REGULAR COUNCIL MEETING

The Regular Council Meeting was held on February 27, 2012 at 7:30 p.m. with Acting Council President Williams presiding in the absence of Council President Leary. Council members present were Mr. Anderson, Mrs. Russell, Dr. McGlumphy, Mr. Lynn, Mr. Bonar, Mr. Hare, and Mr. Hutchison.

Council staff members present were Police Chief Hosfelt, Ms. Russell, 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. Acting Council President Williams declared the Open Forum in session and reminded those present that Council was not in official session and could not take formal action.

Mr. Gerald Rocha, 523 Schooner Court, yielded his time to Pastor Gregory Gordon.

Pastor Gregory Gordon, 54 S. New Street, expressed his concerns regarding the relationship of the Downtown Dover Partnership (DDP), area merchants, and the City's Economic Development Office (EDO) and about the possibility of separating the DDP and the EDO. He felt that Mr. Ed Perez, Project Coordinator in the EDO, has played a key role in holding these entities together. Pastor Gordon explained that, as a volunteer, he had observed Mr. Perez working with and assisting merchants, shoppers, citizens, and residents of the downtown area.

Pastor Gordon relayed additional concerns regarding the lack of availability of local jobs. He advised members that he is acquainted with many skilled laborers, masons, plumbers, welders, etc., all of whom remain unemployed, despite many construction projects occurring in the downtown area. He recommended that the City's bid process be revised to consider of the number of individuals that the contractor plans to employ from the City. Pastor Gordon assured members that he has the background and employees to assist the City, explaining that the people he represents do not want a "handout;" they want to work. He commended the Police Department for improvements made to the New Street area and noted that there is much more work to be done.

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

AGENDA ADDITIONS/DELETIONS

Mr. Hutchison moved for approval of the agenda as presented, seconded by Mr. Bonar and unanimously carried.

Dr. McGlumphy requested that Items #7A, Review and Recommendation - Filling Critical Positions, and #7E, Request of City Manager - Employee Related Benefits/Expenses, be removed from the consent agenda.

Mr. Lynn requested that Item #6A, Garrison Tract Infrastructure Financing, 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 (Council President Leary absent).

ADOPTION OF MINUTES - REGULAR COUNCIL MEETING OF FEBRUARY 13, 2012

The Minutes of the Regular Council Meeting of February 13, 2012 were unanimously approved by motion of Mr. Bonar, seconded by Mr. Hutchison and bore the written approval of Mayor Carey.

Certificate of Congratulations - 2011 Dover Post Great Person of the Year: Herb Konowitz

Mrs. Traci McDowell, City Clerk, read the following Certificate of Congratulations into the record:

CERTIFICATE OF CONGRATULATIONS

The Mayor and Council of the City of Dover
take great pleasure in honoring

Mr. Herb Konowitz

for being chosen as the winner of the prestigious
2011 Dover Post Great Person of the Year Award
which is awarded to individuals
who have made a difference in the lives of others.

We are pleased to recognize Mr. Konowitz for his past service and
continued dedication to the local community.

With gratitude and best wishes for the future.

February 27, 2012

Mayor Carey presented the Certificate to Mr. Konowitz and relayed appreciation for the work he has done for the betterment of the community. He noted that, due to the efforts of Mr. Konowitz, many citizens have been taken off the streets, were provided mentoring, and have found jobs.

Mr. Konowitz expressed his appreciation for the recognition and read the following statement into the record:

> *"Mayor Carey, Pres. Leary, City Council Persons and friends, thank you for this award you have bestowed on me as the Great Person of our community for 2011. I am humbled standing before you with that title, but I accept it not only for me but with those persons who are helping turn around our great city of Dover and the rest of Kent County.*
>
> *About 5 years ago we had an emergency in this city due to extremely cold temperatures. The House of Pride, through their leader, Marian Harris, tried to accommodate the sleeping requirements of many homeless men who showed up on their doorsteps. Although the House of Pride owned numerous, and somewhat dilapidated, houses on New Street, they did not have enough space, so Marian took*

it on herself and got 3 yellow school buses delivered to her properties. She had them located behind the houses, equipped them with electric heaters, and accepted homeless men for residency. Marian made these men somewhat comfortable and fed them. I don't think you know what it feels like when you are trying to stay warm in sub 20 degree weather.

It didn't take long for some of the owners on New Street to complain to the City of Dover. The House of Pride was found in violation of their conditional use permits and was told to remove the buses. All of these homeless men were back on the street. God outstretched his hand and found Pastor Cox of Christ Church; Jeanine Kleimo, our present Chair of the Dover Interfaith Mission; a retired Presbyterian Minister from New York, Pastor Lee McCallum; and others. They assembled some leadership and opened the meeting room of Christ Church to these abandoned homeless men. The rest is history, about which I know some of you are familiar.

I don't want to make light of it, but the men were housed in many of our churches during the winter, sometimes for a week and some for as much as a month. The outpouring of help was unbelievable. Church and synagogue members brought in food every night. The idea of a permanent shelter began to take place and approximately one and one half years ago, through the help of so many people, we were able to renovate a building that now houses 36 previously homeless men. To date, as you know, we have housed and fed over 700 homeless men, 365 days a year. Over 60% of these men have found employment. Last year we served over 12,000 plates of food with a food budget of zero. We are supported by over 47 faith community facilities by over 1000 volunteers. We are supported by local grants, a small state grant, contributions from individuals, some corporations, and, especially, some of our largest churches. Our operating budget is about $100,000 per year. We are able to do this because we have only two paid staff. The rest of us are volunteers. We would not be successful if it were not for the dedication of Mrs. Jeanine Kleimo, our Chair, last year's recipient of the Governor's Volunteer Award and, last year's Great Person Award winner for 2010; our Treasurer, Walter Bagley; our most dedicated intake manager, Cathi Kopera; and 15 other board members, including your own Sophia Russell, our newly re-elected councilwoman; and my moral supporter and wife of 53 years and a Dover Interfaith volunteer, Linda. Mayor Carlton Carey, Senators, Carper and Coons, and State Senator Brian Bushweller and Representative Daryl Scott have been right there from the beginning. I can't tell you how much support we have received from these people.

This year the community spoke through the Dover Post and an election was held with the following results: Herb Konowitz, received the most votes; board member and Capital school board member, Brian Lewis, was next; our own Cathi Kopera, next; former Kent County Levy Court Commissioner, and my friend Paul Davis, next; and another board member and our assistant treasurer Kathy Lessard, next. Four out of five top vote getters were from the Dover Interfaith Mission for Housing. I ask them to rise for a round of applause.

I accept this award not for me but for all of us. This is not about me.

As you are aware, we have recently experienced an inordinate amount of crime in our city. I am here to tell you that this will be reined in. Through the leadership of the Greater Dover Committee we have assembled the leaders who can make decisions. We have organized a Task Force that is analyzing the area from Division Street to Kent General Hospital, from the St. Jones River to just over the railroad tracks. A survey is being conducted by the City of Dover police force, under the able leadership of Chief Hosfelt. The patrolmen are in the process of going door-to-door and distributing these surveys.

As soon as they are picked up and analyzed we will proceed with making many changes to our city, such as additional lighting in key areas, and enforcing the neighborhood watch program. You are already seeing a greater concentration of our police force on the streets, and the crime has diminished.

The Downtown Dover Partnership has also stepped up to the plate. These leaders are leading. The Bayard Hotel has been leveled and a modern residential and retail facility is rising from the rubble. The Dannemann building, this week, has been leveled. Some of the old Loockerman Street buildings have been purchased and are in the process of being renovated and will be ultimately occupied by businesses that are in demand by the people of Central Delaware. Land for a beautiful commons and additional parking has been purchased with a state grant.

Streets around Wesley College will be closed to vehicular traffic making the campus more beautiful and safer for the students. Soon Wesley College will be renovating and occupying the Frear Building with their Nursing School. The transportation depot has been completed and has become more accessible to so many workers.

The City of Dover is On The Move. However, we must continue to accommodate the 250 to 300 homeless people in our area. I envision a campus facility to house, not only the homeless men, but also the homeless women and children. There is a tremendous need for a detoxification center for those whom are addicted to alcohol and drugs. Until we address these problems we will be stymied.

Plans are being formulated. The only permanent detoxification center in Delaware is located in Delaware City. One must have pull to get in. The center that was previously located in Ellendale, in Sussex County, was closed.

