LEGISLATIVE, FINANCE, AND ADMINISTRATION COMMITTEE
A G E N D A

APRIL 22, 2013 - 5:30 P.M.

CITY HALL COUNCIL CHAMBERS
15 LOOCKERMAN PLAZA
DOVER, DELAWARE

Public comments are welcomed on any item and will be permitted at appropriate times. When possible, please notify the City Clerk (736-7008 or e-mail at CityClerk@dover.de.us) should you wish to be recognized.

AGENDA ADDITIONS/DELETIONS

1. **Emergency Replacement of Police Dispatch Center Raised Floor**
   (Staff Recommends Approval of Flooring Replacement by Cherokee Nation Construction Services)

2. **Emergency Replacement of Weyandt Hall Carrier Chiller Compressor**
   (Staff Recommends Awarding a Purchase Order in the Amount of $13,600, Based Upon Proposals Provided by Approved HVAC Contractor, to Progressive Mechanical and to Allow for the Usage of Non-budgeted Receipts from the Sale of Assets this Year to Pay for the Unbudgeted Emergency Purchase)

3. **Proposed Ordinance #2013-07 Amending Chapter 2 - Administration, Article VI - Other Post-Employment Benefits Fund (Medicare Part B Reimbursement Eligibility Clarification)**
   (Staff Recommends Adoption of the Ordinance)

4. **Local Market Salary and Position Comparison**
   (Pending Approval of the Request for a Local Market Salary and Position Comparison, Staff Recommends Conducting the Local Market Salary and Position Comparison Using the Existing Position List. The Data Will Be Assembled and Analyzed by the City Manager, the Controller/Treasurer, and the Human Resources Director Within Approximately Ninety (90) Days from City Council Approval)

5. **Adjournment by 7:00 p.m.**

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

COMMITTEE ACTION FORM

PROCEEDING: Legislative, Finance & Administrative	**AGENDA ITEM NO.:**
DEPARTMENT OF ORIGIN: Police	**DATE SUBMITTED:** 4/12/13
PREPARED BY: Captain Robert Scott / Administrative Division Commander	
SUBJECT: Emergency Replacement of Police Dispatch Center Raised Floor	
APPROVALS: City Manager, Controller/Treasurer	
EXPENDITURE REQUIRED: $19,715.10	**PROJECT BUDGET:** $19,715.10
FUNDING SOURCE (Dept./Page in Budget): Non-Budgeted FY13 Asset Sales - $43,000	
TIMETABLE: After approval, the project will be scheduled to be completed before the end of June 2013	
RECOMMENDED ACTION: Committee approval of flooring replacement by Cherokee Nation Construction Services.	

BACKGROUND

Raised floor configurations in dispatch centers are required to provide the space and ventilation needed for all the computers and associated wiring for the center. The current flooring is rated at 1000 lbs per square foot and during the last five years, has failed at least six times. In all cases the city fleet maintenance shop assisted police personnel with making temporary repairs by welding the parts back together and/or reinforcing the worn parts to make them reusable. The last failure in early March, unlike the previous incidents, happened when an employee was standing on the floor as one tile collapsed. Fortunately, he was not hurt. As a result, the flooring needs to be replaced to prevent any future failures and ensure the safety of police personnel.

After the floor was fixed temporarily in March, the Police Department found a contractor that had some experience with raised flooring installations and repairs. The contractor stated that the flooring in the Dispatch Center was not rated high enough to withstand the load imposed, which is why most of the floor panels show signs of dishing and are in bad shape. They recommended 1250 lb rated flooring and the pricing for the repair ($16,082.75) versus the replacement of the flooring ($19,715.10) is fairly close and the result of the difference in cost between the two grades of the floor systems. Both options will require the temporary relocation of the Dispatch Center to KentComm and contain large costs for the logistics for moving the equipment around in the room to accommodate the project. Therefore, replacing the flooring is the only viable option since the current flooring is not designed to sustain the current loads safely.

FUNDING

The Department solicited three quotes and was able to find only one contractor to do the floor replacement. Cherokee Nation Construction Services would be a sole-source vendor on this project. The cost for this project will be covered by non-budgeted receipts from the sale of assets this year.

