LEGISLATIVE, FINANCE AND ADMINISTRATION COMMITTEE

The Legislative, Finance, and Administration Committee meeting was held on July 22, 2013, at 6:00 p.m. with Chairman Lynn presiding. Members present were Mr. Hare, Mr. Slavin, Mr. Rushe, and Mr. Shevock. Members of Council present were Mr. Dixon, Mrs. Williams, Mr. Hutchison, and Council President Bonar. Mayor Carey was also present.

AGENDA ADDITIONS/DELETIONS

Mr. Hare moved for approval of the agenda, seconded by Mr. Shevock and unanimously carried.

Proposed Amendment to Pricing for Sale of Garrison Oak Technology Park Lots

Mr. Scott Koenig, City Manager, reminded members that in June 2013, Council authorized him to negotiate land prices at Garrison Oak Technology Park at a beginning price of $35,000 per acre and to decrease that price by up to $5,000 per acre, which would result in a net price of $30,000 per acre. He stated that the proposed amendment to the pricing for sale of the Garrison Oak Technology Park lots was the result of a meeting at the Delaware Economic Development Office (DEDO) on July 10, 2013. He advised members that at that time he, along with Mayor Carey and Mr. Bill Neaton, Economic Development Director, met with a company that was interested in the Garrison Farm. He stated that, as the discussion progressed, the potential buyer requested a substantial reduction in the per acre land price, which he was not authorized to grant. As a result, it was suggested that the matter be presented to the Committee for review and recommendation and that it be immediately forwarded to City Council in order to provide the company with an answer.

Mr. Koenig advised members that the interested buyer is a manufacturing company which originated overseas and now wishes to expand their American market. They were interested in purchasing approximately 10 acres of the Garrison Farm in order to build an $8M-$10M facility that would initially propose to create 15 jobs with the intent to increase to 23 jobs. He stated that the facility would become the hub of their manufacturing facility for the area. He indicated that, as discussions progressed, the company requested that the land be provided free of charge, which he had no authorization to grant.

Staff recommended that the City Manager be granted additional latitude in the negotiation process to work with the company if it was the opinion of members that this could prove beneficial in moving forward.

Responding to Mr. Hare, Mr. Koenig stated that representatives of the company would not disclose the other areas that the City is competing against. He stated that the State of Delaware had offered several incentive packages regarding workforce development and that Kent County and the City provide tax abatements. He stated that, ultimately, the question was if the City would consider giving free land if other sites high on this company's list were doing so, or if the City would significantly reduce the price of the land.

Should the City chose to provide the land essentially free, Mr. Koenig stated that it would take the City approximately 20 years to recover that value through taxation; however, the land was transferred to the City from the State and the City had no mortgage on the land. Also, the City was

in the process of developing the infrastructure for the land and the request would provide the City an additional tenant. He explained that if approved, a transfer document must be prepared that would guarantee that the land would not transfer until the company obtained a building permit and began construction.

Mr. Hare suggested that an additional clause be included in the transfer document indicating that if the company did not remain at the site for 20 years, the property and all improvements would revert back to the City.

Responding to Mr. Slavin, Mr. Koenig explained that, in accordance with the Freedom of Information Act, this matter did not qualify for discussion in executive session since the strategy session was in relation to the sale of property and not the acquisition. He concurred that it puts the City in a terrible position as it relates to negotiations since all information is made public.

In response to Mr. Lynn, Mr. Koenig confirmed that the lots were appraised by Mr. Phil McGinnis, McGinnis Commercial Real Estate Company, and Mr. Charlie Rodriguez, R & R Commercial Realty, who estimated its worth at between $32,000 and $33,000 per acre. He stated that the total gift value of the property would be approximately $330,000. Representatives of the company had indicated an intent to fill the jobs that would be created with local talent. He stated that there was no discussion regarding the jobs that would be provided in the construction of the facility.

Mr. Lynn indicated that he would be more receptive to the request if staff included in the negotiation process that it be mandatory to use local construction companies, local workers, etc.

Mr. Koenig assured members that the final sale (contract) would require Council's approval.

Mr. Shevock suggested the possibility of negotiating a 20-year lease rather than giving the company the land, with the option to purchase after the 20 years. Responding, Mr. Koenig stated that owning the land had been one of the company's criteria.

Responding to Council President Bonar, Mr. Koenig stated that any revenues derived from water and sewer would be minimal, explaining that the company was a very low utility user and manufactured a "dry" product.

Mr. Slavin moved to recommend that the City Manager be authorized to negotiate the sale of the lots at Garrison Oak Technology Park within any parameters he chooses, with the stipulation that the result will require final approval of City Council. The motion was seconded by Mr. Hare and unanimously carried. . *(Due to time constraints, this item was placed on the Council Agenda for the meeting being held later in the evening.*)

Proposed Amendments to the City of Dover Investment Policy

Mrs. Donna Mitchell, Controller/Treasurer, reminded members that, in accordance with Section 14 of the City of Dover Investment Policy, the policy is reviewed by the Committee at least once every year and that any amendments require the approval of City Council. She noted that the policy was not presented for review in 2012.

Mrs. Mitchell advised members that the policy was reviewed by Staff, the City's Investment Advisor, and the bank to determine if any changes would be necessary. As a result, she noted that amendments were made to the City's Investment Policy and presented for the Committee's review and recommendation. She noted that Section 9.2, on Page 7, cited "paragraph 8.1" in error and that this that should reflect "paragraph 9.1," and that there should be an additional bullet titled "Mortgage Backed Securities." She indicated that these corrections were discovered after the document was submitted but it had since been amended accordingly.

