LEGISLATIVE, FINANCE, AND ADMINISTRATION COMMITTEE

The Legislative, Finance, and Administration Committee meeting was held on February 13, 2012 at 5:32 p.m. with Councilman Hare presiding in the absence of Chairman McGlumphy. Members present were Mr. Anderson and Mr. Shevock. Dr. Jones was absent. Members of Council present were Mr. Bonar (departed at 6:46 p.m.), Mr. Hutchison (departed at 6:46 p.m.), Mr. Lynn (departed at 6:46 p.m.), Mrs. Russell (arrived at 5:58 p.m.), and Council President Leary (departed at 5:39 p.m.; returned at 6:50 p.m.). Mayor Carey was also present (departed at 5:56 p.m.).

AGENDA ADDITIONS/DELETIONS

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

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.

Mr. Anderson moved to recommend 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. The motion was seconded by Mr. Shevock and unanimously carried.

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.

Mr. Anderson moved to recommend approval of the request to recruit an Electrical Engineer for the Electric Department, as recommended by staff. The motion was seconded by Mr. Shevock and unanimously carried.

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.

Mr. Shevock moved to recommend 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. The motion was seconded by Mr. Anderson and unanimously carried.

United Networks of America Revised Letter of Agreement *(Committee Tabled on December 12, 2011 Until Such Time That Some Type of Accounting Assurance is Provided to the City)*

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.

By unanimous consent, the matter was removed from the table.

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.

Mr. Anderson moved to recommend that staff be authorized to sign the revised Letter of Agreement with United Networks of America to begin the Health Discount Card Program *(Attachment #1)*, seconded by Mr. Shevock and unanimously carried.

Staff Recommendations - Economic Development Office *(Tabled by Committee on January 9, 2012)*

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.

By unanimous consent, the matter was removed from the table.

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.

Mr. Anderson moved to recommend tabling the matter to allow staff additional time to work with the Downtown Dover Partnership (DDP) on the development of a recommendation. The motion was seconded by Mr. Shevock and unanimously carried.

Staff Recommendations - Community Development Office ***(Tabled by Committee on January 9, 2012)***
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.

By unanimous consent, the matter was removed from the table.

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.

Mr. Anderson moved to recommend 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. The motion was seconded by Mr. Shevock and carried, with Mr. Hare voting no.

Proposed Ordinance #2012-03 - Related to Senior Citizen Income Exclusions *(Referred Back to Staff on January 23, 2012)*

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").

Mr. Anderson moved to recommend adoption of Proposed Ordinance #2012-03, as recommended by staff. The motion was seconded by Mr. Shevock and unanimously carried.

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.

Mr. Anderson moved to recommend approval of the City Manager's request for a $400 car allowance and $100 special cell phone allowance, seconded by Mr. Shevock and unanimously carried.

By unanimous consent, the meeting adjourned at 7:00 p.m.

William F. Hare
Acting Chairman

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Attachment
Attachment #1 - Revised Letter of Agreement with United Networks of America

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