REGULAR COUNCIL MEETING

The Regular Council Meeting was held on July 25, 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, Deputy Fire Chief West, Mrs. Tieman, City Solicitor Rodriguez, and Mrs. McDowell. Mayor Carey was also present.

OPEN FORUM

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

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

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

AGENDA ADDITIONS/DELETIONS

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

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

ADOPTION OF MINUTES - REGULAR COUNCIL MEETING OF JULY 11, 2011

The Minutes of the Regular Council Meeting of July 11, 2011 were unanimously approved by motion of Mr. Bonar, seconded by Mrs. Williams and bore the written approval of Mayor Carey.

CERTIFICATE OF RECOGNITION AND CONGRATULATIONS - RONALD SWAGGARD

Council President Leary stated that presentation of the Certificate to Mr. Ronald Swaggard would be deferred until a future date, due to Mr. Swaggard's absence.

PRESENTATION - AMERICAN PUBLIC POWER ASSOCIATION (APPA) SAFETY AND ENERGY INNOVATOR AWARDS

The following statement was read into the record by the City Clerk:

> *One hundred and four public power systems have earned the American Public Power Association's Electric Utility Safety Award of Excellence for safe operating practices in 2010. More than 257 utilities entered the annual contest, which reviews three years' worth of data prior to considering utilities for an award. Entrants were placed in categories according to their number of worker hours and judged for the most incident-free records during 2010. The incidence rate, used to judge contest entries, is based on the number of work-related reportable injuries or illnesses and*

the number of worker-hours during 2010, as defined by the Occupational Safety and Health Administration (OSHA). We are proud that the City of Dover has received the APPA Safety Award for systems with 60,000 to 109,999 worker-hours of exposure.

The City of Dover Public Utilities Department also received the Energy Innovator Award for the Dover Sun Park - A Statewide Clean Energy Partnership. The City of Dover collaborated with other entities to create one of the largest solar power plants east of the Mississippi River. Their innovative approach and the structure of their agreements allocated the benefits and harmonized commercial terms so they could bank the Solar Renewable Energy Credits. This project will be the first utility-scale power plant in the region which will supply 25% of Delaware's required solar power production through 2015. Effective dialog amongst stakeholder groups was the key to this success. The official ribbon cutting ceremony for the Dover Sun Park will take place on August 17, 2011.

We congratulate the Public Utilities Department for receiving these two prestigious awards.

Mr. Ron Lunt, Public Utilities Director, reminded members that the City of Dover received the APPA Safety and Energy Innovator Award for the first time last year. He commended Mr. Richard Gardner and all Electric Department staff for working over two (2) years without an accident. Mr. Gardner stated that the workers are to be congratulated for the receipt of this award and commended them for using tools safely and implementing knowledge gained through training sessions.

Mayor Carey thanked all workers of the Electric Department and advised members that, he along with Mr. Lunt, traveled to Washington, D.C. to receive the award from APPA and that it was an honor to represent the City as the recipient of the award.

Mr. Bonar also relayed appreciation to the employees of the Electric Department for their work, particularly during the recent heat spell, noting that the PJM grid set a record for consumption per megawatt hours of electricity produced during the past four (4) to five (5) days, in the amount of 160,000 megawatt hours.

Mr. Hutchison noted that one of the City's greatest assets is its Electric Department and he thanked all employees for a job well done.

On behalf of all members of Council, Council President Leary relayed appreciation to the employees of the Electric Department.

PRESENTATION BY THE DOWNTOWN DOVER PARTNERSHIP - DOVER BRANDING

Mr. Gregg Moore, President of the Downtown Dover Partnership (DDP), introduced Mr. Bill Neaton, Executive Director, DDP, and Mr. Ben Muldrow from Arnett Muldrow and Associates of South Carolina. Mr. Moore advised members that Arnett Muldrow prepared a branding and marketing campaign for the DDP. He reminded members that the study was prepared by the DDP and funded principally by a grant from the Delaware Economic Development Office.

