



**CITY OF DOVER, DELAWARE  
COUNCIL COMMITTEE OF THE WHOLE MEETING  
Tuesday, October 14, 2025 at 6:00 PM**

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*City Hall Council Chambers, 15 Lookerman Plaza, Dover, Delaware*

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**AGENDA**

**THIS AGENDA AND PACKET HAVE BEEN REVISED BY REMOVING LEGISLATIVE, FINANCE, AND ADMINISTRATION COMMITTEE MEETING ITEM #6 – PROPOSED ORDINANCE #2025-14 – AMENDING CHAPTER 22 – BUILDINGS AND BUILDING REGULATIONS, ARTICLE I – IN GENERAL, BY ADDING SEC. 22-66 LEMON HOUSING PROTECTION**

Public comments are welcomed on any item and will be permitted at the appropriate time. When possible, please notify the City Clerk (302-736-7008 or email at [cityclerk@dover.de.us](mailto:cityclerk@dover.de.us)) should you wish to be recognized.

**VIRTUAL MEETING NOTICE**

**This meeting will be held in City Hall Council Chambers with electronic access via WebEx. Public participation information is as follows:**

**Dial:** 1-650-479-3208  
**Link:** <https://tinyurl.com/ys786ves>  
**Event number:** 2536 947 9995  
**Event password:** DOVER (if needed)

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**CALL COUNCIL COMMITTEE OF THE WHOLE MEETING TO ORDER**

**ADOPTION OF AGENDA**

**COUNCIL REPORTS - SEPTEMBER 2025**

- 1. First District**
- 2. Second District**
- 3. Third District**
- 4. Fourth District**

5. At-Large
6. Council President Neil

### UTILITY COMMITTEE

#### ADOPTION OF THE AGENDA

- 1. Revised Cross Connection Control Program (Jason Lyon, Water & Wastewater Director)**

(Staff Recommendation: Accept the revisions to the program and remove the moratorium to the commercial customers of the city. These revisions are contingent on the forthcoming results of the review from the Delaware Department of Health and Social Services - Office of Drinking Water.)

- 2. Annual Review and Approval of Governing Policy For Energy Commodity Risk Management (David S. Hugg, III, City Manager)**

(Staff Recommendation: Approve the proposed amendments to the Governing Policy for Energy Commodity Risk Management)

#### ADJOURNMENT OF THE UTILITY COMMITTEE MEETING

### LEGISLATIVE, FINANCE, AND ADMINISTRATION COMMITTEE

#### ADOPTION OF THE AGENDA

- 1. Non-Bargaining Step Proposal Discussion (David S. Hugg, III, City Manager, Naomi Poole, Human Resources Director, Patricia Marney, Controller/Treasurer)**

(Staff Recommendation: Approval of the option presented, which provides an average 2% increase per employee at a proposed cost of \$69,574.98, and implementing the new scale in January 2026, which would impact the budget preparations for FY2027 moving forward)

- 2. Fuel Pump and Island Upgrade (Barry Wolfgang, Contract and Procurement Manager, and Mike Hamlett, Central Services Director)**

(Staff Recommendation: Approval of the proposal of \$619,565 submitted by 1st State Petroleum in RFP #26-0001WH)

- 3. Presentation - Request for Public Safety Funds (Captain Roswell, Dover Police Department)**

- 4. Sale and Disposition of Excess Real Property (David S. Hugg, III, City Manager)**

(Staff Recommendation: Approval of Resolution No. 2025-10 approving the transfer of the three (3) properties in support of the Capital City 2030 Plan)

- 5. Update from the Security Ad-Hoc Committee (Councilman Boggerty, Chair)**

(Committee Action Not Required)

**ADJOURNMENT OF THE LEGISLATIVE, FINANCE, AND ADMINISTRATION  
COMMITTEE MEETING**

**ADJOURNMENT OF THE COUNCIL COMMITTEE OF THE WHOLE**

THE AGENDA ITEMS AS LISTED MAY NOT BE CONSIDERED IN SEQUENCE. PURSUANT TO 29 DEL. C. §10004(e)(2), THIS AGENDA IS SUBJECT TO CHANGE TO INCLUDE THE ADDITION OR THE DELETION OF ITEMS, INCLUDING EXECUTIVE SESSIONS, WHICH ARISE AT THE TIME OF THE MEETING



**CITY OF DOVER, DELAWARE**  
**ACTION FORM**

**PROCEEDING:** Council Committee of the Whole (Utility)

**DEPARTMENT OF ORIGIN:** Water & Wastewater

**SUBMITTED ON:** September 26, 2025

**PREPARED BY:** Jason A. Lyon, P.E., Director of Water & Wastewater

**REVIEWED BY:** David S. Hugg, III, City Manager and Patricia M. Marney, Controller / Treasurer

**SUBJECT:** Revised Cross Connection Control Program

**TIMETABLE:** Staff to implement revised program within two (2) weeks of Council Approval

**RELATED PROJECT:** N/A

**REFERENCE:** N/A

**EXPENDITURE REQUIRED:** \$0

**AMOUNT BUDGETED:** \$0

**FUNDING SOURCE (Dept./Page in CIP & Budget):** N/A

**STAFF RECOMMENDATION:**

Accept the revisions to the program and remove the moratorium to the commercial customers of the city. These revisions are contingent on the forthcoming results of the review from the Delaware Department of Health and Social Services - Office of Drinking Water.

**BACKGROUND AND ANALYSIS:**

In February 2021, the State of Delaware, Delaware Dept. of Health and Social Services, Division of Public Health mandated a cross connection control program in the Delaware Administrative Code 4662, Chapter 16, Section 21. This new regulation will require the City of Dover to develop and comply with a plan for a cross-connection control program as it relates to our potable water. This is a safety regulation that will eliminate the potential for water to reverse into our system from a customer.

In the summer of 2024, City Council issued a moratorium on requirements to low hazard commercial users of the water system. The directive was to revise the program to accommodate low hazard users. Staff met with other companies dealing with this regulation and discussed funding options with state representatives to come up with a revised program. The proposed action is to provide additional time for low hazard commercial users to meet the requirements of the plan.

The recommendation is to implement this new program after Council approval.



# Cross-Connection Control Program

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PROGRAM UPDATE



# Regulation Recap

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In February 2021, the State of Delaware, Dept. of Health and Social Services, Division of Public Health mandated the development of a cross connection control program in the Delaware Administrative Code 4662, Chapter 16, Section 21. This gives the public water system authority to enforce a cross-connection control program.

On August 12, 2024, City Council placed a one-year moratorium on the low-hazard portion of this program for city staff to review the requirements of the program and present the recommended revisions to the Utility Committee and City Council for approval.

# Definitions

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**Cross-Connection:** A connection or potential connection between any part of a potable water system and any other environment containing other substances which, under any circumstances, would allow such substances to enter the potable water system.

**Backflow Preventer:** an assembly, device or method designed to prevent backflow.



Item 1.



# Current Program Stats

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1,318 possible non-residential premises requiring backflow prevention:

- 499 are high-hazard
- 360 are low-hazard
- 459 are unknown

High-hazard installations: 239

Low-hazard installations: 306



# Low Hazard Program Updates

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All new installations shall be completed within one (1) year of receipt of the first notification letter from the City of Dover, or their designee.

All alterations, replacements, relocations or repairs shall be completed within ninety (90) days of receipt of the first notification letter from the City of Dover, or their designee.

Added language for potential waiver for location of backflow preventer.

General clean up to language.

# Next Steps

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Have Program Revisions Approved by Council

Restart Low Hazard Program

Provide List of ASSE Certified Testers and Planning & Inspections Dept. Contact Information for List of Licensed Plumbers on DWW Website

Continue Tracking Compliance



Item 1.



## CROSS-CONNECTION CONTROL PROGRAM

For

**City of Dover, Delaware**

**Department of Water & Wastewater**

City of Dover Approved: October 24, 2022

REVISED: TBD

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## 1. DEFINITIONS

**Air Gap:** The unobstructed vertical distance through the free atmosphere between the lowest opening from any pipe or faucet conveying water or waste to a tank, plumbing fixture, receptor, or other assembly and the flood level rim of the receptacle. These vertical, physical separations must be at least twice the diameter of the water supply outlet and at no time less than 1 inch.

**Approved:** Accepted by the Authority responsible as meeting an applicable specification stated or cited in this Program or as suitable for the proposed use.

**Auxiliary Water System:** Any water system on or available to the premises other than the purveyor's approved public water system.

**Backflow:** The undesired reversal in the direction of flow of water or other liquids, mixtures, or substances into the potable water system from any source other than the intended source of the potable water system, due to backpressure or backsiphonage.

