/~~	~~All Streets~~	~~Signs permitted in § 4.5 only~~						

Non-Residential Uses in Residential Districts	Semi-detached								
	Professional Office	All Streets	Post or monument	1/	5 S.F.	5'	N/A	5'	N/A
		All Streets	Monument	1/entrance	12 S.F.	4'	N/A %	5'	50'
	Subdivisions Multi-family residential uses Manufactured home parks	All Streets	Wall &	1/frontage	24 S.F.	20'	<=15%	N/A	N/A
			Monument	1/entrance	24 S.F.	5'	N/A	5'	50'
Non-Residential uses adjacent to Residential Districts or uses	Places of Worship Daycare Centers Approved Conditional Uses Educational/ Institutional All other approved Non-residential Uses	Urban Principal Arterial	Wall &	1/frontage	32 S.F.	30'	<= 15%	N/A	N/A
			Monument #	1/entrance	32 S.F.	7'	N/A	10'	50'
			Pylon*	1/frontage	32 S.F.	30'	N/A	30'	200'
		Urban Minor Arterial	Wall &	1/frontage	24 S.F.	30'	<= 10 %	N/A	N/A
			Monument # or	1/entrance	24 S.F.	7'	N/A	10' '	50'
			Post****	1	6 S.F.	7'	N/A	5'	50'
		Urban Local/ Collector	Wall &	1 /frontage	16 S.F.	20'	<= 5 %	N/A	N/A
			Monument # or	1/entrance	16 S.F.	7'	N/A	10'	50'
			Post****	1	6 S.F.	7'	N/A	5'	50'
Non-Residential Uses in Non-Residential Districts	Non-Residential Uses	Urban Principal Arterial	Wall &	1 /frontage	No max	30' ***	<= 15%	N/A	N/A
			Monument #	1/entrance	63 S.F.	10'	N/A	10'	50'
			Pylon OR*	1/frontage	75 S.F.	30'	N/A	15'	150'
			Pylon*	1/frontage	100 S.F.	30'	N/A	31'	150'
		Urban Minor Arterial	Wall &	1 frontage	32 S.F.	30'	<= 15%	N/A	N/A
			Monument # or	1/entrance	32 S.F.	7'	N/A	10'	50'
			Post****	1	8 S.F.	7"	N/A	10'	25'
		Urban Local/ Collector	Wall &	1/frontage	32 S.F.	30'	<= 15%	N/A	N/A
			Monument # or	1/entrance	32 S.F.	7'	N/A	10'	50'
			Post****	1	8 S.F.	7"	N/A	10'	25

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SIGN TABLE									
Use		Road Type	Permitted Signs						
	Specific		Sign Type	Number Permitted	Max Size	Max Height	Percentage of Total Wall Area	Setback (R.O.W)	Exclusion Zone
Residential Uses and Non - Residential Uses in Residential Districts	Single-Family Detached Semi-detached	All Streets	Signs permitted in §4.5 only						
	Professional Office	All Streets	Post or Monument	1/entrance	12 S.F.	7 feet	N/A	5 feet	20 feet
		All Streets	Wall	1/frontage	16 S.F.	N/A	<=15%	N/A	N/A
	Subdivisions Multi-family Residential Uses Manufactured Home Parks	All Streets	Wall &	1/frontage	32 S.F.	N/A	<=15%	N/A	N/A
			Monument or Post and Panel	2/entrance	32 S.F.	7 feet	N/A	5 feet	20 feet
Non-Residential Uses adjacent to Residential Districts or Uses	Places of Worship Daycare Centers Approved Conditional Uses Educational/ Institutional All other approved Non-residential Uses	Urban Principal Arterial	Wall &	2/frontage	32 S.F.	N/A	<= 15%	N/A	N/A
			Monument or Post and Panel OR	1/entrance	32 S.F.	7 feet	N/A	10 feet	20 feet
			Post** &	1/frontage	16 S.F.	7 feet	N/A	5 feet	5 feet
			Pylon*	1/frontage	32 S.F.	30 feet	N/A	30 feet	50 feet
		Urban Minor Arterial	Wall &	2/frontage	32 S.F.	N/A	<=15%	N/A	N/A
			Monument or Post and Panel OR	1/entrance	32 S.F.	7 feet	N/A	5 feet	20 feet
			Post**	1/frontage	16 S.F.	7 feet	N/A	5 feet	10 feet
		Urban Local/ Collector	Wall &	2/frontage	32 S.F.	N/A	<=15%	N/A	N/A
			Monument or Post and Panel OR	1/entrance	32 S.F.	7 feet	N/A	5 feet	20 feet
			Post**	1/frontage	16 S.F.	7 feet	N/A	5 feet	10 feet
Non-Residential Uses in Non-Residential Districts	Non-Residential Uses	Urban Principal Arterial	Wall &	2/frontage	No max	N/A	<=15%	N/A	N/A
			Monument or Post and Panel &	1/entrance	100 S.F.	10 feet	N/A	10 feet	20 feet
			Pylon OR*	1/frontage	100 S.F.	30 feet	N/A	15 feet	50 feet
			Pylon*	1/frontage	150 S.F.	30 feet	N/A	31 feet	50 feet
		Urban Minor Arterial	Wall &	2/frontage	64 S.F.	N/A	<=15%	N/A	N/A
			Monument or Post and Panel OR	1/entrance	64 S.F.	7 feet	N/A	5 feet	20 feet
			Post**	1/frontage	16 S.F.	7 feet	N/A	5 feet	10 feet
		Urban Local/ Collector	Wall &	2/frontage	32 S.F.	N/A	<=15%	N/A	N/A
			Monument or Post and Panel OR	1/entrance	32 S.F.	7 feet	N/A	5 feet	20 feet
			Post**	1/frontage	16 S.F.	7 feet	N/A	5 feet	10 feet

* Denotes that an additional wall sign may be permitted/added in lieu of a freestanding pylon sign.

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~~** No wall mounted sign shall exceed more than 50 percent of the mountable wall area as defined in subsection 4.4 - Design requirements, C., 2., of this section.~~

~~***Sign height may be increased by the Planning Commission as a part of the Architectural Review of a Site Development Plan Approval process; however, the sign height may not exceed the building height. The proposed height shall complement the architecture of the building as determined by the Planning Commission.~~

~~****~~ **Post sign would be in lieu of a monument sign or post and panel sign.

~~# Location of monument/post and panel signs may be approved by the Planning Commission as a part of a Site Development Plan Approval process.~~

4.8 *Unified* ***Comprehensive Signage Plan*** ~~campuses and complexes~~.

A. *Purpose statement*. Recognizing that large campuses and complexes have signage needs that may not be adequately addressed by traditional sign regulations, this subsection of the ordinance is intended to allow a procedure for approval of a ***unified*** comprehensive signage plan for these ~~sites~~ ***unified campuses and complexes***.

1. Campuses and complexes are required to follow all standard signage requirements, as embodied elsewhere in this ~~ordinance [~~section~~]~~, unless they choose to apply to the planning commission for comprehensive signage plan approval. All such plans must embody a thorough review of all existing signs.

2. Any proposed shopping center or group of three or more principal structures under common management and operation located on one or more contiguous properties is required to submit an application for comprehensive signage plan approval to the planning commission.

3. Any business or institution which has more than 400 linear feet of frontage on a principal arterial may submit an application for comprehensive signage plan approval.

B. *Design guidelines for* ***unified*** *comprehensive signage plans*.

1. Unified campuses and complexes applying for a ***unified*** comprehensive signage plan may not be held to the height, size, number and area regulations for signs found in other ~~[~~sub~]~~sections of this ~~ordinance [~~section~~]~~. However, the number, type and size of signs proposed may not be excessive, and must be in proportion to the scale of the buildings and the uses on the site.

2. All ***unified*** comprehensive signage plans must comply with all design guidelines found in subsection 4.4 - Design requirements of this section, as well as all specific design guidelines found in this section.

3. Building signs shall be in harmony with the overall architectural concept for the site, and be compatible with each other and the building facades.

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4. The freestanding signs identifying shopping centers and other unified campuses and complexes shall identify the name of the campus or complex and no more than three separate tenants within the campus or complex unless otherwise approved by the planning commission.

5. There shall be architectural harmony and unity of signs within a ~~united~~ ***unified*** campus or complex. Sign type, color scheme, size, and illumination within the site shall be coordinated and shall be compatible with the architecture of the center and the surrounding area.

C. *Planning commission duties*. In reviewing and approving comprehensive signage plans, the planning commission shall take into consideration the public health, safety and welfare, the comfort and convenience of the public in general and of the residents, businesses, and property owners of the immediate neighborhood in particular, and shall ensure that unified campuses and complexes have adequate, but not excessive, signage. Specifically, the following objectives shall guide the commission when reviewing such plans:

1. That the size and complexity of the campus or complex warrants the need for extra signage under the provisions of this ~~ordinance [~~section~~];~~ ***;***

2. That, in respect to the number and type of entrances, the placement of signage at or near those entrances provides superior visibility in order to ensure the safety of the driving public;

3. That the proposed signs are adequate in number to safely direct the public to the use or uses on the site;

4. The proposed signs must not have an adverse impact on the visibility of adjacent signs, and shall be consistent with, or an improvement over, the prevailing type and style of signage in the general area;

5. That the proposed signs will be of a style and color which will complement the architecture of the site, and the area in general.

D. *Submission requirements*.

1. A pre-application meeting is required. No application will be accepted without a pre-application meeting.

2. Copies of a sign plan, which details the signage proposal, including relevant application forms, will be due on the regularly scheduled submission deadline for planning commission review. The sign plan shall illustrate the physical location of all existing and proposed signs on the subject property and their relationship to existing and/or proposed buildings on the site. The submission plan shall include color renderings of each proposed sign (drawn to scale), along with architectural elevation drawings of the building depicting the placement of all wall mounted signs existing and proposed.

3. Public notice is required, following the procedures set forth in article 10, ***section*** ~~sec. 2.47~~ ***2.43 (C).***

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4. The application fee as provided for in Appendix F - Fees and Fines, is due at time of application.

E. *Amendments to approved comprehensive signage plans*. Any new or revised signs to be placed on a property with an approved comprehensive signage plan need not go back to the planning commission for re-approval if the sign area is not increased more than ~~five~~ ***fifteen*** percent, and the proposed signs conform to the overall design concept and colors as approved. The ~~five~~ ***fifteen*** percent increase shall be calculated cumulatively over the life of the project, based upon the originally approved sign area.