Mr. Hare moved to recommend approval of the proposed amendments to the City of Dover Investment Policy *(Attachment #1)*, seconded by Mr. Shevock and unanimously carried.

Certified Local Government Application

Mr. Slavin advised members that after discussions with Chairman Lynn, it was determined that there was a need for the City to address some of the issues involving the Dover Historic District Commission and to strengthen Council's role in historic preservation. As a result of his employment with the State of Delaware, he was aware of a program called the Certified Local Government (CLG) Program. He introduced Mr. Jesse Zanovich, State Historic Preservation Office, to provide a brief review of the Program.

Mr. Zanovich advised members that the CLG Program is a local, state, and federal partnership that promotes historic preservation on the local level through technical guidance and financial assistance. Members were provided with the CLG Program guidelines which outlined the benefits, requirements and management procedures of Delaware's CLG Program. Mr. Zanovich indicated that grant funding was available to pursue a wide variety of preservation-related projects and activities, which include cultural resource surveys, historic structure reports, preparation of National Register nominations, revising preservation ordinances, creating or amending historic district design guidelines, preparing the preservation section of the City's Comprehensive Plan, etc. In addition, Mr. Zanovich stated that associated grant monies can be used for public outreach, informational workshops and seminars, preservation training for staff, etc. He noted that the CLG grants function on a 60/40 matching basis, explaining that the grant may constitute up to 60% of the project cost, while the applicant provides the remaining 40% through cash and/or donated services and materials.

Based on the current allocation formula, Mr. Zanovich stated that the minimum grant award the City of Dover could expect to receive was $5,000 and that this amount changes year to year since it is based on the federal grant and the number of CLG grant projects received. He advised members that he had reviewed the City's ordinances and that the City already met the program's requirements, such as the establishment of a preservation ordinance, historic district commission, meeting standards for adequate public participation, etc.

Mr. Zanovich assured members that the application process is simple, explaining that the application package is available online and must be submitted by the Mayor. He stated that there are currently five (5) CLG's in Delaware: Wilmington, New Castle County, Delaware City, Lewes, and Milton. He stated that CLG status is a voluntary commitment and that the Mayor can request decertification at anytime. In addition, he stated that grants are voluntary.

At the request of Mr. Slavin, Mrs. Ann Marie Townshend, Director of Planning and Community Development, stated her support for the application and assured members that if it were the desire of City Council, it would become a priority for staff.

Responding to Mr. Slavin, Mr. Zanovich confirmed that the applicant may provide in-kind services which would alleviate any effect on operating budgets.

Mr. Slavin advised members that, due to his role with the State of Delaware, he would recuse himself from voting on this issue.

Mr. Shevock moved to recommend that staff move forward with the Certified Local Government Application, seconded by Mr. Rushe and unanimously carried (Mr. Slavin abstained).

Proposed Amendments to Chapter 58 - Human Relations Commission

During their meeting of June 10, 2013, Council approved the Committee's recommendation of May 28, 2013 that the Chair of the Legislative, Finance, and Administration Committee schedule a Special Meeting for the purpose of discussing recommendation Items #1-5 included in the Committee Action Form (CAF) pertaining to the Dover Human Relations Commission (DHRC).

During the Committee meeting of June 24, 2013, Mr. Hutchison stated that since the creation of the DHRC in 2002, it had served a very important part in addressing some critical issues in the City; however, based upon past performance, there were some issues and concerns which needed to be reviewed and addressed. He voiced his concerns regarding the size of the Commission, stating that 15 members were too many, and the serious problem of retaining members, noting the Mayor and Council had received resignations from numerous members. The Committee reviewed each of the five (5) recommended items and then opened the floor for public comments. After much discussion, members tabled the matter until the next meeting to allow the opportunity for members to obtain and review the DHRC by-laws, the number and type of complaints received, and research regarding the City Solicitor's review of the formation of the DHRC.

Members continued their discussion during the Committee meeting of July 8, 2013. After public testimony, members felt that there was not enough time left during the meeting for members to further discuss the issues and develop a recommendation. Given the importance of this issue and to allow more time for discussions, members tabled the matter and requested that it be put on the agenda for the next scheduled Committee meeting.

Mr. Slavin moved to remove the matter from the table, seconded by Mr. Rushe and unanimously carried.

Chairman Lynn reminded members that, as a result of the discussions regarding this matter, the scope of the discussion at this time should be based on the five (5) parameters provided by staff, as follows: 1) if the Commission is fulfilling its purpose; 2) if there is evidence of a continued necessity for the Commission, or if it is a duplication of services provided by other agencies, committees, etc. within the City and/or State of Delaware; 3) the possibility of amending

Sec. 58-33 (c) - Meetings, of the Dover Code to limit the Commission to meeting on an as needed basis, in the same manner as many other City committees, commissions and boards, including the Awards Committee, Election Board, Ethics Commission, and Property Maintenance Code Board of Appeals; 4) the possibility of amending Sec. 58-32 (b) - Composition; appointment, of the Dover Code to reduce the membership of the Commission from fifteen (15) to seven (7), which would maintain the threshold originally proposed during the Dover Community Meeting of December 4, 2001; and 5) direct staff to prepare a Proposed Ordinance reflecting the recommendations of the Committee.

Chairman Lynn also reminded members that Mr. Sudler was requested to reach out to the membership and encourage their attendance in order for them to state their feelings regarding the issue.

Mr. Slavin explained that the role of the Committee was to make a recommendation to City Council for staff to prepare an ordinance. That process would include two (2) readings of the ordinance and a public hearing; therefore, he assured the public that the Committee's review this evening would not be the last opportunity for public input on the issue.