Mr. Muldrow provided a presentation on branding and marketing for the City of Dover and read the branding statement in its entirety, as prepared by Arnett Muldrow. He explained that his firm developed a series of graphics for the City to utilize, reviewed brochures and signage for the community, and began consideration of other advertising and marketing tools for the organization, DDP events, and other partners in the community. Mr. Muldrow indicated that the project's goal is to empower the community to tell a story and begin connecting all available resources. His vision was that the City would no longer simply state that it is the Capital of the First State but would assert that, "We are a historic community that will blow you away with what we are doing today!"

Mr. Moore advised members that this was a public outreach project and that meetings were held with representatives of Arnett Muldrow, who considered thoughts and ideas from the community for the development of the branding statement.

Mr. Bonar stated the need for a correction (use of a proper noun) and that he would meet with Mr. Muldrow after the meeting to discuss it further.

Mr. Hutchison felt that the branding statement marks a new beginning and opportunity for the City of Dover and relayed excitement about the project. It was his hope that City Council would support this effort.

In regard to corrections, Mr. Anderson noted that Delaware State is a full University and should be referred to as such.

Council President Leary relayed appreciation for the presentation.

PARKS, RECREATION, AND COMMUNITY ENHANCEMENT COMMITTEE REPORT - JULY 11, 2011

The Parks, Recreation, and Community Enhancement Committee met on July 11, 2011 with Chairwoman Russell presiding.

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, as follows:

    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.

The 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.

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

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, as follows:.

   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, Ms. 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.

The Committee recommended 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.

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

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.

The Committee recommended that the Update for the Puncheon Run Watershed Action Team and Flood Plain Mapping be removed from future agendas for the Committee.

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

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. 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 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. Clay 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.

By consent agenda, Mr. Bonar moved for acceptance of the Parks, Recreation, and Community Enhancement Committee Report, seconded by Mrs. Williams and carried by a unanimous roll call vote.

UTILITY COMMITTEE REPORT - JULY 11, 2011

The Utility Committee met on July 11, 2011 with Chairman Bonar presiding.

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.

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

LEGISLATIVE, FINANCE, AND ADMINISTRATION COMMITTEE REPORT - JULY 11, 2011

The Legislative, Finance, and Administration Committee met on July 11, 2011 with Chairman McGlumphy presiding.

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.

The Committee recommended approval of the proposed amendments to the Investment Policy, as recommended by staff.

By consent agenda, Mr. Bonar moved for approval of the Committee's recommendation to approve the proposed amendments to the Investment Policy *(Exhibit #1)*. The motion was seconded by Mrs. Williams and carried by a unanimous roll call vote.

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.

The Committee recommended acceptance of the report of the Auditor's Responsibility for Communicating with the Audit Committee.

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

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.

The 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.

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

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.

The Committee recommended that the sunset clause be removed by adopting Proposed Ordinance #2011-17.

By consent agenda, Mr. Bonar moved for approval of the Committee's recommendation, seconded by Mrs. Williams and carried by a unanimous roll call vote. *(The First Reading of Proposed Ordinance #2011-17 will take place during the latter part of the meeting.).*

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.

The 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.

By consent agenda, Mr. Bonar moved for approval of the Committee's recommendation that the 2010 Annual Income and Expense Report Form *(Exhibit #2)* 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, seconded by Mrs. Williams and carried by a unanimous roll call vote. *(The First Reading of Proposed Ordinance #2011-19 will take place during the latter part of the meeting.)*

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.

The 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, for future discussion.

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

Public Comment Period

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

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

EVALUATION OF BIDS - SCADA EQUIPMENT TECHNOLOGY UPGRADE

Mr. Ron Lunt, Public Utilities Director, explained that 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. There will be other expenses associated with the installations, such as the radio equipment and miscellaneous hardware.

Mr. Lunt stated that these RTUs are the field components of the SCADA system, which is a proprietary system; therefore, the City is required to purchase the new RTUs from the original equipment manufacturer (OEM) Siemens Energy, Inc.