4.9 *Supplementary sign provisions*.

A. *Window signs*.

1. Three window signs shall be permitted as additional signage on walls fronting on the public right-of-way. ~~Text, including lettering and numbers, shall not exceed a height of 12 inches~~.

2. Window signs shall not cover more than ~~30~~ ***50*** percent of any window ~~pane or glass door panel,~~ exclusive of window and/or door frame.

3. Windows principally viewed from drive aisles and parking lots and not prominently visible from the public right-of-way shall be exempt from restrictions on the number of signs, and may be approved by the city planner for a window coverage area greater than ~~30~~ ***50*** percent~~, and/or lettering height taller than 12 inches,~~ when the business elects to have less window signage than permitted on the windows fronting on, or prominently visible from, the public right-of-way.

4. Window signs shall be permitted on windows on the first floor of a building only.

5. The city planner may waive the provisions of this ~~[~~sub~~]~~section when it has been demonstrated that the proposed window signs are of a unique or superior quality and style, and are intended to compliment the architectural design of the building, or when the business elects to use less wall signs than permitted for the purpose of complimenting the architectural design of the building. Signs granted this waiver are not exempt from the requirement to obtain a sign permit.

B. *Historic district signs*.

1. All signs in the historic district must meet the standards laid out in the design standards and guidelines for the City of Dover Historic District Zone. Any and all standards found elsewhere in this ~~ordinance~~ ~~[~~section~~]~~ may be waived as part of the architectural review approval when proposed signs are determined to contribute to or improve the historic context of the building.

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C. *Gas station signage*.

1. *Canopy signs*.

(a) Canopy sign height shall not exceed 30 feet.

(b) Canopy sign copy shall be directed toward a public street.

(c) Canopy sign area shall be limited to no greater than ~~ten~~ ***twenty*** percent of the area of the canopy face to which the sign is applied.

2. *Exempt signs*.

(a) State or federal required price per gallon signage shall not count towards overall sign area for the site, unless they exceed ~~20~~ ***32*** square feet in size.

(b) Price per gallon signs not exceeding two square feet, located on the pump itself.

D. *Temporary signs*

1. *Temporary Signs*. Temporary signs for special events ~~not requiring a special event permit,~~ including inflatable signs with a surface area of less than 100 square feet ***and not more than 25 feet tall***, may be erected on the premises of any establishment conducting a special event, provided that such signs do not exceed a total of two signs with a total of 100 square feet in sign area~~., and provided that such temporary signs shall not be displayed for either (a) a continuous period in excess of 30 days in any given three-month period or (b) a continuous period in excess of 15 days in a given 45 day period~~. ***Temporary signage shall be displayed no longer than 90 days per calendar year.*** For grand openings, the maximum number, sign type, and allowable area may be waived by the city planner. Permits for such signs are required and shall be accompanied by a fee as provided for in Appendix F - Fees and Fines. The city planner may waive the time period, not to exceed an additional 30 days, if they determine that there are extenuating circumstances requiring further time for a temporary sign.

~~(a) Special Event Permit Temporary Signage. When signage is requested in association with a Special Event Permit the signage shall be permitted and limited to the timeframe of the proposed Special Event as identified on the Special Event Permit. The number of signs shall be limited to a maximum of three (3) signs with an overall sign area of 100 SF. Each sign shall require a temporary sign permit and shall be accompanied by the associated fee for a temporary sign as provided for in Appendix F - Fees and Fines.~~

~~i. The signage for the Special Event Permit Temporary sign shall not impact the timeframe of Temporary signage. Signage associated with a Special Event Permit shall be separate from the time period for temporary signage in subsection 4.9 – Supplementary sign provisions, D.,1., of this section.~~

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2. *Race weekend signs*. During any seven-day period prior to ~~or seven-day period following~~ the Saturday or Sunday that auto racing is occurring, temporary signs may be erected without a permit and with no restrictions on the number or size of the signs.

3. *Inflatable signs. **Permits for such signs are required and shall be accompanied by a fee as provided for in Appendix F - Fees and Fines***. ~~Inflatable signs with a surface area greater than 100 square feet and not more than 25 feet tall are permitted only during grand opening events, community festivals and during race weekends, and must meet the following requirements:~~

(a) ~~A permit is required to ensure that adequate anchoring will be provided for the sign.~~ ***Inflatable signs with a surface area equal to or less than 100 square feet and not more than 25 feet tall are permitted in subsection 4.9 - Supplementary Sign provisions, D.1., of this section and shall meet the following requirements:***

i. The inflatable sign shall be setback from the edge of the right-of-way a minimum of 25 feet.

ii. The inflatable sign shall be securely anchored to the building or ground.

(b) ~~A plot plan is required showing the placement of [the] inflatable in respect to utility lines and traffic patterns.~~ ***Inflatable signs with a surface area over 100 square feet and not more than 25 feet tall are permitted only during grand opening events, community festivals, and during race weekends in accordance with subsection 4.9 Supplementary Sign provisions, D.1. and D.2., of this section and shall meet the following requirements:***

i. The inflatable sign shall be setback from the edge of the right-of-way a minimum of 25 feet.

ii. A plot plan/survey is required showing the placement of the inflatable sign in respect to utility lines and traffic.

iii. The inflatable sign shall be securely anchored to the building or ground.

~~(c) No inflatable shall be placed any closer to the right-of-way than the height of the inflatable itself.~~

~~(d) Inflatable signs shall be securely anchored to the ground or securely fastened to a building for the purpose of maintaining such devices in a stationary location while on display.~~

E. *Motor vehicle sales lots*. This subsection allows motor vehicle sales lots to compensate for their likelihood to be mistaken for ordinary parking lots unless additional signs or other attention getting devices are placed in the sales area. It has also been demonstrated that these businesses tend to have smaller buildings relative to their land area diminishing their ability to effectively use wall signs.

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1. Banners are permitted on motor vehicle sales lots with a permit. Such banners may be permitted at a rate not to exceed one banner for each ten motor vehicle parking/storage spaces on the premises, and any such banner shall not be situated closer than 50 feet of any other banner on the premises. Parking spaces required for employees, customers, and service department uses shall not be counted to calculate the number of banners. The term "banner" does not include pennants, streamers, balloons, or other temporary or permanent signs.

2. Banners shall not exceed a width of three feet.

3. All banners must be securely attached to light standards, poles, or other substantial mounting hardware. Except for temporary signs permitted under the provisions of subsection 4.9. - Supplementary sign provisions, D., of this section, all banners must be constructed of a permanent, weather resistant material.

~~**F. Window and wall signs located 100 feet or more from the roadway.**~~

~~**1. Any window or wall sign associated with an approved nonresidential use, and which is not adjacent to a residential use, is eligible for sign area bonuses when located at least 100 feet from the public right-of-way. To qualify for the bonus, the sign must be placed on an exterior building wall which is set back at least 100 feet from the right-of-way line, and shall face the public right-of-way line from which the setback distance is measured. Sign area bonuses are authorized according to the following schedule:**~~

~~**TABLE INSET:**~~

~~Distance from Right-of-Way~~	~~Bonus Sign Area (Allowable Area × % Bonus)~~	~~Mountable Wall Area Bonus (Mountable Wall Area × % Bonus)~~	~~Window Coverage Bonus (Allowable Area × % Bonus)~~
~~100 feet~~	~~17%~~	~~55%~~	~~35%~~
~~150 feet~~	~~18%~~	~~60%~~	~~40%~~
~~200 feet~~	~~19%~~	~~65%~~	~~50%~~
~~300 feet or more~~	~~21%~~	~~75%~~	~~60%~~

F. ~~***G.***~~*Shared freestanding signs.*

1. For adjoining nonresidential properties, a freestanding sign structure may be shared among adjoining property owners or businesses solely for the purpose of identification of the adjoining premises or businesses.

2. Where ~~**two**~~ ***multiple*** property owners have agreed to share a freestanding sign as referenced in subsection 4.4 - Design requirements, of this section, the shared freestanding sign shall be entitled to a combined sign area bonus of not more than 50 percent over the freestanding sign area otherwise permitted for the property on which the shared freestanding sign would be placed.

3. The permit application for a shared freestanding sign shall be accompanied by a binding legal agreement between the ~~**two**~~ ***multiple*** adjoining property owners and/or businesses which describes the ownership and maintenance obligations for such shared sign.

G. ~~**H.**~~ *Single buildings with multiple commercial tenant spaces or facades*.

1. Structures, such as shopping centers, which contain multiple commercial tenant spaces, are permitted to have at least one wall sign on each unit. This provision shall only apply to units on the first floor of the structure.

2. When a structure is designed so that there are distinctly different facades or sections of the building along a single frontage, at least one wall sign is permitted on each facade or section of the building.

3. Multi story office buildings with multiple tenants are permitted one wall sign per tenant. ~~**The total sign area for all of the signs for all of the tenant spaces may be up to but not exceed 50% more than the sign area permitted by subsection 4.7 - Permitted Signs, of this section.**~~ ~~**The signs shall be located in the same area on the building.**~~ ***Signs shall not be located above the second story.***

4.10 *Nonconforming signs*.

A. *Exclusions*. Nonconforming signs which are within ten percent of compliance of any height, area or location requirement and which conform to all other provisions of this ordinance shall be considered legal signs for the purposes of these regulations, except as provided in subsection~~.~~ 4.10 - Nonconforming signs, B.~~,5~~.***4***, below.

B. *Removal or compliance required*. Nonconforming signs shall be removed from the premises or otherwise made to comply with these regulations in the following instances:

1. When there is renovation to more than 75 percent of the exterior of the principal building measured in square feet of exterior wall surface area, or expansion of more than 20 percent of the floor area of the principal building measured in square feet of floor area on the premises on which such nonconforming signs are present, except that freestanding signs that are nonconforming ~~**with respect to front setback requirements shall not be made to be set back further than the front of the principal structure**~~ ***as specified shall not be required to conform; however, the degree of non-conformity shall not increase***. When, within any given two-year period, individual renovation projects involving less than 75 percent of the building exterior and/or individual building additions involving less than 20 percent of the floor area of the principal building on the premises would in aggregate exceed the 75 percent renovation and/or 20 percent expansion thresholds set forth herein, all such nonconforming signs shall be brought into conformity with these regulations or shall be removed from the premises.

