LEGISLATIVE, FINANCE, AND ADMINISTRATION COMMITTEE

A G E N D A

July 11, 2011 - 6:00 P.M. - Council Chambers - City Hall - City of Dover

Public comments are welcomed on any item and will be permitted at appropriate times. When possible, please notify the City Clerk (736-7008 or e-mail at CityClerk@dover.de.us) should you wish to be recognized.

AGENDA ADDITIONS/DELETIONS

1. Proposed Amendment to Investment Policy

2. Discussion - Fiscal Year 2011 Audit Program

3. Additional Downtown Security Cameras (State Homeland Security Grant Program)

4. 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)

5. Discussion - 2010 Annual Income and Expense Report Form

6. Discussion - Economic Development Administration by the Mayor

7. Public Comment Period

8. Adjournment by 7:00 P.M.

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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.

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.~~

Auditor's Responsibility for Communicating with Audit Committee

Presented by:
Donna Mitchell, CPA
City Controller

What we will cover

- Three primary purposes
- Matters to be communicated
  - Auditor's responsibility
  - Planned scope and timing of audit
  - Significant findings from the audit

Three Primary Purposes

- To clearly communicate an overview of the audit scope, the timing of the audit, and the auditor's responsibilities.
- To provide timely observations arising from the audit that are relevant to oversight of the financial reporting process.
- To obtain relevant audit-related information from those charged with governance.

Auditor's Responsibility

- The auditor's responsibilities under generally accepted auditing standards.
- This will be detailed in the auditor's engagement letter, a copy of which will be provided to each audit committee member.

Planned Scope & Timing of Audit

- An overview of the planned scope and timing of the audit that is not so detailed as to compromise audit effectiveness.
- This will be summarized in a memo to the committee.

Significant Findings from the Audit

- The auditor's views about findings or issues that the auditor considers to be significant and relevant to those charged with governance regarding their oversight of the financial reporting process.

- These will be communicated near or at the end of the audit.

Audit Calendar

City of Dover
2011 Audit Calendar

JUNE

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	Inventory testing	22	23	24	25
26	27	28	29	Inventory testing for Plant		

JULY

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	Detail Audit Plan Submitted	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

AUGUST

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	Test of Controls Completed			
	*Trial Balances & Support Schedules Completed 8/31 & reviewed by Director.					

SEPTEMBER

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	Draft Schedules & Statements to Auditor	

OCTOBER

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	Draft Report to Auditor	13	14	15
16	17	18	19	20	21	22
23	24	Discussion of Draft - LFA & Auditor	26	27	28	29
30	31	Draft CAFR completed by October 12 (includes Notes & Statistical Section)				

NOVEMBER

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	Final Changes	9	10	11	12
13	14	15	16	17	18	19
20	Final Draft CAFR - LFA	22	23	24	25	26
27	28	29	CAFR to Printer			
	Meetings with Auditors if requested with LFA					

Holidays - Green

Key Dates in Yellow

ACTION FORM

PROCEEDING: Legislative, Finance & Administration Committee
DEPARTMENT OF ORIGIN: Mayor's Office / City Manager's Office **DATE SUBMITTED**: 06/30/11
PREPARED BY: Scott D. Koenig, P.E., Interim City Manager
SUBJECT: Additional Downtown Security Cameras (State Homeland Security Grant Program)
REFERENCE:
RELATED PROJECT: Prior Installation of Downtown Security Cameras
APPROVALS: City Manager / Controller
EXHIBITS: Exhibit A – Sub-Grant Award Acceptance Statement
EXPENDITURE REQUIRED: $ 23,870.00 **AMOUNT BUDGETED**: $ 0.00 **FUNDING SOURCE (Dept./Page in CIP & Budget)**: Life Safety Budget with reimbursement from SHSGP.
TIMETABLE: Complete installation by the end of July 2011.
RECOMMENDED ACTION: Authorize staff to complete the project and request reimbursement for all costs associated with the purchase and installation of the three (3) additional downtown security cameras.

BACKGROUND AND ANALYSIS

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. A quote in the amount of $23,870.00 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.

The funding for this project was provided under short notice to our municipality due to other project being completed under budget. The equipment has been 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. 100% of the project costs will be reimbursed to the City of Dover upon application for reimbursement.

Fiscal Note: The cameras and installation are covered by a 1-year warranty for parts and labor. The warranty covers normal wear and tear, malfunction or other defects. The warranty begins once the vendor has confirmed the function of the new installations. Once the warranty expires, labor would be billed at $110.00 per hour and parts would be purchased at the market rate.

ADVANTECH
SECURITY • FIRE • ACCESS • VIDEO
INCORPORATED

May 5, 2011

Mayor Carlton Carey
Dover City Hall
15 E. Loockerman Street
Dover, DE 19903

RE: Proposal 09-1480-4 Camera Additions

Dear Mayor Carey:

Design #1
Scope of Work:
Advantech shall install (3) additional wireless cameras to be installed on the City of Dover's traffic and light pole as shown on the attached Site Survey (Attachment #1). These cameras shall reside of the City's existing mesh network and be recorded on the Honeywell Fusion Network Video Recorder (NVR) located at the Police Department.

The following items would need to be provided by the City of Dover and have not been included in the budgetary pricing shown below:

- 110VAC power will be required at the camera locations.

Attachments:

- **Attachment #1 – Advantech Site Map and Survey**

System Components:

Qty	Prod.Code	Description
3	Cobra 2002-N	Dual Radio, 50MBps 48V PoE Wireless Mesh Node
5	ANT.PA5819	5.8gHz Antenna KIT
5	344.0012	Lighting protector
3	SNCRX550W	Sony IP PTZ
3	UNIORL7C2	Vandal Resistant Housing
3	UNIPMA1	Pole Mount Adapter
3	UNIWMB1	Gooseneck Wall Mount
3	89-203	Ideal 89-200 Series Terminal Strip
3	89-234	Ideal terminal Strip Cover
3	A1212CHNFSS	Continuous Hinge Stainless Steel Enclosure
3	A12P12	Steel Panel
3	CPMK12	Pole Mounting Kit for SS Enclosure

INVESTMENT SUMMARY	PURCHASE
Design #1 Total:	**$23,870.00**

CONDITIONS:

1) **Installation Terms**: 55% deposit 45% upon completion
2) Pricing valid if proposal is accepted within 90 days of proposal date.
3) Any necessary AC power supplied by others at the Advantech specified location.
4) Any necessary IP addresses, connection(s), or network related requirements to be supplied by CLIENT, at the Advantech specified location.
5) A. ADVANTECH hereby warrants to CLIENT alone only that all of the products are installed in a good and workman-like manner. In the event that any part shall become defective while the Limited Warranty is in effect, ADVANTECH shall replace or repair the defective part without charge to CLIENT. In the event the Client has also purchased a Service Plan these additional services shall also be provided, above the normal limited warranty coverage. B. If CLIENT shall discover a defect in the products supplied under this agreement, CLIENT should immediately contact ADVANTECH in writing or by telephone, at the address and telephone number set forth, and fully describe the nature of the defect so that repair service may be rendered. C. This limited warranty does not cover any damage to components, products or equipment caused by accident, vandalism, CLIENT negligence, flood, water, lightning, fire, intrusion, abuse, misuse, act of terrorism, act of God, any casualty, including electricity, attempted unauthorized repair service, modification or improper installation by anyone other than ADVANTECH, or any other cause other than ordinary wear and tear. D. This limited warranty for products & installation is effective for one (1) year from the date of the ADVANTECH invoice for the installation. CLIENT may extend coverage on materials and installation by requesting a service agreement. The amount of the service agreement fee shall be as agreed upon between CLIENT and ADVANTECH. E. ADVANTECH shall not be liable for any general, direct, special, exemplary, punitive, statutory, multiple, incidental or consequential damages. CLIENT acknowledges: that any affirmation of fact or promise made by ADVANTECH shall not be deemed to create an express warranty; that ADVANTECH does not make any representation or warranty, including any implied warranty of merchantability or fitness that the system or service supplied may not be compromised, circumvented, or the system or services will in all cases provide the signaling, monitoring and response for which it was intended; that CLIENT is not relying on ADVANTECH's skill or judgment in selecting or furnishing a system suitable for any particular purpose; that there are no express warranties which extend beyond those on the face of the agreement hereof, or herein, and that all implied warranties, if any, coincide with the duration of this warranty.
6) Upon CLIENT request ADVANTECH shall provide service to the system. Unless covered by a Service Plan CLIENT agrees to pay for labor and components at ADVANTECH's prevailing rates at the time the service is provided.
7) CLIENT understands and acknowledges that the system may transmit video, voice and data to a monitoring location or elsewhere using one or more forms of communication equipment or services, including, without limitation, a telephone network, computer network or data cabling. furthermore some or all of these communications equipment or services may fail and that all of these services are outside the full control of ADVANTECH, and ADVANTECH has no responsibility for video, voice and data transmission failure.
8) Inspection, maintenance and/or service plan term. The term is three (3) years. At the end of the initial three (3) year term (three (3) years from the "Agreement Date") or any subsequent renewal term, the Agreement will automatically renew for an additional three (3) year term, unless either CLIENT or ADVANTECH gives written notice to the other of cancellation at least thirty (30) days before the expiration of the term (by certified or registered mail). If CLIENT defaults or cancels before the end of the term, all services by ADVANTECH will terminate, but all payments then due from CLIENT, including future scheduled payments to the end of the current three year term accelerate and become immediately due and payable to ADVANTECH. ADVANTECH has the right to terminate this Agreement ten (10) days after written notice, if CLIENT fails to make timely payments. In order to properly adjust its rates to meet changing business conditions, ADVANTECH may, at any time after one (1) year from the date of this Agreement, increase charges by giving CLIENT written notice of the change. CLIENT then has the option within thirty (30) days to cancel this Agreement without penalty.
9) CLIENT understands and agrees that ADVANTECH is not an insurer and that insurance covering personal injury and property loss or damage on CLIENT's premises must be obtained by CLIENT; that CLIENT's payments to ADVANTECH under this agreement are based solely on the value of the products or services provided and are unrelated to the value of CLIENT's property or that of others located on CLIENT's premises; that ADVANTECH makes no guarantee, representation or warranty including any implied warranty of merchantability or fitness for a particular purpose, that the product or service supplied will avert or prevent occurrences or the consequences there from which the system or service is intended to detect or avert. B. CLIENT understands and agrees that if ADVANTECH is found liable for any loss or damage from a failure to perform its obligations or from an equipment failure, ADVANTECH's liability is limited to five hundred dollars, and this liability will be exclusive and will apply if

