LEGISLATIVE, FINANCE, AND ADMINISTRATION COMMITTEE

A G E N D A

June 27, 2011 - 5:45 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. Discussion - Elimination of Medicare Part B Reimbursements for Current Non-Bargaining Employees *(Tabled June 13, 2011 in Order to Obtain Legal Opinion)*

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

3. Amendment to Personnel Policy - Retirement Notification Requirement

4. Campus Community School Request to Purchase the Pear Street Warehouse

5. Public Comment Period

6. 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
Finance Department
PO Box 475
Dover DE 19903-0475
Phone: (302-736-7018
FAX: (302) 736-7177
E-Mail: dmitchell @dover.de.us

MEMORANDUM

To: Mayor Carleton Carey

From: Donna Mitchell, Controller/Treasurer

Copy: City Council, Mr. Shevock, Mrs. Jones & City Clerk

Date: June 20, 2011

Subject: Medicare B Reimbursement – Calculations for Non-Bargaining Employees

As you requested, I have estimated the cost of Medicare B Reimbursements for non-bargaining employee's hired prior to 6/27/2009 with the vested and non-vested employees separately displayed.
Please note the following specifics regarding these estimates –

- Exhibit 1 - History of Medicare B monthly premiums as provided to Department Heads by the Police Department staff. I used this format to project the future monthly premiums using (A) rate of increase since 1975 at 8.6% and (B) rate of increase over the past five years at 5.6%. (The current actuary analysis uses 6.8% for medical inflation and a 4.0% investment return.)
- Exhibit 2 – Annual cost of each employee is calculated based on the projected future premium for the year they turn 65. The vested and non-vested employee list was provided by Human Resources.
- The estimates have not been discounted to present values, then inflated for medical inflation, nor adjusted for interest earnings as an actuary would have done to pre-fund this benefit. This is done on a pay go basis to demonstrate what the estimated payment would be for each person upon turning 65.
- In 2010 when the Federal Government raised the cost of Medicare B, they did not increase the rate for those retiree's covered by Medicare B in 2009 because they did not receive an increase in their Social Security benefit. This has not been the historical practice used by the Federal Government. The normal practice for Federal Government is to increase all recipients' premiums to the new rate. That being said, Exhibit 2 shows the Medicare B premium estimated for a member when they turn 65. It does not reflect the projected future increases being applied to anyone already receiving the Medicare B reimbursement. These numbers would increase dramatically under the historical practice.
- Comparable actuary analysis of OPEB liability with mortality, investment rate of return, health care trend, and members electing dependent coverage going up 10% for males and 5% for females in the 6/30/11 analysis is as follows.

(In Thousands – $000)	**6/30/09**	**6/30/11**
Active Members	$25,860	$31,269
Vested & Retired Members	34,357	46,989
Medicare B Reimbursements	4,080	5,260
Total Actuarial Accrued Liability	$64,297	$83,518

Please feel free to call me if you have any questions. Thank you.

History and Projection for Medicare Part B Premiums

37 Year History of Medicare Part B		
Year	Monthly Premium	% Change
1975	$6.60	
1976	$7.20	9.1%
1977	$7.70	6.9%
1978	$8.20	6.5%
1979	$8.70	6.1%
1980	$9.60	10.3%
1981	$11.00	14.6%
1982	$12.20	10.9%
1983	$12.20	0.0%
1984	$14.60	19.7%
1985	$15.50	6.2%
1986	$15.50	0.0%
1987	$17.90	15.5%
1988	$24.80	38.5%
1989	$31.90	28.6%
1990	$28.60	-10.3%
1991	$29.90	4.5%
1992	$31.80	6.4%
1993	$36.60	15.1%
1994	$41.10	12.3%
1995	$46.10	12.2%
1996	$42.50	-7.8%
1997	$43.80	3.1%
1998	$43.80	0.0%
1999	$45.50	3.9%
2000	$45.50	0.0%
2001	$50.00	9.9%
2002	$54.00	8.0%
2003	$58.70	8.7%
2004	$66.60	13.5%
2005	$78.20	17.4%
2006	$88.50	13.2%
2007	$93.50	5.6%
2008	$96.40	3.1%
2009	$96.40	0.0%
2010	$110.50	14.6%
2011	$115.40	4.4%