A recent development has occurred. Those suffering from alcohol addiction, after being treated in a permanent detox center, can be given an injection of Vivatrol, monthly, to eliminate the desire for a drink. We have tested it with two of our clients, and it is successful. There is hope for the future. Can you imagine what we can accomplish with those suffering from alcoholism? The Downtown Dover Partnership and the Greater Dover Committee have the vision we need to keep Central Delaware on the move.

I would like to just take a couple more minutes to tell you of the successes experienced by some of our guests: At Christmas time the employees of Vaughn Correction appeared at the Shelter and presented 30 gift cards for our men to show that DOC [Department of Corrections] *appreciates the help they have been given in placing ex-offenders in a safe environment while trying to acclimate themselves back into the community.*

You never know who may show up at our door. Some time ago 2 long lost cousins were reunited after 15 years. One from California. The other from Florida. They were too busy getting caught up, they hardly bothered to eat.

A student from Wilmington College, who is writing a paper for one of her classes, came to observe and help serve dinner. She visited with some of the men, after which she came and asked Cathi Kopera if she could come back at a later date to be a volunteer. Like most people she has this stereotype idea. Her whole idea of homeless has changed. She thought she would be nervous but instead felt very comfortable and found it to be a very warm and loving atmosphere - like a family. During the prayer circle she said," I felt like crying, the men are so grateful and appreciative of all you do for them."

One day I accompanied one of our men to a job interview, as I do, to the newly opened Chick-fil-A restaurant. The owner, Mary Johnson, conducted the interview from 10:00 a.m. to 12:45 p.m. She wanted to know everything about Daniel, and why was he incarcerated. Daniel had been a heavy equipment operator but couldn't find employment in Dover. She saw what she wanted to see and offered Daniel a job, at minimum wage, making sure the supplies are kept up for her customers. Daniel worked his way up through the organization and became one of her lead people.

There is a very happy man in New York. Gabby finally got his Permanent Resident Alien Card. It was sent to the mission. Cathi called him and he wanted her to pass on to anyone who had a part in helping him get his card - a huge thank you. He had been fighting to get his visa for 10 years. Only when he got to Dover Interfaith did he get the extra help needed. He is now working in the security field, doing well in New York City.

Sex offenders are the most difficult to place. These men have committed a crime but they, too, are human beings, who have paid their dues. Mark and Jesus have found employment at an orange juice plant and have worked their way up to leadership positions with numerous raises.

Lastly I have to tell you about Carlos. He came to us from an agency in Georgetown. Carlos was deaf, couldn't speak, and was homeless. No one wanted to give him the time of day. We told the agency to send him to Dover. When he arrived he couldn't talk or hear. He and I communicated with the pad and pencil. Soon he learned that he could text faster than he could write. So, here he was texting and I was writing.

I called Terry Murphy, President of Kent General and asked him to call Dr. Steve Cooper to get us an appointment. Within one half hour a call came in from Cooper's office, saying that someone had called him from DIMH [Dover Interfaith Mission for Housing]. We were told that this would not be necessary in the future, that they would take care of Carlos. Carlos was tested and was found to have little hearing in his left ear and no hearing in his right ear, but he was a candidate for the Cochlear Implant. I said, "Great." But Steve said he would never receive it because Carlos was on Medicaid, and they wouldn't pay for it. Dr. Cooper swabbed Carlo's throat and we were instructed to go directly to the hospital to get tested. He gave Carlos a prescription and was told to take the pills for 14 days. At the end of 13 days Carlos was sitting at a computer, searching for employment. He turned around and started talking. God had touched Carlos and all of us. Later, I took Carlos to Johns Hopkins where they gave him a loaner hearing aid. We are trying to raise funds for the purchase of a new hearing aid through the Lions Club Foundation and some of the local Rotaries.

These are just a few of the stories about the men of Dover Interfaith. This award is not about me. I am proud to serve as Great Person of the Year 2011 and I thank you for your support and tonight's presentation."

Mayor Carey recognized the other individuals who were nominated for the award and relayed congratulations.

PUBLIC HEARING - VIOLATION OF DANGEROUS BUILDING ORDINANCE - PROPERTY LOCATED AT 38 SOUTH NEW STREET (OWNER OF RECORD: HOUSE OF PRIDE, INC.)

A public hearing was duly advertised for this time and place to consider a violation of the Dangerous Building Ordinance at 38 S. New Street, owned by House of Pride, Inc. Mrs. Ann Marie Townshend, Director of Planning and Community Development, stated that the property consists of a two (2) story, wood-frame dwelling. She advised members that the building is a single-family dwelling that had been divided into two (2) apartments, which is a non-conforming use according to the Zoning Ordinance. Most recently, the house had received conditional use approval for the House of Pride to use as a transitional home associated with their recovery and transitional housing program. On January 8, 2012, the property was severely damaged by fire and was subsequently condemned on January 9, 2012. Mrs. Townshend reviewed a presentation depicting the condition of the structure ***(Exhibit #1)***.

Mrs. Townshend advised members that emails have been exchanged between the City Planner and Ms. Sandra Dean, attorney for the House of Pride, regarding the repair of the structure. Under the provisions of the City's Clean Hands Ordinance (Dover Code, Chapter 1, Section 1-13 - Denial of permits or approvals for failure to comply with requirements for payment, actions, or filings), the City cannot issue a building permit to reconstruct damaged portions of the structure until all outstanding payments due to the City are paid in full. Although there are no current outstanding payments against the property, she stated that there are unpaid demolition charges for

35 N. New Street ($12,977.50) and 106 S. New Street ($21,902.75). To date, these charges have not been paid, and no application has been filed to make the repairs.

Staff recommended that City Council: 1) declare this building and any accessory buildings on this property dangerous; 2) order the property repaired or demolished by March 27, 2012 by the owner or equity owner at their own risk; 3) order the Building Inspector to cause the repair or demolition of the structure 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.

Responding to Mr. Anderson, Mrs. Townshend confirmed that the City would not issue permits to repair this property due to outstanding charges. She also indicated that, based on information received from the insurance company, since the cost of the repairs exceeds 75% of the value of the structure, the property could not be restored to a multi-family use and reminded members that two (2) story apartments are a non-conforming use of the property.

At the request of Mr. Anderson, City Solicitor Rodriguez indicated that the City's current Clean Hands ordinance does not provide any exceptions.

In response to Mrs. Russell, Mrs. Townshend stated that although the recommendation indicates that repairs (or demolition) should be completed by March 27, 2012, if renovations are in progress and are proceeding in an adequate manner, the City would not move forward with the demolition.

Acting Council President Williams declared the public hearing open.

Ms. Sandra Dean, attorney representing House of Pride, stated that although there was no opposition to the property being declared dangerous, there was opposition to the proposed demolition. She explained that the two (2) demolition liens total $34,880.25, which the House of Pride will not have funds to pay until those lots are sold. The damage at 38 S. New Street was fully covered by insurance and that payment has been received and will be used to move forward with the repair and renovation of the building. The House of Pride was advised on February 27, 2012 of the requirement for the property to be renovated to a single-family dwelling. She stated that the Board of Directors would need to review the matter to determine if a conditional use application should be submitted for consideration. She indicated that the property would be renovated as a single-family dwelling. On behalf of the House of Pride, Ms. Dean requested that City Council waive the requirement that the demolition liens be paid prior to the City issuing a building permit in order to begin repairs at 38 S. New Street.

There being no one else wishing to speak, Acting Council President Williams declared the public hearing closed.

Mr. Anderson moved to table the matter to allow staff the opportunity to review the possibility of amending the Clean Hands ordinance to allow exceptions, seconded by Mrs. Russell and carried by a roll call vote of five (5) yes, three (3) no (Dr. McGlumphy, Mr. Hutchison, and Mrs. Williams), and one (1) absent (Council President Leary).

RESCHEDULING OF PUBLIC HEARING/FINAL READING - REZONING

The First Reading of proposed Ordinance #2012-04 was accomplished during the Council Meeting of January 23, 2012 and a Public Hearing set for March 12, 2012 at 7:30 p.m.

Acting Council President Williams advised members that staff requested that this item be postponed due to inadequate public notice. As a result, staff recommended that the Public Hearing/Final Reading before City Council be rescheduled for April 9, 2012.

Mr. Bonar moved to reschedule the Public Hearing/Final Reading for April 9, 2012 at 7:30 p.m. for the rezoning of property located at 4 Mifflin Road, owned by Peter and Bonnie Reidy, consisting of 1.25+/- acres; property located at 24 Mifflin Road, owned by Robert Klewans and Carol Candor, consisting of 0.55+/- acres; and property located at 1510 Forrest Avenue, owned by Doreen E. Lucas, consisting of 0.41+/- acres. The motion was seconded by Mr. Anderson and unanimously carried.