ACTION REQUESTED

Council approval for the project

ACTION FORM

PROCEEDING: Legislative, Finance and Administration Committee	**AGENDA ITEM**:
DEPARTMENT OF ORIGIN: Public Works	**DATE SUBMITTED**: 04/12/2013
PREPARED BY: Sharon J. Duca, P.E., Public Works Director / City Engineer	
SUBJECT: Emergency Replacement of Weyandt Hall Carrier Chiller Compressor	
REFERENCE: N/A	
RELATED PROJECT: N/A	
APPROVALS: City Manager, Controller	
EXHIBITS: Progressive Mechanical Proposals	
EXPENDITURE REQUIRED: $ 13,600.00	**AMOUNT BUDGETED**: Budget Transfer Required
FUNDING SOURCE (Dept./Page in CIP & Budget): assets this year - $43,000. CIP Page: N/A	Funding Sources: Non-budgeted receipts from the sale of
TIMETABLE: Purchase Order to be issued upon Council approval and completion of budget transfer to consolidate budgetary savings into the appropriate account for the purchase.	
RECOMMENDED ACTIONS: Award purchase order in the amount of $13,600.00, based upon proposals provided by approved HVAC Contractor, to Progressive Mechanical. Allow for the usage of non-budgeted receipts from the sale of assets this year to pay for the unbudgeted emergency purchase.	

BACKGROUND AND ANALYSIS

City staff has identified that the large chiller on the roof of Weyandt Hall, which cools most of the building, no longer works and is in need of repair. The chiller has been inspected by the City's approved HVAC Contractor, Progressive Mechanical, and the following proposals have been provided.

#	DESCRIPTION	COST
1	REPLACE COMPRESSOR ON THE CARRIER CHILLER WITH A REBUILT COMPRESSOR (1 YEAR WARRANTY)	$8,925.00
2	REPLACE COMPRESSOR ON THE CARRIER CHILLER WITH A NEW COMPRESSOR (5 YEAR WARRANTY)	$13,600.00
3	REPLACE THE CARRIER CHILLER WITH A NEW CARRIER CHILLER (10 YEAR WARRANTY)	$38,500.00

City staff reviewed all proposals submitted. Based upon this review, staff finds Proposal #2 to be the most cost effective. Staff also recommends that this work be performed as soon as possible this fiscal year. Although windows are capable of opening at this facility, no air circulation can occur unless the heat is turned on at this point. In addition, temperatures have already reached ninety degrees (90°) which causes this to be a critical purchase for the staff and tenants located within the building.

Proposal

Progressive Mechanical Services Inc.
132 Carnoustie Road
Dover , Delaware 19904
1-302-399-6899

Proposal created for		Job Name	
City of Dover		Weyandt Hall	
Address		Job Address	
P.O. Box 475		5 East Reed Street	
City, State Zip		City State Zip	
Dover , Delaware 19903-0475		Dover , Delaware 19903	
Phone	Date Submitted	Architect	Date of Plans
736-7058	April 4 2013		April 2 2013

This proposal is for replacing the compressor on the Carrier chiller located on the roof of Weyandt Hall.

1. We will reclaim all the refrigerant from the system.
2. Flush out refrigerant lines.
3. Install filter dryer and sight glass.
4. We will schedule to have a crane on the site.
5. Removal and disposal of old compressor.
6. Supply and charge replacement compressor with R- 134A refrigerant.
7. Supply and install new motor starter.

Cost for a rebuilt compressor with a one year warranty and everything listed above is 8,925.00 dollars.

Cost for a new compressor with a five year warranty and everything listed above is 13,600.00 dollars.

We hereby propose to furnish material and labor in accordance to the above specifications, for the sum of: $

Payment to be made as follows:

Authorized Signature

Proposal Valid for Days

Acceptance of Proposal - The above specifications, prices and conditions are acceptable. I hereby authorize all work as specified. Payment to be remitted as outlined above

Signature

Date Authorized:

Signature

Proposal

Progressive Mechanical Services Inc.
132 Carnoustie Road
Dover , Delaware 19904
1-302-399-6899

Proposal created for		Job Name	
City Of Dover		Weyandt Hall	
Address		Job Address	
P.O. Box 475		5 East Reed Street	
City, State Zip		City State Zip	
Dover , Delaware 19903-475		Dover , Delaware 19903	
Phone	Date Submitted	Architect	Date of Plans
1-302-736-7058	April 4, 2013		April 2,2013

This proposal is to replace the Carrier chiller located on the roof top of Weyandt Hall.

