SPECIAL COUNCIL MEETING
BUDGET REVIEW

A Special Council Meeting was held on May 30, 2017 at 6:00 p.m. with Council President Slavin presiding. Council members present were Mr. Anderson, Mr. Sudler (arrived at 6:06 p.m.), Mr. Neil, Mr. Lewis, Mr. Cole, Mr. Polce, Mr. Hare, and Mr. Lindell.

Staff members present were Mrs. Mitchell, Mrs. Lisiecki, and Mrs. McDowell. Mayor Christiansen was also present (arrived at 6:01 p.m.).

AGENDA ADDITIONS/DELETIONS
Mr. Lewis moved for approval of the agenda, seconded by Mr. Neil and unanimously carried.

Introduction and Presentation of Fiscal Year 2018 Recommended Budget
Council President Slavin explained that Mrs. Donna Mitchell, Acting City Manager, would provide a presentation on the budget that would be followed by a mark-up period when members could suggest cuts, additions, or actions that could be taken regarding the budget. He advised that a series of motions may be proposed and the recommended budget would then move through the ordinance process. Mr. Slavin noted that there would be additional opportunities to comment during the first and second readings of the budget ordinance, and this would also allow for last-minute adjustments that may be necessary based on the actions of the State legislature.

Mr. Slavin indicated that he had been working with Mrs. Mitchell to suggest what he thought Council might like to see in the budget based on discussions at Council and Committee meetings, as well as other conversations. He expressed his opinion that, perhaps for the first time in his career, members had been presented with a budget that was in alignment with where Dover should be as a city. Mr. Slavin stated that, typically, difficult requests are incorporated into the budget and it is then left to members to decide what to included and what to remove. He indicated that Mrs. Mitchell and her team had done the tremendous task of making some of those decisions at the department level, where Mr. Slavin thought they should be made, rather than at the Council level.

Mr. Slavin explained that he thought that the proposed budget was in alignment with the direction Council was headed because it met all fiscal policies, proposed no new taxes, and maintained the current fees, for the most part. He indicated that the fee increases included in the budget were for enterprises where outsourcing service was costing the City money, such as recycling. Mr. Slavin advised that the budget sought an equitable contribution from the not-for profit sector for its City services, noting that this had been discussed during the last two budgets. He stated that the budget would lower the electric rates across the City and fund a cost-of-living increase for retirees, which had not been provided for 11 years. Mr. Slavin indicated that the budget would solve the issue of funding the Police Department's Cadet Program, which had been a source of concern for everyone. Mr. Slavin indicated that the biggest change was that the budget was presented as collegial rather than adversarial, and he thanked Mrs. Mitchell and her team for preparing the budget. He stated that members would likely review it on a fund-by-fund basis and consider the General Fund, Electric Fund, Water/Wastewater Fund, and other managed funds.

Mr. Slavin advised that Council's role in the budget process was to review the budget, correct what they want to correct, and prescribe future actions. He indicated that the budget hearings were not

only about numbers but also a time to identify activities that members want to see completed over the next year and forecast what they want to accomplish. For example, Mr. Slavin stated that a year ago members had passed a measure to consider a public safety fee as a way to address the demand the City has from not-for-profit entities, which was included in this budget.

Mr. Hare commended Mrs. Mitchell and her staff for listening, knowing what needed to be done, and doing the work. Mr. Anderson stated that this was probably the best budget he had seen in his years of looking at the City's budget and the first budget document that he was proud of before Council had done anything with it. Mr. Sudler thanked Mrs. Mitchell for her hard work and stated that the information was very easy to read. Mr. Neil stated that he saluted Mrs. Mitchell in terms of the explanations, brevity, and reasons provided in the budget, and he thanked her for her efforts. He noted that he would be asking for clarification on some of the provisions. Mr. Lewis echoed the compliments and commended Mrs. Mitchell. He stated that he had reviewed the budget with a fine-toothed comb and had some questions, and he thanked Mrs. Mitchell for responding to him over the holiday weekend.

Highlights of Overall Budget

Mrs. Donna Mitchell, Acting City Manager, advised members that the total financial program for FY-2018 was proposed to be $143,079,600, including an operating budget of $130,522,000 and a capital investments budget of $12,557,600, which would be an increase of 3.3% over the original FY-2017 financial program. She explained that the budget recommendation included a cost-of-service rate increase for sanitation operations and police extra duty services. Mrs. Mitchell stated that past discussions regarding a public safety fee for tax-exempt properties would be addressed, with a preliminary recommendation for discussion and approval. She noted that a distribution of the FY-2016 excess earnings for the electric utility was recommended as a Power Cost Adjustment (PCA) credit of .00855 cents, representing $6.2M or 5.5% of revenue for the utility.

Mrs. Mitchell expressed her sincere gratitude for the cooperation and understanding that she received from department heads as they helped her to put the budget together. She advised that revenues and expenses were compared to historical and recent trends, and State and grant revenues were included as if historical trends would be maintained, except for transfer taxes, which were adjusted downward by a quarter of a percent. Mrs. Mitchell indicated that revenue sources that could still be affected included the library, recreation and police grants, municipal street aid, and the State Payment in Lieu of Taxes (PILOT).

Mrs. Mitchell explained that emphasis was put on maintaining FY-2017 budget levels for materials, supplies, and administrative expenses unless the trend indicated other wise. She stated that an example of this was police training, which was reduced to $50,000 from a request of $92,000. She indicated that the trend prior to FY-2016 was less than $40,000, and in FY-2016 it was $50,000. Mrs. Mitchell advised that since four (4) lieutenants and one (1) sergeant had attended the FBI academy over the last five (5) years; training was reduced to previous levels and the expectation was that the budget requirement should be less. She noted that she reviewed the reductions with the Police Chief.

In regard to the fleet maintenance program, Mrs. Mitchell stated that the maintenance expenses for vehicles, parts, and materials had been increased from the request of $275,000 to $325,000. She

explained that the average had been $308,000 over the last five (5) years and the amount was $321,000 in the prior year. Mrs. Mitchell noted that the department had been allowed to exceed the budget in this line item every year because these expenses were not realistically budgeted, which has been corrected in this budget.