**Backflow Preventer:** An assembly, device or method designed to prevent backflow.

**Backflow Prevention Assembly:** A mechanical backflow preventer used to prevent backward flow of contaminants or pollutants into a potable water distribution system. An assembly has a resilient seated, full flow shut-off valve before and after the backflow preventer making it testable in line.

**Backflow Prevention Device:** A mechanical backflow preventer without shut-off valves.

**Backpressure:** A pressure, higher than the supply pressure, caused by a pump, elevated tank, boiler, or any other means that may cause backflow.

**Backsiphonage:** Backflow caused by negative or reduced pressure in the potable water system piping.

**Containment or Service Line Protection:** Installation of an approved backflow prevention device, assembly, or other method at the point of service to confine potential pollution or contamination caused by a cross-connection within the building or facility where it arises.

**Contaminant:** Any foreign substance (liquid, solid or gas) that degrades the quality of water and creates a health hazard.

**Cross-connection:** A connection or potential connection between any part of a potable water system and any other environment containing other substances which, under any circumstances, would allow such substances to enter the potable water system. Other substances may be gases, liquids, or solids, such as chemicals, waste products, steam, water from other sources (potable or non-potable), or any matter that may change the quality of the water.

**High-Hazard:** Premises types that represent a health or high hazard to the public water system. The type of uses can be found in Title 16 Delaware Administrative Code § 4662-21.2.4.2 Cross-

## Connection Control.

**Non-Potable Water:** Water that is not safe for human consumption or of questionable quality.

**Pollutant:** Any foreign substance (liquid, solid or gas) that degrades the quality of water as to constitute a non-health hazard or impair the usefulness of the water.

**Potable Water:** Water that is safe for human consumption as described by the public health official having jurisdiction.

**Premises:** A house, building or facility, together with its land and accessory structures, including the privately owned portion of the water service connection(s).

**Property Owner:** an individual or entity that is the legal owner of a parcel of real estate.

**Reclaimed Water:** Water from a variety of sources that is properly treated and reused for a direct beneficial use or a controlled use that would not otherwise occur and is not safe for human consumption.

## 2. INTRODUCTION

### 2.1 Purpose

The purpose of this document is to outline the City of Dover Cross-Connection Control (CCC) Program and policies for all non-residential, residential, and miscellaneous facilities having service connections to the City of Dover public water system. The goals of this policy are summarized as follows:

- Protect the public water system from contaminants and pollutants that could backflow through the service connection(s).
- Promote the elimination of actual and/or potential cross-connections between the public water system and non-potable water systems, plumbing fixtures and sources or systems containing substances of unknown or questionable quality.
- Promote the elimination of actual and/or potential cross-connections between the building or facility potable water system and non-potable water systems, plumbing fixtures and sources or systems containing substances of unknown or questionable quality.
- Identify all hazards, whether low or high, that may exist and may pollute or contaminate the public water system.
- Provide guidance for a continuing program of protection from the potential of service line and internal cross-connections within the building or facility.
- Educate the Dover Community on the dangers of cross-contaminants and the procedures needed to further protect their premises and the public water system.

### 2.2 Legality

In accordance with the Delaware Department of Health and Social Services (DHSS), Division of Public

Health, the City of Dover proclaims this CCC Program as a continuing effort to maintain safe potable water. The City of Dover shall comply with the CCC regulations in Title 16 of the Delaware Administrative Code § 4662-21.0 Cross-Connection Control (CCC Code).

By reference to the CCC Code requirement, *“we hereby establish the City of Dover Cross-Connection Control Program.”* This Program was adopted by City of Dover City Council on October 24, 2022 and made effective on October 24, 2022. This program was revised and effective on TBD.

### 2.3 Local Ordinance

Legal authority to carry out and enforce the City of Dover CCC Program is provided in the Dover Code of Ordinances. The Ordinance establishing this Program is Ordinance #2022-17, adopted by City of Dover City Council on October 24, 2022.

### 2.4 Authority

The City of Dover City Manager or their designee (City), shall be the Authority and the Administrator of the CCC Program. The City may contract with a third party, as its Designated Agent (Agent), to perform the role of Administrator of the CCC Program. This CCC Program shall include, but not be limited to:

- Local Ordinance
- Establishment of Authority
- Applicable Rules and Regulations
- Approved Backflow Prevention Devices and Assemblies
- Testing Requirements of Backflow Prevention Assemblies
- Survey Process and Requirements
- Non-Compliance
- Data Management
- Reporting
- Education and Awareness

## 3. BACKFLOW PREVENTION ASSEMBLIES, DEVICES, AND METHODS

### 3.1 Approved Backflow Prevention Assemblies, Devices and Methods

- 1) The City of Dover accepts American Society of Sanitary Engineers (ASSE) recognized backflow prevention devices, assemblies, and methods appropriate to the level of hazard as recognized by the applicable Delaware Statutes, Rules, and Regulations.
- 2) Installation of all backflow prevention must conform to the applicable ASSE Standards, most recent versions.

### 3.2 Responsibility of the Property Owner

- 1) The Property Owner shall be responsible for the protection of the public water system from pollution or contamination due to backflow through water service connection(s).
- 2) The Property Owner shall be responsible for the elimination of all unprotected cross-connections, including but not limited to, any service line protection and any connections downstream of the service line supply to the premises.
- 3) Installation and maintenance of backflow prevention assemblies, devices, and methods at all non-residential premises to protect existing cross-connections shall be the responsibility of the Property Owner.
  - For residential premises, ASSE 1024 residential dual checks (RDC) installed on the public water system service line at the water meter outside on the premises shall be maintained by the City. For new construction, the Property Owner / Developer will be responsible for purchasing and installing the RDC.
  - Where there are three (3) or more living units in a structure, this shall be considered an Apartment Building and categorized as commercial. Section 3.4 below shall apply.
- 4) At any premises connected to the City of Dover public water system, the installation and maintenance of backflow prevention installed to protect against cross-connections in accordance with Section 3.6, shall be the responsibility of the Property Owner.
- 5) For all work required by the City or their Agent, including but not limited to installation, alteration, replacement, relocation or repair of backflow prevention assemblies, devices or methods, the Property Owner shall be responsible for obtaining an approved City of Dover permit through the offices of the Building Inspector and the City Planner in accordance with Dover Code of Ordinances Chapter 22 Building and Building Regulations, Chapter 46 Fire Prevention and Protection and other applicable sections.

### 3.3 Rights of the City of Dover

The City reserves the right to direct and administer testing and/or maintenance of any backflow prevention assemblies or devices. All costs associated with testing and any necessary installation, alteration, replacement, relocation, maintenance or repairs of these assemblies or devices shall be the sole responsibility of the Property Owner. If, in the interest of public safety and safety of the water system, the City assumes the responsibility of backflow assembly or device installation, testing, maintenance, alteration, relocation or repair at a premises, all costs for such will be charged to the Property Owner in a manner deemed appropriate by the City.

### 3.4 Containment Backflow Prevention Assembly Protection

With respect to backflow prevention assemblies installed at the service line, the City will require the following :

- 1) Containment shall be required as outlined in the CCC Code, or as required by the City.
- 2) Backflow prevention assemblies shall be installed downstream of the water meter and prior to the first branch line in the plumbing system.

- For premises with multiple meters, the Property Owner or their designee can contact the City per Appendix A to request a waiver for the installation of one (1) backflow preventer upstream of all of the meters and prior to the first branch line in the plumbing system. The City shall review on a case-by-case basis.
- 3) Non-residential service line backflow prevention assemblies shall be DCVs or RPBPs, as determined by the City.
- 4) All high hazard non-residential customers are required to have, at a minimum, a RPBP installed immediately after the water meter and prior to the first branch line in the plumbing system. See the CCC Code, Section 21.2.4.2, most recent version, for further information on high hazard designations.
- 5) RPBPs are prohibited to be installed below grade or in an underground pit.
- 6) Pressure Vacuum Breaker (PVB) assemblies and Atmospheric Type Vacuum Breakers (AVB) shall not be installed as containment on domestic water service lines.
- 7) Where a backflow prevention assembly is required, the Property Owner shall also install appropriate protection from thermal expansion within the premises, when necessary.

### 3.5 Residential Containment Backflow Prevention Assembly Protection

As a minimum requirement, all new residential properties connected to the City of Dover public water system shall have a RDC installed at the water meter located outside on the premises on the public water system service line, per the City of Dover Water/Wastewater Handbook. The RDCs shall be installed downstream of the water meter. All RDCs installed at the water meter outside on the premises on the public water system service line shall be maintained by the City. For new construction, the Property Owner / Developer will be responsible for purchasing and installing the RDC.

### 3.6 Additional Requirements

For all premises being served by the City of Dover public water system, there are additional requirements noted below. If backflow prevention is required to be installed per these requirements, the Property Owner must comply with Section 3.1 through 3.4, when applicable.

