REGULAR COUNCIL MEETING

A G E N D A

July 25, 2011 - 7:30 P.M. - Council Chambers - City Hall - City of Dover

OPEN FORUM - 15 MINUTES PRIOR TO OFFICIAL MEETING (7:15 P.M.)
The "Open Forum" segment is provided to extend the opportunity to the general public to share their questions, thoughts, comments, concerns, and complaints. Discussion of any item appearing on the agenda is prohibited and citizen comments are limited to three (3) minutes. Council is prohibited from taking action since they are not in official session; however, they may schedule such items as regular agenda items and act upon them in the future.

INVOCATION BY CHAPLAIN WALLACE DIXON

PLEDGE OF ALLEGIANCE LED BY COUNCILMAN LYNN

AGENDA ADDITIONS/DELETIONS

* **CONSENT AGENDA**
Those items on the Council Agenda which are considered routine and non-controversial shall be marked with an asterisk (*) and will be acted upon by a single roll call vote of the Council. There will be no separate discussion of these items unless a member of Council so requests, in which event the matter shall be removed from the Consent Agenda and considered a separate item.

* **1. Adoption of Minutes - Regular Council Meeting of July 11, 2011**

2. Certificate of Recognition and Congratulations - Ronald Swaggard

3. Presentation - American Public Power Association (APPA) Safety and Energy Innovator Awards

4. Presentation by the Downtown Dover Partnership - Dover Branding

* **5. Parks, Recreation, and Community Enhancement Committee Report - July 11, 2011**

A. Review of Active Recreation Area Plans

a-1. Dove View Apartments
(Committee Recommended Acceptance of the Active Recreation Area Plan for Dove View Apartments, as Presented and With the Inclusion of Staff's Comments and Recommendations)

a-2. Lands of Downtown Dover Partnership - 120 S. Governors Avenue
(Committee Recommended Acceptance of the Active Recreation Area Plan for Lands of Downtown Dover Partnership Located at 120 S. Governors Avenue, as Presented and With the Inclusion of Staff's Comments and Recommendations)

B. Semi-Annual Review - Statistics Regarding Jobs and Businesses Gained and Lost in the City of Dover Since July 2010
(Committee Action Not Required)

* **5. Parks, Recreation, and Community Enhancement Committee Report - July 11, 2011 (Continued)**

C. Updates

c-1. Puncheon Run Watershed Action Team and Flood Plain Mapping
(Committee Recommended that the Update for the Puncheon Run Watershed Action Team and Flood Plain Mapping Be Removed from Future Committee Agendas)

c-2. Planning and Funding for New Library
(Committee Action Not Required)

c-3. CDBG Program
(Committee Action Not Required)

c-4. Housing and Recovery Act of 2008 Funds (Neighborhood Stabilization Fund)
(Committee Action Not Required)

c-5. Youth Advisory Committee
(Committee Action Not Required)

c-6. Dover SunPark
(Committee Action Not Required)

* **6. Utility Committee Report - July 11, 2011**

A. Presentation - Garrison Energy Center Project Ownership
(Committee Action Not Required)

B. Review of Utility Related Capital Investment Plan (CIP) (Electric and Water/Wastewater)
(Committee Action Not Required)

* **7. Legislative, Finance, and Administration Committee Report - July 11, 2011**

A. Proposed Amendment to Investment Policy
(Committee Recommended Approval of the Proposed Amendments to the Investment Policy)

B. Discussion - Fiscal Year 2011 Audit Program
(Committee Recommended Acceptance of the Report of the Auditor's Responsibility for Communicating With the Audit Committee)

C. Additional Downtown Security Cameras (State Homeland Security Grant Program)
(Committee Recommended that Staff be Authorized to Complete the Project and Request Reimbursement for All Costs Associated With the Purchase and Installation of Three (3) Additional Downtown Security Cameras)

D. Proposed Ordinance #2011-17 - Chapter 102 - Taxation, Article III - Realty Transfer Tax and Article IV - Abatement of Real Estate Taxes (Tax Abatement for the Downtown Area - Reconsider Sunset Portion) (See Item #11-A)
(Committee Recommended that the Sunset Clause be Removed by Adopting Proposed Ordinance #2011-17)

E. Discussion - 2010 Annual Income and Expense Report Form (See Item #11-B)
(Committee Recommended that the 2010 Annual Income and Expense Report Form Become an Optional Form, With No Penalty if Not Submitted; However, if a Commercial Property Owner Does Not Agree With the Assessed Value, They Would Be Obligated to Provide All Required Information for the Appeal, and Property Owners Who Have Paid the $100 Fee Would Receive an Equivalent Credit on Their Subsequent Tax Bill)

* **7. Legislative, Finance, and Administration Committee Report - July 11, 2011 (Continued)**

F. Discussion - Economic Development Administration by the Mayor

(Committee Recommended Tabling the Recommendation that the Economic Development Office (EDO) be Budgeted Under the Mayor's Office, With the Understanding that EDO Employees Would Maintain the Rights Typical of City Departmental Employees (Not a Political Appointment), and that the Office Would Make Regular Reports to City Council Regarding Its Objectives and Progress)

G. Public Comment Period

(Committee Action Not Required)

8. Evaluation of Bids - SCADA Equipment Technology Upgrade

* **9. Appointments Recommended by Mayor Carleton E. Carey, Sr.**

A. Ethics Commission

a-1. Robin Case - Five (5) Year Term to Expire July 31, 2016 (Reappointment)

a-2. Gary Coy (To Fill the Unexpired Term of Robert Bunnell - Term to Expire July 31, 2015)

B. Dover Housing Authority - Cherritta L. Matthews - Six (6) Year Term to Expire August 15, 2017

10. Rezoning Request/First Reading of Proposed Ordinance #2011-18

Recommended for referral to the Planning Commission on August 15, 2011 and that a Public Hearing be set for September 12, 2011 at 7:30 p.m.

A. Property located at 601 Fulton Street, consisting of .486$^{+/-}$ acres, owned by Harrington Commercial, LLC. The property is currently zoned M (Manufacturing) and the proposed zoning is C-3 (Service Commercial). The property is located on the north side of Fulton Street between Ridgely Street and the railroad corridor.

(TAX PARCEL: ED-05-076.08-01-14.00-000, FOURTH COUNCIL DISTRICT; PLANNING REFERENCE: Z-11-05)

11. First Reading - Proposed Ordinances

The First Reading is offered on the following proposed ordinances. Final action by Council will take place during the Second Reading of the ordinances on August 8, 2011. Copies of all proposed ordinances are available at the entrance of the Council Chambers or can be obtained from the City Clerk's Office.

A. Ordinance #2011-17 - Chapter 102 - Taxation, Article III - Realty Transfer Tax and Article IV - Abatement of Real Estate Taxes (Tax Abatement for the Downtown Area - Reconsider Sunset Portion)

(Legislative, Finance, and Administration Committee)

B. Ordinance #2011-19 - Chapter 102 - Taxation, Article I - In General, Section 102-5 - Income and Expense Reports and Appendix F - Fees and Fines

(Legislative, Finance, and Administration Committee)

12. Council Members Announcements

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

REGULAR COUNCIL MEETING

The Regular Council Meeting was held on July 11, 2011 at 7:30 p.m. with Council President Leary presiding. Council members present were Mr. Anderson, Mrs. Russell, Dr. McGlumphy, Mr. Lynn, Mr. Bonar, Mrs. Williams, Mr. Hare, and Mr. Hutchison.

Council staff members present were Police Chief Hosfelt, Ms. Russell, Mrs. Mitchell, Mrs. Townshend, Mr. Koenig, City Solicitor Rodriguez, and Mrs. McDowell. Fire Chief Fortney was absent. 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.

There was no one present wishing to speak during the Open Forum Segment.

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

AGENDA ADDITIONS/DELETIONS

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

Mr. Bonar moved for approval of the consent agenda, as presented, seconded by Mrs. Russell and carried by a unanimous roll call vote.

ADOPTION OF MINUTES - REGULAR COUNCIL MEETING OF JUNE 27, 2011

The Minutes of the Regular Council Meeting of June 27, 2011 were unanimously approved by motion of Mr. Bonar, seconded by Mrs. Russell and bore the written approval of Mayor Carey.

PRESENTATION - LUTHERAN SENIOR SERVICES OF DOVER, INC.

Mr. Gary Coy, Representative of Lutheran Senior Services of Dover, Inc., presented Mayor Carey with a contribution of $27,227 (for payment in lieu of taxes) and relayed appreciation for services provided to Lutheran Senior Services by the City throughout the year.

Mayor Carey expressed his gratitude and thanked Mr. Coy and Lutheran Senior Services for their contribution.

CERTIFICATE OF APPRECIATION - 4TH OF JULY CELEBRATION COMMITTEE

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

WHEREAS, the City of Dover Fourth of July Celebration Committee was established by City Council on December 8, 2003; and

WHEREAS, members of the Fourth of July Celebration Committee have worked tirelessly to ensure that the citizens of Dover and surrounding communities enjoy patriotic commemorations in the Capital City; and

WHEREAS, as a result of the Committee's efforts and community support, the City of Dover Fourth of July Celebration Committee hosted a celebration of our nation's 235th birthday on July 4, 2011, concluding with a vibrant display of fireworks on Legislative Mall.

NOW, THEREFORE, the Mayor and Council deem it an honor and a privilege to recognize

The City of Dover Fourth of July Celebration Committee Members

Greg Patterson
Zachery Carter *Elaine Brenchley*
Brad Holden *Andrea Maucher*
Donna Mitchell *Karen Nickerson*

With Sincerest Gratitude from the City of Dover
July 2011

Mayor Carey congratulated the Fourth of July Celebration Committee on a very successful event and relayed appreciation for their work.

Mr. Bonar expressed thanks to members of the Committee for serving, noting that he previously served in this capacity and was familiar with the extensive planning and community involvement required to put on a successful event.

Mr. Hutchison also thanked the Committee for their work and suggested that City Council strongly consider embracing and supporting this event in the future.

Mr. Patterson thanked the City for the recognition and indicated that the Committee relies on private donations to finance the celebration; however, tremendous logistical support is provided by the City, State, and others, which is also greatly appreciated.

PUBLIC HEARING - VIOLATION OF THE DANGEROUS BUILDING ORDINANCE - PROPERTY LOCATED AT 423 COLLINS DRIVE, OWNED BY ALFRED BLACKETT

A public hearing was duly advertised for this time and place to consider a violation of the Dangerous Building Ordinance for property located at 423 Collins Drive, owned by Mr. Alfred Blackett. Mr. Scott Koenig, Interim City Manager, Public Services Manager/Director of Public Works, stated that this is a one (1) story, single-family, wood-framed dwelling that has been the subject of various code violations since 2001, including numerous cases of exterior violations on the structure, tall grass and weeds, and junk and debris. There is an active case from 2008 involving exterior violations that have not been corrected. The house was registered by staff as a vacant building in October 2008. Mr. Koenig reviewed a presentation which included slides depicting the condition of the structures ***(Exhibit #1)***.

Staff recommended that City Council: 1) declare the building dangerous and all accessory buildings on the property dangerous; 2) order the property repaired or demolished by August 11, 2011 by the owner or equitable owner at their own risk; 3) order the Building Inspector to cause the repair or demolition of the structures if not completed by the owner or equity owner within the ten (10) days

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

Responding to Mr. Lynn, Mr. Koenig stated that although notices have been sent to the owner of the property, he has not received verification of delivery from the Post Office.

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

Mrs. Russell moved that the structures located at 423 Collins Drive, owned by Alfred Blackett, be declared dangerous buildings and subject to demolition, as follows: 1) declare the building dangerous and all accessory buildings on the property dangerous; 2) order the property immediately repaired or demolished by the owner or equitable owner at their own risk; 3) order the Building Inspector to cause the repair or demolition of the structure if not completed by the owner or equity owner by August 11, 2011; and 4) order the City Manager, with the assistance of the City Solicitor, to cause the cost of repairs or demolition to be charged against the land on which the building exists as a municipal lien, or cause such cost to be added to the tax duplicate as an assessment, or to be levied as a special tax against the land upon which the building stands, or to be recovered in a suit at law against the owner. The motion was seconded by Mr. Bonar and carried by a roll call vote of eight (8) yes, and one (1) no (Mr. Lynn).

PUBLIC HEARING - VIOLATION OF THE DANGEROUS BUILDING ORDINANCE - PROPERTY LOCATED AT 443 COLLINS DRIVE, OWNED BY ALFRED BLACKETT

A public hearing was duly advertised for this time and place to consider a violation of the Dangerous Building Ordinance for property located at 443 Collins Drive, owned by Mr. Alfred Blackett. Mr. Scott Koenig, Interim City Manager and Public Services Manager/Director of Public Works, stated that the property is a one-story, single-family, wood-framed dwelling that has been the subject of various code violations since 2001, including numerous cases of tall grass and weeds, and junk and debris. The house was registered as a vacant building in September 2010, and is in a state of disrepair. Mr. Koenig reviewed a presentation which included slides depicting the condition of the structure ***(Exhibit #2)***.

Staff recommended that City Council: 1) declare the building dangerous and all accessory buildings dangerous; 2) order the property repaired or demolished by August 11, 2011 by the owner or equitable owner at their own risk; 3) order the Building Inspector to cause the repair or demolition of the structure if not completed by the owner or equity owner within the ten (10) days of the date set by Council; and 4) order the City Manager, with the assistance of the City Solicitor, to cause the cost of repairs or demolition to be charged against the land on which the building exists as a municipal lien, or cause such cost to be added to the tax duplicate as an assessment, or to be levied as a special tax against the land upon which the building stands, or to be recovered in a suit at law against the owner.

Responding to Mr. Lynn, Mr. Koenig stated that although notices have been sent to the owner of the property, he has not received verification of delivery from the Post Office.

In response to Mr. Anderson, Mr. Koenig relayed no objections to delaying the consideration of this matter for an additional two (2) weeks to allow time for receipt of delivery verification of notice to property owner.

Responding to Mr. Hare, Mr. Koenig assured members that demolition activities would not begin until the file is complete. He explained that the recommendation provides staff authority to begin the process within 30 days.

Mrs. Russell advised members of her familiarity with these properties and her concern with the dangers they pose, particularly to children in the neighborhood. In addition, she stated that these blighted structures reduce the quality of the neighborhood and felt that if the property owner had intended to make repairs, he would have acted in a timely fashion.

For further clarification, Mr. Koenig stated that, should Council approve staff's recommendation, a certified letter and regularly mailed letter would be sent to the property owner advising him of Council's action and allowing 30 days to take action. At the conclusion of the 30 days, another letter would be sent to advise the property owner that the City will enter the property on a certain date to conduct asbestos abatement. He assured members that multiple notices are typically sent to property owners to the address of record in accordance with the property tax records.

Mr. Hare suggested the use of either FedEx or UPS for the delivery of such notices. Responding, Mrs. Anne Marie Townshend, Director of Planning and Community Development, stated that the U.S. Postal Service makes several attempts to deliver certified letters and, if a letter is determined to be "undeliverable," the U.S. Postal Service returns the letter with the Certified Mail sticker intact.

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

Mr. Bonar moved that the structure located at 443 Collins Drive, owned by Alfred Blackett, be declared a dangerous building and subject to demolition, as follows: 1) declare the building dangerous and all accessory buildings on the property dangerous; 2) order the property immediately repaired or demolished by the owner or equitable owner at their own risk; 3) order the Building Inspector to cause the repair or demolition of the structure if not completed by the owner or equity owner by August 11, 2011; and 4) order the City Manager, with the assistance of the City Solicitor, to cause the cost of repairs or demolition to be charged against the land on which the building exists as a municipal lien, or cause such cost to be added to the tax duplicate as an assessment, or to be levied as a special tax against the land upon which the building stands, or to be recovered in a suit at law against the owner. The motion was seconded by Mr. Hutchison and carried by a roll call vote of seven (7) yes, one (1) no (Mr. Lynn), and one (1) abstention (Mr. Anderson).

PUBLIC HEARING - VIOLATION OF THE DANGEROUS BUILDING ORDINANCE - PROPERTY LOCATED AT 21 N. KIRKWOOD STREET, OWNED BY ROBERT AND CHRISTINE SNELL

A public hearing was duly advertised for this time and place to consider a violation of the Dangerous Building Ordinance for property located at 21 N. Kirkwood Street, owned by Robert and Christine Snell. Mr. Scott Koenig, Interim City Manager, Public Services Manager/Director of Public Works, stated that the property is a two (2) story, single-family, wood-framed dwelling that has been the subject of various code violations since 1999, including cases of exterior and interior violations, tall grass and weeds, overgrowth, abandoned vehicles, and junk and debris. The house was registered as a vacant building in February 2010 and was administratively condemned in June 2010. In May 2011, the house was found unsecured, and an inspection revealed that it had been ransacked and that squatters were residing in the dwelling. The house was subsequently secured by City staff. An inspection on July 1, 2011 revealed that the house was again unsecured, and it appeared to be occupied by squatters. Because the structure is repeatedly being entered and occupied by squatters, staff recommended that this be considered as an emergency case, and that the City proceed with demolition, if such action has not been taken by the owner or equity owner within ten days of Council action. Mr. Koenig reviewed a presentation which included slides depicting the condition of the structure ***(Exhibit #3)***.

Staff recommended that City Council: 1) declare this building and all accessory buildings on the property dangerous; 2) order the property immediately repaired or demolished; 3) order the Building Inspector to cause the repair or demolition of the structure if not completed by the owner by July 21, 2011; and 4) order the City Manager, with the assistance of the City Solicitor, to cause the cost of repairs or demolition to be charged against the land on which the building exists as a municipal lien, or cause such cost to be added to the tax duplicate as an assessment, or to be levied as a special tax, or to be recovered in a suit at law against the owner.

Mr. Koenig advised members that notice was sent to the property owner on June 27, 2011 (to 21 N. Kirkwood Street) regarding this hearing and that the City has not received verification of delivery from the Post Office; however, he noted that previous notices sent to the same address were returned to the City as undeliverable and unopened.

In response to Mrs. Russell, Mr. Koenig stated that in addition to mailing notices to 21 N. Kirkwood Street, notices were sent to all addresses of record, based on a lien search, as follows: 284 East Main Street, Newark, Delaware; 8430 Brenmawr Suite, Chicago, Illinois; and a Post Office Box in Wilmington, Delaware.

In response to Mr. Lynn, Mr. Koenig stated that although notices have been sent to the owner of the property, he has not received verification of delivery from the Post Office nor, to his knowledge, have the regular mail notice letters been returned to the City. Mr. Lynn suggested that, in the future, staff check with the U.S. Postal Service to obtain delivery confirmation information prior to the presentation to City Council.

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

Mr. Hare moved that the structure located at 21 N. Kirkwood Street, owned by Robert Snell and Christine Snell, be declared a dangerous building and subject to demolition, as follows: 1) declare the building dangerous and all accessory buildings on the property dangerous; 2) order the property immediately repaired or demolished by the owner or equitable owner at their own risk; 3) order the Building Inspector to cause the repair or demolition of the structure if not completed by the owner or equity owner by August 11, 2011; and 4) order the City Manager, with the assistance of the City Solicitor, to cause the cost of repairs or demolition to be charged against the land on which the building exists as a municipal lien, or cause such cost to be added to the tax duplicate as an assessment, or to be levied as a special tax against the land upon which the building stands, or to be recovered in a suit at law against the owner. The motion was seconded by Mr. Anderson and carried by a roll call vote of eight (8) yes, and one (1) no (Mr. Lynn).

UTILITY COMMITTEE REPORT - JUNE 27, 2011

The Utility Committee met on June 27, 2011 with Chairman Bonar presiding.

Informational Presentation by Delaware Electric Cooperative on the Pros and Cons of Their Purchase of the City of Dover Electric System

Mr. Bonar advised members that they would be considering the possibility of an outside entity taking over the operation of the City of Dover Electric Department. He indicated that the Delaware Electric Cooperative (DEC) had expressed interest in pursuing this option. Mr. Bonar introduced Mr. J. William Andrew, President and CEO of DEC.