Mrs. Mitchell informed members that computer tablets for field staff were added to improve efficiency and reduce trips to and from the office. She advised that the Electric Fund and plant budget were reduced to reflect running the generating units as peaking units with run hours for testing and training, which resulted in a reduction of $489,500 in the electric budget. Mrs. Mitchell advised that all vehicle replacement requests were reviewed for condition, mileage, hours, and usage, and the requested replacements originally totaled 39 items. She explained that, after final review, 18 items were included in the proposed budget. Mrs. Mitchell noted that the police fleet was reduced by three (3) vehicles without consideration of condition due to the budget shortfall. She stated that other reductions included backhoes, loaders, dump trucks, and trash trucks that were in fair condition. Mrs. Mitchell indicated that department heads were asked to review their fleets for utilization and provide an analysis of excess inventory, which resulted in the identification by the Public Works Department of 16 vehicles and pieces of equipment that could be disposed of due to age, mechanical issues, and duplication of equipment and/or lack of use. She noted that the Electric Department also had one (1) vehicle scheduled for replacement with low use and the direction chosen was to dispose of it and not replace it. Mrs. Mitchell commended the Public Works Department for their quick turnaround regarding this request and providing the information needed, stating that Mrs. Sharon Duca, Public Works Director, had been very helpful.

Mrs. Mitchell indicated that capital project construction was reprogrammed to FY-2019 for projects where engineering design and budget estimates were not completed. She stated that FY-2018 included engineering design estimates. Mrs. Mitchell explained that the Fire Department's purchase of Engine #7 was structured with biannual payments; therefore, only one (1) six-month payment was included in the budget, and the full effect of this purchase would be reflected in FY-2019.

Mrs. Mitchell explained that the processes she had she described had resulted in a change to the General Fund budget, where there had been a shortfall, from net revenues of -$8,197,000 including the Capital Investment Program (CIP), to positive $18,600, approximately $7M of which were funds for capital project reprogramming. She informed members that, other than a $150,000 appropriation to the Downtown Dover Partnership (DDP), no other economic development funds were included in the budget. Mrs. Mitchell advised that, last year, the differential of $90,000 between the amount that went to the DDP and the amount allocated for economic development was transferred to the City Manager's budget. Mrs. Mitchell advised that this $90,000 was not included in the proposed budget for economic development but had been absorbed in the overall budget.

Mrs. Mitchell advised members that the Cadet Program originally did not have the $68,000 needed to fund it; however, the Police Chief had indicated to her that the Police Department expected their fine revenues to increase to $68,000. She noted that this change was not yet included in the budget; however, staff would include it. Mrs. Mitchell stated that a request in the amount of $48,300 for a Special Enforcement Unit Police Clerk was not included in the budget, nor was a request for $56,500 for a Court Liaison Administrator. She explained that these requests related to a police public safety study that Council had not yet reviewed, and no items from this study were included in the budget.

Mrs. Mitchell indicated that new CIP items included a full Taser replacement program, with a current quote of $413,630, due to changes in technology. She advised that this item was not in the budget since the Police Chief had stated that replacement could be started next year and phased in over several years, rather than doing it all at once. Mrs. Mitchell informed members that a new CIP for a new evidence facility was estimated at $3M and was not included in the budget, nor was $250,000 for a new CIP for the Police Station's chiller replacement. She stated that other upcoming funding needs for the Police Department included body cameras and video storage; however, there were no estimates for these items at this time.

Mrs. Mitchell indicated that major building improvements or master plans were not included in the budget, nor were air quality reports received from the police station and Weyandt Hall regarding HVAC issues. She stated that other items not included were necessary painting and repairs, parking lots in need of repaving, and the complete clean-up of Schutte Park. Mrs. Mitchell expressed the desire to start a pilot GPS program for the Metering Division at a cost of $1,500, noting that she would be requesting that this be put into the Electric Department before completion of the budget hearings.

Mrs. Mitchell indicated that a recreation manager or director was not included in the budget and there was an estimate of approximately $90,000 for salary and benefits for this position. She noted that the Planning Department would like to have an additional building inspector sometime in the future, with salary and benefits totaling approximately $60,000 dollars. Mrs. Mitchell indicated that a master plan for Dover Park was not included in the budget but was included in the FY-2017 budget, and these funds would be rolled forward to next year.

Mrs. Mitchell indicated that Kent County Tourism had requested $20,000; however, the budget included $18,500, which was the same level of funding that they received in prior years. She explained that it was communicated to department heads that there would be no upgrades or promotions unless evaluations were completed and they demonstrated that a promotion or upgrade was warranted, noting that this was something that Council had expressed concerns about in prior years. Mrs. Mitchell explained that a 2% raise for non-bargaining employees had been programmed; however, this raise would come with caveats. She stated that if there was no raise, enforcing the evaluation process would become a moot point.

Mrs. Mitchell advised that potential changes could be made to the budget. She indicated that she had included a $38,400 biannual payment for a fire truck in the budget and that amount could be removed if members opted to make annual payments instead, since the payment would then be made in the FY-2019 budget. She noted that those funds could be used for economic development if needed. Mrs. Mitchell informed members that closing the library on holidays would save $7,000 in overtime.

Mayor Christiansen questioned what the delivery time frame was for the fire truck and when it would be ordered. Responding, Mr. Mitchell stated that, if approved, the purchase would probably be brought forward in July, noting that bids had already been received. She explained that it would take at least a year to build the truck, the payment would be due in arrears, and the first payment would be due a year after the truck was received, which would be in FY-2019. Responding to

Mayor Christiansen, Mrs. Mitchell indicated that the first payment would be made upon delivery of this piece of equipment.

Mayor Christiansen stated his understanding that the Fire Department had looked into a lease agreement and decided instead to purchase. In response, Mrs. Mitchell advised that the City guarantees these loans and she had structured them with a seven-year financing plan. Mayor Christiansen asked if this truck would be a Dover Delaware pumper that is standard across the board. Responding, Mrs. Mitchell explained that this would be a replacement for Engine #7.

Mr. Sudler questioned if Mrs. Mitchell foresaw an opportunity for another earmark in the budget for Dover Park. In response, Mrs. Mitchell advised that funds from the reserve would be used for various CIPs next year and $190,000 was the amount estimated from the reserve to implement the Schutte Park Master Plan. She indicated that just over $150,000 would then remain, including an $80,000 earmark and $50,000 for the Dover Park Master Plan. Mrs. Mitchell advised that she had known that those projects would not be completed this year and had placed the money in the reserve for next year.

Mrs. Mitchell began reviewing the City of Dover FY 2017-2018 Draft Operating Budget with FY 2018-2022 Capital Investment Plans.

Referring to Policy Compliance (page 10), Mrs. Mitchell explained that the City's policies require revenues to equal or exceed expenses and an ending budget balance of 8% to 12% in each fund. She stated that the City cannot expend more than collects and revenues are to be conservative.