PARKS, RECREATION, AND COMMUNITY ENHANCEMENT COMMITTEE REPORT - FEBRUARY 13, 2012

The Parks, Recreation, and Community Enhancement Committee met on February 13, 2012 with Chairwoman Russell presiding.

Accounting of Summer Program Revenues

Members reviewed the Substance Abuse Program Revenue and Expense Report for Fiscal Year 2011. Mrs. Sherwanda Rachal-Speaks, Recreation Specialist, noted that the purpose of the grants received is to provide services to 100 at-risk youth who are identified as having economic and/or academic disadvantages. She also provided an overview of the purpose and function of the various programs funded through the grants. Mrs. Rachal-Speaks also noted that a Youth Connections Parent/Student Handbook is provided to all parents of participants in the after-school program.

Responding to Mr. Lewis, Mrs. Rachal-Speaks indicated that Youth Connections started with a grant from the State through the Delaware Prevention Network and has been in existence for 17 years. The after-school program is a licensed program that is overseen by teachers and workers who must meet specified criteria for providing care to young children, including completion of classes, background checks, and 18 hours of training each year.

Mrs. Russell suggested that Mrs. Rachal-Speaks meet with Police Chief Hosfelt to assist in the development of a program being instituted by the Police Department for the youth in the downtown area.

The Committee recommended acceptance of the Accounting of Summer Program Revenues as presented 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 (Council President Leary absent).

Proposed Revisions to Community Development Block Grant (CDBG) Guidelines

Members were reminded that during their meeting of January 9, 2012, the Parks, Recreation and Community Enhancement Committee recommended that Council approve a change to the Community Development Block Grant (CDBG) subgrant procedure to have applicants apply for multi-year funding that would coincide with the length of the Community Development Consolidated Plan. City Council approved the Committee's recommendation on January 23, 2012.

During the January 9, 2012 Committee meeting, it was noted that if the change to the procedure was approved, staff would prepare an amendment to the Consolidated Plan with the upcoming round of funding allocation and the program guidelines would be revised and brought to the Committee for their review. As a result, staff presented proposed revisions to the CDBG Program Guidelines which would integrate the multi-year subgrant process.

Mrs. Tracey Harvey, Community Development Manager, reviewed the proposed revised CDBG Program Guidelines and noted that substantive changes were highlighted. She explained that, according to the revised guidelines, subrecipients (non-City entities) would apply for eligibility for funding on multi-year cycles and would provide the information necessary to evaluate the proposal according to the criteria in this application. City projects and programs that are eligible for funding would be specified in the Consolidated Plan and would not be required to submit a formal application. Both non-City and City applicants would be required to submit an annual funding request with a budget and program description. The revised guidelines would also allow the Director of Planning and Community Development to bring additional potential subgrantees forward to the Committee for consideration of funding during the Consolidated Plan year if special circumstances arise.

Staff recommended approval of the revised CDBG Program Guidelines, as presented.

In response to Mrs. Russell, Mrs. Ann Marie Townshend, Director of Planning and Community Development, assured members that each funding request, including any request of the City, would be ranked by the Committee during the review process.

Responding to Mr. Anderson's concerns regarding accountability, Mrs. Townshend indicated that funding requests are reviewed each year and members are provided monthly updates; therefore, if a subgrantee does not perform as expected, the Committee can reconsider their grant funding. Elaborating, Mrs. Harvey advised members that the City also has contracts with the subrecipients; therefore, if it is found that a subrecipient is not performing well, the City has the right to terminate the contract.

The Committee recommended approval of the revised Community Development Block Grant (CDBG) Program Guidelines, 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 (Council President Leary absent).

UPDATES

The following updates were provided to members

Planning and Funding for New Library

Ms. Marjorie Cyr, Library Director, advised members that construction of the new Dover Public Library is approximately 50% complete and the metal roof should be installed next week. Staff is finalizing the shelving and furniture listing for the building. She indicated that construction is on target for completion of the building in June or July, with a ribbon cutting to occur in September 2012.

Ms. Cyr stated that the Capital Campaign has received two (2) $100,000 donations, one of which is a challenge pledge, and that the Campaign is approximately one-third of the way toward meeting the goal. She informed members that the other donation was from a local Dover family who was very specific that they did not want their gift to go toward meeting the challenge pledge in order to encourage the community to continue to contribute toward the challenge.

Ms. Cyr advised members that Memorial Brick Pavers are still for sale (at a cost of $125 each) and will be placed at the Loockerman Street entrance to the library. She also advised members that a fund raising concert is scheduled for March 3, 2012 at the Wesley Chapel.

In response to Mrs. Russell, Ms. Cyr indicated that two (2) tours of the new Library facility were conducted for City Council members and that Kent County Levy Court members were provided a tour earlier in the day. She stated that the tours are very important, particularly for potential donors, and if members knew of interested parties, she requested that they contact her to make tour arrangements.

Responding to Mr. Anderson, Ms. Cyr stated that any donation received, with the exception of the brick paver sales, would be counted toward the challenge pledge.

Ms. Cyr advised members that the Events Committee is planning a Ball to take place around the time of the ribbon cutting. The Committee is working with the Governor's Office to schedule the ribbon cutting event for September 20, 2012. She stated that it is hoped that the Ball would become an annual event to help support the Library and that this year's theme will be "Dancing with Da Vinci."

CDBG Program

Mrs. Tracey Harvey, Community Development Manager, reported on the Status of FY 2011 CDBG Projects as of January 2012. She noted that 5:00 p.m. today is the deadline for the CDBG Applications for multi-year projects.

It was noted that the report provided to members indicates an Unencumbered Balance of $0 for Connections Community Support, which should be $5,000 and that the $5,000 listed as Funds Expended should be $0.

Responding to Mrs. Russell, Mrs. Harvey confirmed that the RC&D facility has moved to Milford; however, continues to provide services to City of Dover residents. In regard to the Street Program, Mrs. Harvey indicated that it is anticipated that the project will begin in the Summer of 2012. Mrs. Ann Marie Townshend explained that a water line replacement is scheduled to occur on New Street next summer and that the paving cannot begin until the water main work has been completed.

Housing and Recovery Act of 2008 Funds (Neighborhood Stabilization Fund)
Mrs. Tracey Harvey, Community Development Manager, reviewed the Update on the Housing and Recovery Act of 2008 Funds (Neighborhood Stabilization Program).

Dover Youth Advisory Committee
Mrs. Russell advised members that during the Regular Council Meeting of January 9, 2012, Council approved reappointments to the Dover Youth Advisory Committee. She stated that the members attended a recent Delaware League of Local Governments Meeting, where they were presented with certificates in recognition that this group is the only municipal youth committee in the State of Delaware. She noted that the Boys and Girls Club is attempting to create a youth committee to serve as an advisory board.

Responding to Mr. Lewis, Mrs. Russell stated that there are nine (9) members who serve on the Youth Advisory Committee.

By consent agenda, Mr. Bonar moved for acceptance of the Parks, Recreation, and Community Enhancement Committee Report, seconded by Mr. Hutchison and carried by a unanimous roll call vote (Council President Leary absent).

UTILITY COMMITTEE REPORT - FEBRUARY 13, 2012
The Utility Committee met on February 13, 2012 with Chairman Bonar presiding.

Garrison Tract Infrastructure Financing
Mr. Scott Koenig, City Manager, read the following statement into the record:

> *"Calpine is a leading independent power producer of reliable electricity to a wide range of customers and communities. Founded in 1984, Calpine is capable of delivering approximately 28,000 megawatts of clean efficient power generation, in 20 U.S. states and Canada, with 91 operating power plants and two under construction. Calpine's fleet of natural gas-fired plants is among the youngest and cleanest in the country. The average plant age is about 12 years old, and the fleet emits fewer greenhouse gases per megawatt hour generated than any other independent power producer in the United States. Following its acquisition of Conectiv Energy in 2010, which added 19 new plants in the Eastern PJM region,*

Calpine's portfolio now has significant scale in three major power markets: Texas, California and the Mid-Atlantic. With a modern, diverse and flexible fleet of state-of-the-art plants, Calpine is poised to benefit from price and volume improvements in all three areas as the country's economic recovery strengthens.