Staff recommended purchasing six (6) RTU units from the sole vendor, Siemens Energy, Inc., for a total amount of $44,190.

Mr. Anderson moved for approval of the purchase of six (6) RTU units from the sole vendor, Siemens Energy, Inc., for a total amount of $44,190. The motion was seconded by Mr. Bonar and carried by a unanimous roll call vote.

APPOINTMENTS RECOMMENDED BY MAYOR CARLETON E. CAREY, SR.

Mayor Carey requested approval of the following appointments:

Ethics Commission
Robin Case - Five (5) Year Term to Expire July 31, 2016 (*Reappointment)*
Gary Coy *(To Fill the Unexpired Term of Robert Bunnell - Term to Expire July 31, 2015)*

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

By consent agenda, Mr. Bonar moved for approval of the appointments, as recommended by Mayor Carey. The motion was seconded by Mrs. Williams and carried by a unanimous roll call vote.

REZONING REQUEST/FIRST READING OF PROPOSED ORDINANCE #2011-18

A request was received to rezone property located at 601 Fulton Street, consisting of .486$^{+/-}$ acres, owned by Harrington Commercial, LLC. The property is currently zoned M (Manufacturing) and the requested 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).

Prior to amending the zoning ordinances and zoning map of the City of Dover, a public hearing is required.

By motion of Mr. Anderson, seconded by Mr. Bonar, Council unanimously referred the request to the Planning Commission on August 15, 2011 and set a public hearing before City Council on September 12, 2011 at 7:30 p.m.

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

AN ORDINANCE AMENDING THE ZONING ORDINANCE AND ZONING MAP OF THE CITY OF DOVER BY CHANGING THE ZONING DESIGNATION OF PROPERTY LOCATED AT 601 FULTON STREET.

FIRST READING - PROPOSED ORDINANCES

Council President Leary reminded the public that copies of the proposed ordinance are available at the entrance of the Council Chambers or can be obtained from the City Clerk's Office. Final action by Council on the proposed ordinances will take place during the Council Meeting of August 8, 2011.

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

- 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)

- ORDINANCE #2011-19 - CHAPTER 102 - TAXATION, ARTICLE I - IN GENERAL, SECTION 102-5 - INCOME AND EXPENSE REPORTS AND APPENDIX F - FEES AND FINES

COUNCIL MEMBERS ANNOUNCEMENTS

Council President Leary wished Mr. Anderson and Mr. Lynn a Happy Birthday.

Mrs. Russell reminded members that the Dover Youth Advisory Committee will be holding "Dover's Fun Day" at Schutte Park on Saturday, July 30th from 11:00 a.m. to 2:00 p.m. More information will be made available soon on the City's Website and Facebook. She noted that sponsors are needed, as well as volunteers. She requested that members of Council and the public participate to support the youth of the community.

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

Meeting Adjourned at 7:53 P.M.

TRACI A. McDOWELL
CITY CLERK

All orders, ordinances, and resolutions adopted by City Council during their Regular Meeting of July 25, 2011, are hereby approved.

CARLETON E. CAREY, SR.
MAYOR

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Exhibits Attached to Original Minutes and File Copy
Exhibit #1 - Investment Policy
Exhibit #2 - Revised 2010 Annual Income and Expense Report Form

CITY OF DOVER
FINANCIAL POLICIES

07/01/11

CITY OF DOVER, DELAWARE
FINANCIAL POLICIES

The purpose of these policies is to present a standardized set of principles that the City follows in managing its financial and budgetary affairs. These are general statements of policies, which represent long-standing principles, traditions, and practices that will be used to guide the City in maintaining financial stability. It will be the responsibility of the Finance Department to ensure the financial objectives of these policies are maintained.

Revenue Policy

1. The City will strive to maintain a broad and diversified revenue base that will equitably distribute the burden of supporting City services and will protect the City from short-term fluctuations in any one revenue source.

2. The City will actively support economic and industrial development recruitment and retention efforts to provide for a solid revenue base.

3. The City will maintain timely collection systems and implement necessary enforcement strategies to collect revenues from available sources.