Referring to Policy Compliance (continued) (page 11), Mr. Slavin asked Mrs. Mitchell to explain to new members why the City's revenues and expenses are very close, yet the City ends up with a sizeable budget balance. Responding, Mrs. Mitchell indicated that the budget balance will end up higher than the 8% minimum level because the balance of the estimated carry forward from this year is higher than 8%. She stated that the budget balance is carried forward each year, and staff tries not to utilize the prior year's earnings to balance the budget and to manage operations within current revenues, which is the purpose of the policy. Mrs. Mitchell pointed out the beginning budget balance of approximately $20M for the Electric Fund. She explained that, rather than showing the excess earnings from the PCA credit that she had mentioned earlier in that budget balance, she was counting it as a distribution of earnings. Mrs. Mitchell advised that the PCA would come out of the budget balance carryforward, although she was not doing this for the other funds. She stated that this was being done in the Electric Fund to rebate money to customers because these funds were basically an over-collection of prior year revenues. She explained that this was reflected in the calculation at the bottom of the page.

Mr. Slavin asked what the balance of the Rate Stabilization Reserve (RSR) would be if $5.2M was added to it. Responding, Mrs. Mitchell stated that it would amount to approximately $16M. Mr. Slavin advised that this reserve was used as an offset in case there is a spike in purchased power, rather than having to pass this cost to customers. Mrs. Mitchell explained that issues may arise, such as a spike in the cost of power or a City penalty for a forced outage at the plant, and the reserve helps to cover those types of issues. She indicated that the reserve has a revenue policy of no more than 20% and is over that 20%, because she had reserved $5.2M for the following year for a new rate

study and rate design approved by Council. Mrs. Mitchell stated that there had been discussions about the City's demand rates being too high for commercial customers. She advised that, when the rates are smoothed out, someone would have to assume the difference and she wanted to have money in the RSR to phase the new rate structure into the different customer classes. Mrs. Mitchell indicated that these funds were planned to come out of savings projections from this year, but the amount was just an estimate at this time since it had not been audited yet. She advised that the correct number for next year would be available once the audited balance was obtained.

Mr. Neil noted that there would be a credit on all electric bills and that different commercial rates were included. He stated there had been a promotional electric rate for Kraft and that Kraft's and others' rates would be dropped, at least on a temporary basis. Mr. Neil asked how this would fit into the current discussion. Responding, Mrs. Mitchell stated that Kraft was in the third year of a business retention rate that was developed to allow for the expansion of their business, and this rate would be coming to an end. She explained that she had worked with Mr. Justin Cressler, Plant Manager, Kraft Foods, and reviewed how the proposed budget would affect their rates. Mrs. Mitchell advised that the proposed rates would amount to approximately $0.075 per KWh and Mr. Cressler indicated this would be very helpful to them. She stated that the more volume a customer has, the more helpful the rate would be; for example, Dover Downs has high volume and it appeared that they would save an average of $12,000 per month with this credit. Mrs. Mitchell advised that this would be very helpful to the business community.

Mr. Neil stated that solar renewable power had a higher cost and questioned why the Dover Sun Park was receiving a discount on their electricity when the City was paying more for it. Responding, Mrs. Mitchell explained that, even though the City was paying a little more for solar, when the PCA credit is implemented, it would systematically be applied to everyone who has kilowatt consumption.

Referring to City Revenue - Rates & Fees (page 12), Mrs. Mitchell noted that development of a public safety fee was recommended for mid-year consideration. She explained that no revenue was included in the budget for this fee, noting that the fee had not yet been developed.

Mr. Lewis asked how the public safety fee would be calculated. In response, Mrs. Mitchell stated that staff was working on this now and was looking at an amount of probably $0.02 of assessed value for non-profit organizations and noted that there were other considerations. Mr. Neil asked if this would be based on the assessed value of homes or businesses. Responding, Mrs. Mitchell stated that it would be based on the assessed value of non-profit properties. Mr. Hare suggested a minimum public safety fee of $150 and a maximum of $15,000.

Mr. Slavin stated that he had encouraged Mrs. Mitchell to include a public safety fee as part of the budget; however, she had rightfully said that a fiscally conservative policy would be to make sure that this revenue stream withstands a legal test and that the math formula used is correct. He noted that any good government or other entity looks at revenue and waits for it to mature, rather than plugging holes in a budget with a new revenue model that might spike and then drop. Mr. Slavin thanked Mrs. Mitchell for this conservative approach. He noted that none of the revenues that this measure may, or may not, generate were included as part of the budget and the City would not depend on it; however, it was something that the City had been moving toward.

In reference to All Major Operating Funds - Personnel (page 13), Mrs. Mitchell advised that it was proposed to increase the total headcount by four (4) full-time positions, including a Budget Analysts and three (3) Customer Service positions that were approved earlier in the year.

Mr. Slavin noted that Mrs. Mitchell had addressed proposed staffing levels and asked how many positions staff had recommended to her. In response, Mrs. Mitchell advised that four (4) additional positions had been requested, including two (2) positions at the Police Department, an additional Building Inspector requested by the Planning Department, and a Recreation Director. She stated that eight (8) full-time positions had been discussed and four (4) were proposed.

In reference to General Fund Revenues (page 15), Mrs. Mitchell stated that transfer tax was down $463,400, which was a quarter of a percent. She noted that extra duty grant revenue was down $198,600 and explained that this would offset the extra duty expense, which she explained is billed to those who use these services.

Mr. Slavin noted the rate change for transfer tax from 1.5% to 1.25% and questioned if this change was made in anticipation of action by the General Assembly. Mrs. Mitchell responded that it was.

Mr. Hare questioned who prepares the billing for extra duty. In response, Mrs. Mitchell indicated that the Police Department does the calculation for the billing and sends it to Customer Service, who runs it through a financial system and bills it. Mr. Hare asked if the time spent on billing was included in the cost. Mrs. Mitchell stated that staff had developed an overhead rate for all operations, plus insurance, as well as a rate of $16.25 per hour if a vehicle is used in extra duty service. She noted that the hope was to at least break even. Mrs. Mitchell indicated that the amounts had not been breaking even this year and the last time it was calculated, even the police labor had not been covered. She advised that this was one of the reasons that a rate increase was recommended. Responding to Mr. Hare, Mrs. Mitchell stated that $16.25 was the same rate that the State charges for a car, but she was unsure how the hourly rate compared to the State.