Historical Avg. Annual Increase	8.6%
Last 5 Year Avg. Annual Increase	5.6%

Projection of Medicare Part B @ 8.6%		
Year	Monthly Premium	% Change
2012	$125.32	8.6%
2013	$136.10	8.6%
2014	$147.81	8.6%
2015	$160.52	8.6%
2016	$174.32	8.6%
2017	$189.31	8.6%
2018	$205.60	8.6%
2019	$223.28	8.6%
2020	$242.48	8.6%
2021	$263.33	8.6%
2022	$285.98	8.6%
2023	$310.57	8.6%
2024	$337.28	8.6%
2025	$366.29	8.6%
2026	$397.79	8.6%
2027	$432.00	8.6%
2028	$469.15	8.6%
2029	$509.50	8.6%
2030	$553.32	8.6%
2031	$600.90	8.6%
2032	$652.58	8.6%
2033	$708.70	8.6%
2034	$769.65	8.6%
2035	$835.84	8.6%
2036	$907.72	8.6%
2037	$985.78	8.6%
2038	$1,070.56	8.6%
2039	$1,162.63	8.6%
2040	$1,262.61	8.6%
2041	$1,371.20	8.6%
2042	$1,489.12	8.6%
2043	$1,617.19	8.6%
2044	$1,756.26	8.6%
2045	$1,907.30	8.6%
2046	$2,071.33	8.6%
2047	$2,249.47	8.6%
2048	$2,442.92	8.6%
2049	$2,653.01	8.6%
2050	$2,881.17	8.6%
2051	$3,128.95	8.6%
2052	$3,398.04	8.6%
2053	$3,690.27	8.6%

Projection of Medicare Part B @ 5.6%		
Year	Monthly Premium	% Change
2012	$121.86	5.6%
2013	$128.69	5.6%
2014	$135.89	5.6%
2015	$143.50	5.6%
2016	$151.54	5.6%
2017	$160.03	5.6%
2018	$168.99	5.6%
2019	$178.45	5.6%
2020	$188.44	5.6%
2021	$199.00	5.6%
2022	$210.14	5.6%
2023	$221.91	5.6%
2024	$234.33	5.6%
2025	$247.46	5.6%
2026	$261.32	5.6%
2027	$275.95	5.6%
2028	$291.40	5.6%
2029	$307.72	5.6%
2030	$324.95	5.6%
2031	$343.15	5.6%
2032	$362.37	5.6%
2033	$382.66	5.6%
2034	$404.09	5.6%
2035	$426.72	5.6%
2036	$450.61	5.6%
2037	$475.85	5.6%
2038	$502.49	5.6%
2039	$530.63	5.6%
2040	$560.35	5.6%
2041	$591.73	5.6%
2042	$624.87	5.6%
2043	$659.86	5.6%
2044	$696.81	5.6%
2045	$735.83	5.6%
2046	$777.04	5.6%
2047	$820.55	5.6%
2048	$866.50	5.6%
2049	$915.03	5.6%
2050	$966.27	5.6%
2051	$1,020.38	5.6%
2052	$1,077.52	5.6%
2053	$1,137.86	5.6%