loss or damage irrespective of cause or origin, results directly or indirectly to persons or property from performance or non-performance of any of ADVANTECH's obligations or from negligence, of any kind, of ADVANTECH, its employees or agents.

10) All claims, actions or proceedings, legal or equitable, against ADVANTECH or Representatives must be commenced in court within one (1) year after the cause of action has accrued, without judicial extension of time, or said claim, action or proceeding is barred. Time is of the essence with regard to this paragraph.
11) If any payment by CLIENT is received by ADVANTECH more than 30 days after the due date, CLIENT agrees to pay interest from the due date on the entire balance due and owing at the rate of 1.5% per month. This agreement may not be altered, modified or otherwise changed except with the written consent of both parties as an addendum to this agreement. If any of the terms or conditions of the agreement shall be declared invalid or inoperative, all of the remaining terms and conditions will remain in full force and effect. CLIENT hereby acknowledges receipt of a copy of this agreement, and that CLIENT has read and thoroughly understands its terms. The conditions of this agreement shall cover all subsequent work for CLIENT by ADVANTECH, its sub-contractors or assignees and shall remain in full force and effect even after the termination of any monitoring, inspection or service term. ADVANTECH may assign its rights and duties under this agreement at any time. This agreement shall be enforced in accordance with the laws of the State of Delaware.

Once again, thank you for the opportunity to provide you with this information.

Sincerely,

Ryan Kelly
ryank@advantechsecurity.net

Accepted By: Scott D. Koenig **Date:** 6-10-2011

Print Name: Scott D. Koenig

Minor. and New St.



Pan Tilt Zoom Camera and Radio to be installed on Pole #17528



General Viewing Areas





ADVANTECH INCORPORATED

Reed St. and New St.



Pan Tilt Zoom Camera and Radio to be installed on Pole #17233

General Viewing Areas





ADVANTECH INCORPORATED

Reed St. and Queen St.



Pan Tilt Zoom Camera and Radio to be installed on pole #17229

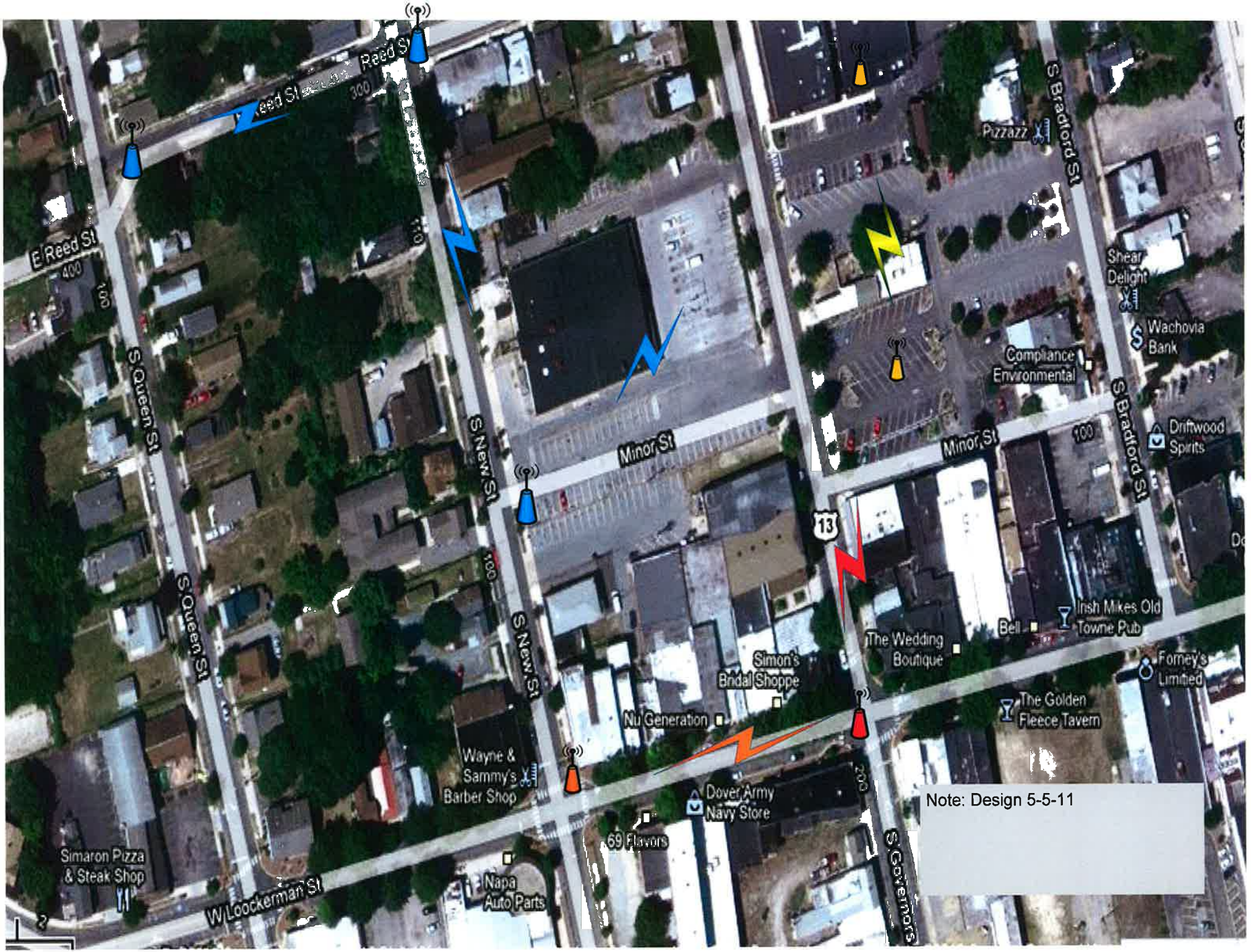
General Viewing Areas







ADVANTECH INCORPORATED


E Reed St
Reed St
S Queen St
S New St
Minor St
S Bradford St
US 13
Pizzazz
Shear Delight
Wachovia Bank
Compliance Environmental
Driftwood Spirits
Irish Mikes Old Towne Pub
Bell
The Wedding Boutique
Simon's Bridal Shoppe
Nu Generation
Wayne & Sammy's Barber Shop
Dover Army Navy Store
69 Flavors
Napa Auto Parts
Simaron Pizza & Steak Shop
W Loockerman St
S Governors
The Golden Fleece Tavern
Forney's Limited
Note: Design 5-5-11

SUB-GRANT AWARD ACCEPTANCE STATEMENT

A sub-grant award is hereby made for the following, under the Homeland Security Grant Program, in accordance with the plan set forth in the sub-grantee's application for funding and subject to the general conditions, special conditions and deliverables that follow.