4. The City will establish user fees and charges for services, when feasible, at levels related to the cost of providing the services. The City will review the fees and charges every three to five years to determine modifications needed to keep pace with the cost of providing the services. Property Tax Rates are set annually

5. The City will review its incentive programs every three years and provide City Council with the amount of foregone revenues and any recommended changes.

6. The City will establish, when feasible, self-supporting enterprise funds and intergovernmental service funds in which a relationship between revenues and expenditures clearly exists.

7. The City will project current revenues on a conservative basis so the actual revenues will consistently meet or exceed budgeted revenues.

8. The City will maintain a budgetary control system and will prepare reports, which compare actual revenues to budgeted amounts.

9. The City will limit the designation of General Fund revenues for specified purposes to maximize flexibility in budgeting and revenue utilization.

10. The City will review annually and revise, where necessary, its cost allocation formulas, i.e. internal service departments.

11. Upon satisfying all rate covenants the City will provide operating transfers to the General Fund. From the Water/Wastewater Utility no greater than 4.5% of operating revenues and from the Electric Utility no greater than 8.0% of operating revenues. Both transfer calculations will exclude the carry forward budget balance, County Sewer Fees, and State Utility Tax. The Utility transfers will not exceed 25% of the General Fund Revenues.

Expenditure Policy

1. Basic and essential services provided by the City will receive first priority for funding, i.e. Public Safety & Health, Utilities, Streets, & Sanitation. The City will establish performance measurements for all program areas, when feasible. These measures will reflect the demand, workload capability, and projected outcomes for the program to accomplish its objectives.

2. The City will adopt a balanced budget, by fund, for all funds maintained by the City, in which total anticipated revenues must equal or exceed the budgeted expenditures for each fund. The Beginning Budget Balance will not be considered a revenue source.

3. The City will maintain a budgetary control system to ensure adherence to the adopted budget and will prepare reports, which compare actual expenditures to budgeted amounts.

4. The City will refrain from budgeting revenues derived from infrequent and unanticipated transactions for ongoing expenses. These revenues will be set aside for asset replacement or as otherwise directed by Mayor and Council.

5. The City will provide access to medical, dental, vision, life, AD & D, and short-term disability insurance for its employees. The cost for these benefits will be a shared responsibility between the City and its employees as outlined in the City Personnel Handbook or collective bargaining agreements

6. The City will provide access to medical and dental insurance for its retirees and their families. The cost for these benefits will be a shared responsibility between the City and its retirees as outlined in the City Personnel Handbook or collective bargaining agreements.

7. The City will provide access to appropriate retirement plans for its employees. The City will make contributions for eligible employees at the actuarial determined percentage defined for each of the respective retirement plans.

8. The City will establish an Other Post-Employment Benefit Fund (OPEB) and provide available funding for early implementation of a new accounting standard promulgated by the Government Accounting Standards Board. When the standard officially takes effect, the City will make contributions for eligible employees and retirees at the actuarial determined rates or percentages to fund future retiree medical benefits.

Debt Policy

1. The City will maintain a debt management policy and full disclosure on financial reports.

2. The City will maintain communications with bond rating agencies and continue to strive for improvements in the City's bond rating.

3. The City will adhere to its debt covenants.

4. The City will review its debt capacity every three years.

5. The City will pay for all capital projects and capital improvements on a pay-as-you-go basis using current revenues whenever possible. If a project or improvement can not be financed with current revenues, long-term debt or use of reserves will be recommended.

6. The City will refrain from issuing long-term debt for a period in excess of the expected useful life of the capital project.

7. The City will use special assessment revenue or other self-supporting bonds instead of general obligation bonds, when practical.

8. The City will seek refinancing of outstanding debt if it is determined that the City will benefit by reduced interest expense over the remaining life of the bonds.