Mr. Rushe noted that this evening's discussion would be the third on this issue. He indicated his desire to obtain public input on whether or not it would be beneficial to reduce the membership from the current 15 and also to reduce the frequency of the required meetings.

Mr. Paul Fleming, 4 Hemsted Court, read his letter of resignation, dated August 23, 2010, into the record, as follows:

> *"Council President Hogan:*
>
> *In 2004, I was appointed to the Dover Human Relations Commission by then Council President McGlumphy. I have served on the DHRC for over six (6) years along with some very conscientious, courageous, and compassionate commissioners, and I enjoyed my tenure.*
>
> *As you know, I have always advocated for term limits, and I have said many times that there is no shortage of good people.*
>
> *I appreciate being reappointed by you; however, I believe it is time to resign so that I may pursue other interests. Thank you and the City Council for giving me the opportunity to serve the residents of Dover."*

In regard to the idea of reducing the number of Commissioners, Mr. Fleming stated his feeling that it was critical that the DHRC be fully represented, not only by the demographic characteristics of Dover, whether it be race, gender, or religion, but also the region of the City that the member is from. Otherwise, he felt that the people's interests and needs would not be fully met as they relate to the jurisdiction and function of the Commission. Unless all of these criteria were met, he urged members not to reduce the number of Commissioners appointed to serve on the DHRC.

Mr. Fleming stated his desire to have a representative of the Amish community serve, noting that they have needs and interests, as well as suggestions that could be used to help them. He indicated that many of the Amish have moved away from the area and that he would like to prevent further loss of members of this community. In response to Council President Bonar, Mr. Fleming stated that he did not know how many Amish reside within City limits.

Responding to Mr. Lynn regarding the concept of there being two (2) members from each district and one (1) at-large member, for a total of nine (9) members, Mr. Fleming felt that such membership would work if the criteria he previously mentioned was met.

Mr. Fleming provided members with a list of questions for potential candidates ***(Attachment #2)*** and noted that a copy of the ad that the DHRC had used to solicit interest from the community had been included.

Mr. EShed Alston, 406 Arnold Court, read the following statement into the record:

> *"On Monday, July 8, 2013, while attempting entry into the Kent County SPCA building in Camden, at approximately 7:07 p.m., myself and Dr. Issa quickly discovered that all the doors were closed and locked. When Dr. Issa and I finally spoke to a couple of employees there, they told us that we were not welcomed and that we needed to leave (a public meeting that we had to leave). After they told us to leave, that's when they took out the Pit Bull and threatened us with it, the one that wasn't muzzled. She told us 'y'all got to leave now - you're not wanted here and I don't know how long I can hold this Pit Bull'."*

Mr. Alston advised members that he had sciatic nerve damage in his right and left side and damage in both knees, which resulted in his inability to run. Therefore, when addressing whether or not there should be any alterations as to whether there should be considerations for people like him, he requested the opportunity to tell members how it is for him to live in Kent County. He stated that we live in a country where the Michael Vick - Trayvon Martin comparison needs to be made, where a black, multi-millionaire will lose his livelihood and spend two (2) years in prison for killing a dog, yet if a young, black man is killed, nothing happens. He stated that is the perspective of living in Kent County and America. He stated that when he left the meeting two (2) weeks ago, he was confronted with "Bull Connor" and questioned whether hoses would be next.

Mr. Alston stated that he contacted the Department of Justice directly because when he contacted the Camden Police Department, he was advised that they would not take the complaint since they did not feel there was a hate crime, racial profiling, or any other problem.

Ms. Rochelle Jackson, 200 W. Loockerman Street, requested that her allotted three (3) minutes be given to Bishop Gordon.

Bishop Gregory Gordon, 56 South New Street, noted that the DHRC was formed in 2001 by Mayor James Hutchison as a result of the death of a man that caused racial division within the City of Dover. He requested that the DHRC continue to serve as it had in the past with the exception of

the number of members, which he suggested be set at nine (9) total, with a Chair and Co-Chair, and that members come from different ethnic backgrounds and a cross-section of the community, including professional, and business sectors, etc. He suggested that there be five (5) mandatory meetings of the DHRC and that there be another ministry or NAACP, United Way, etc. every other month. He advised members that racial divide is prevalent in Delaware.

Ms. Gail Tolbert, 1001 White Oak Road, questioned if any member of Council or the Mayor was working on any buildings or businesses where the Metro Supermarket was located. She explained that there was a need for a supermarket in the area to serve residents of Luther Towers, White Oak, Edgehill, Manchester, etc. She indicated that there were senior citizens who reside in these areas and also many individuals without means of transportation. She offered to meet with anyone who may be interested to relay the ideas that had been gathered during recent community meetings.

Ms. Deborah Angelini, 200 W. Loockerman Street, noted that the State of Delaware does not recognize common law marriage and requested that this issue be considered as a State law since they now recognized gay rights and law marriages. She also relayed concerns regarding public transportation, specifically the Delaware Area Rapid Transit (DART) bus system. Chairman Lynn noted that since these comments were not directly related to the DHRC, they would be better suited to be relayed during the Open Forum segment of the City Council Meeting scheduled for 7:15 p.m. later in the evening.