Mr. Andrew stated that he was contacted by Mr. Bonar approximately two (2) weeks ago requesting that the Co-op present information regarding the possibility of DEC purchasing the City of Dover Electric System. He stated that DEC evaluated public information and toured the City of Dover Electric System and determined that it was an excellent system.

Mr. Andrew and Mr. Gary D. Cripps, Chief Financial Officer (CFO) of DEC, provided a presentation on the Pros and Cons of DEC Purchasing the City of Dover Electric System. Mr. Cripps stated that both the City of Dover and DEC have positive attributes and felt that the two (2) organizations would function better together. He indicated that a consolidation of these business enterprises would be fruitful for many years to come.

Referring to the Key Benefits, listed on Page 2 of the presentation, Mr. Cripps stated that members of DEC are controlled by a Board of Directors who are elected annually in August and serve three (3) year terms. He noted that Mr. William Wells, Chairman of the Board of Directors, was also present. Mr. Cripps stated that if Council opts to proceed with the proposal, City of Dover utility customers would realize lower utility rates and that the impact would be approximately $25M per year. He advised members that consolidation with the City of Dover would provide rate stability over the long term, particularly as it relates to the market and the effects of economic development in the State of Delaware. Mr. Cripps stated that DEC has a Power Supply Contract, which will expire in 2054, with Old Dominion Electric Cooperative, headquartered in Richmond, Virginia. He explained that Old Dominion Electric Cooperative is asset based and serves 600,000 customers in the aggregate.

Mr. Cripps noted the importance of economic development and indicated that DEC's first priority is to protect current businesses in the City of Dover and Kent and Sussex Counties. He advised members that DEC has 32,000 customers in Kent County and the City of Dover has 23,000 customers. Mr. Cripps stated that if DEC purchases the City of Dover's Electric system, their customer base would increase to 55,000 in Kent County, which would necessitate the establishment of a DEC facility in Dover. In addition, he stated that there would be a need for two (2) additional districts, as well as two (2) additional members to serve on the DEC Board of Directors.

Mr. Cripps stated that one of the key benefits of consolidation would be that City of Dover residents would retain ownership of the utility system. He advised members that DEC is an electric cooperative, a not-for-profit organization, and not an investor-owned utility. Mr. Cripps noted that this proposal is very different in that respect from a previous offer from Delmarva Power and Light, which was entertained by the City in 1993. He emphasized the benefit of retaining membership and ownership of the utility.

Mr. Cripps stated that the load diversity for DEC is 82% residential and that, long term, this is problematic. He explained that DEC needs additional commercial customers in order to obtain a better balance and more diversity. Mr. Cripps noted that without diversity, rates would increase and future generations would have a difficult time paying their utility bills. He explained that over the past one (1) to (2) decades, commercial expansion has occurred near the metro areas and, as a result, DEC has lost service territory to municipalities, which is the greatest single threat to DEC. He stated that by consolidating the City of Dover and DEC, this threat would be mitigated.

Mr. Cripps advised members that DEC is run from a government standpoint, as is the City of Dover's utility, noting that DEC is administered by an elected Board of Directors and Chairman. If the Co-op acquired the City's Electric Department, DEC would escalate from 83,000 members to 106,000 members, which would assist with power supply contracts, allow human resource needs to be absorbed, and provide opportunities to take advantage of material discounts that may become available. He noted that in the past, DEC and the City have purchased items jointly, which resulted in significant savings for the City.

Mr. Cripps acknowledged that municipalities considering similar options often express concerns about the future, noting that initial rates following acquisition may be favorable but future rates are uncertain. He advised members that DEC is open to competition and does not have a monopoly on their customers. He explained that their customers may choose to obtain electric supply from anyone that sells it in Delaware. Mr. Cripps stated that deregulation has benefitted DEC by forcing the organization to remain "agile" and maintain its competitive position. He advised members that operating a utility involves environmental, legislative, regulatory, and financial risk, and that the City's risk would be mitigated by consolidation. He indicated that the influence of a commercial mix and density would lower DEC's average cost and would yield great long-term benefits.

Mr. Cripps stated that acquiring the City's utility would result in a significant financial windfall. He explained that, for DEC customers, one of the big advantages would be economies on infrastructure leverage, i.e., infrastructure capital needs in some areas that can be supported by infrastructure that is already in place.

Referring to the Stakeholder Matrix on Page 3, Mr. Cripps explained that when a cooperative makes a margin, the margin is distributed to customers and is not turned into a profit. He noted that for the past two (2) years, DEC's Board of Directors authorized over $5M to be paid back to customers in the form of checks or as credits on their utility bills.

In response to Mr. Bonar, Mr. Cripps stated that if the capital credit exceeds $30 a check is issued to customers, and if it is under $30 a credit is applied to customer utility bills.

In regard to the City Leadership/Elected Officials listed on Page 3, Mr. Cripps stated that financing the City government would be accomplished through economic development and not by raising taxes or rates. He explained that an examination of the City's financial data indicates that approximately $27M is in reserves and stated that a consolidation of the two (2) organizations would not include a transfer of those reserves. Mr. Cripps noted that a potential disadvantage for the City would be the inability to balance its budget through the Electric Fund; however, he noted that DEC has a proposed solution to this concern that would be outlined further during the presentation. He explained that loss of operational control would be another potential disadvantage.

Mr. Cripps advised members that one (1) potential disadvantage to DEC members is that the acquired area (the City of Dover) may be excluded from access to the U. S. Department of Agriculture (USDA) Rural Utilities Service (RUS) Program, which provides below market funding for electric utilities.

Referring to Page 4, Mr. Cripps stated that the commercial loads involved support generation decisions and that, in regard to generation, the City should examine its commercial load and power forecast for the next 5, 10, 15 and 20 years ahead. He noted that consideration of the other 600,000 members that are part of the power supply group can significantly impact those decisions.

In reference to the commercial and industrial customers, Mr. Cripps noted that lower rates would impact large accounts such as the Bayhealth Medical Center and Dover Downs Race Track. Regarding energy management services and technical support, Mr. Cripps stated that DEC has a highly qualified staff, including a number of individuals with Masters of Business Administration degrees and approximately five (5) Professional Engineers in the Engineering Department.

Referring to the map on Page 5, Mr. Andrew stated that DEC serves 83,000 customers over 1,100 square miles, including the majority of the service territory in Kent and Sussex County. He explained that DEC surrounds the City of Dover and is contiguous in many areas. As a result, he stated that the City and DEC have a shared infrastructure. Mr. Andrew stated that the DEC can provide additional support to the City of Dover infrastructure and indicated that the City of Dover has an excellent electric system which is comparable to Delaware Electric Cooperative's system. He noted that DEC provides only electric service and the City of Dover, like other municipalities, provides multiple services. Mr. Andrew stated that electric rates are currently high, and commercial and industrial sectors are consistently under pressure for competitive advantages. He noted that the City of Dover has lost more that 295 commercial and industrial customers in the past two (2) years. Mr. Andrew advised members that State and regulatory burdens are increasing and extremely costly

to the power industry. Recognizing that cities need additional funds to run their governments, he stated that electric systems require cash and capital to operate. He felt that consolidating the City's electric system with DEC would "free up" resources the City could devote to other utilities without raising rates or increasing taxes.

Referring to Page 6 of the presentation, Mr. Andrew stated that DEC rates are approximately 36% lower than the average rates in Delaware and that they have been able to maintain that for several years. He also noted that their rates were reduced during the last few years. Mr. Andrew indicated that the State of Delaware has passed possibly the most stringent renewable portfolio standards in the country; however, the fact that prices are already high raises concerns that the State will have challenges attracting and retaining businesses that rely on competitive electric prices. Mr. Andrew noted that DEC has perhaps the largest percentage of renewable portfolio in the State of Delaware, including 253 MW of wind that is producing energy daily. In addition he stated that DEC has a significant amount of landfill gas biomass and some hydro power. Mr. Andrew advised members that DEC is currently working on major solar facilities and hopes to operate these within the next two (2) years.

Referring to Page 7 of the presentation, Mr. Cripps stated that according to the City of Dover balance sheet, the net asset value of the City of Dover plant is $80M - $90M; however, he noted that typically municipal accounting capitalizes property at a low rate, and this is something that DEC recognizes. Mr. Cripps stated that the City of Dover and DEC would need to structure how the transfer would occur and how payments could be made that would equal the revenue stream that the City has been accustomed to over the years. He explained that rates for City customers would convert immediately to Cooperative rates. Mr. Cripps advised members that DEC would open a Kent County Operations Center in Dover and would possibly lease facilities in use by the City of Dover. He indicated that qualified City electric department employees would be needed by DEC, and it is hoped that the consolidation would have no impact on human resources. In addition, he stated that the City would gain the Cooperative as a substantial taxpayer.

Referring to Page 8, Mr. Andrew stated that the rate differential per year is $25M as of 2010 and is based on the latest information from the City of Dover that is publicly available. He indicated that the future value, based on the net present value over a 15-year period is more than $200M to rate payers and more than $300M over a 30-year period. In regard to economic development, Mr. Andrew advised members that energy is the second largest cost to businesses and stated that DEC can preclude that by making the City of Dover one of the lowest priced incorporated areas in the region. Regarding long-term competitive power supply, Mr. Andrew stated that Old Dominion Electric Cooperative is consistently seeking new energy-producing and capacity-producing businesses.

In conclusion, Mr. Andrew advised members that a consolidated enterprise would be a benefit to everyone and that rates would not rise due to consolidation. He noted that rate increases will occur; however, mitigating and retaining competitiveness will assist in maintaining and bringing employment to the City of Dover. Mr. Andrew felt the net value of $93M is understated and that DEC can structure several financial instruments and provide a net payment or a combination of payment and an annuity. He stated that if there is a need to meet the outlay of capital that is currently

obtained each year from the power plant, this can be accomplished. It was his recommendation that members authorize an in-depth analysis and business case with an independent third-party market specialist. Mr. Andrew noted that DEC reviewed public information over a two (2) week period and that more detailed information will need to be reviewed. He indicated that DEC is a transparent organization and that they are willing to review the information together with the City. Mr. Andrew advised members that it is costing the rate payers of the City of Dover $68,000 per day for each day that the City does not move forward.

In response to Mr. Snaman's question regarding DEC taking over current City of Dover purchase contracts, Mr. Andrew stated that this is an issue that would take further research. He noted that if DEC purchase contracts run for several years and are out of market, this would be an obstacle that must be evaluated.

Responding to Mr. Snaman, Mr. Andrew stated that Delaware Electric Cooperative is a member of PJM.

In response to Mr. Blakeman's question regarding the transfer of longevity and benefits for current City of Dover employees, Mr. Andrew stated that there are several legal matters involved and that this is an issue that the City of Dover and DEC would need to resolve. He noted that these details would be included in a contract. Mr. Cripps noted that DEC employees are also organized under the IBEW union. He reiterated that DEC would be interested in having all qualified electric department employees join their team.

Responding to Mr. Hutchison's question as to whether the City could charge an excise tax if DEC were to make the purchase, Mr. Cripps stated that this matter would have to be determined by the solicitor. Mr. Cripps noted that the idea has been discussed and that he had not heard anyone dispute the possibility.

Mr. Leary stated that he came to the meeting with a good deal of scepticism which has increased since the presentation. He explained that DEC has listed the short-term benefits of purchasing the City of Dover's electric system but not the long-term benefits. Noting the importance of the City's current ability to utilize revenue generated by the electric utility, he indicated that a great deal of additional study would be required before he would agree with such a proposal. Responding, Mr. Andrew noted that the City would have access to an asset-owned facility that has a record of being very reliable and is a low-cost provider in the State of Delaware. He explained that he would welcome an opportunity to discuss additional questions that members may have regarding the long-term benefits.

In response to Mr. Anderson's question regarding how DEC will work with residents who require additional time to pay their utility bills, Mr. Cripps stated that DEC has policies and procedures in place for residents who are not able to pay their utility bills at the time they are due. He explained that the Board donated $250,000 last year to assist customers with their bills and works closely with the Salvation Army and Catholic Social Services. He noted that DEC has a lot of flexibility in setting up payments and provides opportunities for customers to meet their utility obligations.

Responding to Mr. Anderson, Mr. Andrew stated that the outage rates, at worst, should stay the same. He explained that DEC would have an operations center located in Dover and would utilize current City of Dover employees. Mr. Andrew noted that the increased infrastructure and technological efforts and capabilities should assist in this area and that supplying power to the City will not involve some of the challenges of rural areas, although tree trimming would be an important priority.

Responding to Mr. Bonar, Mr. Andrew felt that if the City decides to study the transfer of their electric system further and hire a third party consultant, DEC would be willing to support the cost, especially if a transfer of ownership would take place; however, he wanted to ensure that the City is focused on moving forward. Mr. Andrew stated that DEC is willing to provide a price on a Request For Proposal (RFP) basis that is equal and fair or to discuss such a proposal on an exclusive basis.

Mr. Bonar relayed his appreciation to DEC and to employees in attendance from the City of Dover. He advised members that if the City decides to move forward with the transfer of the electric system, he would insist that employees retain their benefits and longevity. Mr. Bonar noted that employees were promised these benefits when they were hired and felt that it was important to retain them. He explained that this a challenging and difficult decision that will require a great deal of study before Council makes a determination.

The Committee took no action.

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

LEGISLATIVE, FINANCE, AND ADMINISTRATION COMMITTEE REPORT - JUNE 27, 2011

The Legislative, Finance, and Administration Committee met on June 27, 2011 with Chairman McGlumphy presiding.

Discussion - Elimination of Medicare Part B Reimbursements for Current Non-Bargaining Employees *(Tabled June 13, 2011 in Order to Obtain Legal Opinion)*

During their meeting of June 13, 2011, members considered the elimination of Medicare Part B reimbursements for current non-bargaining employees as a cost-saving measure. After much discussion, members tabled the matter and requested that a legal opinion be sought from the City Solicitor to determine the legality of eliminating Medicare Part B reimbursement for non-vested, non-bargaining employees in light of Council's action related to this matter on July 27, 2009 and that the matter be scheduled for reconsideration at a subsequent meeting.

The Committee removed the matter from the table.

Dr. McGlumphy noted the receipt of a legal opinion from Deputy City Solicitor Pepper indicating that the City could legally eliminate Medicare Part B reimbursement for non-vested, non-bargaining employees.

Mr. Anderson questioned if the Committee's recommendation should be reworded to remove any mention of the word "vesting" and that time frames be specified. Dr. McGlumphy explained that the Committee's recommendation cannot reference "vesting" since it is not a vested right but can reference "years of service."

Responding to Mr. Shevock, Dr. McGlumphy stated that, to his knowledge, this matter has not been reviewed by the Health Benefits Committee. Dr. Jones felt that, due to the seriousness and complex nature of this matter, it should be reviewed by the Health Benefits Committee prior to the Legislative, Finance, and Administration Committee's consideration.

At the request of Mr. Anderson, Ms. Denise Devine, Assistant City Clerk, stated that during the Committee meeting of June 13, 2011, a motion was made by Mr. Hare and seconded by Dr. McGlumphy to maintain Medicare Part B reimbursement for all employees who are vested as of June 27, 2011; however, after further discussion, the motion was withdrawn.

Mr. Anderson explained the critical issues involving Medicare, as noted in the President's Debt Commission's Report. He stated that there will be substantial changes to Medicare which the City will have no control over and which will cause a severe financial liability to the City. He suggested that members move this matter forward to City Council for consideration.

For clarification, Dr. McGlumphy advised members that the Committee reports to City Council and, as such, the Committee's recommendation will be forwarded to City Council at their next meeting. Council will have the option to accept the Committee's recommendation or take other action at that time.

Dr. McGlumphy referred to emails he received regarding the issue referencing "fairness." He questioned "fairness" to whom: the new employee; employees with 10, 20, or 30 years of service; taxpayers; etc. He noted that members have been provided statistical projections for Medicare Part B reimbursements with inflationary costs that indicate significant sums of money that will affect the City as a whole. He reminded members that this issue is not a benefit but rather a subsidy, and that the projected amount is over $600,000.

Responding to Mr. Hutchison, Ms. Devine indicated that the Health Benefits Committee does not have regularly scheduled meetings and that their meetings are held on an "as needed" basis.

With regard to "fairness," Mr. Lynn stated that it would be fundamentally unfair to take a "right" or "subsidy" away from a group of individuals who have no voice to speak for themselves, are not unionized, are not banded together, and cannot come before City Council by and through a union representative to voice their opinions. It was his hope that members would forward the matter to the Health Benefits Committee and that it would not be submitted for any further consideration by City Council.

Concurring, Mr. Bonar reiterated his opposition to taking benefits away from either current or retired employees. It was his feeling that the City's "word" is the City's "bond." Understanding that financial situations change, he felt that the City should acquire the necessary funding.

Council President Leary reminded members that the membership of the Health Benefits Committee includes representatives for all major bargaining units, non-bargaining employees, senior staff, and two (2) members of Council (Mrs. Williams and Mr. Hare).

The Committee recommended that the matter be referred to the Health Benefits Committee for their review by September 1, 2011, and subsequently brought back to the Committee for a recommendation.

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

Proposed Ordinance #2011-15 - Appendix A - Subdivisions - Regarding Homeowners' Association Responsibilities *(Deferred June 13, 2011 Due to Time Constraints)*

Members were provided proposed Ordinance #2011-15, which would amend Appendix A - Subdivisions, regarding homeowners' association responsibilities. Mrs. Ann Marie Townshend, Director of Planning and Community Development, reminded members that the proposed ordinance was developed as a result of a report provided to the Utility Committee regarding defunct subdivisions, incomplete subdivisions. She assured members that the proposed amendment addresses the Committee's concerns regarding stormwater and passive open space not being maintained.

Mrs. Townshend explained that the proposed amendment would clarify the requirement that developers of subdivisions with common open space, including active recreation areas, woodlands, and stormwater management, form homeowners' associations with mandatory membership. This would allow the City to perform work that the homeowners' association is responsible for if such work is not performed in accordance with code requirements. Such work would be billed to the property owners on their tax bill and would include an administrative charge. The proposed amendment would require that homeowners' associations with management responsibility for common open space submit a listing of officers of the association annually. The proposed amendment also clarifies that these requirements are retroactive to all subdivisions with common open space in existence prior to adoption of the ordinance.

Responding to Mr. Lynn regarding those situations where the developer has vacated a subdivision and it is not in a position to be turned over to the homeowners' association, Mr. Scott Koenig, Interim City Manager, Public Services Manager/Director of Public Works, stated that in those instances, at some point, there will be a purchaser of that property and at that time, the City will require the same conditions as if it were a new subdivision.

In response to concerns relayed by Mr. Anderson, Mrs. Townshend stated that the proposed amendment would apply only to properties where there was a condition of a homeowners' association for approval of the subdivision and where the association has management responsibilities for the land. She assured members that legal documents are required during the development process and each of the property deeds includes a requirement for the owner to be a member of the homeowners' association. She explained that the problem is with those homeowners' associations that have become inactive and noted that in several instances, the homeowners'

association is actually an incorporated body that has become inactive. Although the City would not force homeowners to pay dues, Mrs. Townshend stated that if the City is required to incur several thousand dollars during the year to maintain the open areas and stormwater infrastructure, the proposed amendment would allow the City to recover the costs by billing the property owners through their tax bill or a special assessment. In all cases where this would apply, she stated that this provision would have been included in the deed and recorded documents associated with the subdivision.

Dr. Jones felt that the amendment would be difficult to enforce from a leadership and management standpoint. She questioned if the builder has any responsibility for maintaining the stormwater management areas prior to turning them over to an association. Responding, Mrs. Townshend confirmed that the developer does have that responsibility and stated that the Kent Conservation District conducts an inspection prior to the stormwater management being turned over to the homeowners' association and continues to conduct annual inspections.