Backflow prevention must be installed in accordance with the applicable ASSE standard, the applicable portions of the International Plumbing Code (IPC) as adopted by the City of Dover or as required to be administered by the municipality per Delaware code, and the manufacturers' installation requirements, most recent version.

#### 1) Lawn Irrigation Systems

Specific lawn irrigation systems connected to the City of Dover public water system shall be protected against backflow. For inground and chemical injection lawn irrigation systems, separate backflow prevention in the form of a RPBP or PVB, shall be installed on the water service line where the service line branches off to supply the irrigation system.

#### 2) Reclaimed Water and/or Auxiliary Water System(s)

Those premises that are connected to the City of Dover public water system that are also served by reclaimed water or auxiliary water system(s) shall have a RPBP installed on the water service line downstream of the meter but prior to the first branch line.

3) Swimming Pools

Swimming pools connected to the City of Dover public water system shall be protected against backflow. Separate backflow prevention in the form of a RPBP or PVB is required on the water service line where the service line branches off to supply the swimming pool.

4) Fire Suppression Systems

Those premises which have a fire suppression system connected to the public water system shall be equipped with appropriate backflow prevention. Fire suppression systems shall be independently protected against backflow by appropriate backflow prevention. The installation of the backflow prevention on a fire suppression system, of whatever sort, shall be installed in such a way as to not adversely affect the operation of the fire suppression system. They must be installed in accordance with the City of Dover Fire Marshal's Office.

5) Other

If the premises does not qualify under Section 3.6, 1) through 4) above, but is determined to present a hazard to the City's public water system, the City has the right to require the installation of the appropriate backflow prevention at the premises to protect the public water system.

3.7 Other Service Types

1) Temporary Water Services

Temporary connections to the public water system shall have the appropriate backflow prevention as approved by the City. Contact the City per Appendix A for review.

2) Water Trucks and Mobile Equipment

Unauthorized use of the public water system for direct fill up of water reservoirs, tanks, or comparable equipment on vehicles and mobile equipment is strictly prohibited and may be subject to fees or fines in accordance with the Dover Code of Ordinances, Appendix F Fees and Fines, Chapter 110.

Use of the public water system for direct fill up is permissible if and only if the request and the proposed backflow prevention is approved by the City. Contact the City per Appendix A for review.

3) Tall Buildings

Buildings that contain plumbing that meets or exceeds thirty (30) feet in elevation above the water main, where the service line taps the water main, shall be required to have, at a minimum, backflow prevention in the form of a DCV.

### 3.8 Testing of Backflow Prevention Assemblies

- 1) All testable backflow prevention assemblies, including residential backflow prevention assemblies, shall be tested upon installation, repair, relocation, after a reported backflow incident, and on an annual basis. Assemblies must be tested in accordance with the applicable ASSE standard, the applicable portions of the International Plumbing Code (IPC) as adopted by the City of Dover or as required to be administered by the municipality per Delaware code, and the manufacturers’ installation requirements, most recent version.
- 2) Equipment, such as three and five hose test gauges, used to field test assemblies must be certified and calibrated for accuracy annually. Single hose testing is prohibited.
- 3) Assembly test forms to record test results will be maintained by the Property Owner and shall be submitted and filed in a location as directed by the City or their Agent.
- 4) The Property Owner shall have all assemblies tested by a certified Tester having completed the applicable forty (40) hour ASSE Backflow Prevention Assembly Tester Training and Certification Course. All Testers must also complete a recertification exam at an interval not to exceed once every three (3) years.
  - For fire suppression systems, the Tester shall be a licensed public fire protection company approved and listed on the State of Delaware office of the State Fire Marshal’s most recent listing.

### 3.9 Assembly and Device Abbreviation List

<b>Backflow Prevention Assembly and Device Legend</b>			
<b>A.S.S.E Standard</b>	<b>Legend</b>	<b>Acronym</b>	<b>Testable Device</b>
1001	Atmospheric Type Vacuum Breakers	AVB	No
1002	Anti-siphon Fill Valves (Ballcocks)	ASBC	No
1011	Hose Connection Vacuum Breaker	HBVB	No
1012	Backflow Preventer w/Intermediate Atmospheric Vent	VDCV	No
1013	Reduced Pressure Backflow Prevention Assembly	RPBP	<b>Yes</b>
1015	Double Check Valve Backflow Prevention Assembly	DCV	<b>Yes</b>
1019	Vacuum Breaker Wall Hydrants	HBIVB	No
1020	Pressure Vacuum Breaker Assembly	PVB	<b>Yes</b>
1022	Backflow Preventer for Carbonated Beverage Machine	VMBP	No
1024	Dual Check Valve Type Backflow Preventers	DC	No
1024	Residential Dual Check	RDC	Yes/No
1035	Laboratory Faucet Backflow Preventer	LFVB	No
1037	Pressurized Flushing Devices (Flushometers)	PFD	No
1047	RP Detector Backflow Prevention Assembly	RPDA	<b>Yes</b>

1048	Double Check Detector Backflow Prevention Assembly	DDCV	Yes
1052	Hose Connection Backflow Preventer	HCBP	No
1055	Chemical Dispensing Systems	AG	No
1056	Spill Resistant Vacuum Breaker Assembly	SVB	Yes
1057	Freeze Resistant Yard Hydrant W/Backflow		No
A112.1.2	Air Gap	AG	No

## 4. SURVEYS OF EXISTING CUSTOMERS

### 4.1 Responsibility of the Property Owner

The Property Owner shall be responsible for participation in the Initial Survey and Site Survey(s) for their premises, when applicable.

### 4.2 Initial Survey

- 1) The Initial Survey form will be provided to premises served by the City of Dover public water system to determine the level of hazard existing at the premises and to obtain record of existing backflow prevention installed. At the effective date of the CCC Program, the City or their Agent will send the Initial Survey to all existing non-residential premises. Once completed, residential premises will be contacted.
- 2) If it is determined by the City or their Agent that a site visit is required as a follow-up to the Initial Survey, the Property Owner will be contacted to schedule the site survey.
- 3) If it is determined that backflow prevention needs to be installed, altered, replaced, relocated, or repaired, the Property Owner shall comply with these requirement based on the following schedule:
  - High Hazard Premises
    - a. All new installations, alterations, replacements, relocations or repairs shall be completed within ninety (90) days of receipt of the first notification letter from the City to perform the work.
  - Low Hazard Premises
    - a. All new installations shall be completed within one (1) year of receipt of the first notification letter from the City to perform the work.
    - b. All alterations, replacements, relocations or repairs shall be completed within ninety (90) days of receipt of the first notification letter from the City to perform the work.
- 4) All work required by the City or their Agent, including but not limited to installation, alteration, replacement, relocation, or repair of backflow prevention shall be completed under an approved City of Dover permit through the offices of the Building Inspector and the City Planner in accordance with Dover Code of Ordinances Chapter 22 Building and Building Regulations, Chapter 46 Fire Prevention and Protection, and other applicable sections.

### 4.3 Site Survey

- 1) After the Initial Survey, Site Surveys will be conducted at certain times, as outlined below, on the Property Owner’s premises. Survey scheduling and completion shall be the responsibility of the Property Owner. The City or their Agent will contact the Property Owner, when necessary, to provide notification that a survey is required.

Site Surveys will be completed at the following intervals, when applicable:

- Backflow Prevention Assembly Testing  
Site surveys shall be conducted by a certified Tester/Surveyor during the testing of a backflow prevention assembly, which occurs upon installation, repair, relocation, after a reported backflow incident, and on an annual basis.
- Substantial Change to Premises  
Site Surveys shall be conducted if there is a substantial change to the premises. This includes, but is not limited to, change in premises plumbing, addition of a water service line(s), addition of fire suppression, or any other substantial additions or modifications to the premises which may affect the City of Dover public water system.
- Reassessment  
Existing service line connections shall be reassessed/surveyed at an interval of no more than every ten (10) years to determine if the backflow prevention requirements have changed on the premises.

- 2) Internal Plumbing System Survey

- The facility’s internal water use practices shall be reviewed by a certified Surveyor during the Site Survey to determine whether there are actual or potential cross-connections to the plumbing system through which contaminants or pollutants could backflow into the public water system and/or the facility’s internal plumbing system.
- Recommendations for internal plumbing cross-connection control and backflow prevention will be provided to the Property Owner upon survey completion.

- 3) Surveyors

Surveyors having proper identification shall be permitted to enter the building/premises at any reasonable time for the purpose of survey for the presence or absence of cross-connections, testing, repair, and maintenance of any part of the plumbing system related to any cross-connection control device connected to the City of Dover public water system.

A Surveyor having both the required experience component and certification/training component shall be contacted by the Property Owner to conduct on-site surveys in accordance with this CCC Program.