Sub-grantee: City of Dover	**Date of Award**: June 9, 2011
Project Title: Security Camera Installation	**Federal Funding Awarded**: $23,870.00
Sub-grant Number: FY06-058	**Total Project Cost**: $23,870.00
Performance Period Start Date: June 9, 2011	**Performance Period End Date:** June 30, 2011
DEMA points-of-contact: Courtney Emerson & Janet Berry	

This award is subject to all applicable rules, regulations and conditions as prescribed by the FY2006 Homeland Security Grant Program. It is also subject to such further rules, regulations and policies as may be reasonably prescribed by the State of Delaware and the United States Department of Homeland Security.

This sub-grant shall become effective on the beginning date of the sub-grant period, provided that within thirty (30) days of the award execution date (below), the properly executed original of the "Acceptance Statement for Sub-Grant Award" is returned to the Delaware Emergency Management Agency (DEMA).

Under the conditions of OMB Circular A-133, Subpart B—Audits, §_.200 (b) Non-Federal entities that expend $500,000 or more in a year in federal awards shall have a single or program specific audit conducted for that year. As a sub-grantee, you will also be responsible for audit fees associated with these Federal Funds, if it is required. Also, please provide this office with a copy of any audit reports you receive, or a letter certifying that these funds do not meet the requirements for an audit. This letter is due upon completion of this project. You will be required to report on any findings and follow-up action taken to correct them. Should you fail to do so, it will adversely affect your eligibility for future funding.

GENERAL CONDITIONS AND STANDARD ASSURANCES

The sub-grantee hereby assures and certifies compliance with all applicable Federal statutes, regulations, policies, guidelines, and requirements, including OMB Circulars A-21, A-87, A-102, A-110, A-122, A-133; Ex. Order 12372 (intergovernmental review of federal programs); and 28 C.F.R. pts. 66 or 70 (administrative requirements for grants and cooperative agreements). The sub-grantee also specifically assures and certifies that:

1. It has the legal authority to apply for federal assistance and the institutional, managerial, and financial capability (including funds sufficient to pay any required non-federal share of project cost) to ensure proper planning, management, and completion of the project described in this application.
2. It will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.

3. It will give DEMA or the General Accounting Office, through any authorized representative, access to and the right to examine all paper or electronic records related to the financial assistance.
4. It will comply with all lawful requirements imposed by DEMA, specifically including any applicable regulations, such as 28 C.F.R. pts. 18, 22, 23, 30, 35, 38, 42, 61, and 63.
5. It will assist DEMA (if necessary) in assuring compliance with section 106 of the National Historic Preservation Act of 1966 (16 U.S.C. § 470), Ex. Order 11593 (identification and protection of historic properties), the Archeological and Historical Preservation Act of 1974 (16 U.S.C. § 469 a-1 et seq.), and the National Environmental Policy Act of 1969 (42 U.S.C. § 4321).
6. It will comply (and will require contractors to comply) with any applicable statutorily-imposed non-discrimination requirements, which may include the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. § 3789d); the Victims of Crime Act (42 U.S.C. § 10604(e)); The Juvenile Justice and Delinquency Prevention Act of 2002 (42 U.S.C. § 5672(b)); the Civil Rights Act of 1964 (42 U.S.C. § 2000d); the Rehabilitation Act of 1973 (29 U.S.C. § 7 94); the Americans with Disabilities Act of 1990 (42 U.S.C. § 12131-34); the Education Amendments of 1972 (20 U.S.C. §§1681, 1683, 1685-86); and the Age Discrimination Act of 1975 (42 U.S.C. §§ 6101-07); see Ex. Order 13279 (equal protection of the laws for faith-based and community organizations).
7. If it is a governmental entity:
    a. It will comply with the requirements of the Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (42 U.S.C. § 4601 et seq.), which governs the treatment of persons displaced as a result of federal and federally-assisted programs; and
    b. It will comply with requirements of 5 U.S.C. §§ 1501-08 and §§ 7324-28, which limits certain political activities of State or local government employees whose principal employment is in connection with an activity financed in whole or in part by federal assistance.

CERTIFICATIONS

Sub-grantees should refer to the regulations cited below to determine the certification to which they are required to attest. Sub-grantees should also review the instructions for certification included in the regulations before completing this form. Signature of this form provides for compliance with certification requirements under 28 CFR Part 69, "New Restrictions on Lobbying" and 28 CFR Part 67, "Government-wide Debarment and Suspension (Non-procurement) and Government-wide Requirements for Drug- Free Workplace (Grants)." The certifications shall be treated as material representations of fact upon which reliance will be placed when the State of Delaware and the Department of Homeland Security determines to award the covered sub-grant.

SUB-GRANT AWARD ACCEPTANCE STATEMENT

1. LOBBYING

As required by Section 1352, Title 31 of the U.S. Code, and implemented at 28 CFR Part 69, for persons entering into a grant or cooperative agreement over $100,000, as defined at 28 CFR Part 69, the sub-grantee certifies that:

a. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making of any Federal grant, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal grant or cooperative agreement;

b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress, in connection with this Federal grant or cooperative agreement, the undersigned shall complete and submit Standard Form - LLL, "Disclosure of Lobbying Activities," in accordance with its instructions;

2. DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS (DIRECT RECIPIENT)

As required by Executive Order 12549, Debarment and Suspension, and implemented at 28 CFR Part 67, for prospective participants in primary covered transactions, as defined at 28 CFR Part 67, Section 67.510 , the sub-grantee certifies that it and its principals:

a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, sentenced to a denial of Federal benefits by a State or Federal court, or voluntarily excluded from covered transactions by any Federal department or agency;

b. Have not, within a three-year period preceding this application, been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

c. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

d. Have not, within a three-year period preceding this application, had one or more public transactions (Federal, State, or local) terminated for cause or default; and

e. Where the sub-grantee is unable to certify to any of the statements in this certification, he or she shall attach an explanation to this application.

SUB-GRANT AWARD ACCEPTANCE STATEMENT

3. DRUG-FREE WORKPLACE (GRANTEES OTHER THAN INDIVIDUALS)

As required by the Drug-Free Workplace Act of 1988, and implemented at 28 CFR Part 67, Subpart F, for grantees, as defined at 28 CFR Part 67 Sections 67.615 and 67.620. The sub-grantee certifies that it will or will continue to provide a drug-free workplace by:

a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;

b. Establishing an on-going drug-free awareness program to inform employees about:

   1) The dangers of drug abuse in the workplace;

   2) The sub-grantee's policy of maintaining a drug-free workplace;

   3) Any available drug counseling, rehabilitation, and employee assistance programs; and

   4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

c. Making it a requirement that each employee to be engaged in the performance of the sub-grant be given a copy of the statement required by paragraph (a);

d. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the sub-grant, the employee will:

   1) Abide by the terms of the statement; and

   2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

e. Notifying the agency, in writing, within 10 calendar days after receiving notice under subparagraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to: Department of Justice, Office of Justice Programs, ATTN: Control Desk, 633 Indiana Avenue, N.W., Washington, D.C. 20531. Notice shall include the identification number(s) of each affected grant;

f. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted:

   1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

   2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e), and (f).

SUB-GRANT AWARD ACCEPTANCE STATEMENT

SPECIAL CONDITIONS

a. All requirements, quotes, and/or scope of work must be reviewed and approved by DEMA for compliance with grant guidelines prior to the start of any work.

b. All equipment and service purchases are the responsibility of the sub-grantee and invoice(s) shall be submitted to DEMA for reimbursement. In addition, all equipment costing $5,000 or more will be accounted for through an inventory listing.

c. All procurement and/or contracts must be in compliance with local purchasing guidelines and procedures. The local procurement procedures must be provided to DEMA upon request. In the absence of local procurement procedures, those listed under Title 29, Chapter 69 of the State of Delaware Procurement Code will apply.

d. As a sub-recipient, you are required to meet all compliance rules outlined in OMB Circulars A-87, and A-133, as well as 2 CFR 44. A member of the DEMA Staff will perform a monitoring visit within the next six months to ensure all compliance measures are being met. The local procurement procedures must be provided to DEMA upon request. In the absence of local procurement procedures, state procurement procedures will apply.

e. The City of Dover will maintain ownership of all equipment in accordance with the DEMA Memorandum of Understanding.

f. The City of Dover will work with DEMA to complete the Environmental and Historical Preservation (EHP) Review process when one is required. No work can begin on projects requiring EHP Reviews until approval from FEMA is received.

g. The sub-recipient is also responsible for insuring that equipment items with a purchase price of $5,000.00 are placed on the Fixed Assets Management List.