Police Chief Marvin Mailey stated that he did not have figures in front of him; however, he believed that Delaware State troopers, on average, earn more than City police officers. He offered to obtain the State Police rates and provide them. *(City Clerk's Office Note: Subsequent to the meeting, Council was informed that the State's overhead rate for police officers was currently $68.00 per hour, and that the State's vehicle rate had increased from $16.25, when the revenue policy was first established, to $19.75 per hour.)*

Mr. Hare stated that the City should not offer extra duty if it is losing money. Responding, Chief Mailey stated that he understood Mr. Hare's concerns; however, he did not want to see a Delaware State trooper working extra duty at the Dover Mall or Dover Downs, which would occur if Dover officers were to vacate those jobs. He expressed the need for Delaware State Police to assist with large events, such as the Firefly Music Festival and NASCAR races; however, the City of Dover needed to police events in the City. Mrs. Mitchell explained that she had discussed the need for arate increase with Chief Mailey and he had agreed.

Mrs. Mitchell pointed out a $542,100 increase in sanitation fees. Mayor Christiansen questioned if this increase reflected current tipping fees for the landfill or if it was based on anticipation of an

increase by the State. Responding, Mrs. Mitchell stated that the increase was due to a combination of recycling fees and the cost of service. She noted that there was no increase in rates, other than recycling. Mayor Christiansen asked if the fees anticipated the new contract and Mrs. Mitchell stated that they did.

Mr. Lewis questioned how fines and police revenue are maintained and if they include civil fines. Responding, Mrs. Mitchell indicated that all City of Dover ordinances have civil penalties and are maintained through a software program that the Police Department manages. Mr. Lewis stated his understanding that criminal fines are split between the State and the City. In response, Mrs. Mitchell advised that anything that goes through the State courts is split; however, she was unsure what the split was.

Referring to FY-2018 Proposed Budget - General Fund Program Receipts & Expenditures (page 17), Mr. Anderson questioned if public safety included anything besides police and fire. Responding, Mrs. Mitchell stated that police, fire, code enforcement, ambulance, the Fire Marshal, and expenses for Mrs. Kay Sass, Public Information/Emergency Management Coordinator were included.

In reference to Property Taxes (page 18), Mrs. Mitchell pointed out that a $0.01 tax rate increase would equate to $309,075.40. Mr. Slavin noted that this was not a proposed increase but a reflection of the revenue a $0.01 property tax increase would raise.

Mr. Neil stated that it had previously been reported that a $2.1M investment in one of the City's power plants would gain more than between $11M and $14M. Mrs. Mitchell stated that this CIP item was included in the budget.

Electric Fund Power Cost Adjustment (PCA) Credit

Mrs. Mitchell reviewed the Electric Fund - PCA Credit (page 24), and noted that there was a recommended distribution of earnings in the amount of $6,176,700, or approximately 5.5% of revenue, as a result of a lower cost of service than projected for FY-2016. She indicated that a PCA credit of $.00855 was recommended and pointed out sample bills for various customers and customer classes. Responding to Mr. Slavin, she advised that the average residential bill would decrease by approximately 4.74%.

Sanitation Cost of Service Recommendation

In reference to FY2017/FY2018 Sanitation Rate Comparison (page 32), Mrs. Mitchell noted that a 23.53% increase was proposed for in-City customers and a 26.32% increase was proposed for out-of-City customers. She reviewed the Private Company Rates (page 33) and advised members that the City's rates were comparable to other companies and the County. She stated that, in FY-2016, the City lost approximately $42,500 on the sanitation operation with the increases in cost and she was showing a positive of $3,900 with these rates. Mrs. Mitchell noted that part of the reason for the increase was due to trying to clean up Schutte Park and dispose of the leaves and street debris, as well as the contractor increase. She advised that it was unknown how much Schutte Park could be cleaned up at this time because of the contractor's cost increase. Mrs. Mitchell explained that a phased approach would be used and the clean up could not be done all at once.

Mr. Sudler asked if staff had explored the option of looking at other contractors. Responding, Mrs. Mitchell stated that the new cost was based on current bids that were just completed. In response to Mr. Sudler, she stated that Council had not reviewed these bids, which were for the next fiscal year, and they would be on their next agenda.

Mr. Neil asked if the leaf and mulch giveaway program had been considered as a sellable item. Responding, Mrs. Mitchell stated that this service was not being sold at this time and that Mrs. Duca was working with her on alternative options.

Mr. Anderson noted that the out-of-City rates would be higher than commercial rates and asked if the intent was to pare back the number of out-of-City customers and have those who really want sanitation service pay for it. He also questioned if there would be an issue if some of the out-of-City customers were lost. Mrs. Mitchell indicated that this was the intent, stating that there were not a lot of out-of-City customers and staff wanted to focus on the City, which would cut down on travel and landfill costs. She advised that when she did the rate analysis and calculated the percentage of increase, she did not adjust it by class of customer and everyone received the same percentage of increase.

Public Safety Fee Recommendation

Referring to Public Safety Fee (page 40), Mrs. Mitchell advised that the proposed public safety fee would be applied to tax-exempt properties and billed monthly or annually at a rate approved by City Council. She noted that there would be a need to hold public hearings and develop an ordinance by January 1, 2018. Mrs. Mitchell explained that revenue based on an assessed value of $0.01 would be $128,500, including $99,800 from non-State properties and $28,700 from the State, if the State was included in the public safety fee.

Responding to Mr. Slavin, Mrs. Mitchell indicated that the amounts were annual. She noted that a rate of $0.03 would result in a total of $385,700, with $299,500 from non-State properties and $86,200 if the State was included. Mr. Hare stated that he was unsure if State property should be included in the public safety fee because the State was already providing a Payment in Lieu of Taxes (PILOT). He stated that he thought the City would be better off with a PILOT.

Responding to Mr. Slavin, Mrs. Mitchell stated that all State properties were included in the figures provided, including those properties that had been providing the City with a PILOT. She noted that staff had the same thoughts as Mr. Hare but wanted to see the comparison.

Mr. Hare noted that the City was included in a PILOT program that includes Georgetown, Dover, and Wilmington, and that even though the City of Dover has almost twice as much assessed value property than Wilmington, Wilmington receives 10 times more funding than Dover. He indicated that he did not think Dover would want to leave of this program.

Mr. Slavin indicated that the State designates which properties provide funding through the PILOT program, noting that such payments are not received for all State properties. Mrs. Mitchell advised that Delaware Technical and Community College is one such property.

Mayor Christiansen advised that he shared Mr. Hare's concern, noting that Mr. Hare was serving on Council when the City asked the State for money many years ago and they had to fight very hard to obtain the PILOT money. Mayor Christiansen expressed concern about doubling up; however, he noted that there may well be an institution that should be assessed the public safety fee due to the number of times the Fire Department is called to its location.

Mr. Hare indicated that many properties had been exempt for many years and suggested that there be a better review. He suggested that there were properties that should justify why they are tax exempt and that, once the public safety measure is approved, tax exempt status should be reviewed and it should not all be the responsibility of Mrs. Cheryl Bundek, Tax Assessor.