- Surveyor Experience

Acceptable experience must include one (1) or more of the following:

- a. Be employed or have been employed by a Water Utility, Water Purveyor, Building Department, Code Enforcement Department for a period of not less than three (3) years, not more than five (5) years ago; or,
- b. Held the position of Cross-Connection Surveyor, or similar position, with a municipal body or branch of the military for a period of not less than three (3) years, not more than five (5) years ago; or,
- c. Have one (1) year or more full-time experience in conducting cross-connection control surveys in non-residential and/or residential facilities for a private, non-governmental, entity.

- Surveyor Certification/Training

Acceptable certification/training shall include successful completion of the American Society of Sanitary Engineers Standard 5120 – relating to Cross-Connection Control Surveyors and a current, valid certification of completion. (All Surveyors must complete a recertification exam at an interval not to exceed once every three (3) years.)

- a. Fire suppression backflow preventers shall be inspected by a licensed public fire protection company approved and listed on the State of Delaware office of the State Fire Marshal’s most recent listing.

4) Survey Forms

A Survey Form shall be used in every required survey and will be filed in a location as directed by the City. This form will be used to record the level of hazard existing at the premises, any existing backflow prevention discovered at the premises and any additional backflow prevention required or recommended to be installed at the premises at the time of the survey.

5) Survey Procedure

Completed CCC surveys shall include the following information:

- Identify the premises to be surveyed and date of survey.
- The building or facility contact/Property Owner, or their designated representative.
- Notation that the building or facility contact/Property Owner or their designated representative was explained the purposes of the CCC Program.
- Survey/Evaluate the level of hazard present within the premises and the status of cross-connection control and backflow prevention containment protection on the premises.
- Survey the premises and record the following information:
  - a. Any identified deficiency in the exposed piping and water outlets/uses downstream of the service connection(s)
  - b. All existing backflow prevention assemblies, devices, and methods (including make, model #, size, serial # if applicable) that are currently in place on the premises

- c. Any point of use or equipment supplied for each backflow prevention assembly, device, or method
  - Any required or recommended backflow prevention assemblies required to be installed at the premises for corrective action or containment or isolation protection.
  - A piping diagram or schematic of the plumbing system may be requested or required.

#### 4.4 Record Keeping and Data Management

The City or their Agent has the right to request specific CCC and backflow prevention related information, including but not limited to, containment or service line protection methods, backflow assembly installation, repair, relocation, and test records, CCC Program compliance information, and piping diagrams for the premises.

All data, reports, test results, surveys and any other related information obtained by the City or their Agent from the Property Owner will be entered into a data management system and held for a period of no less than ten (10) years, per the CCC Code. This information will include:

- Address and location
- The building or facility contact/Property Owner, or their designated representative and their contact information
- Survey information
- Premises type/use
- Level of hazard classification
- Backflow prevention assemblies present at the premises
- Location of any assemblies
- Make, model, and size of assemblies
- Testing and maintenance records for the assemblies
- Description of other cross-connections within the building or facility
  - Air gaps
  - Non-testable devices
  - Methods

## 5. SITE PLANS AND PERMITS

### 5.1 Procedures

Site plans and permits submitted to the City of Dover shall be reviewed by the City for compliance with the CCC Program and backflow prevention requirements, when applicable.

### 5.2 Inspections

The City of Dover shall continue to inspect the work authorized by the permit, in compliance with Dover Code of Ordinances Chapter 22 Building and Building Regulations and Chapter 46 Fire Prevention and Protection.

Service line connections shall be assessed by the City or their Agent to determine the level of hazard

and the appropriate method of containment backflow protection required.

### 5.3 Records

All data, surveys, reports, test results and any other related information obtained by the offices of the City of Dover Building Inspector, City Planner and Fire Marshal for permit-required work including backflow prevention assemblies, devices and/or methods shall be provided to the administrators of the CCC Program. This shall also include all annual testing reports provided by the Property Owner to the Planning & Inspections and Fire Marshal offices.

## 6. ENFORCEMENT

Failure, refusal, or the inability on the part of the Property Owner to comply with the requirements of this CCC Program shall be unlawful and may be subject to the Dover Code of Ordinances, Appendix F Fees and Fines, Chapter 110.

After reasonable notice to the occupants, the City may also deny or discontinue water service to any building/premises for refusal or failure to comply with the CCC Program.

If there are any special circumstances in which the Property Owner believes compliance cannot be reached, the Property Owner or their designee can contact the City per Appendix A, and the City shall review on a case-by-case basis.

### 6.1 Non-Compliance

Non-compliance with the CCC Program includes, but is not limited to, the following:

- Failure to test assemblies and/or submit appropriate test forms.
- Refusal or failure to complete and/or return the Initial Survey provided to the Property Owner.
- Refusal or failure to schedule a cross-connection survey and/or submit completed survey forms.
- Failure, refusal, or the inability on the part of the Property Owner to correct any deficiency or violation found during a survey in the timeline indicated below:

#### Timeline for Corrective Actions by Property Owner:

##### a. All Hazard Types

The Property Owner shall have ninety (90) days from receipt of the first notification letter from the City, to correct any deficiency or violation noted in the letter. After these ninety (90) days have passed and the Property Owner has not corrected any deficiency or violation, a second notification shall be sent to the Property Owner from the City, providing another forty-five (45) days from receipt of this second letter to correct any deficiency or violation noted in the letter. After these forty-five (45) days have passed and the Property Owner has not corrected any deficiency or violation, a third letter shall be sent to the Property Owner from the City notifying the Property Owner that they are now

subject to fees or fines in accordance with the Dover Code of Ordinances, Appendix F Fees and Fines, Chapter 110.

b. Low Hazard, New Installations

New Installations: The Property Owner shall have one (1) year from receipt of the first notification letter from the City to install a new backflow prevention assembly. After this year has passed and the Property Owner has not installed the appropriate backflow prevention assembly, a second letter shall be sent to the Property Owner from the City, providing another ninety (90) days from receipt of this second letter to install the appropriate backflow prevention assembly. After these ninety (90) days have passed and the Property Owner has not installed the appropriate backflow prevention assembly, a third letter shall be sent to the Property Owner from the City notifying the Property Owner that they are now subject to fees or fines in accordance with the Dover Code of Ordinances, Appendix F Fees and Fines, Chapter 110.

## 6.2 Site Plans and Permits

- 1) It shall be unlawful for the failure, refusal, or the inability on the part of the Property Owner/Developer to comply with the CCC Program and backflow prevention requirements during site plan/permit review or in performing the work authorized by the City of Dover permit, in the timeframe indicated to the Property Owner by the City. The water service and the certificate of occupancy may be initiated, for a limited period not to exceed forty-five (45) days, until compliance is achieved and approved. The City may deny water service to the premises.

## 6.3 Danger to Public or Occupants

- 1) If there is reason to believe the building/premises poses an immediate danger to the public and/or occupants, the City shall deny or discontinue water service to the building/premises.

# 7. EDUCATION AND AWARENESS

Those involved in administering the City's CCC Program must have a thorough understanding of cross-connection control. They shall receive proper in-the-field training as well as classroom education focusing on terminology, backflow prevention, regulations, and hydraulic concepts, coordinated by the public water system. In addition, they will be encouraged to receive continuing education to be made aware of new backflow prevention, regulation changes (i.e., plumbing code updates), new water use devices that pose cross-connection concerns, etc.

Additionally, public education about cross-connection and backflow prevention will be provided, including but not limited to, distributing pamphlets on common residential cross-connections, visiting schools, providing onsite education of facility management and maintenance staff when requested, speaking at homeowner's association meetings and neighborhood meetings, providing information on the City of Dover website, social media posts, and newsletter article(s), or posting newspaper announcements. Educational content will comply with the applicable CCC Code requirements with respect to public education.

The City and their Agent shall be available upon request to provide backflow prevention education to pertinent community officials and City of Dover employees.

## APPENDIX A – CCC PROGRAM INFORMATION

CONTACT INFORMATION	
Phone Number	302-736-7025
City of Dover E-mail	waterquality@dover.de.us
Fax Number	302-736-4217
CCC PROGRAM INFORMATION	
Website	<a href="https://www.cityofdover.gov/WaterandWastewater">https://www.cityofdover.gov/WaterandWastewater</a>
Title 16 Del. Admin Code § 4662-21.0 Cross-Connection Control	<a href="https://regulations.delaware.gov/AdminCode/title16/">https://regulations.delaware.gov/AdminCode/title16/</a>

**City of Dover, Delaware**

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**Governing Policy**

**For**

**Energy Commodity  
Risk Management**

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**Effective: January 23, 2023**

**Commented [KG1]:** Update date based on new approval

**Approved by: City of Dover Council**

*(Last Revision September 27, 2021)*

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## PURPOSE OF THE RISK MANAGEMENT POLICY

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### A. Introduction

The City of Dover (“City”) and its customers are routinely exposed to commodity risk, counterparty risk, process risk, budget risk, and regulatory risk – herein referred to collectively as Energy Commodity Risk - in the normal conduct of serving its electric load requirements. Volatility of energy commodity prices and volumetric uncertainty (either supply/generation or load obligations) impose a substantial and direct risk to the City’s financial and operating performance.