Calpine is proposing to construct a 309-megawatt, energy efficient, merchant power production facility (known as the Garrison Energy Center (GEC)) on a roughly 37-acre site located at the Garrison Oak Technical Park just east of Rt. 1 off of White Oak Road. Their site development application has been submitted to the City and their project will be considered by the City's Planning Commission in March 2012. The proposed site is industrially zoned although currently undeveloped. The City and Calpine are parties to an Option to Lease agreement which would permit Calpine to lease the land for a 30-year term with four (4) five-year options. Calpine has now received the results of the PJM System Impact Study. The results of the study have identified various electrical infrastructure upgrades that will be required to inject the power into the PJM grid. The necessary upgrades to the power transmission system in the Pennsylvania area may also require an additional investment on Calpine's behalf. Pending approval by their board of directors and favorable market conditions, Calpine expects to be in a position to obtain building permits and start site construction to allow for a June 2015 commercial operation date. Both DEDO (Delaware Economic Development Office) and DNREC (Department of Natural Resources and Environmental Control) are supportive of the project based on the REMI [Regional Economic Models, Inc.] *study which concluded that the GEC will provide a significant Gross Domestic Product (GDP) increase, jobs creation, and lower wholesale energy costs for Delawareans.*

Specifically, the REMI study indicates the proposed project will create 200-250 (peak) construction jobs and a GDP increase of $25 million during construction of the facility. 15 direct jobs and 67 indirect jobs and a GDP increase of $126 million during operations of the facility will also be achieved. 121 indirect jobs and a GDP increase of $96 million will be brought about by the lower wholesale energy prices Delaware will realize once the GEC is added to the regional power generation mix. According to the analysis done by an independent energy consulting firm, during the first six (6) years of operation, the GEC will:

1) *Decrease Delaware wholesale energy costs by at least $95 million.*

2) *Reduce residential customer bills by up to $1-1.25/month provided transmission and distribution charges are held constant.*

The infrastructure build-out at the Garrison Oak Technical Park will enable Delaware and the City of Dover to draw other industrial tenants, thus further expanding economic and job opportunity beyond this specific project.

Based upon the projected utility demands and property improvements, the expected revenues associated with the project have been estimated as follows:

City Water Revenue	*$1.6 million per year*
City Sewer Revenue	*$258,600 per year*
Land Lease Income	*$28,000 per year plus an annual escalator*
Property Taxes	*$150,000 (City & County Combined)*
Back Up Electric Power	*$250,000*
TOTAL:	*$2,286,600*

As we previously indicated, the City of Dover has encouraged Calpine to apply for a Delaware New Jobs Infrastructure Fund grant, which the City agreed to sign on as its public sponsor. During Calpine's discussions with the State of Delaware, representatives from State government indicated that the City of Dover must have "skin in the game" for this project to come to fruition. There are several infrastructure investments outside of the site plan boundaries that Calpine has requested third-party funding for. These investments include approximately 6 miles of a new large diameter natural gas pipeline, as well as water, sanitary sewer, storm sewer, and road improvements for a portion of the Garrison Oak Technical Park. The estimated cost of these infrastructure investments is $12 million.

My purpose for coming before the Utility Committee tonight is to request your support for funding of these infrastructure improvements up to a target amount of $6 million dollars. The City intends to work with the State of Delaware and other entities to fund the balance of the infrastructure investments. In addition, we hope to reduce the economic outlay from the City of Dover as more detailed estimates are forged. The GEC provides a unique opportunity to lower wholesale energy costs on the supply side of the energy equation since this is an energy efficient unit. This efficiency will increase the operating value of this asset. Thank You."

Responding to Mr. Blakeman, Mr. Koenig indicated that the $6M would pay for infrastructure which is associated with the extension of a gas lateral from north of Cheswold to the Garrison Farm and GEC, as well as extending water, sewer, and road infrastructure on the Garrison property. He noted that a total of $12M of off-site infrastructure improvements is associated with water, sewer, road, and gas line construction specifically being requested and it is hoped that the remaining $6M will be obtained from the State of Delaware through grant monies.

Mr. Koenig explained that the request is to offer a commitment of $6M. If this is approved by City Council, staff will distribute a letter to Calpine, which would be included in a package that Calpine is assembling for their Board and used in negotiations with the PJM grid. He stated that the commitment letter is the next step for the City and would not commit the City to pay $6M if the project does not move forward.

In response to Mr. Blakeman, Mr. Koenig stated that the City may not actually provide $6M to Calpine; however, the City of Dover may contract for the $6M to build the infrastructure. The $6M investment would occur only if Calpine pulls a building permit and begins construction of the project. Mr. Koenig explained his understanding that the City of Dover would own all of the infrastructure constructed using the $12M, including the gas pipelines, water, sewer, and roads.

Mr. Bonar clarified that the request is for the City to provide an authorization to commit up to $6M in contributions toward the project and that payment of the funds would not be guaranteed if the project does not move forward. Concurring, Mr. Koenig indicated that if the project does not move forward, the City would not be obligated to build any of the infrastructure.

Responding to Mr. Anderson, Mr. Koenig confirmed that the perceived lack of infrastructure has been delaying the development of the Garrison Tract. He advised members that preliminary designs for infrastructure have been prepared for a field located on the Garrison Tract; however, there are no roads or water for a majority of the park. The water system was expanded from the Wild Meadows Subdivision to the location of the LS Power facility in preparation of the Garrison Center. Mr. Koenig noted that a lot could not be offered for sale there since there is no infrastructure for a finished lot. He confirmed that the Calpine project could potentially provide opportunity for other projects for the Garrison Farm and the proposed infrastructure would open 65% of the project for development once completed.

Mr. Anderson questioned if fees would be involved for the gas that passes through the gas lines. Responding, Mr. Koenig stated that there have not been formal discussions with Eastern Shore Natural Gas or Chesapeake Utilities in this regard; however, it is possible the City of Dover could potentially own the gas lines and then establish an agreement for operation and maintenance with either Eastern Shore Natural Gas or Chesapeake Utilities. The City could potentially receive revenue in the future, as additional gas is delivered or additional taps are made off the line.

Mr. Lynn relayed concerns regarding the Calpine project in general and questioned if there have been any conversations with any representatives of Wild Meadows regarding their feelings about such a project being in close proximity. Mr. Koenig stated that it has been his experience that the residents of Wild Meadows have been very vocal in the past regarding any potential problems and that to date, he was not aware of any concerns. He was aware that a "field trip" has been planned in the near future to visit another facility similar to the proposed project.

Mr. Lynn advised members that, as he requested, Calpine has reached out to the residents of the Wild Meadows Subdivision to make sure they are kept abreast of all developments. It was his opinion that Calpine has shown exemplary corporate citizenship in this regard. His concern was that the residents of Wild Meadows have not rendered their opinions regarding their support of this project. His fear was that the residents would be opposed to the construction of a plant directly behind them and, as a result, he spoke to the City's Economic Development Director, Mr. Bill Neaton, to determine the possibility of moving the Calpine site to another location on the Garrison Tract (further from Wild Meadows). Responding, Mr. Koenig stated that this project has been in discussion for approximately two (2) years and feared that it may be too late to consider moving the location, particularly since

the location has been discussed with DNREC as well as the State Planning Office. He also noted that the site plan application has been filed with the City.

The Committee recommended the endorsement of up to $6M of in-kind contributions for the infrastructure financing for the Garrison Tract.

Due to recent information provided to City Council, Mr. Lynn relayed his concerns with the Committee's recommendation. Although the City would not be obligated to provide the in-kind contributions if the project does not go forward, as a result of the information provided to City Council, he had concerns regarding the City committing such a large amount.

At the request of Mr. Lynn, Mrs. Donna Mitchell, Controller/Treasurer, stated that staff is in the process of gathering detailed information regarding the project. She felt that Council could move forward since there was no obligation to commit to the bond unless the project moves forward. However, staff was unsure of what the bond coverage would be at this time.

Mr. Lynn indicated his concern regarding the funds being committed by the Department of Natural Resources and Environmental Control (DNREC) and felt that the matter warrants further discussion. He questioned if a delay in taking action on the part of the City would send a negative message to Calpine and the State in general. Responding, Mrs. Mitchell felt this would send a negative message; however, should members wish to table the matter, this would not suggest that Council is against the project but would just be a delay in action by Council. She noted that the matter was presented at this time due to a timetable that Calpine was attempting to meet for a meeting they had scheduled for the end of March 2012.