2. Prior to the issuance of any permit for the placement of any additional signage on the property. No new signs of any type shall be added to the property until the nonconforming sign is removed.

3. Nonconforming signs (including all supporting structures and mounting hardware) which have been abandoned shall be removed from the premises or otherwise made to conform within one year from the date of abandonment. Refacing the sign in accordance with other requirements of this ~~**ordinance [**~~section~~**]**~~ does not absolve an owner from

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complying with this subsection. In certain instances where it is evident that the reoccupation or reuse of a premises which contains an abandoned nonconforming sign is imminent, the city planner may grant an extension of time within which to reestablish the use of such nonconforming sign.

~~**4. When there is a change of use to a property where nonconforming signs exist, such signs shall be brought into conformity with these regulations or shall be removed from the premises.**~~

~~**5.**~~ ***4***. Any nonconforming sign which has been removed from the premises shall be considered discarded, and replacement shall constitute a new sign, and require new permits.

C. *Notification and responsibility*. It shall be the responsibility of the owner of record of such property to cause the removal of such nonconforming signs in accordance with these provisions. When any of the above-listed conditions exist, the city planner is authorized to issue written notice to the owner of record of such property, stating that such signs shall be removed within two calendar weeks of the date of receipt of the written notice. In cases where signs are determined to be unsafe or present a hazard, the city planner may order their removal in a shorter period of time. Failure to comply with these regulations, after due notice, shall be deemed a violation of this ordinance and ~~[~~is~~]~~ punishable in accordance with the provisions of article 8, section 4 of this ordinance. In addition, in the event that compliance is not achieved within the stated period, the city planner may remove or cause to be removed from the premises any such signs in violation of this ~~**ordinance**~~ ~~[~~section~~]~~. All expenses incidental to such removal shall be charged to the owner of record of such property and shall constitute a lien upon such property.

4.11 *Abandoned and Damaged signs*.

A. ***Abandoned*** ~~**Refacing**~~. All signs that conform to the current regulations which are deemed abandoned shall either be refaced with a blank or blacked out face or removed totally (including the supporting structure and/or mounting hardware) within ~~**60**~~ ***90*** days of abandonment. Covering sign copy with tarps, paper, tape, cardboard or other nonpermanent materials is not an acceptable method of refacing.

B. *Removal*. Any conforming sign, which has been removed from the premises, shall be considered discarded, and replacement shall constitute a new sign, and require new permits.

C. *Repair*. All signs that are damaged (no longer working, cracked, missing pieces, etc.) shall be repaired within 30 days. A permit is not required as long as the sign will look exactly the same as it did before the sign was damaged. If there are any changes (color, script, etc.) to the sign a new permit will be required.

4.12 *Historic or Significant Signs*.

A. *Preservation of Historic or Significant Signs*. Signs that are at least fifty years old and considered historic or to have cultural/aesthetic significance shall be protected and preserved. If these signs are legal~~[~~ly~~]~~ nonconforming they shall maintain their nonconforming status indefinitely. The determination of the historic or cultural/aesthetic significance of the sign shall be determined by the historic district commission.

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1. The owner of the premises on which these signs reside shall maintain the signs to ensure they work and are in good condition.

SYNOPSIS

The proposed ordinance is a comprehensive amendment to the City of Dover Sign Regulations and includes a combination of clarifications, simplification of the requirements, and significant relaxation of the regulations currently in place. Changes include an increase in allowable sign area, an increase in the number of signs permitted, incorporation of several definitions and other provisions from the United States Sign Council Model Sign Code, a reduction in the exclusion zone between sign structures, and increased flexibility in temporary signage.

Actions History:

June 25, 2012 - Scheduled for First Reading/Referral to the Planning Commission and Setting of Public Hearing for August 13, 2012

June 11, 2012 – Introduced in the Parks, Recreation and Community Enhancement Committee

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FIRST READING

CITY OF DOVER
ORDINANCE #2012-14

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

That Appendix B – Zoning, Article 3 – District Regulations, Section 23 – Agricultural Zone (A), Subsection 23.1 – Uses Permitted, be amended by inserting the language indicated in bold, blue italics as follows:

Section 23. - Agricultural zone (A).

23.1 *Uses permitted*. In an agricultural zone (A), no land or building shall be used and no building or part of a building shall be erected or altered which is arranged, intended or designed to be used, in whole or in part, for any uses except the following:

23.11 Agriculture including general farming, pasture, orchard, grazing, outdoor plant nurseries, truck farming, forestry, and wild crop harvesting;

23.12 Kennels and stables as a conditional use under section 10.1 of this ordinance, provided that any building or open pen for keeping of animals shall be located at least 100 feet from any lot lines;

23.13 Non-commercial recreational uses including parks, camps, picnic grounds, hiking and riding trails, fishing areas, game farms, fish hatcheries, wildlife sanctuaries, nature preserves, swimming areas and boat launching sites. No buildings or impervious ground covers shall be permitted in connection with recreation uses, except as a conditional use by permission of the planning commission under article 10, section 1 of this ordinance;

23.14 Public utility rights-of-way and structures, subject to such conditions as the planning commission may impose in order to protect and promote health, safety and general welfare;

23.15 Single-family detached residential dwellings on individual lots in the form of a conventional subdivision, or single-family detached or attached housing in the form of rural residential cluster development. The density and lot size requirements for conventional residential development of agriculturally zoned land are set forth in article 3, section 23.2 of this ordinance. The conditions of eligibility, density limits and design requirements for rural residential cluster development are set forth in article 3, section 23.3 of this ordinance.

23.16 Sales of agricultural supplies and products as an accessory use to the principal agricultural use on a parcel.

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SYNOPSIS

The proposed ordinance would allow the sale of agricultural supplies and products, accessory to the agricultural use of a parcel.

Actions History:

June 11, 2012 - Introduced in the Parks, Recreation & Community Enhancement Committee on June 11, 2012

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FIRST READING

CITY OF DOVER
ORDINANCE #2012-15

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

That Appendix B – Zoning, Article 3 – District Regulations, Section 9 – General Residence and Office Zoning (RGO), Subsection 9.14 (b) be amended by deleting the text indicated in bold, red, strikethrough as follows:

(b) In order to stimulate limited commercial activity in this zone where the city's historic district overlay zone exists and to make this portion of the city's historic district a greater attraction to tourists and residents, the following list of preferred uses may be permitted as conditional uses, subject to the approval of the planning commission:

i. Antique shops, art galleries, gift and card shops, book stores, specialty hobby stores (i.e., miniatures, models, needlecrafts), bakeries (including baking on premises), ~~[~~and~~]~~ restaurants ~~**with no alcoholic beverages**~~.

ii. Limitation of entrances from State Street only.

iii. Total floor area of any one retail use ~~[~~is~~]~~ not to exceed 2,000 square feet.

iv. Such uses will be subject to historic district requirements and will therefore require an architectural review certificate. Architectural review certificates for retail uses described above shall not be granted unless it has been demonstrated that the proposed use will result in either no material change to the exterior of the structure visible from State Street or will result in a restoration of the structure to an appearance which can be documented to more closely reflect the historical appearance of that structure. Material change would include modifications to doors, windows and masonry, other than routine maintenance.

v. No parking shall be required for the retail user.

vi. If new construction is proposed on State Street between Loockerman and Water Streets, the proposal must not require demolition or extensive modifications of any existing structure which presently contributes to the historic district because of its age or architectural appearance. In addition, the RG-O zone bulk and parking requirements would be waived in certain respects. Lot width and depth will be as appropriate to the site, subject to architectural review and site plan review. Setbacks will be discouraged. Side yards will reflect the needs of adjacent structures by providing adequate light and air to reach existing windows. The height limit of 35 feet or 2½ stories will be retained, as will the 85 percent lot coverage limit. The floor area ratio limitation will be raised to 1.0. The parking requirements will be waived.

SYNOPSIS

The proposed ordinance would eliminate the prohibition on sale of alcohol in restaurants in the RGO zone. Restaurants in this zone are subject to Conditional Use approval by the Planning Commission.

Actions History:

June 25, 2012 – Scheduled for First Reading/Referral to the Planning Commission

June 11, 2012 - Introduced in the Parks, Recreation & Community Enhancement Committee

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FIRST READING

CITY OF DOVER
ORDINANCE #2012-16

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

That Chapter 114 – Vegetation, be amended by adding a new Article III – Bamboo, as follows:

Article III. Bamboo

Sec. 114-36. – *Unlawful to plant or grow bamboo*. It shall be unlawful to plant or grow bamboo on any lot or parcel of ground within the city unless:

(a) The root system of such bamboo plant(s) is entirely contained within an above-ground-level planter, barrel, or other vessel of such design, material, and location as to entirely prevent the spread/growth of the bamboo plant'(s) root system beyond the container in which it is planted; or
(b) The root system is contained within a barrier, constructed in accordance with the following specifications, and only after a compliance inspection is performed, and a building permit is issued by the city of Dover:
    1. The barrier itself shall be composed of high density polypropylene or polyethylene, 40 mil or heavier;
    2. Each portion or sheet of the barrier shall be secured or joined together by the use of stainless steel clamps or stainless steel closure strips designed for such barriers;
    3. The barrier shall be installed not less than 30 inches deep;
    4. The barrier shall be circular or oblong shaped;
    5. Not less than three inches of the barrier shall protrude above ground level around the entire perimeter of the barrier;
    6. When installed, the barrier shall slant outward from the bottom to the top.
(c) Whether planted or growing in a container (under subparagraph (a) above) or contained within a barrier (under subparagraph (b) above), all bamboo plants shall be located, trimmed and maintained so that no part of the plant (including stalks, branches, leaves, and/or roots) shall extend nearer than ten feet from any property line.

Sec. 114-37. - Exemptions.

Section 114-36 shall not apply to any landowner or possessor who, prior to the effective date of this article, has planted or caused to grow any bamboo on any property within the limits of the city unless a city code enforcement official determines that any portion of such bamboo has been allowed to grow upon, extend roots across, or extend branches, stalks or leaves over any public way or any private property not owned by or in the possession of such landowner or possessor.

Sec. 114-38. - Complaint/order for removal, repair and compliance.