By authority of its charter, the City has responsibility for overseeing the City’s electricity operations, including the management of its cost of serving Dover’s customers with primary operational management authority vested in the City Manager (Dover City Charter §40). By agreement (the “EMA”) dated May 6, 2011 and approved by the City, the City has engaged The Energy Authority, Inc. (“TEA”) to assist the City with Asset Management and Strategic Planning Services, Risk Management Services, and Energy Management Services.

This Policy for Energy Commodity Risk Management (“Policy”) is established the explicit understanding that the City has retained and delegated responsibilities to TEA to provide Risk Management Services.

Additionally, the City has issued this Policy for dealing with the philosophy, framework and delegation of responsibilities necessary to govern activities related to Dover’s energy commodity risk management. As set forth herein, the City has established an organizational structure, delegated responsibility and established internal controls and procedures to ensure that all transactional and oversight activities are conducted in compliance with this Policy and in accordance with the City’s normal reporting, legal, financing and regulatory requirements relating to energy assets and transactions.

### B. Scope of Policy

This Policy covers all transactions entered by the City of Dover designed to meet the City’s electric load requirement and the management of risk related to these transactions.

In the event of conflict between this Policy and the EMA, the more restrictive document shall ~~be controlled~~.

This Policy is separate and distinct from enterprise risk management policies and procedures addressing the City's safe operation of its generating stations and energy infrastructure, insurance requirements, permit compliance, employee matters regulatory compliance with laws and regulations of the State of Delaware and Federal Agencies such as EPA, FERC, NERC and CFTC or other potential risks to the City beyond the purchase and sale of fuel and electric power and its ancillary products.

Unless otherwise explicitly stated in this Policy, or other policies approved by the Utility Committee, this Policy applies to all power and fuel procurement and related business activities that may impact the energy market risk profile of the City. This policy documents the framework by which management and staff will:

- Identify and quantify risk
- Develop and execute procurement strategies
- Create a framework of controls and oversight
- Monitor, measure, and report on the effectiveness of the risk management

### C. Objectives and Risk Philosophy

The objectives of the Policy are to identify Energy Commodity price and credit risk exposures and give the City a framework for the quantification and management of these exposures. The Policy will identify the reports needed to convey how the identified risk exposures can potentially impact the City's overall cost of providing electricity service to its customers and report on the risk management of the transactions associated with City's electric load requirements.

Under the Policy, risk management activities will be conducted consistent with the City's overall objective of appropriate risk management. There are several objectives of the Policy which, when taken and executed together, serve to manage the City's energy commodity price exposures. Specifically, the Policy:

- Establishes framework for developing credit limits for counterparties and quantifies and manages the credit exposures related to potential counterparty abrogation
- Quantifies the impact of the energy commodity price and credit risk exposures on City's financial results-
- Manages the impact of the above exposures in line with the City's identified level of risk tolerance-
- Provides clear delineation of responsibilities and authority, outlines a separation of duties, and ensures reporting of risk is timely and accurate-
- Ensures that the impact of any action affecting the City's position is consistently quantified, monitored and authorized-

*The City's risk management activities will be conducted consistent with its overall objective of appropriate risk mitigation and never for purposes of speculation.*

#### **D. Policy Administration**

This Policy has been approved by the Executive Risk Management Committee and The Utility Committee of the Dover City Council Committee of the Whole. The Utility Committee must approve modifications to the Policy, except for the appendix information which can be modified with the approval of the Executive Risk Management Committee.

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### **DISCUSSION OF RISKS**

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This Policy covers the management of all material energy market risks faced by the City. A comprehensive list of risks that are or could be relevant to the City is shown in Appendix C of the Policy. Among the most critical of these risks are commodity risk, counterparty risk, process risk, volume risk, and budget risk. These risks are measured by the limit structure and controls outlined in the Policy.

Commodity risk represents the potential adverse impacts to the value of the City's portfolio due to changes in the market or government policy. Commodity risk encompasses volatility risk, forward price risk, basis risk, correlation risk and liquidity risk. Volatility risk is incurred by sudden changes to the cost and value of market instruments. Forward Price Risk is the impact of future prices differing from historical prices as well as the potential for changing prices to result in mark-to-market exposure. Basis risk is incurred whenever prices differ between procurement and consumption location for power or fuel products. Correlation Risk is a reflection that multiple assets may experience varying degrees of similar movement which may change over time. Liquidity Risk is experienced when a commodity may be less available to buy or sell due to counterparties being unable or unwilling to transact a commodity in a normal timeframe without altering the pricing of that commodity.

Counterparty risk represents the potential losses the City could incur due to delivery risk and receivable risk. Delivery risk stems from a supplier or trading counterparty that is unable or unwilling to perform on its commitments including but not limited to delivery or receipt of commodities which would require the City to procure alternative supply at market prices. Receivable Risk includes the City's risk associated with a counterparty's timeliness of payment for services rendered.

Process risk represents the risks associated with process problems including, but not limited to, inaccurate data capture, untimely trade execution or incorrect settlement.

Controls over process risks are embedded in the organizational structure of TEA through the design processes and operating procedures.

Volume Risk represents the potential for unforeseen changes from projections of excess or shortfall of capacity or energy from the actual needs. When variances are large coupled with large costs to transact and adverse moves in market prices this risk could be realized. In management of this risk, the City must ~~know~~ be aware of the fact that unexpected variations in volume are often highly correlated with price movements compounding the impact of volume in a phenomenon known as Covariance Risk.

Budget Risk represents the potential to deviate outside of tolerable bounds of the City's budget. Deviations from budget can be caused by forecast error or unforeseeable adverse changes in market prices.

Regulatory Risk arises from participation in regulated markets. With the Independent System Operator (ISO) implementation of Federal Energy Regulatory Commission (FERC) Order 741, the City faces increasing regulatory risk when participating in wholesale energy markets. The TEA Compliance department works in conjunction with the TEA Risk Control department to help the City manage regulatory risk.

Regulatory risk is managed by:

- Annual Compliance Training for all employees participating in regulated markets;
- Integration of the appropriate compliance culture within the Trading department through ongoing interaction between Compliance and Trading;
- An independent monitoring and exposure measurement on transactions that could trigger an increase in regulatory risk.

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## MANAGEMENT AND CONTROLS

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This Policy articulates the management and organization of the City and TEA to serve as a control framework outlining delegation of duties and responsibilities.

### A. Utility Committee of The City Council

The Utility Committee of The City Council Committee of the Whole (The Committee) has a responsibility to provide approval of this Policy. With this approval, The Committee also assumes additional duties. The Committee will understand the risks the City is and could be exposed to due to their energy commodity risk management activities. In this role, the Committee will have a responsibility to also understand the City's policies and procedures, internal controls and systems which are used to help manage the City's energy commodity risks.

The Committee will approve any amendments to the Policy or limits within. The Executive Risk Management Committee will update the Committee periodically regarding the Policy and its functions. It will be the Committee's responsibility to:

- Discuss guidelines and strategic policies that govern the process by which the Energy Risk Management Committee assesses and manages risks-
- Review and approve the Policy at least annually-
- Approve new members of the Executive Risk Management Committee-
- Acknowledge the risk inherent in transactions covered under this Policy-

## B. Executive Risk Management Committee

An Executive Risk Management Committee ("ERMC") has been formed to provide executive management oversight for the City's energy commodity risk management activities. The ERMC is charged with the creation, amendment and administration of this Policy, including acquiring any approvals required by the Committee, and will ensure that all energy commodity risk management activities of the City are performed consistent with this Policy. The ERMC will meet at least monthly to review compliance and conduct its business as described in this Policy.

The ERMC shall be comprised of the following voting members: The City Manager, The Electric Director, The City's Controller and TEA's ~~Client Service Manager~~ Account Director. When the City Council or City Manager has appointed an interim for any of the EMA's position, they shall immediately become the new representative on the ERMC.