Mr. Lynn moved to table the matter to be reconsidered as soon as practical but before the end of March 2012, thus meeting Calpine's deadline, seconded by Mr. Hutchison.

In response to Mr. Hutchison, Mr. Koenig stated that the Calpine project could move forward regardless of the solar energy facility at the property.

Mr. Bonar reminded members that this project is at a very critical juncture in its discussion and felt that the new information provided to members was not a reason to table the matter. He felt that any delay by City Council would not only send a negative message to Calpine, but also to the State of Delaware, which is very interested in finding a way to bring lower utility rates to State residents. He felt strongly that Council should move forward with the bond proposal.

Mr. Anderson felt that the Garrison Tract has been a waste of money, explaining that no infrastructure has been built and none of the promises made have been fulfilled. He stated that the City now has the opportunity to take action and the State is willing to pay funds that were promised several years ago. The City is being blamed for higher utility rates, which are the result of State mandates. It was his opinion that the City should take action at this time.

In response to concerns of Dr. McGlumphy and Mr. Hare, Mr. Bonar stated that the $6M bond obligation would come to fruition only if the plant is built and if this does not occur, the City has absolutely no expense or commitment. He reminded members that there have been numerous opportunities for the City to act on items during the past several years and, because the City did not act, those projects came to fruition elsewhere. He stated that if the City does not act at this time, the State will not act favorably. Mr. Bonar indicated that not only will the project bring an estimated $2.3M to the City in additional revenues, it would also result in a benefit to every single resident of the State of Delaware. He stressed that this is a highly important matter and that the City should proceed.

Responding to Mr. Anderson, Mrs. Mitchell explained that the funding source for the bond (e.g., enterprise fund vs. general obligation bond) would depend upon what the City chooses to bond (infrastructure, purchased power, etc.).

The motion to table the matter to be reconsidered as soon as practical but before the end of March 2012, thus meeting Calpine's deadline, failed by a roll call vote of five (5) no, three (3) yes (Dr. McGlumphy, Mr. Lynn, and Mr. Hare), and one (1) absent (Council President Leary).

Mr. Bonar moved for approval of the Committee's recommendation for the endorsement of up to $6M of in-kind contributions for the infrastructure financing for the Garrison Tract. The motion was seconded by Mr. Anderson and carried by a roll call vote of six (6) yes, two(2) no (Mr. Lynn and Mr. Hare), and one (1) absent (Council President Leary).

Review of Utility Related Capital Investment Plan (CIP) ***(Electric and Water/Wastewater)***
Members reviewed a Project Tracking Report, as of December 31, 2011, for the Utility (Electric and Water/Wastewater) Related Capital Investment Plan (CIP).

Responding to Mr. Bonar, Mr. Scott Koenig, City Manager, indicated that the paving of Hazel Road should be completed in March 2012. He reminded members that a water line replacement was completed on Hazel Road and that the last street program issued included Hazel Road; therefore, curb and sidewalk repairs should be occurring. He stated that once asphalt plants open again in the Spring, the street will be paved and completed.

In response to Mr. Anderson regarding the Inflow/Infiltration project, Mr. Koenig stated that although he did not have the outlay of the scale (prioritization of areas), he assured members that staff has been working diligently to maintain the schedule. He noted that the reports provided were from December and that actual construction progress may be further than what was indicated in the report.

In response to Mr. Blakeman regarding the repairs on Unit #3, Mr. Koenig indicated that both preventative and long-term maintenance were being conducted on Unit #3 at the same time.

The Committee recommended acceptance of the Utility Related CIP Report as presented.

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 (Council President Leary absent).

30-Day Update - Garrison Oak Technical Park Project

Mr. Bonar referred to the first agenda item discussed by members (Garrison Tract Infrastructure Financing) and noted that it would serve as the 30-day update.

Mr. Bonar moved for acceptance of the Utility Committee Report, seconded by Mr. Anderson and carried, with Mr. Lynn voting no.

LEGISLATIVE, FINANCE, AND ADMINISTRATION COMMITTEE REPORT - FEBRUARY 13, 2012

The Legislative, Finance, and Administration Committee met on February 13, 2012 with Councilman Hare presiding in the absence of Chairman McGlumphy.

Review and Recommendation - Filling Critical Positions

During their Regular Meeting of January 23, 2012, City Council approved an amendment to the process for filling critical positions, which was approved by City Council on August 22, 2011, to specify that if a position becomes vacant that will affect public or employee safety or cause financial harm to the City, Permission to Recruit, Hiring Justification Outline, and Wage and Benefit Information for Employee Hiring and Transfers forms shall be submitted to the Legislative, Finance, and Administrative Committee, and that such requests would be forwarded to the City Manager and Controller/Treasurer for their review and recommendation prior to the Committee's consideration.

Fire Dispatcher

Mr. Scott Koenig, City Manager, reviewed Fire Chief Jack Fortney's request to fill one (1) vacant Fire Dispatcher position. The current vacancy was the result of the transfer/promotion of Mr. Matt Carey from a Fire Dispatcher in the Fire Department to a Communication Operator in the Police Department. The Fire Dispatcher position has been vacant since November 1, 2011, which has increased the level of stress on current staff and has the potential to degrade service if the position remains unfilled.

In reviewing the Fire Chief's hiring justification outline, Mr. Koenig stated his support of the request; however, he recommended approval with the condition that the candidate selected must pass the same background check that is required by the Police Department for Communication Operators. He reminded members that his long-term objective for both Police and Fire Department dispatch operations is to have a consolidated facility that would eventually integrate emergency dispatch functions. Mr. Koenig felt that the requirement of a background check would help lay the foundation for that transition.

Mr. Koenig noted that the total cost of annual wages and benefits for the position was estimated at $51,224.

Responding to Mr. Anderson, Fire Chief Fortney indicated that there were five (5) full-time dispatcher positions and one (1) part-time position in the Fire Department and that four (4) full-time positions and one (1) part-time position are currently filled.

The Committee recommended approval of the request to recruit for the Fire Dispatcher, with the condition that the candidate selected to fill the position must pass the same background check that is required by the Police Department for their Communication Operators, as recommended by staff.

Dr. McGlumphy explained that his request to remove the filling of critical positions from the consent agenda was due to his feeling that action by Council should be taken and voted upon separately.

Dr. McGlumphy moved for approval of the Committee's recommendation, seconded by Mr. Anderson.

Dr. McGlumphy stated that he was presenting the Committee's recommendations; however, he would vote on the matter according to his position.

Responding to comments of Mr. Hare, Mr. Hutchison suggested that members consider that there are currently 30 vacant positions within the City and that the City Manager has been charged with reviewing current operations and presenting recommendations. He felt that additional requests would be forthcoming as the City Manager continues to review and assess the operations of the City. He requested that members of Council support the City Manager in this regard.

On a call for the question by Mr. Bonar, the motion to approve the Committee's recommendation for approval of the request to recruit for the Fire Dispatcher, with the condition that the candidate selected to fill the position must pass the same background check that is required by the Police Department for their Communication Operators, as recommended by staff, was carried by a roll call vote of six (6) yes, two (2) no (Dr. McGlumphy and Mrs. Williams), and one (1) absent (Council President Leary).

Electric Department

Mr. Scott Koenig, City Manager, reviewed a request from Mr. Jeremy Johnson, Interim Electric Director, to fill three (3) vacant or soon to be vacant positions within the Electric Department. He advised members that there are a total of six (6) vacant positions within this department currently. An additional vacancy is expected on or about April 1, 2012, due to an expected retirement. Due to the considerable number of vacancies in the current fiscal year, funds are available to fill the requested positions. In addition, Mr. Koenig stated that adequate funds should be available in the FY 2013 budget since he did not anticipate filling several of the vacant positions. He noted that the Departmental Budget and Support Supervisor position will be removed from the FY 2013 budget altogether.

Mr. Koenig advised members that these positions were also identified by the former Public Utilities Director, Mr. Ron Lunt, as being critical to the function of the City's electric utility. Based upon the reviews by Mr. Johnson and Mr. Lunt, he concluded that these positions are critical and must be filled. He noted that the request would upgrade the open position of Substation Relay Foreman to

an Electrical Engineering position and that the estimated budget impact of this upgrade is $18,409; however, this change would significantly expand the City's engineering capability.

Staff recommended that the Substation Relay Foreman vacancy be filled by an Electrical Engineer, which would increase efficiency because the Substation Relay Foreman's responsibilities would be satisfied and some engineering duties could be absorbed. Additionally, staff recommended hiring two (2) Substation Technicians at the entry-level grade. This would replace the vacant Substation Technician II and prepare the department for the retirement of the other Substation Technician.

