REGULAR COUNCIL MEETING

The Regular Council Meeting was held on October 10, 2011 at 7:30 p.m. with Council President Leary presiding. Council members present were Mr. Anderson, Dr. McGlumphy, Mr. Lynn, Mr. Bonar, Mrs. Williams, Mr. Hare, and Mr. Hutchison. Mrs. Russell was absent.

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

OPEN FORUM

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

Mr. Lynn moved to suspend the rules to allow Mrs. Fran Hettinger to speak regarding Item #8-B, Recommendation of the Health Benefits Committee Regarding Elimination of Medicare Part B Reimbursements for Current Non-Bargaining Employees, during the Open Forum segment. The motion was seconded by Mr. Bonar and carried with Mr. Anderson voting no (Mrs. Russell absent).

Mrs. Fran Hettinger, City of Dover retiree, 63 Sackarackin Avenue, requested that members not place the burden of Medicare Part B on the backs of employees who have worked for the City numerous years. She referenced a memo dated 1978 that established this particular benefit or "promise" to the City employees. Mrs. Hettinger stated that City employees worked at lower rates of pay in those days; however, with the increased cost of living, City employees are working for less pay today. She applauded Council members for the outstanding job they are doing to try to balance the budget and requested that they not balance it on the backs of employees who were hired with the understanding that this would be one of their benefits when they retired and reached 65 years of age. Mrs. Hettinger also requested that the Medicare Part B reimbursement benefit not be capped. She noted that employee morale is already very low.

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

AGENDA ADDITIONS/DELETIONS

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

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

ADOPTION OF MINUTES - REGULAR COUNCIL MEETING OF SEPTEMBER 26, 2011

The Minutes of the Regular Council Meeting of September 26, 2011 were unanimously approved by motion of Mr. Bonar, seconded by Mrs. Williams and bore the written approval of Mayor Carey.

CERTIFICATE OF RECOGNITION - EDWARD R. PERKOWSKI

Mayor Carey presented a Certificate of Recognition to Mr. Edward R. Perkowski in recognition of his witnessing a burglary and alerting the authorities immediately. As a result of his quick actions, the thief was apprehended and all the materials were returned to their rightful owner.

PROCLAMATION - CYBER SECURITY AWARENESS MONTH

The City Clerk read the following Proclamation into the record:

WHEREAS, we recognize the vital role that technology has in our daily lives and in the future of the City of Dover, whereby today many citizens, schools, libraries, businesses and other organizations use the Internet for a variety of tasks, including keeping in contact with family and friends, managing personal finances, performing research, enhancing education and conducting business; and

WHEREAS, critical sectors are increasingly reliant on information systems to support financial services, energy, telecommunications, transportation, utilities, health care, and emergency response systems; and

WHEREAS, the use of the Internet at the primary and secondary school levels in our city enhances the education of youth by providing them access to online educational and research materials; and at institutions of higher education, the use of information technology is integral to teaching, learning, research, outreach, and service; and

WHEREAS, Internet users and our information infrastructure face increasing threats of malicious cyber-attack, invasion of privacy from spyware and adware, and significant financial and personal privacy losses due to identity theft and fraud; and

WHEREAS, maintaining the security of cyberspace is a shared responsibility in which each of us has a critical role, and awareness of computer security essentials will improve the security of the City of Dover information infrastructure and economy.

NOW, THEREFORE, I, CARLETON E. CAREY, SR., MAYOR OF THE CITY OF DOVER, DELAWARE, do hereby proclaim October 2011 as Cyber Security Awareness Month in the City of Dover and urge all citizens to learn about cyber security and put that knowledge into practice.

Mayor Carey presented the Proclamation to Mr. Andrew Siegel, IT Director for the City of Dover. Mr. Siegel noted that a great deal of information related to cyber security is available on the City's website.

PROCLAMATION - FIRE PREVENTION WEEK

The City Clerk read the following Proclamation into the record:

WHEREAS, the City of Dover is committed to ensuring the safety and security of all those living in and visiting our city; and

WHEREAS, fire is a serious public safety concern both locally and nationally, and homes are where people are at greatest risk of fire, which results in more than 3,000 deaths per year; and

WHEREAS, less than one-fourth of Americans have both developed and practiced a home fire escape plan, so it is imperative that individuals and families develop and practice, at least twice per year, a home fire escape plan; and

WHEREAS, the National Fire Protection Association recommends installing at least one smoke alarm on every level of the home (including the basement), outside all sleeping areas, and in all bedrooms; informing the public about the importance of smoke alarm installation and that maintenance serves as an essential step toward increasing the public's safety from home fires; and

WHEREAS, the City of Dover Fire Marshals and Volunteer Fire Department are dedicated to reducing the occurrence of home fires and home fire deaths and injuries through prevention and proper education; and

WHEREAS, the 2011 Fire Prevention Week theme, "It's Fire Prevention Week! Protect Your Family From Fire!" actively works to help keep individuals, families, and communities safer from fire.

NOW, THEREFORE, I, CARLETON E. CAREY, SR., MAYOR OF THE CITY OF DOVER, do hereby proclaim October 9 - 15, 2011 as Fire Prevention Week in the City of Dover and urge all people to protect their homes and families by heeding the potentially life-saving messages of Fire Prevention Week 2011, and support the many activities and efforts of fire and emergency services.

Mayor Carey presented the Proclamation to Fire Chief Jack Fortney and thanked the members of the Fire Department for all they do to protect the citizens of Dover.

PROCLAMATION - HALLOWEEN TRICK-OR-TREAT

The City Clerk read the following Proclamation into the record:

WHEREAS, the children of the City of Dover enjoy the fun and festivities associated with the observance of the Halloween Trick-or-Treat custom of traveling with friends and family going from door to door in their neighborhood, displaying their costumes, and gathering treats; and

WHEREAS, parents are urged to join in the festivities by accompanying their children throughout their journeys in celebrating Halloween Trick-or-Treat; and

WHEREAS, residents are requested to indicate their willingness to welcome children by keeping their porch or exterior lights on and that youngsters call only on homes so lighted; and

WHEREAS, the Mayor of the City of Dover has deemed it advisable to observe the celebration of Halloween Trick-or-Treat on Monday, October 31, 2011 between the hours of 6:00 p.m. and 8:00 p.m.

NOW, THEREFORE, I, Carleton E. Carey, Sr. MAYOR OF THE CITY OF DOVER, DELAWARE do hereby proclaim that the Halloween Trick-or-Treat observance be held on the 31st day of October 2011, between the hours of 6:00 P.M. and 8:00 P.M. in the City of Dover and urge all residents, both young and old, to make this a happy and safe occasion for our children.

REZONING REQUEST - PUBLIC HEARING/FINAL READING OF PROPOSED ORDINANCE #2011-23

A public hearing was duly advertised for this time and place to consider the rezoning of property located at 327 Martin Street, southeast of the intersection of Court Street and South DuPont Highway (Route 13), consisting of 0.277+/- acres (11,744+/- S.F.), owned by EJB, Inc. The property is currently zoned C-4 (Highway Commercial Zone) and the requested zoning is IO (Institutional and Office Zone).

Mr. Hare moved that the final reading of the proposed ordinance be acknowledged by title only, seconded by Dr. McGlumphy and unanimously carried. *(The First Reading of the proposed ordinance was accomplished during the Council Meeting of August 22, 2011.)*

Planner's Review

Mrs. Ann Marie Townshend, Director of Planning and Community Development, reviewed the petition to amend the zoning district and the findings and recommendations of the Planning Commission. She noted that the Planning Commission recommended approval of the rezoning request. Mrs. Townshend advised members that the proposed use is a substance abuse treatment center.

Public Hearing

Council President Leary declared the public hearing open.

Mr. William Boyles, 8345 Westville Road, Wyoming, Delaware, Executive Director of Serenity Place, stated that this organization has been operating for 20 years and has helped over 1,000 men combat substance abuse. He stated that the rezoning would permit them to rebuild the facility that was destroyed in a June 7, 2011 fire. Mr. Boyles advised members that the planned facility will double their capacity.

