REGULAR COUNCIL MEETING

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

Council staff members present were Police Chief Hosfelt, Mrs. Mitchell, Mrs. Townshend, Fire Chief Fortney, Mr. Koenig, City Solicitor Rodriguez, and Mrs. McDowell. Mayor Carey was also present.

OPEN FORUM

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

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

Mrs. Patricia Virdin read the following statement:

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

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

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

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

Maj. Paul Bernat read the following statement:

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

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

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

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

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

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

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

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

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

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

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

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

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

AGENDA ADDITIONS/DELETIONS

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

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

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

ADOPTION OF MINUTES - COUNCIL RETREAT OF MARCH 26, 2012

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

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

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

CERTIFICATE OF APPRECIATION AND CONGRATULATIONS - ZACHERY CARTER

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

MAYOR AND COUNCIL

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

ZACHERY CARTER

for Dedicated Service to the City of Dover

September 1988 - June 2012
23 Years of Service

The Mayor and Council Extend Sincere Appreciation and Congratulations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Staff recommended that City Council:

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

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

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

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

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

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

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

PUBLIC HEARING - ELECTRIC REVENUE FUND BUDGET

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

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

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

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

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

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

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

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

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

Council President Leary declared the public hearing open.

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

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

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

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

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

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

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

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

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

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

ADOPTED: JUNE 11, 2012

BOARD OF ASSESSMENT APPEALS EXEMPTION REPORT - MAY 22, 2012

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

EXEMPTIONS

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

Background and Analysis

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

This property was purchased in January 2006.

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

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

Exemption Request - $30,600

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

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

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

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

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

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

Chairman Garfield closed the hearing and opened up for deliberation.

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

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

The motion carried 4-0.

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

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

Background and Analysis

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

This property is being used for storage.

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

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

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

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

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

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

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

Mr. Burns asked what the building was used for.

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

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

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

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

Chairman Garfinkel closed the hearing and opened for deliberations.

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

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

Motion carried 4-0.

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

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

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

Background and Analysis

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Chairman Garfinkel closed the hearing and opened for deliberations.

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

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

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

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

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

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

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

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

Motion carried 4-0.

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

Background and Analysis

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

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

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

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

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

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

Mr. Boyles was present for the hearing.

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

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

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

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

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

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

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

Chairman Garfinkel closed the hearing and opened for deliberation.

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

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

Mr. Welsh seconded the motion.

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

Motion carried 4-0.

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

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

Background and Analysis

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

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

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

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

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

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

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

Mr. Burns asked why the exemption was revoked.

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

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

Chairman Garfinkel closed the hearing and opened for deliberations.

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

Chairman Garfinkel seconded the motion based on the information provided.

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

Motion passed 4-0.

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

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

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

Background and Analysis

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

This property was purchased in November 2008.

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

Exemption Request - $186,900

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

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

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

Chairman Garfield closed the hearing and opened for deliberation.

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

Motion carried 4-0.

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

Background and Analysis

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

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

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

The Assessor recommended the application be denied.

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

Chairman Garfinkel closed the hearing and opened for deliberations.

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

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

Motion carried 4-0.

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

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

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

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

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

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

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

COUNCIL COMMITTEE OF THE WHOLE REPORT - MAY 29, 2012

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

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

Downtown Dover Business Improvement District (BID)

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

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

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

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

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

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

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

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

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

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

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

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

Evaluation of Proposals - Fiscal Year 2012-2016 Audit Services

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

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

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

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

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

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

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

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

Health Benefits Committee Report of April 18, 2012

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

MONTHLY REPORTS - APRIL 2012

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

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

EVALUATION OF BIDS - LEPORE ROAD PUMP STATION REPLACEMENT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

COUNCIL MEMBERS ANNOUNCEMENTS

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

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

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

Meeting Adjourned at 8:52 P.M.

TRACI A. McDOWELL
CITY CLERK

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

CARLETON E. CAREY, SR.
MAYOR

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

EXHIBIT #1
Council Meeting of 06/11/2012

Violation of Dangerous Building Ordinance 14 South Queen Street

Planning & Inspections Department

Dover, Delaware

June 11, 2012

14 South Queen Street
Case History

- History of code violations since 1999 (29 cases)
  - Interior and exterior violations
  - Tall grass and weeds
  - Abandoned or unregistered vehicles/Vehicles on the grass
  - Junk and debris
- Condemned as unfit for human habitation on 9/15/2008
- Numerous broken windows, missing siding, missing gutters, with junk and debris in the yard. Rear tree has fallen.
- Registered as vacant by staff on 2/12/2009
  - No fees paid to date

14 South Queen Street Case History

- Owner obtained renovation permits on 3/6/2012 & 4/2/2012.
  - The rear room of the home has been removed, but the work was not done within the specifications of the renovation permit application.
  - Renovations have not been completed and at no point have inspections been scheduled as per Council instructions.
  - From an interior inspection performed on June 7, 2012, it appears that someone is living within the structure.
  - Based on observations from the interior inspection, it appears that the required renovation will exceed that which would allow review under the Existing Building Code and that the house would likely need to comply with International Residential Code requirements for new construction.

Dangerous Building Code – Chapter 22 Article XI, Sec. 22-381

- (5) *Unfit for habitation*
- (9) *General welfare*
- *(10) Code violations*
- *(12) Unoccupied Buildings*


14
06/07/2012 10:36


06/07/2012 10:36


DOW
DOW
06/07/2012 10:36


06/07/2012 10:36


06/07/2012 10:37


06/07/2012 10:37

Recommended Council Action

- Declare this building dangerous.
- Order the property demolished.
- Order the Building Inspector to cause the repair or demolition of the structure if not completed by the owner **by July 11, 2012**.
- Order the City Manager with the assistance of the City Solicitor to cause the cost of repairs or demolition to be charged against the land on which the building exists as a municipal lien or cause such cost to be added to the tax duplicate as an assessment, or to be levied as a special tax, or to be recovered in a suit at law against the owner.

EXHIBIT #2
Council Meeting of 06/11/2012

Violation of Dangerous Building Ordinance 118 N Ann Ave

Planning & Inspections Department

Dover, Delaware

June 11, 2012

118 N Ann Ave
Case History

- History of code violations since 2008 (7 cases)
  - Interior and exterior violations
  - Tall grass and weeds
  - Unregistered vehicle
- Staff registered as a vacant building on 10/5/2011, as of todays date, no fees have been paid.
- Subject of fire on 4/3/2012
- Condemned as unfit for human habitation on 4/4/2012 due to the fire damage

Dangerous Building Code – Chapter 22 Article XI, Sec. 22-381

- (4) *Fire Damage, etc.*
- (5) *Unfit for habitation*
- (9) *General welfare*
- *(10) Code violations*
- *(12) Unoccupied buildings*


DANGER
06/07/2012 12:18


06/07/2012 12:19


06/07/2012 12:19


06/07/2012 12:19


06/07/2012 12:20


06/07/2012 12:20


06/07/2012 12:21

Recommended Council Action

- Declare this building and accessory structure dangerous.
- Order the property repaired or demolished.
- Order the Building Inspector to cause the repair or demolition of the structures if not completed by the owner **by July 11, 2012**.
- Order the City Manager with the assistance of the City Solicitor to cause the cost of repairs or demolition to be charged against the land on which the building exists as a municipal lien or cause such cost to be added to the tax duplicate as an assessment, or to be levied as a special tax, or to be recovered in a suit at law against the owner.