Ms. Ellen Wasfi, 286 Pine Valley Road, advised members that she had been a member of the DHRC since its inception in 2002 and explained that the DHRC was set up to facilitate discussion, promote understanding, air grievances, and bring people together by allowing them to voice their concerns about the direction the City of Dover is going and how it impacts them as residents of the community. In reviewing her records, she provided examples of actions that were taken by the DHRC since 2008, as follows: 1) conducted a forum on the incidents of violence in Dover, with several recommendations initiated by members of the community who attended the forum; 2) held an outreach meeting, in coordination with the Interfaith Housing Task Force, to hear concerns about and from the homeless in Dover; 3) held a forum on the proposed resolution supporting the legalization of same sex marriage three (3) years prior to the actual promotion of the issue; and 4) held a forum on mental health awareness. She noted that this was just a small example of the diversity of interests that are addressed by the DHRC. Noting that her allotted time was expiring, she requested the opportunity to complete the list through 2013. Responding, Chairman Lynn stated that those individuals who had exhausted their time would be provided an opportunity to address members again once those wishing to speak had an opportunity to do so.

Ms. Cathy Gregory, 113 Hazeltine Road, stated that she served as a member of the DHRC and felt that at this particular time the Commission was not fulfilling its obligations. She felt that members of the DHRC needed to revisit the mission statement and go back to the basic seven (7) concepts. She advised members that there was a duplication of services since there is a Delaware State Human Relations Commission; however, she suggested that the DHRC work in tandem with the State so that they are not "disconnected." She indicated that there was a need for a Human Relations Commission, explaining that there must be something that unites the community to determine what is best and needed for the community. She agreed that the number of members should be reduced

from 15 to a maximum of nine (9). Ms. Gregory noted that the way the Commission is currently structured, it is complaint driven; however, some of the issues brought before the Commission were not complaint driven. She explained the importance of following the rules and regulations and the need for the issues to be complaint driven. Lastly, she felt that there was a need to revisit and establish rules and regulations for the public hearings held by the DHRC, explaining that there were public hearings held that she felt were not publicized correctly or conducted in the proper manner.

Ms. Justina Brewington, 4 Grand Hall, stated that she was currently serving as a member of the DHRC and for the first four (4) to six (6) months simply attended and observed. As a result, she questioned if the DHRC was permitted to take action and if members complete anything that they begin. She concurred with monthly meetings and that there should be less than 15 members on the DHRC. She advised members that the downtown area was not the only problem area within the City and that there were problems with homelessness, programs for children, and unemployment throughout the City. She stated that the DHRC should be granted authority to complete projects and should work with members of City Council in this regard.

Mr. Roy Sudler, Jr., Chairman of the DHRC, read a letter, dated July 22, 2013, submitted by Ms. Nauleen Perry who previously served as a member of the DHRC and resigned in February 2010 under the Chairmanship of Dr. Samuel Hoff, as follows:

> *"When I resigned from the Dover Human Relations Commission in February of 2010, it was due in part because I was unaware of the "Non-Attendance" policy of the Commission and missed 3 meetings, which were unavoidable due to my work schedule.*
>
> *However, my primary reason for resigning from the Commission was due to the constant arguing amongst some of the Commissioner's and the Chair (Dr. S. Hoff). From the beginning there was a divide between commissioners. I felt that some Commissioner's had their own agenda that they wanted to bring forth and not listen to what the citizens of Dover wanted. Many times during the meetings it seemed as if rules and bylaws were the only business of the day because we could (not) get pass what should be handled and how.*
>
> *While I felt that there were a few serious issues with the Commission, I am in full support of the Commission and the work that they do. I wish the Commission and all of the Commissioner's great success as they continue to seek to make human relations better for the citizens of Dover."*

Chairman Lynn read a letter submitted by Ms. Dawn Allen-Pyne, dated July 18, 2013, into the record, as follows:

> *"Dear Chairman Lynn,*
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> *I am addressing this letter to you, as the Chairman of the Legislative, Finance, and Administration Committee. Please ensure this letter is entered into the official record for Monday, July 22, 2013, meeting as I will not be there. It was requested that I provide my personal observations as to the reasons members of the Dover Human Relations Commission (DHRC), especially newly appointed members, do not stay on the commission.*
>
> *Personally, I believe it is for a few reasons: 1) Lack of support for the DHRC as a vital functioning interface for City of Dover residents; 2) Blatant and continuing interference by City Council towards the DHRC activities and events to provide help, support, and guidance to the City of Dover residents; 3) Repeated public comments/statements, that the DHRC is overstepping its bounds and stirring up problems for residents where there are none; and 4) The DHRC lack of authority to take action and its requirement to only submit recommendations to the City Council and Mayor."*

Due to time constraints, Chairman Lynn noted there would not be time for additional public testimony.

Mr. Slavin moved to recommend that staff be authorized to draft an ordinance that would provide for City Council to affirm the need for the Dover Human Relations Commission (DHRC); that the membership be set at nine (9), with two (2) serving from each Council district and one (1) at-large; that the number of meetings be set at five (5) per year, one (1) in each quarter of the year; that all meetings be held in accordance with Delaware State Laws regarding the Freedom of Information Act (FOIA) and City of Dover procedures through the City Clerk's Office, to include agendas and minutes to be issued as all other public bodies are handled in the City; that the DHRC report to City Council on a quarterly basis regarding its affairs; and that all of the meetings of the DHRC be held in the City Council Chambers. The motion was seconded by Mr. Rushe.

Mr. Rushe stated that the current enabling legislation allowed for the DHRC to call a meeting if they felt the need and requested that the motion be amended to recommend that the number of meetings be set for a minimum of five (5) per year and to allow a mechanism for additional meetings for a specific purpose. Mr. Slavin indicated concurrence with this amendment to the motion.

Mr. Hare noted that the filing of a complaint could be reason for an additional meeting. In addition, he noted that members were required to be residents of the City of Dover and stated that one of the current members did not reside within City limits.