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

Mr. Hare moved for approval of the rezoning request, as recommended by the Planning Commission. The motion was seconded by Mr. Bonar and, by a roll call vote of seven (7) yes, one (1) abstention (Mr. Lynn) and one (1) absent (Mrs. Russell), Council adopted Ordinance #2011-23, as follows:

AN ORDINANCE AMENDING THE ZONING ORDINANCE AND ZONING MAP OF THE CITY OF DOVER BY CHANGING THE ZONING DESIGNATION OF PROPERTY LOCATED AT 327 MARTIN STREET

WHEREAS, the City of Dover has enacted a zoning ordinance regulating the use of property within the limits of the City of Dover; and

WHEREAS, it is deemed in the best interest of zoning and planning to change the permitted use of property described below from C-4 (Highway Commercial Zone) to IO (Institutional and Office Zone).

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

That from and after the passage and approval of this ordinance the Zoning Map and Zoning Ordinance of the City of Dover have been amended by changing the zoning designation from C-4 (Highway Commercial Zone) to IO (Institutional and Office Zone) on that property located at 327 Martin Street (southeast of the intersection of Court Street and South DuPont Highway (Route 13), consisting of $0.277^{+/-}$ acres ($11{,}744^{+/-}$ S.F.), owned by EJB, Inc.

ADOPTED: OCTOBER 10, 2011

Mr. Lynn advised members that he disqualified himself from voting due to his prior involvement with Mr. Boyles in a real estate transaction.

PUBLIC HEARING/FINAL READING - PROPOSED ORDINANCE #2011-21

A public hearing was duly advertised for this time and place to consider approval of proposed zoning text amendments to Appendix B - Zoning, Article 3 - District Regulations, Section 1 - One-Family Residence Zones [(R-20, R-15, R-10, R-8, and R-7)], Subsection 1.15 - Accessory Uses, and Article 5 - Supplementary Regulations, Section 1 - Supplementary Regulations Applying to Residence Zones, (New) Subsection 1.11 - Swimming Pools, of the Dover Code.

Mr. Bonar moved that the Final Reading of Proposed Ordinance #2011-21 be acknowledged by title only, seconded by Mr. Hutchison and unanimously carried. *(The First Reading of the ordinance was accomplished during the Council Meeting of August 22, 2011.)*

Mrs. Ann Marie Townshend, Director of Planning and Community Development, advised members that the text amendments would more closely align the zoning requirements for swimming pools with the building code requirements. She noted that the Planning Commission unanimously recommended adoption of the ordinance.

Council President Leary declared the public hearing open.

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

Mr. Anderson moved for adoption of the ordinance, as recommended by the Planning Commission. The motion was seconded by Dr. McGlumphy and, by a unanimous roll call vote (Mrs. Russell absent), Council adopted Ordinance #2011-21, as follows:

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

That Appendix B - Zoning, Article 3 – District Regulations, Section 1 – One-Family Residence Zones [(R-20, R-15, R-10, R-8 and R-7)], Subsection 1.15 – Accessory Uses, be amended to read as follows:

1.15 Accessory uses, limited to the following:

(a) Professional office or studio of an artist, dentist, musician, teacher, or physician, but not including veterinarians, provided that:
   i. Such office or studio is incidental to the residential use of the premises and is carried on by a resident thereon with not more than one nonresident assistant; and
   ii. Such office or studio shall occupy not more than 30 percent of the area of one floor of the main building.
   iii. Studios where dancing or music instruction is offered to groups in excess of four pupils at one time or where concerts or recitals are held are prohibited.
   iv. Medical centers, barbershops, beauty parlors, real estate offices, funeral homes or similar uses shall not be considered permitted accessory uses.

(b) Garden house, tool house, playhouse, greenhouse or pool incidental to the residential use of the premises and not operated for gain.

(c) Private garage, provided that, in the case of a one-family dwelling, such garage shall have a capacity of not more than three passenger automobiles. One such space may be leased to a person not [a] resident on the premises.

(d) Keeping domestic animals (except pigs) for individual domestic purposes or as pets, provided not more than three dogs over six months old and not more than 25 fowl shall be permitted, and no animals (except dogs) or fowl shall be penned or housed within 20 feet of any lot line.

(e) (Reserved.)

(f) Dormitories accessory to schools, provided that such dormitories conform to the bulk regulations of the RG-1 zone. For purposes of computing bulk requirements, each four rooms shall be considered one dwelling unit. Parking shall be calculated as identified in Article 6—Off-Street Parking, Section 3—Required off-street parking spaces, Paragraph 3.1—Schedule of requirements.

(g) Customary home occupations, provided that:
   i. No display of products, goods and/or signs shall be visible from the street.
   ii. Such home occupation shall be incidental and secondary to the residential use of the premises and shall be conducted in the principal building by the resident or residents that reside therein.
   iii. Nonresident assistants or co-workers shall be prohibited.
   iv. Such home occupation shall not occupy more than 30 percent of the area of one floor in the principal building.
   v. There shall be no exterior effect such as noise, traffic, odor, dust, smoke, gas, fumes, radiation, or electromagnetic interference.

BE IT FURTHER ORDAINED That Appendix B – Zoning, Article 5 – Supplementary Regulations, Section 1 – Supplementary Regulations Applying to Residence Zones, be amended by inserting a new subsection 1.11 Swimming Pools, as follows:

1.11 Swimming Pools

1.111 Definition – For the purposes of this section, swimming pools shall be defined as any pool, tank, depression, or excavation in or above ground, or other structure which shall cause retaining of water over a greater depth than twenty-four (24) inches.

1.112 Safety – All swimming pools as defined in this section must conform to the requirements of Dover Code, Chapter 22 – Buildings and Building Regulations.
1.113 Placement – Swimming pools shall be permitted to be established in the side and rear yard, but shall be prohibited from placement between the principal structure and the street.

1.114 Setback – The edge of the swimming pool, specifically referring to the edge of the water containment portion of the pool shall be no less than fifteen (15) feet away from all property lines. All associated structures, buildings, and pavement related to the swimming pool shall be no less than five (5) feet away from all property lines.

ADOPTED: OCTOBER 10, 2011

COMPENSATION COMMISSION REPORT - SEPTEMBER 20, 2011

The Compensation Commission meeting was held on September 20, 2011 with Chairman Hogan presiding.

Compensation for the Mayor, City Council, and Paid Members of City Committees, Commissions, and Boards

Mr. Hogan reiterated that the goal of the Commission was to develop a recommendation to Council regarding compensation for: 1) City Council, 2) the Mayor, and 3) members of City committees, commissions, and boards. He suggested that the Commission begin its task by formulating a recommendation in regard to City Council.

City Council

Mrs. Webb stated that she could not support a raise for Council in the current economic climate.

Mr. Cook felt that the Commission should establish a basis for their recommendation to Council regarding the level of compensation suggested. He noted that Council members are currently paid $7,416 per year and that a survey regarding Council's responsibilities revealed that members work an average of 20 hours per week (half-time). He advised members that the federal minimum wage is currently $7.25 per hour and that 20 hours per week at that rate would total $7,540 per year.

Mr. Cook moved to recommend that Council's level of compensation be changed to $7,540 annually, that this be the basis for future evaluation and recommendations regarding compensation, and that the Council President receive an additional 15% of this amount, or an annual salary of $8,671.

In response to Mrs. Hawkins, Mr. Cook stated that, under this proposal, if the federal minimum wage were to increase, this could be addressed during the Compensation Commission's regularly scheduled review of compensation.

Mr. Perza felt that tying compensation to the minimum wage rate could bring unintended consequences in the future.

Mrs. Webb noted that, since this was the first time the Compensation Commission would be presenting a recommendation to Council, their initial recommendation could serve as the basis for reviewing this issue in the future.

The motion to recommend that Council's level of compensation be changed to $7,540 annually, that this be the basis for future evaluation and recommendations regarding compensation and that the Council President receive an additional 15% of this amount, or an annual salary of $8,671, failed for lack of a second.

Mr. Hogan suggested that the Commission advise Council that, in reviewing this matter, members found that the current salary was reasonable and just for the work that Council members perform.