Referring to Line 13 of the proposed amendment, Mr. Bonar suggested that the word "should" be replaced with "shall." Referring to the word "must" in Line 30 of the proposed amendment, Mr. Bonar relayed his opposition to requiring all property owners to be members of the homeowners' association. Responding, Mr. Koenig explained that if membership is not required, property owners would opt out, and the costs would either be spread among a few members of the association or the City would bear the costs. He noted that in those subdivisions where there are common property and future maintenance issues, the "must" is necessary. Should an individual object to the requirement, he suggested that they acquire property in a different location.

Mr. Bonar suggested that the Committee refer the matter back to staff to address the concerns relayed by members prior to submitting a recommendation to City Council.

Mr. Anderson stated that he is open to the concept; however, he requested that information be obtained regarding homeowners' bill of rights and suggested the inclusion of free speech rights for property owners.

Reiterating comments of Mr. Shevock, Mr. Lynn stated that when an individual purchases property, the attorney conducting the closing is required to provide a copy of deed restrictions so there are no surprises. In addition, he stated that at the closing, a prorated share or a year's share of homeowners' association dues are collected. Mr. Lynn voiced his concern regarding a potential situation involving a developer who has not completed a subdivision and has claimed bankruptcy. The property owners could then be required to form a homeowners' association during a time when the developer is supposed to be responsible, forcing a few homeowners to be responsible for mowing an entire neighborhood, etc. Responding, Mrs. Townshend felt that the proposed amendment would not affect such property owners in that way, explaining that for those subdivisions that have not been dedicated, the land remains under the ownership of the LLC, including the common areas.

The Committee recommended tabling the matter for further study.

Responding to Mrs. Townshend, Dr. McGlumphy suggested that staff meet with the individual members of Council that have concerns and that the matter be brought back to the Committee during their next meeting (in two (2) weeks).

By consent agenda, Mr. Bonar moved for approval of the Committee's recommendation to table the matter for further study, seconded by Mrs. Russell and carried by a unanimous roll call vote.

Amendment to Personnel Policy - Retirement Notification Requirement

Mr. Scott Koenig, Interim City Manager, Public Services Manager/Director of Public Works, reviewed proposed amendments to Article XI - Sick Leave, Section 5 - Sick Leave - Retirement Credit for Accumulated Sick Leave; Article XIII - Other Types of Leave, Section 1 - Terminal Leave; and Article XV - Separation, Disciplinary Action and Reinstatement, Section 2 - Resignation, of the Personnel Policy (Employee Handbook). He noted that, if approved, a new Section 5 - Retirement would be created and the current Sections 5 through 13 would be renumbered.

Members reviewed the proposed amendments with regard to retirement notifications. Mr. Koenig advised members that employees who retire and who are entitled to receive either a lump sum payment of their accumulated sick leave or to use it for terminal leave, will be required to provide a 30 calendar day notice. The employee's department head may waive the notice requirement for retirement; however, notification for the payment of accumulated sick leave cannot be waived. The notification guidelines cannot be enforced on employees who will not be receiving a lump sum payment for accumulated sick leave or will not be utilizing it for terminal leave. He noted that if the recommended changes are adopted, they cannot be fully implemented until the labor unions agree to them.

Members were advised that the change in policy is being requested for financial and workload planning as well as to create uniformity for all retirement requests. It was noted that payment or utilization of sick leave is not a matter that is covered by Delaware Labor law (Title 19 Labor, Chapter 11 Wage Payment and Collection); therefore, the City has the ability to develop and enforce specific notification guidelines for accumulated sick leave. The changes are being sought to assist in promoting a productive workforce. Employees who are forced to continue working because of notification requirements can be counterproductive, detrimental and/or a hazard to the work environment. There may also be unforeseen reasons why an individual may need to retire immediately (i.e., health and family care considerations). Mr. Koenig stated that each department head should have the ability to make a decision based upon their knowledge of the specific employee and the operations associated with their department to determine if the notification guidelines should be modified.

The Committee recommended approval of the proposed amendments to the Personnel Policy (Employee Handbook), as recommended by staff.

By consent agenda, Mr. Bonar moved for approval of the Committee's recommendation *(Exhibit #4)*, seconded by Mrs. Russell and carried by a unanimous roll call vote.

Campus Community School Request to Purchase the Pear Street Warehouse

Mr. Scott Koenig, Interim City Manager, Public Services Manager/Director of Public Works, advised members that the City has received a request from Campus Community School (CCS) to purchase the Pear Street Warehouse, located at 370 Pear Street, from the City of Dover. He noted that this is the warehouse building (formerly the ILC site) that the City of Dover bought in the late 1990s. The warehousing area includes 24,312 square feet of inside storage area and the yard area consists of 15,704 square feet of outside storage area. In 2002, Campus Community High School was established adjacent to the City Warehouse, and these buildings share a common wall. CCS is seeking a new location for its Elementary School, which is currently located at 21 North Bradford Street on the Wesley College campus.

Mrs. Patricia Hermance, Head of School for CCS, read a statement into the record.

Dr. Andrew Lloyd, Vice-President for CCS, read a statement into the record.

Mr. Koenig reviewed the City's Procedure For Sale and Distribution of Real Property. In accordance with the policy, he advised members that staff conducted an internal analysis of whether the City could move its material to another location, vacate the current building, and sell it to CCS within the requested time frame. Members reviewed a detailed internal analysis which revealed that this is not feasible. Currently, staff has determined that there is not enough room to relocate the stock material on the remaining City property. In addition, there is not enough time to find another adequate adjacent location and prepare it for occupancy. Securing a remote site would increase the City's operating costs due to manpower constraints and fuel usage to service a remote site. Based on the detailed internal analysis, staff determined that 370 Pear Street cannot be declared "excess in nature" and believes that the disposal of this property would not be in the best interest of the City of Dover. The warehouse is currently operating at below 2002 staffing levels. Mr. Koenig advised members that staff is willing to entertain additional discussions regarding other options that may be mutually beneficial to the City and CCS, provided such action does not have a detrimental effect on the City's budget or operations.

Staff recommended acceptance of the determination that the Pear Street Warehouse is currently not surplus property and that staff continue to discuss options with the CCS Board that are budget neutral to the City of Dover and mutually beneficial to the City of Dover and CCS.

Responding to Mr. Shevock, Mrs. Hermance clarified that CCS is not expanding and that the student body will remain at 600. She explained that CCS is currently located in two (2) separate facilities and now wish to co-locate in one (1) facility in an effort to consolidate operational expenses.

Mr. Anderson relayed concern with staff's recommendation related to the determination that the Pear Warehouse is currently not surplus property, feeling that it would be difficult for this determination to be reversed if further discussions with CCS resulted in a recommendation for the sale of the property. Responding, Mr. Koenig indicated no opposition to eliminating that portion of staff's recommendation so that it would only include authorization for staff to continue to discuss options with CCS.

Mr. Anderson noted that the City's Comprehensive Plan encourages locating educational organizations within the City, and stated that this is a wise plan that promotes economic development. However, he requested that members also consider the needs of taxpayers when considering such projects.

Mr. Shevock questioned the possibility of leasing the building to CCS. Responding, Mr. Koenig stated that, to his knowledge, this option has not been discussed, explaining that staff's recommendation was directly in response to the purchase request.

The Committee recommended that staff continue to discuss options with the CCS Board that are budget neutral to the City of Dover and mutually beneficial to the City of Dover and Campus Community School.

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

By consent agenda, Mr. Bonar moved for acceptance of the Legislative, Finance, and Administration Committee Report, seconded by Mrs. Russell and carried by a unanimous roll call vote.

SAFETY ADVISORY AND TRANSPORTATION COMMITTEE REPORT - JUNE 29, 2011

The Safety Advisory and Transportation Committee met on June 29, 2011 with Chairman Hutchison presiding.

Presentation - Regional Bike Plan

Mrs. Juanita Wieczoreck, Executive Director, Dover/Kent County Metropolitan Planning Organization (MPO), explained that, in 2009, the MPO updated their Regional Transportation Plan. During this process, a significant number of comments related to bicycles and bicycle facilities were received and, as a result, the MPO began development of a Regional Bicycle Plan.

Mrs. Wieczoreck reviewed a presentation of a Dover/Kent County Regional Bicycle Plan. She stated that the maps include recommendations for improvements. She advised members that the Regional Bike Plan primarily addresses roads leading into the local City system, noting that the City has its own bicycle plan. Mrs. Wieczoreck explained that the MPO's plan is a regional effort to bring cyclists to major employment and shopping areas. She indicated that one (1) improvement for cyclists scheduled for the Fall of 2011 includes re-striping Route 13 (in conjunction with a milling and repaving project) to include a 3-foot wide bicycle lane in each direction. Other bicycle projects that are being considered or planned include converting an existing railroad bed between Clayton, Delaware and Easton, Maryland into a bicycle path, developing a cycling connection between Brecknock and Schutte Parks in conjunction with construction of the West Dover Connector, and work on a path near the Gateway South Shopping Center on Route 10. Mrs. Wieczoreck explained that the Dover/Kent County Regional Bicycle Plan is incorporated in the Regional Transportation Plan (RTP), and it is intended that all projects included in the RTP be completed within 20 years. She advised members that the next steps for the Regional Bike Plan include finalizing and releasing

the draft Plan, allowing 30 days for public comment, providing additional presentations, and review by MPO committees and MPO Council. She stated that it is hoped that the document will be finalized by September 2011.

In response to Councilman Hutchison's question of how the MPO plan interfaces with the City's bicycle plan, Mrs. Ann Marie Townshend, Director of Planning and Community Development, explained that the City's Planning Department and Mr. Zachery Carter, Director of Parks and Recreation, have been involved in the MPO planning process. She indicated that staff's next step will be to review the City's 1997 Bicycle and Pedestrian Plan and reconcile it with the MPO Plan. Mrs. Townshend stated that many of the implementation measures from the City's plan that have not yet been accomplished will mesh with the MPO Plan. She indicated that after reviewing the two (2) plans, staff will develop a list of projects that the City should develop further, with the goal of using Transportation Enhancement Funds for this purpose.

In response to Councilman Hutchison, Mrs. Townshend indicated that when the West Dover Connector is complete, it will provide bicycle access to the existing bike path along North Street, which connects to Schutte Park.

The Committee recommended acceptance of the report.

Councilman Hutchison congratulated Mrs. Wieczorak on her prospective retirement, expressed his appreciation on behalf of the City for her 17 years of service to the City of Dover, Kent County, and the State of Delaware, and wished her well in the future.

By consent agenda, Mr. Bonar moved for approval of the Committee's recommendation to accept the report, seconded by Mrs. Russell and carried by a unanimous roll call vote.

Staff Briefing on Discussions with Delaware Department of Transportation (DelDOT) and Capital School District on New Dover High School

Mr. Scott Koenig, Interim City Manager, Public Services Manager/Director of Public Works, stated that staff has been meeting with the Capital School District for approximately 18 months regarding the development of plans and infrastructure related to the new Dover High School being constructed near the west entrance to the City on Route 8. Some of the major issues being discussed include the location of the building and construction of an access road. He noted that the access road is currently planned to extend to the end of the school property and connect to the Cannon Mills subdivision; however, the intent is that it be extended further along the Papen Farm and tied into West North Street or Hazlettville Road. Mr. Koenig indicated that Mrs. Ann Marie Townshend, Director of Planning and Community Development, was successful in obtaining approval from the Delaware Department of Transportation (DelDOT) to incorporate this road extension into the State Capital Transportation Program (CTP), which will allow for a prospective construction date of 2015.

Mr. Koenig stated that there are additional concerns regarding the character and function of Route 8 following the development of the high school. He noted that the school will be a major facility that will accommodate up to 1,800 students, with a significant number of athletic fields and sports complexes. In addition, he indicated that additional residential development is expected around the

facility and in unincorporated areas west of the school. Mr. Koenig felt that these developments would change the face of the west Dover corridor. He noted that construction on the site has begun, with a targeted completion date of 2014, and he anticipated that the site would change rapidly as construction proceeds.

In view of the complexity of the issues involved with the project, Mr. Koenig stated that Mrs. Townshend is coordinating monthly meetings between City staff (Mrs. Townshend and Mrs. Dawn Melson-Williams, Principal Planner); EdiS, the construction manager; Becker Morgan Group, the design engineers; ABHA Architects, the architects; DelDOT; and the Department of Natural Resources and Environmental Control (DNREC). Mr. Koenig stated that these meetings will ensure that all parties are fully informed as the facility is constructed so that temporary or permanent Certificates of Occupancy can be issued when the facility is ready to open. They will also allow the City to "weigh in" on budget adjustments and construction staging so that public safety can be protected. Mr. Koenig explained that these coordination meetings began in June.

Mrs. Townshend indicated that one (1) of the major issues discussed at the previous coordination meeting was the potential requirement for a multi-use path along the school's frontage that would cross private property. She noted that the Capital School District has serious concerns about the potential need to acquire the right-of-way to construct such a path. She noted that signalized pedestrian crossings are planned for both the east and west entrances to the campus; therefore, paving the gap between them is not a priority at this time, as the campus can be accessed from both sides without students having to walk on the shoulder. She noted that all agencies have been working on concerns collaboratively.

In response to Councilman Hutchison, Mrs. Townshend stated that a reduction of speed limits was discussed at the June coordination meeting and indicated that she and Mr. Koenig planned to discuss this further with DelDOT. She informed members that DelDOT's current recommendation was to reduce the speed limit to 35 mph in that area during school hours; at other times it would remain at 50 mph. Mrs. Townshend stated that staff's opinion is that the speed limit should be reduced to indicate that the area is no longer rural and to reflect the urban character of the City. She noted that the City would have to request a speed study in order for this to occur.

Mr. Gary Laing, Community Relations Officer for DelDOT and Public Relations Liaison, suggested that the City delay any request for a speed study until the school is in operation. He stated that a future study would more accurately reflect the existing traffic situation in the area.

In response to Mr. Hutchison's concerns regarding the lack of sidewalks in the area, Mrs. Townshend stated that some sidewalks will be constructed east of the school property. She explained that the City may need to consider seeking funding through DelDOT's Transportation Enhancement Project for this purpose, as this is a project that would not typically be required of a developer.

Mr. Koenig explained that potential sidewalk construction would be complicated by the fact that some of the properties involved are not within City limits.

Councilman Hutchison encouraged staff to play a major role in the decision-making regarding the construction of the new Dover High School and requested that a monthly status report on the project be provided to members.

Draft Letter to Capital School District - Pedestrian Crosswalk *(Referred to Staff During the Meeting of April 27, 2011)*

During their meeting of April 27, 2011, members requested staff to provide recommendations regarding submission of a letter to the Capital School District requesting consideration of construction of a pedestrian bridge at the new Dover High School, so that the Committee could determine if they wished to move forward with sending such a letter. Mr. Scott Koenig, Interim City Mrs. Ann Marie Townshend, Director of Planning and Community Development, revised the draft letter. He indicated that, because staff deemed the construction of a pedestrian bridge to be a transportation issue, it was determined that the proposed letter should be directed to the Delaware Department of Transportation (DelDOT) rather than the Capital School District. Mr. Koenig stated that staff felt that this project would present many challenges, and that it would not be prudent to request the school district to expend funds for a study or proposal that may not be feasible. He noted that there are many transportation issues associated with opening the new high school, that additional development on Route 8 will complicate this further, and that a pedestrian bridge may not be the solution to the problem. He suggested that submission of the letter be delayed or, if members wished to proceed, that an inquiry be made to DelDOT to gain input on the feasibility of this concept.

Mr. Gary Laing, Community Relations Officer for DelDOT and Public Relations Liaison, suggested that discussion of this project be postponed until transportation concerns in the area are identified. He noted that construction of a pedestrian bridge could cost approximately $1.5M. Mr. Laing identified some of the concerns related to the project, such as land acquisition, installation of ramps, elevators and/or escalators, and escape proof barriers; the need to lock/unlock an elevator (if incorporated); vehicle clearance; possible graffiti; maintenance; snow removal; handicapped accessibility; safety of users and traffic below; the appearance of the structure as a gateway to the City; and potential cost. Mr. Laing indicated that a pedestrian bridge would be a costly solution that might not solve the problem of granting safe access to the school.

After further discussion, Councilman Hutchison suggested referring this matter back to staff for further discussion with DelDOT in the future.

The Committee recommended to refer this matter back to staff for consideration in the future if it is determined that there is a need for a large number of students to cross Route 8 to access the new Dover High School.

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

Mrs. Juanita Wieczoreck, Executive Director, Dover/Kent County Metropolitan Planning Organization (MPO), suggested that staff consult the University of Delaware Transportation Research Center to determine if research has been performed on pedestrian overpasses and/or pedestrian issues related to high schools.

Mr. Laing noted that on Tuesday, July 5, 2011, Mr. Shailen Bhatt will be sworn in as the new Secretary of Transportation. He indicated that Mr. Bhatt would like to meet with members of the Safety Advisory and Transportation Committee and City Council in the near future to discuss some of the City's transportation issues and concerns and stated that DelDOT would contact the City in this regard.

By consent agenda, Mr. Bonar moved for acceptance of the Safety Advisory and Transportation Committee Report, seconded by Mrs. Russell and carried by a unanimous roll call vote.

MONTHLY REPORTS - MAY 2011

By motion of Mr. Bonar, seconded by Mrs. Russell, 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

REAPPOINTMENTS RECOMMENDED BY MAYOR CAREY

Mayor Carey requested approval of the following reappointments:

Board of Adjustment - Three (3) Year Term to Expire July 2014
Arthur G. Ericson

Historic District Commission - Three (3) Year Term to Expire July 26, 2014
C. Terry Jackson, Resident
George M. Fisher, IV, Professional
Joseph McDaniel, Business Representative

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

FINAL READING - PROPOSED ORDINANCE #2011-11

The First Reading of the Proposed Ordinance was accomplished during the Council Meeting of June 27, 2011.

Proposed Ordinance #2011-11 - Chapter 102 - Taxation, Article IV - Abatement of Real Estate Taxes, Section 102-113 - Qualifications

Mr. Bonar moved that the Final Reading of the Proposed Ordinance be acknowledged by title only, seconded by Mr. Hare and unanimously carried.

Mrs. Williams moved for adoption of the Proposed Ordinance, seconded by Dr. McGlumphy and, by a unanimous roll call vote, Council adopted Proposed Ordinance #2011-11, as follows:

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

That Chapter 102 - Taxation, Article IV - Abatement of Real Estate Taxes, Section 102-113 - Qualifications, be amended to read as follows:

Sec. 102-113. - Qualifications.

(a) *Definitions*. The following words, terms and phrases, when used in this section, shall have the meanings ascribed to them in this subsection, except where the context clearly indicates a different meaning:

Control with respect to a corporation means ownership, directly or indirectly, of stock possessing 50 percent (50%) or more of the total combined voting power of all classes of the stock of such corporation entitled to vote and 50 percent (50%) or more of the shares of such corporation entitled to vote and 50 percent (50%) or more of the total number of shares of all other classes of such corporation's stock.

Control with respect to a trust means ownership, directly or indirectly, of 50 percent (50%) or more of the beneficial interest in the principal or income of such trust. The ownership of stock in a corporation, of a capital of profits interest in a partnership or association, or of a beneficial interest in a trust shall be determined in accordance with the rules for constructive ownership of stock provided in section 267(c) of the Internal Revenue Code (26 USC 267(c)).

Expanded facility means any qualified property that is modified with an improvement or addition (other than a replacement resulting from the acquisition, construction, reconstruction, installation, or erection of improvements or additions resulting from repairing, refurbishing, retooling, recycling, or other similar process or procedure that merely preserves or restores the value of an existing facility and not including any improvement or addition that, in the determination of the council, does not constitute an integral part of a qualified activity), if such improvements or additions are placed in service by the taxpayer after January 1, 2001. Abatement will only be to the extent of the taxpayer's qualified investment in such improvements or additions.

Large vacant commercial facility means a building of 20,000 square feet or larger and vacant continuously for 18 months or more.