Responding to Mr. Lewis regarding how the rate was developed, Mrs. Mitchell explained that she had just started with a rate of $0.01. Mr. Lewis asked about a flat rate or a percentage of the nominal assessment of the property. Responding, Mrs. Mitchell advised that the proposed fee was based on the assessment. In regard to a flat rate, she stated that there were 234 non-profit properties, not including State properties.

Mr. Slavin stated that if Council wished to adopt this measure by ordinance in January, it would be brought up through the Committee in late October or early November and members would have a chance to vet it. He noted that Mr. Lewis and Mr. Hare shared concern that the same formula be used for everyone. Mr. Lewis agreed that there would have to be further discussion, stating that he had been curious how Mrs. Mitchell developed the rate and percentage. Mr. Hare indicated that there were many options and members must discuss them and determine what they would like to do.

Mr. Anderson asked if other options were being considered that may be based on possible demand, such as square footage. In response, Mrs. Mitchell indicated that staff would look at that option as well, but she was unsure if it would be helpful or not. She stated that she had been looking at impervious land, but it was not equitable to all properties because some are built upward and some outward. Mrs. Mitchell advised that square footage may be an option and staff would consider other options.

Mr. Anderson noted that if it was done by square footage, property owners may claim that they are being taxed even though they are tax exempt. He questioned if a fee would then be used. Responding, Mrs. Mitchell reiterated that staff was looking at all options.

Mr. Sudler asked if location was an option in regard to whether it was prime land area. In response, Mrs. Mitchell stated that location would probably be reflected more if assessed value was used rather than square footage.

Retirement Benefits

Referring to Recommended COLA - General Employee Plan Retirees (page 42), Mrs. Mitchell stated that a 2% COLA was recommended for General Pension Plan retirees, noting the budget included an appropriation to the Pension Fund to cover this cost. She advised members that, according to the actuary, elimination of Medicare Part B reimbursement would result in an insignificant savings to the City.

By unanimous consent, the meeting recessed at 7:11 p.m. and reconvened at 7:28 p.m.

Operating Department and Division Summaries

Mrs. Mitchell reviewed the Operating Department and Division Summaries, beginning with What You Need to Know (page 46). She noted that Other Post-Employment Benefits (OPEB) rates increased significantly with the inclusion of two (2) years of premium increases of approximately 25% in the latest actuary valuation. Mrs. Mitchell advised that the actuarial determined contribution for the OPEB and pension liabilities was included in the pension contribution percentage. She explained that OPEB relates to retirement medical benefits. Mrs. Mitchell noted that vacation sellback and education assistance were incorporated into a fund expense, rather than into the divisions as they were previously, and employees must submit requests for these items. She stated that the requests of all employees and departments are combined into an account and this becomes a fund expense, noting that this amount was reduced because employees always request more funding than is used. Mrs. Mitchell stated that when these funds are paid out, they are moved from that account to the department's account to cover the payout.

Mr. Slavin explained that the OPEB expense was not the result of something that the City did wrong but of something that the private sector had done wrong. He noted that pension liabilities were previously not booked, and there were some very high profile pension failures. Mr. Slavin explained that the Government Accounting Standards Board (GASB) then came out with standards that required the City to book this expense differently and fund the liability. He noted that many municipalities were left with deep holes to fill, and the City had been working to fill this hole for the better part of 10 or 15 years. Mrs. Mitchell noted that they began funding the liability in 2006.

In reviewing City Council's budget (page 49), Mrs. Mitchell noted that $10,000 was allocated for a diversity study. Mr. Slavin explained that he had asked for these funds, stating that a portion of the request was coming from the Human Resources Department. He noted that Council had asked for an update on the City's minority hiring practices and Equal Employment Opportunity (EEO) numbers. Mr. Slavin advised that the findings were not good and the City was not in alignment with where he thought it should be. He stated that, in the case of some filings, the City did not really look at the recruitment process, which was in need of some attention. Mr. Slavin expressed his thought that someone outside of City government should be brought in to look at this dispassionately and recommend how to move closer toward the goal of a workforce reflective of the population of the City.

In response to Mr. Sudler, Mrs. Mitchell advised that members had a few more days to use their discretionary funds for the year. She noted that the fiscal year would end on June 30, 2017 but asked that members not wait until the last minute.

Mrs. Mitchell reviewed the City Manager's budget (page 50) and pointed out an 11% increase in personnel due to the inclusion of $54,900 for a Budget Analyst position, which would be slightly offset by a reduction of four (4) part-time employees. She indicated that materials and supplies increased by $5,400, which included a $7,100 increase in expenses for the maintenance and warranty of new video and production equipment, which was offset by decreases in printing and computer hardware. Mrs. Mitchell noted that administrative expenditures were decreased by $105,200, $90,400 of which were funds left over from the prior Economic Development Department that were

removed from the City Manager's Budget. Mr. Lewis asked if this was under Mrs. Mitchell's jurisdiction. Responding, Mrs. Mitchell explained that approximately $30,000 remained under her jurisdiction and economic development was not included in the budget at all next year.

Mr. Anderson questioned how the video production of Council meetings would be accounted for, noting that the City no longer had the four (4) temporary employees who previously filmed meetings. Responding, Mrs. Mitchell explained that City Clerk's Office staff would handle filming, using video equipment that would be placed in the City Hall Conference Room. Mr. Sudler asked if the Clerk's Office would receive additional monetary funding for performing that duty. Mrs. Mitchell noted that the Clerk's Office staff members were exempt employees and would be attending the meetings anyway, and she asked if additional staff wages were needed for filming. Responding, Mrs. Traci McDowell, City Clerk, advised that Mr. Ron Dagley, who previously worked for Comcast, had indicated that he would like to come back and be trained on the new equipment, noting that he would have to be paid as he was previously if his services were used. She expressed the desire to consider using video production interns from Delaware Technical and Community College or Dover High School.

Mr. Slavin indicated that he had requested Outlook licenses for members of Council who chose to use them, noting that members currently were relying on their our own private email server solutions, which may not be the best practice for a public agency. He stated that other employees were required to use City-owned computers for email and suggested that Council may want to abide by their own policies. Mr. Slavin advised that this would make things easier when Freedom of Information Act (FOIA) requests come in. He indicated that having an Outlook address within the City was being looked at as optional and asked if this was put into the Clerk's Office budget. Responding, Ms. Tracey Lisiecki, Financial Reporting and Accounting Manager, stated that $1,600 was included in the City Clerk's Office budget for email licenses.