When it has been determined by the city that any bamboo plant or root is encroaching on the property of an adjacent or abutting landowner, or public way, the city shall, prior to taking any other action to

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enforce compliance with this article, give written notice to be delivered by certified mail, to the person(s) or legal entity(s) causing such condition to exist, which notice shall:

(1) Specify the nature and location of the violation;
(2) Provide notice of the need to remove and/or correct such condition within 30 days from the effective date of such notice;
(3) Require that the removal and/or correction of such condition includes:
    a. The removal and eradication of any bamboo plant or root from any adjoining or nearby lot(s) or public way to which it has spread from its original planting site, and the correction and repair of any property damage sustained to said adjoining or nearby lot(s) or public way, in removing such bamboo; and
    b. The containment of the bamboo plant causing said encroachment, by mandatory and full compliance with section 114-36 (a) or (b);
(4) State that upon failure to comply with the notice and order for removal and/or containment, the city may remove and eradicate the bamboo upon the land of any nearby or abutting property owner, public way and/or upon the property of the person(s) or entity(s) planting or causing such bamboo to grow, as provided in section 114-33.

Sec. 114-39. – Abatement of bamboo.

(a) If the violation is not remedied within the time set forth in the notice and order as outlined above, the city is hereby authorized to remove or have removed any encroaching bamboo and to take all reasonable steps to eradicate its re-growth from said adjacent or nearby property or public way, and to restore any such lands to its natural condition prior to such removal and eradication (including fill, grading, and seeding).
(b) The city shall also be authorized to remove and eradicate the plant(s) causing the encroachment, upon the responsible party(s)' failure to properly contain the plant after notice.
(c) The cost of corrective action taken by the city shall be billed to the property owner whose property was the source of the encroachment.
(d) If the charges assessed by the city for removal or eradication of the bamboo are not paid, then the city, after having corrected the deficiency and violation, shall place its charges and expenses as specified in the municipal lien docket as a lien against said property, and the city solicitor shall be directed to enforce said lien or to collect the charges imposed by the city by any other means that he may deem desirable and most advantageous.

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SYNOPSIS

The proposed ordinance would prohibit the planting or growing of bamboo in the city of Dover and would authorize the city to abate bamboo that has encroached onto adjacent properties and public ways and charge the cost of this abatement to the property owner.

Actions History:

June 25, 2012 – Scheduled for First Reading

June 11, 2012 - Introduced in the Parks, Recreation & Community Enhancement Committee

DRAFT

FIRST READING

CITY OF DOVER PROPOSED ORDINANCE #2012-17

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

That Chapter 26 - Businesses, Article I - In General, Section 26-1 - Sale of Dangerous Substances, be amended by deleting the text indicated in bold, red, strikethrough and inserting the text indicated in bold, blue, as follows:

Sec. 26-1. - Sale of dangerous substances.

(a) It shall be unlawful to sell or offer to sell any material, compound, mixture, or preparation which contains any quantity of **any substance categorized as Schedule I in accordance with 16 Del.C. ch. 47.** ~~**the following substances, their salts, isomers, and salts of isomers, unless specifically excepted, whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation:**~~

~~**(1) Methylone;**~~
~~**(2) MDPV;**~~
~~**(3) Methylenedioxypyrovalerone;**~~
~~**(4) Methylmethcathinone;**~~
~~**(5) Mephedrone;**~~
~~**(6) Methoxymethcathinone;**~~
~~**(7) Fluromethcathinone;**~~

(b) *Penalties*. Violations of this section shall be subject to fines in accordance with Appendix F—Fees and Fines, section 1-17 and revocation of business license under the provisions of Chapter 26—Businesses, Article II—Licenses, section~~**s 26-59 and 26-63**~~ **26-64.**

(c) *Enforcement.* **Any business that sells or offers for sale any of the prohibited items shall be considered a public nuisance.** The provisions of this section may be enforced by any city inspector or officer of the police department~~.~~ **after any substance found for sale at a business tests positive for a Schedule I controlled substance in a field test performed by the Police Department.**

ADOPTED: *

S:\ORDINANCES\2012\Draft\2012-17 - Ch 26 - Businesses, Art I - In General, Sec 26-1 - Sale of Dangerous Substances 1st Rdg.wpd

SYNOPSIS

The proposed ordinance would more closely align the City code with the State Uniform Controlled Substances Act as it relates to the sale of Schedule I controlled substances, including but not limited to bath salts.

(SPONSORS: LYNN, STAFF)

Actions History

06/25/2012 - Scheduled for First Reading
06/11/2012 - Introduced at Legislative, Finance, and Administration Committee Meeting

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CITY OF DOVER
LF&A AMENDMENT #1
(Previously Council Amendment #2)
TO ORDINANCE #2012-10

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

That Ordinance 2012-10 be amended by striking lines 23-31 in their entirety and inserting in lieu thereof the following:

Eligibility to receive city utilities or services. **No person, artificial entity, or owner of a one-half or greater interest in that artificial entity shall be eligible to receive any city services, utilities, permits, licenses, or approvals if that person, artificial entity, or owner of a one-half or greater interest in that artificial entity owes outstanding payments to the city; or if that person, artificial entity, or the owner of a one-half or greater interest in that artificial entity is responsible for documented violations of the Dover Code of Ordinances that have remained unresolved for more than 45 days. If the party, artificial entity, or owner of a one-half or greater interest in that artificial entity requesting city approval is current on some but not all obligations owed to the city, the request shall be denied until such time as the person, artificial entity, or owner of a one-half or greater interest in that artificial entity is current and in compliance with all city obligations.**

BE IT FURTHER ORDAINED:

That Ordinance 2012-10 be amended by removing the words "corporation of which they are principal" on line 53 and replacing them with "artificial entity of which they own one-half or more interest."

ADOPTED: *

SYNOPSIS

The proposed language would ensure that the inclusion of owners and/or members of corporations would apply to owners of a one-half or greater interest in the said corporation. It would ensure that members of non-profit boards and other minority owners in corporations would not be denied services or permits due to the delinquencies of that corporation.

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CITY OF DOVER
LF&A AMENDMENT #2
(Previously Council Amendment #3)
TO ORDINANCE #2012-10

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

That Ordinance 2012-10 be amended by striking lines 51-57 in their entirety and replacing them with the following:

Appointment to committee, commission, or board. **Prior to any person being appointed to a city committee, commission, or board, the city clerk will determine if there are outstanding payments due to the city in their name or the name of any artificial entity in which they own one-half or more interest; or if they are responsible for outstanding, documented violations of the Dover Code of Ordinances that have been unresolved for more than 45 days. If it is determined that such delinquency or violation exists, this shall be reported to the council president and an executive session shall be scheduled to discuss the nature of the delinquency prior to appointment. If an appointed member of a city committee, commission, or board is determined to have such a delinquency or outstanding violation during their appointment, the city clerk shall report such delinquency or violation to the council president and an executive session shall be scheduled to discuss the violation or delinquency. City council may reject an appointment or remove an appointee from a city committee, commission, or board due to such delinquency or violation.**

ADOPTED: *

SYNOPSIS

The proposed language would allow for persons to serve on city committees, commissions, or boards, even if they are responsible for delinquencies or code violations; however, it requires that the city clerk inform the city council president of such delinquencies or violations and that an executive session of council be held to discuss such delinquencies or violations.

CITY OF DOVER
LF&A AMENDMENT #3
(Previously Council Amendment #4)
TO ORDINANCE #2012-10

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

That Ordinance 2012-10 be amended by striking lines 76-82 in their entirety and replacing them with the following:

(f) ***Appeal of denial of utilities, services or approvals.***

(1) ***Appeal to city manager.*** **Any applicant, person, corporation, or other entity or any owner or member of that corporation or other entity requesting such city services, utilities, permits, licenses, or approvals who receives the aforesaid written denial may appeal that denial to the city manager within 20 calendar days of such denial. The city manager, or his/her designee, shall thereafter hold a hearing at which said applicant shall be permitted to give evidence that such payment has been made or that a required action has been carried out, or otherwise show that such denial is based on incorrect information or is not lawful as to that applicant.**

(2) ***Appeal to city council.*** **An applicant aggrieved by the decision of the city manager regarding his/her appeal may appeal such decision to city council within 20 calendar days of such decision. City council shall schedule a hearing at which said applicant shall be permitted to give evidence that such payment has been made or that a required action has been carried out, or otherwise show that such denial is based on incorrect information or is not lawful as to that applicant.**

ADOPTED: *

SYNOPSIS

The proposed language would add an appeal to city council for applicants aggrieved by the decision of the city manager.

CITY OF DOVER PROPOSED ORDINANCE #2012-10

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

That Chapter 1 - General Provisions, Section 1-13 - Denial of permits or approvals for failure to comply with requirements for payment, actions, or filings be amended by inserting the text indicated in bold, blue, underlined font and deleting the text indicated in bold, red, strikeout as follows:

Sec. 1-13. - ~~**Denial of permits or approvals for failure to comply with requirements for payment, actions, or filings.**~~ **Clean hands.**

(a) ~~**Noncomplying actions or filings. Prior to any administrative agency or official of the city charged with evaluation and approval of any permit required so that a legal or equitable owner of real property located in the city may utilize city services or otherwise involve the city officers, agents, or employees to permit any use of such real property, approving or issuing any permit or other indication of approval, that administrative agency or official shall make reasonable effort to determine that no payments, actions, or filings related to obligations due to or requirements by the city for the use of that parcel or any other parcel of real property remain incomplete or in violation of the city requirements. If any such noncomplying or incomplete payments, actions, or filings are determined to exist, then the administrative agency or official shall, in writing, deny the permit or other form of approval until such existing requirement for payment, action, or filing has been fully complied with or completed as to that parcel, identifying in that written denial the payment, action, or filing to be completed or complied with. Failure by the appropriate administrative agency or official to issue such written denial within five working days from receipt of application shall enable the applicant to have the application reviewed without consideration of the requirements of this section.~~ ***Eligibility to receive city utilities or services*.** **No person, corporation, or other entity shall be eligible to receive any city services, utilities, permits, licenses, or approvals if that person, corporation, or other entity, or any owner or member of that corporation or other entity, owes outstanding payments to the city; or if that person, corporation, or other entity, or any owner or member of that corporation or entity, is responsible for uncorrected, documented violations of the Dover Code of Ordinances that have been unresolved for more than 45 days. If the party requesting city approval is current on some but not all obligations owed to the city, the request shall be denied until such time as all city obligations are current and fully complied with.**

(b) ***Obligations which must be current*.** **Applicants for city services, utilities, permits, licenses, or approvals shall be current on all of the following obligations to the city, including interest, penalties, court costs, and/or attorney's fees if applicable, prior to receiving such approvals:**

(1) Property taxes.
(2) Applicable Delaware realty transfer taxes.
(3) Water, sewer, and electric connection/disconnection, front footage and/or usage charges.
(4) Trash fees.
(5) Application fees.
(6) Permit fees, including building permits, building code and inspection/reinspection fees.
(7) Vacant building fees.