Budget Balance/Reserve Policy – General Fund

1. The City will strive to maintain a minimum Budget Balance, of at least 8% and no greater than 12% of the current year operating revenues for the General Fund, excluding the carry forward balance. The purpose of the budget balance is to meet temporary fluctuations in cash flows and to provide a cushion for loss of revenues until operating changes can be implemented. If the existing Budget Balance exceeds the required level, such funds may be used to provide for non-recurring expenditures when the purchases cannot be accommodated through current year savings or as otherwise designated by City Council. The City may use monies in the Budget Balance only in times of fiscal and economic hardship.

2. Once achieved, at no time should the City's budget balances fall below their specified percentages. If a shortfall occurs in the budget balance and immediately restoring the balances to the specified percentage would cause an extreme burden on the taxpayers, the budget balance may, with the Mayor's and City Council's approval, be restored to the specified percentage within one year, but in any case, no longer than three years.

3. The City will maintain a minimum reserve, in a contingency account, of at least 2% of the current year operating revenues for the General Fund. The City may only use monies in the contingency accounts to cover emergencies of a non-recurring nature that are over and above the normal course of operations. Examples are uninsured losses, storms or hurricane damages. The Contingency Reserve will not be used to balance the operating budget.

4. The total of the General Fund budget and contingency balances shall not exceed 17% (~ 2 months) of Budgeted Operating Revenues.

5. The City will create a Capital Asset Replacement account for Governmental Fund asset procurements. Optimally, the amount set aside for future asset replacements should equal the annual depreciation of the current assets. The City will appropriate excess (amounts greater than budgeted) revenues to fund this account, or if the balance is less than the $500,000 minimum, $200,000 per annum until such time the minimum balance is replenished.

6. The City will create a General Capital Project Fund to account for all General Government asset procurements and projects. The City will provide operating fund transfers and/or debt proceeds for each fiscal year's Capital Investment Plan. All vehicle and equipment purchases under $25,000 will be budgeted on a pay as you go basis.

Budget Balance/Reserve Policy – Water/Wastewater Fund

1. The City will strive to maintain a minimum Budget Balance, of at least 8% and no greater than 17% (two months) of the current year operating revenues for each of the Water & Wastewater Utility Funds, excluding the carry forward balance. The purpose of the budget balance is to meet temporary fluctuations in cash flows and to provide a cushion for loss of revenues until operating changes can be implemented. If the existing Budget Balance exceeds the required level, such funds may be used to provide for non-recurring expenditures when purchases cannot be accommodated through current year savings or as otherwise designated by City Council. The City may use monies in the Budget Balance only in times of fiscal and economic hardship.

2. Once achieved, at no time should the City's budget balances fall below their specified percentages. If a shortfall occurs in the budget balance and immediately restoring the balances to the specified percentage would cause an extreme burden on the ratepayers, the budget balance may, with the Mayor's and City Council's approval, be restored to the specified percentage within one year, but in any case, no longer than three years.

3. The City will maintain a minimum reserve, in a contingency account, of at least 2% of the current year operating revenues for each the Water & Wastewater Fund. The City may only use monies in the contingency accounts to cover emergencies of a non-recurring nature that are over and above the normal course of operations. Examples are uninsured losses, storms or hurricane damages. The Contingency Reserve will not be used to balance the operating budget.

4. The total of the combined Water & Wastewater Fund budget and contingency balances shall not exceed 25% (3 months) of Budgeted Operating Revenues.

5. The City will maintain a Capital Asset Replacement account to cover replacement or procurement of assets of the utility. Optimally, the amount set aside for future asset replacements should equal the annual depreciation of the current assets. The City will maintain a minimum balance of $500,000 for each utility for Capital Asset Replacements. The City will appropriate excess revenues to fund this account, or if the balance is less than the minimum $100,000 per annum for each utility until such time the minimum balance is achieved.

6. The City established by ordinance on December 17, 1996 the Wastewater Impact Fee Reserve to provide for future expansion of the City's wastewater system due to increased demand. The ordinance further provides for debt service payments attributed to wastewater expansion projects to be funded by the current year's collection of Impact Fees and the remainder to be deposited into the reserve account. The City shall maintain a minimum of 20% of wastewater revenues in the Impact Fee Reserve account. Amounts used to finance projects shall be replenished by the operating revenues of the Wastewater Fund over the succeeding seven years of any project completion.