The Committee recommended that, because: 1) in reviewing this matter, the Commission found that current Council salaries are very similar to compensation at the current federal minimum wage level for a half-time (20 hour per week) position; and 2) there was no empirical data or overwhelming public sentiment that demonstrated that change was indicated, current salary levels for City Council remain unchanged.

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

Mayor

In reviewing the Mayor's salary, Mr. Hogan noted that there was no strong public opinion regarding a change in the current level of compensation.

The Committee recommended that the Mayor's salary and compensation remain at the current level ($45,000), in view of the lack of evidence of strong public opinion to support a change.

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

City Committees, Commissions, and Boards

In considering compensation for members of City committees, commissions, and boards, Mr. Hogan felt that the City provides fair compensation to these individuals. He noted that members of the Election Board have had a decrease in responsibility since their compensation was set; however, he noted that they are involved in the City's redistricting process which occurs every ten (10) years following the census.

The Committee recommended that no changes be made in the compensation of paid members of the City's committees, commissions, and boards but that Council review the compensation and work responsibilities of the members of the Election Board due to changes made by the State in regard to their duties.

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

Members agreed that the previous recommendations made by the Commission be incorporated in their final recommendations to be presented to City Council on October 10, 2011, as follows:

1. It is recommended that staff be directed to distribute a survey to outgoing members of Council each year, prior to their departure, to obtain information regarding the responsibilities and time commitment involved in service.

2. It is recommended that staff be directed to perform comparisons with other jurisdictions each year regarding the rates of compensation for the Mayor, Council, and paid members of committees, commissions, and boards.

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

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

UTILITY COMMITTEE REPORT - SEPTEMBER 26, 2011

The Utility Committee met on September 26, 2011 with Chairman Bonar presiding.

Discussion - Informational Presentation by Delaware Electric Cooperative (Referred Back to Committee by Council on September 12, 2011)

During the Legislative, Finance, and Administration Committee meeting of August 22, 2011, staff presented a response to the Delaware Electric Cooperative (DEC) presentation of June 27, 2011. The Committee recommended that the City proceed with a Request for Proposals (RFP) for an independent study to be conducted by an entity that is not currently or planned to be associated with the City of Dover, the DEC, or any other local electric company, to determine the feasibility of the City remaining in the electric business, the possibility of getting out of the electric business, and the anticipated ramifications of either approach. During their Regular Meeting of September 12, 2011, City Council considered the Committee's recommendation and referred further this matter back to the Utility Committee for discussion of the sale of the electric department and the issuance of an RFP for an independent study regarding the possible sale and disposition of the utility, including a Cost of Service Study.

Mr. Blakeman felt that there was a need to obtain information, including the cost of replacement for generation and the life expectancy of current generation, that would allow the City to make a reasonable decision, and that a rate study would also be helpful. In addition, he stated that there should be a general review of the City's position in the Pennsylvania, Jersey, Maryland Interconnection (PJM) and how this impacts the City's ability to purchase power and meet capacity requirements by purchase of capacity, ownership of capacity, and/or generation to sell.

Mr. Hare requested assurance that, if is determined that the City should continue in the electric business, the study would determine if there are inefficiencies.

In response to Mr. Hutchison, Mr. Blakeman recalled that in 1992 a cost of generation and necessity of generation study was conducted. He stated that the City's contract with Duke Energy (1996) was the result of an offer made by Delmarva Power and Light (DP&L) to purchase the City Electric Department (including generation, customers, etc.).

With regard to an Integrated Resource Plan (IRP), Mr. Ron Lunt, Public Utilities Director, advised members that PACE Global Energy Services previously completed five (5) year plans and that The Energy Authority (TEA) is ready to conduct a more elaborate and detailed five (5) year plan as a part of their contract. Staff has also discussed an IRP with TEA, which would be over and above their contract. He anticipated that staff will be submitting a request to City Council later in the year for a 20-year IRP.

Responding to Mrs. Williams, Mr. Lunt stated that the cost of an IRP would be approximately $300,000 and require an extended period of time to complete.

Mrs. Donna Mitchell, Controller/Treasurer, stated that she reviewed the July 5, 2011 letter from the DEC, including the illustrative example provided of paying $120M and the valuation methods utilized. She advised members that she applied the City's numbers to the valuation methods used and relayed concern that the DEC numbers appeared extremely understated. Referring to the Net Valuation Method included in the DEC Consultant's Report, she stated that the City's amount would equate to $188M versus $120M, the number of customers method would equate to $162.7M versus $120M, and the revenue valuation method would equate to $196.5M versus $120M. Mrs. Mitchell questioned if the City should pursue this matter further without a serious offer and explained that, although conducting such a study would provide the City with details, it might not be worth the expense and time if no action is taken by City Council. She noted that performing such a study would be a very time consuming process, not only for the company selected to conduct the study, but also for staff. Should the City move forward, she stated that she has concerns with the methodology and whether the City would receive the best price for its assets. Mrs. Mitchell advised members that, when reviewing the $120M listed in the DEC example, they should be aware that the City currently has $35.4M in bonds and $29.4M in retirement liabilities that must be paid; therefore, she requested that members take into consideration all of the economic factors when deciding whether the City should move forward with this process.

Mr. Hare felt that the City was not presented with DEC's best offer; however, without a study, he did not feel that the City could respond with a counteroffer. Responding, Mrs. Mitchell suggested that the City present DEC with the City's preliminary numbers and determine if DEC still has a desire to purchase the City's utility.

For clarification, Mr. Bonar explained that the DEC's presentation was provided for informational purposes only as a starting point of discussion and should not be considered as an offer by DEC. He stated that DEC or another entity may make an offer. If the City brought forward a study that showed the Electric Department operations were worth between $200M and $300M as a sale price through a purchase, this amount would more than offset the revenue derived from the electric utility in interest alone. In addition, he stated that the City could eliminate 25% of its payroll expenses (employees of the City's Electric Department) through the sale of the utility. Mr. Bonar explained that these were issues that must be considered by Council and that members should not make a judgement without a professional review, which has never been completed in the history of the City's ownership of the electric operation.

Mr. Bonar stated that consideration of this matter must consist of a step-by-step process that involves evaluation of every aspect, not just the $7M-$8M received through the electric utility, but whether this income can be offset by interest, whether electric costs for City residents and businesses

can be reduced, if the City can reduce payroll, and if the City's utility remains a viable and reliable portion of the local economy.

Mr. Hare reminded members that DEC offered to pay for half the cost of a study if the City were to make their offer public.

The Committee recommended approval of a Request for Proposals for a Cost of Service Study to determine the valuation of the entire City of Dover electric system and all appendices to include generation, distribution, personnel costs, etc.

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

Cost of Service Study to be Performed on the Electric Utility and the Possibility of Allowing Some Rate Classes to Shop for Services
See the discussion and action on the above item.

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

Responding to Mr. Blakeman regarding the Unit #3 turbine inspection, Mr. Ron Lunt, Public Utilities Director, stated that a borescope is utilized to conduct the inspection.

The Committee took no action.

TEA/NAES Monthly Report ***(July)***
The TEA/NAES Monthly Report for July 2011 was provided to members to enable them to monitor electric sales and revenues received, which will provide a better understanding of any fluctuations that occur and allow the opportunity to make improvements if deemed necessary.

The Committee recommended acceptance of the TEA/NAES Monthly Report for July as presented.

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

Mrs. Williams requested that staff provide all Committee members with copies of a report entitled "Dover Energy 2030 - Frequently Asked Questions."

Mr. Bonar relayed appreciation for staff's invitation to attend the recent planning meeting at the Electric Plant, which he stated was very helpful and informative. He expressed his gratitude for the hard work performed by staff and acknowledged that this was a difficult time for the Electric Division staff as well as for City Council.

By consent agenda, Mr. Bonar moved for acceptance of the Utility Committee Report, seconded by Mrs. Williams and carried by a unanimous roll call vote (Mrs. Russell absent).

LEGISLATIVE, FINANCE, AND ADMINISTRATION COMMITTEE REPORT - SEPTEMBER 26, 2011

The Legislative, Finance, and Administration Committee met on September 26, 2011 with Chairman McGlumphy presiding.