We will install a Carrier Model # 30 RAPO35 Chiller. This is an exact replacement for the existing chiller.

We will schedule and have crane on site.

We will remove and dispose of existing chiller.

This system has a 10 year warranty.

Cost for Carrier Chiller and everything listed above is 38,500.00 dollars.

We hereby propose to furnish material and labor in accordance to the above specifications, for the sum of: $

Payment to be made as follows:

Authorized Signature

Proposal Valid for Days

Acceptance of Proposal - The above specifications, prices and conditions are acceptable. I hereby authorize all work as specified. Payment to be remitted as outlined above

Signature

Date Authorized:

Signature

ACTION FORM

PROCEEDING: Legislative, Finance and Administration Committee	**MEETING DATE:** April 22, 2013
DEPARTMENT OF ORIGIN: City Manager	**DATE SUBMITTED:** April 17, 2013
PREPARED BY: Scott Koenig, P.E., City Manager	
SUBJECT: Proposed Ordinance #2013-07 - Chapter 2 – Administration, Article VI - Other Post-Employment Benefits Fund, Section 2-505. – Medicare Part B Premium Reimbursements - Eligibility Language Clarification	
APPROVALS: LF&A Committee and City Council	
EXHIBITS: Excerpt from the City Council Meeting Minutes of July 27, 2009	
RECOMMENDED ACTION: Recommend adoption of Ordinance #2013-07 amending Chapter 2 – Administration, Article VI – Other Post-Employment Benefits Fund, Section 2-505. – Medicare Part B Premium Reimbursements.	

BACKGROUND AND ANALYSIS

During the July 27, 2009 City Council meeting, Council voted to support the recommendation of the Legislative, Finance and Administration Committee as it related to the topic of reimbursement to non-bargaining employees for Medicare Part B premiums. The recommendation was that current employees would remain eligible; however, new hires would not be eligible for Medicare Part B premium reimbursements.

The intent of the recommendation was to establish a defined (closed) group of eligible employees upon approval by Council. It was implied that the group of eligible employees would not be increased going forward from that point in time. In reviewing the ordinance, it appears that employees who were hired on or before July 27, 2009 but were in union positions at the time of the Council action of July 27, 2009 (thus not entitled to the reimbursement due to union membership) would become eligible for the reimbursement if subsequently promoted or transferred to a non-bargaining position. Employees being promoted or transferred are not new employees; therefore, based upon the recommendation that was approved by City Council these employees would be eligible for the reimbursement.

The current Police Chief and Police Major were promoted after July 27, 2009. The Chief was promoted from Captain to Major on November 21, 2009 and then to Chief on April 4, 2011. The Major was promoted from Captain to Major on April 4, 2011. At the rank of Captain they were not eligible for the reimbursement. However, they are now non-bargaining employees and because they are not considered new hires, they are eligible for the reimbursement. Additionally, the current Records Unit Supervisor was promoted from a Police Clerk II position to the Records Unit Supervisor on April 8, 2013 and is also eligible for the reimbursement.

Proposed Ordinance #2013-07 amends Chapter 2 – Administration, Article VI – Other Post-Employment Benefits Fund, Section 2-505 – Medicare Part B Premium Reimbursements to allow employees who were transferred or promoted to non-bargaining positions on or before the adoption of this ordinance to receive Medicare Part B premium reimbursements. It clarifies that non-bargaining employees hired after July 27, 2009 or promoted or transferred to non-bargaining positions after May 28, 2013 who were not previously entitled to Medicare Part B premium reimbursement shall not be entitled to the reimbursement. Additionally, it removes redundant language and improves readability.

Staff recommends adoption of Ordinance #2013-07 amending Chapter 2 – Administration, Article VI – Other Post-Employment Benefits Fund, Section 2-505 – Medicare Part B Premium Reimbursements to clarify that non-bargaining employees on record as of July 27, 2009 retain their eligibility for the Medicare Part B premium reimbursements, in addition to the current Police Chief, Police Major, and Records Unit Supervisor, with the understanding that the group of eligible employees will not be increased in the future.