7. The City established by ordinance on February 1, 2008 the Water Impact Fee Reserve to provide for future expansion of the City's water system due to increased demand. The ordinance further provides for debt service payments attributed to water expansion projects to be funded by the current year's collection of Impact Fees and the remainder to be deposited into the reserve account. The City shall maintain a minimum of 20% of water revenues in the Impact Fee Reserve account. Amounts used to finance projects shall be replenished by the operating revenues of the Water Fund over the succeeding seven years of any project completion.

8. The Water & Wastewater Improvement & Extension Fund budget balance shall be no less than $200,000 of the current fiscal year's appropriation for water and wastewater projects to allow for project variances and change orders; a 10% contingency shall be included in project budgets greater than $250,000 if the Department Head determines it to be appropriate. All vehicle and equipment purchases under $25,000 will be budgeted on a pay as you go basis. The City Manager shall make the necessary budget amendments in accordance with the City of Dover Purchasing & Budget Amendment Policies.

Budget Balance/Reserve Policy – Electric Revenue Fund

1. The City will strive to maintain a minimum Budget Balance, of at least 8% and no greater than 12% (45 days) of the current year operating revenues for the Electric Revenue Fund, excluding the carry forward balance and power cost adjustments. The purpose of the budget balance is to meet temporary fluctuations in cash flows and to provide a cushion for loss of revenues until operating changes can be implemented. If the existing Budget Balance exceeds the required level, such funds may be used to provide for non-recurring expenditures when purchases cannot be accommodated through current year savings or as otherwise designated by City Council. The City may use monies in the Budget Balance only in times of fiscal and economic hardship.

2. Once achieved, at no time should the City's budget balances fall below their specified percentages. If a shortfall occurs in the budget balance and immediately restoring the balances to the specified percentage would cause an extreme burden on the taxpayers, the budget balance may, with the Mayor's and City Council's approval, be restored to the specified percentage within one year, but in any case, no longer than three years.

3. The City will maintain a minimum reserve, in a contingency account, of at least 1% of the current year operating revenues for the Electric Revenue Fund. The City may only use monies in the contingency accounts to cover emergencies of a non-recurring nature that are over and

above the normal course of operations. Examples are uninsured losses, storms or hurricane damages. The Contingency Reserve will not be used to balance the operating budget.

4. The total of the combined Electric Revenue Fund budget and contingency balances shall not exceed 25% (3 months) of Budgeted Operating Revenues.

5. The City has established by bond covenant an account to cover insurance deductibles on the electric transmission and distribution system or the generating plants. The City shall maintain a minimum balance of $350,000 to cover various deductibles.

6. Recognizing price fluctuations in the wholesale power markets the City has established a rate stabilization reserve. The purpose of using such a reserve is to level off the fluctuations in the wholesale power supply market and in turn provide stable rates to our customers. In those instances where the actual cost of power supply and generation are less/more than the budgeted cost of power supply and generation, the City will transfer the difference to/from the Rate Stabilization Reserve. The balance shall be maintained at a minimum of 3% not to exceed 10% of the purchase power cost in any given year. If the reserve balance exceeds the 10% maximum, a credit will be applied to the power cost adjustment.

7. The Electric Improvement & Extension Fund budget balance shall be no less than $200,000 of the current fiscal year's appropriation for electric system projects to allow for project variances and change orders; a 10% contingency shall be included in project budgets greater than $250,000 if the Department Head determines it to be appropriate. All vehicle and equipment purchases under $25,000 will be budgeted on a pay as you go basis. The City Manager shall make the necessary budget amendments in accordance with the City of Dover Purchasing & Budget Amendment Policies.

8. The City has established an account to provide for capital financing of Future Capacity or system expansion. The City shall maintain a balance equivalent to the value of 10% growth in capacity at any given time, or no less than $10,000,000. Amounts used to finance projects shall be replenished by the operating revenues of the Electric Revenue Fund over the succeeding seven years of any project completion.