New facility means any qualified facility (other than an expanded facility or a replacement facility) constructed by the taxpayer after January 1, 2001. For the purposes of this article, the term "constructed" means the issuance of a building permit for $1,000,000.00 or more with regards to subsection (b)(1) of this section, and the issuance of a building permit for $3,000,000.00 or more with regards to subsection (b)(2) of this section.

Placed in service and *original use* have the meanings ascribed to such terms under section 167 of the Internal Revenue Code (26 USC 167) and regulations promulgated thereunder.

Qualified activity means any activity constituting manufacturing (other than any repair, refurbishing, retooling, recycling or other similar process or procedure that merely preserves or restores the value of a product or that does not change the inherent nature of a product or material). Such term includes any activity engaging in business as a wholesaler; the CCBA and any subsequent legislation as enacted by the state; any home offices and operating units of insurance companies; and any combination of activities described herein.

Qualified employee means any person employed within the city/county on a regular and full-time basis.

Qualified facility means any qualified property located in the city that constitutes a new or an expanded facility, located within the industrial park manufacturing district, industrial park manufacturing 2 district, or manufacturing district, and that is used by a taxpayer in or in connection with a qualified activity.

Qualified investment for any taxable year is based on the value of a qualified facility as of the last business day of such taxable year.

Qualified property means any building and its structural components, and any other improvement to real property. Such term includes the land on which such building or other improvements are located, if ownership of said land and structural improvements is identical. If any property is owned or leased by the taxpayer in common with any other person or persons, such property may constitute "qualified property" only to the extent of the taxpayer's proportionate interest.

Related person means a corporation, partnership, association, or trust controlled by the taxpayer; or an individual, corporation, partnership, association, or trust that is in control of the taxpayer; or a corporation, partnership, association, or trust controlled by an individual, corporation, partnership, association, or trust that is in control of the taxpayer.

(b) *Established*. Industries/businesses may qualify for property tax abatement either by meeting the industry function qualifications detailed in the following subsection (b)(1) or the investment qualifications detailed in the following subsection (b)(2) or the occupancy qualifications detailed in the following subsection (b)(3):

(1) *Qualifying industries/businesses by function.*

a. Manufacturers and financial institutions as defined by the FCDA, CCBAA, and subsequent legislation and home offices and operating units of insurance companies shall be qualifying industries, including, but not be limited to, distributors, transportation (air, rail, barge, truck), printing and publishing, and food processing.

b. *Investment and employees.* The qualifying industry must invest at least $1,000,000.00 in a qualifying new or expanded facility in the city and hire at least 20 qualified employees (including owners/operators), 75 percent (75%) of whom shall be city/county residents not employed by the qualifying industry/activity at the time of its relocation/expansion within the city. The council may, at the time of application, reduce the 75 percent (75%) requirement to a lesser percentage, but not less than 50 percent (50%). The qualifying industry agrees to supply information verifying compliance with this section in whatever legally acceptable manner the council shall so request.

(2) *Qualifying industry/businesses by investment.* Industries/businesses that do not meet the qualifications as specified in subsection (b)(1) of this section can nevertheless qualify for property tax abatement by investing a minimum of $3,000,000.00 in a new or expanded facility in the city located within the industrial park manufacturing district, industrial park manufacturing 2 district, or the manufacturing district, and hire at least 15 qualified employees (including owners/operators), 75 percent (75%) of whom shall be city/county residents not employed by the qualifying industry/activity at the time of its relocation/expansion within the city. The council may, at the time of application, reduce the 75 percent (75%) requirement to a lesser percentage, but not to less than 50 percent (50%). The qualifying industry agrees to supply information verifying compliance with this section in whatever legally acceptable manner the council shall so request.

(3) *Qualifying industry/business by occupying a large vacant commercial facility.* Entities that do not qualify for property tax abatement under subsection (b)(1) or (b)(2) of this section can qualify for property tax abatement by (a) purchasing a large vacant commercial facility if the purchase of the large vacant commercial facility will result in the employment of 15 or more full-time employees; or (b) leasing a large vacant commercial facility if the initial lease term is at least ten (10) years, the lease of the large vacant commercial facility will result in the employment of 15 (fifteen) or more full-time employees, and the occupying tenant submits a letter of intent to lease and requests the abatement for either their own benefit when the tax burden is the responsibility of the tenant, or on behalf of the owner when the tax burden is the responsibility of the owner. The demolition of a large vacant building and the construction of a new replacement 20,000 square feet or greater that meets the conditions of (b)(3) of Sec. 102-113. - Qualifications shall qualify for abatement.

(c) *Benefits.*

(1) The council may abate city real estate taxes on a ten-year sliding scale as follows, or upon any other scale or method deemed most advantageous by the council for the public welfare:

Fiscal Year Construction Ended	100 Percent (100%) Reduction of Taxes
First (1st) Year of Operation	90 Percent (90%) Reduction of Taxes
Second (2nd) Year of Operation	80 Percent (80%) Reduction of Taxes

Third (3rd) Year of Operation	70 Percent (70%) Reduction of Taxes
Fourth (4th) Year of Operation	60 Percent (60%) Reduction of Taxes
Fifth (5th) Year of Operation	50 Percent (50%) Reduction of Taxes
Sixth (6th) Year of Operation	40 Percent (40%) Reduction of Taxes
Seventh (7th) Year of Operation	30 Percent (30%) Reduction of Taxes
Eighth (8th) Year of Operation	20 Percent (20%) Reduction of Taxes
Ninth (9th) Year of Operation	10 Percent (10%) Reduction of Taxes
Tenth (10th) Year of Operation	0 Percent (0%) Reduction of Taxes

(2) Unless otherwise directed by the council, year one of the abatement period will commence with the first property tax billing following the completion of the qualifying new or expanded facility and the meeting of all requirements as detailed in subsections (b)(1) and (b)(2) of this section. Abatement for expanded facilities will be limited to expansion value only.

(3) All quarterly property taxes for new construction, as defined in section 49A of the city Charter, will likewise be abated for qualifying new or expanded facilities.

(4) The property tax abatement program will have no effect on both citywide revaluations of property values for taxation purposes and the institution of those new values.

(d) *Downtown Residential Tax Abatement.* Any persons purchasing residential real property in which they will reside within the area defined as Mary Street to Loockerman Street and Governors Avenue to West Street during the effective date of this section shall be given tax relief from the payment of real estate taxes in the following manner: first year of ownership, total tax abatement; second year of ownership, 75 percent (75%) tax abatement; third year of ownership, 50 percent (50%) tax abatement; fourth year of ownership, 25 percent (25%) tax abatement; fifth year of ownership, no tax abatement. Provided however that the homeowner is required to occupy the home as their principal place of residence during the entire time that the taxes are abated and if the property ceases to be their principal place of residence at any time during the four-year period of abatement, then they shall lose their right of abatement and shall be required to pay immediately all taxes abated up to the time that the home ceases to be their principal residence. In order to obtain the tax abatement, the homeowner must make application by affidavit submitted to the city clerk showing qualification for the abatement and each year thereafter, submit a similar affidavit showing their continued right to the abatement. If qualification for the abatement ceases within the four-year period of abatement the homeowner is required to notify the city clerk of the lack of qualification for the abatement and within 90 days from the date the qualification ceases, pay all taxes abated in the past. In order to be eligible for this program, application must be received by the city prior to August 1, 2010.

First (1st) Year of Owner Occupancy	100 Percent (100%) Reduction of Taxes
Second (2nd) Year of Owner Occupancy	75 Percent (75%) Reduction of Taxes
Third (3rd) Year of Owner Occupancy	50 Percent (50%) Reduction of Taxes
Fourth (4th) Year of Owner Occupancy	25 Percent (25%) Reduction of Taxes
Fifth (5th) Year of Owner Occupancy	0 Percent (0%) Reduction of Taxes

ADOPTED: JULY 11, 2011

COUNCIL MEMBERS ANNOUNCEMENTS

Council President Leary relayed belated birthday wishes to Mr. Hare.

Mrs. Russell reminded members that the Youth Advisory Committee will be holding "Youth Fun Day" at Schutte Park on July 30, 2011 from 11:00 a.m. to 2:00 p.m. and stated that more information will soon be made available on the City's Website and Facebook. She noted that sponsors are needed as well as volunteers.

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

Meeting Adjourned at 8:10 P.M.

TRACI A. McDOWELL
CITY CLERK

All orders, ordinances, and resolutions adopted by City Council during their Regular Meeting of July 11, 2011, are hereby approved.

CARLETON E. CAREY, SR.
MAYOR

/TM/jg
S:\AGENDAS & MINUTES\Council-Minutes\2011\07-11-2011 COUNCIL.wpd

Exhibits Attached to Original Minutes and File Copy

Exhibit #1 - Presentation - Violation of Dangerous Building Ordinance - 423 Collins Drive, Owned by Alfred Blackett
Exhibit #2 - Presentation - Violation of Dangerous Building Ordinance - 443 Collins Drive, Owned by Alfred Blackett
Exhibit #3 - Presentation - Violation of Dangerous Building Ordinance - 21 N. Kirkwood Street, Owned by Robert and Christine Snell
Exhibit #4 - Amendments to the Personnel Policy (Employee Handbook)

Dover, Delaware

Branding & Marketing



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Town Planning | Economic Development | Community Branding | Historic Preservation

Brand Statement

Patriotism happens here. Over pints of ale at the Golden Fleece Tavern, our leaders acted first, making Delaware our nation's first state. Over two centuries later, American Pride still shines bright as we welcome home our nations fallen heroes with honor and respect at Dover Air Force Base.

Brand Statement

Education happens here. From Wesley College to Delaware State, from Wilmington University to Delaware Tech, Dover is growing and nurturing the nations future leaders.

Brand Statement

Business happens here. Our Robust and growing business community is producing products that span the world, whether celebrating with family over a box of Stove top or producing the spacesuits that took Neil Armstrong into space. And new growth can be seen around every corner, whether the amazing expansion at BayHealth Medical Center, or the creation of the Northeast region's largest solar park, Dover's progressive spirit is hard to miss.

Brand Statement

Fun happens here. Whether walking the streets of Dover Days or filling the stands twice a year, when Dover International Speedway transforms our city into the largest in the state. We proudly celebrate this amazing town that offers so much while still preserving our unique character.

Brand Statement

Life happens here. We are capital city with small town charm. Every spring, our historic downtown and beautiful Green come alive with seasonal flowers and strolling families. From the Brick Sidewalks of Loockerman Street to the Bustling Businesses of Dupont Highway, we are a community that is excited about our future. Whether our new library downtown, or our new neighborhoods at Eden Hill Farm, we are proudly preserving our past while moving with energy and vision towards our Future.

Brand Statement

We invite you to come explore Dover, the Capital City of the First State, Where small town and big opportunity meet. We are excited for you to be our guest, and we look forward to helping you see the best side of our home. We are Dover, and we are Historically Happening.



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DOWNTOWN
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DOWNTOWN
Dover
DELAWARE


Dover
Days



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Historic Preservation


Welcome to Historic Downtown
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National Register Historic District
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DELAWARE
Historic Downtown
Library
Visitors Center
Loockerman Street
P
FREE
PARKING
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DELAWARE
Historic Downtown
Biggs Museum
Visitor Center
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Historically Happening Dover



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Dover is Really Taking Off.



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U.S. AIR FORCE

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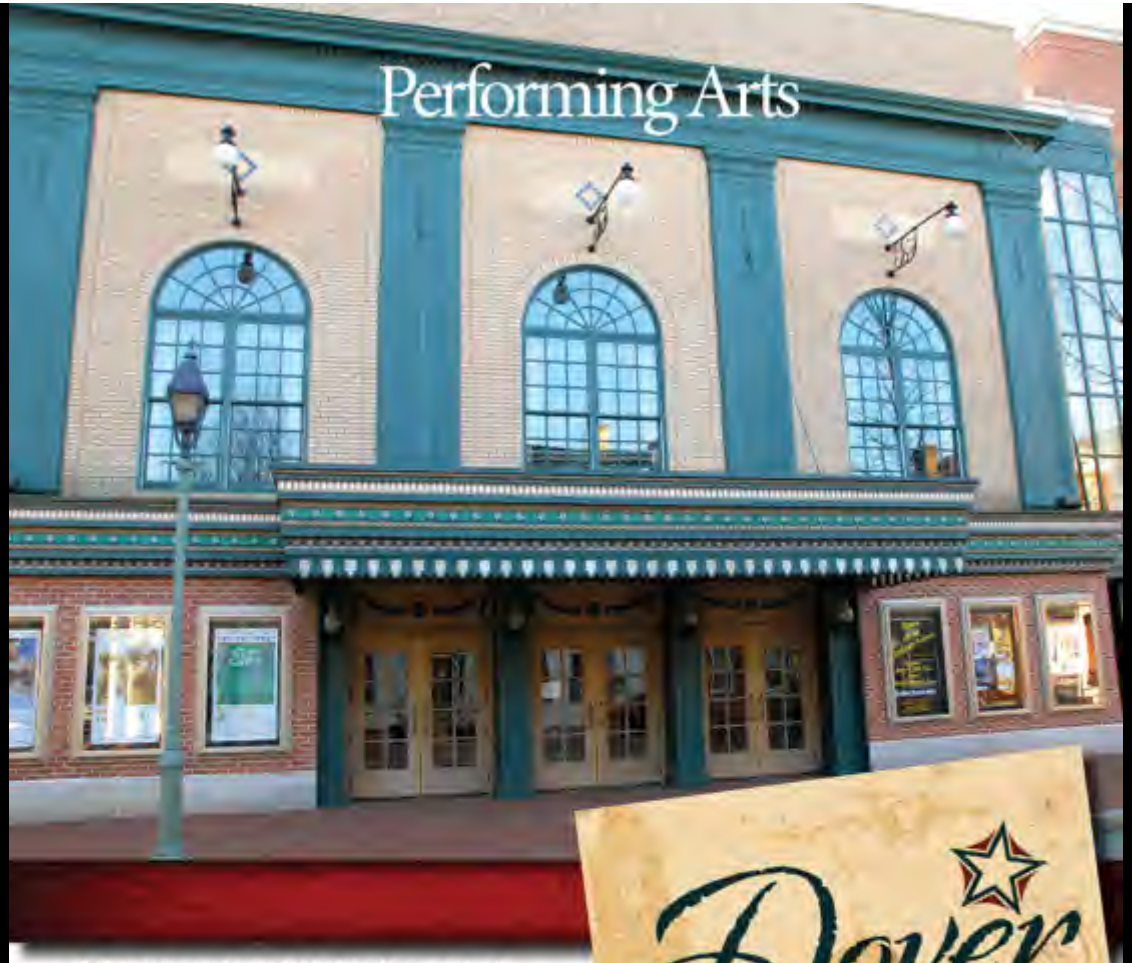


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PARKS, RECREATION, AND COMMUNITY ENHANCEMENT COMMITTEE

The Parks, Recreation, and Community Enhancement Committee Meeting was held on July 11, 2011, at 12:00 p.m. with Chairwoman Russell presiding. Members present were Mr. Anderson (arrived 12:11 p.m.), Mrs. Horsey, and Mr. Lewis. Mr. Hare was absent.

AGENDA ADDITIONS/DELETIONS

Mrs. Horsey moved for approval of the agenda, seconded by Mr. Lewis and unanimously carried.

Review of Active Recreation Area Plans - Dove View Apartments

Ms. Janelle Cornwell, Planner II, reviewed detailed information regarding the Recreation Plan for the Dove View Apartments. She noted that Dove View Apartments is being reviewed as a Site Development Plan and that the subject property consists of one (1) parcel of land totaling $6.8326^{+/-}$ acres. The Site Plan is to permit the construction of three (3) residential buildings with 144 apartments. Two (2) of the buildings were partially constructed as a part of an expired Conditional Use Site Plan known as Dove View Planned Neighborhood Design - Senior Housing Option.

As part of the Site Plan review process for this project, Ms. Cornwell stated that the applicant has prepared a Conceptual Recreation Plan which illustrates how the Dove View development will provide recreation amenities in accordance with the design specifications described in Article 5, Section 10 of the Zoning Ordinance. The Plan indicates that 24,541 S.F. of land would be reserved as Active Recreation Area, which are in central locations on the site. She stated that the proposed amenities include a walking path with benches and picnic tables around the stormwater management pond, an area with horseshoe pits with picnic tables, and an area with a shuffleboard court, swing set, and picnic table.

Ms. Cornwell reminded members that the Active Recreation Area Plan must be reviewed by the Parks, Recreation, and Community Enhancement Committee for a recommendation prior to consideration of the Site Development Master Plan by the Planning Commission. She reviewed information from the submitted Plan (dated May 11, 2011) for the Active Recreation Area to be constructed, as follows:

	Required	Provided on Plan
Active Recreation Area (Article 5, §10.515)	150 S.F. per dwelling unit or 10,000 S.F., whichever is greater, to be provided on site. 144 DU = 21,600 S.F. Provided: 24,541 S.F.	Shuffleboard, swing set, and picnic tables area = 6,763 S.F. Walking Area with benches and picnic tables = 13,125 S.F. Horseshoe pits with picnic tables = 4,653 S.F.
Active Recreation Amenities (Article 5, §10.15)	Accessible	Located through the development.

Active Recreation Amenities (Article 5, §10.15)	Age Oriented to Development	The walking area with benches and picnic; the horseshoe pits with picnic tables; and shuffleboard court with swing set and picnic tables would serve all ages.
	Parking	The particulars of the proposed active recreation do not have associated parking needs.
	Setbacks: 30 feet from residential lots and 25 feet from right-of-way for street	All of the active recreation areas are in compliance as required.
	Landscaping	The project shows trees and landscaping around the site and within the various recreation areas.

Staff submitted the following comments and recommendations regarding the Active Recreation Area to be constructed:

1. The proposed plan meets the area requirements for the Active Recreation Area. The plan is required to provide 21,600 S.F. of Active Recreation Area and it is proposing 24,541 S.F. of Active Recreation Area.

2. Staff recommends approval of the walking path, benches, picnic tables, horseshoe pits, shuffleboard court and swing set.

3. Staff recommends denial of all of the grass area (as delineated on the plan) around the walking path as active recreation area as this area is part of the stormwater management area. The walking path itself is counted towards the active recreation area. The walking path is calculated by itself. (Article 5, Section 10.155) The area in the immediate proximity of the benches and picnic tables should count towards the active recreation area.

4. Staff recommends that one swing on the swing set be for a small child.

5. The following items should be included on the Plan to clarify the construction of the recreation area improvements:

    a. Provide a list of the proposed features on the Active Recreation Plan (i.e. the number of benches, picnic tables, etc).

    b. Revise the square footage of the shuffleboard area on Landscape and Recreation Plan Sheet to state 6,763 S.F.

c. Provide accessibility to one picnic table in both the horseshoe and shuffleboard areas.

d. Provide accessibility to one horseshoe pit and the shuffleboard court.

e. Identify the protective ground covering material under the swing set.

f. Provide a sidewalk connection from the sidewalk near the horseshoe pits area to the sidewalk at the end of the west side of the entrance drive.

g. Provide an accessible picnic table.

6. The applicant is reminded of the requirements for construction phasing of the recreation area as associated with the development of the residential units.

   Article 5, §10.6 Construction phasing. The recreation and open space areas shall be completed in a proportion equal to or greater than the proportion of residential dwelling units completed, except that one hundred (100) percent of the recreation and open space areas shall be completed prior to issuing building permits for the final twenty (20) percent of the dwelling units proposed. Building permits shall not be issued for dwelling units unless the requirements of this section are met.

7. There shall be provisions which ensure that the common open space land (including active recreation area) shall continue as such and be properly managed and maintained. The developer shall either retain ownership and responsibility for maintenance of such open land; or provide for and establish one (1) or more organizations for the ownership and maintenance of all common open space i.e. a Homeowners Association. The organization shall be responsible for maintenance, insurance and taxes on the common open space.

   a. Add a note on the Site Plan regarding who is responsible for maintenance, and insurance on the common open space.