In response to Mr. Anderson, Mr. Johnson stated that the Substation Department provides safety to City employees and the general public and plays a vital role in restoring power during outages. Additional functions of this department include substation maintenance, completion of capital projects, and support of the Electric Department's daily operation. He stated that the minimum staffing level of the Substation Department is five (5) employees and that the Department is currently operating with three (3), with a Substation Technician expected to retire in April 2012.

As an example of the effect on the public's safety, Mr. Johnson explained that if a vehicle was to hit an electric pole, causing power lines to go down, and the Substation Department did not function properly and remove power from the system, those lines would remain energized and could cause danger to the public.

Mr. Hare reminded members that City Council has been considering the possibility of selling the City's utility and questioned if the proposed action should be taken at this time, since Council is waiting for responses to the Request for Proposals (RFP) for a Cost of Service Study and would be making a decision in this regard. Responding, Mr. Johnson explained that the request would address the City's immediate need to continue to provide safe and reliable electric service.

Concurring, Mr. Bonar felt that whether the City decides to maintain the electric system is a separate issue to be considered once a study of the entire system has been completed. In the interim, the City has the responsibility to maintain the safety and reliability of the system. In his opinion, the requested positions were critical for providing for the reliability, adequacy, and safety of the system and he urged members to support the request.

The Committee recommended approval of the request to recruit an Electrical Engineer for the Electric Department, as recommended by staff.

Dr. McGlumphy moved for approval of the Committee's recommendation, seconded by Mrs. Russell and carried by a roll call vote of seven (7) yes, one (1) no (Dr. McGlumphy), and one (1) absent (Council President Leary).

In regard to the anticipated retirement of a Substation Technician, Mr. Hare questioned if the employee had submitted his retirement application. Responding, Mr. Johnson stated that, although he was unsure if the paperwork had been completed, the employee had met with the Human Resources Department and indicated his intention to retire in April 2012.

Mr. Hare suggested the possibility of delaying the filling of the second position until the current employee retires. Responding, Mr. Koenig explained the length of time involved in the hiring process for such a position and suggested that if members had reservations regarding hiring two (2) Substation Technician positions at this time, they could recommend filling one (1) at this time, with the stipulation that the second position would be filled upon the retirement of the Substation Technician that is anticipated in April 2012.

The Committee recommended approval of the request to recruit for one (1) of the Substation Technicians for the Electric Department, with the caveat that if the current Substation Technician submits his retirement application, staff could recruit for the second Substation Technician.

Dr. McGlumphy moved for approval of the Committee's recommendation, seconded by Mr. Bonar and carried by a roll call vote of five (5) yes, three (3) no (Mrs. Russell, Dr. McGlumphy, and Mrs. Williams), and one (1) absent (Council President Leary).

United Networks of America Revised Letter of Agreement

During their meeting of December 12, 2011, members considered a Letter of Agreement with United Networks of America and tabled the matter until such time that some type of accounting assurance is provided to the City.

Mr. Scott Koenig, City Manager, reviewed a revised Letter of Agreement which addressed the concerns relayed by members during their December 12, 2011 meeting.

Staff recommended that staff be authorized to sign the revised Letter of Agreement with United Networks of America to begin the Health Discount Card Program.

In response to Mr. Shevock, Mr. Koenig assured members that there would be no expenses for the City of Dover as a result of this program. Elaborating, Mr. Anderson indicated that the program itself provides several thousand copies of the material (brochures, cards, etc.) free of charge; however, if the City wished to promote the program beyond what is provided, those costs would be borne by the City.

The Committee recommended that staff be authorized to sign the revised Letter of Agreement with United Networks of America to begin the Health Discount Card Program.

By consent agenda, Mr. Bonar moved for approval of the Committee's recommendation that staff be authorized to sign the revised Letter of Agreement with United Networks of America to begin the Health Discount Card Program *(Exhibit #2)*, seconded by Mr. Hutchison and carried by a unanimous roll call vote (Council President Leary absent).

Staff Recommendations - Economic Development Office

During their meeting of January 9, 2012, Mr. Scott Koenig, City Manager, reviewed a memorandum outlining a recommendation for restructuring the City's Economic Development Office and the Downtown Dover Partnership (DDP). Members tabled the matter to allow the DDP Board to submit a response.

Mr. Koenig reminded members of Recommendations #1-6 from the memorandum dated January 5, 2011. He stated that executive sessions were held to discuss qualifications and other personnel matters and the recommendations were also discussed with several members of the DDP and the DDP Board. Mr. Koenig noted that the DDP Board requested several amendments to staff's recommendation. It was the Board's opinion that the current Business Improvement District (BID) tax allocation would not be sufficient to cover the cost of the operation of the DDP; therefore, they requested that this tax be increased in the FY 2013 budget to provide a total transfer of $100,000. Mr. Koenig indicated that if the recommendation is implemented, the DDP would use its own funds and hire an Executive Director to manage the mission of the DDP. The DDP also felt that there would be a continued need for accounting and administrative support from the City of Dover in the near term (one (1) to three (3) years) for DDP Board and Committee Meetings.

Mr. Koenig stated that the IUE Union objected to Recommendation #5, stating that it would be a violation of their contract. He noted that this matter had not been reviewed by the City's labor attorney. Mr. Koenig felt that associated managerial rights provided in the contract would supercede the IUE's position on this matter.

In regard to concerns of a potential conflict of interest if the Economic Development Office was located in the Planning Department, Mr. Koenig stated that it could be argued that such a conflict could exist with any department. He indicated that the rationale for relocating the Economic Development Office to the Planning Department is that first contact typically occurs in that office, explaining that most individuals do not contact the City Manager's Office for this type of information. He felt confident that moving the Economic Development Office to the Planning Department would not create a direct conflict of interest.

Mr. Koenig reminded members that the purpose of his recommendations was to discuss with City Council ways to address budget gaps and maintain levels of service. He relayed his support for the desire of the DDP to hire their own Executive Director, who would concentrate solely on the projects and mission of the DDP. He noted that the original recommendation included an effective date of February 1, 2012, which has passed.

In response to Mr. Anderson, Mr. Koenig stated that the DDP's Board made a valid point regarding the need for additional funding and support beyond June 30, 2012; however, he felt that their request and his recommendation should be negotiated in this regard.

Mr. Koenig indicated that his recommendations would provide a savings in the amount of $100,000 in employee costs for FY 2013 and a reduction in administrative expenses. He noted that the BID tax transfer allocation is currently $51,000; therefore, an additional $49,000 would be necessary to fill the DDP's request of $100,000 for the next fiscal year. This would result in only a $51,000 savings for FY 2013.

Mr. Anderson referred to a conversation he had with Ms. Georgeanna Windley (email previously provided to members) who indicated that she thought the program should be tweaked; however, she felt this would be counterproductive without a thorough assessment.

Responding to Mr. Lynn, Mr. Koenig stated his belief that staff could not produce documentation that would outline revenues that the Economic Development Office or Economic Development Manager position produce which exceed the costs.

Mr. Lynn encouraged members not to recommend placing the Office under the Planning Department, explaining his feeling that it is imperative that the integrity of Planning Department opinions regarding site plans, subdivisions, conditional use, and rezonings be protected from accusations of bias from an opposing public. He felt that the economic development professional would surely cultivate projects that would go before the Planning Commission, Board of Adjustment, and City Council. If the economic development professional were placed under the Planning Director, their independence on any matter would be compromised and every decision that is opposed would be open to litigation. Mr. Lynn also felt that this restructuring would diminish the status of the economic development professional, who should have complete access to the City Manager and the Mayor without having to go through the Planning Director, and that this office should have its own letterhead, website, etc.

Mr. Hare reminded members that prior to 2008, the Mayor and City Manager performed the City's economic development function in association with Kent County, and that this approach had proven successful for many years. He did not support the expenditure of funds for a separate economic development office and suggested that if it is maintained, since half of the responsibilities would be eliminated, it should consist of only a part-time employee (25 hours per week).

Disagreeing, Mr. Anderson reminded members that, prior to 2008, the City's downtown area began to weaken, and there was an increase in crime and a flight in businesses and jobs. It was his opinion that since the City acquired its own Economic Development Office, there has been slow improvement in the downtown area and the City has received millions of dollars in investments which will begin to take effect in March, including the North Street Project, Collegian site, revitalization of the old C-Moore's building, the Downtown charrette plan, etc.