Estimated Medicare Reimbursements - Based on Pay as You Go Reimbursements upon turning 65 Years of Age (No pre-funding, assuming historical 8.6% inflation, no discounted cash flow or investment return)								
		Non-	Monthly	Annual Reimbursements		Monthly	Annual Reimbursements	
Employee Name	Vested	Vested	Payment	Vested	Non-Vested	Payment	Vested	Non-Vested
ONEAL, CAROLEE	X		115.40	1,384.80		115.40	1,384.80	
GOMES, LINDA	X		125.32	1,503.84		121.86	1,462.32	
ROAN, WES	X		174.32	2,091.84		151.54	1,818.48	
CARTER, ZACH	X		174.32	2,091.84		151.54	1,818.48	
MCDOUGALL, RALPH	X		242.48	2,909.76		188.44	2,261.28	
SWAGGARD, NANCY	X		263.33	3,159.96		199.00	2,388.00	
COOPER, WILLIAM	X		285.98	3,431.76		210.31	2,523.77	
ROBERSON, DENISE	X		285.98	3,431.76		210.14	2,521.68	
MITHCELL, DONNA	X		285.98	3,431.76		210.14	2,521.68	
DIVVER, KATHY	X		285.98	3,431.76		210.14	2,521.68	
VOSHELL, WAYNE	X		310.57	3,726.84		221.91	2,662.92	
SWAGGARD, RON	X		310.57	3,726.84		221.91	2,662.92	
TIEMAN, TERRY	X		310.57	3,726.84		221.91	2,662.92	
VIRDIN, PATTY	X		337.28	4,047.36		234.33	2,811.96	
ADKINS, ROBIN	X		366.29	4,395.48		247.46	2,969.52	
GLENN, DIANE	X		366.29	4,395.48		247.46	2,969.52	
GIGLIO, DAVE	X		366.29	4,395.48		247.46	2,969.52	
LOOMIS, MARLENE	X		366.29	4,395.48		247.46	2,969.52	
MILLS, DONNA	X		397.79	4,773.48		261.32	3,135.84	
MCDOWELL, TRACI	X		397.79	4,773.48		261.32	3,135.84	
HOSFELT, JAMES	X		397.79	4,773.48		261.32	3,135.84	
PICKERING, STEVE	X		397.79	4,773.48		261.32	3,135.84	
SAMMONS, PERRY	X		432.00	5,184.00		275.95	3,311.40	
JACKSON, CHERYL	X		432.00	5,184.00		275.95	3,311.40	
DIXON, SHERRY	X		432.00	5,184.00		275.95	3,311.40	
TRUAX, DAVE	X		469.15	5,629.80		291.40	3,496.80	
METSCH, DIANE	X		469.15	5,629.80		291.40	3,496.80	
HARVEY, TRACEY	X		509.50	6,114.00		307.72	3,692.64	
GLISSON, DEE	X		553.32	6,639.84		324.95	3,899.40	
RACHEL, SHERWANDA	X		553.32	6,639.84		324.95	3,899.40	
LISIECKI, TRACEY	X		553.32	6,639.84		324.95	3,899.40	
GARDNER, RICHARD	X		600.90	7,210.80		343.15	4,117.80	
BERNAT, PAUL	X		652.58	7,830.96		362.37	4,348.44	
KOBER, CHRISTINA	X		652.58	7,830.96		362.37	4,348.44	
KOENIG, SCOTT	X		652.58	7,830.96		362.37	4,348.44	
GARDNER, LISA	X		708.70	8,504.40		382.66	4,591.92	
COOKSON, PAUL	X		769.65	9,235.80		404.09	4,849.08	
COURTNEY, CAROLYN	X		769.65	9,235.80		404.09	4,849.08	
TARAILA, TIM	X		835.84	10,030.08		426.72	5,120.64	
ENSS, STEVE	X		907.72	10,892.64		450.61	5,407.32	
HAWKINS, KIM	X		907.72	10,892.64		450.61	5,407.32	
RUSSELL, CHERYL	X		1,070.56	12,846.72		502.49	6,029.88	
NEATON, BILL		X	115.40		1,384.80	115.40		1,384.80
JACKSON, BEVERLY		X	136.10		1,633.20	128.69		1,544.28
CYR, MARGERY		X	189.31		2,271.72	160.03		1,920.36
LUNT, RON		X	223.28		2,679.36	178.45		2,141.40
GREGG, PETE		X	223.28		2,679.36	178.45		2,141.40
STEIN, JODY		X	285.98		3,431.76	210.14		2,521.68
HEESH, CAROL		X	285.98		3,431.76	210.14		2,521.68
PEREZ, ED		X	366.29		4,395.48	247.46		2,969.52
SIEGEL, ANDY		X	366.29		4,395.48	247.46		2,969.52

Estimated Medicare Reimbursements - Based on Pay as You Go Reimbursements upon turning 65 Years of Age								
(No pre-funding, assuming historical 8.6% inflation, no discounted cash flow or investment return)								
		Non-	Monthly	Annual Reimbursements		Monthly	Annual Reimbursements	
Employee Name	Vested	Vested	Payment	Vested	Non-Vested	Payment	Vested	Non-Vested
SISSON, JOHN		X	397.79		4,773.48	261.32		3,135.84
TEAL, PEGGY		X	432.00		5,184.00	275.95		3,311.40
DEMARCO, KAREN		X	553.32		6,639.84	324.95		3,899.40
AKERS, GREG		X	600.90		7,210.80	343.15		4,117.80
HART, ANNETTE		X	652.58		7,830.96	362.37		4,348.44
DICKERSON, MIKE		X	652.58		7,830.96	362.37		4,348.44
MOSHER, CORRINE		X	708.70		8,504.40	382.66		4,591.92
LUPPINO, PATTEE		X	769.65		9,235.80	404.09		4,849.08
ROY, JAMIE		X	769.65		9,235.80	404.09		4,849.08
KEENER, JAMES		X	769.65		9,235.80	404.09		4,849.08
DIETZ-SASS, KAY		X	769.65		9,235.80	404.09		4,849.08
ROLLISON, REBECCA		X	835.84		10,030.08	426.72		5,120.64
NOWAK, MARK		X	835.84		10,030.08	426.72		5,120.64
DILL, JEFF		X	907.72		10,892.64	450.61		5,407.32
TURNER, BRIAN		X	907.72		10,892.64	450.61		5,407.32
DUCA, SHARON		X	907.72		10,892.64	450.61		5,407.32
MELSON-WILLIAM, DAWN		X	907.72		10,892.64	450.61		5,407.32
FORD, HOLLIE		X	985.78		11,829.36	475.85		5,710.20
WALKER, KARLETT		X	985.78		11,829.36	475.85		5,710.20
TOWNSHEND, ANNMARIE		X	985.78		11,829.36	475.85		5,710.20
JORDAN, TURHAN		X	1,070.56		12,846.72	502.49		6,029.88
CORNWELL, JANNELLE		X	1,162.63		13,951.56	530.63		6,367.56
WHEATLY, RAY		X	1,262.61		15,151.32	560.35		6,724.20
LOWRY, YVONNE		X	1,262.61		15,151.32	560.35		6,724.20
AVERY, AUDREY		X	1,371.20		16,454.40	591.73		7,100.76
NESBIT, WANDA		X	1,489.12		17,869.44	624.87		7,498.44
JOHNSON, JEREMY		X	1,756.26		21,075.12	696.81		8,361.72
ALBERT, MICHAEL		X	2,071.33		24,855.96	777.04		9,324.48
CLENDANIEL, AMBER		X	2,071.33		24,855.96	777.04		9,324.48
LYON, JASON		X	2,071.33		24,855.96	777.04		9,324.48
GIBB, JEREMY		X	2,653.01		31,836.12	915.03		10,980.36
FENSKE, JAMIE		X	3,690.27		44,283.24	1,137.86		13,654.32
COUNT	42	41	58,957.18	233,959.68	473,526.48	29,988.46	142,181.33	217,680.24
		83	Total		$ 707,486.16	Total		$ 359,861.57