DELIVERABLES

a. Your acceptance of the conditions of the sub-grant is required by endorsement for grant award. A properly executed original of the "Subgrant Award Acceptance Statement" must be returned to the Delaware Emergency Management Agency (DEMA) within thirty (30) days of the award execution date (below). Upon receipt of the executed Subgrant Award Acceptance Statement, a Purchase Order (PO) will be created to encumber the funds for this project. This PO can be considered as a commitment by this agency to your agency for the funds allotted to your project.

b. Grant progress reports and fiscal vouchers will be submitted to DEMA by the fifteenth of every month. Each report and voucher will include a breakdown of progress and expenditures according to the eight components of the sub-grant. In order to receive reimbursement, all invoices, proofs of payment and other documentation is required.

c. A copy of any audit reports you receive, or a letter certifying that these funds do not meet the requirements for an audit. This letter is due upon completion of this project.

d. Participation by your agency in a monitoring visit is a grant requirement. You will be provided ample notification to work with DEMA to set up a convenient time for the visit.

SUB-GRANT AWARD ACCEPTANCE STATEMENT

e. Demonstrate a vendor debarment policy is in place and provide proof of a debarment validation check on all/each vendor utilized within your project. If you need assistance with this process, please work with DEMA.

James E. Turner, III
Director
Delaware Emergency Management Agency

6/10/11
Date

I, Scott D. Koenig, acting under my authority to contract on behalf of the sub-grantee, hereby signify acceptance for the sub-grantee of the above-described sub-grant on the terms and conditions stated above or incorporated by reference therein. Further, I understand that I must expend all funds from this sub-grant before accessing the funds for any future sub-grant. I further certify that we will follow all prescribed procurement policies and procedures set forth by our agency, and that this agency is not suspended or debarred from receiving federal funds, and has not been so in the past. I certify that these federal funds will not replace any state or local funds that have been appropriated for the same purpose. This project(s) does not violate any rules of supplanting.

6/10/2011
Date of Acceptance

Scott D. Koenig
Signature of Subgrantee

Interim City Manager / Public Service Mgr.
Title of Subgrantee

RECEIVED JUN 2011

Print Form

DELAWARE EMERGENCY MANAGEMENT AGENCY

STATE HOMELAND SECURITY GRANT PROGRAM (SHSGP) SUB-GRANT APPLICATION FORM

Project Number *DEMA USE*: F406-058

Award Amount: $ 23,870.

***Acceptance conditions:** All equipment and/or service purchases are the responsibility of the sub-grantee and invoice(s) shall be submitted to DEMA for reimbursement.

1. Project:

City of Dover - Outdoor Security Camera Installation

2. Duration of Project (mmm/dd/yyyy):

From: 06/09/2011 TO: 06/30/2011

3. Description of Work:

The City of Dover is requesting funding to install 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. New Street; 3) City of Dover Electric Pole #17229 adjacent to the north side of 67 S. Queen Street.

4. Project Director:

a. Name:	b. Title:	c. Phone Number
Scott D. Koenig	Public Services Manager	302-736-7026

Signature: Scott D. Koenig

Date (MMM-DD-YYYY): 05-25-2011

5. Authorizing Official:

a. Name:	b. Title:	

Signature: Scott D. Koenig

Date (MMM-DD-YYYY):

c. Phone Number:

Address:

Approval Date:	Federal Funds Obligated by Agreement
6/10/11	$23,870.09
Signature:	**Title:**
[signature]	Director

F406 SHSP GA Inv 4 AEL 14SW-01-VIDA

POC Scott Koenig

BID 3479

ACTION FORM

PROCEEDING: Legislative, Finance & Administrative Committee	
DEPARTMENT OF ORIGIN: Tax Assessor	**DATE SUBMITTED**: 7/11/2011
PREPARED BY: Cheryl A. Russell AAS, City Assessor	
SUBJECT:	
REFERENCE: N/A	
RELATED PROJECT: N/A	
APPROVALS: Legislative and Finance Committee and full Council	
EXHIBITS: 1. Email dated April 14, 2005 (Janice Green) 2. Letter dated April 21, 2005 (Nicholas Rodriguez) 3. Legislative, Finance and Administration Committee Agenda– July 11, 2005 4. Legislative, Finance and Administration Committee Minutes (excerpt)– July 11, 2005 5. City Council Meeting Minutes – July 25, 2005 6. City Council Meeting Minutes – August 8, 2005	
TIMETABLE: N/A	
RECOMMENDED ACTION: Review of Ordinance, Sunset Clause	

BACKGROUND AND ANALYSIS

In August 2005, City Council approved an ordinance to extend the first time buyer transfer tax exemption to the seller in the target area and to provide a real estate tax abatement for home buyers in the target area. The target area was defined as Mary Street to Loockerman Street and Governor's Avenue to West Street. During the Legislative and Finance 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.

Per the Assessor's Records:

No one has taken advantage of the First Time Buyer Exemption for the Seller in the Target Area.
One Buyer has taken advantage of the Tax Abatement in the Target Area.

Sec. 102-71. - Definitions.

> (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.

Sec. 102-113. - Qualifications.

(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 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***

Green, Janice

From: Green, Janice
Sent: Thursday, April 14, 2005 8:28 AM
To: [redacted]
Cc: [redacted]City Council; City Clerks Office; DePrima, Tony; Cooper, Jerome
Subject: Request for Drafting of Ordinances
Follow Up Flag: Follow up
Due By: Friday, April 22, 2005 1:00 PM
Flag Status: Flagged

Mr. Rodriguez,

During their Regular Meeting of March 28, 2005, members of Council considered recommendations of the PR&CE Committee pertaining to ideas of Mayor Speed for Neighborhood Improvements. Two of these recommendations will require the development of ordinance amendments, as follows:

Chapter 19.5 - Taxation, Article III - Realty Transfer Tax

Chapter 19.5 - Taxation, Artcile IV - Abatement of City Real Estate Taxes

For your convenience, I am providing you with a copy of that section of the Council minutes where the committee discussed these issues and formulated a recommendation for City Council for development of ordinances, which were approved by Council during their meeting of March 28, 2005, as folows:

Discussion - Ideas of Mayor Speed for Neighborhood Improvements

During the Council Retreat held on January 21, 2005, Mayor Speed proposed consideration of a Homeownership Initiative for the Downtown area, including: monetary incentives; zoning changes to include a new, mixed-use Downtown Zone as specified in the Comprehensive Plan; nuisance property enforcement; transfer tax elimination for first time home buyers; real estate tax abatement in the target area; and, elimination of conversion from Single to Multi-family homes.

Mayor Speed provided a map of the targeted area, from Mary Street to Loockerman Street and Governor's Avenue to West Street, which he suggested should be concentrated on at this time, and provided information on the following:

A. Monetary Incentives:

1. Extend 1st Time Home Buyer Transfer Tax Exemption to the Seller

Mayor Speed stated that most municipalities currently have a first time home buyer transfer tax exemption in place for the seller and he would like to implement a similar exemption, initially in the target area and then extended Citywide, for the following reasons: 1) the City of Dover is below the national average Citywide in home ownership; and 2) it would prevent problem areas from surfacing in other areas of the City. Had this program been in place in June 2004, the approximate cost would have been $122,000. Mr. Ruane stated tax exemption for the seller seems like a reward for moving out of the City. Responding, Mayor Speed stated that the loss of revenue assumes a static situation and assumes that the process has no effect. An increase in home ownership within the City will result in increased property values, which will increase tax revenues every three (3) years when the reassessment is completed.

The committee recommended extending the first time home buyer transfer tax exemption to the seller in the target area, defined as Mary Street to Loockerman Street and Governors Avenue to West Street.

By consent agenda, Mr. Carey moved for approval of the committee's recommendation, seconded by Mr.

Sadusky and carried by a unanimous roll call vote. *It is noted that the recommendation requires the development of an ordinance which will be reviewed by the Legislative, Finance, and Administration Committee.*

2. Real Estate Tax Abatement for Home Purchasers in the Target Area

Mayor Speed proposed implementing a real estate tax abatement program for anyone purchasing homes in the target area. This could be accomplished by waiving the property taxes the first year and gradually increasing the percentage of the tax due until the property owner is paying 100% of their tax bill. Responding to Mr. Hogan, Mayor Speed stated that this would include the purchase of homes in the target area and would not be limited to rental properties.