8. In the event that major changes and revisions to the Site Plan occur in the finalization of the Site Plan, contact the Planning Office. Examples include reorientation of buildings, relocation of site components like stormwater management areas, and increases in floor area. These changes may require resubmission for review by the Development Advisory Committee, Planning Commission, or other agencies and commissions making recommendations in regards to the plan.

Mr. Garth Jones, Becker Morgan Group, indicated that, due to the close proximity to the Modern Maturity Center, it is anticipated that there will be a significant number of seniors residing at these apartments. He also confirmed the Group's concurrence with staff's recommendations.

In response to Mrs. Horsey, Mrs. Ann Marie Townshend, Director of Planning and Community Development, reminded members that the Modern Maturity Center had previously objected to a driveway connection between the two (2) sites; however, the Modern Maturity Center has agreed to a multi-use path for interconnection.

Mrs. Horsey moved to recommend acceptance of the Active Recreation Area Plan for Dove View Apartments, as presented and with the inclusion of staff's comments and recommendations. The motion was seconded by Mr. Lewis and unanimously carried.

Review of Active Recreation Area Plans - Lands of Downtown Dover Partnership - 120 S. Governors Avenue

Ms. Janelle Cornwell, Planner II, reviewed detailed information regarding the Active Recreation Area Plan for the Lands of Downtown Dover Partnership (DDP) at 120 South Governors Avenue. She noted that the lands of DDP are being reviewed as a Site Development Plan and that the subject property consists of one (1) parcel of land totaling 1.7653 acres$^{+/-}$. The Site Plan Master Plan is to permit the construction of two (2) buildings. The first building, located on South Governors Avenue, is a 47,042 S.F. mixed use building with 27 apartments and 11,874 S.F. of retail space on the first floor. The second building, located on South New Street, is a 34,896 S.F. residential building with 24 apartments.

As part of the Site Plan review process for this project, Ms. Cornwell stated that the applicant has prepared a Conceptual Recreation Plan which illustrates how the property located at 120 South Governors Avenue will provide recreation amenities in accordance with the design specifications described in Article 5, Section 10 of the Zoning Ordinance. The Plan indicates that 5,210 S.F. of land would be reserved as Active Recreation Area. The Active Recreation Areas are in central locations on the site. The proposed amenities include a garden area with a walking path and benches behind the South Governors Avenue building and a gazebo with picnic tables next to the South New Street building.

South Governors Avenue

The garden area with a brick walking path, benches, and grass area is 2,052 S.F. The area is accessible from the back of the mixed use building and is landscaped. There are five (5) benches proposed within this area.

South New Street

The gazebo with picnic tables and grass area is 3,158 S.F. The area is accessible from the side and rear of the residential building. The landscaped area includes four (4) picnic tables surrounding the gazebo.

Ms. Cornwell reminded members that the Active Recreation Area Plan must be reviewed by the Parks, Recreation, and Community Enhancement Committee for a recommendation prior to consideration of the Site Development Master Plan by Planning Commission. She reviewed information from the submitted Plan (dated June 17, 2011) for the Active Recreation Area to be constructed, as follows:

	Required	**Provided on Plan**
Active Recreation Area (Article 5, §10.515)	75 S.F. per dwelling unit with a minimum of 2,500 S.F. to be provided on site. 51 DU = 3,825 S.F. Requires 3,825 S.F.	Gazebo and picnic tables = 3,158 S.F. Garden Area with walking path and benches = 2,052 S.F.

Active Recreation Amenities (Article 5, §10.15)	Accessible	Located through the development.
Active Recreation Amenities (Article 5, §10.15)	Age Oriented to Development	The garden area with benches and the gazebo with picnic tables would serve all ages.
	Parking	The particulars of the proposed active recreation do not have associated parking needs.
	Setbacks: 30 feet from residential lots and 25 feet from right-of-way for street	The garden area and benches are in compliance as required. The gazebo is located within 30' of a residential lot and is within 25' of the right-of-way.
	Landscaping	The project shows trees and landscaping around the site and within the various recreation areas.

Staff submitted the following comments and recommendations regarding the Active Recreation Area to be constructed:

1. The proposed plan meets the area requirements for the Active Recreation Area. The plan is required to provide 3,825 S.F. of Active Recreation Area and it is proposing 5,210 S.F. of Active Recreation Area.

2. Staff recommends approval of the walking path, three (3) benches, and two (2) picnic tables.

3. The gazebo is located within 25 feet of the right-of-way and is within 30 feet of a residentially used parcel. Upon consultation with the applicant, the gazebo will be removed from the plan.

    a. The removal of the gazebo does not impact the overall square footage of the Active Recreation Area.

4. Staff recommends the addition of paved patio/picnic with a grill area in the location of the gazebo (to be removed).
5. Staff recommends the reduction of two (2) picnic tables and the reduction of two (2) benches.

6. The following items should be included on the Plan to clarify the construction of the recreation area improvements:

    a. Provide a list of the proposed features on the Active Recreation Plan (i.e. the number of benches and the details of the items).

b. Remove the gazebo from the plan.

c. Revise the bench detail to have a divided bench.

d. Revise the fence to be an open fence as shown on the Architectural Elevations.

e. Ensure one (1) picnic table is accessible.

7. The applicant is reminded of the requirements for construction phasing of the recreation area as associated with the development of the residential units.

   Article 5 §10.6 Construction phasing. The recreation and open space areas shall be completed in a proportion equal to or greater than the proportion of residential dwelling units completed, except that one hundred (100) percent of the recreation and open space areas shall be completed prior to issuing building permits for the final twenty (20) percent of the dwelling units proposed. Building permits shall not be issued for dwelling units unless the requirements of this section are met.

8. There shall be provisions which ensure that the common open space land (including Active Recreation Area) shall continue as such and be properly managed and maintained. The developer shall either retain ownership and responsibility for maintenance of such open land; or provide for and establish one (1) or more organizations for the ownership and maintenance of all common open space i.e. a Homeowners Association. The organization shall be responsible for maintenance, insurance and taxes on the common open space.

   a. Add a note on the Site Plan regarding who is responsible for maintenance, and insurance on the common open space.

9. In the event, that major changes and revisions to the Site Plan occur in the finalization of the Site Plan contact the Planning Office. Examples include reorientation of buildings, relocation of site components like stormwater management areas, and increases in floor area. These changes may require resubmission for review by the Development Advisory Committee, Planning Commission, or other agencies and commissions making recommendations in regards to the plan.

In response to Mrs. Russell, Mrs. Cornwell indicated that, although there will be open grass areas, the recreation plan does not include any specific recreation facilities for small children. Mrs. Russell suggested that the owners consider providing recreational facilities for small children.

Responding to Mr. Lewis, Mr. Gregg Moore, Becker Morgan Group, stated that the fence is proposed to enhance architectural appearance; however, it will also provide a separation from the single-family neighborhoods. Mr. Moore stated that a stationary grill and pavers will be included to replace the gazebo.

For clarification, Mr. Moore explained that the DDP is attempting to facilitate the project by obtaining approvals from the Planning Commission and addressing questions and concerns of the Delaware Department of Transportation (DelDOT) and other agencies, etc., in order to offer the project for sale to a developer to build. DDP does not intend to construct the buildings; however, it is attempting to make the project attractive to developers.

Mr. William Neaton, Economic Development Director, reminded members that the concept for this project was a result of the Downtown Dover charrette process.

In response to Mrs. Horsey, Mr. Moore stated that the space is inadequate for a gazebo, even if a smaller structure were to be considered.

Mr. Moore confirmed concurrence with staff's recommendations.

Mr. Lewis moved to recommend acceptance of the Active Recreation Plan for Lands of Downtown Dover Partnership located at 120 S. Governors Avenue, as presented and with the inclusion of staff's comments and recommendations. The motion was seconded by Mr. Anderson and unanimously carried.

Semi-Annual Report - Statistics Regarding Jobs and Businesses Gained and Lost in the City of Dover Since July 2010

Mr. William Neaton, Economic Development Director, reviewed the semi-annual report of employment statistics on the 14 largest employers in the Dover area and reminded members that this information is updated and presented to members on a semi-annual basis. He also reminded members that his office has established relationships with the management and human resources departments of these companies in order to track job growth or decline.

Mr. Neaton stated that he has visited many local businesses, and that (at the request of the previous City Manager, Mr. Anthony DePrima) Mrs. Lisa Gardner, Departmental Budget and Support Staff Supervisor, Public Utilities Department, has attended these meetings with him to discuss utility concerns. Mr. Neaton indicated that, in the course of these meetings, Dover Downs was the only business that relayed concerns regarding the cost of utility services.

Responding to Mr. Lewis, Mr. Neaton stated that Dover Downs has genuine concerns regarding the lack of revenues derived from gaming tables; however, current discussion regarding the possibility of layoffs and revenue concerns are the result of tax and fee burdens imposed by the State.

In response to Mr. Anderson, Mr. Neaton stated that a very large business intends to occupy the Wal-Mart facility in Dover and the structure is not expected to remain vacant for a significant length of time; therefore, the City should not be impacted financially. He agreed to discuss the possibility of a partnership to enhance economic development with representatives of Delaware State University, similar to the one that exists between the University of Delaware and the City of Newark.

UPDATES

The following updates were provided to members:

Puncheon Run Watershed Action Team and Flood Plain Mapping

Mr. Scott Koenig, Interim City Manager, Public Services Manager/Director of Public Works, advised members that since the last meeting of the Puncheon Run Watershed Action Team in March/April 2011, Mr. Eugene Ruane (former City Council member) has worked diligently to secure assistance from a local surveyor who was successful with a previous Letter of Map Amendment (LOMA) application and is providing that information to area residents to apply for amendment if they choose. He stated that some of the residents have moved forward with the process; however, it is being done privately. As a result, Mr. Koenig suggested that no further updates be provided since staff has achieved its original purpose. However, he assured members that staff will continue to work on flooding issues in the Puncheon Run Basin as development projects are submitted in that area, or if there are additional opportunities for subdivision or individual site retrofitting.

Mr. Lewis moved to recommend that the Update for the Puncheon Run Watershed Action Team and Flood Plain Mapping be removed from future agendas for the Committee. The motion was seconded by Mrs. Horsey and unanimously carried.

Planning and Funding for New Library

Ms. Margery Cyr, Library Director, advised members that the Governor's budget, which has been signed, provides $2.5 million for the construction of the new Dover Public Library. She noted that this brings the State's contribution to 100% at $10,584,357. Ms. Cyr stated that a $20,000 grant has been received from the Marmot Foundation. She indicated that the Capital Campaign Committee will launch the sale of memorial brick pavers for the new library later this week and that the pavers will cost $125 each. She provided members with promotional brochures regarding this program ***(Attachment #1)***. The Events Committee of the Capital Campaign is hosting a Summer Bash on July 30, 2011 at the Fordham Brewery in Dover (tickets for the event are $25 in advance and $35 at the door).

Ms. Cyr advised members that language was included in the Governor's budget to allow for the Department of Natural Resources and Environmental Control (DNREC) and the City of Dover to begin discussions about the purchase of the existing library building by DNREC. She stated that the State's Facilities Management team and DNREC staff have toured the building and are making arrangements for an appraisal of the property to be performed.

Responding to Mr. Anderson, Mr. Koenig stated that language was included in the State's Bond Bill to begin consideration of the sale of the current library facility. A meeting has been scheduled to identify a boundary for property zoning and the appraisal will be performed subsequently. At that point, City Council would consider the appraisal and, if there is an agreement in principle on the sale of the property, those funds would be included in the FY 2013 State budget and the sale transaction would be anticipated in July or August 2012, immediately prior to the opening of the new Library.

Ms. Cyr stated that the construction of the new Library is projected for completion in June 2012, which would provide the City an opportunity to ensure systems are working, move property, organize, etc., prior to the grand opening scheduled in September 2012.

Ms. Cyr also advised members that fundraising continues to go very well. As of July 11, 2011, she stated that the Library is only $344,056 away from meeting their fundraising goal that would fully fund the new Library building, as approved by City Council in February.

CDBG Program

Mrs. Tracey Harvey, Community Development Director, reported the Status of FY 2010 CDBG Projects as of June 2011. She advised members that funding for the current fiscal year has not yet been received, noting that this is a new program year. She indicated that the approval letter from the Department of Housing and Urban Development (HUD) is typically received in late July/early August.

Mr. Clay Hammond, 505 Troon Road, (Chairman, Delaware Black Chamber of Commerce) noted that economic development has been a significant CDBG activity, although the City does not receive a large entitlement. He questioned if the use of CDBG funds could be expanded beyond housing to assist in economic development and providing jobs, etc. Responding, Mrs. Townshend stated that, although there is interest in funding these activities, dedicating funds is a "balancing act," explaining that members must also consider other needs, such as shelter for the homeless, as well as the amount of funding that can be allocated for each category (15% cap for public service programs).

Responding to Mr. Anderson, Mrs. Harvey noted that the First Time Home Buyer Assistance Program is a City-wide effort based on a "first come - first served" approach, and that currently applicants are experiencing difficulty qualifying for mortgages.

Mrs. Harvey confirmed that the tour of the Housing Rehabilitation Program properties is scheduled for the Committee meeting to be held on August 8, 2011, and that more information would be forthcoming as details are finalized.

Mrs. Russell suggested that the City develop a form letter to be completed by homeowners to evaluate the program and the contractors utilized for rehabilitation projects. Responding, Mrs. Harvey stated that all work is guaranteed for one (1) year and if the homeowner has difficulty contacting the contractor, she typically becomes involved and ensures that all issues are resolved. In addition, she noted that homeowners receive warranties when there are window and/or roof replacements.

Housing and Recovery Act of 2008 Funds (Neighborhood Stabilization Fund)

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

Dover Youth Advisory Committee

Mrs. Russell reported that the City of Dover Youth Advisory Committee would be holding a "Fun Day for Youth" on July 30, 2011 at Schutte Park from 11:00 a.m. to 2:00 p.m. Vendors (other than food vendors) are welcome to participate at a cost of $25.

Mrs. Russell advised members that Ms. Olivia Lilje, Little Miss Delaware Sweetheart, attended a recent Youth Advisory Committee Meeting and was presented with a journal to be kept and maintained throughout her career.

Mrs. Russell stated that Ms. Kristen Dietz, Co-President of the Youth Advisory Committee, was recognized at a recent Committee meeting for her participation in an oratorical contest, where she represented three (3) states and achieved First Runner Up. Ms. Dietz was presented with a journal at a recent Committee meeting.

With reference to the youth in the community, Mr. William Neaton, Economic Development Director, indicated that the Downtown Dover Partnership has partnered with United Way for "First Friday." He noted that 400 book bags with summer reading books were distributed to the youth during the event held on July 1, 2011. The next "First Friday" event will be the Annual Beach Party scheduled for August 5, 2011, on Loockerman Street and beach balls will be distributed. In addition, TD Bank will be attending and distributing summer reading program materials for the youth. Mrs. Russell requested that she be provided additional flyers promoting "First Friday" events.

Mr. Anderson suggested that there be more promotion of the Youth Advisory Committee's "Fun Day" event utilizing free resources, such as the City's Website.

Mrs. Russell indicated that a Youth Talent Show is also being planned by New Beginnings, the New Street civic association, and that she would provide further information as it becomes available.

Dover SunPark

Mr. Neaton advised members that there will be a ribbon cutting ceremony on August 17, 2011 at 1:00 p.m. for the The Dover SunPark. He noted that all work has been completed, construction trailers are being removed, and that the testing phase has begun. He noted that commitment to utilizing local labor has been exemplary.

Responding to Mrs. Russell, Mr. Neaton suggested that anyone wishing to tour the facility should contact his office to arrange an appointment.

Prior to adjournment, Mr. Hammond noted that last year, there was a great deal of discussion by Council and Council Committees regarding the emerging gang problem in the community. As a result, the Delmarva Black Chamber of Commerce held a "Black Town Hall" meeting to focus on concerns in the African American Community, including disparities involving education, economics, health, etc., and to discuss the tremendous needs of the black community. He advised members that discussions have been held with Delaware State University and it has been determined that a needs assessment has not been performed in the African American Community. He requested that the Committee recommend support of such an assessment to determine the causes of these problems with a view toward developing solutions.

Responding, Mrs. Russell indicated that the Delaware Multicultural and Civic Organization (DEMCO) recently received a grant to conduct a community needs assessment (which was not targeted specifically to the African American Community) as it relates to education. Mr. Hammond stated that the needs assessment being requested goes beyond just education.

Mr. Lewis suggested that Mr. Hammond provide the Committee a presentation at a future meeting for further review and consideration of making such a recommendation to City Council.

Mrs. Russell explained that a formal request should be submitted for inclusion as an item on the Committee's agenda. For clarification, Mr. Koenig indicated that all such requests should be submitted to the City Clerk's Office.

Mr. Lewis moved for adjournment, seconded by Mr. Anderson and unanimously carried.

Meeting adjourned at 1:26 P.M.

Respectfully submitted,

Sophia R. Russell
Chairwoman

SRR/AC/jg/js/dd/tm
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Attachments
Attachment #1 - Memorial Brick Pavers Brochure

Engraving Information

Limit 3 lines — 16 characters per line
(including spaces)

Attach a separate sheet for additional pavers.

For questions, please call Margie Cyr at 302.736.7032.

First Paver

LINE ONE

LINE TWO

LINE THREE

Second Paver

LINE ONE

LINE TWO

LINE THREE

You can be a part of the new Dover Public Library forever.

DOVER LIBRARY FOUNDATION

Dorothy Snyder
President

Gwendolyn Elliott
Vice President

Donna Mitchell
Treasurer

Zachery Carter
Secretary

N.C. Vasuki

Jim Stewart

Kay Dietz-Sass

Eugene Ruane

Margery Kirby Cyr
Director

DOVER
PUBLIC LIBRARY

PO Box 112, Dover, Delaware 19903
302.736.7032 ❦ 302.736.5087 *fax*

MEMORIAL BRICK PAVERS

at the new Dover Public Library

Give a gift that lasts forever!

DOVER
PUBLIC LIBRARY

Attachment #1
PR&CE Committee Meeting of 07/11/2011

Dear Friend & Neighbor,

Now you can memorialize a friend, family member, or loved one forever through the creation of a Memorial Paver at the new Dover Public Library.

Your tax-deductible donation of just $125 will secure the naming rights to a handsome paver at the new library — but you must act now, before *The 21st Century Campaign* ends.

Your attractive, 4" x 8" brick will be engraved with the name and message you specify — three lines with up to 16 characters per-line.

Each paver donation will be fully tax-deductible and you will receive an acknowledgement for tax purposes.

Memorial Bricks will be securely placed in the front and rear entrances to the new Library where visitors will see them for decades to come.

A memorial brick is the perfect way to perpetuate the memory of someone important to you. It is a wonderful gift or tribute — and you can arrange it by simply completing the attached order form and returning it with your donation to the Dover Public Library.

With warm regards,

Margery K. Cyr

Margery Kirby Cyr
Director, Dover Public Library

Your donation will support the Library's new building campaign The new facility will feature:

- *A wonderful children's library where generations of young people will be inspired to read and learn.*
- *A state-of-the-art Job Center to teach critical technology skills and help people find employment and start small businesses.*
- *Large community meeting rooms*
- *More than 180 safe, convenient parking spaces.*
- *A new Teen Center where Dover's students can learn and socialize.*

Please note — we have a limited number of Memorial Pavers available — so please act now. We don't want you to miss being part of this important opportunity.



All this is possible with your help!

Dover Public Library Memorial Brick Paver Order Form

Dover Public Library is proud to offer this opportunity to permanently honor or memorialize or honor family and friends while supporting the new library. Each 4"x 8" brick will be engraved with your personal tribute and displayed on the grounds of the center in perpetuity. Each brick is $125.