ACTION FORM

PROCEEDING: Legislative, Finance and Administration Committee
DEPARTMENT OF ORIGIN: Planning & Community Development **DATE SUBMITTED**: June 2, 2011
PREPARED BY: Ann Marie Townshend, AICP, Director of Planning & Community Development & Scott D. Koenig, P.E., Public Services Manager
SUBJECT: Draft Ordinance Regarding Homeowners Association Responsibilities
REFERENCE:
RELATED PROJECT: "Performance and Maintenance Bonding Concerns" – Utility Committee agenda of 1/24/11
REVIEWED BY:
EXHIBITS: Draft Ordinance
EXPENDITURE REQUIRED: N/A **AMOUNT BUDGETED**: N/A **FUNDING SOURCE (Dept./Page in CIP & Budget)**: N/A
TIMETABLE: First Reading on June 27, 2011, Referral to Planning Commission on July 18, 2011, Final Action by City Council on August 8, 2011
RECOMMENDED ACTION: Staff recommends that the proposed ordinance be forwarded to City Council with the above timeline for action.

BACKGROUND AND ANALYSIS

City Council and many residents of the City have expressed concerns about the state of several subdivisions that have gone inactive. This had led to infrastructure that is incomplete and not dedicated to the City and lack of maintenance of the private common areas (stormwater management areas and common open space) by homeowners associations. City Council assigned this issue to staff to develop a list of the problems and potential solutions related to the maintenance of development projects that are incomplete. On January 24, 2011, staff presented a report to the Utility Committee, who in turn ranked the problems and instructed staff to address the three top-ranked problems.

This ordinance addresses Problem #4 from the report, "Stormwater/Passive Open Space Not Being Maintained". The *Zoning Ordinance* requires that private open spaces within residential development be turned over and maintained by a homeowners association. In many locations, the homeowners association was developed, land is owned by the homeowners association, and yet the property is not being maintained. The City receives complaints about the lack of maintenance. If the City expends funds to maintain these areas, there is no mechanism to recover the funds. The City does not have the resources to maintain these areas without receiving payment to do so. The proposed ordinance would amend the Subdivision Regulations and require that homeowners associations be formed, membership mandatory, and that they assume and continue the maintenance responsibilities for the common open space, including the stormwater management areas, passive open space, and active recreation areas. If the City needs to perform maintenance of these areas due to code violations not addressed by the homeowners association, the City could bill the property owners of the lots within the subdivision to recover costs, and place these charges on the tax bill of these property owners.

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

That Appendix A - Subdivisions, Article VII - Special Provisions, be amended by re-lettering Section B - Severability, as Section C and inserting a new Section B - Homeowners associations, to read as follows:

B. Homeowners associations.

1. *Creation of homeowners association*. The owner and/or developer shall create a homeowners association for the proposed development where private open space and stormwater management facility ownership and maintenance responsibility exist. The homeowners association shall be organized and established as a legal entity prior to or as a part of the final plat approval and recording process and all documents related to the homeowners association shall be submitted in draft form at the time of application for the subdivision plan review (whether minor or major). Such documents shall be acceptable to the city as a condition of subdivision plan approval.

2. *Legal documents recorded.* The owner and/or developer should pay for the preparation of the legal document necessary to create the association, have same approved by the city solicitor and council and record same in the recorder of deeds office for Kent County.

3. *Maintenance of property of the homeowners association.* The legal documents prepared will give the city the authority to require the homeowner's association to perform routine maintenance and minor/major repairs as necessary to keep the property in good condition, and eliminate any health or safety issues.