(8) Inspection fees.
(9) Charges for the costs of razing or demolition of buildings done through public expenditure.
(10) Charges for duly authorized improvements or maintenance to the exteriors of buildings or property done through public expenditure.
(11) Assessments for the installation of sewer lines, water mains, sidewalks, and curbing.
(12) Charges for the costs of removing weeds, grasses, refuse, rubbish, trash, or other waste material done through public expenditure.
(13) Miscellaneous charges.

(c) *Appointment to committee, commission, or board.* No person shall be appointed to any city committee, commission, or board if there are outstanding payments due to the city in their name or the name of any corporation of which they are principal; or if they are responsible for outstanding documented violations of the Dover Code of Ordinances that have been unresolved for more than 45 days. Any sitting committee, commission, or board member not in compliance with this ordinance shall be current and fully compliant with all city obligations within 30 days or shall be required to relinquish their appointment.

(d) *Responsibility of city personnel.*

(1) The administrative agency to which a request has been submitted shall have the responsibility to make a reasonable effort to determine whether there are outstanding payments or outstanding documented violations of the Dover Code of Ordinances.

(2) The appropriate administrative agency shall notify an applicant that the request cannot be processed because of an outstanding payment or an outstanding documented violation. Said notice shall be in writing and shall be sent within ten working days of receipt of the request.

(e) *Exception.* Notwithstanding the provisions of this section, the building inspector, with the concurrence of the city manager, may issue permits and approvals for work that is necessary to correct violations associated with Chapter 22 - Buildings and Building Regulations, Article XI - Dangerous Buildings.

~~(b) Appeal; hearing. Any applicant for a permit or other form of approval who receives the aforesaid written denial of a permit or other form of approval by an administrative agency or official of the city may appeal that denial to the city council within 20 calendar days of such denial. The city council or its designee shall thereafter hold a hearing wherein said applicant shall be permitted to give evidence that such payment, action or filing has been properly carried out, or otherwise show that such denial is not lawful as to that applicant.~~

(f) *Appeal; hearing.* Any applicant, person, corporation, or other entity or any owner or member of that corporation or other entity requesting such city services, utilities, permits, licenses, or approvals who receives the aforesaid written denial may appeal that denial to the city manager within 20 calendar days of such denial. The city manager, or his/her designee, shall thereafter hold a hearing at which said applicant shall be permitted to give evidence that such payment has been made or that a required action has been properly carried out, or otherwise show that such denial is based on incorrect information or is not lawful as to that applicant.

ADOPTED: *

SYNOPSIS

The proposed ordinance clarifies the denial of services, permits, and approvals for non-payment of charges due to the City or for documented and uncorrected code violations. It specifies the financial obligations that must be current to receive services, permits, or approvals. It authorizes the building inspector, with the concurrence of the city manager, to issue permits to remedy violations associated with dangerous buildings. The proposal prohibits the appointment of any person to a city committee, commission or board if that person has outstanding charges due to the city or outstanding, documented, code violations. The proposed ordinance would direct appeals of the denial of services, permits, or approvals to the city manager, rather than City Council, as is the case under the current ordinance.

(SPONSORS: STAFF)

Actions History

May 14, 2012 - Scheduled for Final Reading by City Council
April 23, 2012 - First Reading by City Council
April 9, 2012 - Considered by the Legislative, Finance, and Administration Committee

S:\ORDINANCES\2012\Draft\2012-10 - Chpt 1 - General Provisions, Sec 1-13 - Denial of Permits (Clean Hands) Final Rdg.wpd

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FINAL READING

CITY OF DOVER ORDINANCE # 2012-18
PROPOSED 2012-2013 BUDGET ORDINANCES

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

The amount hereinafter named aggregating Thirty Eight Million Three Hundred Sixty Four Thousand dollars ($38,364,000) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2012 and ending June 30, 2013:

GENERAL FUND
REVENUES AND BUDGET FOR 2012-2013

	2011/12 REVISED	2012/13 BUDGET
BEGINNING BALANCE	$ 3,561,837	$ 2,666,600
REVENUES		
FINES AND POLICE REVENUE	579,000	605,000
911 FEE	60,000	63,000
INVESTMENT INCOME	80,000	75,000
LIBRARY REVENUES	64,200	66,200
KENT COUNTY BOOK REIMBURSEMENT	385,800	405,900
BUSINESS LICENSES	1,475,000	1,455,000
PERMITS AND OTHER LICENSES	1,370,300	1,053,300
MISCELLANEOUS CHARGES	165,750	55,500
POLICE EXTRA DUTY	300,000	494,400
PROPERTY TAXES	10,983,400	10,997,400
BID REVENUE	51,800	51,600
RECREATION REVENUE	130,000	130,000
FRANCHISE FEE	540,000	550,000
TRASH FEES	1,966,000	2,050,000
RENT REVENUE - GARRISON FARM	62,000	62,000
COURT OF CHANCERY FEES	819,800	753,800
REVENUES SUBTOTAL	19,033,050	18,868,100
INTERFUND SERVICE RECEIPTS		
INTRAFUND SERVICE RECEIPTS WATER/WASTEWATER	930,000	1,104,600
INTRAFUND SERVICE RECEIPTS ELECTRIC	3,270,800	3,224,500
INTERFUND SERVICE RECEIPTS SUBTOTAL	4,200,800	4,329,100
GRANTS		
POLICE RELATED	60,000	85,000
CAPITAL SCHOOL DISTRICT REVENUE	-	-
POLICE PENSION GRANT	593,500	500,000
RECREATION GRANTS	35,383	-
HOMELAND SECURITY GRANT	104,676	-
UNIVERSAL RECYCLING GRANT	79,873	-
GREEN ENERGY GRANT	-	98,500
MISCELLANEOUS GRANTS	-	25,000
GRANTS SUBTOTAL	873,432	708,500
TRANSFERS FROM		
TRANSFER TAX	1,229,500	1,370,000
MUNICIPAL STREET AID	659,200	527,400
CIVIL TRAFFIC PENALTIES	720,000	750,000
WATER/WASTEWATER	424,508	500,000
FUTURE CAPACITY RESERVE	-	633,300
ELECTRIC	7,876,288	8,000,000
VERIZON AND CI RESERVES	-	11,000
TRANSFERS FROM SUBTOTAL	10,909,496	11,791,700
TOTAL REVENUES	35,016,778	35,697,400
TOTALS	**$ 38,578,615**	**$ 38,364,000**

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2012-2013 BUDGET ORDINANCES - CONTINUED
GENERAL FUND - REVENUES AND BUDGET FOR 2012-2013

DEPARTMENT EXPENSES	2011/12 REVISED	2012/13 BUDGET
CITY CLERK	$ 296,393	$ 326,900
COUNCIL	120,699	114,200
TAX ASSESSOR	213,175	187,500
FIRE	684,725	688,300
GROUNDS MAINTENANCE	979,922	993,300
LIBRARY	1,159,087	1,250,200
RECREATION	823,144	713,400
LIFE SAFETY	473,096	469,900
CODE INFORCEMENT	284,489	293,100
PLANNING	422,781	410,300
INSPECTIONS	553,907	592,200
ECONOMIC DEVELOPMENT	223,717	231,100
POLICE	12,955,807	13,195,200
POLICE EXTRA DUTY	430,600	579,400
STREETS	914,055	756,700
SANITATION	2,410,849	2,140,700
CITY MANAGER	622,127	420,000
INFORMATION TECHNOLOGY	685,871	642,700
FINANCE	852,283	879,500
PUBLIC SERVICES - ADMINISTRATION	472,692	468,600
FACILITIES MANAGEMENT	952,693	678,800
CENTRAL SERVICES	693,339	576,900
FLEET MAINTENANCE	695,422	712,700
CUSTOMER SERVICES	928,112	901,200
HUMAN RESOURCES	384,758	319,700
MAYOR	81,154	82,400
DEPARTMENT SUBTOTALS	29,314,897	28,624,900
OTHER EXPENSES		
DEBT SERVICE	327,270	624,200
CONTRIBUTION TO DDP	-	180,000
MISCELLANEOUS GRANT RELATED EXPENSES	-	25,000
OPEB UNFUNDED LIABILITY	239,532	-
INSURANCE	550,000	600,000
RETIREES HEALTH CARE	1,374,709	1,620,600
OTHER EMPLOYMENT EXPENSES	-	463,400
PENSION UNFUNDED LIABILITY	1,450,000	1,310,500
POLICE PENSION FUND	620,000	500,000
POLICE PENSION UNFUNDED LIABILITY	95,000	95,000
UNCOLLECTIBLES - TRASH AND OTHER	10,000	10,000
STREET LIGHTS	960,000	869,700
OTHER EXPENSE SUBTOTAL	5,626,511	6,298,400
TRANSFERS		
TRANSFER TO CAPITAL FUND - PROJECTS	770,600	613,400
TRANSFER TO CAPITAL FUND - RESERVE	200,000	-
TRANSFERS SUBTOTAL	970,607	613,400
TOTAL EXPENDITURES	35,912,015	35,536,700
CURRENT YEAR BALANCE	2,666,600	2,827,300
TOTALS	**$ 38,578,615**	**$ 38,364,000**

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

ADOPTED: *

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2012-2013 BUDGET ORDINANCES - CONTINUED

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

The amount hereinafter named aggregating Five Million Eight Hundred Sixty Four Thousand Six Hundred dollars ($5,864,600) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 2,2012 and ending June 30, 2013:

GOVERNMENTAL CAPITAL PROJECTS FUND
REVENUES AND BUDGET FOR 2012-2013

REVENUES

	2011/12 REVISED	2012/13 BUDGET
BEGINNING BALANCE - PROJECTS	$ 256,392	$ 294,400
BEGINNING BALANCE - LIBRARY	$ 100,962	$ -
REVENUES		
STATE GRANTS - OTHER	-	108,000
INTEREST EARNINGS	10,900	-
INCOME FROM SALE OF ASSETS	41,700	-
LOAN PROCEEDS - STREETS, CITY HALL FY12	-	2,000,000
LOAN PROCEEDS - GARRISON FARM FY13	-	2,000,000
TRANSFER FROM GENERAL FUND FOR PROJECTS	770,600	613,400
POLICE GRANTS	-	33,800
SUBTOTAL PROJECT RECEIPTS	823,200	4,755,200
STATE GRANTS - LIBRARY	6,559,900	884,200
DEMEC GRANT - LIBRARY	215,000	-
BTOP & GREENHOUSE GAS REDUCTION GRANTS - LIBRARY	90,000	-
KENT COUNTY LIBRARY CONTRIBUTION	795,000	250,000
TRANSFER FROM THE LIBRARY FOUNDATION	1,455,500	67,500
LIBRARY GREEN ENERGY/BRIDGE LOAN - LIBRARY	1,500,000	-
INCOME FROM SALE OF ASSETS - LIBRARY	-	1,200,000
CONSTRUCTION LOAN FOR LIBRARY	275,000	-
TRANSFER FROM COMMUNITY TRANSP FUND	68,000	
TRANSFER FROM LIBRARY RESERVE	2,590,800	-
FRIENDS OF THE LIBRARY DONATION	210,000	-
SUBTOTAL LIBRARY PROJECT RECEIPTS	13,759,200	2,401,700
TOTAL REVENUES	14,582,400	7,156,900
TOTAL BEGINNING BALANCE AND REVENUES	**$ 14,939,754**	**$ 7,451,300**

EXPENSE SUMMARY

DEPARTMENT EXPENSES	2011/12 REVISED	2012/13 BUDGET
FIRE	$ 244,820	$ 238,500
GROUNDS MAINTENANCE	-	112,000
LIBRARY	13,767,100	2,535,000
RECREATION	30,000	30,000
POLICE	65,000	197,000
STREETS	356,460	1,974,000
SANITATION	136,500	150,000
FACILITIES MAINTENANCE	-	381,000
INFORMATION TECHNOLOGY	6,400	57,000
MAYOR	-	33,000
DEPARTMENT SUBTOTAL	14,606,280	5,707,500
LOAN ISSUANCE COSTS	-	56,000
TRANSFER TO CAPITAL ASSET RESERVE	39,100	-
TRANSFER TO COMMUNITY TRANSP FUND	-	1,606,700
CURRENT YEAR BALANCE	294,374	81,100
TOTALS	**$ 14,939,754**	**$ 7,451,300**

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

ADOPTED: *

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2012-2013 BUDGET ORDINANCES - CONTINUED

GENERAL FUND CONTINGENCY
CASH RECEIPTS/REVENUES AND BUDGET FOR 2012-2013

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:
The amount hereinafter named aggregating Seven Hundred Thirty One Thousand One Hundred dollars ($731,100) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2012 and ending June 30, 2013:

CASH RECEIPTS

	2011/12 REVISED	2012/13 BUDGET
BEGINNING BALANCE	$ 711,747	$ 721,400
INTEREST EARNED	9,653	9,700
TOTALS	**$ 721,400**	**$ 731,100**

EXPENSE SUMMARY

	2011/12 REVISED	2012/13 BUDGET
CARRY FORWARD TO NEXT YEAR	$ 721,400	$ 731,100
TOTALS	**$ 721,400**	**$ 731,100**

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

ADOPTED: *

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2012-2013 BUDGET ORDINANCES - CONTINUED

GENERAL CAPITAL ASSET REPLACEMENT FUND
CASH RECEIPTS/REVENUES AND BUDGET FOR 2012-2013

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:
The amount hereinafter named aggregating Five Hundred Three Thousand dollars ($503,000) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2012 and ending June 30, 2013:

CASH RECEIPTS

	2011/12 REVISED	2012/13 BUDGET
BEGINNING BALANCE	$ 253,420	$ 500,000
RECEIPTS		
INTEREST EARNINGS	7,500	3,000
TRANSFER FROM GENERAL FUND	200,000	-
TRANSFER FROM GOVERNMENTAL CAPITAL PROJ. FUND	39,100	-
TOTAL RECEIPTS	246,600	3,000
TOTALS	**$ 500,020**	**$ 503,000**

EXPENSE SUMMARY

	2011/12 REVISED	2012/13 BUDGET
CARRY FORWARD TO NEXT YEAR	$ 500,020	$ 503,000
TOTALS	**$ 500,020**	**$ 503,000**

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

ADOPTED: *

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2012-2013 BUDGET ORDINANCES - CONTINUED

MUNICIPAL STREET AID FUND
CASH RECEIPTS/REVENUES AND BUDGET FOR 2012-2013

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:
The amount hereinafter named aggregating Five Hundred Twenty Seven Thousand Five Hundred dollars ($527,500) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2012 and ending June 30, 2013:

CASH RECEIPTS

	2011/12 REVISED	2012/13 BUDGET
BEGINNING BALANCE	$ 102	$ 100
STATE GRANT	526,814	527,400
TOTALS	**$ 526,916**	**$ 527,500**

BUDGET SUMMARY

	2011/12 REVISED	2012/13 BUDGET
TRANSFER TO GENERAL FUND	$ 526,816	$ 527,400
CURRENT YEAR BALANCE	100	100
TOTALS	**$ 526,916**	**$ 527,500**

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

ADOPTED: *

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2012-2013 BUDGET ORDINANCES - CONTINUED

WATER/WASTEWATER FUND
REVENUES AND BUDGET FOR 2012-2013

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

The amount hereinafter named aggregating Fifteen Million One Hundred Sixty One Thousand Six dollars ($15,161,600) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2012 and ending June 30, 2013:

	2011/12 REVISED	2012/13 BUDGET
BEGINNING BALANCE - WATER	$ 2,567,172	$ 865,100
BEGINNING BALANCE - WASTEWATER	1,929,346	853,000
BEGINNING BALANCE - KCSA	(1,243,243)	(553,500)
TOTAL BEGINNING BALANCES	3,253,275	1,164,600
BASE REVENUE		
WATER FEES	4,700,000	4,730,700
WASTEWATER FEES	3,756,700	3,834,600
WASTEWATER ADJUSTMENT FEES	3,050,700	3,090,800
GROUNDWATER INFLOW ADJUSTMENT	1,239,000	1,257,600
WATER TANK SPACE LEASING	307,600	313,500
SEWER IMPACT FEES	323,000	317,000
WATER IMPACT FEES	357,000	350,000
INTEREST - WATER	10,600	8,700
INTEREST - WASTEWATER	17,200	17,100
MISCELLANEOUS SERVICE FEE	58,000	77,000
TOTAL REVENUES	13,819,800	13,997,000
TOTAL BEGINNING BALANCES AND REVENUES	**$ 17,073,075**	**$ 15,161,600**

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2012-2013 BUDGET ORDINANCES - CONTINUED

	2011/12 REVISED	2012/13 BUDGET
DIRECT EXPENSES		
ENGINEERING & INSPECTION	$ 622,230	$ 597,900
WATER CONSTRUCTION	409,988	345,700
WATER DEPARTMENT	382,655	408,200
WATER TREATMENT PLANT	1,543,114	1,522,600
WASTEWATER DEPARTMENT	959,735	993,000
DIRECT EXPENDITURE SUBTOTAL	3,917,722	3,867,400
OTHER EXPENSES		
DEBT SERVICE - WATER	320,853	532,100
DEBT SERVICE - WASTEWATER	416,083	731,500
RETIREES HEALTH CARE	190,830	220,000
UNCOLLECTIBLES	5,000	5,000
OPEB UNFUNDED LIABILITY	372,417	-
OTHER EMPLOYMENT EXPENSES	-	16,200
KENT COUNTY TREATMENT CHARGE	3,600,000	3,600,000
PENSION UNFUNDED LIABILITY	228,400	309,800
INTRAFUND SERVICE FEES	1,228,596	1,235,400
INVENTORY/FIXED ASSET WRITEOFFS	10,000	5,000
OTHER EXPENSES SUBTOTAL	6,372,179	6,655,000
TRANSFER TO		
GENERAL FUND FROM WATER	238,842	250,000
GENERAL FUND FROM WASTEWATER	185,666	250,000
WATER IMP AND EXT	2,750,000	1,700,000
WASTEWATER IMP AND EXT	2,000,000	1,200,000
WATER IMPACT FEE RESERVE	36,147	-
TRANSFER TO CONTINGENCY WASTEWATER	8,000	-
CAPITAL ASSET RESERVE WATER	100,000	70,000
CAPITAL ASSET RESERVE WASTEWATER	300,000	22,000
TRANSFER TO SUBTOTAL	5,618,655	3,492,000
TOTAL EXPENSES	15,908,556	14,014,400
CURRENT YEAR BALANCES		
CURRENT YEAR BALANCE WATER	865,100	482,700
CURRENT YEAR BALANCE WASTEWATER	852,962	664,500
CURRENT YEAR BALANCE KCSA	(553,543)	-
CURRENT YEAR BALANCE SUBTOTALS	1,164,519	1,147,200
TOTAL CURRENT YEAR BALANCES AND EXPENSES	**$ 17,073,075**	**$ 15,161,600**

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

ADOPTED: *

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2012-2013 BUDGET ORDINANCES - CONTINUED

WATER/WASTEWATER IMPROVEMENT & EXTENSION FUND
CASH RECEIPTS/REVENUES AND BUDGET FOR 2012-2013

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

The amount hereinafter named aggregating Eleven Million Five Hundred Sixty Thousand Four Hundred dollars ($11,560,400) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2012 and ending June 30, 2013:

CASH RECEIPTS

	2011/12 REVISED	2012/13 BUDGET
PRIOR YEAR BALANCE - WATER	$ 1,537,774	$ 3,071,800
PRIOR YEAR BALANCE - WASTEWATER	339,673	1,013,600
TOTAL BEGINNING BALANCES	1,877,447	4,085,400
RECEIPTS		
BOND PROCEEDS - WATER - 2013 ISSUE	-	2,000,000
BOND PROCEEDS - WASTEWATER - 2013 ISSUE	-	2,000,000
INTEREST INCOME	-	25,000
STATE LOAN-WATER 2010 ISSUE	1,923,489	-
STATE LOAN-WASTEWATER 2009 ISSUE	1,259,850	-
STATE LOAN-WASTEWATER 2011 ISSUE	765,060	-
TRANS FR WATER/WASTEWATER FOR WATER	2,750,000	1,700,000
TRANS FR WATER/WASTEWATER FOR WASTEWATER	2,000,000	1,200,000
TRANSFER FROM WATER IMPACT FEE RESERVE	-	250,000
TRANSFER FROM WASTEWATER IMPACT FEE RESERVE	867,032	300,000
TOTAL RECEIPTS	9,565,431	7,475,000
TOTALS	**$ 11,442,878**	**$ 11,560,400**