☐ Enclosed is my check for:

$ _____

for _____ brick(s)

_____
YOUR NAME

( )
_____
PHONE

_____
ADDRESS

_____

_____
CITY

_____
STATE ZIP

_____
EMAIL (OPTIONAL)

See reverse for engraving information. Please detach this order form along the perforation, fold in half, and return with your payment in the enclosed envelope or mail to:

Dover Library Foundation
PO Box 112, Dover, DE 19903

DPL Paver Bro.indd 2 6/7/11 11:22 AM

UTILITY COMMITTEE

The Utility Committee Meeting was held on July 11, 2011 at 5:00 p.m. with Chairman Bonar presiding. Members present were Mr. Lynn, Mrs. Williams, Mr. Blakeman, and Mr. Snaman. Council President Leary (departed at 5:28 p.m.) and Mayor Carey (departed at 5:38 p.m.) were also present.

AGENDA ADDITIONS/DELETIONS

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

Presentation - Garrison Energy Center Project Ownership

Mr. Ron Lunt, Public Utilities Director, reminded members that the Garrison Energy Center Land Lease and the Dover Sun Park originated as a result of a Request for Proposals (RFP) that the City issued in order to pursue various options as the City moves forward with energy management. He stated that the Land Lease is for three (3) years with approximately 1½ years remaining.

Mr. Lunt introduced Mr. Champe Fisher, Director, Calpine Corporation, and Mr. Fisher introduced other representatives of Calpine who were present. Mr. Fisher advised members that Calpine purchased the rights to the Garrison Development Project from Macquarie Energy, LLC in late April 2011 and is committing the full resources of the Corporation to pursue the project. Packets providing detailed information regarding Calpine were distributed to members.

Mr. Fisher reviewed a Presentation - Garrison Energy Center Update. Referring to Page 6 of the presentation, he advised members that the meanings of the acronyms listed are as follows: SCR - Selective Catalytic Reduction, CO Catalyst - Carbon Monoxide Emissions, and NOx - Nitrous Oxide (Combustion System).

Responding to Mrs. Williams, Mr. Fisher stated that the current design for a 309 MW dual-fueled combined cycle facility is the result of a request, submitted by Macquarie Energy, LLC to the power grid operator in August 2010, to inject 309 MW into the grid. He stated that capacity is not expandable in the facility's current queue position; however, it would be expandable if a request for a study for an additional queue position with greater capacity was submitted to the grid. He estimated that the maximum capacity of this site could be doubled from its current level.

In response to Mr. Bonar, Mr. Fisher stated that 300-400 construction jobs would be created at the peak of the project. Following construction, with generation capacity at 309 MW, 10-15 full-time, wage earning positions are anticipated. He assured members that additional information regarding the facility's tax base would be obtained and provided.

Responding to Mr. Hare, Mr. Fisher stated that once the facility is completed, its "worth" will be included on Calpine's financial statements. Referring to Page 4 of the presentation, he noted that, according to the Department of Energy, a gas combined cycle facility can be built in 2015 for $1,100 per Kw ($1,100 x 309,000), which would equate to the cost of construction.

Although he supported the creation of jobs through this project, Mr. Lynn expressed concerns regarding the impact the project will have on the residents near the plant, specifically, the Wild Meadows Subdivision. He questioned if a representative of Calpine would meet with residents and the homeowners' association regarding some of these concerns. Concurring, Mr. Fisher welcomed the opportunity.

In response to Mrs. Williams, Mr. Fisher stated that he would obtain information regarding the amount of water that would be utilized on a daily basis by the facility and provide it to members. In addition, he agreed to obtain details regarding the need to expand the Kent County treatment facility for processing of the water after it leaves the plant. He explained that Calpine is in the process of reconfiguring the plant and that this information was previously determined based on Macquarie Energy's design. Once the reconfiguration is complete, a determination regarding the "water balance" will be accomplished. He stated that Calpine considered the water supply at this site, concurring that the critical components to run a power plant efficiently and effectively are in place.

Responding to Mr. Blakeman, Mr. Fisher noted that the gas pipeline is located in Cheswold (approximately 6 miles from site) and will be expanded to the site; however, he explained that the route for the installation has not yet been determined. Calpine is currently in the process of discussing this matter with Eastern Shore Natural Gas and reviewing various options, costs, and time frame.

In addition to the pipeline permit, Mr. Fisher advised members that several additional permits will be required prior to construction of this project. He noted that the commercial operation of the plant is scheduled to begin in June 2015.

At the request of Mr. Blakeman, Mr. Fisher stated that updates by Calpine can be provided to members as often as desired. He noted that Calpine was recently advised by PJM of a 60-day delay in one (1) of the required studies; therefore, additional details regarding the interconnection process will not be available until the end of September 2011.

In response to Mr. Hare, Mr. Fisher stated that the contract includes a provision that will allow the City to purchase power; however, there is no obligation in this respect.

Referring to Page 8 of the presentation, Mr. Fisher noted that the acronym, PLUS, refers to a Preliminary Land Use Survey.

Once the required infrastructure has been determined, Mr. Fisher assured members that these details and the results of the study will be presented to the City for consideration.

Mr. Bonar requested that Calpine keep the City updated on the project through written progress reports.

Responding to Mr. Blakeman, Mr. Fisher estimated that 2/3 of the power would be generated by the combustion turbine and 1/3 would be from the steam turbine.

Should Calpine decide to expand, Mr. Bonar requested that the City be provided details regarding any additional costs involving infrastructure, as well as the infrastructure needs for the project at its current size.

Mr. Lunt advised members that Calpine provides quarterly reports to the City and that he would be sure to forward them to members for their review.

Review of Utility Related Capital Investment Plan (CIP) (Electric and Water/Wastewater) *(May)*

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

Responding to Mr. Bonar, Mr. Ron Lunt, Public Utilities Director, stated that the galvanized pipe located near the railroad is temporary sewer bypass piping being utilized while construction is performed in the area.

Referring to the infrastructure that has been replaced on Bayard Avenue, east of Park Drive, Mr. Bonar questioned when it is anticipated the area would be repaved. Responding, Mr. Lunt stated that once the old main is disconnected and the services have been connected, paving will begin, and should be completed by Fall 2011.

Mrs. Williams moved for adjournment, seconded by Mr. Blakeman and unanimously carried.

Meeting Adjourned at 5:42 P.M.

Respectfully submitted,

David L. Bonar
Chairman

DLB/DD/jg/js/ac
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LEGISLATIVE, FINANCE, AND ADMINISTRATION COMMITTEE

The Legislative, Finance, and Administration Committee meeting was held on July 11, 2011 at 6:00 p.m. with Chairman McGlumphy presiding. Members present were Mr. Anderson, Mr. Hare, Dr. Jones and Mr. Shevock. Members of Council present were Mr. Bonar, Mr. Hutchison, Mr. Lynn, Mrs. Williams, and Council President Leary. Mayor Carey was also present.

AGENDA ADDITIONS/DELETIONS

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

Proposed Amendment to Investment Policy

Mrs. Donna Mitchell, Controller/Treasurer, reminded members that a few months ago, the City changed its investment manager from Wilmington Trust to Public Financial Asset Management Group (PFAM). At that time, staff began reviewing the City's Investment Policy Statement and, as a result, staff developed proposed amendments to the Policy, which were presented to members for their consideration.

Mrs. Mitchell explained that Wilmington Trust is a trust company that manages investments for private industry, wealth management, and governmental entities and that PFAM conducts investments for only government and pension trusts. She advised members that the proposed amendments to City's Investment Policy reflect an orientation toward government investments and away from trust company investments for risk management and liquidity purposes. Mrs. Mitchell stated that the proposed amendments would provide a "stronger" policy for the City of Dover with regard to risk factors.

Staff recommended approval of the proposed amendments to the Investment Policy.

Responding to Mr. Hare, Mrs. Mitchell stated that any investment made "outside" of the policy would require City Council approval.

Mr. Hare moved to recommend approval of the proposed amendments to the Investment Policy, as recommended by staff *(Attachment #1)*, seconded by Dr. Jones and unanimously carried.

Discussion - Fiscal Year 2011 Audit Program

Mrs. Donna Mitchell, Controller/Treasurer, reminded members that, several years ago, as a result of implementing auditing standards, it was suggested that an auditing committee review each audit. This committee was to be the entity through which the auditors could communicate suggestions or concerns to management. At that time, it was decided that rather than creating a new committee, the Legislative, Finance, and Administration Committee would serve as the audit committee.

Mrs. Mitchell reviewed a Presentation on the Auditor's Responsibility for Communicating with the Audit Committee and advised members that this update is provided annually at the initial phase of the yearly audit.

As indicated on Page 4 of the presentation, Mrs. Mitchell stated that the auditor's engagement letter was received earlier in the day and that a copy would be provided to members.

Understanding the importance of financial audits and ensuring that controls are in place, Mr. Anderson questioned if conducting a performance audit to assist with promoting efficiency has been considered. Responding, Mrs. Mitchell stated that such an audit would require a Request for Proposals (RFP) since it is not a part of the current contract with the City's auditors, Faw, Casson, and Co., LLC. Mr. Anderson suggested that staff investigate the preliminaries of requesting a performance audit for a report back to the Committee.

Mr. Hare moved to recommend acceptance of the report of the Auditor's Responsibility for Communicating with the Audit Committee, seconded by Mr. Shevock and unanimously carried.

Additional Downtown Security Cameras (State Homeland Security Grant Program)

Mr. Scott Koenig, Interim City Manager and Public Services Manager/Director of Public Works, advised members that the City of Dover has requested and received funding from the State Homeland Security Grant Program (SHSGP) for the purchase and installation of three (3) additional outdoor security cameras in the downtown area. The proposed locations are as follows: 1) City of Dover Electric Pole #17258, near the intersection of S. New Street and Minor Street across from 134 S. New Street; 2) City of Dover Electric Pole #17233, adjacent to the south side of 59 S. Queen Street; 3) City of Dover Electric Pole #17229, adjacent to the north side of 67 S. Queen Street. He stated that a quote in the amount of $23,870 has been provided by Advantech, Inc. This vendor provides services and hardware under a State contract and is the approved vendor for such purchases under the SHSGP.

Mr. Koenig reiterated that short notice was provided regarding funding for this project since funds became available when other projects were completed under budget. The equipment was ordered and is scheduled for installation on or about July 18, 2011. All costs associated with the project will be charged to the Life Safety Budget under Public Services. He assured members that 100% of the project costs will be reimbursed to the City upon application for reimbursement.

Mr. Koenig indicated that this matter is being presented for consideration in an effort to follow the City's grant procedure and informed members that operation of the cameras may create ongoing costs in the future. He noted that the cameras and installation are covered by a one (1) year warranty which includes parts and labor and covers normal wear and tear, malfunction, or other defects. The warranty would begin once the vendor has confirmed the function of the newly installed equipment. After the warranty expires, labor would be billed at $110.00 per hour and parts would be purchased at the market rate.

Staff recommended authorization to complete the project and request reimbursement for all costs associated with the purchase and installation of the three (3) additional downtown security cameras.

Responding to Mr. Shevock, Mayor Carey noted that only one (1) existing camera has required maintenance following installation. Mr. Koenig noted that all vendors provide maintenance contracts and that he would work with the Mayor's Office to explore other providers for possible savings.

In response to Mr. Bonar, Mayor Carey stated that with the three (3) additional cameras, there would be a total of 14 cameras in the downtown area. He stated that he was aware of two (2) arrests that have been made as a result of the cameras.

Mr. Anderson moved to recommend that staff be authorized to complete the project and request reimbursement for all costs associated with the purchase and installation of three (3) additional downtown security cameras. The motion was seconded by Dr. Jones and unanimously carried.

Proposed Ordinance #2011-17 - Chapter 102 - Taxation, Article III - Realty Transfer Tax and Article IV - Abatement of Real Estate Taxes (Tax Abatement for the Downtown Area - Reconsider Sunset Portion)

Ms. Cheryl Russell, City Assessor, reminded members that in August 2005, City Council approved an ordinance to extend the first time homebuyer transfer tax exemption to sellers in the downtown target area and to provide a real estate tax abatement for homebuyers in this area. The target area was defined as extending from Mary Street to Loockerman Street and from Governors Avenue to West Street. During the Committee meeting of July 11, 2005, a sunset clause was added to the ordinance to allow council members the opportunity to revisit this subject and to determine if it is a program they wish to continue.

According to the City Assessor's records, Ms. Russell advised members that no one has taken advantage of the first time homebuyer exemption for sellers in the target area and that only one (1) buyer has taken advantage of the tax abatement in this area.

Ms. Russell indicated that she was not aware of the sunset clause until approximately four (4) months ago. Staff recommended that the sunset clause be removed.

Responding to Mr. Anderson, Ms. Russell explained that the first time homebuyer transfer tax exemption applies City-wide; however, the seller portion applies only in the target area and is intended to provide an incentive. She suggested that information regarding this ordinance could be posted on the City's Website in an effort to educate the public.

Mr. Bonar questioned if the City should consider expanding the transfer tax exemption for the seller to city-wide. Responding, Ms. Russell noted that since January 2010, 44% of transfers were first time homebuyers, which resulted in approximately $230,000 in transfer tax that was exempt. Noting that the transfer tax costs are shared by both the buyer and seller, she stated that extending this benefit to sellers City-wide would result in the exemption of additional $230,000 from transfer tax.

Mr. Anderson moved to recommend that the sunset clause be removed by adopting Proposed Ordinance #2011-17 *(Attachment #2)*. The motion was seconded by Mr. Shevock and unanimously carried.

Discussion - 2010 Annual Income and Expense Report Form

Mr. Hare stated that he had received numerous calls from constituents who were concerned about the requirement for business property owners to submit a 2010 Annual Income and Expense Report, in particular the substantial amount of private and personal information being requested. As a result, Mr. Hare suggested that submission of the Annual Income and Expense Report Form be made optional with no penalty if not completed; however, if an individual disagrees with the assessment provided by the City Assessor, then completion of the form would be required.

Ms. Cheryl Russell, City Assessor, advised members that when this ordinance was originally proposed, the suggested penalty was to deny the appeal process unless this information was provided. At that time, it was the Committee's desire to institute a penalty immediately rather than waiting a year to decide what recourse the City would have if the information was not provided. As a result, the Committee included the imposition of a $100 fee.

Mr. Anderson felt that the administrative burden of collecting additional information should not be placed on those who own multiple properties and that information protected under federal privacy laws should not be required.

Mr. Hutchison and Mr. Bonar agreed that completion of the form should be optional.

Noting that the forms have already been distributed, Mr. Hare suggested that staff not pursue any action on these notices and that the $100 fee be returned to those who have already submitted it. Responding, Ms. Russell indicated that the $100 fee has already been added to the tax bill for the July 1, 2011 billing. Mr. Hare suggested that the $100 fee be maintained as a credit or returned by the City.

In response to Mr. Bonar, Ms. Russell stated that she was unsure how many owners have already paid the $100 fee; however, this fee was imposed on approximately 375 properties (of a total of 1,000).

Mrs. Traci McDowell, City Clerk, reminded members that the Committee's recommendation would need approval by City Council; therefore, the return of the $100 fee could not be accomplished until after Council's consideration of this matter.

In response to Ms. Russell, Dr. McGlumphy stated that an ordinance amendment should be prepared for presentation directly to City Council.

Mr. Hare moved to recommend that the 2010 Annual Income and Expense Report Form become an optional form, with no penalty if not submitted; however, if a commercial property owner does not agree with the assessed value, they would be obligated to provide all required information for the appeal, and property owners who have paid the $100 fee would receive an equivalent credit on their subsequent tax bill *(Attachment #3)*. The motion was seconded by Mr. Anderson and unanimously carried.

Discussion - Economic Development Administration by the Mayor

Mr. Anderson submitted a proposal to place the City's Economic Development Office (EDO) under the supervision of the Mayor, rather than the City Manager. He noted that research by the City Clerk's Office has indicated that making this change will require only a motion (not an ordinance). He reminded members that City Council established economic development as a primary duty of the Mayor, rather than the City Manager, and provided a brief history of the organization of the EDO. Mr. Anderson advised members that, in 2004, the constituents and Council voted in favor of a full-time Mayor, based in part on the premise that the Mayor would focus on economic development. He noted that this was formalized in former Mayor Speed's job description, which is still policy under Mayor Carey. Mr. Anderson felt that having the EDO report to the Mayor would formalize the existing relationship, eliminate the possibility of confusion from having two (2) "bosses" when a permanent City Manager is hired, provide the Mayor formal resources to achieve the objective he was given by the Council and voters in the referendum held on April 20, 2004, and provide greater accountability to the voters for results. He also felt that, since the City is in the process of hiring a new City Manager, this would be an opportune time to make such a change.

Mr. Anderson recommended that the EDO be budgeted under the Mayor's Office, with the understanding that its employees will maintain the rights typical of city departmental employees (not a political appointment), and that the Office would make regular reports to City Council on its objectives and progress.

Mr. Hare suggested that such a decision be made after a new City Manager is hired in order to obtain their input on the concept. He felt that Council should refrain from any restructuring until after the hiring of a new City Manager.

Understanding the concern relayed by Mr. Hare, Mr. Anderson stated his opinion that the EDO should have been placed under the Mayor's Office initially. In addition, he stated that making such a change at this time would clarify the selection criteria for the new City Manager, noting that skills in public utilities, management, and administration would be emphasized (rather than economic development) if the restructuring were approved.

For clarification, Mrs. Williams explained that Mr. Anthony DePrima, former City Manager, added the functions of the EDO as an addition to the economic development responsibilities performed by the Mayor. It was her opinion that the City Charter clearly indicates that economic development is a mayoral responsibility. She felt that the previous relocation of the EDO under the City Manager's supervision was an expansion of the purview and staff of the City Manager's Department. Mrs. Williams suggested that the City Charter be reviewed to determine that this change did not constitute a violation. In addition, she noted that City Council has daunting budget concerns and that there may be a need to eliminate departments that were created within the last few years, including the EDO. She suggested that action be delayed until after Council and the City Solicitor have had an opportunity to review these concerns thoroughly.

Dr. Jones suggested that a new City Manager may be reluctant to willingly relinquish responsibilities that have already been specified as his/her duty. She stated that any necessary changes should be made prior to the hiring of a new City Manager.

Mr. Leary relayed his concerns regarding any reorganization prior to the hiring of a new City Manager. He also indicated his concurrence with Mrs. Williams' suggestion that the City Charter be reviewed by Council and the City Solicitor.

Responding to Dr. Jones, Mr. Leary stated that steps have been taken to begin the process of hiring a City Manager.

Based on the Committee's discussion, Mr. Shevock suggested that this matter be tabled.

With reference to the concerns of members, Mr. Anderson stated that prior to submitting his suggestion, he conducted research. He noted that the City Charter specifically places economic development under the Mayor, rather than the City Manager; therefore, his recommendation is consistent with the Charter and not the City's current practice. He also advised members that the creation of the EDO and budget was not accomplished through an ordinance; therefore, the Office and its budget can be reorganized without an ordinance.

Mr. Hutchison reiterated his opinion that members should delay action until after a new City Manager is hired and provided an opportunity to review the organization of the City with "fresh eyes" and work with City Council on this matter.

Although he had no objection to further research, Mr. Anderson felt that such a change should be made prior to the hiring of a new City Manager.

Mr. Anderson moved to recommend that the Economic Development Office be budgeted under the Mayor's office, with the understanding that its employees will maintain the rights typical of city departmental employees (not a political appointment), and the Office shall make regular reports to City Council on its objectives and progress. The motion failed due to the lack of a second.

Mr. Hare moved to recommend tabling the recommendation that the Economic Development Office (EDO) be budgeted under the Mayor's Office, with the understanding that EDO employees would maintain the rights typical of City departmental employees (not a political appointment), and that the Office would make regular reports to City Council regarding its objectives and progress, for future discussion. The motion was seconded by Dr. Jones and unanimously carried.

Public Comment Period
There was no one present wishing to speak during the public comment period.

Mr. Hare moved for adjournment, seconded by Mr. Shevock and unanimously carried.