9. The City has established an account to provide for replacement or procurement of utility system assets, otherwise known as Depreciation Reserve. Optimally, the amount set aside for future asset replacements should equal the annual depreciation of the current assets. The City will maintain a minimum balance of $10,000,000. The primary purpose of this account is to provide partial or all financing of major capital projects and minimize debt service payments. The account is also intended to cover unforeseen capital replacements due to equipment breakdowns, storms or hurricane damages. Amounts used to finance projects shall be replenished by the operating revenues of the Electric Revenue Fund over the succeeding seven years of any project completion

10. The total of the combined Electric Revenue and Electric Improvement & Extension Fund budget and reserve balances shall be benchmarked at 50% Budgeted Operating Revenues. Operating Fund Budget Balance and Reserves shall be adjusted to appropriate levels through adjustments

in the operating budget. Improvement & Extension Fund Budget Balance and Reserves shall be adjusted in accordance with the Capital Improvement Plan.

Investment and Cash Management Policy

1. The City will deposit all receipts on a timely basis in interest bearing accounts.

2. The City will strive to maximize the return on its investment portfolio without jeopardizing principal amounts.

3. The City will limit its investments to the types of securities provided for by Delaware statutes.

4. The City will diversify its investments by maturity date to protect against market fluctuations.

5. The City will purchase securities from qualified institutions based on competitive bids in an effort to obtain the highest available rates.

6. The City will maintain an Investment Policy based on prudent investment practices and will monitor all investment managers' compliance with policy objectives.

Capital Improvement Policy

1. The City will prepare and update, as needed a five-year Capital Improvements Program (CIP) which will provide for the orderly maintenance, replacement, and expansion of capital assets.

2. The CIP will identify long-range capital projects and capital improvements of all types, which will be coordinated with the annual operating budget to maintain full utilization of available revenue sources.

3. When preparing the CIP, the City will seek to identify all viable capital projects and capital improvements required during the subsequent five-year period. These projects and improvements will be prioritized by year and by funding source.

4. Every attempt will be made to match projects and improvements with available funding sources. Future operating costs and savings associated with a project or an improvement will also be given consideration in the establishment of priorities.

5. The City will seek Federal, State, and other funding to assist in financing capital projects and capital improvements.

6. The City will incorporate the reasonable findings and recommendations of other cities' Boards, Commissions, Committees, and Citizen Task Forces, as they relate to capital projects and improvements.

7. The City will seek input from the public by holding public hearings in relation to the establishment of projects and project priorities.

Financial Reporting Policy

1. The City's accounting system will maintain records in accordance with accounting standards and principles outlined by the Governmental Accounting Standards Board (GASB), Financial Accounting Standards Board (FASB), and the State of Delaware.

2. The City will employ an independent accounting firm to perform an annual audit of the City's finances and make the annual audit available to all required and interested parties.

3. The City will produce monthly and quarterly financial statements reporting the current periods' activity for all funds maintained by the City.

4. The City will prepare an annual budget document that provides a basic understanding of the City's planned financial operations for the coming fiscal year. Copies of the proposed and final budget will be made available to all interested parties and opportunities will be provided for citizen input prior to final decisions on the budget.

5. The City will place continued emphasis on review and maintenance of an accounting system which provides strong internal budgetary and accounting controls designed to provide reasonable assurance, but not absolute, assurance regarding:

   (a) the safeguarding of assets against loss from unauthorized use or disposition and,
   (b) the reliability of financial records for preparing financial statements and reports, and the maintaining accountability for assets.

6. The City will seek annual renewal of the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting and the Distinguished Budget Presentation Award.