The City's ERMC will make decisions following the process outlined in this Policy. TEA's ~~Account Director~~ Client Services Manager may include representatives from other areas within TEA in the monthly ERMC meetings who will attend in person or by conference call, Internet, or other electronic means, as non-voting advisors. Other City employees and TEA staff may also be asked to attend meetings from time-to-time, as the ERMC deems necessary. The responsibilities of the ERMC shall include:

- Establish scope and frequency for management reporting to the Utility Committee based on agreement between the Utility Committee and ERMC-
- No less than annually, review the City's Energy Commodity Policies and Procedures for correctness and completeness-
- Review and approve any new risk report or change to an existing risk report provided by TEA to monitor risks outlined in this Policy-
- Understand and approve any models, methodologies, and assumptions used for measuring risks such as volume risk, process risk, counterparty risk and commodity risk-

- Monitor the City's risks and ensure they are within the limits and are being managed according to what is indicated within the City's Policy and associated procedures-
- Understand the City's risk management objectives and risk tolerances-
- Review and approve the risk management and trading strategy programs and associated risk. Each program should be reviewed to ensure alignment with Policy objectives and compliance with risk limits within this Policy-
- Periodically review any risk management program approved considering recent market changes and ensure continued compliance with its established guidelines.
- Review and approve new products, markets, trading counterparties and credit limits-
- Review all violations and exceptions to this Policy and report such to the Committee-
- Approve the individuals or companies that engage in the City's commodity transactions and are subject to the limits within this Policy-
- Ensure that the individuals or companies authorized to transact on behalf of the City as well as manage its risks, are appropriately trained and qualified-
- Ensure independence and segregation of duties between front, middle and back office at TEA-
- Recommend changes to this Policy to the City's Utility Committee for approval and ensure the Utility Committee understands the City's overall compliance with this Policy and associated procedures-
- The ERMCM will meet at least monthly to review risks identified and reported on by the Policy, this meeting shall be chaired by The City Manager. Minutes of each meeting of the ERMCM shall be recorded and reflect any decisions and follow-up action items to be performed. These minutes will be reviewed and approved by the members of the ERMCM in a timely manner.

Each member of the ERMCM has a unique role as defined below:

### 1. City Manager

The City Manager is independent of all commercial functions and carries the responsibility of establishment and maintenance of risk management for the City. The City Manager will be a voting member of the ERMCM and act as a chair of the ERMCM. Other responsibilities include:

- Ensure this Policy is maintained-
- Oversee reviews of the City's energy commodity risks, limits, risk measurement methodologies and models, and programs and recommend changes to the ERMCM-
- Ensure potential transactions and their impacts on the City's risks and limits defined within this Policy-

- Develop and monitor the implementation of the Policy and oversee other risk management processes and procedures established by this Policy or otherwise by the ERM~~C~~;
- The City Manager shall name an alternate to be approved by The Committee~~;~~

## 2. Electric Director

The Electric Director has oversight for all trading, hedging, pricing, structuring, and market and operational risk management activities associated with the City. The Electric Director will be a voting member of the ERM~~C~~. Other responsibilities include:

- Review the effectiveness of transaction processing systems and procedures relating to risk measurement~~;~~
- Recommend operational risk and business risk assessment guidelines~~;~~
- The Electric Director shall nominate an alternate to be approved by The Committee~~;~~

## 3. Controller

The Controller is independent of all commercial functions and carries the oversight responsibilities associated with the City's accounting practices. The Controller will be a voting member on the ERM~~C~~. Other responsibilities include:

- Perform financial accounting including accounting for hedging and derivatives activities~~;~~
- Comply with tax rules and make appropriate tax elections~~;~~
- Record realized and unrealized gains and losses~~;~~
- Reconcile general ledger, cash transactions and margin accounts~~;~~
- Implement tax-hedge accounting policies and other regulatory tax requirements~~;~~
- Develop and maintain documentation outlining standard procedures for conducting business~~;~~
- Invoice counterparties and resolve billing disputes~~;~~
- Perform daily/weekly/monthly transaction checkout with counterparties~~;~~
- Develop and maintain documentation outlining standard procedures for conducting business~~;~~
- The Controller shall nominate an alternate to be approved by the Committee~~;~~

## 4. TEA ~~Client Services Manager~~ Account Director

The TEA Client Service Manager roles and responsibilities are defined Exhibit B of the EMA between the City and TEA. The TEA Client Service Manager will be a voting member on the ERM~~C~~. Other responsibilities include:

- Monitor risk reports between ERM meetings-
- Report to the Committee and the ERM on the City's adherence to all limits and functions within this policy-
- Engage the ERM in discussions regarding events or developments that could expose the company to potential losses-
- Recommend to the ERM specific risk limits consistent with the City's risk management objectives, risk tolerance, and risk management policy-
- Coordinate and distribute independent market fundamental analysis-
- Provide advisory support and recommendations as specified in Article 5 of the EMA-
- Update ERM on training of TEA employees-
- TEA shall nominate an alternate to be approved by the Committee-

Alternates may vote, but only in the absence of the voting member for whom they serve. A person may serve for an alternate for more than one official, but they can only cast one vote.

A quorum for a meeting shall be any combination of three voting members and alternates. A simple majority of votes is necessary to approve any action of the ERM, but at least two voting members must approve the action. Members and alternates may attend by electronic means and count as present for the purpose of quorum and for a majority for a decision.

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## MARKETING AND TRADING PRACTICES

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### A. Standards of Conduct

Individuals authorized to transact for the City shall not misrepresent, conceal or withhold information regarding energy commodity trading and risk management transactions to any person responsible for the accurate recording and/or reporting of such transactions; participate in any such transaction or similar activity for the benefit of any party other than the City; or hold or be a beneficiary of any financial interest in any entity with which the employee is engaged in trading or other business activity (other than ownership of an interest in a mutual fund managed by another party). Further, no employee authorized to place or execute such transactions may engage in trading power or energy commodities derivative instruments for his or her personal account.

It is the expressed intent of this Policy to prohibit the acquisition of risk beyond that encountered in the efficient optimization of the City's generation and load portfolio and

execution of procurement strategies. As such, speculative transactions are prohibited. ~~While in the course of~~ developing operating plans and conducting management activities, the City recognizes that expertise must be employed by TEA staff, and it is not the intent of this Policy to restrain the legitimate application of analysis and market expertise in executing procurement strategies intended to minimize costs within the constraints of this Policy. If any questions arise as to whether a proposed transaction(s) constitutes speculation, TEA shall conduct an analysis of the transaction and the ERMC shall review the transaction(s) to determine whether the transaction(s) would constitute speculation and document its finding in the meeting minutes.

## B. Products, Activities and Limitations

Pursuant to achieving the City's core objectives for the purpose of energy commodity risk management, the following limitations shall apply.

- Permissible instruments will be restricted to the products and instruments specified in Appendix A – Approved Products of the Policy;
  - All physical forward transactions shall be governed by the Edison Electrical Institute (EEI), North American Energy Standards Board (NAESB), International Swap Dealers Association (ISDA), or similar agreements with counterparties approved by the City.
  - The City reserves the right to enter into financial hedge transactions to effectuate Policy objectives, but does not authorize TEA to enter into financial hedge transactions on its behalf. Any such financial transactions that the City may enter into shall be governed by ISDA agreements with counterparties as approved by the City.
- The maturity for each permissible instrument will be restricted to the maturity limits specified in the risk limits section of the Policy.
- Transaction volumes for each risk management transaction will be restricted to the amounts specified in the Risk Limits section of the Policy.
- Risk management transactions will be outlined in the *City of Dover Hedge Program* which will be approved by the ERMC. Risk management transactions will include the following:
  - Managing the forward price of purchased power for delivery to the City as needed to meet its electric load requirements.
  - Managing the forward price of natural gas and fuels as needed to generate power to meet the City's electric load or generation requirements.
  - Unwinding or modification of hedges to accommodate changes in expected load requirements, or for economic reasons subject to explicit constraints set by the ERMC.

### C. Contract Documentation and Confirmations

No over-the-counter transaction may be executed until an EEI, NAESB, ISDA, or similar agreement has been authorized by the City, approved by the ERM and fully executed by the parties.

Written confirmations will be required from counterparties, as defined in the Master Service Agreement between the City and counterparty. Contemporaneous with any commitments and prior to receipt of written confirmations, verbal commitments shall be memorialized internally as to instrument structure, quantity, relevant time horizon, price and any other relevant terms; such internal documentation shall be time stamped and correlated to the ultimate written confirmation to or from the counterparty. Both the internal documentation as well as the written confirmation from the counterparty shall be provided to TEA's Risk Control Group immediately upon receipt for verification.

In the event there is a material failure to provide timely documentation or confirmations, then at the City Manager's sole discretion, the offending individual's or counterparty's authorization may be suspended. Similarly, if the failure to provide timely documentation or confirmations is due to the failure of counterparty, then at the discretion of the City Manager, a moratorium may be imposed on transactions with that counterparty. In such cases, the City Manager shall notify the ERM of the issues leading to the suspension or moratorium.