Meeting adjourned at 6:49 P.M.

Respectfully submitted,

William P. McGlumphy
Chairman

WPM/DD/jg/js/ac
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Attachments
Attachment #1 - Investment Policy

Attachments to Original and File Copies
Attachment #2 - Ordinance #2011-17 - Chapter 102 - Taxation, Article III - Realty Transfer Tax and Article IV - Abatement of Real Estate Taxes
Attachment #3 - Ordinance #2011-19 - Chapter 102 - Taxation, Article I - In General, Section 102-5 - Income and Expense Reports and Appendix F - Fees and Fines

City of Dover, DE
Investment Policy Statement

Dated June _____, 2011

1.0 ~~Policy~~Governing Authority

It is the policy of the City of Dover to invest public funds under its control in a manner that will provide the highest investment return consistent with the maximum safety of principal, while meeting cash flow needs of the City. The ~~City~~ investment program shall conform to all state and local statutes governing the investment of public funds. ~~For the record, there are currently no state statutes or regulations related to the City's investments.~~

2.0 Scope

This I~~i~~nvestment ~~p~~Policy Statement (the "Policy") applies to all financial assets of the City of Dover for which the City retains direct or indirect daily control. ~~–~~Funds for which the City has retained outside fund~~s~~ manager(s) ~~may~~ shall also be governed by ~~these policies~~ this Policy ~~and/or a separate agreement established~~or, in the case of bond proceeds, related governing bond documents, including any Trust Indentures.~~–~~

2.1 Accounts

2.1.1 Cash and Liquidity Accounts: ~~–~~The majority of the City's cash balance available for investment is maintained in the cash and liquidity accounts. ~~–~~ These accounts will be managed and invested by investment managers, selected by the City Council through competitive bid, in order to maximize the return to the City while, at the same time, providing for safety of principal and sufficient liquidity for the City to meet its cash needs. ~~–~~The City will manage its short-term ~~(12 month)~~ investments to ensure sufficient liquidity and prevent their premature sale for the purpose of covering expenditures. ~~–~~ Short-term investments should mature at face value in sufficient amounts to meet any liquidity needs.

2.1.2 Reserve Cash (Intermediate) Account:~~–~~ To the extent cash is not expected to be needed on short notice, the City ~~Council will direct the funding of a third part~~shall invest such funds in the Reserve Cash Account. ~~–~~This fund shall be managed and invested by an investment manager or managers**,** selected by the City Council after a competitive bid, in order to maximize the return on said money to the City while providing for the safety of principal. ~~The City will manage its intermediate investments to ensure they are made under circumstances and in amounts in which the City would not be forced to liquidate them at a loss.~~

All of the City of Dover's funds are accounted for in its Comprehensive Annual Financial Report. ~~–~~Those funds to which this ~~investment policy~~Policy applies include (~~with the exceptions noted in the preceding paragraph as well as~~excluding the Deferred Compensation Plan):

2.2 Funds

2.2.1 General Fund

2.2.2 Capital Project Funds

2.2.3 Special Revenue Funds

2.2.4 Enterprise Funds

2.2.5 Internal Service Funds

2.2.6 Trust and Agency Funds

2.2.7 ~~(~~Any new fund created by the City Council, unless specifically exempted~~)~~

3.0 Objectives

The primary objectives of the City of Dover's investment activities, in order of importance shall be:

3.1 Safety

Preservation of principal is the foremost objective of the investment program. ~~-~~To attain this objective, funds shall be diversified among securities of high credit quality and liquidity, ~~dispersion and/or diversification shall be employed~~ so that risk of loss of principal is minimized.

3.2 Liquidity

The City's investments shall be made for such periods as to enable the City to meet all operating requirements that may be scheduled or reasonably anticipated.

3.3 Return on Investments

A goal of the investment program shall be to maximize ~~income~~ investment return within the constraints of Sections 3.1 and 3.2~~3~~.

~~3.3 Liquidity~~

~~The City's investments shall be made for such periods as to enable the City to meet all operating requirements that may be scheduled or reasonably anticipated.~~

4.0 Delegation of Authority

Authority to manage the City of Dover's investment program is derived from~~:~~ this ~~investment policy~~Policy, which is approved by City Council, and "Dover Code, Article IV, Section 42" (attachment B) which states in part that "The City Treasurer shall be the custodian of all of the City funds . . ~~.~~"~~.~~" ~~(Note: the City's Finance Director is also the City Treasurer).~~

The ~~Finance Director/~~City's Treasurer shall:

1) Review the ~~City's investment policy~~ this Policy annually and recommend changes, if any, ~~to the policy~~ to City Council;
2) Be charged with implementing the P~~p~~olicy, and may delegate authority to make investments to an investment advisor. ~~-~~The ~~Finance Director~~Controller/Treasurer shall be responsible for~~—~~ all investment transactions and shall establish controls to regulate the activities of the ~~delegate~~investment advisor, if any.
3) Ensure that records of the City's investment activities are kept for ten years.

5.0 Prudence, Ethics and Conflicts of Interest

~~The delegate~~Any official of the City or investment advisor/manager empowered to make investments on behalf of the City of Dover shall comply with the following:

5.1 "Prudent Person" Rule

~~They shall make i~~Investment decisions shall be made with the judgment and care which persons of reasonable intelligence, under circumstances prevailing at the time the investment is made, would exercise in the management of their own investments assuming that their objectives are those shown in Section 3.0 of this policy.

5.2 Ethics and Conflict of Interest

The delegate authorized to make City investments shall act at all times in an ethical manner, and shall not engage in activity that could impair or be perceived to impair their ability to make impartial investment decisions. ~~—~~They shall disclose to the Mayor and City Council any material interests in financial institutions with which the City has financial dealings, and which may be related to the performance of the investment program. Employees and officers shall refrain from undertaking personal investment transactions with the same individual(s) with whom business is conducted on behalf of the City.

6.0 Authorized Institutions and Dealers

~~The City of Dover Finance Director/Treasurer shall maintain a list of financial institutions and other entities that are authorized to provide investment and/or depository services to the City. An annual review of the financial condition and registrations will be conducted by the Finance Director/Treasurer. The investment manager shall provide a current audited financial statement to the City annually, which will be kept on file in the Finance Department.~~ All broker/dealers that desire to become qualified for investment transactions with the City shall meet the following:

1. Primary dealers and regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule)
2. Capital of at least $25,000,000 or capital of $5,000,000 for firms incorporated in the State of Delaware
3. Registered as a dealer under the Securities Exchange Act of 1934
4. Member of the Financial Industry Regulatory Authority (FINRA)
5. Registered to sell securities in the State of Delaware

~~1.~~ Engaged in the business of effecting transactions in U.S. government, federal agency, and corporate securities for at least five (5) consecutive years

6.

To the extent the City utilizes the services of an outside Investment Advisor, it shall be the responsibility of the Investment Advisor to maintain an approved list of brokers.

7.0 Safekeeping and Custody

To ensure that securities are deposited in an eligible financial institution prior to the release of funds, all trades of marketable securities will be executed by delivery vs. payment ("DVP").

Further, all securities will be held by an independent third-party custodian, in the name of the City, and evidenced by safekeeping receipts in the City's name. The custodian shall provide daily confirmation of held securities as well as a monthly transactions and holdings

report.

87.0 Authorized Investments and Trading of Securities

The ~~Finance Director~~Controller/Treasurer or ~~his/her~~ authorized delegate may invest only in the ~~following~~ types of securities listed below. The maximum stated maturity of any security shall be limited to 10 years at time of purchase, unless otherwise stated. For Agency mortgage backed securities, the maximum maturity shall be defined as the weighted average life ("WAL"). WAL is a convention that estimates the expected weighted amount of time, in years, for the principal amount of an issue to be fully paid. For this sector, WAL shall be limited to 10 years, measured at the original purchase date, provided by Bloomberg Financial Markets.

78.1 United States Government Securities

8.1.1 Marketable securities issued by the U.S. Government and supported by the full faith and credit of the U. S. Treasury either by statue or an opinion of the attorney general of the United States.~~:~~ Up to 100% of the portfolio may be invested in this sector.

78.2 Government Agency Securities

8.2.1 Debt securities issued by government-sponsored enterprises ("GSE"), federal agencies, and federal financing banks; the maximum stated maturity of any investment in this sector shall be limited to 5 years at time of purchase. Up to 100% of the portfolio may be invested in this sector. ~~, and international institutions part of whose capital stock has been subscribed for by the United States.~~

78.3 Certificates of Deposit and, ~~Time Deposits, and Bankers Acceptances~~

78.3.1 Domestic Institutions: ~~–~~Issued or endorsed by a domestic bank, or a savings and loan association, organized and supervised under ~~federal or any state laws~~the laws of the United States~~, or any of its branches located in the United Kingdom, the Bahamas, or the Cayman Islands~~ and denominated in U.S. dollars; provided, however, that deposits are fully insured or guaranteed by the Federal Deposit Insurance Corporation ("FDIC").

If not insured by the FDIC:~~:~~

- The banking institution ~~has~~ must have assets of not less than $5 billion; and
- ~~The banking institution~~Issuers ~~is~~ must have a short-term rating of A-1 by Standard & Poor's and P1 by Moody's and a long-term rating of AA ~~rated not lower than "B" by Fitch, Inc. (formerly Thomson's Bank Watch Service).~~ by Standard & Poor's or Aa by Moody's.

The maximum stated maturity of any investment in this sector shall be limited to 5 years at time of purchase. This sector shall not exceed 25% of the total portfolio. No single issuer shall exceed 5% of the City's portfolio.

~~7~~8.3.2 Delaware-Domiciled Institutions: ~~The Cash Account, and only the Cash Account, may also be invested in Certificates of Deposit, Time Deposits, and Bankers Acceptances i~~Issued by or endorsed by any bank or savings association domiciled in the State of Delaware and organized and supervised under federal or State of Delaware banking laws which does not meet the requirements of Section 8~~7~~.3.1 hereto; provided, however, that:

- For each of the latest two years, the bank or association has had a return on total average assets of 0.50% or greater and an average capital ratio (defined as total equity capital to total assets) of at least 1 to 20, or the instrument is secured as set forth in Section 8, "Collateralization of City Deposits,~~"~~ ~~–~~hereto; and
- Not more than the lesser of $10 million or 25% of an issuer's total equity capital, may be invested in any one issuer. ~~–~~(Investments due to mature in one business day may be excluded from the computation of this percentage.)
- The Board expressly affirms that, consistent with these guidelines, Delaware banks and savings associations should be considered as a source of investment.
- The maximum stated maturity of any investment in this sector shall be limited to 5 years at time of purchase. This sector shall not exceed 20% of the total portfolio. No single issuer shall exceed 5% of the City's portfolio. ~~–~~

8~~7~~.4 Corporate Debt Instruments

Such instruments include commercial paper ~~,~~bankers' ~~variable rate master demand notes, and~~acceptances, and non-convertible senior debt securities (bonds and debentures). ~~; provided, however, that:~~

8~~7~~.4.1 Any such instrument must be issued by a U.S. corporation;

8.4.2 No single issuer shall exceed 5% of the City's portfolio.

8~~7~~.4.3~~2~~ Commercial Paper shall be limited to a final stated maturity of 270 days. This sector shall not exceed 25% of the total portfolio. ~~Commercial paper investments~~ Issuers shall ~~at the time of purchase must~~ be rated at least ~~"~~A-1~~"~~ by Standard & Poor's ~~(S&P)~~ and~~/or~~ ~~"~~P-1~~"~~ by Moody's ~~Investors Service ("Moody's), and the senior long-term debt of the issuer must be rated not lower than "A" by S&P and/or "A" by Moody's~~. ~~–~~

~~7~~8.4.4. Bankers' Acceptances shall be limited to a final maturity of 365 days. This sector shall not exceed 25% of the City's Portfolio. Issuers shall be rated at least A-1 by Standard & Poor's and P1 by Moody's.

8.4.5~~3~~ Corporate bonds and debentures shall be limited to a final stated maturity of 5 years. This sector shall not exceed 50% of the total portfolio. ~~Investments in corporate bonds and debentures must~~Issuers shall hold a long-term rating of ~~be rated at the time of purchase~~ at least ~~"~~AA~~"~~ by S&P ~~and/~~or ~~"~~Aa~~"~~ by Moody's.

~~**7.4.3** Any such instrument may be backed fully by an irrevocable, unconditional letter of credit issued by a bank which meets the requirements of Section 7.3.1 or Section 7.3.3 hereto. The security will count as a holding of the letter of credit provider for purposes of applying the percentage limitations outlined in Section 7.4 hereto.~~

8~~7~~.5 Repurchase Agreements

The underlying ~~securities~~ collateral shall consist of U.S. government and/or ~~government agency securities~~GSE securities ~~, certificates of deposit, commercial paper or bankers acceptances;~~ provided, however, that:

8~~7~~.5.1 All repurchase~~d transactions~~ agreements must be governed by a written master repurchase agreement~~s~~;

8~~7~~.5.2 Agreements will be entered into only with respect to underlying securities in which the investment manager may otherwise invest as described above, and only with a recognized U.S. Government/broker or a bank which meets the requirements set out under paragraph Section 8~~7~~.3.1 or 8.3.2~~3~~ above;

8~~7~~.5.3 In the case of repurchase collateral held in book-entry form in the Federal Reserve System, all deliveries of s~~S~~ecurities must be made, for the transfer thereof, through the Federal Reserve book-entry system to the account designated by the investment manager for such purpose. ~~–~~Securities held in certificated form must be delivered to the investment manager or a custodian as directed by the investment manager.~~; and~~

~~7~~8.5.4 Any collateral employed under this paragraph shall be counted towards the applicable maximum limits set forth within these guidelines for such type of investment, and such collateral shall be valued at market at not less than 10~~3~~2 percent of the maturity value of the agreement and marked-to-the-market as requested by the investment manager.

8.5.5 Repurchase agreements shall be limited to a maximum maturity of 90 days from date of purchase. No single issuer shall exceed 25% of the City's portfolio.

~~**7.6 Reverse Repurchase Agreements**~~

~~The investment manager may enter into reverse repurchase agreements which involve the sale of money market securities held by the City, with an agreement to repurchase the securities at an agreed upon price, date and interest payment, so long as:~~

~~**7.6.1** The agreement is entered into only with a recognized U.S. government broker/dealer or a bank which meets the requirements set out under Section 7.3.4 above who is acting as a principal to the agreement;~~

~~**7.6.2** The City's securities are sold at not less than 98% of their fair market value including all accrued interest; and~~

~~7.6.3 The investment manager marks to market as appropriate.~~

8~~7~~.6~~7~~ Registered Investment Companies (Money Market Funds)

8.6.1 Money market funds shall not be permitted to invest in or hold securities other than those approved in this Policy. No single fund shall exceed 25% of the City's portfolio. Money market funds shall be rated AAAm by Standard & Poor's. A current prospectus must be obtained before investing in any money market fund, and current holdings reports must be maintained at least each month.~~The money market fund(s) selected by the investment manager shall be consistent with the investment quality guidelines as stated in this document.~~

8~~7~~.7~~8~~ Mortgage-Backed Securities

8.7.1 ~~Only the Cash Reserve (Intermediate) Account may invest in Mortgage-Backed Securities. The portfolio may have a total investment of no more than 20 percent, valued at market, in AAA-rated~~ Mortgage-backed securities issued by the following: Government National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Association (FHLMC). ~~mortgage-backed securities in the form of pass-throughs~~This sector shall not exceed 50% of the total portfolio. ~~.~~

8~~7~~.8~~9~~ Municipal Obligations

8.8.1 Taxable and tax-exempt securities issued by state and local governments and public authorities in the United States~~.S.~~. The maximum stated maturity of any investment in this sector shall be limited to 5 years at time of purchase. This sector shall not exceed 30% of the City's portfolio. No single issuer shall exceed 5% of the City's portfolio. Issuers shall be rated at least AA by Standard & Poor's and Aa by Moody's.

8~~7~~.~~10~~9 State of Delaware Investments Pool

8~~7~~.9~~10~~.1 Delaware Local Government Investment Pool (DELGIP) -The investment in this pool is permitted in relation to the City's cash flow and the guidelines set forth by the State of Delaware. -The investment in this pool will not exceed 25% of the total funds available and will be monitored by the City's Finance Department on a monthly basis.

8~~7~~.9~~10~~.2 Delaware Local Government Retirement Investment Pool (DELRIP) The investment in this pool is permitted in relation to the City's Post-Retirement Benefits Fund. -The investment in this pool will not exceed 25% of the total funds available and will be monitored by the City's Finance Department on a monthly basis.

~~7~~8.10~~1~~ Trading Securities

8~~7~~.10~~1~~.1 The ~~Financial Director~~Controller/Treasurer is here~~-~~by authorized to ~~buy/~~sell ~~the~~ securities ~~when the net result will generate the additional revenues for the~~

~~City~~prior to their stated maturity date in the following circumstances:

1. ~~.~~A security with declining credit may be sold prior to its maturity to minimize loss of principal;

2. A security swap may be executed if it would improve the quality, yield, or target duration of the portfolio;

~~1.~~3. Securities may be sold to provide needed liquidity

8~~7~~.1~~2~~1 Internal Control on such transactions

8~~7~~.1~~1~~2.1 An investment report will be provided to the Council on a quarterly basis.

8~~7~~.1~~2~~1.2 All investment reporting documents will be provided to the independent auditors.

8~~7~~.1~~1~~2.3 ~~The~~ Investment records will be kept ~~on~~ by the City ~~records~~ for ten (10) years.

8~~7~~.1~~1~~2.4 The trading shall not involve any hedge, derivatives and/or borrowing funds for trading purposes.

9~~8~~.0 Collateralization of City Deposits

If the City deposits ~~any~~ funds in any financial institution, those funds will be subject to the following collateralization requirements. ~~–~~The financial institution shall:

8~~9~~.1 Collateralize the City's daily ledger balance(s) if, for any quarter during the most recent eight quarters the bank has not met both of the following two criteria:

- Return on total average assets of 0.50 percent or greater.
- Average capital ratio (total equity to total assets) of 5.00 percent or greater.

8~~9~~.2 If either criterion in paragraph 8.1 is not satisfied collateral must be pledged and shall consist of one or more of the following securities:

- U.S. Government securities~~.~~
- U.S. Government agency securities
- Federal Home Loan Board letters of credit
- State of Delaware securities
- Securities of a political subdivision of the State of Delaware with a Moody's rating of "A" or better

9~~8~~.3 Ensure that the securities pledged as collateral (except for Federal Home Loan Board letters of credit) have a market value equal to or greater than 103~~2~~ percent of the ledger balance(s) in the account(s) marked to market each day.

9~~8~~.4 Ensure that securities pledged as collateral are housed at the Federal Reserve Bank or a mutually agreed upon third party depository. ~~–~~ (The trust department of the winning vendor will not be acceptable.)

98.5 Provide reports on a monthly basis to the City Finance Department detailing the collateral pledged.

98.6 Provide a Call Report (Consolidated Report of Condition and Income, FFIEC 031) on a quarterly basis to the City Finance Department.

109.0 Policy Considerations

If securities owned by the City are downgraded by either Standard & Poor's or Moody's to a level below the quality required by this Policy, it shall be the City's policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio.

If a security is downgraded two grades below the level required by the Policy, the security shall be sold immediately.

If a security is downgraded one grade below the level required by this Policy and matures within 6 months, the security may be held to maturity. The City Treasurer may determine to sell the security if it is determined that there is a probability of default prior to maturity.

If a decision is made to retain a downgraded security in the portfolio, its presence in the portfolio will be monitored and reported monthly to the City Treasurer.