Mrs. Mitchell reviewed the Fire budget (page 55), explaining that personnel costs had increased by $4,700 due to increases in benefit costs, administrative expenses increased by $48,500 due to administrative and maintenance increases, and capital expenses totaled $184,100 for the annual loan payment on Ladder #1 and the replacement of Engine #7. She noted that the Fire Department receives an appropriation from the City each year, and they requested an increase in this appropriation for four (4) items. Mrs. Mitchell advised that $8,500 was requested for administrative staff and $25,000 for equipment. She indicated that she had agreed to the $8,500 for administrative staff and $40,000 for two (2) of the other items.

Mr. Neil questioned which items had been approved. In response, Mrs. Mitchell advised that there had not been an increase in the Fire Department's appropriation since the Haggerty & Haggerty report was done in approximately 2011. She noted that they had requested $25,000 for uniforms and gear, $10,000 for small tools, $10,000 for apparatus maintenance, and $8,500 for contractual services. Mrs. Mitchell explained that she had agreed to $10,000 for apparatus maintenance. She explained that personnel expenses had been reduced by $30,000 and the Fire Department's appropriation was increased by $30,000 because the Department was now paying the administrative assistant. Mrs. Mitchell stated that $30,000 of the $48,500 appropriation was coming from personnel.

Mr. Neil stated that there had been a question about a $5,000 expense for a fire hose and expressed his understanding that Mr. Lewis had made a contribution toward this from his discretionary funds. Responding, Mr. Lewis advised that he had not contributed for a fire hose but had made a donation to the Police Athletic League, on the advice of the Acting City Manager. Mr. Neil asked if there was an issue with the fire hose. Responding, Mrs. Mitchell noted that the City receives the Fire Department's financial statements because the City guarantees the loans on the Department's trucks, and the Department had $900,000 in the bank. She advised that she had explained to Robbins Hose Company staff that if the hose was detrimental and they needed a new one, they should have their treasurer buy a fire hose.

Responding to Mr. Lewis, Mrs. Mitchell stated that the $8,500 mentioned in contractual services was for the Fire Department's administrative assistant. She indicated that the assistant's working hours would be increased and his pay would increase from $30,000 to $38,500. In response to Mr. Lewis, Mrs. Mitchell explained that the City pays the dispatchers and Robbins Hose Company pays the administrative assistant.

Mr. Hare noted that members had all had a chance to review the budget.

Mr. Hare moved to proceed to the question period, seconded by Mr. Sudler and unanimously carried.

Mr. Lindell stated his understanding that the funding for the police cadets would come from the enforcement of fines, etc., through the Police Department. He asked if there was another plan to offset the funding if the number needed to make ends meet was not achieved. Responding, Mrs. Mitchell indicated that the Police Department had assured her that they would find the funding.

Mr. Slavin stated that a mid-year budget amendment would be made based on revenues and expenses at that time, when adjustments could be made to address anything that members were unable to address in the budget. He noted also that Mrs. Mitchell had provided a very conservative estimate on revenues and that he personally believed revenues would be higher than anticipated. Mr. Slavin stated that he believed that the City would be in a much better position than anticipated and would know a little earlier in the fiscal year. He noted that the *Wilmington News-Journal* reported two weeks prior that Mayor Mike Purzycki of Wilmington turned down a grant for more police because the money would not be guaranteed after a certain period of time, costs would then have to be assumed by the city, and Wilmington could not afford to commit to the cost. Mr. Slavin advised that Dover must be careful about those kinds of commitments. He stated that the cadet program was a great program; however, operational costs were paid with a one-time settlement. Mayor Christiansen stated that it was a settlement from the Bank of America.

Mr. Sudler stated that he foresaw a request for additional funding for more officers from the Dover Police Department, especially because of recent shootings, etc. He asked if there had been any discussion about more officers. Responding, Mrs. Mitchell advised that there had been no discussion with her about additional officers. She stated that the only thing that was discussed was an additional head count that she had mentioned previously as a result of the public safety study, noting that this discussion took place before the recent shootings.

Mayor Christiansen stated that he shared Mr. Sudler's concerns about the recent incidents, and he, Police Chief Mailey, and Police Department staff had developed additional redeployment efforts utilizing current staff. Mayor Christiansen stated that this was a temporary situation because it had been stated that there would be zero tolerance in the City and he did not foresee the need to incur extra expenses. He stated that the Department would use its resources better and redeploy its assets to make sure that the entire City is a safe place.

Mr. Hare asked if police staffing was at the approved level or if officers were in training, and whether the Department was still losing and gaining employees. Responding, Chief Mailey stated that the full strength of the force was authorized at 101 officers and they were currently at 100. He advised that there were plans to send one (1) officer through the Delaware State Police Academy in September; therefore, the force was at nearly 100%.

Mr. Neil referred to the FY 2018 Capital Investment Plan Brine Manufacturing System project (page 150), which would pre-treat roads. He noted that this was a minor item and he was not opposed, but he questioned what the savings would be. Responding, Mrs. Mitchell stated that this machine was moved out to a later year and was no longer in the FY-2018 budget because of the budget shortfall in the General Fund. She noted that she had moved out several CIP items, such as equipment, vehicles, and projects, if they were not fully engineered, designed, and calculated at the time. Responding to Mrs. Mitchell regarding the related savings, Mrs. Duca stated that the savings would be a transferred cost. Mrs. Mitchell stated that this savings would offset another cost.

Mr. Neil stated that a presentation made to Council by the Delaware Municipal Electric Corporation (DEMEC) indicated that LED lighting would be available at a lower cost and asked if there had been thought given to accessing the program. In response, Mrs. Mitchell stated that she had a meeting scheduled with DEMEC in the next couple of weeks to discuss the LED program. She indicated that she wanted to look at LED lighting throughout the whole City as a turnkey solution, whether through DEMEC or other companies. Mrs. Mitchell advised that she would probably put out an RFP and compare DEMEC's and other proposals to see which would be the most cost effective for the City.

Mr. Neil noted that he, Mr. Cole, and Mr. Dave Hugg, Acting Director of Planning and Community Development, had met with Wesley College regarding lighting. He asked if there was a possibility of using decorative LED lighting in the downtown area for a quaint look. Mr. Neil noted that the more light there is, the safer an area appears. Responding, Mrs. Mitchell indicated that the DEMEC program retrofits the current lights and, for the most part, does not involve changing light fixtures. She stated that, as Acting City Manager, she had concerns about the different light standards on streets all over the city. Mrs. Mitchell expressed the need to determine what the City should look like and modify the lighting so that it is cohesive. She also expressed concern about adding decorative lighting as another type of standard to the City's current inventory of lights. Mrs. Mitchell advised that certain types of lights may be used for certain sections of the City; however, a complete lighting review was necessary. Mr. Neil indicated that a LED fixture with a turn-of-the-century look would enhance the downtown and Wesley College area.