The committee recommended that staff prepare an ordinance which would phase in tax abatement over a period of time, as follows: No taxes in the first year; 25% in the second year; 50% in the third year; 75% in the fourth year; and 100% the fifth year, with the stipulation that the program only be open for five years, after which time it will automatically expire; it was also stipulated that the homeowner would be required to occupy the home until they are paying 100% of the taxes or that they rebate any taxes that they were exempt from and that the area of exemption be defined as being from Mary Street to Loockerman Street and Governors Avenue to West Street.

By consent agenda, Mr. Carey moved for approval of the committee's recommendation, seconded by Mr. Sadusky and carried by a unanimous roll call vote.

Should you have any questions or need additional information, please feel free to contact me.

Thank you!

Janice C. Green, CMC
City Clerk
City of Dover (DE)
302.736.7008 Direct
302.736.5068 Fax
JGreen@dover.de.us **Email**

City of Dover http://www.dover.de.us
City Clerk's Office

LAW OFFICES
SCHMITTINGER AND RODRIGUEZ, P.A.
414 SOUTH STATE STREET
POST OFFICE BOX 497
DOVER, DELAWARE 19901
TELEPHONE 302-674-0140
FAX 302-674-1830

NICHOLAS H. RODRIGUEZ
PAUL H. BOSWELL
JOHN J. SCHMITTINGER
DOUGLAS B. CATTS
WILLIAM D. FLETCHER, JR.
CRAIG T. ELIASSEN
WILLIAM W. PEPPER SR.
CRYSTAL L. CAREY*
SCOTT E. CHAMBERS*
FRED A. TOWNSEND III
NOEL E. PRIMOS
DAVID A. BOSWELL
WALT F. SCHMITTINGER
R. SCOTT KAPPES
JEFFREY J. CLARK
BETH B. MILLER
KYLE KEMMER
SEEMA VERMA
P. KRISTEN BENNETT
LORI A. BREWINGTON

*ALSO ADMITTED IN MARYLAND

HAROLD SCHMITTINGER
OF COUNSEL

WILMINGTON OFFICE
BRANDYWINE GATEWAY PLAZA
1300 NORTH MARKET STREET
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TELEPHONE 302-652-3676
FAX 302-652-8788

REHOBOTH BEACH OFFICE
WACHOVIA BANK BUILDING
4602 HIGHWAY ONE
REHOBOTH BEACH, DELAWARE 19971
TELEPHONE 302-227-1400
FAX 302-645-1843

ODESSA OFFICE
ODESSA PROFESSIONAL PARK
POST OFFICE BOX 626
ODESSA, DELAWARE 19730
TELEPHONE 302-378-1697
FAX 302-378-1659

RECEIVED
APR 26 2005
OFFICE OF THE CITY CLERK

April 21, 2005

Janice C. Green, City Clerk
City of Dover
P.O. Box 475
Dover, DE 19903

Dear Janice:

I am enclosing herewith two proposed ordinances asked for by Mayor Speed dealing with relief of the real estate transfer tax for first time home buyers and abatement of real property taxes in the downtown area.

Very truly yours,

NICHOLAS H. RODRIGUEZ

NHR:pmw
Enclosure

OLD	NEW
19.5-31 =	102-111
19.5-33(e) =	102-113(d)
19.5-19(9) =	102-71(a)(3)

CITY OF DOVER
ORDINANCE

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

Chapter 19.5, Sec. 19.5-19(9) is hereby amended by adding the following language at the conclusion of this paragraph.

> 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 Governor's Avenue to West Street.

SYNOPSIS

The first time homebuyer's exemption from the transfer tax is provided for in Sec. 19.5-19(9) but it only exempts the Buyer from payment of the real estate transfer tax and does not exempt the Seller. The purpose of this proposed amendment would be to exempt the Seller in addition to the Buyer in the designated area defined as Mary Street to Loockerman Street and Governor's Avenue to West Street.

CITY OF DOVER
ORDINANCE

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

That Chapter 19.5, Article IV regarding abatement of City Real Estate Taxes is hereby amended as follows in the Dover Code:

Sec. 19.5-31 is amended by adding a new paragraph following the initial paragraph in this section to read as follows:

> In the opinion of council of the City of Dover the abatement of City Real Estate Taxes for certain qualifying homeowners in certain designated areas of the City, thus promotes the public welfare by providing incentives for these homeowners to purchase residences and locate in these areas in the City of Dover.

Sec. 19.5-33 is amended by adding a new subsection designated Subsection(e) to read as follows:

> (e) Any persons purchasing residential real property in which they will reside within the area defined as Mary Street to Loockerman Street and Governor's 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, twenty-five percent (25%) tax abatement; third year of ownership, fifty percent (50%) tax abatement; fourth year of ownership, seventy-five percent (75%) 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 ninety (90) days from the date the qualification ceases, pay all taxes abated in the past.

SYNOPSIS

The Constitution of the State of Delaware, Article VIII, Sec. 1 provides that real property located within the boundaries of any incorporated municipality may be exempted from municipal property tax by the municipality when in the opinion of the municipality, it will best promote the public welfare. Council adopted Article IV, dealing with abatement of City Real Estate Taxes but this abatement only applies to qualifying industries and businesses and not to real estate occupied by homeowners as residences. This amendment would allow the abatement for qualifying homeowners in a qualified area and provides that in order to receive the abatement, the residence or home must be the principal residence continually of the homeowner. The abatement is basically for the first four years of ownership with annual reductions in the abatement and if during the four-year period, the property owner no longer qualifies for the abatement since the residence is not their principal residence, then the abatement is lost and all prior taxes not paid due to the abatement must be paid within ninety (90) days.

LEGISLATIVE, FINANCE, AND ADMINISTRATION COMMITTEE

A G E N D A

July 11, 2005 - 5:30 P.M. - Council Chambers - City Hall - City of Dover

Public comments are welcomed on any item and will be permitted at appropriate times. When possible, please notify the City Clerk *(736-7008 or e-mail at Jgreen@dover.de.us)* ***should you wish to be recognized.***

AGENDA ADDITIONS/DELETIONS

1. Proposed Ordinance Amendments - Relief of the Real Estate Transfer Tax for First-Time Home Buyers and Abatement of Real Property Taxes in the Downtown Area

   City Clerk's Office Note: The draft ordinance amendments will be corrected for the First Readings to reflect the revised Sections to correspond with the New Code of Ordinances along with any recommendations made by the committee

   A. Chapter 102 - Taxation, Article III - Realty Transfer Tax, Section 102-71 - Definitions, Paragraph (a)(3) {Old Code Section 19.5-19}

   B. Chapter 102 - Taxation, Article IV - Abatement of Real Estate Taxes, Section 102-111 - Purpose and Section 102-113 - Qualifications, Paragraph (d) {Old Code Sections 19.5-31 and 19.5-33(e)}

2. E-Government Strategic Plan Presentation

/jg
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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.

LEGISLATIVE, FINANCE AND ADMINISTRATION COMMITTEE

The Legislative, Finance, and Administration Committee meeting was held on July 11, 2005, at 5:30 p.m. with Chairman Salters presiding. Members present were Mr. Hogan, Mr. Slavin, Mr. Shevock, and Mr. Shelton. Members of Council present were Mr. Carey, Mr. Sadusky, and Council President Williams. Mayor Speed was also present.

AGENDA ADDITIONS/DELETIONS

Mr. Hogan moved for approval of the agenda, seconded by Mr. Shelton and unanimously carried.

Proposed Ordinance Amendments - Relief of the Real Estate Transfer Tax for First Time Home Buyers and Abatement of Real Property Taxes in the Downtown Area

During their Regular Meeting of March 28, 2005, members of Council approved the Parks, Recreation, and Community Enhancement Committee's recommendations regarding a homeownership initiative for the downtown area. This approval required the development of ordinances that would extend the first time home buyer transfer tax exemption to the seller in the target area and to provide real estate tax abatement for home purchasers in the target area. The target area has been defined as Mary Street to Loockerman Street and Governors Avenue to West Street.

Members were provided proposed ordinance amendments as prepared by City Solicitor Rodriguez. It was noted that the draft ordinance amendments will require correcting to reflect the revised Sections to correspond with the New Code of Ordinances.

Responding to Mr. Hogan, members concurred that there should be a sunset provision to allow members the opportunity to revisit this subject to determine if it is a program they wish to continue or if it should be discontinued.

Chapter 102 - Taxation, Article III - Realty Transfer Tax, Section 102-71 - Definitions, Paragraph (a)(3) {Old Code Section 19.5-19 (9)}

Mr. Hogan moved to add a sentence to Paragraph (a)(3) of Section 102-71, as follows: "This homebuyer's exemption is to be effective from the date of adoption to August 1, 2010". The motion was seconded by Mr. Slavin and unanimously carried.