Chairman McGlumphy requested that Item #9 - Proposed City of Dover Prescription Assistance Plan be moved to Item #4 to accommodate the attendance of a guest from New Jersey.

Discontinuation of Pay for Performance (PFP) Evaluation Form and Review of Proposed Evaluation Form *(Deferred by Committee on August 22, 2011 Due to Time Constraints)*

Mr. Scott Koenig, Interim City Manager, reviewed performance appraisal forms, as follows: 1) the current City of Dover Pay for Performance (PFP) Evaluation for Non-Council Appointed Positions; 2) the current City of Dover PFP Evaluation for Council Appointed Positions; 3) a sample State of Delaware Employee Performance Review; and 4) a sample Dover Police Department Civilian Employee Evaluation Form. He suggested discontinuation of the City's current PFP Evaluation Forms, explaining that employees who use the forms find them to be cumbersome, noting that they are 12 pages long. He indicated the importance of having an evaluation tool; however, he suggested that members consider a shorter and less cumbersome evaluation form.

Mr. Koenig advised members that utilizing core competencies for non-bargaining employees has worked well and suggested including three (3) to five (5) goals rather than 10-15. Referring to the sample evaluation form for the State of Delaware, he felt that it would not provide the evaluation mechanism necessary for City staff. Mr. Koenig noted that the Dover Police Department form requires less written support documentation; however, it does not provide much flexibility in the evaluation and is lengthy due to the instruction packet. He advised members that staff also considered Kent County's evaluation form; however, the instructions were 20-25 pages in length, which he felt was problematic.

Staff recommended the use of a revised evaluation form that would utilize the strengths of the PFP evaluation forms and adapt them to include the strengths of the Dover Police Department Civilian Employee Evaluation Form.

Mr. Hare stated that it was his experience that goals are often a routine part of an employee's job and he did not feel that a 4-5 page evaluation form was necessary. In addition, he suggested a review of employee job descriptions. Concurring, Mr. Koenig stated that there are many instances where job descriptions do not reflect an employee's duties and responsibilities. He concurred that, as a supervisor, he is aware if an employee is performing well or not; however, he noted the necessity for evaluation forms as court documentation in the event of employee dismissal. Mr. Koenig explained that performance appraisal forms meet the needs of both the employer and employee.

Dr. Jones suggested that staff develop a revised evaluation form appropriate for non-bargaining employees and consider the difference between goals and objectives. She felt that an evaluation form should include objectives for the employee, explaining that goals are established for the position or organization and that objectives are time based and measurable and help to determine an employee's level of performance. It was her opinion that the purpose of an evaluation was not only to evaluate an employee over a given period of time but also to assist in planning growth for an employee.

Concurring with Dr. McGlumphy, Mr. Hare felt that staff should consider the use of the Dover Police Department Civilian Employee Evaluation Form.

Dr. McGlumphy requested that staff take the Committee's comments into consideration and develop a revised evaluation form to be brought back to the Committee.

Recommendation of the Health Benefits Committee Regarding Elimination of Medicare Part B Reimbursements for Current Non-Bargaining Employees *(Referred to Committee by LF&A on June 27, 2011)*

Mrs. Kimberly Hawkins, Human Resources Director, reminded members that, as directed by the Legislative, Finance, and Administration Committee during their meeting of June 27, 2011, the Health Benefits Committee considered the proposal to eliminate Medicare Part B reimbursement for current non-bargaining employees at their meeting held on August 16, 2011. She reported that the Health Benefits Committee recommended that the Medicare Part B reimbursements for non-bargaining employees remain unchanged.

Mr. Scott Koenig, Interim City Manager, explained that the City has been attempting to address budget issues and that by the end of October 18 positions will be vacant, resulting in organizational gaps throughout the City. He stated that staff is struggling with how to develop and maintain a balanced budget for Fiscal Year 2013. Mr. Koenig noted that at the beginning of Fiscal Year 2012-13, it is estimated that the City will be $5M further "in the hole" than in the current year, and that this is being driven by retiree health care benefit funding and other post-employment benefits. Taking this into consideration, Mr. Koenig stated that there has been much discussion regarding the reimbursement of Medicare Part B. He noted that there are approximately 82 non-bargaining employees who would be eligible for Medicare Part B reimbursement between now and the date the employee turns 65 years old. This benefit amounts to approximately $115 per month. Mr. Koenig explained that his recommendation to impose a cap is due to the cost involved, noting that approximately $9.8M would be necessary to fund this benefit between the current year and 2053. The proposed $200 cap would drop this obligation to $4.8M and he felt that a $200 cap was a reasonable trade to preserve the benefit. Mr. Koenig explained that his concern was that if action is not taken to preserve the benefit, at some point this benefit will be eliminated. He clarified that the proposed cap would apply only to the 82 current non-bargaining employees and was not intended to affect any employee who is already retired. He also stated that his intention would be to set a date for instituting the cap rather than making the change effective immediately, which would provide those employees wishing to retire an opportunity to do so before the cap is established.

Ms. Diane Glenn, 218 Northdown Drive, read the following statement into the record:

> "Good Evening, my name is Diane Glenn.
>
> In 1993, I moved from New Castle County to Dover to work with Dover Police to establish a Victim Services Program. When I was offered the job, I carefully thought about this move I was making and the impact this would have on my future. I thought about the opportunities that this job would provide me and I reviewed the benefits because at that point in my life, I was at an age where it was equally important for me to know that the benefits that were offered were in line for what my needs were for future retirement. I fully committed to the City of Dover over 18 years ago based on the above. What was offered to me was in line with what I wanted and I couldn't have chosen a better place to come and work.

Years ago, the three unions had an opportunity to negotiate with the City about Medicare Part B, they chose to negotiate this away in exchange for other compensation. As a non bargaining employee, those same opportunities to negotiate have not been afforded to me. I am not able to sit at the table to discuss or bargain with the City. I come here tonight, because it is the only forum in which I am able to at least voice my opinion and let you know where I stand.

Tonight, I want to go on record as stating that I am not in agreement with the Legislative and Finance Committees proposal to eliminate Medicare Part B for non bargaining employees AND I do not support the idea that a cap be put on either for the City or an employee. I want the plan to stay in place from when I was hired.

I fully understand the financial climate that faces government entities be it on the federal state, or municipal level. I understand that corporations as well struggle with the same questions, however policy within government agencies is generally to make changes to retirement plans for incoming employees and has never affected plans for those employee already in place.

Every day it is expected that I come to work and that I act in a professional manner. I am expected to respond at a moment's notice day and night to emergency situations and provide crisis support to crime victims and survivors and I am expected to do my job to the best of my ability.

I will do no less than my best and I will continue to provide the quality of care that each person deserves AND I expect that the City plan in which I was hired continue to remain intact for my future retirement.

Thank you for giving me this opportunity to speak tonight."

Ms. Donna Mills, 5459 Sandtown Road (Felton), advised members that she is a 25-year veteran of the City of Dover. She stated that Medicare Part B Reimbursement was a benefit, a promise made by the City of Dover to her as an employee. Noting that non-bargaining employees do not have the ability to negotiate benefits, she stated that if this benefit is eliminated, the City would be breaking a promise made to these employees when hired. She reminded members that this matter was considered in 2009 and City Council confirmed at that time that this benefit was promised to these employees and should be retained; therefore, she questioned why this matter is being presented again for consideration. She suggested that the budget issues be addressed equally and not be placed on 82 individuals who, as non-bargaining employees, do not have a voice.

Ms. Robin Adkins, 27 Waterwheel Circle, read the following statement into the record:

"I'd like to thank you for this opportunity to speak. It is an honor to work for the Dover Police Department and I am truly thankful that I am employed in a position that I enjoy. However, the handling of the Medicare-B entitlement issue for non-bargaining employees has been very disappointing.

I have survived a lot of hard economic times and challenges throughout my 30 plus years of federal and municipal government experience. As a member of the military, I served many years overseas and stateside. We worked a lot of hours, withstood a lot of

hardships including extended family separations. We worked through issues such as Gramm-Rudman budget cuts, military base closures, Desert Storm and others. The pay was sufficient, but our dedication to the larger picture of National Defense was more important. Morale was fairly high because our leadership treated us fairly and with respect, according to the standards and policies in place to keep it that way. Unions weren't needed in most areas because the leadership did the right thing to take care of us.