   If the homeowners association does not respond to a notice of violation from the city regarding maintenance within 14 calendar days of the date of such notice, the city shall have the right to perform the work itself or hire a contractor to perform the work and assess each property owner of the homeowner association and/or each owner of property within the final plat for the subdivision a fee to recover its cost. Such fee shall include an administrative charge equal to 15% of the cost of the work performed. This fee will be added to the real estate tax bill as a special assessment to these lot owners.

4. Homeowners association requirements. If the applicant is required to establish a homeowners association for purposes of ownership and maintenance of common areas, common facilities and/or open spaces, such association documents shall require, at minimum:

   a. Membership mandatory. All owners of property within the subdivision must be members of the homeowners association. The members of the homeowners association shall share equitably in the costs of maintaining all open space, common areas and facilities, recreation areas and facilities, and stormwater management areas and facilities which are not accepted by the city in writing in accordance with the provisions of all deed restrictions and maintenance agreements, all applicable property maintenance codes, all record plan notes, and in accordance with procedures established by the homeowners association. The deed restrictions shall require, at minimum, that the costs of such maintenance shall be collectable from the owner of the lot(s) to which such costs are assessed; and that such costs shall be and

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constitute a lien upon such lot(s).

b. Responsibilities. The homeowners association shall be responsible for all maintenance, insurance, taxes, fees, and other burdens customary to the ownership of real property and all improvements and construction thereon, including, but not limited to all recreation amenities, walkways, storm water facilities, ponds, landscaping, and other facilities not owned or accepted by the City of Dover.

c. Deed restrictions. Restrictive covenants shall provide that in the event the association fails to maintain the common areas, common facilities, and open areas according to the adopted codes of the City of Dover, in accordance with the recorded plan, and in accordance with the requirements of recorded restrictions, the city may:

1. Demand that the deficiency of maintenance be corrected. If the homeowners association shall fail to correct the deficiency, after reasonable notice, the city may enter the common area to inspect and correct the deficiency. The cost of such maintenance shall be charged to the association in accordance with the provisions of Section C (3).

5. Homeowners association reporting responsibilities. Each homeowners association established pursuant to Appendix A, Subdivisions shall, not later than December 31 of each year, provide to the City Clerk of the City of Dover a listing of the officers of such homeowners association, including their addresses and telephone numbers, and the date of the annual meeting. The homeowners association shall list the terms of office of each officer and the date of the annual election. The homeowners association shall provide the name, address, phone number and contact information for any firm providing services in behalf of or acting as agent for the homeowners association in carrying out its responsibilities.

BE IT FURTHER ORDAINED:

That the provisions of this ordinance shall be in effect upon its adoption and shall apply to all existing subdivisions where the homeowners association has maintenance responsibilities for open space and stormwater management areas. The city manager shall send a letter to all property owners within the City of Dover who have HOA maintenance responsibilities under this ordinance informing them of these responsibilities and the City's right to bill property owners within the homeowners association for any maintenance performed by the City of Dover due to lack of maintenance on the part of the homeowners association.

BE IT FURTHER ORDAINED:

That all homeowners associations with maintenance responsibilities for open space and stormwater areas that existed prior to the adoption of this ordinance shall report to the city manager by December 31, 2011 those items required in subsection (B)(5) - Homeowners Association Reporting Responsibilities.

SYNOPSIS

The proposed amendment would clarify the requirement that developers of subdivisions with common open space, including active recreation areas, woodlands, and stormwater

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managements, form homeowners associations where membership is mandatory. It would allow the City to perform work that is the responsibility of the homeowners association if such work is not performed in accordance with code requirements. Such work would be billed to the property owners on their tax bill, including an administrative charge. The proposed amendment would require that homeowners associations with management responsibility for common open space submit annually a listing of officers of the association. The proposed amendment also clarifies that these requirements are retroactive to all subdivisions with common open space in existence prior to adoption of the ordinance.

ADOPTED: *

Actions History

June 13, 2011 - Scheduled for consideration by the Legislative, Finance, and Administration Committee

S:\ORDINANCES\2011\Draft\Ordinance 2011-15 - Appendix A - Subdivisions Art VII - Special Provisions.wpd

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ACTION FORM

PROCEEDING:	Legislative, Finance and Administration Committee
DEPARTMENT OF ORIGIN:	Human Resources **DATE SUBMITTED**: June 15, 2011
PREPARED BY:	Kim Hawkins, Human Resources
SUBJECT:	Retirement Notification Guidelines
REFERENCE:	City of Dover Personnel Policy
REVIEWED BY:	Scott Koenig, Interim City Manager Donna Mitchell, Controller/Treasurer and Terry Tieman, Senior City Administrator
RECOMMENDED ACTION:	Approval of policy change.