Nothing herein shall inhibit any ERM Member from bringing control issues to the TEA's ~~Client Services Manager~~ ~~Account Director~~ prior to a decision on materiality or the imposition of a suspension of trading privileges or counterparty moratorium.

### D. Training

The ERM will ensure that all City employees and/or TEA Staff that will execute transactions on behalf of the City will have appropriate training in the markets in which the transactions occur.

### E. New Product Protocol

As required to manage the City's energy commodity risk the ERM shall approve new products provided the requirements of the *New Product Approval Procedure* are met.

**RISK LIMITS AND RISK MEASUREMENTS**

**A. Limits**

The limit structure is designed to quantify the types of risk in the City’s energy commodity portfolio. The City will manage and report on its energy commodity market risk using Delegation of Authority Limit, a Volume Limit and a Locational Limit.

**1. Delegation Authority**

The Utility Committee delegates the following approval authority limits to the Dover ERMC. The ERMC may not delegate these authorities to individuals authorized to commit Dover to financial obligations.

Position	Maturity Limit	Term Limit	Notional Value Limit
Dover ERMC	5 years	5 years	40,000,000
TEA	1 month	1 month	1,000,000

Position	Maturity Limit	Term Limit	Notional Value Limit
Dover ERMC	5 years	5 years	20,000,000
TEA	1 month	1 month	1,000,000

This limit structure is not intended for use when transacting day-ahead and real time in the PJM market.

**2. Volume Limits**

No transaction shall be executed that exceeds the City’s electric load requirements other than operation of generation consistent with PJM activities. If there is an adjustment to the City’s electric load requirements and the existing transactions greater than 100% of the adjusted electric load requirements the ERMC will review and approve the offsetting strategy deployed in sufficient proportion to mitigate the encroachment.

**3. Locational Limits**

Transactions must support the requirement of one of the City’s generation units, native load, or transaction locations.

## **B. Stress Testing and Back Testing**

The City's positions shall be periodically stress tested and models shall be back tested. The processes around these tests are outlined in the *Stress Testing and Back Testing Procedure*.

## **C. Instances of Exceeding Risk Limits**

Should the City or TEA enter into a transaction that causes the portfolio to exceed any above-mentioned limits the ERMCM shall notify the Chair of The Committee as soon as practicable and shall provide periodic reports to the Chair on the status the transactions for as long as the City is exceeding its limits. The ERMCM will review and determine whether any liquidation or offsetting of transactions is warranted. The incident will be documented as a Policy Exception by the ERMCM.

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## **CREDIT POLICY**

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Credit Risk is the risk due to the uncertainty in a counterparty's ability to meet its contractual obligations. The primary objective of this credit policy is to manage, to the extent commercially reasonable, the credit risks associated with transactions covered in this Policy while still allowing the City to achieve its objectives.

### **A. Measuring Credit Risk**

The status of credit risk will be measured and reported through reports provided by TEA.

The current credit exposure will be reported at the agreement level via a Counterparty Credit Report provided by TEA. This information will be made available to TEA trading personnel so that it can be checked prior to executing transactions for the City. Those responsible for risk oversight at the City and TEA will have access to this information no less frequently than once per day. The ERMCM will monitor overall credit utilization and any credit exceptions at least monthly. When measuring the current credit risk, netting will be applied to the exposure if the City's contract with a counterparty includes provisions for netting.

### **B. Analysis and Extension of Credit Limits**

Physical and financial commodity transactions will be executed with counterparties approved by the ERMCM with credit available to support the transactions. The creditworthiness of a counterparty will be determined by both qualitative and quantitative factors. Factors shall include, but not limited to:

- A company's debt credit ratings provided by the rating agencies.
- Financial data such as an analysis of the income statement, balance sheet, and cash flow, as well as liquidity and capital structure.
- Subjective factors such as company's fuel diversity, overall size, risk management policy and internal controls, geographic diversity, and market intelligence.

A credit limit is the amount of unsecured credit granted to a counterparty. Unsecured credit exposure includes amounts owed by the counterparty, whether billed or not, and the mark-to-market differences in value in excess of any collateral which the counterparty has provided the City. Any net exposure above the collateral threshold will require the posting of additional collateral by a counterparty or an exception from the ERMC. Further information on the City's procedure for establishing credit is contained in the Counterparty & Credit Review Process.

Collateral thresholds, term limitations and credit exposure limits will be subject to the maximums indicated in Appendix B, based upon the lower of the S&P and Moody's credit ratings.

**At no time will the City incur a credit exposure with any counterparty greater than \$60,000,000 other than PJM.**

### C. Instances of Exceeding Credit Limits

The City and TEA are restricted by the credit limits approved by the ERMC. The ERMC can suspend trading with a counterparty, if that counterparty's credit limit has been reached or exceeded. **The City or TEA traders shall not exceed the Counterparty Credit Limit by executing transactions with any counterparty without approval of the ERMC.**

The ERMC will determine when it's appropriate to require additional collateral if a counterparty's credit exposure exceeds its credit limit. Collateral includes standing letter of credit, cash, and prepayments.

All credit exceptions will be documented and reported to the ERMC and the Committee as Policy Exceptions.

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## REPORTING

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### A. Risk Reporting

Preparation of timely reports is critical to monitoring risk. TEA will furnish the required reports on a regular frequency for the City in a format acceptable to the ERMC.

In addition, the ERM and its designees will be provided access to the City's risk reports as updated daily via TEA's secure Web Portal.

Reports are required monthly and for periodic meetings of the ERM include the following:

- **Profit and Loss Report**

The Profit and Loss (P&L) Report shows the daily realization of transactions at either the transaction price or the market price as transactions roll from unrealized to realized. This report should show volumes, transaction prices and market prices of realized physical and financial power and fuel transactions.

- **Mark to Market Report**

The Mark to Market ("MTM") Report conveys the potential transaction exposure, of all existing forward transactions executed, if the energy commodity portfolio was liquidated at the most recent market settlement prices. This report should show volumes, transaction prices and market prices of unrealized physical and financial power and fuel transactions.

- **Daily Activity Report**

The Activity Report presents a summary of the day's trades executed in the bilateral energy market.

- **Cost of Service Report**

The City's exposure to energy price risk shall be monitored and reported on a Cost-of-Service basis. All calculations are at the wholesale level. The Cost-of-Service recognizes all prior (expired) months within the Power Year based on actual (incurred) costs and recognizes all forward (pending) months within the Power Year on the basis of expected forward power and fuel prices and expected forward load-following risks. As defined below, the Cost-of-Service is an aggregation of Forward Energy Commodity Portfolio Cost, the Load Following Cost Expectation and the City's Budget Target for Purchase Power Expense.

- The Net Purchased Power Cost shows the net cost of all physical and financial transactions related to the City's anticipated commodity requirements for power and fuel and is based on the price of all hedge transactions plus the forward market price of all unhedged transactions valued at current forward prices for energy commodities, customer-level cost per MWH of all physical and financial transactions related to Dover's actual plus anticipated energy.
- The expected fixed costs defined as load-serving entity (LSE) capacity costs, transmission costs and TEA management fees.
- The Expected Load-Following Cost for a specified power year is defined as the expected cost (or revenue) associated with intra-month load variations due to weather or other events affecting demand. The ERM will update the Expected.

Load Following estimate while lack of necessary market information persists no less than annually.

- The Budget Target for Purchase Power Expense represents the City's view of expected purchase power expense.

## **B. Credit Reporting**

### **• Counterparty Credit Report**

The Counterparty Credit Report conveys the exposure to all counterparties with which the City has credit exposure resulting from its energy commodity risk management activities.

### **• CFTC Reporting**

The City understands that transacting over the counter (OTC) swaps carries an additional Commodity Futures Trading Commission (CFTC) reporting function. Once required by the CFTC, the City will report on how the City generally meets its financial obligations associated with entering ~~into~~ non-cleared swaps in a manner acceptable to the CFTC.

## **C. Hedge Effectiveness Reporting**

If the City's transactions require a hedge effectiveness test, those testing results will be reported to the ERMC no later than one month after the end of the financial reporting period. The report will include a summary of testing methodology, assumptions of the testing and the outcome of results with a pass or fail by transaction.

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## **INFORMATION TECHNOLOGY SYSTEMS**

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TEA's Middle Office will maintain a set of records for all transactions executed in association with City procurement activities. The records will be maintained in US Dollars and transactions will be separately recorded and categorized by type of transaction. The system of report shall be auditable.

The following safeguards for data security and backup will be installed:

- Transaction data stored in the system of record will be replicated daily to ensure data redundancy;
- The TEA Energy Trading Risk Management database will be backed up at least daily.

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## **POLICY DISTRIBUTION AND COUNSEL**

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**A. Distribution Outside The City**

The City’s Policy is restricted to the use of the City and TEA organizations. It shall not be distributed outside these organizations without the consent the ERMC.