I've been working for the City of Dover for almost eleven years. I consider myself to be among a group of similarly dedicated individuals in the city employed as mid and department level managers, technicians, professionals and their assistants. We are educated, so many of us have undergraduate degrees, graduate degrees and/or professional certifications. We are collectively responsible for maintaining the continuity of the outstanding services this city provides to the community, so we are a stable and dependable group. However, we do not belong to any union because our positions disqualify us from joining one.

All I want to ask you today is why can't ALL City employees be treated fairly and equitably? The union Groups within the city negotiated annual pay raises in their contracts and negotiated away their Medicare B entitlements. However, we non-union employees are expected to sacrifice pay raises year after year and Medicare B entitlements for the "greater good". We have not been asked to participate in any form of negotiations for these items so the loss of ANY portion of the Medicare-B entitlement should not be considered fair and equitable since we had no say in determining any of the reductions to that entitlement.

I do acknowledge the hard economic times we are currently experiencing, but you as members of our City's Leadership, should also acknowledge your basic responsibility for treating all city employees fairly and equitably. The right for equal treatment is as basic as the 1st and 14th Amendment rights we enjoy as citizens in our great nation."

Police Chief James Hosfelt, 303 Pebble Valley Place, read the following statement into the record:

"I know I don't need to remind you that the non-bargaining group of city employees did not receive a raise this year and I don't think it will be a shock to any of us if we don't receive a raise in 2012.

We as a group already anticipate paying a portion of our Health Care costs and by all accounts are doing so in an attempt to share the burden.

One year of furloughs, two years of no pay raises and we are going to pay more for health care, something we have never had to do. Now on top of all of this I have to worry about you as a committee working towards taking away a retirement benefit that has been promised to those non-bargaining employees who work for the police department.

We don't mind doing our part, but when is enough – enough.

Before this was sent to the City Solicitor for a legal opinion and then forwarded to the Health Benefits Committee for a review and recommendation, there was a motion on the floor to retain this benefit for those employees who were vested or had reached ten years of service.

I hope we haven't reached the point where promised retirement benefits are being arbitrarily taken away from non bargaining employees, i.e. Medicare B. If we have then I would ask you to reconsider a motion that was made by Councilman Hare and seconded by Dr. McGlumphy before being withdrawn on June 13, 2011. In that motion it was moved that Medicare Part B for all vested employees, or should I say those employees with ten or more years of service, be maintained. If this were the case, according to Ms. Mitchell's estimates, over 5 million dollars would be saved.

While this is a tough stance to take and a hard one for me to put forth, I do so because those employees who are vested have demonstrated their loyalty and commitment to the city through their hard work and years of service."

Ms. Christina Kober, 343 Orchard Grove Drive, Camden, read the following statement into the record:

"Good evening. Thank you for allowing me to speak regarding Medicare Part B for non-bargaining employees. My name is Christina Kober. I have been with the City of Dover for 23 years. My first 10 years was served as an unioned police dispatcher and the remaining 13 years I have served as the 911 Manager. I am a part of a group of the non-bargaining employees.

I accepted employment with the City of Dover due to the benefits. I have been dedicated and loyal to my responsibilities as a City of Dover employee but I do not feel that my voice has been heard or that my opinion matters to Council. I have upheld the terms of my employment and hope you will also do the same – and honor the Medicare Part B as agreed upon.

The city budget for 2012 has already been passed and all non-bargaining employees will receive no pay increase. Every union group had the right to negotiate Medicare Part B and subsequently received compensation for it. As a non-bargaining employee, the same respect has not been afforded to non-bargaining employees.

- The IUE-CWA received additional vacation days per year and retirement health care.
- The IBEW received additional vacation days per year and salary step increases.
- The FOP received a rank increase of MCPL, which is equivalent to a 4.5% increase.
- All of these have been above and beyond their contractual pay increases.

> City council is seeking to eliminate Medicare Part B reimbursement from all non-bargaining employees. Council has previously agreed that any employee hired after July 27, 2009 would not be eligible for Medicare Part B. Why are we back here today?
>
> There is a small group within the city that are non-bargaining employees, of our group only a few of us have come forward to speak. I know that others may feel they are in a compromised position and feel that they cannot fully express how they feel. For those of us that are willing to get up and speak, I know that there are others who stand with us in principle.
>
> I respectfully request you uphold our current benefit plan. Thank you for your time and attention to this matter."

Mrs. Fran Hettinger, 63 Sackarackin Avenue (retiree), noted that the proposal, as presented, did not affect retirees; however, she addressed members on behalf of current employees. She stated that many of the employees who would be affected by the proposal were hired before salaries became comparable to the private sector and "gave their all." Mrs. Hettinger explained that it is often the benefits offered by the City, rather than salaries, that attracts new employees, and this is what drew many current employees. Mrs. Hettinger advised members that, several years ago, non-bargaining employees became concerned because union employees were receiving pay raises, resulting in the salaries of some employees becoming higher than their supervisors, since non-bargaining employees had no representation. When this concern was brought to the City Manager, they were advised that it was the City Manager's job to take care of the non-bargaining employees. Mrs. Hettinger noted that, at that time, some of the non-bargaining employees met and decided to form a bargaining group, fearing that the City may "let them down" some day. The City Manager at that time assured the non-bargaining employees that it was not necessary for them to form a bargaining group and that they would be taken care of. She noted that now the City has no City Manager and that a new City Council is in place. Although Mrs. Hettinger supported a balanced budget, she requested that members not penalize certain employees by discontinuing a benefit that they were promised.

Mr. Anderson reminded members that during the past few years, other than last year, non-bargaining employees received pay raises beyond union employees. He stated that the current Council is not bound by the action of a previous Council and that City Council has the responsibility to consider the current realities. Mr. Anderson noted that the world is changing, including Medicare, and Council must consider this and evaluate limiting the City's liability. He stated that the Medicare Part B Reimbursement is not offered by any other entity and that the legal opinion provided indicated that this is not a benefit but rather a right. Although the reimbursement has been the City's practice, he stated his support for its elimination; however, he indicated he was willing to consider a compromise.

Mr. Lynn stated that, as several speakers expressed, the City made a promise to their employees regarding Medicare Part B reimbursement when they were hired. He felt that City employees have relied upon this promise and that such reliance was reasonable and foreseeable by the City. It was his opinion that injustice can only be avoided by honoring the promise; therefore, he suggested that the Committee recommend honoring the promise.

Mr. Bonar referred to fellow police officers with whom he worked and advised members that the police officers made promises to protect and serve the City of Dover, just as the non-bargaining employees committed to serve the City, although these employees may not put their lives on the line on a daily basis as police officers do. He stated that the City made a promise to their employees and, although the economics have changed, he felt that the promise should be honored. He supported eliminating the benefit for employees with less than five (5) years of service and for new hires; however, he stated that he would not support the proposal as presented, particularly for those employees with 20-25 years of service.

Responding to Mr. Hutchison, Mr. Koenig stated that there are a total of 42 non-bargaining vested and 41 non-bargaining non-vested employees. He indicated that eliminating the Medicare Part B reimbursement for non-vested employees would result in a $5M savings (using a 5.6% inflation rate).

Mr. Hare reminded members that City Council has an obligation, not just to the employees but also to the citizens of Dover, to protect their quality of life and the future of the City. He reiterated his suggestion that the reimbursement be capped at $300. He stated that Medicare Part B is an unfunded mandate from the Federal Government and that the City has no control over its cost.

In response to Dr. Jones, Mrs. Hawkins stated that, to her knowledge, details regarding Medicare Part B reimbursement were included in a single-page document, dated 1976, written by a previous Finance Director. It was not included in the Employee Handbook until 2009, when new language was included to indicate that the reimbursement would not be offered to new employees. Mr. Koenig stated that there is now a new employee orientation procedure whereby the benefit package is discussed and employees acknowledge receipt of the Employee Handbook, which includes the employee benefit package.