BACKGROUND AND ANALYSIS

Employees who are retiring and will be entitled to receive either a lump sum payment of their accumulated sick leave or use it for terminal leave, will be required to provide a 30 calendar day notice. The employee's department head may wave the notice requirement for retirement however notification for the payment of accumulated sick leave cannot be waived. Notification guidelines cannot be enforced on employees who will not be receiving a lump sum payment for accumulated sick leave nor will be utilizing it for terminal leave. If the recommended changes are adopted, they cannot be fully implemented until the labor unions agree to them.

Indicated below are the proposed language changes and insertions to the Personnel Policy. The red font indicates insertions.

ARTICLE XI. SICK LEAVE

SECTION 5. SICK LEAVE - RETIREMENT CREDIT FOR ACCUMULATED SICK LEAVE

This payment shall be in a lump sum payable ~~upon retirement~~ in the employee's paycheck immediately following the exhaustion of the 30 calendar day notice of retirement. Shall an employee provide notice that exceed 30 calendar days, the lump sum payment of accumulated sick leave will be included in the employee's final paycheck. The 30 calendar day notice may not be waived. ~~or~~ t[T]he employee may convert his/her accumulated sick leave, not to exceed the maximum indicated, to terminal leave.

The above section is subject to employee labor agreement, when applicable.

ARTICLE XIII. OTHER TYPES OF LEAVE

SECTION 1. TERMINAL LEAVE

In order to qualify for terminal leave, an employee must request terminal leave in writing a minimum of ~~forty-five (45) days~~ 30 calendar days ~~notice~~ prior to the date the ~~employee's retirement date~~ employee intends to begin terminal leave. ~~unless waived by either the Civilian or Police Pension Committee~~. The retiring employee shall give such notice in writing to his/her supervisor, department head and the Human Resources department. The employee's department head may waive the 30 calendar day notice requirement for terminal leave.

ARTICLE XV. SEPARATION, DISCIPLINARY ACTION AND REINSTATEMENT

SECTION 2. RESIGNATION

A minimum of two (2) weeks notice is ~~required~~ suggested of all resigning personnel. For department heads, managers and supervisors, it is recommended that a minimum of four (4) week notice be provided. The resigning employee shall give such notice in writing to his/her supervisor, department head and the Human Resources Department. ~~An employee can not use vacation time as notice for his/her resignation.~~

The City reserves the right to terminate an employee's employment immediately, after receiving an employee's resignation.

SECTION 5. RETIREMENT (Please note: Sections 5 – 13 will be renumbered.)

Employees requesting a lump sum payment for accumulated sick leave or using accumulated sick leave for terminal leave shall be required to provide a minimum of 30 calendar day notice. The retiring employee shall give such notice in writing to his/her supervisor, department head and the Human Resources department. An employee cannot use vacation time as notice for his/her retirement. The employee's department head may waive the 30 calendar day notice requirement.

Additional Background Details:

The change in policy is being requested for financial and workload planning as well as creating uniformity for all retirement requests. Please note that payment or utilization of sick leave is not a matter that is covered by Delaware Labor law (Title 19 Labor, Chapter 11 Wage Payment and Collection). Therefore, the City has the ability to develop and enforce specific notification guidelines for accumulated sick leave.

Changes are being sought to assist in promoting a productive workforce. Employees who are forced to continuing working because of notification requirements can be counterproductive, detrimental and/or a hazard to the work environment. There may also be unforeseen reasons why an individual may need to retire immediately (i.e.: health and family care considerations). Each Department Head should have the ability to make a decision based upon their knowledge of the specific employee and the operations associated with their department to determine if the notification guidelines should be modified.

ACTION FORM

PROCEEDING: Legislative, Finance & Administration Committee
DEPARTMENT OF ORIGIN: City Manager **DATE SUBMITTED**: June 17, 2011
PREPARED BY: Scott D. Koenig, P.E., Interim City Manager
SUBJECT: Campus Community School Request to Purchase the Pear Street Warehouse (370 Pear Street)
REFERENCE: N/A
RELATED PROJECT: N/A
REVIEWED BY: Controller/Treasurer
EXHIBITS: Exhibit #1 – Letter from CCS; Exhibit #2 – Letter from Edwin Baker
TIMETABLE: N/A
RECOMMENDED ACTION: Accept staff's determination that the Pear Street Warehouse is currently not surplus property and recommended that staff continue to discuss options with the CCS Board that are budget neutral to the City of Dover and mutually beneficial to the City of Dover and Campus Community School.