Adoption:

1. Approval by City Council: January 28, 2002
2. Amended by City Council: November 25, 2002
3. Amended by City Council: May 10, 2004
4. Amended by City Council: February 26, 2007
5. Amended by City Council: July 28, 2008
6. Amended by City Council: February 14, 2011
7. Amended by City Council: June 27, 2011

EXHIBIT #2
Regular Council Meeting of 07/25/2011

2010
Annual Income and Expense Report

Cheryl A. Russell
City Assessor

For questions concerning this report:

Phone: **(302) 736-7022**

Facsimile: **(302) 736-4450**

Owner Name
Mailing Address
City State Zip

Parcel ID
Property Address

NOTICE: In order to equitably assess your real property, income and expense information is ~~required~~ *requested*. ~~Dover City Ordinance Sec. 102-5~~ ***In accordance with Chapter 102 - Taxation, Article I, Section 102-5 - Income and expense reports, of the Dover Code, the assessor shall request that an annual report of income and expense be completed and filed for*** ~~requires~~ all commercial/industrial income producing property~~,~~ within the city limits of Dover ~~to annually file this report~~. ***This information will become mandatory if the owner of the commercial/industrial income-producing property petitions for appeal.*** **THE INFORMATION FILED AND FURNISHED WITH THIS REPORT WILL REMAIN CONFIDENTIAL, AND IT IS NOT OPEN FOR PUBLIC INSPECTION.** Any information related to the actual rental and operating expenses is considered privileged and **shall not** be public record; such information is legally exempt from Freedom of Information Act.

FILING INSTRUCTIONS: PLEASE COMPLETE AND RETURN THIS REPORT TO THE ASSESSOR'S OFFICE ON OR BEFORE **JUNE 20, 2011**. ~~**FAILURE TO FILE THIS FORM TIMELY WILL RESULT IN A $100.00 FINE.**~~ ~~You must~~ ***Please*** attach to the completed form, a copy of your 2010 Federal Income Tax Returns, Schedule E (Form 1040), **(Social Security Numbers which are contained on this form should be "blacked "out before submission.)** Supplemental Income and Expenses and/or Form 8825, Rental Real Estate Income and Expenses of a Partnership, an S Corporation or Limited Liability Company (LLC) with the Form K-1 attached. You need not provide other tax schedules not related to the rental activity. Additionally, Rent Rolls for 2010 must be provided.

~~**IN ACCORDANCE WITH SECTION 102-5 OF THE CITY OF DOVER ORDINANCE, ANY OWNER OF COMMERCIAL/INDUSTRIAL INCOME PRODUCING PROPERTY WHO FAILS TO FILE THIS FORM, SHALL BE SUBJECT TO A PENALTY OF $100.00.**~~

WHO ~~MUST~~ *IS REQUESTED TO* FILE: All individuals and businesses receiving this form ~~must~~ *are requested to* complete and return this form to the Assessor's office by June 20, 2011. ~~Owners of all properties, which are rented or leased, including commercial, retail, industrial and residential properties, must complete this form, except owners of residential properties of six units or less in which the owner of such property also resides. If a non residential property is partially rented and partially owner occupied this report must to be filed.~~

OWNER-OCCUPIED PROPERTIES IF YOUR PROPERTY IS 100% OWNER-OCCUPIED WITH **NO** REAL ESTATE RELATED INCOME, PLEASE INDICATE BY CHECKING THE FOLLOWING BOX ☐. INCOME AND EXPENSE RELATING TO YOUR BUSINESS ENTERPRISE SHOULD **NOT** BE INCLUDED IN THIS FORM.

HOW TO FILE: Each summary page should reflect information for a single property for the calendar year indicated on the form. If you own more than one rental property, a separate report ~~must~~ ***should*** be filed for each property.

An income and expense report summary page and the appropriate income schedule ~~must~~ ***should*** be completed for each rental property. Income schedule A ~~must~~ ***should*** be filed for apartment rental property and Schedule B ~~must~~ ***should*** be filed for all other rental properties.

A computer print-out is acceptable for Schedules A and B, provided that all the ~~required~~ ***requested*** information is included.

Mail or hand deliver Report to:

CITY OF DOVER ASSESSOR'S OFFICE

5 E. REED ST. DOVER, DE 19901

Return to the City of Dover Assessor's Office Prior to June 20, 2011