Mr. Hare moved to recommend that there be no changes to the Medicare Part B reimbursement, seconded by Mr. Shevock.

For clarification, Mrs. Hawkins stated that when this matter was considered in 2009, staff was directed to include language in the Employee Handbook to indicate that the Medicare Part B reimbursement is considered a “right” and not a “benefit”; therefore, it could be presented in the future for reconsideration.

The motion to recommend that there be no changes to the Medicare Part B reimbursement failed by a roll call vote of two (2) yes, two (2) no (Mr. Anderson and Dr. McGlumphy), and one (1) abstention (Dr. Jones).

Mr. Anderson moved to recommend capping the Medicare Part B reimbursement benefit at a $200 level to preserve the integrity of the City’s finances and out-year liability. The motion failed for lack of a second.

Dr. McGlumphy advised Committee members that the matter would be considered by City Council during their Regular Meeting of October 10, 2011 with no recommendation from the Committee.

Dr. McGlumphy moved that the Medicare Part B reimbursements be capped at $200 for all eligible non-bargaining employees effective February 2, 2012. The motion was seconded by Mr. Anderson.

Mr. Lynn reminded members that such a change would require an ordinance amendment.

Council President Leary read the following statement provided by Councilwoman Russell:

"October 10, 2011

I am unable to attend tonight's Council meeting; however, I would like to express my opinion regarding Agenda Item #8B, Recommendation of the Health Benefits Committee Regarding Elimination of Medicare Part B Reimbursements for Current Non-Bargaining Employees.

I feel that Council should not eliminate Medicare Part B Reimbursements for current non-bargaining employees because it has been promised to the employees, and I believe that this promise should be honored as a binding contract. Many employees have stated that they originally accepted employment with the City of Dover because of the benefit package. Although Medicare Part B Reimbursements were previously eliminated for new hires, this practice should be maintained for existing employees.

As members of Council, it is our duty to maintain good faith between the City and its employees.

Sophia R. Russell
Fourth District
Representative"

The motion that the Medicare Part B reimbursements be capped at $200 for all eligible non-bargaining employees effective February 2, 2012 failed by a roll call vote of four (4) yes, and four (4) no (Mr. Lynn, Mr. Bonar, Mr. Hare, and Mr. Leary).

Proposed Resolution No. 2011-11 - Request to General Assembly to Amend the City of Dover Charter - Length of Terms for Mayor and Council *(Deferred by Committee on August 22, 2011 Due to Time Constraints) (Tabled by Committee on 9/12/11 Pending Additional Review of the 2005 Charter Review Committee Recommendation)*

During their meeting of September 12, 2011, members considered Proposed Resolution No. 2011-11 requesting the Delaware General Assembly to amend the City of Dover Charter to increase the term lengths for the Mayor and Council from two (2) years to four (4) years. The Committee tabled the matter pending additional review of actions taken by previous Charter Review Committees.

Members received excerpts of the minutes of the previous Charter Review Committee meetings for their review.

The Committee recommended adoption of Proposed Resolution No. 2011-11.

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

Proposed City of Dover Prescription Assistance Plan

At the request of Councilman Anderson, information related to United Networks of America Free Statewide Prescription Assistance Program was provided to members for their review and consideration.

Mr. Alan Caan, Program Development for United Networks of America, (19-62 Chandler Drive in Fair Lawn, New Jersey) briefly reviewed the information received by members regarding the Free Statewide Prescription Assistance Program and noted that the program includes eyeglasses, hearing aids, dental, etc. He stated that the program is available to everyone.

Responding to Mr. Anderson, Mr. Caan stated that there would be no cost to the City of Dover to provide this program to its residents, nor any fees to members. He explained that discount cards would be provided to the City to distribute to its residents, family members, employees, businesses and their employees. In addition, Mr. Caan stated that every time a card is used at a pharmacy to fill a prescription, the City of Dover would receive .50¢. He noted that when he departed Bergen County, New Jersey, there were approximately 5,600 prescriptions filled per month in the County through this program, which equated to over $300,000 in savings to residents. Multiplied annually, he stated that the residents would save over $3.5M per year.

In response to Mr. Shevock, Mr. Caan stated that the United Networks of America (UNA) receives revenue from the prescription drug program, which is derived from the formation of pharmacy networks; however, UNA receives no revenue from the other programs offered, such as eyeglasses and hearing aids. He explained that participating pharmacies provide discounts and payment to the UNA who shares its portion with the groups, organizations, and governments that participate in the program.

Responding to Mr. Lynn, Mr. Caan indicated that individuals utilizing prescription insurance coverage cannot use the prescription drug program to pay the co-pay.

The Committee recommended the implementation of the United Networks of America Free Statewide Prescription Assistance Plan, as presented.

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

Due to time constraints, the Committee recessed until Thursday, September 29, 2011 at 5:00 p.m.

The Legislative, Finance, and Administration Committee Meeting reconvened on September 29, 2011 at 5:00 p.m. with Dr. McGlumphy presiding.

Chairman McGlumphy requested that Item #2 - Discussion of Historical Perspective of Economic Development Office be considered as Item #1.

Discussion - Historical Perspective of Economic Development Office

Mrs. Ann Marie Townshend, Director of Planning and Community Development, read the following statement into the record:

"The creation of the economic development office was tied closely to the Economic Development Chapter of the Comprehensive Plan, the Hyett Palma Economic Revitalization Strategy for downtown, and the consolidation of the three organizations charged with downtown redevelopment (Parking Authority, DDDC, Main Street Dover).

In 2007, the Kent County Economic Development Strategy Initiative was released. This strategy was funded jointly by Kent County, Dover, Smyrna and DRBA. In November 2007, the consultant (Moran, Stahl and Boyer) who developed the strategy gave a presentation of the Strategy to City Council. The Strategy included Economic Development Recommendations for the City of Dover.

This study and the Hyett Palma study were used heavily in the development of the Economic Development chapter of the Comprehensive Plan. This chapter was developed by assembling a working group of professionals representing Kent County, DEDO, the Chamber of Commerce, and others. The Comprehensive Plan ultimately recommended hiring an economic development professional for the City of Dover.

Concurrently, as a part of implementing Hyett Palma, meetings were taking place with the leaders of the downtown groups (DDDC, Parking Authority and Main Street) about consolidating the organizations. Ultimately, this was done in July 2008, creating the DDP. In working to consolidate the three organizations, there were three staffing scenarios evaluated: simply absorbing the Main Street Director; absorbing the Main Street Director and creating a new Administrative Assistant position; absorbing the Main Street Director and hiring a new Administrative Assistant and Economic Development Manager. This was the scenario ultimately chosen. Prior to this, City staff (Clerk's Office and Planning Department) provided staff support for the DDDC and Parking Authority, and the Main Street Director provided staff support for Main Street Dover. By-laws for DDP indicate that City Planner is executive director if another executive director is not hired.

The idea was that the new positions would spend 50% of their time on DDP/downtown functions, and 50% of their time on city-wide economic development. Responsibilities to include Garrison Oak, streamlining of business development, working with GSA on locating office space, work with higher education to create a partnership, packaging of downtown redevelopment incentives.

Economic Development Office initially placed under the City Planner; ultimately moved under the City Manager."

Responding to Mr. Hutchison, Mrs. Townshend recalled that the City was paying $16,000-$20,000 annually for a membership with the Kent County Economic Development Office.

Mr. Lynn requested a ratio comparing the cost of staffing the Economic Development Office (EDO) versus the amount of revenue that has been generated for the City. Mrs. Townshend stated that the Economic Development Director tracks economic statistics and reminded members that the City created the Economic Development Office during a time when the economy was declining.

However, she assured members that there has been business growth in the downtown area. Elaborating, Mr. William Neaton, Economic Development Director, stated that although he does not have specifics, the unemployment rate this year decreased approximately 1% compared to last year, noting that the unemployment rate in August 2011 was 9.4% and in August 2010, it was 10.3%.