On a call for the question, the motion that staff be authorized to draft an ordinance that would provide for City Council to affirm the need for the Dover Human Relations Commission (DHRC); that the membership be set at nine (9), with two (2) serving from each Council district and one (1) at-large; that the number of meetings be set at a minimum of five (5) per year, one (1) in each quarter of the year and one (1) to be determined by the Commission and that special meetings may be called by the Chairperson or three (3) members of the Commission; that all meetings be held in accordance with Delaware State Laws regarding the Freedom of Information Act (FOIA) and City of Dover procedures through the City Clerk's Office, to include agendas and minutes to be issued as all other public bodies are handled in the City; that the DHRC report to City Council on a quarterly basis regarding its affairs; and that all of the meetings of the DHRC be held in the City Council Chambers was seconded by Mr. Shevock and unanimously carried.

Mr. Slavin assured the public that there would be additional opportunities for public testimony during the Committee's review of the proposed ordinance and Council's consideration.

By unanimous consent, the meeting adjourned at 7:03 p.m.

Sean M. Lynn
Chairman

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Attachments
Attachment #1 - Proposed Investment Policy
Attachment #2 - DHRC Candidate Questionnaire

City of Dover, DE

Investment Policy Statement

Dated July 15, 2013

1.0 Governing Authority

It is the policy of the City of Dover to invest public funds under its control in a manner that will provide the highest investment return consistent with the maximum safety of principal, while meeting cash flow needs of the City. The investment program shall conform to all state and local statutes governing the investment of public funds.

2.0 Scope

This Investment Policy Statement (the "Policy") applies to all financial assets of the City of Dover for which the City retains direct or indirect daily control. Funds for which the City has retained outside fund manager(s) shall also be governed by this Policy or, in the case of bond proceeds, related governing bond documents~~, including any Trust Indentures~~.

2.1 Accounts

2.1.1 Cash and Liquidity Accounts: The majority of the City's cash balance available for investment is maintained in the cash and liquidity accounts. These accounts will be managed and invested by investment managers, selected by the City Council through competitive bid, in order to maximize the return to the City while, at the same time, providing for safety of principal and sufficient liquidity for the City to meet its cash needs. The City will manage its short-term investments to ensure sufficient liquidity and prevent their premature sale for the purpose of covering expenditures. Short-term investments should mature at face value in sufficient amounts to meet any liquidity needs.

2.1.2 Reserve Cash (Intermediate) Account: To the extent cash is not expected to be needed on short notice, the City shall invest such funds in the Reserve Cash Account. This fund shall be managed and invested by an investment manager or managers**,** selected by the City Council after a competitive bid, in order to maximize the return on said money to the City while providing for the safety of principal.

All of the City of Dover's funds are accounted for in its Comprehensive Annual Financial Report. Those funds to which this Policy applies include (excluding the Deferred Compensation Plan and Pension Trusts):

2.2 Funds

2.2.1 General Fund
2.2.2 Capital Project Funds
2.2.3 Special Revenue Funds
2.2.4 Enterprise Funds
2.2.5 Internal Service Funds
~~**2.2.6** Trust and Agency Funds~~
2.2.~~7~~6 Any new fund created by the City Council, unless specifically exempted

3.0 Objectives

The primary objectives of the City of Dover's investment activities, in order of importance shall be:

3.1 Safety

Preservation of principal is the foremost objective of the investment program. To attain this objective, funds shall be diversified among securities of high credit quality and liquidity, so that risk of loss of principal is minimized.

3.2 Liquidity

The City's investments shall be made for such periods as to enable the City to meet all operating requirements that may be scheduled or reasonably anticipated.

3.3 Return on Investments

A goal of the investment program shall be to maximize investment return within the constraints of Sections 3.1 and 3.2.

4.0 Delegation of Authority

Authority to manage the City of Dover's investment program is derived from this Policy, which is approved by City Council, and "Dover Code, PART I, Subpart A, Article II, Section 17" (attachment B) which states in part that "The Controller/Treasurer shall be the custodian of all of the City funds."

The City's Controller/Treasurer shall:

1) Review the this Policy annually and recommend changes, if any, to City Council;
2) Be charged with implementing the Policy, and may delegate authority to make investments to an investment advisor. The Controller/Treasurer shall be responsible for all investment transactions and shall establish controls to regulate the activities of the investment advisor, if any.
3) Ensure that records of the City's investment activities are kept for ten-years.

5.0 Prudence, Ethics and Conflicts of Interest

Any official of the City or investment advisor/manager empowered to make investments on behalf of the City of Dover shall comply with the following:

5.1 "Prudent Person" Rule

Investment decisions shall be made with the judgment and care which persons of reasonable intelligence, under circumstances prevailing at the time the investment is made, would exercise in the management of their own investments assuming that their objectives are those shown in Section 3.0 of this policy.

5.2 Ethics and Conflict of Interest

The delegate authorized to make City investments shall act at all times in an ethical manner, and shall not engage in activity that could impair or be perceived to impair their ability to make impartial investment decisions. They shall disclose to the Mayor and City Council any material interests in financial institutions with which the City has financial dealings, and which may be related to the performance of the investment program. Employees and officers shall refrain from undertaking personal investment transactions with the same individual(s) with whom business is conducted on behalf of the City.

6.0 Authorized Institutions and Dealers

All broker/dealers that desire to become qualified for investment transactions with the City shall meet the following:

1. Primary dealers and regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule)
2. Capital of at least $25,000,000 or capital of $5,000,000 for firms incorporated in the State of Delaware
3. Registered as a dealer under the Securities Exchange Act of 1934
4. Member of the Financial Industry Regulatory Authority (FINRA)
5. Registered to sell securities in the State of Delaware
6. Engaged in the business of effecting transactions in U.S. government, federal agency, and corporate securities for at least five (5) consecutive years

To the extent the City utilizes the services of an outside Investment Advisor, it shall be the responsibility of the Investment Advisor to maintain an approved list of brokers.