Mr. Hogan moved to recommend adoption of the ordinance amending Section 102-71, Paragraph (a)(3), as amended, (*Attachment #1*), seconded by Mr. Slavin and unanimously carried.

Chapter 102 - Taxation, Article IV - Abatement of Real Estate Taxes, Section 102-111 - Purpose and Section 102-113 - Qualifications, Paragraph (d) {Old Code Sections 19.5-31 and 19.5-33(e)}

Mayor Speed noted that, in drafting the ordinance, there was a typographical error in Paragraph (d) of Section 102-113 that should be corrected by replacing *"twenty-five percent (25%)"* with *"seventy-five percent (75%)"* and by replacing *"seventy-five percent (75%)"* with *"twenty-five percent (25%)"*. This correction has been confirmed by City Solicitor Rodriguez and is a true reflection of the Parks, Recreation and Community Enhancement Committee's recommendation.

Mr. Hogan reiterated the need to include a sunset clause and suggested that paragraph (d) of Section 102-113 be amended by including a sentence that would to read as follows: *"Application for this*

program will cease on August 1, 2010". To clarify the intent, Mayor Speed suggested that the additional wording read as follows: *"To be eligible for this program, application must be received by the City prior to August 1, 2010".*

Mr. Hogan moved to add the following sentence to Paragraph (d) of Section 102-113: "In order to be eligible for this program, application must be received by the City of Dover prior to August 1, 2010". The motion was seconded by Mr. Shevock and unanimously carried.

Mr. Hogan moved to recommend adoption of the ordinance amending Section 102-111 (*Attachment #2*) and Paragraph (d) of Section 102-113, as corrected and amended (*Attachment #3*). The motion was seconded by Mr. Shelton and unanimously carried.

*City Clerk's Office Note: Due to the recodification and to provide clarification, Sections 102-71, 102-111, and 102-113 are being provided in their entirety with the proposed amendments depicted (**Attachment #4**).*

E-Government Strategic Plan Presentation

Members reviewed an E-Government Strategic Plan for the City of Dover that was developed by Mr. Callan, Information Technology Director. He reminded members that the City of Dover Internet site won an award for being among the top 10 municipal sites for 2003. The E-Government Strategic Plan provides the City's goals, current status, methodology, future initiatives, measurement of success and its purpose is to communicate how the City can continue to expand and advance Internet based services. It was noted that the Plan includes information regarding on-line payment method options. Mr. Callan explained that in order for Dover to provide an on-line payment method for a growing list of services, the City must determine what methods of payment the City will accept.

Staff recommended endorsement of the E-Government Strategic Plan which provides a direction for continuing the expansion of the City's services on the Internet.

Mr. Slavin moved to recommend acceptance and endorsement of the E-Government Strategic Plan as recommended by staff, seconded by Mr. Shelton and unanimously carried.

Mr. Shelton moved for adjournment, seconded by Mr. Hogan and unanimously carried.

Meeting Adjourned at 6:06 P.M.

Respectfully submitted,

Reuben Salters
Chairman

RS/jg
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Attachments
Attachment #1 - Chapter 102 - Taxation, Article III - Realty Transfer Tax, Section 102-71 - Definitions, Paragraph (a)(3)
Attachment #2 - Chapter 102 - Taxation, Article IV - Abatement of Real Estate Taxes, Section 102-111 - Purpose
Attachment #3 - Chapter 102 - Taxation, Article IV - Abatement of Real Estate Taxes, Section 102-113 - Qualifications, Paragraph (d)
Attachment #4 - First Time Homebuyer Initiative (Attachments #1, #2, and #3 combined)

the revitalization of downtown; 4) identify needed changes in the mix or balance of core uses in the subject area and identify ways of changing the mix; and 5) identify the ways to coordinate the various groups and organizations working on issues in downtown Dover.

Mr. Hogan moved to approve the request of the Greater Dover Committee, seconded by Mr. Carey, and by a unanimous roll call vote (Mr. Pitts absent), Council adopted the following Resolution:

WHEREAS, the Mayor and Council of the City of Dover support the Greater Dover Committee and their project to conduct a comprehensive, solution-focused study of the downtown Dover in order to develop findings and conclusions that will be directed toward the long-range improvement of the vitality of downtown Dover; and

WHEREAS, the "Livable Delaware" Planning Program provides funding for activities of this type to assist municipalities in dealing with issues related to their development, transportation, land use regulations and planning to implement the goals and objectives of the "Livable Delaware" initiatives; and

WHEREAS, the City of Dover does not possess the total capitol required to conduct the activity described herein.

NOW, THEREFORE, BE IT RESOLVED that the Mayor and Council of the City of Dover approves the submission of an application for funding through "Livable Delaware Assistance to Municipalities Counties Program" in the amount of $10,000 to aid in conducting a comprehensive, solution-focused study of downtown Dover.

ADOPTED: JULY 25, 2005

LEGISLATIVE, FINANCE, AND ADMINISTRATION COMMITTEE REPORT - JULY 11, 2005

The Legislative, Finance, and Administration Committee met on July 11, 2005 with Chairman Salters presiding.

Proposed Ordinance Amendments - Relief of the Real Estate Transfer Tax for First Time Home Buyers and Abatement of Real Property Taxes in the Downtown Area

During their Regular Meeting of March 28, 2005, members of Council approved the Parks, Recreation, and Community Enhancement Committee's recommendations regarding a homeownership initiative for the downtown area. This approval required the development of ordinances that would extend the first time home buyer transfer tax exemption to the seller in the target area and to provide real estate tax abatement for home purchasers in the target area. The target area has been defined as Mary Street to Loockerman Street and Governors Avenue to West Street. Members were provided proposed ordinance amendments as prepared by City Solicitor Rodriguez.

Responding to Mr. Hogan, members concurred that there should be a sunset provision to allow members the opportunity to revisit this subject to determine if it is a program they wish to continue or if it should be discontinued.

Chapter 102 - Taxation, Article III - Realty Transfer Tax, Section 102-71 - Definitions, Paragraph (a)(3) {Old Code Section 19.5-19 (9)}

During the committee meeting, members amended Section 102-71 by adding the following sentence to Paragraph (a)(3): *"This homebuyer's exemption is to be effective from the date of adoption to August 1, 2010".* The committee recommended adoption of the ordinance amending Section 102-71, Paragraph (a)(3), as amended.

Mr. Salters noted that the Mayor has suggested that the last sentence of Paragraph (a)(3) be amended to include "*for the seller*" between the words "exemption" and "is". He also noted that the Mayor has suggested adding the following sentence to Paragraph (a)(3) of Section 102-71: *"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".*

Mr. Salters moved for approval of the committee's recommendation and the additional amendments as recommended by Mayor Speed. The motion was seconded by Mr. Carey and unanimously carried. (The First Reading of the ordinance will take place during the latter part of the meeting).

Chapter 102 - Taxation, Article IV - Abatement of Real Estate Taxes, Section 102-111 - Purpose and Section 102-113 - Qualifications, Paragraph (d) {Old Code Sections 19.5-31 and 19.5-33(e)}

During the committee meeting, members noted a typographical error in Paragraph (d) of Section 102-113 that should be corrected by replacing *"twenty-five percent (25%)"* with *"seventy-five percent (75%)"* and by replacing *"seventy-five percent (75%)"* with *"twenty-five percent (25%)".* This correction has been confirmed by City Solicitor Rodriguez and is a true reflection of the Parks, Recreation and Community Enhancement Committee's recommendation. Members also amended Section 102-113 by adding the following sentence to Paragraph (d): *"In order to be eligible for this program, application must be received by the City of Dover prior to August 1, 2010".*

The committee recommended adoption of the ordinance amending Section 102-111 and Paragraph (d) of Section 102-113, as corrected and amended.

Mr. Salters moved for approval of the committee's recommendation, seconded by Mr. Carey and unanimously carried. (The First Reading of the ordinance will take place during the latter part of the meeting).

E-Government Strategic Plan Presentation

Members reviewed an E-Government Strategic Plan for the City of Dover that was developed by Mr. Callan, Information Technology Director. He reminded members that the City of Dover Internet site won an award for being among the top 10 municipal sites for 2003. The E-Government Strategic Plan provides the City's goals, current status, methodology, future initiatives, measurement of success and its purpose is to communicate how the City can continue to expand and advance Internet based services. It was noted that the Plan includes information regarding on-line payment method options. Mr. Callan explained that in order for Dover to provide an on-line payment method for a growing list of services, the City must determine what methods of payment the City will accept.

Mr. Ritter also felt that it would be important to provide this Committee with copies of those reports provided to the City by previous Charter Review Committees.