CASH RECEIPTS/REVENUES AND BUDGET FOR 2012-2013

EXPENSE SUMMARY

EXPENSES	2011/12 REVISED	2012/13 BUDGET
WATER	$ 3,086,468	$ 5,140,000
WASTEWATER	4,217,976	3,817,300
WATER TREATMENT PLANT	22,900	24,100
WATER CONSTRUCTION	30,100	31,000
ENGINEERING & INSPECTION	-	23,400
BOND ISSUANCE COST & DEBT SERVICE RESERVE	-	344,000
TOTAL EXPENSES	7,357,444	9,379,800
CURRENT YEAR BALANCE - WATER	3,071,795	1,675,500
CURRENT YEAR BALANCE - WASTEWATER	1,013,639	505,100
CURRENT YEAR BALANCE SUBTOTALS	4,085,434	2,180,600
TOTALS	**$ 11,442,878**	**$ 11,560,400**

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

ADOPTED: *

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2012-2013 BUDGET ORDINANCES - CONTINUED

WATER/WASTEWATER CAPITAL ASSET RESERVE
CASH RECEIPTS/REVENUES AND BUDGET FOR 2012-2013

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:
The amount hereinafter named aggregating One Million Two Thousand One Hundred dollars ($1,002,100) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2012 and ending June 30, 2013:

CASH RECEIPTS

	2011/12 REVISED	2012/13 BUDGET
BEGINNING BALANCE - WATER	$ 315,695	$ 425,800
BEGINNING BALANCE - WASTEWATER	167,966	473,000
TOTAL BEGINNING BALANCES	483,661	898,800
RECEIPTS		
INTEREST EARNINGS - WATER	4,105	5,300
INTEREST EARNINGS - WASTEWATER	5,034	6,000
TRANSFER FROM WATER	100,000	70,000
TRANSFER FROM WASTEWATER	300,000	22,000
TRANSFER FROM WATER/WASTEWATER CONTINGENCY	6,000	-
TOTAL RECEIPTS	415,139	103,300
TOTALS	**$ 898,800**	**$ 1,002,100**

EXPENSE SUMMARY

	2011/12 REVISED	2012/13 BUDGET
CURRENT YEAR BALANCE - WATER	$ 425,800	$ 501,100
CURRENT YEAR BALANCE - WASTEWATER	473,000	501,000
CURRENT YEAR BALANCE SUBTOTALS	898,800	1,002,100
TOTALS	**$ 898,800**	**$ 1,002,100**

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

ADOPTED: *

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2012-2013 BUDGET ORDINANCES - CONTINUED

WATER/WASTEWATER CONTINGENCY RESERVE
CASH RECEIPTS/REVENUES AND BUDGET FOR 2012-2013

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:
The amount hereinafter named aggregating Two Hundred Ninety Two Thousand Nine Hundred dollars ($292,900) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2012 and ending June 30, 2013:

CASH RECEIPTS

	2011/12 REVISED	2012/13 BUDGET
BEGINNING BALANCE - WATER	$ 108,540	$ 109,543
BEGINNING BALANCE - WASTEWATER	$ 178,973	$ 179,975
TOTAL BEGINNING BALANCES	$ 287,513	$ 289,518
RECEIPTS		
INTEREST EARNINGS	8,005	3,382
TOTAL RECEIPTS	8,005	3,382
TOTALS	**$ 295,518**	**$ 292,900**

BUDGET SUMMARY

EXPENSES	2011/12 REVISED	2012/13 BUDGET
TRANSFER TO CAPITAL ASSET RESERVE	$ 6,000	$ -
TOTAL EXPENSES	6,000	-
CURRENT YEAR BALANCE - WATER	109,543	110,900
CURRENT YEAR BALANCE - WASTEWATER	179,975	182,000
CURRENT YEAR BALANCE SUBTOTALS	289,518	292,900
TOTAL EXPENSES AND CURRENT YEAR BALANCES	**$ 295,518**	**$ 292,900**

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

ADOPTED: *

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2012-2013 BUDGET ORDINANCES - CONTINUED

ELECTRIC REVENUE FUND
REVENUES AND BUDGET FOR 2012-2013

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:
The amount hereinafter named aggregating One Hundred Million Six Hundred Ninety Four Thousand Two Hundred dollars ($100,694,200) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2012 and ending June 30, 2013:

	2011/12 REVISED	2012/13 BUDGET
BEGINNING BALANCE	$ 12,292,573	$ 7,184,000
BASE REVENUE		
DIRECT SALES TO CUSTOMER	95,674,800	85,071,400
PURCHASE POWER ADJUSTMENT	(6,011,300)	-
UTILITY TAX	1,700,000	1,595,200
MISCELLANEOUS REVENUE	850,700	850,700
RENT REVENUE	225,000	225,000
GREEN ENERGY	129,000	129,000
INTEREST EARNINGS	150,000	107,800
TRANSFER FROM RATE STABILIZATION	1,000,000	5,400,000
INTRAFUND SERVICE RECEIPTS WATER/WASTEWATER	240,200	130,800
TOTAL REVENUES	93,958,400	93,509,900
TOTALS	**$ 106,250,973**	**$ 100,693,900**

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ELECTRIC REVENUE FUND - CONTINUED
REVENUES AND BUDGET FOR 2012-2013

	2011/12 REVISED	2012/13 BUDGET
EXPENSES		
POWER SUPPLY	$ 42,047,430	$ 39,468,900
SOLAR ENERGY	1,618,924	1,414,500
POWER SUPPLY MANAGEMENT	1,170,000	996,000
PJM CHARGES - LOAD	13,424,472	17,508,300
CAPACITY CHARGES	8,506,512	12,564,800
SUB-TOTAL POWER SUPPLY	66,767,338	71,952,500
PLANT OPERATIONS	5,964,817	5,914,900
GENERATIONS FUELS	664,641	586,000
PJM SPOT MARKET ENERGY	-	(772,700)
PJM CREDITS	(1,285,675)	(427,000)
CAPACITY CREDITS	(7,388,283)	(14,318,600)
GENERATION SUBTOTAL	(2,044,500)	(9,017,400)
POWER SUPPLY & GENERATION SUBTOTAL	64,722,838	62,935,100
DIRECT EXPENDITURES		
TRANSMISSION/DISTRIBUTION	3,162,026	3,223,600
ELECTRICAL ENGINEERING	1,177,060	1,163,900
ADMINISTRATION	602,715	501,200
METER READING	215,208	212,500
SYSTEMS OPERATIONS	473,895	517,600
DIRECT EXPENDITURE SUBTOTALS	5,630,904	5,618,800
OTHER EXPENSES:		
UTILITY TAX	1,700,000	1,595,200
ALLOW FOR UNCOLLECTIBLES	150,000	150,000
CONTRACTUAL SERVICES - RFP'S	75,000	190,000
RETIREES HEALTH CARE	646,510	696,500
OTHER EMPLOYMENT EXPENSES	-	157,900
TRANSFER TO PENSION UNFUNDED LIABILITY	1,110,500	1,074,200
OPEB UNFUNDED LIABILITY	1,688,847	-
GREEN ENERGY PAYMENT TO DEMEC	129,000	129,000
INTRAFUND SERVICE FEES	3,270,800	3,224,500
INTEREST ON DEPOSITS	54,500	35,000
INVENTORY WRITE OFFS	175,000	175,000
DEBT SERVICE	3,336,800	3,323,600
OTHER EXPENSES SUBTOTAL	12,336,957	10,750,900
TRANSFER TO		
IMPROVEMENT & EXTENSION	3,500,000	3,500,000
GENERAL FUND	7,876,288	8,000,000
RATE STABILIZATION RESERVE	5,000,000	-
TRANSFER TO SUBTOTAL	16,376,288	11,500,000
TOTAL EXPENSES	99,066,987	90,804,800
CURRENT YEAR BALANCE	7,183,986	9,889,100
TOTALS	**$ 106,250,973**	**$ 100,693,900**

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

ADOPTED: *

DRAFT

2012-2013 BUDGET ORDINANCES - CONTINUED

ELECTRIC UTILITY IMPROVEMENT AND EXTENSION FUND
CASH RECEIPTS/REVENUES AND BUDGET FOR 2012-2013

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:
The amount hereinafter named aggregating Six Million Eight Hundred Five Thousand Three Hundred dollars ($6,805,300) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2012 and ending June 30, 2013:

CASH RECEIPTS

	2011/12 REVISED	2012/13 BUDGET
BEGINNING BALANCE	$ 3,175,375	$ 2,714,600
RECEIPTS		
INTEREST EARNINGS	25,000	40,700
TRANSFER FROM DEPRECIATION RESERVE	300,000	-
TRANSFER FROM FUTURE CAPACITY RESERVE	-	550,000
TRANSFER FROM INSURANCE STABILIZATION	70,730	-
TRANSFER FROM ELECTRIC	3,500,000	3,500,000
TOTAL RECEIPTS	3,895,730	4,090,700
TOTALS	**$ 7,071,105**	**$ 6,805,300**

EXPENSE SUMMARY

EXPENSES	2011/12 REVISED	2012/13 BUDGET
ELECTRIC GENERATION	$ 1,897,455	$ 1,441,300
TRANSMISSION AND DISTRIBUTION	648,337	596,000
ELECTRICAL ENGINEERING	1,790,716	1,932,700
METER READING	20,000	-
TOTAL EXPENSES	4,356,508	3,970,000
CURRENT YEAR BALANCE	2,714,597	2,835,300
TOTALS	**$ 7,071,105**	**$ 6,805,300**

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

ADOPTED: *

DRAFT

2012-2013 BUDGET ORDINANCES - CONTINUED

ELECTRIC UTILITY CONTINGENCY RESERVE
CASH RECEIPTS/REVENUES AND BUDGET FOR 2012-2013

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:
The amount hereinafter named aggregating One Million Eighty Eight Thousand Eight Hundred dollars ($1,088,800) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2012 and ending June 30, 2013:

CASH RECEIPTS

	2011/12 REVISED	2012/13 BUDGET
BEGINNING BALANCE	$ 1,056,789	$ 1,072,700
RECEIPTS		
INTEREST EARNINGS	15,911	16,100
TOTAL RECEIPTS	15,911	16,100
TOTALS	**$ 1,072,700**	**$ 1,088,800**

EXPENSE SUMMARY

EXPENSES	2011/12 REVISED	2012/13 BUDGET
TRANSFER TO INSURANCE STABILIZATION RESERVE	-	272,600
TOTAL EXPENSES	**-**	**272,600**
CURRENT YEAR BALANCE	1,072,700	816,200
TOTALS	**$ 1,072,700**	**$ 1,088,800**

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

ADOPTED: *

DRAFT

2012-2013 BUDGET ORDINANCES - CONTINUED

ELECTRIC UTILITY DEPRECIATION RESERVE
SOURCES AND USE OF FUNDS FOR 2012-2013

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:
The amount hereinafter named aggregating Nine Million Nine Hundred Twenty Three Thousand Three Hundred dollars ($9,923,300) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2012 and ending June 30, 2013:

CASH RECEIPTS

	2011/12 REVISED	2012/13 BUDGET
BEGINNING BALANCE	$ 10,412,221	$ 9,772,300
INTEREST EARNINGS	160,079	151,000
TOTALS	**$ 10,572,300**	**$ 9,923,300**

BUDGET SUMMARY

	2011/12 REVISED	2012/13 BUDGET
TRANSFER TO IMPROVEMENT AND EXTENSION	$ 300,000	$ -
TRANSFER TO FUTURE CAPACITY	500,000	-
TRANSFER TO INSURANCE STABILIATION	-	58,500
CURRENT YEAR BALANCE	9,772,300	9,864,800
TOTALS	**$ 10,572,300**	**$ 9,923,300**

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

ADOPTED: *

DRAFT

2012-2013 BUDGET ORDINANCES - CONTINUED

ELECTRIC UTILITY FUTURE CAPACITY RESERVE
SOURCES AND USE OF FUNDS FOR 2012-2013

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

The amount hereinafter named aggregating Nine Million Nine Hundred Sixty Six Thousand Five Hundred dollars ($9,966,500) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2012 and ending June 30, 2013:

CASH RECEIPTS

	2011/12 REVISED	2012/13 BUDGET
BEGINNING BALANCE	$ 9,178,771	$ 9,826,500
RECEIPT FROM DEPRECIATION RESERVE	500,000	-
INTEREST EARNINGS	147,729	140,000
TOTALS	**$ 9,826,500**	**$ 9,966,500**

BUDGET SUMMARY

	2011/12 REVISED	2012/13 BUDGET
TRANSFER TO ELECTRIC I & E FUND	$ -	$ 550,000
TRANSFER TO GENERAL FUND	-	633,300
TRANSFER TO INSURANCE STABILIZATION	-	54,500
CURRENT YEAR BALANCE	9,826,500	8,728,700
TOTALS	**$ 9,826,500**	**$ 9,966,500**

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

ADOPTED: *

DRAFT

2012-2013 BUDGET ORDINANCES - CONTINUED

ELECTRIC UTILITY INSURANCE STABLIZATION RESERVE
SOURCES AND USE OF FUNDS FOR 2012-2013

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:
The amount hereinafter named aggregating Seven Hundred Twenty Nine Thousand One Hundred dollars ($729,100) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2012 and ending June 30, 2013:

CASH RECEIPTS

	2011/12 REVISED	2012/13 BUDGET
BEGINNING BALANCE	$ 403,335	$ 339,400
INTEREST EARNINGS	6,795	25,000
TRANSFER FROM ELECTRIC CONTINGENCY	-	272,600
TRANSFER FROM DEPRECIATION RESERVE	-	58,500
TRANSFER FROM FUTURE CAPACITY RESERVE	-	54,500
TOTALS	**$ 410,130**	**$ 750,000**

BUDGET SUMMARY

	2011/12 REVISED	2012/13 BUDGET
TRANSFER TO ELECTRIC IMPROVEMENT & EXTENSION	$ 70,730	$ -
CURRENT YEAR BALANCE	339,400	750,000
TOTALS	**$ 410,130**	**$ 750,000**

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

ADOPTED: *

DRAFT

2012-2013 BUDGET ORDINANCES - CONTINUED

ELECTRIC UTILITY RATE STABLIZATION RESERVE
SOURCES AND USE OF FUNDS FOR 2012-2013

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:
The amount hereinafter named aggregating Ten Million Four Hundred Six Thousand Four Hundred dollars ($10,406,400) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2012 and ending June 30, 2013:

CASH RECEIPTS

	2011/12 REVISED	2012/13 BUDGET
BEGINNING BALANCE	$ 6,160,168	$ 10,252,600
TRANSFER FROM ELECTRIC REVENUE FUND	5,000,000	-
INTEREST EARNINGS	92,432	95,000
TOTALS	**$ 11,252,600**	**$ 10,347,600**

BUDGET SUMMARY

	2011/12 REVISED	2012/13 BUDGET
TRANSFER TO ELECTRIC FUND	$ 1,000,000	$ 5,100,000
CURRENT YEAR BALANCE	10,252,600	5,247,600
TOTALS	**$ 11,252,600**	**$ 10,347,600**

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

ADOPTED: *

DRAFT

2012-2013 BUDGET ORDINANCES - CONTINUED

WORKERS COMPENSATION FUND
CASH RECEIPTS/REVENUES AND BUDGET FOR 2012-2013

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

The amount hereinafter named aggregating One Million Five Hundred Ninety Nine Thousand Seven Hundred dollars ($1,599,700) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2012 and ending June 30, 2013:

OPERATING REVENUES

	2011/12 REVISED	2012/13 BUDGET
PRIOR YEAR BALANCE	$ 1,936,697	$ 943,400
INTEREST INCOME	21,937	25,000
PREMIUM FROM CITY	24,528	626,700
INSURANCE REFUND	533,400	-
MISCELLANEOUS REVENUE	6,380	4,600
TOTALS	**$ 2,522,942**	**$ 1,599,700**

OPERATING EXPENSES

	2011/12 REVISED	2012/13 BUDGET
PROGRAM EXPENSES/SUPPLIES - CLAIMS	$ 1,451,640	$ 450,000
INSURANCE	57,402	68,300
BANK FEES	1,500	1,500
STATE OF DEL - SELF INSURANCE TAX	37,000	37,000
CONTRACTUAL SERVICES	32,000	32,000
TOTAL EXPENSES	1,579,542	588,800
CURRENT YEAR BALANCE	943,400	1,010,900
TOTALS	**$ 2,522,942**	**$ 1,599,700**

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

ADOPTED: *

DRAFT

2012-2013 BUDGET ORDINANCES - CONTINUED

COMMUNITY TRANSPORTATION IMPROVEMENT FUND
CASH RECEIPTS/REVENUES AND BUDGET FOR 2012-2013

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

The amount hereinafter named aggregating Two Million Three Hundred Forty Two Thousand Nine Hundred dollars ($2,342,900 or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2012 and ending June 30, 2013:

OPERATING REVENUES

	2011/12 REVISED	2012/13 BUDGET
PRIOR YEAR BALANCE	$ 435,200	$ 435,700
GRANTS REVENUE - DELDOT	300,000	300,000
TRANSFER FROM GENERAL	-	1,606,700
INTEREST INCOME	500	500
TOTALS	**$ 735,700**	**$ 2,342,900**

OPERATING EXPENSES

	2011/12 REVISED	2012/13 BUDGET
PROGRAM EXPENSES - DELDOT	$ 300,000	$ 700,000
PROGRAM EXPENSES - CITY STREET PROGRAM	-	1,606,700
LINCOLN PARK/CLARENCE STREET GRANT EXP.	-	-
CURRENT YEAR BALANCE	435,700	36,200
TOTALS	**$ 735,700**	**$ 2,342,900**

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

ADOPTED: *

DRAFT

2012-2013 BUDGET ORDINANCES - CONTINUED

PARKLAND/RECREATION RESERVE
CASH RECEIPTS/REVENUES AND BUDGET FOR 2012-2013

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

The amount hereinafter named aggregating Two Hundred Two Thousand Six Hundred dollars ($202,600) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2012 and ending June 30, 2013:

OPERATING REVENUES

	2011/12 REVISED	2012/13 BUDGET
PRIOR YEAR BALANCE	$ 196,672	$ 199,600
INTEREST INCOME	2,928	3,000
TOTALS	**$ 199,600**	**$ 202,600**

OPERATING EXPENSES

	2011/12 REVISED	2012/13 BUDGET
CURRENT YEAR BALANCE	199,600	202,600
TOTALS	**$ 199,600**	**$ 202,600**

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

ADOPTED: *

DRAFT

2012-2013 BUDGET ORDINANCES - CONTINUED

LIBRARY GRANT FUND
CASH RECEIPTS/REVENUES AND BUDGET FOR 2012-2013

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:
The amount hereinafter named aggregating Two Hundred Eighty Thousand Five Hundred dollars ($280,500) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2012 and ending June 30, 2013:

OPERATING REVENUES

	2011/12 REVISED	2012/13 BUDGET
BEGINNING BALANCE	$ 30,168	$ -
STATE GRANT	280,467	280,500
TOTALS	**$ 310,635**	**$ 280,500**

OPERATING EXPENSES

	2011/12 REVISED	2012/13 BUDGET
PROGRAM EXPENSES/SUPPLIES	$ 22,482	$ 15,300
OFFICE SUPPLIES	8,899	15,000
PRINTING/DUPLICATING	5,933	9,500
POSTAGE	500	200
BOOKS	112,053	95,000
FURNITURE	4,907	52,300
AUDIO VISUAL SUPPLIES	70,000	65,000
TRAINING/CONF/FOOD/TRAV	2,915	4,000
CONTRACTUAL SERVICES	4,150	-
OFFICE EQUIPMENT/REPAIRS & MAINT	-	4,200
COMPUTER HARDWARE	78,796	20,000
SUBTOTAL EXPENSES STATE GRANTS	310,635	280,500
CURRENT YEAR BALANCE	-	-
TOTALS	**$ 310,635**	**$ 280,500**

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

ADOPTED: *

Actions History

June 11, 2012 - First Reading by Council

June 25, 2012 - Scheduled for Final Reading by Council

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