Mr. Neil advised that there had been discussion about the possibility of another complex for the City, perhaps combining City Hall and Weyandt Hall, as well as raising the floor in Council Chambers. He asked if funds had been earmarked for these projects, noting that loans may be needed, and asked

how those projects would fit into the budget. Responding, Mrs. Mitchell stated that those projects were not included in the budget, noting that there was no master plan and projects had not yet been developed to fund. She stated that she had set aside $1.5M in the capital asset reserve for plans, engineering design, etc.; however, capital projects in the General Fund were being funded by $418,000 from the reserve, which would leave a projected balance of $1.1M in the reserve. Mrs. Mitchell explained that by partly funding the capital projects from the capital asset reserve, she was able to balance the General Fund because less funds had to be transferred out. She noted that she had pulled funds from the reserve at the very last minute after trying everything she could to keep from having to do that.

Mr. Anderson questioned the percentages of funding for the Customer Service Department from the General Fund, Electric Fund, and Water Fund. Responding, Mrs. Mitchell advised that 17.4% comes from the General Fund, 20.1% from the Water Fund, and 62.5% from the Electric Fund. In regard to the Finance Department, Mrs. Mitchell advised that 42.2% comes from the General Fund, 15.4% from the Water Fund, and 42.4% from the Electric Fund. She advised that, for the City Manager's Office, 39.3% comes from the General Fund, 16.6% from the Water Fund, and 44.1% from the Electric Fund.

Mr. Anderson asked the name of the Substance Abuse Prevention Program (page 306) used by the City. Responding, Mrs. Mitchell indicated that she was unsure. Mr. Anderson asked that this information be emailed to him. *(City Clerk's Office Note: Subsequent to the meeting, Council was informed that the Substance Abuse Prevention Programs were funded through Grant-In-Aid FY-2017 in an amount of $28,030, and programs within that fund included Camp Small Wonder, a summer camp at Delaware State University, and Youth Connections, an afterschool program held at Towne Point Elementary School.)*

Mr. Anderson noted that Mrs. Mitchell had mentioned proposed budget amendments and asked if they were ready for members to make related motions. Responding, Mrs. Mitchell reviewed the proposed budget amendments, including 1) a $68,000 increase in revenue for the Cadet Program based on fines; 2) an increase of $1,500 for the Metering Division for a pilot GPS program; 3) $7,000 that would be recovered in library overtime if Council was receptive to closing the library on holidays; 4) $38,400 that would be removed from the budget if members chose to make an annual payment for the fire truck instead of a six-month payment. In addition, she noted that she was unsure if a motion was needed regarding the 2% increase for non-bargaining employees. Mrs. Mitchell reminded members that this increase would come with some provisions to ensure that all evaluations were completed.

Mr. Slavin advised that a reduction of the library budget by $7,000 was based upon a recommendation from the library to be closed on City holidays, which would align Dover with other city governments. He noted that the option to make an annual payment on the fire truck would reduce the net that would be needed by $38,400. Mr. Slavin indicated that $43,900 would then remain in unprogrammed revenue, which he recommended directing to the Mayor's Office to replenish economic development expenses that were included last year and had been zeroed out. He indicated that $90,000 had remained, and the promise had been made that once those employees were paid from these funds, funding would be there for the Mayor for economic development.

Mr. Sudler moved to add $68,000 in revenue from the revenue stream from fines for the restoration of the Cadet Program, add $1,500 to the Metering Division for a pilot GPS program, reduce the library budget by $7,000 reflecting closing on holidays, make the $38,400 payment for the fire truck, and direct $43,900 to the Mayor's Office for economic development. The motion was seconded by Mr. Anderson and carried by a unanimous roll call vote.

Mr. Anderson moved to implement a program whereby a 2% increase for department heads would be granted, contingent upon having all employee evaluations up to date, and that the 2% increase be pro-rated if evaluations were not up to date. The motion was seconded by Mr. Sudler.

Mr. Hare stated his understanding that department heads would not receive an increase if they had not completed all of their performance reviews. Responding, Mr. Slavin indicated that department heads would also be making themselves eligible for other issues if reviews were not completed. Mr. Hare asked why department heads were being retained if they were not doing their jobs. In response, Mr. Slavin advised that this measure would create another leverage point. Mr. Hare stated that certain responsibilities were supposed to be performed. He expressed his opinion that 2% should not be pro-rated if reviews were not being done and those employees should not receive anything. Mr. Hare indicated that it should also be documented that they were not performing the job they were supposed to do.

Mrs. Mitchell agreed with Mr. Hare; however, she noted that there must be a process. She advised that the City no longer had a pay-for-performance and raise system; therefore, leverage was needed that indicates that an employee is not performing their duties. Mrs. Mitchell advised that if evaluations were not being completed, something would be done. She explained that the proposed measure would provide a way to take corrective action.

Mr. Hare stated that if he had employees who were supposed to have evaluations completed by a certain date, if they had not done so, he would bring them into the office, write them up, get it to Human Resources to be placed in their file, and give them 30 days to get it done. He advised that if the review was not done in 30 days, the employee would be written up again and given 30 more days, after which they would be terminated if the evaluations were not done. Mr. Hare indicated that they should not be given a year to think about it or have their raises pro-rated because they did not accomplish it.

Mr. Slavin stated that it was unfair to characterize the issue in this way, stating that the City had a City Manager who did not enforce this across the board and the Acting City Manager was now asking for Council's help by putting another tool in the toolbox and creating another leverage point. He noted that there was nothing saying that this was the only thing that would happen to a department head who did not comply, but it was proposed to use first and foremost what would hurt those who do not comply.

In response to Mr. Hare, Mrs. Mitchell stated that reviews are due on the employee's anniversary date. Mr. Hare reiterated that if the reviews are not received within 30 days of the anniversary date, the reviewer should receive nothing, rather than a pro-rated benefit.

Mrs. Mitchell advised that this would penalize them for the part of the job that they did not perform well. She noted that Mr. Hare was proposing to terminate these employees because they did not perform well in this area, when they may have had great performance in other areas. Mrs. Mitchell stated that she thought the process proposed was reasonable.

Mr. Sudler stated that he thought this was part of due process in evaluation of performance and could be used as a tangible tool to measure job performance, an incentive for employees to do better, and an opportunity for them to be given an improvement plan if they do not, and he supported the motion.

Mr. Neil stated that this would provide a red flag, which would be something to look at when reviewing the total performance of an individual and he was in favor of it.