Elimination of Medicare Part B Reimbursement

Mrs. Mitchell, Controller/Treasurer, reminded members that the Governmental Accounting Standards Board passed an accounting standard which requires governmental entities to recognize the cost of retirement health care during the term of the employee's employment and not pay as you go after the employee retires.

Mrs. Mitchell advised members that one of the benefits the City currently provides is reimbursement of the individual's Medicare Part B premium that is deducted from Federal Social Security or disability benefits. After researching how other governmental entities in Delaware address Medicare Part B premiums, staff discovered that the City of Dover is the only employer that provides this reimbursement. She stated that in 2006, upon learning of the draft standard and completion of a preliminary actuarial analysis, the City included in their Union negotiations the elimination of this benefit. Mrs. Mitchell stated that all unions have subsequently agreed to the elimination of the premium reimbursement for their current membership. In January 2009, the City Manager submitted benefit changes for non-bargaining employees so that they would have parity with the Unions. The elimination of the Medicare B premium reimbursement for non-bargaining employees was not included in that submission.

Mrs. Mitchell provided members with four (4) alternatives, as completed by the Actuary, to incorporate all other persons not currently represented by a Union. It was noted that the alternatives can stand alone or be combined.

Mr. McGlumphy noted the complexity of this issue and suggested that staff only address alternative #1, suggesting that alternatives #2, #3, and #4 be tabled until receipt of the Consultant's Report.

Mrs. Mitchell explained the alternatives, as follows: Alternative #1 would provide for no reimbursement to all future retiree's (new hires) upon approval by Council; Alternative #2 would align benefits and bring parity to all employee groups by January 31, 2010; Alternative #3 would be to continue the practice and place a $100 cap on reimbursements, except current union membership where applicable; and Alternative #4 would provide no reimbursement for all current and future retiree's not receiving Medicare B medical benefits as of January 31, 2010, except current union membership where applicable.

Mr. Tim Mullaney, 88 Marietta Drive (retired 1992 from City of Dover Police Department), stated that upon his retirement he was advised that he would be provided Medicare B when he became eligible for its receipt. He requested that Alternative #4 not be considered a viable option.

Mr. Les Blakeman, 209 Falmouth Way, reminded members that there are two (2) classes of employees that would be affected by a change: represented employees and non-represented employees. He explained that the non-represented employees have always been able to put their full trust and reliance on Council action to protect their benefits. They do not have the benefit of a written contract, only an agreement. Mr. Blakeman noted that there are 70 individuals listed on the retirement list who could be impacted and that it could result in a 27% reduction in retirement pay. For a retiree receiving $29,397, the elimination of the benefit would result in a 3.4% permanent, on-going, cost of living reduction that would increase each year, which he explained could be detrimental when there is no built-in cost of living increase to off-set expense increases in future years. He explained that any change would establish a guaranteed reduction in retirement benefit every year.

Mrs. Frances Hettinger, 63 Sackarackin Avenue, advised members that she currently receives the Medicare B reimbursement. She explained her concern with the City taking a benefit away from a retiree who has been depending on the benefit. Concurring with Mr. Blakeman, she felt confident that Council would protect the benefits of current employees and retirees, indicating an understanding with implementing a change for new hires.

The committee recommended approval of Alternative #1, which would provide no reimbursement to all future retiree's upon approval to be effective upon approval by Council, noting that this alternative refers specifically and only to new hires.

By consent agenda, Mr. McGlumphy moved for approval of the committee's recommendation, seconded by Mr. Salters and carried by a unanimous roll call vote.

The committee tabled Alternatives #2, #3, and #4 until receipt of the Consultant's Report.

Mr. McGlumphy noted that, in addition to the consideration of the four (4) alternatives for future Medicare Part B premium reimbursements, staff also recommended authorization to solicit a Request for Proposal for a Health Care Consultant to assist the City with options for managing its health care costs.

The committee recommended authorization to solicit a Request for Proposal for a Health Care Consultant to assist the City with options for managing its health care costs.

By consent agenda, Mr. McGlumphy moved for approval of the committee's recommendation, seconded by Mr. Salters and carried by a unanimous roll call vote.

Responding to Mr. Leary, Mrs. Mitchell stated that it is staff's intention to involve all parties, including retirees, by scheduling workshops and requesting their review.