Mr. Koenig reiterated that staff's recommendation is based on comments that were made by members of Council and the DDP. One major concern was that the City's workforce expanded in 2008 and a revenue stream was not developed to fund the Economic Development Office. He explained that when next year's budget is prepared, staff will be required to add a funding source for this Office and one of the reasons the recommendation was developed was due to this gap in the City's budget. Mr. Koenig concurred with the importance of economic development for the City and explained that the question is how this need ranks in priority as the budget is developed. He stated no objection to members rejecting staff's recommendation or tabling the matter to have staff respond to questions; however, he did not feel that providing answers to the questions would move the matter forward.

The Committee recommended tabling the matter to allow staff additional time to work with the Downtown Dover Partnership (DDP) on the development of a recommendation.

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 (Council President Leary absent).

Staff Recommendations - Community Development Office

During their meeting of January 9, 2012, Mrs. Ann Marie Townshend, Director of Planning and Community Development, reviewed a recommendation to restructure the Community Development Program and the current Community Development Manager position to allow the incumbent of this position to take on additional responsibilities outside the Community Development Program. Members tabled action to allow further discussion, possibly in executive session.

Mrs. Townshend reminded members of the recommendation and noted that a discussion of personnel matters related to this issue was held in executive session.

Mr. Hare stated that, after discussing this matter with other jurisdictions involved with the Community Development Block Grant (CDBG) Program, he felt that the work does not require a 40-hour week. Although he had no objections to assigning the current Community Development Manager as a Planner I, he did object to providing the employee a salary at the top of the pay scale for a Planner I since the employee does not currently qualify for the position of Planner I.
Responding, Mrs. Townshend stated that staff is working to address budgetary issues while maintaining a level of service. She stated that this employee's current salary is higher than the pay scale for a Planner I and staff's recommendation was for the Community Development Manager to retain her current salary in an attempt to be fair to the employee.

It was Mrs. Russell's feeling that it would be unfair to punish an employee who may prove to be as valuable in the new position as she has in her current position, where she provided years of service to the City.

In response to Mr. Hare, Mrs. Townshend clarified that the current Community Development Manager is not experienced in many of the primary duties of a Planner I; however, that is not an indication that the employee is not qualified. It was her opinion that the employee is qualified to serve as a Planner and, although she will need training, this is necessary even for individuals with a planning background. She noted that the recommendation is to merge the vacant Planner and CDBG positions and that the previous Planner (who earned approximately $40,000 per year) did not have a CDBG background. She explained the importance of properly managing the CDBG program and keeping it in line with Federal requirements.

The Committee recommended that staff be authorized to restructure the Community Development Program and the current Community Development Manager position to allow for this position to take on additional responsibilities outside the Community Development Program, 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 (Council President Leary absent).

Proposed Ordinance #2012-03 - Related to Senior Citizen Income Exclusions

During their meeting of January 23, 2012, members considered Proposed Ordinance #2012-03, which would amend Chapter 102 - Taxation, Article VI - Exemptions; Board of Assessment Appeals, Section 102-183 - Tax Exemption for Senior Citizens by replacing the language "federal

civil service retirement" with "Civil Service Retirement System (CSRS)" and changing the computation of the property owner's entitlement for the deduction from a dollar amount to a percentage of the Social Security maximum benefit. After much discussion, the Committee referred the matter back to staff for clarification of the language.

Ms. Cheryl Russell, City Assessor, stated that staff considered amending the language of the proposed ordinance title to specify that the senior citizen abatement was for low-income senior citizens, which was referred to the City Solicitor for review. She advised members that the City Solicitor recommended not changing the title of the ordinance. She explained that the authority for this exemption comes from 22 Del C §1001, "Exemptions from Municipal Taxation on Real Property For Persons 65 Years of Age or Older."

Staff recommended adoption of Proposed Ordinance #2012-03 amending Section 102-183 (b)(3) to update the language to specify Civil Service Retirement System (CSRS) as the type of Civil Service Retirement to be excluded and also to strike out the dollar amount for the maximum amount allowed for the deduction from income. Staff also recommended changing the wording in Line 48 for clarification (eliminating "Appeals from").

The Committee recommended adoption of Proposed Ordinance #2012-03, 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 (Council President Leary absent). *(The First Reading of Ordinance #2012-03 will take place during the latter part of the meeting.)*

Request of City Manager - Employment Related Benefits/Expenses

Members reviewed a request from Mr. Scott Koenig, City Manager, to consider approval of a $400 car allowance rather than the use of a City vehicle and a $100 special cell phone allowance rather than the use of a City cell phone. He provided members with support documentation for each of the requests.

The Committee recommended approval of the City Manager's request for a $400 car allowance and $100 special cell phone allowance.

Dr. McGlumphy moved for approval of the Committee's recommendation, seconded by Mr. Hutchison.

Mr. Anderson requested the division of the question to allow for separate motions.

Mr. Anderson felt that the car allowance would ultimately save the City money; however, with regard to the cell phone allowance, since the City has a policy regarding the use of cell phones, he did not feel that an exception should be made for the City Manager.

The motion to approve the City Manager's request for a $400 car allowance was carried by a roll call vote of six (6) yes, two (2) no (Dr. McGlumphy and Mr. Lynn), and one (1) absent (Council President Leary).

The motion to approve the City Manager's request for a $100 special cell phone allowance was carried by a roll call vote of five (5) yes, three (3) no (Mr. Anderson, Dr. McGlumphy, and Mr. Lynn), and one (1) absent (Council President Leary).

Dr. McGlumphy moved for acceptance of the Legislative, Finance, and Administration Committee Report, seconded by Mr. Bonar and unanimously carried.

EVALUATION OF BIDS - LIBRARY FURNITURE

Mr. Scott Koenig, City Manager, reviewed a request for the purchase of furniture for the new Library and advised members that construction of the new Library is 50% complete and is progressing on schedule, with a targeted completion date in June 2012 and a potential opening date in September 2012. He explained that lead time on the order and delivery of furniture is necessary so that shelving may be installed by EDiS to meet the construction schedule and deadlines.

Mr. Koenig indicated that staff has reviewed and recommended approval of the purchase from Diversified Storage Solutions through State contract, in accordance with the City of Dover Purchasing Policy. He noted that the total amount budgeted for furniture and shelving is $703,000 and the purchase request totals $292,738, specifically for shelving, panels, and countertops. He stated that the balance of the furniture to be purchased is currently being reviewed by staff and will be brought forward to Council in March.

Staff recommended approval of the purchase of the shelving, end panels, and countertops in the amount of $292,738.

Responding to Mr. Anderson, Mr. Koenig stated that these items were not included in the City's contract with EdiS; however, he assured members that the purchase was included as a line item in the original project budget.

In response to Mrs. Williams, Mrs. Mitchell confirmed that the expenditure is part of the $3.5M included in the City's budget for the project.

Mr. Anderson moved for approval of staff's recommendation to purchase shelving, end panels, and countertops in the amount of $292,738, seconded by Mr. Hare and carried by a unanimous roll call vote.

PROPOSED CANCELLATION OF COUNCIL AND COMMITTEE MEETINGS FALLING IN THE WEEK OF THE FOURTH MONDAY OF EVERY THIRD MONTH (MARCH, JUNE, SEPTEMBER, AND DECEMBER)

Due to short staffing related to the hiring freeze and current budgetary constraints that the City is facing, some members of Council suggested holding fewer City Council and Committee meetings. Many of the recent meetings have had short agendas and it was felt that those items could be combined into one meeting, thereby providing additional time for day-to-day operations for those departments that are short-staffed.

As a result, Council President Leary recommended the cancellation of the Utility Committee, Legislative, Finance, and Administration Committee, and City Council meetings falling in the week of the fourth Monday of every third month (March, June, September, and December) and moving the Safety Advisory and Transportation Committee meetings falling in those months to the week of the second Monday of that same month.

By consent agenda, Mr. Bonar moved for approval of Council President Leary's recommendation, seconded by Mr. Hutchison and carried by a unanimous roll call vote (Council President Leary absent).

SELECTION OF POLLING PLACES FOR 2012 REGULAR MUNICIPAL ELECTION

Members were advised that the City of Dover Election Board met on February 23, 2012 and recommended that the Elk's Lodge at 200 Salisbury Road be utilized as the polling place for the First District and the Dover Park Recreation Center at 1210 White Oak Road be utilized as the polling place for the Third District for the Municipal Election to be held on Tuesday, April 17, 2012.