112.0 Internal Controls

~~The investing activities of the City of Dover shall be reviewed annually as part of the annual audit (attachment C) by a Certified Public Accountant, to assure that compliance with investment policies and procedures is maintained. On a monthly basis, a "balances report" will be prepared by one finance person and the balances will be cross-checked with the General Ledger balances by another finance person. Any differences will be reconciled on a monthly basis. All reports and reconciliations (if any) will be provided to the external auditors at the time of audit.~~ The Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse. The Treasurer shall also establish a process for an annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following:

- Control of collusion
- Separation of transaction authority from accounting and recordkeeping
- Custodial safekeeping
- Prohibition of physical delivery securities
- Clear, written delegation of authority to subordinate staff members
- Written confirmation of transactions for investments and wire transfers

123.0 Performance Standards

The City of Dover's investment decisions shall be made with the objective of obtaining a rate of return commensurate with the investment risk constraints and the cash flow needs. ~~No formal targeted market yield is adopted, but t~~On a quarterly basis, the ~~Finance Director~~Controller/Treasurer shall compare the ~~City's~~ City's portfolio ~~results with 90-day~~

~~U.S. Treasury bill for the cash account and the one-year U. S. Treasury Bill for the reserve account in determining the effectiveness of the investment program account~~against the Merrill Lynch 0-5 Year U.S. Treasury Index, in terms of time-weighted total return and average duration for the period under review.~~.~~

13~~4~~.0 Reporting

At the end of each calendar quarter, the ~~Finance Director~~Controller/Treasurer will submit a report of all quarter-ending investments to the Mayor and City Council. ~~–~~Reports shall include the following:

- Listing of individual securities held as of last day of reporting period, sorted by sector
- Par, market, and amortized cost values of each security
- Coupon, current yield, and final stated maturity date of each security

14~~5~~.0 Investment Policy Adoption

The City of Dover's investment policy will be adopted by the City Council after review and recommendation of the Legislative and Finance Committee. ~~–~~The policy will be reviewed at least once every ~~two~~ year~~s~~ by the Legislative and Finance Committee, which is charged with considering the existing policy and any recommendations to modify the policy. ~~–~~Any modifications to the policy must be approved by the City Council.

LEGEND

1. Original approval by City Council - November 14, 1988
2. Revised policy approved by City Council - March 7, 2005
3. City Council Approved with No Changes – April 14, 2008

ATTACHMENT A
GLOSSARY

AGENCIES: Federal agency securities, otherwise known as "Government Sponsored Enterprises."

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Large denomination CD's are typically negotiable.

BANKERS ACCEPTANCE: A short-term credit investment which is created by a non-financial firm and whose payment is guaranteed by a bank.

COLLATERAL: Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COMMERCIAL PAPER: An unsecured obligation issued by a corporation or bank ~~ot~~to finance its short-term credit needs. Maturities typically range from ~~1 day to 9 months~~one (1) to 270 days.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): The official annual report for the City of Dover. It includes five combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

CORPORATE BONDS: A debt security issued by a corporation based in the United States of America. Such bonds usually have a par

value of $1,000, have a term maturity, and are traded on a major exchange.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns, in an attempt to limit risk.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to $~~100~~250,000 per deposit.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANKS (FHLB): The institutions that regulate and lend to savings and loan associations. The Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Banks vis-a-vis member commercial banks.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. ~~FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.~~

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FMHM mortgages. The term "passthroughs" is often used to describe Ginnie Mae's.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE: The price at which a security is trading and could presumable be purchased or sold.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MORTGAGE-BACKED SECURITIES (MBS): An investment instrument that represents ownership of, and is backed by, an individual interest in a pool of mortgages such as those issued by Ginnie Mae or Freddie Mac. Principal and interest from the individual mortgages is used to pay principal and interest on the MBS.

MUNICIPAL NOTES AND BONDS: Securities issued by a state, city, or local government to

finance operations or special projects.

PRUDENT PERSON RULE: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state--the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN: A measure of worth, either at security or aggregate portfolio level, over a period of time. ~~The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.~~ There are many return conventions, including but not limited to yield to maturity at cost, yield to maturity at market, yield to worst, time weighted total return, dollar weighted total return.

REPURCHASE AGREEMENT (RP OR REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agree-ment, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money, that is, increasing bank reserves.

REVERSE REPURCHASE AGREEMENT: The purchase of a security by a dealer with the agreement to sell it back to the seller at a fixed price at a later date. Typically used by owners of securities to finance short-term needs without having to liquidate the security.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

TIME DEPOSITS: A savings account or CD held for a fixed term or with the understanding that the customer can withdraw only by giving advanced notice.

TREASURY BILLS: A short-term (less than one year) non-interest bearing discount security issued by the U.S. Treasury department to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BOND: Long-term U.S. Treasury securities having initial maturities of more than 10 years.

TREASURY NOTES: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to

mature in three months, six months or one year.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1: also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

VARIABLE RATE MASTER DEMAND NOTES: A floating rate security with initial maturities and indexed rates chosen by the investor. The interest rate is adjusted periodically, usually off a standard such as that prevailing on a Treasury Bill or the prime interest rate.

YIELD: The rate of annual income return on an investment, expressed as a percentage.

INCOME YIELD is obtained by dividing the current dollar income by the current market price for the security.

NET YIELD or YIELD TO MATURITY is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

~~ATTACHMENT B~~

~~ARTICLE IV. CITY TREASURER AND FINANCIAL AFFAIRS~~

~~Sec. 42. City treasurer; [signing of warrants.]~~

~~At the annual meeting the council shall elect a city treasurer to hold office until the next annual meeting of the council, or until his successor has been duly chosen and qualified, but subject to removal at any time by the council.~~

~~The city treasurer shall be the custodian of all the city funds and shall deposit them in a banking institution designated by the council.~~

~~He shall pay out no money except upon warrant signed by the city manager and countersigned by the mayor.~~

~~The mayor and the city manager shall sign no warrants on the city treasurer except pursuant to appropriations or resolutions theretofore made by the council.~~

~~**ATTACHMENT C**~~

~~ARTICLE IV. CITY TREASURER AND FINANCIAL AFFAIRS~~

~~Sec. 46. Annual audit.~~

~~Annually in the month of July the council shall have the finances of the city and the books and accounts of the city manager, the alderman and the city treasurer audited by a certified accountant.~~

ACTION FORM

PROCEEDING: Council	**AGENDA ITEM NO.:**
DEPARTMENT OF ORIGIN: Public Utilities – Wastewater	**DATE SUBMITTED**: 07-12-11
PREPARED BY: Ron Lunt, Public Utilities Director	
SUBJECT: Bid Evaluation – SCADA Equipment Technology Upgrade	
REFERENCE:	
RELATED PROJECT: N/A	
APPROVALS: City Manager, Controller	
EXHIBITS: Quote and Sole Vendor Information from Siemens Energy, Inc.	
EXPENDITURE REQUIRED: $44,190	**AMOUNT BUDGETED**: $84,900
FUNDING SOURCE (Dept./Page in CIP & Budget): Public Utilities – Wastewater Management, SCADA Equipment Technology Upgrade, CIP page 88, Account Number 417-6900-569.40-31, Project #WW1202. This is one component of the tasks proposed within this project.	
TIME TABLE: Order will be placed following Council approval.	
RECOMMENDED ACTION: Staff recommends purchasing six (6) RTU units from the sole vendor, Siemens Energy, Inc., for a total amount of $44,190.	

BACKGROUND AND ANALYSIS

The purpose of the SCADA Equipment Technology Upgrade project is to replace antiquated and/or obsolete remote terminal units (RTUs) at sewage pumping stations. This has been an ongoing project that was started in FY 08 and will be completed in FY 13. The SCADA system monitors the pumping stations and communicates with the System Operations center when station components fail or other abnormal issues are detected. The Public Utilities Department intends to purchase six (6) RTU units. Installation and associated work is to be performed under either the existing SCADA Maintenance Contract or by staff personnel. There will be other expenses associated for the installations such as the radio equipment and miscellaneous hardware.

These RTU's are the field components of the SCADA system, which is a proprietary system; therefore, we are required to purchase the new RTU's from the original equipment manufacturer (OEM) Siemens Energy, Inc. This sole vendor information has been attached.

SIEMENS
Energy, Incorporated
Distribution Products Division

Quotation

To: **CITY OF DOVER, DELAWARE**
Post Office Box 475
Dover, Delaware 19903

Attn: **Ralph McDougall, Supervisor**
Email: rmcdougall@dover.de.us

Attn: **Dee Riddick, Sales Representative - N.T.S .**
Tel: (919) 850-3222
Fax: (919) 850-0066
Email: dpowell@nationaltransformer.com

Contact: **Molly Beeke, Marketing Specialist**
Tel: (919) 365-2006
Fax: (919) 365-1206
Email: molly.beeke@siemens.com

Reference: **Pumping Station RTU's**
Quotation No: **R11-0753-MB**
Date: **May 23, 2011**
Valid For: 90 Days
Delivery: **60 Days ARO**
Payment Terms: 30 Days Net

F.O.B: **Destination: Dover, DE**
Prepaid and Allowed

Siemens List Of Deliverables

Item	Description	Qty	Unit Price	Total Price
1.	**SIEMENS TG5700 REMOTE TERMINAL UNIT RETROFITS** for **CITY OF DOVER PUMPING STATION** equipped as follows: 1 StationManager: equipped with • 1ea. RS232 Master Station communication port equipped withTG6500 communication protocol. • 1ea. RS485 I/O LAN Communication port • 1ea. Maintenance/Diagnostic Communication Port 1 Combination Controller Card consisting of: • 8ea. Status /SOE/Accumulator Input Points • 6ea. Bipolar DC Analog Input Points • 4ea. Trip/Close Points of On Board (Expandable to 32 with add-on relay assemblies) 1 SBO Output Controller Card 1 Power Converter, 125 VDC / 120 VAC - 100 Watts 1 Battery Charger, 120 VAC, with battery cables and battery 1 Mounting panel - Mounting panel measures 20"H x 20"W 1 Null modem cable to connect StationManager to MDS radio. (radio is supplied by others) 1 Configuration/Maintenance Hardware Manual	**6**	**$7,365**	**$44,190**

Notes:

1. This quotation is subject to the attached Siemens Energy terms and conditions, dated 3/31/2010.
2. Prices do not include any State, Local Sales and/or Use Taxes.
3. The cost of Shipping is included.
4. All materials must be shipped to a valid address in the USA.
5. Siemens will provide to the customer only the **Siemens List of Deliverables** as described in this **Quotation No: R11-0753-MB.**
6. The unit price is only valid when quantities of 5 or more RTU's are purchased.

Ordering Information

Email, FAX or Mail orders to:

Siemens Energy, Incorporated
Distribution Products Division
7000 Siemens Road
Wendell, NC 27591
Attention: Kelly Roberson
Email: kelly.roberson@siemens.com
Phone: (877) 217-4943
Fax: (877) 217-4945

SIEMENS

May 16, 2011

City of Dover, Delaware
Attn: Purchasing Manager

This letter will serve to confirm National Transformer Sales, a Siemens Energy, Inc. authorized sales agent, is a sole sales channel for RTU's in the State of Delaware.

Thank you for your interest in Siemens. Any questions, I can be contacted at 877-871-1174.

Sincerely,

Jeannette Flynn
Technical Sales Specialist

/jf

Siemens Energy, Inc. 1345 Ridgeland Parkway, Suite 116, Alpharetta, GA 30004

SIEMENS

May 23, 2011

CITY OF DOVER, DELAWARE
Attn: Purchasing Manager
Purchasing Department
Post Office Box 1107
Dover, Delaware

Dear Madame/Sirs

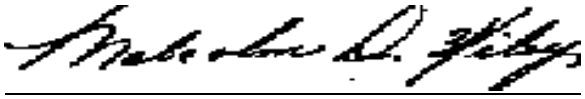
Per your request for verification of sole source components pertaining to RTUs, RTU Parts, and Services sold by Siemens Energy, Incorporated.

The purpose of this letter is to acknowledge all parts and services are provided by the manufacturer (Siemens). Siemens is the "Sole Source" provider of the TG5700 RTU, RTU Parts and Services. The items are not sold through distribution channels or retail; therefore, can not be purchased by any other means without the expressed written consent of the Siemens Energy, Incorporated.

Siemens Energy, Incorporated reserve the right to promote and market its products by means of regional manufacturing representatives. The representatives are liaisons between the factory and customer with expressed written consent of Siemens to promote products and services.

Should you have question or require additional information regarding this matter, please feel free to give me a call at (650) 694-5025 or if more convenient email me at **malcolm.wiley@siemens.com**.

Sincerely,



Malcolm Douglas Wiley
Siemens Energy, Incorporated
Marketing Specialist - RTUs & Substation Automation
Energy and Automation Division
7000 Siemens Road
Wendell, North Carolina 27951

Email: malcolm.wiley@siemens.com
website: **www.usa.siemens.com/energy**

PETITION TO AMEND AND ZONING DISTRICT
First Reading before the Dover City Council
July 25, 2011

Applicant/Owner:	Harrington Commercial, LLC
Address:	601 Fulton Street, Dover
Location:	North side of Fulton Street between Ridgely Street and the railroad corridor
Tax Parcel ID #:	ED05-076.08-01-14.00-000
Size:	0.486 +/- acres (21,170 S.F.)
Present Use:	Ambulance services
Proposed Use:	Ambulance services
Comprehensive Plan Designation:	Industrial
Present Zoning:	M (Manufacturing Zone)
Proposed Zoning:	C-3 (Service Commercial Zone)
Reason for Request:	To more closely align the zoning of the property with the current/proposed use on the site.
File Number:	Z-11-05

City of Dover

Department of Planning & Inspections

Application No.: Z-11-05



Plan Title: Lands of Harrington Commercial, LLC
Location: 601 Fulton Street
Plan Type: Rezoning
Tax Parcel: ED05-076.08-01-14.00-000
Current Zoning: M (Manufacturing Zone)
Proposed Zoning: C-3 (Service Commercial Zone)
Owner: Harrington Commercial, LLC
Date: July 14, 2011

Legend

Dover Parcels

Zoning

0 80 160 320 Feet

N W E S

FIRST READING

CITY OF DOVER
PROPOSED ORDINANCE #2011-18

AN ORDINANCE AMENDING THE ZONING ORDINANCE AND ZONING MAP OF THE CITY OF DOVER BY CHANGING THE ZONING DESIGNATION OF PROPERTY LOCATED AT 601 FULTON 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 M (Manufacturing Zone) to C-3 (Service Commercial Zone).

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

1. 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 M (Manufacturing Zone) to C-3 (Service Commercial Zone) on that property located at 601 Fulton Street (on the north side of Fulton Street between Ridgely Street and the railroad corridor), consisting of $.0486^{+/-}$ acres, owned by Harrington Commercial, LLC.
(Tax Parcel: ED05-076.08-01-14.00-000; Planning Reference Z-11-05; Council District: 4)

ADOPTED: *

S:\PACKETS\2011\Council\07-25-2011\10. Rezoning Request_First Reading of Proposed Ordinance #2011-18.wpd

Actions History
07-25-2011 - Scheduled for First Reading by Council

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FIRST READING

CITY OF DOVER PROPOSED ORDINANCE #2011-17

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

That Chapter 102 - Taxation, Article III - Realty Transfer Tax, Section 102-71 - Definitions, Paragraph (a)(3) - First time homebuyer, be amended by deleting the text indicated in red strikeout as follows:

(3) *First time homebuyer* means a natural person who has at no time held an interest in residential real estate, wherever located, and which has been occupied as their principal residence, and who intends to occupy the property being conveyed as his principal residence, within 90 days following recordation of the deed. The first time homebuyer must file an affidavit certifying to his qualifications before the exemption can be granted. In order to alleviate claims for rebate of the transfer tax paid, no rebate shall be made once the deed for the transaction has been recorded. First time homebuyers submitting a false affidavit in any respect, which would entitle them to the exemption, shall be subject to payment of the unpaid transfer tax, plus interest at the rate of 1½ percent per month and, upon direction by the council, referral to the attorney general of the state for criminal prosecution. This subsection shall apply to all real estate settlements held on or after January 2, 2000. First time homebuyers are exempt from the transfer tax as provided herein. The first time homebuyer exemption shall apply to the seller of property that qualifies for the first time buyer exemption but only for property situated in the area from Mary Street to Loockerman Street and Governors Avenue to West Street. ~~This homebuyer's exemption for the seller is to be effective from the date of adoption [August 8, 2005] to August 1, 2010.~~ Council shall have the right to deny this exemption to any property owner where the sale and purchase appears to be done fraudulently to take advantage of the realty transfer tax exemption ordinance.

BE IT FURTHER ORDAINED THAT:

Chapter 102 - Taxation, Article IV - Abatement of Real Estate Taxes, Section 102-113 - Qualifications, Paragraph d, be amended by deleting the text indicated in red strikeout as follows:

(d) Any persons purchasing residential real property in which they will reside within the area defined as Mary Street to Loockerman Street and Governors Avenue to West Street ~~during the effective date of this section~~ shall be given tax relief from the payment of real estate taxes in the following manner: first year of ownership, total tax abatement; second year of ownership, 75 percent tax abatement; third year of ownership, 50 percent tax abatement; fourth year of ownership, 25 percent tax abatement; fifth year of ownership, no tax abatement. Provided however that the homeowner is required to occupy the home as their principal place of residence during the entire time that the taxes are abated and if the property ceases to be their principal place of residence at any time during the four-year period of abatement, then they shall lose their right of abatement and shall be required to pay immediately all taxes abated up to the time that the home ceases to be their principal residence. In order to obtain the tax abatement, the homeowner must make application by affidavit submitted to the city clerk showing qualification for the abatement and each year thereafter, submit a similar affidavit showing their continued right to the abatement. If qualification for the abatement ceases

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within the four-year period of abatement the homeowner is required to notify the city clerk of the lack of qualification for the abatement and within 90 days from the date the qualification ceases, pay all taxes abated in the past. ~~In order to be eligible for this program, application must be received by the city prior to August 1, 2010.~~

ADOPTED: *

SYNOPSIS

The proposed amendment would remove the sunset clause from the first time homebuyer exemption which applies to the seller of property that qualifies for the first time buyer exemption for property situated in the area from Mary Street to Loockerman Street and Governors Avenue to West Street.

Actions History
July 25, 2011 - Scheduled for First Reading by Council
July 11, 2011 - Considered by Legislative, Finance, and Administration Committee

S:\ORDINANCES\2011\Draft\Ordinance 2011-17 Ch. 102 - Taxation, Art. IV - Abatement of Real Estate Taxes - 1st Rdg.wpd

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FIRST READING

CITY OF DOVER PROPOSED ORDINANCE #2011-19

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

That Chapter 102 - Taxation, Article I - In General, Section 102-5 - Income and expense reports, be amended by inserting the text indicated in bold, blue, italics and deleting the text indicated in red strikeout as follows:

Sec. 102-5. - Income and expense reports.

The assessor shall ~~require~~ ***request*** that ***an annual report of income and expenses be completed and filed for*** all commercial/industrial income-producing property within the city limits of Dover**.** ~~complete and file annual reports of income and expenses on~~ ***The income and expense report*** forms ***shall be*** developed ***and provided*** by the assessor. ~~Failure to provide the assessor with an income and expense report will result in a fee, as provided for in Appendix F - Fees and Fines, which shall be added to the property tax. Income and expense reports will be mailed to property owners and will be due within 30 days of receipt of request by the assessor.~~ ***This information will become mandatory if the owner of the commercial/industrial income-producing property petitions for appeal.***

(Ord. No. 2009-05, 7-27-2009; Ord. No. 2009-27, 12-14-2009)

BE IT FURTHER ORDAINED THAT:

Appendix F - Fees and Fines, Chapter 102 - Taxation, Article I - In General, Sec. 102-5 - Failure to provide the assessor with an income and expense report - $100.00 fee, be deleted in its entirety.

ADOPTED: *

Ssynopsis

The proposed amendment would make the filing of an annual report of income and expenses for all commercial/industrial income-producing property mandatory only if the property owner petitions for an appeal of the assessment.

Actions History
July 25, 2011 - Scheduled for First Reading by Council
July 11, 2011 - Considered by the Legislative, Finance, and Administration Committee

Draft