7.0 Safekeeping and Custody

To ensure that securities are deposited in an eligible financial institution prior to the release of funds, all trades of marketable securities will be executed by delivery vs. payment ("DVP").

Further, all securities will be held by an independent third-party custodian, in the name of the City, and evidenced by safekeeping receipts in the City's name. The custodian shall provide daily confirmation of held securities as well as a monthly transactions and holdings report.

8.0 Authorized Investments and Trading of Securities

The Controller/Treasurer or authorized delegate may invest only in the types of securities listed below. The maximum stated maturity of any security shall be limited to 10 years at time of purchase, unless otherwise stated. For Agency mortgage backed securities, the maximum maturity shall be defined as the weighted average life ("WAL"). WAL is a convention that estimates the expected weighted amount of time, in years, for the principal amount of an issue to be fully paid. For this sector, WAL shall be limited to 10 years, measured at the original purchase date, provided by Bloomberg Financial Markets.

8.1 United States Government Securities

Marketable securities issued by the U.S. Government and supported by the full faith and credit of the U. S. Treasury either by statue or an opinion of the attorney general of the United States. Up to 100% of the portfolio may be invested in this sector.

8.2 Government Agency Securities

Debt securities issued by government-sponsored enterprises ("GSE"), federal agencies, and federal financing banks; ~~the maximum stated maturity of any investment in this sector shall be limited to 5 years at time of purchase~~. Up to 100% of the portfolio may be invested in this sector.

8.3 Certificates of Deposit and Time Deposits

8.3.1 **Domestic Institutions**: Issued or endorsed by a domestic bank, or a savings and loan association, organized and supervised under the laws of the United States and denominated in U.S. dollars; provided, however, that deposits are fully insured or guaranteed by the Federal Deposit Insurance Corporation ("FDIC").

If not insured by the FDIC:

- The banking institution must have assets of not less than $5 billion; and
- Issuers must have a short-term rating of A-1 by Standard & Poor's and P1 by Moody's and a long-term rating of AA by Standard & Poor's or Aa by Moody's.

The maximum stated maturity of any investment in this sector shall be limited to 5 years at time of purchase. This sector shall not exceed 25% of the total portfolio. No single issuer shall exceed 5% of the City's portfolio.

8.3.2 **Delaware-Domiciled Institutions**: Issued by or endorsed by any bank or savings association domiciled in the State of Delaware and organized and supervised under federal or State of Delaware banking laws which does not meet the requirements of Section 8.3.1 hereto; provided, however, that:

- For each of the latest two years, the bank or association has had a return on total average assets of 0.50% or greater and an average capital ratio (defined as total equity capital to total assets) of at least 1 to 20, or the instrument is secured as set forth in Section ~~8~~ 9, "Collateralization of City Deposits," hereto; and
- Not more than the lesser of $10 million or 25% of an issuer's total equity capital, may be invested in any one issuer. (Investments due to mature in one business day may be excluded from the computation of this percentage.)
- The Board expressly affirms that, consistent with these guidelines, Delaware banks and savings associations should be considered as a source of investment.
- The maximum stated maturity of any investment in this sector shall be limited to 5 years at time of purchase. This sector shall not exceed 20% of the total portfolio. No single issuer shall exceed 5% of the City's portfolio.

8.4 Corporate Debt Instruments

Such instruments include commercial paper bankers' acceptances, and non-convertible senior debt securities (bonds and debentures).

8.4.1 ~~Any such instrument must be issued by a U.S. corporation~~; Corporate securities must be denominated/issued in US dollars. Many foreign corporations issue debt/securities in the US market, in US dollars.

8.4.2 No single issuer shall exceed 5% of the City's portfolio.

8.4.3 Commercial Paper shall be limited to a final stated maturity of 270 days. This sector shall not exceed 25% of the total portfolio. Issuers shall be rated at least A-1 by Standard & Poor's and P-1 by Moody's.

8.4.4. Bankers' Acceptances shall be limited to a final maturity of 365 days. This sector shall not exceed 25% of the City's Portfolio. Issuers shall be rated at

least A-1 by Standard & Poor's and P1 by Moody's.

8.4.5 Corporate bonds and debentures shall be limited to a final stated maturity of 5 years. This sector shall not exceed 50% of the total portfolio. Issuers shall hold a long-term rating of at least AA by S&P or Aa by Moody's.

8.5 Repurchase Agreements

The underlying collateral shall consist of U.S. government and/or GSE securities provided, however, that:

8.5.1 All repurchase agreements must be governed by a written master repurchase agreement;

8.5.2 Agreements will be entered into only with respect to underlying securities in which the investment manager may otherwise invest as described above, and only with a recognized U.S. Government/broker or a bank which meets the requirements set out under paragraph Section 8.3.1 or 8.3.2 above;

8.5.3 In the case of repurchase collateral held in book-entry form in the Federal Reserve System, all deliveries of securities must be made, for the transfer thereof, through the Federal Reserve book-entry system to the account designated by the investment manager for such purpose. Securities held in certificated form must be delivered to the investment manager or a custodian as directed by the investment manager.

8.5.4 Any collateral employed under this paragraph shall be counted towards the applicable maximum limits set forth within these guidelines for such type of investment, and such collateral shall be valued at market at not less than 103 percent of the maturity value of the agreement and marked-to-the-market as requested by the investment manager.

8.5.5 Repurchase agreements shall be limited to a maximum maturity of 90 days from date of purchase. No single issuer shall exceed 25% of the City's portfolio.