Mayor Christiansen advised that when he worked for SimplexGrinnell as a supervisor, one particular month was set aside during the fiscal year when all evaluations were done. He suggested that this approach may be easier on department heads, rather than having numbers that fall throughout the entire the year. In response, Mrs. Mitchell advised that evaluations had previously been done on July 1; however, it became cumbersome and impossible to get them all done at one time, noting that some departments are very large. She explained that Human Resources reviews the evaluations, and they have to be signed off by the City Manager or by the Police Chief and the Human Resources Department, and this had bogged staff down. Mrs. Mitchell stated that use of the anniversary date was desired to spread out the workflow. She noted that she had also tasked Mrs. Kim Hawkins, Human Resources Director, with looking at the evaluation form to consider if it is so onerous that it is creating problems. Mrs. Mitchell indicated that Mrs. Hawkins had advised department heads that they were looking at the process to see if the form could be streamlined and still provide a good quality evaluation.

Mr. Slavin suggested placing this item on an agenda for consideration by the Council Committee of the Whole/Legislative, Finance, and Administration Committee.

Mr. Anderson asked if this measure would apply to department heads, including those who report to City Council. Mrs. Mitchell stated that it would include those individuals and would apply City-wide, including the Police Department, noting that everyone should be on an equal footing. Mr. Anderson stated that this was an important issue and would be a red flag for Council.

Mr. Hare asked if department heads were being given notice, such as 60 and 30 days ahead, when evaluations were due. Responding, Mrs. Mitchell advised that Mrs. Hawkins was utilizing a notification process; however, the notice was sometimes falling on deaf ears and she did not have top-down support. Mrs. Mitchell indicated that she was planning on giving Mrs. Hawkins top-down support.

Mr. Lindell stated that he understood Mr. Hare's point about accountability and the 2% but also saw the other side of the issue, noting that Mrs. Mitchell was new to her position of Acting City Manager. He expressed his hope, if evaluations were not being done, that this would be dealt with from the City Manager level down to the department heads using common sense. Mr. Lindell noted that there was a difference between an evaluation not being done because an employee was busy doing other,

more important parts of their job, versus not caring about evaluations or considering them important. Mr. Lindell stated he felt this issue was best left to the Acting City Manager. He stated that if it became too detrimental, members could ask this City Manager about it and hold the individual accountable.

The motion to implement a program whereby a 2% increase for department heads would be granted, contingent upon having all employee evaluations up to date, and that the 2% increase be pro-rated if evaluations were not up to date was carried by a unanimous roll call vote.

Mr. Slavin asked Mr. Hare if he would like to place consideration of strengthening the tax-exempt review process on a future agenda for the Council Committee of the Whole/Legislative, Finance, and Administration Committee. Mr. Hare indicated that he would.

Mrs. Mitchell asked if separate motions were needed to approve the trash fee proposal and extra duty funding, or if it would be rolled into the budget if approved. Mr. Slavin indicated that it would be included in the budget.

Mr. Hare questioned if Customer Service procedures regarding shut-offs should be brought up at a committee meeting. Mr. Slavin suggested that the procedures be considered by the Council Committee of the Whole/Utility Committee. He requested a review of where the City stands since the new policy was implemented, stating he would like to know the number of customers who now use auto-pay compared to the number prior to implementing the new policy. Mr. Hare stated that he would like to be more clear on the cut-off policy.

During the Council Committee of the Whole/Parks and Recreation Meeting of May 23, 2017, members considered Proposed Resolution No. 2017-07 - Establishment of a City Community Sustainment Fund Through Voluntary Contributions. The Committee recommended deferring consideration of the Proposed Resolution until the budget hearings.

Mr. Anderson asked if there were any administrative recommendations regarding the "Dollar for a Difference" program that would be established through the Dover Community Sustainment and Enhancement Grant Fund. Responding, Mrs. Mitchell advised that Mr. Kirby Hudson, Assistant City Manager, had gathered information on this matter and she asked if members wanted to discuss it then or at the Committee. Mr. Slavin stated that any revenues brought in from this program would not affect this portion of the budget and, like the public safety fee, the proposal could be adopted at any time.

Mr. Slavin asked it members wanted to consider the "Dollar for a Difference" proposal at this time or hold it for further discussion. Responding to Mr. Sudler, Mr. Slavin advised that this was not a current budget item.

Mr. Sudler moved that the "Dollar for a Difference" fee be brought back to the Council Committee of the Whole/Legislative, Finance, and Administration Committee for discussion, seconded by Mr. Hare and unanimously carried.

Mr. Sudler moved to adopt the budget as presented with the amendments noted previously. The motion was seconded by Mr. Hare and unanimously carried.

Mr. Slavin thanked members for their questions, as well as Mrs. Mitchell, Ms. Lisiecki, and the department heads who helped formulate this budget.

Mr. Sudler stated that the budget presentation was outstanding and he liked the interactions among Council, stating that the questions were well thought out and the answers well explained. He thanked staff, Mrs. Mitchell for her leadership, and the department heads who worked diligently with Mrs. Mitchell.

Mr. Hare expressed appreciation for being provided with the budget in advance.

Mr. Anderson thanked Mrs. Mitchell, stating that this was the first budget where everything was laid out in such a straightforward manner, and he noted that she had answered many of his questions during the last 10 days. He encouraged her to apply for the City Manager position. He stated his appreciation for what Council had done to keep its commitment to public safety, restore the Cadet Program, and keep a commitment to economic development, noting that these were valuable changes.

Mr. Lindell noted that there were two (2) new members of Council, the budget document was well organized, and his questions were answered as he looked through the document. He thanked everyone who had a hand in it for their time and effort. Mrs. Mitchell reiterated her appreciation for staff's efforts as they helped to pull the budget together.

Mr. Sudler noted that this was the first time that he knew of that the budget had been approved during the first night of hearings. Mr. Slavin stated this was the first time in his career that the budget had been approved the first night.

Mr. Anderson expressed thanks that the concerns of retirees had been addressed in the budget after they had been told to wait for 11 years. He indicated that the minor adjustment in retirees' pension was long overdue, noting that this did not mean there would be money available for this next year.

Mr. Neil moved for adjournment, seconded by Mr. Lewis and unanimously carried.

Meeting adjourned at 8:26 p.m.

TRACI A. McDOWELL
CITY CLERK

All ordinances, resolutions, motions, and orders adopted by City Council during their Special Meeting of May 30, 2017, are hereby approved.

ROBIN R. CHRISTIANSEN
MAYOR

/TM
S:\AGENDAS-MINUTES-PACKETS-PRESENTATIONS-ATT&EXH\Council-Minutes\2017\05-30-2017 SPECIAL COUNCIL MEETING - BUDGET REVIEW MINUTES.wpd