Mr. Neaton advised members that, during the last three (3) years, the EDO has established relationships and completed infrastructure improvements so that the City will be positioned to move very quickly to begin attracting new businesses when the economy turns around. Referring to the Garrison Tract, he reminded members that the City's EDO was tasked with getting the Garrison Tract "shovel ready." The City's EDO sent Requests for Proposals (RFPs) and worked with engineers, the Delaware Department of Transportation (DelDOT), the Delaware Economic Development Office (DEDO), and others, and obtained an approved site plan. Mr. Neaton also noted that he was expecting a response after October 1, 2011 regarding the receipt of infrastructure improvement funds from the State of Delaware. He stated that the City has budgeted $3M for infrastructure improvements to the site. He also advised members that he has been working with a second lessee, Calpine, who is awaiting an impact study from Pennsylvania, Jersey, Maryland Interconnection (PJM) in order to move forward. Mr. Neaton reminded members that the Calpine project consists of a 618 megawatt power plant at a cost of approximately a half of a billion dollars, which will generate significant tax revenues and water and sewer fees for the City of Dover.

In response to Mr. Hare regarding Main Street Dover, Mrs. Townshend explained that when the Hyett Palma Study was completed in 2006, one of the observations made was that there were three (3) organizations targeting downtown redevelopment, one (1) of which was Main Street Dover. It was determined that there was duplication of efforts and, at times, these organizations were working at cross purposes; therefore, it was recommended that the (3) organizations be brought under one (1) umbrella. She stated that many individuals and organizations that have been part of the downtown area agreed that bringing these organizations together would improve their effectiveness.

Mr. Hare requested that Mr. Neaton provide documentation that proves that the City's EDO has created additional revenue over and above the $250,000 cost of the office. In addition, he stated that the SunPark is costing the citizens of Dover, noting that $112,000 was charged to the City for July.

Responding, Mr. Neaton reminded members that the SunPark was a part of an overall economic development plan for the City, noting that the 2030 Committee recommended that the department develop green energy and a previous Council agreed. As an energy supplier, he stated that the City was mandated by the State to acquire renewable energy credits. He advised members that 80% of the labor for the SunPark was obtained from Kent County and that Calpine, which is a two (2) to three (3) year project, is also committed to utilizing local labor. Concurring, Mrs. Townshend explained that any jobs brought into or retained in the City are beneficial to the economic development of the City. She noted that although some of the successes in retaining jobs are small, the impact to the City is huge.

Mr. Anderson stated that it has been his observation that there have been changes that have provided a focus to the downtown area and that if the City does not invest in economic development, it will go elsewhere. Responding, Mr. Neaton explained the importance of an active economic development office which lays a foundation for future growth. He reminded members that an ordinance was recently developed at the request of the Mayor which provides a tax incentive/tax

abatement for large unoccupied buildings, which can be used to attract new tenants. He noted that the City Manager, the Mayor, and real estate partners collaborated in this effort. In addition, he stated that there are 13 parcels available at the Garrison Oak Tract and, once funding is obtained, this area will become "shovel ready." He explained that another advantage of having an EDO is that it allows for the City to act and react more quickly in such matters as the issuance and review of RFPs for recommendation.

Mr. Anderson stated that he has been in contact with other organizations and was advised that the City's EDO is well known and considered one of the most proactive organizations throughout the State. Noting that these are difficult economic times, he reminded members that immediate results cannot always be obtained.

Concurring, Mr. Neaton indicated the importance of developing relationships in the process of economic development and that during the past three (3) years, he has developed relationships with the Secretary of Economic Development for the State of Delaware and Presidents and/or Campus Administrators of Colleges/Universities, etc. Although these relationships take time to develop, he reiterated their importance.

Mr. Anderson suggested that the City become more involved with obtaining grants and stated that he felt the City lacks in this area. He questioned if the City's EDO will be pursuing a strategic partnership with Delaware State University's new research initiatives. Responding, Mr. Neaton stated that he has worked with the Delaware State University's School of Business and that they have developed a business plan and marketing plan for the downtown area. In regard to the grants, he advised members that a Delaware Main Street Conference was held recently where grant acquisitions was discussed, and he assured members that he would be pursuing this in the future. He noted that grants have been awarded to the City during the past few years, such as a $45,000 grant awarded by the United States Department of Agriculture (USDA) that continues to be utilized.

Dr. McGlumphy noted that the City's EDO had provided monthly updates, including statistics, to the Parks, Recreation, and Community Development Committee and encouraged staff to also provide updates of the information that was included in the City's budget, including goals and objectives. He offered to meet with Mr. Neaton to explain further. Dr. McGlumphy relayed his understanding of the value of recent projects in the City, such as the new library and the Dover SunPark. However, he stated his concern that jobs created through these undertakings may not be benefitting City residents and minorities. He requested that staff provide detailed information regarding the residence and ethnicity of individuals hired for such projects.

There was no further action taken by the Committee.

Presentation by Downtown Dover Partnership (DDP): Recent Grant Award in the Amount of $3M; Status of $1.3M Loan for 120 S. Governors Avenue; Future Plans

Mr. William Neaton, Executive Director of the Downtown Dover Partnership (DDP), advised members that, as a result of several studies conducted, it was determined that there was a need for an overall plan for the downtown area. Upon completion of the Dover Transit Center, he stated that the Dover/Kent County Metropolitan Planning Organization (MPO) requested a "plan book" to determine what the area surrounding the Transit Center could or should become in the future. The MPO hired the Renaissance Planning Group and Becker Morgan Group, Inc. to assist with this project. Mr. Neaton stated that he approached the MPO regarding the possibility of the DDP

partnering in this effort, since there were several properties in the downtown area that should be reviewed by the architects and engineers to determine their potential use in the future and how they would fit into the Master Plan for the downtown area. As a result, Mr. Neaton reminded members that a charrette was conducted, which consisted of interested parties meeting to determine what the City should become in the future, without consideration of funding. During this charrette, several parcels were evaluated, including those owned by the DDP and the North Street Corridor. Legislators were then approached and presented with a written document regarding proposed improvements in the downtown area and, in response, legislators awarded $3M in Bond Bill monies to assist in the completion of downtown projects.

Recent Grant Award in the Amount of $3M

Mr. Gregg Moore, President of the DDP, reviewed the Dover Transit Center Neighborhood Plan - Charrette Presentation. He stated that the projects that were chosen for funding by the State are located on North Street and include the Collegian Site (consisting of three buildings - newsstand, hardware store, and former Capital Office Supply), seven (7) parking lots, and upgrades to North Street so that it serves as another gateway to the City.

Mr. Moore reminded members that the vacant building at 22-24 W. Loockerman Street, which was formerly occupied by W.T. Grant and consists of 20,000 sq. ft., was purchased by the DDP. He noted that although this project is not a part of the $3M that the DDP received through the FY 2012 State Bond Bill to finance area improvements, it is a part of the overall plan to make investments in the heart of downtown, in an effort to upgrade Loockerman Street and The Green, and to improve parking. Mr. Moore stated that the DDP plans to make upgrades to the former W.T. Grant building and obtain tenants. Once this has been completed, the DDP will sell the property to a developer to own and operate.

Mr. Moore explained that the Collegian Property would be developed in such a manner that pedestrian pathways would be created from Loockerman Street to and from North Street. He noted that it would not be appropriate to construct additional buildings on the property at this time; however, he noted that this would be the ultimate goal.

Mr. Moore advised members that there are many other projects in the DDP Comprehensive Plan and that funding is required as part of the Transit Center Study; however, he assured members that the City is not being requested to consider any funding issues involved with these projects. He stated that the DDP plans to continue to pursue funding from the State of Delaware to continue other projects and improvements to the area.

Mr. Moore noted that DDP is also working on the old Acme site, stating that this project would not be funded through the $3M that the DDP received from the State. On the advice of local commercial realtors, he stated that a plan was developed for the site so that the sale of the property actually includes an improved plan. Mr. Moore explained that the plan for the site has been reviewed and approved by the Historic District Commission, Planning Commission, etc. and the property is listed for sale at $1.4M.

In response to Dr. Jones, Mr. Moore stated that the developer would determine the tenants of the apartments. Dr. Jones felt that consideration should be given to making the City as diverse as possible.