8.6 Registered Investment Companies (Money Market Funds)

~~Money market funds shall not be permitted to invest in or hold securities other than those approved in this Policy~~. No single fund shall exceed 25% of the City's portfolio. Money market funds shall be rated AAAm by Standard & Poor's. A current prospectus must be obtained before investing in any money market fund, and current holdings reports must be maintained at least each month.

8.7 Mortgage-Backed Securities

Mortgage-backed securities issued by the following: Government National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Association (FHLMC). This sector shall not exceed 50% of the total portfolio.

8.8 Municipal Obligations

Taxable and tax-exempt securities issued by state and local governments and public authorities in the United States. The maximum stated maturity of any investment in this sector shall be limited to 5 years at time of purchase. This sector shall not exceed 30% of the City's portfolio. No single issuer shall exceed 5% of the City's

portfolio. Issuers shall be rated at least "A" ~~AA~~ by Standard & Poor's and "A" ~~Aa~~ by Moody's. Additionally Issuers in the short term market (under one year) shall be rated at a minimum of "mig-1" or "sp-1" for Moody's and S&P.

8.9 State of Delaware Investments Pool

8.9.1 Delaware Local Government Investment Pool (DELGIP) -The investment in this pool is permitted in relation to the City's cash flow and the guidelines set forth by the State of Delaware. The investment in this pool will not exceed 25% of the total funds available and will be monitored by the City's Finance Department on a monthly basis.

8.9.2 Delaware Local Government Retirement Investment Pool (DELRIP) The investment in this pool is permitted in relation to the City's Post-Retirement Benefits Fund. The investment in this pool will not exceed 25% of the total funds available and will be monitored by the City's Finance Department on a monthly basis.

8.10 Trading Securities

The Controller/Treasurer is hereby authorized to sell securities prior to their stated maturity date in the following circumstances:

1. A security with declining credit may be sold prior to its maturity to minimize loss of principal;
2. A security swap may be executed if it would improve the quality, yield, or target duration of the portfolio;
3. Securities may be sold to provide needed liquidity.

8.11 Internal Control on such transactions

8.11.1 An investment report will be provided to the Council on a quarterly basis.

8.11.2 All investment reporting documents will be provided to the independent auditors.

8.11.3 Investment records will be kept by the City for ten (10) years.

8.11.4 The trading shall not involve any hedge, derivatives and/or borrowing funds for trading purposes.

9.0 Collateralization of City Deposits

If the City deposits funds in any financial institution, those funds will be subject to the following collateralization requirements. The financial institution shall:

9.1 Collateralize the City's daily ledger balance(s) if, for any quarter during the most recent eight quarters the bank has not met both of the following two criteria:

- Return on total average assets of 0.50 percent or greater.
- Average capital ratio (total equity to total assets) of 5.00 percent or greater.

9.2 If either criterion in paragraph 8.1 is not satisfied collateral must be pledged and shall consist of one or more of the following securities:

- U.S. Government securities
- U.S. Government agency securities
- Federal Home Loan Board letters of credit
- State of Delaware securities

- Securities of a political subdivision of the State of Delaware with a Moody's rating of "A" or better

9.3 Ensure that the securities pledged as collateral (except for Federal Home Loan Board letters of credit) have a market value equal to or greater than ~~103~~ 102 percent of the ledger balance(s) in the account(s) marked to market each day.

9.4 Ensure that securities pledged as collateral are housed at the Federal Reserve Bank or a mutually agreed upon third party depository. (The trust department of the winning vendor will not be acceptable.)

9.5 Provide reports on a monthly basis to the City Finance Department detailing the collateral pledged.

9.6 Provide a Call Report (Consolidated Report of Condition and Income, FFIEC 031) on a quarterly basis to the City Finance Department.

10.0 Policy Considerations

If securities owned by the City are downgraded by either Standard & Poor's or Moody's to a level below the quality required by this Policy, it shall be the City's policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio.

If a security is downgraded two grades below the level required by the Policy, the security shall be sold immediately.

If a security is downgraded one grade below the level required by this Policy and matures within 6 months, the security may be held to maturity. The Controller/Treasurer may determine to sell the security if it is determined that there is a probability of default prior to maturity.

If a decision is made to retain a downgraded security in the portfolio, its presence in the portfolio will be monitored and reported monthly to the Controller/Treasurer.

11.0 Internal Controls

The Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse. The Treasurer shall also establish a process for an annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following:

- Control of collusion
- Separation of transaction authority from accounting and recordkeeping
- Custodial safekeeping
- Prohibition of physical delivery securities
- Clear, written delegation of authority to subordinate staff members
- Written confirmation of transactions for investments and wire transfers

12.0 Performance Standards

The City of Dover's investment decisions shall be made with the objective of obtaining a rate of return commensurate with the investment risk constraints and the cash flow needs. On a quarterly basis, the Controller/Treasurer shall compare the City's portfolio against the

Merrill Lynch 0-5 Year U.S. Treasury Index, in terms of time-weighted total return and average duration for the period under review.

13.0 Reporting

At the end of each calendar quarter, the Controller/Treasurer will submit a report of all quarter-ending investments to the Mayor and City Council. Reports shall include the following:

- Listing of individual securities held as of last day of reporting period, sorted by sector
- Par, market, and amortized cost values of each security
- Coupon, current yield, and final stated maturity date of each security

14.0 Investment Policy Adoption

The City of Dover's investment policy will be adopted by the City Council after review and recommendation of the Legislative and Finance Committee. The policy will be reviewed at least once every year by the Legislative and Finance Committee, which is charged with considering the existing policy and any recommendations to modify the policy. Any modifications to the policy must be approved by the City Council.