Mr. Hare moved for approval of the Election Board's recommendation, seconded by Mr. Lynn and unanimously carried.

APPOINTMENT RECOMMENDED BY COUNCIL PRESIDENT LEARY - PARKS, RECREATION, AND COMMUNITY ENHANCEMENT COMMITTEE - DAVID L. BONAR (TO FILL UNEXPIRED TERM OF WILLIAM F. HARE - TERM TO EXPIRE MAY 14, 2012)

Council President Leary recommended the appointment of Councilman David L. Bonar to serve on the Parks, Recreation, and Community Enhancement Committee for a term to expire May 14, 2012 (to fill the unexpired term of William F. Hare).

By consent agenda, Mr. Bonar moved for approval of Council President Leary's recommendation, seconded by Mr. Hutchison and carried by a unanimous roll call vote (Council President Leary absent).

FIRST READING - PROPOSED ORDINANCE #2012-03

Council President Williams reminded the public that copies of proposed ordinances are available at the entrance of the Council Chambers or can be obtained from the City Clerk's Office. Final action by Council on the proposed ordinance will take place during the Council Meeting of March 12, 2012.

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

> PROPOSED ORDINANCE #2012-03 AMENDING CHAPTER 102 - TAXATION, ARTICLE VI - EXEMPTIONS; BOARD OF ASSESSMENT APPEALS, SECTION 102-183 - TAX EXEMPTION FOR SENIOR CITIZENS

COUNCIL MEMBERS ANNOUNCEMENTS

Mr. Anderson announced that on February 29, 2012, Westminster Village will introduce "Masterpiece Living," which will provide information on ways to live in older age successfully. It will be a comprehensive approach and open to the public.

Mrs. Russell advised members that the Boys and Girls Club at Simon Circle will begin a youth basketball program from 6:00 p.m. to 8:00 p.m. on February 24, 2012 and that volunteers are needed. The program is sponsored by the Drug and Alcohol Awareness Program and includes an educational component.

Mr. Hare stated that the Police Department will hold a Promotion Ceremony on February 28, 2012, at 7:00 p.m. and encouraged members of Council to attend to show their support.

In response to Mr. Hare regarding the possibility of changing the 2:00 p.m. meeting time set for the Council Retreat on March 30, 2012, Mrs. Williams suggested that this matter be reviewed with the City Clerk's Office.

Mr. Bonar moved to adjourn into executive session (which was recessed earlier in the evening), seconded by Mrs. Russell and unanimously carried.

Meeting Adjourned at 8:55 P.M.

TRACI A. McDOWELL
CITY CLERK

All orders, ordinances, and resolutions adopted by City Council during their Regular Meeting of February 27, 2012, are hereby approved.

CARLETON E. CAREY, SR.
MAYOR

/TM/jg
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Exhibits Attached to Original Minutes and File Copy
Exhibit #1 - Presentation - Violation of Dangerous Building Ordinance - 38 South New Street
Exhibit #2 - Revised Letter of Agreement with United Networks of America

Violation of Dangerous Building Ordinance 38 South New Street

Planning & Inspections Department

Dover, Delaware

February 27, 2012

EXHIBIT #1
Regular Council Meeting of 02/27/2012

38 South New Street
Case History

- Numerous violation cases since 1999
  - Vehicles parked on the grass/unregistered vehicles
  - Tall grass & weeds
  - Exterior and interior violations
- Subject of fire on 1/8/2012
- Outstanding Payments
  - Outstanding demolition charges for 106 S. New Street & 35 N. New St.

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

- (4) *Fire Damage, etc.*
- (5) *Unfit for habitation*
- (9) *General welfare.*


38A
38
DANGER
WILL BE PROSECUTED
01/09/2012 09:20


38
DANGER
38B
01/09/2012 09:20


01/09/2012 09:20


FIRE LINE DO NOT CROSS
01/09/2012 09:21


01/09/2012 09:23







Recommended Council Action

- Declare this building dangerous.
- Order the property repaired or demolished.
- Order the Building Inspector to cause the repair or demolition of the structure if not completed by the owner **by March 27, 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.

2011 LETTER OF AGREEMENT

UNITED NETWORKS OF AMERICA
UNA Rx CARD DIVISION

UNA Health Discount Card Program Agreement

THIS LETTER OF AGREEMENT, to be effective _____, is between UNITED NETWORKS OF AMERICA, INC. with corporate headquarters at 3636 Sherwood Forest, Sherwood Tower 440, Baton Rouge, LA 70816 (hereinafter referred to as **"United Networks of America"** and City Of Dover with headquarters at 15 Loockerman Plaza, Dover, De, 19901 (hereinafter referred to as **"SPONSOR"**).

WITNESSETH

WHEREAS, SPONSOR wishes to provide a free discount prescription drug card to members and is willing to let United Networks of America be the exclusive provider for these benefits,

WHEREAS, United Networks of America has developed a discount prescription drug program and will provide SPONSOR with access to this program,

United Networks of America agrees to provide SPONSOR with a free discount drug card program at no cost. SPONSOR is responsible for any expenses related to promoting the program. However, SPONSOR is not obligated to promote the program. SPONSOR must abide by all state laws and be properly licensed in each state they conduct business in; failure to do so may result in immediate cancellation of agreement.

This exclusive agreement shall remain in full force and effect, unless otherwise terminated, for a term of two (2) years. The term of this agreement shall be automatically renewed for successive additional two (2) year terms unless written notice to the contrary is given by either party to the other not less than sixty (60) days prior to the end of the then current two (2) year term. *Ninety (90) days prior to the end of the contract United Networks of America will send a letter to the City Manager of the City of Dover with notice that the cancellation time frame is approaching.* Either party may terminate this agreement, without cause, by providing a thirty (30) day written notice. SPONSOR will not utilize any other vendor for these services throughout the term of this agreement and during the two (2) month run-out period after termination of this contract.

United Networks of America has developed "LOWEST PRICE" logic to guarantee that members get the best available price on UNA Rx Card prescriptions (members pay the lower of a discount off Average Wholesale Price-AWP, discount off MAC Pricing, or Pharmacy Promotional/Retail price).

Seal of United Networks of America

Rebate/Transaction Fees:

United Networks of America shall pay to SPONSOR a portion of the Rebate/Transaction fees collected on prescriptions processed through the UNA RX CARD program. In accordance with the schedule outlined below. The Rebate/Transaction fee only applies to prescriptions that are adjudicated at the negotiated rates. Prescriptions that adjudicate at the Retail-U&C (Usual and Customary) price DO NOT qualify for Rebate/Transaction payments. United Networks of America is under no obligation to pay Rebate/Transaction fees to SPONSOR if for any reason these funds are not made available to United Networks of America by pharmacy/drug companies. Transaction fees will be paid within 60 days of the end of each calendar month, *and documentation allowing the SPONSOR to verify the accuracy of the paid transaction fees will accompany the payment.* SPONSOR understands that the payment will only be made on scripts that are processed at a discount and only if transaction fees/rebates are paid by pharmacy/drug companies and received by United Networks of America. Prescriptions processed at U&C do not qualify for reimbursement.

I suggest that documentation allowing the City to verify the accuracy should accompany the payment. City should be referred to as SPONSOR.

Transactions Fees Payable to SPONSOR

$ 0.50 PER PAID SCRIPT

Included Program Features	
On the Fly Enrollment	**Included**
Provider Network Management	**Included**
Material Review	**Included**
Pharmacy / Member Help Desk	**Included**
Member Services (Toll-Free)	**Included**
Value Added Benefits Programs (subject to change)	
Vision Program	**Included**
Nutritional Supplement Program	**Included**
Help Lines	**Included**
Pro-Smile Teeth Whitening Program	**Included**

Member Co-Payments – United Networks of America Network Pharmacies

If a brand name drug is dispensed:	100% of calculated co-pay amount
If a generic drug is dispensed:	100% of calculated co-pay amount

SPONSOR REQUIREMENTS:
SPONSOR must have all program materials pre-approved by United Networks of America prior to printing/ distributing. No one is allowed to contact or visit pharmacies without prior written approval from United Networks of America. Failure to meet either of these requirements will result in immediate termination of agreement.

In Witness Whereof, the parties here have to execute this agreement as of the date first above written.

SPONSOR	**United Networks of America, Inc.**
_____ _	_____
Name	Francesco Ciccone
Title	EVP
Date: _____	Date: _____

Seal of United Networks of America