Mr. Hogan moved for acceptance of the Appointments of the 2005 Ad-Hoc Charter Review Committee as presented by Council President Williams, seconded by Mr. Salters and unanimously carried.

FINAL READING - PROPOSED ORDINANCES

The First Reading of the following proposed ordinances was accomplished during the Council Meeting of July 25, 2005.

Chapter 102 - Taxation, Article III - Realty Transfer Tax, Section 102-71 - Definitions, Paragraph (a)(3)

Mr. Salters moved that the Final Reading of the proposed ordinance be acknowledged by title only, seconded by Mr. Carey and unanimously carried.

Mr. Salters moved for adoption of the following ordinance, seconded by Mr. Hogan and carried by a unanimous roll call vote (Mr. Pitts absent):

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, of the Dover Code be amended by adding the following to the end of Paragraph (a)(3):

> 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 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.***

ADOPTED: AUGUST 8, 2005

Chapter 102 - Taxation, Article IV - Abatement of Real Estate Taxes, Section 102-111 - Purpose and Section 102-113 - Qualifications, Paragraph (d)

Mr. Salters moved that the Final Reading of the proposed ordinance be acknowledged by title only, seconded by Mr. Carey and unanimously carried.

Mr. Carey moved for adoption of the following ordinance, seconded by Mr. Salters and carried by a unanimous roll call vote (Mr. Pitts absent):

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 102-111 - Purpose, of the Dover Code be amended by adding a new paragraph to read as follows:

> In the opinion of council of the City of Dover, the abatement of City Real Estate Taxes for certain qualifying homeowners in certain designated areas of the City, thus promotes the public welfare by providing incentives for these homeowners to purchase residences and locate in these areas in the City of Dover.

ADOPTED: AUGUST 8, 2005

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, of the Dover Code be amended by adding a new paragraph (d), to read 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, seventy-five percent (75%) tax abatement; third year of ownership, fifty percent (50%) tax abatement; fourth year of ownership, twenty-five 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 ninety (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 of Dover prior to August 1, 2010.

ADOPTED: AUGUST 8, 2005

COUNCIL MEMBERS COMMENTS

Mr. Ritter advised members that he had requested the salary increases for the past three (3) years for non-bargaining employees and that, after reviewing the material, it was his feeling that the Pay for Performance is not working and that the amount of salary increases are much more than the cost of

2010
Annual Income and Expense Report

Cheryl A. Russell, AAS
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. Dover City Ordinance Sec. 102-5 requires all commercial/industrial income producing property, within the city limits of Dover to annually file this report. **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 FEE.** You must 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 FILE: All individuals and businesses receiving this form must 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 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 be filed for each property.

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

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

CITY OF DOVER ASSESSOR'S OFFICE

Mail or hand deliver Report to:

5 E. REED ST. DOVER, DE 19901

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

Honorable Members of Council:

I am proposing that the City's Economic Development Office report to the Mayor, rather than the City Manager. Research by the Clerk's office has shown that making this change will require only a motion, not an ordinance.

The justification for this proposal is as follows:

First a brief history: In 2006, a study recommended the combination of the Greater Dover Committee, DDDC, Dover Parking Authority, and Dover Main Street. In March of 2008, a resolution was passed to effect this change. The resulting office was placed under the Planning Department. An executive director to head up the position was needed. Economic Development became a new division within the Planning and Inspections Department. Due to the fact that Economic Development and planning can sometimes be at cross purposes, the office was moved by motion in October of 2009.

This was during a reorganization of the City Planning and Inspections Department, which was returned to reporting directly to City Council, rather than to the City Manager. This was done to facilitate the transition to a new planner, who could take advantage of Mr. DePrima's expertise as a former Dover City Planner. The justification for placing the Economic Development office under the City Manager was the expertise of Mr. DePrima, who served as an EDD for two years and had served on local committees which dealt with the issues of economic growth in the City and County. He had a particular expertise in the matter. He also indicated that his close relationship with the Mayor would facilitate coordination of economic activity. The office in that tradition has almost daily contact with the Mayor.

The current situation has changed that dynamic, in that a new City Manager will not have the same relationship. Looking for a City Manager with economic development expertise will only complicate our search. The City placed economic development as a primary duty of the Mayor, not the City Manager. The people and Council voted for a full-time Mayor, based in part on the premise that the Mayor would focus on economic development. This was formalized in a mayoral job description by former Mayor Speed, which is still policy under Mayor Carey. Having the EDO report to the Mayor will formalize the existing relationship, eliminate the possibility of confusion from having "two bosses" when we hire a permanent City Manager, give the Mayor formal resources to achieve the objective he was given by the Council and voters in the referendum, and encourage more accountability to the voters for results.

The Council will still have the same level of contact and influence that it currently has. It controls the budget, will receive staff action reports, and will still be able to interact with the staff. (Oddly enough, Council/staff interaction could actually reduce under a new City Manager if we get one who insists on going through him to get to the staff). I see this move as protecting Council's interests.

Most of City operations fall into administrative areas, and these should remain under a City Manager. Other functions include policy areas, such as police, fire, planning and zoning, and tax assessment, which Council determined should report directly to the elected officials. I am submitting that Economic Development should fall in the latter category.

My proposed motion is 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.

Respectfully yours

Councilman David Anderson

EXCERPT - COUNCIL MEETING MINUTES OF MARCH 10, 2008

DOWNTOWN DOVER PARTNERSHIP - REQUEST FOR APPROVAL TO IMPLEMENT THE PARTNERSHIP

During the November 5, 2007 Council Workshop, Mr. Moore, President of the Greater Dover Committee, gave a presentation on the Downtown Dover Partnership Corporation (***Exhibit #5***). He advised members that the Downtown Partnership is a remnant of the Hyett-Palma Study (2006 Downtown Economic Enhancement Strategy), which recommended that the City implement a partnership that would combine the DDDC, Dover Parking Authority, and Dover Main Street.

Mr. Moore reviewed the presentation provided to members regarding the Downtown Dover Partnership, noting that in addition to the partnership, the other key recommendations from the Hyett-Palma Study were for the hiring of an economic development leader, and to invest in a professional marketing strategy. He advised members that the partnership has been approved by the Greater Dover Committee, DDDC, Dover Parking Authority, and Dover Main Street.

Mr. Moore requested that members authorize City staff to move forward with the ordinance amendments and other details and endorse the proposed By-Laws and Certificate for Incorporation for the Downtown Dover Partnership Corporation, which would allow for the partnership to be formed.

Responding to Mr. Ruane, Mr. Moore indicated that with regards to the membership for the Board of Directors, the presentation is accurate and that Article 6, Section 6 of the Articles of Incorporation will be revised accordingly.

Mr. DePrima advised members that any City employee created as a result of the partnership will be subject to the creation of goals, performance evaluations, and accountability, as with any other City employee. He noted that with the current commissions and boards, there is only one (1) full-time City employee, which is the Main Street Coordinator. The proposal maintains that position, to be known as the Downtown Coordinator, with the addition of two (2) additional positions: Marketing Administrative Assistant and the Economic Development Professional, whom would not only serve full-time on downtown redevelopment but would also be used for City-wide economic development.

For clarification, Mr. DePrima confirmed that the performance measures and objectives for this organization's budget unit will be required.

Responding to Mr. Hogan, Mr. Moore stated that as he understood Mr. Lakeman, President of Main Street Dover, there would not be a loss in any current status of the Main Street Program under the proposed scenario.

Mr. Slavin moved to suspend the rules to allow public comments, seconded by Mr. Leary and unanimously carried.

Council President Williams noted the receipt of correspondence from Mr. Patterson, President of the DDDC, in support of the proposed partnership (***Exhibit #6***), and from Ms. Windley, Founding Member and current Board Member of Main Street Dover, in opposition to the proposed partnership (***Exhibit #7***).

Ms. Windley, 725 Bicentennial Boulevard, referred to the e-mail she submitted and explained her greatest concern is for the actual loss of the historic preservation aspect of the Main Street Program. She noted that the Main Street approach is a community driven program and that the proposed partnership would eliminate the program from being community driven. The By-Laws eliminate the historic preservation and tourism professionals. She stated that the historic preservation part of the mission statement has been eliminated. Noting that the historic and cultural architecture is one of the greatest assets of the City, it was her feeling that to eliminate this protection would be detrimental to the City. Mrs. Windley advised members that in discussions with the State Program, Main Street Dover will lose its National Trust designation. As included in her e-mail (**Exhibit #7**), she read that portion referencing the letter dated October 11, 2007, from Mr. Lakeman to Mr. Moore, into the record.