LEGEND

1. Original approval by City Council - November 14, 1988
2. Revised policy approved by City Council - March 7, 2005
3. City Council Approved with No Changes – April 14, 2008
4. Revised policy approved by City Council – July 25, 2011

ATTACHMENT A

GLOSSARY

AGENCIES: Federal agency securities, otherwise known as "Government Sponsored Enterprises."

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Large denomination CD's are typically negotiable.

BANKERS ACCEPTANCE: A short-term credit investment which is created by a non-financial firm and whose payment is guaranteed by a bank.

COLLATERAL: Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COMMERCIAL PAPER: An unsecured obligation issued by a corporation or bank to finance its short-term credit needs. Maturities typically range from one (1) to 270 days.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): The official annual report for the City of Dover. It includes five combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

CORPORATE BONDS: A debt security issued by a corporation based in the United States of America. Such bonds usually have a par value of $1,000, have a term maturity, and are traded on a major exchange.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns, in an attempt to limit risk.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to $250,000 per deposit.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANKS (FHLB): The institutions that regulate and lend to savings and loan associations. The Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Banks vis-a-vis member commercial banks.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FMHM mortgages. The term "passthroughs" is often used to describe Ginnie Mae's.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE: The price at which a security is trading and could presumable be purchased or sold.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MORTGAGE-BACKED SECURITIES (MBS): An investment instrument that represents ownership of, and is backed by, an individual interest in a pool of mortgages such as those issued by Ginnie Mae or Freddie Mac. Principal and interest from the individual mortgages is used to pay principal and interest on the MBS.

MUNICIPAL NOTES AND BONDS: Securities issued by a state, city, or local government to finance operations or special projects.

PRUDENT PERSON RULE: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state--the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN: A measure of worth, either at security or aggregate portfolio level, over a period of time. There are many return conventions, including but not limited to yield to maturity at cost, yield to maturity at market, yield to worst, time weighted total return, dollar weighted total return.

REPURCHASE AGREEMENT (RP OR REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agree-ment, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money, that is, increasing bank reserves.

REVERSE REPURCHASE AGREEMENT: The purchase of a security by a dealer with the agreement to sell it back to the seller at a fixed price at a later date. Typically used by owners of securities to finance short-term needs without having to liquidate the security.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

TIME DEPOSITS: A savings account or CD held for a fixed term or with the understanding that the customer can withdraw only by giving advanced notice.

TREASURY BILLS: A short-term (less than one year) non-interest bearing discount security issued by the U.S. Treasury department to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BOND: Long-term U.S. Treasury securities having initial maturities of more than 10 years.

TREASURY NOTES: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months or one year.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1: also called net capital rule and net capital ratio.

Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

VARIABLE RATE MASTER DEMAND NOTES: A floating rate security with initial maturities and indexed rates chosen by the investor. The interest rate is adjusted periodically, usually off a standard such as that prevailing on a Treasury Bill or the prime interest rate.

YIELD: The rate of annual income return on an investment, expressed as a percentage.

INCOME YIELD is obtained by dividing the current dollar income by the current market price for the security.

NET YIELD or YIELD TO MATURITY is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

ATTACHMENT B

Dover, Delaware, Code of Ordinances >> PART I - CHARTER AND RELATED LAWS

PART I - CHARTER AND RELATED LAWS [1]

Subpart A - CHARTER

PREAMBLE [3]

We the people of the City of Dover, under the constitution and laws of the state of Delaware, in order to secure the benefits of local self-government and to provide for an honest and accountable council-manager government, do hereby adopt this charter and confer upon the city the following powers, subject to the following restrictions, and prescribed by the following procedures and governmental structure. By this action, we secure the benefits of home rule and affirm the values of representative democracy, professional management, strong political leadership, citizen participation, and regional cooperation.

ARTICLE I. - POWERS OF THE CITY

ARTICLE II. - MAYOR AND COUNCIL

Sec. 17. - Controller/treasurer.

At the annual meeting the council shall elect a controller/treasurer to hold office until the next annual meeting of the council, or until his/her successor has been duly chosen and qualified, but subject to removal at any time by the council.

The controller/treasurer shall be the custodian of all the city funds and shall deposit them in a banking institution designated by the council.

(Amd. of 7-12-2005 (S.B. 126); Amd. of 7-8-2009 (S.B. 165, § 15))

DOVER HUMAN RELATIONS COMMISSION

April 25, 2007

Candidate Questionnaire

1. What volunteer service(s) have you performed?

2. Why do you want to serve on this commission?

3. What relevant experience, if any, have you had in the human relations area?

4. How would you define good human relations in a community?

5. What do you think is the most important social service needed in Dover?

6. What area of human relations (in Dover) do you think needs improvement and why?

7. How would you propose involving community groups in the activities of the Commission?

8. Have you ever attended a meeting of the Dover Human Relations Commission?

9. What do you think the Commission could do to make itself more effective in improving human relations in Dover?



DOVER HUMAN RELATIONS COMMISSION

The Dover Human Relations Commission (DHRC) is seeking to fill a member vacancy and requests applications from citizens of the city who are willing to serve. The Commission is an advisory body created by the Mayor and City Council to promote and develop an environment of fairness and respect among all citizens of Dover. The Commission aims to involve all segments of the community in understanding and appreciating the benefits of positive inter-group relations. Members serve on various committees and are expected to attend monthly meetings, usually scheduled for the fourth Wednesday at 7 pm. Interested persons should send a letter of interest and resume to the Dover Human Relations Commission, c/o City of Dover, P.O. Box 475, Dover, DE 19903-0475.