Responding to Mr. Hare, Mr. Moore stated that the DDP does not own any of the properties along New Street; however, it is their desire for New Street and other surrounding streets to be upgraded and redeveloped. He noted that the DDP could assist in facilitating such a change. Mr. Moore explained that the DDP obtains revenues through rental properties, re-investments, parking lot revenues, etc.

Status of $1.3M Loan for 120 S. Governors Avenue

Mr. Moore advised members that the DDP inherited a $1.3M loan co-signed by City Council in 2008 (prior to the creation of the DDP). He stated that the loan is an interest only loan, paid by the DDP, with approximately two (2) years remaining. The goal of the DDP is to sell the property before the loan expires and pay the loan; however, if this does not happen, the DDP plans to renegotiate the loan in such a manner that there is positive cash flow. He anticipated that the DDP would be successful in either situation. He noted that the DDP owns several properties and, therefore, felt confident that the City will not be faced with any catastrophic problem in this regard.

The Committee took no further action regarding this matter.

Due to time constraints, and noting that there were members of the public wishing to speak, by unanimous consent, Agenda Item #5 - Review, Consolidation and/or Elimination of City Committees, Commissions, and Boards - Dover Human Relations Commission was considered prior to Item #3.

Review, Consolidation and/or Elimination of City Committees, Commissions, and Boards - Dover Human Relations Commission

With increasing staff vacancies, and in consideration of current hiring limitations, Council President Leary requested members of Council and City Staff to explore possible inefficiencies within City of Dover committees, commissions, and boards. Some boards appear to serve like purposes and others have become obsolete; therefore, the Committee will consider whether any groups can be consolidated or eliminated. Several recommendations have been received and will be considered by the Committee in the following weeks and months.

Members reviewed information regarding the Dover Human Relations Commission (DHRC).

Ms. Faye Della White, 101 Babb Drive, relayed her support for the DHRC, feeling that they have accomplished good work for the City, including the defense of human rights and freedom of expression. She noted that there currently are six (6) vacancies on the DHRC and informed members that she submitted a resume for consideration earlier in the day. She requested that the City retain the DHRC.

Mr. Lawrence Byrd, 49 Acacia Place, felt that there is a need for a voice for those who have a better understanding of the people's backgrounds and status of living. He also felt that the Commission makes the City a better place in which to live, noting that there have been racial issues throughout the City. With a Human Relations Commission, he felt that the City can build a better place for its resident to live, an improved school system, etc.

Mr. David McCorkle, 20 N. New Street, stated that, as a representative of the House of Pride, this organization has worked closely with the Dover Human Relations Commission. He stated that the DHRC has provided much assistance to recovering addicts, explaining that addicts living in the area of New Street have been discriminated against. He relayed appreciation for the DHRC and requested that they not be disbanded or discontinued.

Mr. Anderson stated that he has had the pleasure of serving as a member of the DHRC. Although he was aware that there have been weaknesses in the Commission, he indicated that he has been impressed with the new leadership during the past year. Mr. Anderson noted that the DHRC has been involved in recent issues regarding the relations of people of the City. He stated that Dover has had a homeless problem that was not being recognized and that the DHRC provided a forum to make this issue known to assist in developing a resolution. It was Mr. Anderson's observation that the Commission has made several issues known to the public. He noted that the Commission provides a means for the public to relay concerns, explaining that constituents do not always come to City Hall to express their concerns. He stated that these forums resulted in a new electric bill format and helped defeat a hike in natural gas rates. Mr. Anderson felt that there are minimal costs associated with the Commission, noting that the members serve without compensation. He stated that the Commission is a good investment for the City and that members should allow the new leadership an opportunity to provide beneficial results.

Dr. Jones stated that the DHRC serves a role in the City. She stated that, as a citizen, she would like for it to continue and for their leadership to work, as partners, with members of City Council and other leadership positions within the City. She felt that the membership should include all who are represented, particularly those that may feel they are disenfranchised.

Mr. Hare relayed his concurrence with Dr. Jones; however, he felt that the Commission may be acting outside their purview. He did not feel that the Commission should make recommendations to the Police Department for arrests, or suggestions regarding who should obtain counseling or rehabilitation, etc. Should the Commission be maintained, he suggested that they act within their defined objectives and goals.

Council President Leary stated that, due to the City's economic situation, there have been various considerations to save expenses, including leaving vacant positions unfilled. He felt that if there are ways to contract some of the City's activities without affecting constituent services, it was important that these suggestions be presented for consideration. In this particular instance, he noted that there is a State of Delaware Human Relations Commission, which has a similar charge and currently has seven (7) members that reside in Kent County. He felt that the City's Human Relations Commission is duplicative and felt that this would be a good time for members to consider eliminating the City's Commission and utilize the State's Commission in this regard.

At the request of Mrs. Russell, Dr. McGlumphy read the following statement, dated September 29, 2011, into the record:

> "I am unable to attend tonight's meeting of the Legislative, Finance, and Administration Committee; however, I would like to express my opinion regarding Agenda Item #6, the Review, Consolidation and/or Elimination of City Committees, Commissions, and Boards as it relates to the Dover Human Relations Commission.

> I do not feel that this organization should be eliminated. I believe that the Commission would benefit from reorganization, improved guidelines, better defined rules, and possibly diversity training. The Commission should also work more closely with the State Human Relations Commission. I believe that the Dover Human Relations Commission serves a useful purpose in promoting understanding between people of all races and backgrounds.
>
> Sophia R. Russell
> Fourth District Representative"

Council President Leary reiterated that this is not the only Board, Committee, or Commission being considered and that there will be others examined as well.

In response to Dr. Jones, Mr. Roy Sudler, Jr., Chairman of the DHRC, stated that initially the Commission's budget was $10,000, it was later reduced to $5,000, and the current budget was $3,000.

The Committee recommended that the Dover Human Relations Commission be retained and that the Commission itself conduct a review and report back to the Committee within three (3) months with suggestions to make operations more effective.

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

Due to time constraints, Items #3 - Review of Cell Phone Use, and #4 - Review of Take-Home Vehicle Use were deferred until the next Committee meeting.

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

MONTHLY REPORTS - AUGUST 2011

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

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

APPOINTMENTS (REAPPOINTMENTS) RECOMMENDED BY MAYOR CAREY

Mayor Carey requested the following reappointments to the Dover MPO Public Advisory Committee - Two (2) Year Terms to Expire July 2013:

Prameela Kaza
James P. Webster

By consent agenda, Mr. Bonar moved for approval of the reappointments, as recommended by Mayor Carey, seconded by Mrs. Williams and carried by a unanimous roll call vote (Mrs. Russell absent).

Mayor Carey requested the appointment of Susan Betts to the Dover 4th of July Celebration Committee - Annual Appointment to Expire May 14, 2012.

By consent agenda, Mr. Bonar moved for approval of the appointment, as recommended by Mayor Carey, seconded by Mrs. Williams and carried by a unanimous roll call vote (Mrs. Russell absent).

APPOINTMENT RECOMMENDED BY COUNCIL PRESIDENT LEARY - DR. KIM WARFIELD - SALARY AND BENEFITS COMPENSATION COMPARISON AD-HOC COMMITTEE

Council President Leary requested the appointment of Dr. Kim Warfield to the Salary and Benefits Compensation Comparison Ad-Hoc Committee.

By consent agenda, Mr. Bonar moved for approval of the appointment, as recommended by Council President Leary, seconded by Mrs. Williams and carried by a unanimous roll call vote (Mrs. Russell absent).

COUNCIL MEMBERS ANNOUNCEMENTS

Council President Leary extended a happy belated birthday to Councilwoman Williams.

Mayor Carey announced that the Mayor's Prayer Breakfast would be held on October 11, 2011 at the Sheraton Dover Inn at 7:00 a.m.

Mr. Bonar moved for adjournment into Executive Session, seconded by Mr. Lynn and unanimously carried.

Meeting Adjourned at 8:02 P.M.

TRACI A. McDOWELL
CITY CLERK

All orders, ordinances, and resolutions adopted by City Council during their Regular Meeting of October 10, 2011, are hereby approved.

CARLETON E. CAREY, SR.
MAYOR

/TM
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