BACKGROUND AND ANALYSIS

Campus Community School (CCS) is asking to purchase the Pear Street Warehouse from the City of Dover which is located at 370 Pear Street. This is the warehouse building (formerly the ILC site) that the City of Dover bought in the late 1990's. The warehousing area includes 24,312 square feet of inside storage area and the yard area includes 15,704 square feet of outside storage area. In 2002, the Campus Community High School was established adjacent to the city warehouse. These buildings share a common wall. CCS is seeking a new location for its Elementary School which is currently located at 21 North Bradford Street on the Wesley College campus. Exhibit #1 is a letter of request from CCS.

Under Section 3 of the City Procedure For Sale and Distribution of Real Property a "City Staff Member upon determining that City owned parcel of land is excess in nature and that the disposal of such land would be beneficial to the City of Dover, will request through the Legislative and Finance Committee, that the Dover City Council consider disposal of such land." In accordance with the policy, staff has conducted an internal analysis of whether we can move our material to another location, vacate our current building and sell it to CCS within their time frame. Campus Community School (CCS) has indicated that must relocate by June 2012, which means CCS would need the warehouse building for interior construction sometime this year. Our internal analysis shows that this is not feasible. Currently, staff has determined there is not enough room to relocate the stock material on our remaining property. In addition, there is not enough time to find another adequate adjacent location and prepare it for occupancy. Securing a remote site would increase our operating costs due to manpower constraints and fuel usage to service a remote site. Based on the detailed internal analysis, staff has determined that 370 Pear Street cannot be declared "excess in nature" and staff believes that the disposal of this property would not be in the best interest of the City of Dover. The warehouse is currently operating at below 2002 staffing levels. Exhibit #2 is the detailed analysis.

If the Legislative, Finance & Administration Committee wishes to explore this proposal further, staff is willing to entertain additional discussions regarding other options that may be mutually beneficial to the City and Campus Community School provided such action does not have a detrimental effect on the city's budget or operations.

Campus Community School

Campus Community High School
Pear Street Campus
350 Pear Street
Dover, DE 19904
(302) 736-0403
Fax: (302)736-5330

Campus Community School
Bradford Hall
21 N. Bradford Street
Dover, DE 19904
(302) 736-3300
Fax: (302) 736-3390

City of Dover
RECEIVED
APR 14 2011
CITY MANAGER/MAYOR

April 8, 2011

City of Dover – City Manager
City Hall - 15 Loockerman Plaza
Dover, DE 19903

Dear Mr. DePrima,

As you know, Campus Community School is actively seeking a location for our elementary and middle school program. For twelve years we have operated this program on Wesley College's campus as part of our long standing collaborative relationship. While CCS and Wesley plan to continue building upon that partnership, the College's "Campus Master Plan" includes making Bradford Street inaccessible to through traffic. This makes our current location unavailable for use as a school. We have worked closely with Wesley's leadership and our contacts in the community to identify appropriate locations for our school and we have decided that co-location of our two schools is ideal for financial, academic and operational reasons. In order to co-locate our programs we are looking to purchase the remaining portion of our high school building. That portion is currently owned by the City and specifically identified as 370 Pear Street.

As a member of the City of Dover community for the last twelve years Campus Community has helped to provide a quality educational program to local students in grades 1-12. Our existence within the City has enabled our students to participate in a widespread service learning program impacting many non-profit organizations and individuals throughout the City. CCS' students also have a unique opportunity to utilize the resources offered by many cultural, civic and business organizations to enhance their educational experience. Our students at the elementary school are trained docents for the Biggs Museum, frequently take walking field trips to museums, the Schwartz Center, City parks and various state and local government offices. We are a host school for the Miyagi student exchange program, offer a unique program for Wesley's education majors through their pre-service teaching assignments, and much more. This community collaboration benefits not only CCS but the City of Dover as a whole. Our charter was recently renewed by the Delaware Department of Education through 2016, the maximum allowable renewal period. We look forward to continuing to strengthen our community connections by maintaining our location within City limits and close to Wesley College.

In 2001 we purchased 350 Pear Street, approximately two thirds of the entire building, with the City purchasing the other third (370 Pear Street). We made significant renovations to this facility, drastically improving this block within the City. Our renovation of the remaining portion of this building would eliminate the unsightly warehouse and create more consistent use of the space. Additionally, we plan to embark on a solar energy project unique to Dover schools and beneficial to not only the City but our environment as a whole. The location of our elementary and middle school program to this location would eliminate our traffic impact on Division and State Streets and not create any new traffic congestion. We would like to ask that you take our request to City Council as soon as possible so that we can confirm that the purchase of this facility is an option. We look forward to expediting the appraisal process and moving forward with the purchase and renovation of this property in the next several months. I look forward to hearing from you as to the schedule for the City's consideration. Thank you for your assistance.