In response to Mr. Hogan, Ms. Windley explained that the Main Street Board of Directors voted in favor of the concept, with the caveats included in the letter dated October 11, 2007.

Mr. Slavin relayed his opinion that the new partnership would meet the spirit and letter of a Main Street Organization and if there is a loss of National Trust, it would be due to there being an end to one organization and not yet the beginning of another. He stated that this loss would not mean that the designation would not be granted to the new organization; however, the new organization would be required to earn such designation. With reference to the National Trust, Mr. Slavin stated that although they have good programs and perform great works, he did not feel that they know the specific and current needs of the City. Disagreeing with the concerns regarding the loss of historic preservation protections, he noted that the City also has the Historic District Commission, Planning Commission, and City staff, as well as the committee structure to assure these protections are maintained.

Mr. Moore assured members that this effort has been well communicated amongst a large community for over two (2) years. Referring to the concerns and position of Main Street regarding the proposed partnership, Mr. Moore advised members that meetings were held with Mr. Lakeman and that the issues mentioned tonight have been addressed. With regards to the concerns that the proposed partnership would not be a community effort, he noted that the Statement of Purpose included in the Bylaws for the Downtown Dover Partnership Corporation, states the following: *"In particular the goal of the corporation is to improve the opportunities for job creation, broaden the tax base through the development of the commercial and residential potential of the Central Dover area, and to maintain and restore the historic architectural and community qualities of the downtown area consistent with the goals of the National Main Street Program."* It was his feeling that this statement addresses those concerns relayed by Ms. Windley. Mr. Moore expressed the dire need for a change for downtown Dover at this time and urged members to approve the implementation of the Partnership.

Mr. Moore stated that if Council determines that the City is unable to fund the new economic development director position in the first year, an interim plan has been developed that would allow for the Director of Planning and Inspections, Mrs. Townshend, to serve as the director and to provide staff support to the organization. He explained that this service is already being provided by Mrs. Townshend to three (3) different organizations and that the consolidation of the organizations would actually reduce the amount of work required of her at this time.

Referring to Section 2 of Article VII of the Bylaws, Mr. Ruane questioned if it would be the preference of Mrs. Townshend that there be a separate and distinct executive director rather than herself. Responding, Mrs. Townshend indicated that this would be the preference. She explained that with the budget and staffing plan that was developed, there would be a short period of time that she would assume the responsibilities; however, she reminded members that the current Main Street Manager, Mr. Perez, would be assuming many of the day to day tasks associated with this position. Mrs. Townshend advised members that by July 1st, the Comprehensive Plan would be near completion. As mentioned, she stated that the planning staff and the Public Services Manager are already very much involved with all of the organizations being consolidated with the partnership; therefore, it was her opinion that the consolidation would provide efficiency by better allocating the existing staff amongst the committees rather than duplicating efforts. Mrs. Townshend reminded members that several staff members currently attend the various committee meetings.

In response to Mr. Ruane, Mrs. Townshend stated her understanding that if Council approves the Partnership, the City Manager would incorporate the required budget amounts into next year's budget for consideration by City Council. Mr. DePrima advised members that there currently are no funds in the budgets of the current organizations to allow for the hiring of any positions in this fiscal year.

For clarification, Mr. DePrima stated that if Council approves the implementation of the partnership, the necessary corrections will be made to the Bylaws and Articles of Incorporation to be presented back to Council for their review and approval.

Mr. Slavin moved for approval of the implementation of the downtown partnership with the understanding that the Bylaws and Articles of Incorporation and following documents and/or ordinances will be presented to Council as separate action items, seconded by Mr. Hogan.

Mr. Ruane relayed his support with the concept of the consolidation of the organizations; however, he relayed concern with the current staffing arrangement, feeling that the current City Planner should not be required to assume additional responsibilities in this regard. It was his feeling that for the partnership to be successful, there is a need for a dedicated employee and until such time that Council authorizes the additional employee, he would not support the proposal.

Mr. DePrima reiterated that the intention is for implementation of the changes to occur after July 1st, explaining that the Articles of Incorporation and Bylaws, as well as the budget, would not become effective until July 1st. Therefore, he stated that there would be no extra duties required of Mrs. Townshend before July 1st.

The motion for approval of the implementation of the downtown partnership with the understanding that the Bylaws and Articles of Incorporation and following documents and/or ordinances will be presented to Council as separate action items was carried by a roll call vote of seven (7) yes, one (1) no (Mr. Ruane), and one (1) absent (Mrs. Russell).

EXCERPT - COUNCIL MEETING MINUTES OF OCTOBER 26, 2009

Proposed Ordinances #2009-24 and #2009-25

Mrs. Traci McDowell, City Clerk, explained that during their regular meeting of July 24, 2006, City Council adopted ordinances amending Chapter 82 - Planning, Section 82-2 - City Planner, and Chapter 102 - Taxation, Article I - In general. These amendments placed management oversight of the Planning Department and Tax Assessor's Office under the City Manager. Mrs. McDowell stated that, at the request of the Chairman of the Legislative, Finance, and Administration Committee, she prepared draft ordinances reverting oversight of these departments back to City Council.

Mr. McGlumphy stated that when Council decided to place the City Planner and the Tax Assessor under the City Manager in 2006, it was with the understanding that this would be a temporary arrangement. He noted that some members of Council had requested that the former organizational structure be restored.

Mr. DePrima explained that, three years ago, he had advocated the change in structure due to some difficulties that developed in the Tax Office and the Planning Department. He noted that, at that time, he believed he should have direct oversight of these departments so that he could be more proactive in addressing these types of problems. He stated that he now feels that, whether or not he has direct responsibility for supervision of these individuals, his job is to be vigilant regarding all City operations and to keep Council apprised, and to be of assistance to all department heads whether appointed by the City Manager or Council. Mr. DePrima emphasized that the current Tax Assessor and City Planner are outstanding employees who work very well independently and with the City Manager.

Mr. DePrima stated that he believed that the City would be better served by going to a more traditional form of government where all department heads are appointed by and work under the direction of the City Manager, but stated that the City's hybrid structure is "ingrained in the culture".

Mr. DePrima stated that he had discussed with Mrs. Townshend some possible shifting of responsibilities. He mentioned three areas where he felt some changes might be made:

1. Stormwater management planning - Mr. DePrima stated that this task is a function of the State Department of Natural Resources and Environmental Control (DNREC) which involves pure planning. He noted that current planning staff have the skill sets to accomplish this task and suggested that this responsibility be shifted to the Planning Department.

2. Dangerous and vacant building ordinances - Mr. DePrima noted that this responsibility is better aligned with Public Services staff (building code officials, fire marshals, and emergency management employees) rather than the property maintenance inspectors in the Planning Department who currently perform this function..

3. Economic Development - Mr. DePrima stated that the Economic Development Office (EDO) has been newly created in the last three years and was appropriately placed under the Planning Department initially. However, he stated he would like the EDO placed under the City Manager's responsibility in the Pubic Services Department as economic development was traditionally a function of the City Manager before the City had an Economic Development Director. In addition, he felt he could contribute strongly in this area as he has

two years prior experience as an Economic Development Director and has served with a number of relevant organizations including Downtown Dover Corporation, the Kent County Aeropark Authority, for 18 years, and the Mainstreet Board of Directors. Mr. DePrima also cited his passion for economic development as a factor in placing this function under his supervision. He also noted that economic development can conflict with planning as the City Planner has statutory responsibility to review projects from a planning perspective,but an economic developer is called upon to be an advocate for development projects. He explained that economic development planning would remain with the City Planner under his proposal, but the actual operation and administration of the EDO would fall under the City Manager. He indicated that his close relationship with the Mayor, who also shares responsibility for economic development, would facilitate coordination of economic activity.

In response to Mr. Leary, Mr. DePrima stated that the Code does not clearly designate these responsibilities so trading these functions would not be difficult. He noted that, because the Economic Development Office is established in the budget, it would take a motion by Council to direct that it be aligned with the City Manager's Office and become budgeted under the Public Services Department.

Mr. Ruane stated that the suggested reorganization is not germane to the proposed ordinances and should be presented to the committee in a different form which would include comments on the proposal from Mr. Scott Koenig, Public Services Director, and Mrs. Ann Marie Townshend, Director of Planning and Community Development.

Mr. Salters requested that a Committee Action Form that details the proposed restructuring be prepared for consideration at the next Committee meeting.

The Committee recommended adoption of Ordinances #2009-24 and #2009-25.

By consent agenda, Mr. McGlumphy moved for approval of the Committee's recommendation, seconded by Mr. Salters and carried by a unanimous roll call vote. *(The First Reading of the ordinance will take place during the latter part of the meeting)*