CITY OF DOVER PROPOSED ORDINANCE #2013-07

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

That Chapter 2 - Administration, Article VI - Other Post-Employment Benefits Fund, Section 2-505 - Medicare Part B Premium Reimbursements, be amended by inserting the text indicated in bold, blue, italics and deleting the text indicated in red strikeout as follows:

Sec. 2-505. - Medicare part B premium reimbursements.

~~**On**~~ ***Effective*** July 27, 2009, ~~**council approved the recommendation of the legislative, finance, and administration committee's recommendation not to provide for Medicare part B premium reimbursement for all nonbargaining employees which applied only to new hires after July 27, 2009.**~~ ***Medicare Part B premium reimbursement was discontinued for non-bargaining employees hired after that date. Employees hired on or before July 27, 2009 who were not previously entitled to Medicare Part B premium reimbursement who were promoted or transferred to a non-bargaining position after May 28, 2013 (Date of Adoption),*** ~~***become a non-bargaining employee after July 27, 2009, whom were not entitled to Medicare Part B premium reimbursement before July 27, 2009,***~~ ***shall not be entitled to the reimbursement.***

The city ~~**currently provides**~~ ***will continue the practice of providing*** Medicare Part B premium reimbursement for ~~**all other**~~ non-bargaining employees ***hired on or before July 27, 2009 and those eligible due to promotion or transfer to a non-bargaining position on or before May 28, 2013 (Date of Adoption),*** ~~**and the legislative, finance, and administration committee recommends that this practice be continued provided that it is clearly stated and understood that the decision of council, if approved by council,**~~ ***with the understanding that it*** is not ***considered a*** vested ***right*** and can be changed or eliminated ***by council*** at any time ***by ordinance or resolution enacted to that effect and, further, as required by Section 3 of the Charter, that the fund for payment of the costs of such premium reimbursement shall be continued, as in the past.***

~~**The city shall continue to provide Medicare part B premium reimbursements for all nonbargaining employees other than those new hires after July 27, 2009, as it has done in the past, provided that this is not to be considered a vested right and can be changed or eliminated by council at any time by ordinance or resolution enacted to that effect and, further, that as required by the Charter, section 3, the fund for payment of the costs of such premium reimbursement shall be continued as in the past.**~~

ADOPTED: *

S:\ORDINANCES\2013\Draft\2013-07 Amending Ch 2 - Administration, Art VI - OPEB Fund, Sec 2-505 - Medicare Pt B Premium Reimb.wpd

SYNOPSIS

This amendment allows employees who were transferred or promoted to non-bargaining positions prior to the adoption of this ordinance to receive Medicare Part B premium reimbursements. Non-bargaining employees hired after July 27, 2009 or promoted or transferred to non-bargaining positions after May 28, 2013 who were not previously entitled to Medicare Part B premium reimbursement shall not be entitled to the reimbursement. Additionally, this section has been re-worded to remove redundant language and improve readability.

(SPONSORS: STAFF)

Actions History

April 22, 2013 - Introduced at Legislative, Finance, and Administration Committee

Draft

Memorandum

Office of the City Manager
PO Box 475
Dover, DE 19903
Phone: (302) 736-7005
FAX: (302) 736-7002
E-mail: skoenig@dover.de.us

To: **Members of Legislative, Finance, and Administration Committee**

From: **Scott D. Koenig, P.E.**
City Manager

Date: **April 22, 2013**

Subject: **Local Market Salary and Position Comparison**

Over the past year, various members of City Council have inquired about the competitiveness of the various City salary scales compared to our peer group. The issue of compensation has been a difficult subject matter given all of the components necessary to consider equivalent pay and benefits. Most recently, I have been requested to conduct a Local Market Salary and Position Comparison using the following governmental units as the peer group:

1) Kent County, Delaware
2) State of Delaware
3) City of Wilmington
4) City of Newark
5) City of Milford

If this request is approved, staff will conduct the local market salary and position comparison using our existing position list. If the governments to be surveyed do not have a similar position, it will be noted in final documentation. The data to be collected will be assembled and analyzed by the City Manager, the Controller and the Human Resources Director. We expect this effort to require approximately ninety (90) days from City Council approval.

SDK/sdk