Sincerely,

Patricia S. Hermance

Marc Coté

Patricia S. Hermance, Superintendent

Marc Coté, President, Board of Directors

City of Dover

MEMORANDUM

TO: TONY DEPRIMA, CITY MANAGER

FROM: EDWIN BAKER, CENTRAL SERVICES DIRECTOR

SUBJECT: PEAR STREET WAREHOUSE (WAREHOUSE 2)

DATE: 6/17/2011

The building known as the Pear Street Warehouse is City warehouse 2.

The portion of the building that is connected to the Campus Community High School contains Stockroom 2A, valued at $386,458.24, the City Clerks Records Storage Area, the Public Utilities Department non-stock storage area and Parks, Recreation & Library Department storage for Old Dover Days items.

The portion of the building that is in the steel sided section contains the Public Utilities Relay Shop, the Public Services Chemical Containment Area, a Fleet Maintenance storage area, Stockroom 2C, valued at $ 24,445.85 and Stockroom 2D, valued at $279,598.61.

Total stock materials in warehouse 2 are valued at $690,502.70.

Upon request of the City Manager, a feasibility review was conducted to examine the possible relocation of material stored in City Warehouse 2A, Pear Street. This review was limited to the stock material currently stored in that section of the Pear Street Warehouse that directly abuts the Campus Community High School. It does not include the City Clerks Records Storage Area, the Public Utilities non-stock area or the Parks, Recreation & Library Departments storage of Old Dover Day items. A new storage location would have to be found for these items. The current warehouse does not have a courtesy storage area capable of keeping them.

1. The initial review was to see if the materials stored in 2A would fit into 2D. This would not be feasible. The items moved out of 2D would include PVC pipe, 2500 foot reels of 750 MCM primary cable, reels of ACSR, copper ground rods and various fiberglass/PVC components. Storage of these items outdoors would cause them to deteriorate. The cable reels would rot as they did in the past and the PVC and fiberglass items would suffer damage from exposure to the elements. The current location for the 750 MCM cable is the only indoor location that our current material handling equipment can place them. If all of this was resolved, the transformers would not fit because of the turning radius of our forklifts. The steel racks would have to be so close together we would not be able to receive or issue any items above floor level.

2. Next we analyzed the possibility of moving the items from 2A into the entire steel sided area of the building. At first glance, this seemed feasible but labor intensive. The entire area is large enough to contain the material

and allow for the turning radius of our forklifts. The problem is that the building is restrictive due to the number of small rooms. All of these rooms would have to be eliminated by demolishing the non-load bearing walls. The Public Utilities Relay Shop and the Public Services Chemical Containment Area would have to be relocated and the walls removed. Then the storage racks could be dismantled, moved and re-assembled in the new area. All access doors between the school and our warehouse would then be sealed to prevent accidental access. The school and the warehouse would share a wall.

3. We evaluated the possibility of relocating the material from 2A into the current warehouse facility at 710 William Street. The warehouse area (1B) did not have enough room to contain the current material as well as the transformers. We expanded our review to include the remainder of the building which contains the Water Department bay and the City Garage. We determined that if these areas were relocated and the non-load bearing walls removed, the area would be large enough to contain the material and allow for the turning radius of our forklifts. Again, this would be labor intensive. The Water Department bay, the Fleet storage bay, the welding bay and the main maintenance garage would have to be relocated and the walls removed. Then the storage racks could be dismantled, moved and re-assembled in the new area. There is no on site area to relocate Fleet Maintenance. They would have to be moved to an offsite location.

4. Our next thought was to review the possibility of relocating the items from 2A into the Pole Barn currently used by the Water, Sanitation and Street Departments. If they could relocate their equipment, we could then move the storage racks, have them bolted down, and move most of the transformers. The remaining items would be stored in the main warehouse, stockroom 1B. Doors would have to be installed to provide security and prevent insect infestation. Storing the transformers outside cause's deterioration from weather resulting in oil leaks. Wasp nests created a safety hazard. This would cause a hardship for the Public Services Department as they would no longer have an enclosed space for their vehicles.

5. The least desirable alternative would be to move the transformers down to the North Street Storage Yard, Warehouse 4A. This would require the movement of 166 transformers to the storage yard. The transformers would then be stored outdoors where they would fall into disrepair. The elements would begin to dry the seals. When the temperature climbs, the mineral oil expands and the transformers will begin to leak. With the manning shortage, if two people were off or sick, we would not be able to support the requirements of the City.

The main goal of any move must be the consolidation of material in order to reduce the manpower needed to manage it. Creating or increasing the amount of material in a geographically separated location would require an increase in manpower.

Our conclusion is that the relocation of the materials located in the Pear Street Warehouse is not feasible at this time. The city does not have a suitable, enclosed location for the material and the Central Services Department does not have adequate manpower or funding to maintain materials located outdoors, in a geographically separated area.

Ed Baker
Director, Central Services