**B. Designated Counsel**

Questions about the interpretation of any matters of this Policy should be referred to ERMC. The ERMC will provide clarification and explanation on any updates to this Policy.

All legal matters stemming from this Policy will be referred to the City’s Legal Counsel.

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## **APPENDIX A - Approved Products**

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The following shall constitute a list of approved products to be utilized by TEA to manage the City's energy commodity portfolio:

- Physical Power
- Physical Natural Gas
- Physical Residual Fuel Oil (#2)
- Physical Power Options
- Environmental Products
- Capacity
- Financial Power
- Financial Options
- PJM Demand Bids and Generation Offers
- PJM InSchedules
- PJM Transmission Products
  - Financial Transmission Rights
  - Annual Auction Revenue Rights
- PJM Tier 2 Synchronized Reserves

## APPENDIX B - Approved Counterparties and Threshold Tables

This Appendix establishes approved counterparties and their Collateral thresholds. Collateral thresholds, term limitations and credit exposure limits that are subject to the following maximums based upon the lower of the S&P and Moody's credit ratings:

### Credit Thresholds from Dover Extended to the Counterparty

#### Exelon Generation Company, LLC

Threshold	S&P	Moody's
\$ 60,000,000	AAA	Aaa
\$ 50,000,000	A- to AA+	A3 to Aa1
\$ 40,000,000	BBB+	Baa1
\$ 30,000,000	BBB	Baa2
\$ 20,000,000	BBB-	Baa3
\$ -	Below BBB-	Below Baa3

#### AEP Energy Partners, Inc.

Threshold	S&P	Moody's
\$ 10,000,000	BBB- and Above	Baa3 and Above
\$ -	Below BBB-	Below Baa3

#### BP Energy Company

Threshold	S&P	Moody's
\$ 60,000,000	AA- to AAA	Aa3 to Aaa
\$ 45,000,000	A+	A1
\$ 30,000,000	A	A2
\$ 15,000,000	BBB to A-	Baa2 to A3
\$ -	Below BBB	Below Baa2

#### Calpine Energy Services, L.P.

Threshold	S&P	Moody's
\$ 25,000,000	AAA	Aaa
\$ 15,000,000	AA- to AA+	Aa3 to Aa1
\$ 10,000,000	A- to A+	A3 to A1
\$ 5,000,000	BBB+	Baa1
\$ 3,000,000	BBB- to BBB	Baa3 to Baa2
\$ -	Below BBB-	Below Baa3

**EDF Trading North America, LLC**

Threshold	S&P	Moody's
\$ 18,000,000	Fixed	Fixed

**PSEG Energy Resources & Trade, LLC**

Threshold	S&P	Moody's
\$ 20,000,000	BBB- and Above	Baa3 and Above
\$ -	Below BBB-	Below Baa3

**Sequent Energy Management, L.P.**

Threshold	S&P	Moody's
\$ 5,000,000	Fixed	Fixed

**Conectiv**

Threshold	S&P	Moody's
Unspecified *	Above BBB+	Above Baa3
\$ -	Below BBB-	Below Baa3

\* Conectiv does not have a defined credit threshold, so for planning purposes, a \$10,000,000 threshold is imposed as a conservative limit

**Macquarie Energy, LLC**

Threshold	S&P	Moody's
\$ 25,000,000	AAA	Aaa
\$ 20,000,000	AA- to AA+	Aa3 to Aa1
\$ 15,000,000	A- to A+	A3 to A1
\$ 10,000,000	BBB+	Baa1
\$ 5,000,000	BBB	Baa2
\$ -	BBB- or below	Baa3 or below

**Morgan Stanley Capital Group**

Threshold	S&P	Moody's
\$ 25,000,000	AAA	Aaa
\$ 20,000,000	AA- to AA+	Aa3 to Aa1
\$ 15,000,000	A- to A+	A3 to A1
\$ 10,000,000	BBB+	Baa1
\$ 5,000,000	BBB	Baa2
\$ -	BBB- or below	Baa3 or below

**NextEra Energy Marketing, LLC**

Threshold	S&P	Moody's
\$ 30,000,000	AAA	Aaa
\$ 25,000,000	AA- to AA+	Aa3 to Aa1
\$ 20,000,000	A- to A+	A3 to A1
\$ 15,000,000	BBB+	Baa1
\$ 10,000,000	BBB	Baa2
\$ -	BBB- or below	Baa3 or below

**Deutsche Bank**

Threshold	S&P	Moody's
\$ 25,000,000	AAA	Aaa
\$ 20,000,000	AA- to AA+	Aa3 to Aa1
\$ 15,000,000	A- to A+	A3 to A1
\$ 10,000,000	BBB+	Baa1
\$ 5,000,000	BBB	Baa2
\$ -	BBB- or below	Baa3 or below

**Barclays Bank**

Threshold	S&P	Moody's
\$ 25,000,000	AAA	Aaa
\$ 20,000,000	AA- to AA+	Aa3 to Aa1
\$ 15,000,000	A- to A+	A3 to A1
\$ 10,000,000	BBB+	Baa1
\$ 5,000,000	BBB	Baa2
\$ -	BBB- or below	Baa3 or below

**Credit Thresholds from the Counterparty Extended to Dover**

**AEP Energy Partners, Inc.**

Threshold	S&P	Moody's
\$ 10,000,000	BBB- and Above	Baa3 and Above
\$ -	Below BBB-	Below Baa3

**BP Energy Company**

Threshold	S&P	Moody's
\$ 30,000,000	AA to AAA	Aa2 to Aaa
\$ 25,000,000	AA-	Aa3
\$ 20,000,000	A+	A1
\$ 15,000,000	A	A2
\$ 5,000,000	BBB to A-	Baa2 to A3
\$ -	Below BBB-	Below Baa3

#### Calpine Energy Services, L.P.

Threshold	S&P	Moody's
\$ 10,000,000	AA- to AAA	Aa3 to Aaa
\$ 7,500,000	A- to A+	A3 to A1
\$ 5,000,000	BBB+	Baa1
\$ 3,000,000	BBB- to BBB	Baa3 to Baa2
\$ -	Below BBB-	Below Baa3

#### Exelon Generation Company, LLC

Threshold	Fitch	Moody's
\$ 60,000,000	AAA	Aaa
\$ 50,000,000	A- to AA+	A3 to Aa1
\$ 40,000,000	BBB+	Baa1
\$ 30,000,000	BBB	Baa2
\$ 20,000,000	BBB-	Baa3
\$ -	Below BBB-	Below Baa3

#### Conectiv

Threshold	Fitch	Moody's
Unspecified *	Above BBB+	Above Baa3
\$ -	Below BBB-	Below Baa3

\*Conectiv does not have a defined credit threshold, so for planning purposes, a \$10,000,000 threshold is imposed as a conservative limit

#### PSEG Energy Resources & Trade, LLC

Threshold	S&P	Moody's
\$ 12,000,000		
*	Fixed	Fixed

\*Threshold is \$12,000,000 as long as Dover maintains a Debt Service Coverage greater than 1.25% and Total Net Assets of at least \$50,000,000 and Total Net Assets do not decline by more than 25% on a fiscal year end basis.

#### Morgan Stanley Capital Group

Threshold	S&P	Moody's
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\$	25,000,000	AAA	Aaa
\$	20,000,000	AA- to AA+	Aa3 to Aa1
\$	15,000,000	A- to A+	A3 to A1
\$	10,000,000	BBB+	Baa1
\$	5,000,000	BBB	Baa2
\$	-	BBB- or below	Baa3 or below

**Macquarie Energy, LLC**

	Threshold	Fitch	Moody's
\$	25,000,000	AAA	Aaa
\$	20,000,000	AA- to AA+	AA3 to Aa1
\$	15,000,000	A- to A+	A3 to A1
\$	10,000,000	BBB+	Baa1
\$	5,000,000	BBB	Baa2
\$	-	BBB- or below	Baa3 or below

**NextEra Energy Marketing, LLC**

	Threshold	Fitch	Moody's
\$	23,000,000	AAA	Aaa
\$	18,000,000	AA- to AA+	AA3 to Aa1
\$	13,000,000	A- to A+	A3 to A1
\$	8,000,000	BBB+	Baa1
\$	3,000,000	BBB	Baa2
\$	-	BBB- or below	Baa3 or below

**EDF Trading North America, LLC**

	Threshold	S&P	Moody's
\$	18,000,000	Fixed	Fixed

**Deutsche Bank**

	Threshold	Fitch	Moody's
\$	25,000,000	AAA	Aaa
\$	20,000,000	AA- to AA+	AA3 to Aa1
\$	15,000,000	A- to A+	A3 to A1
\$	10,000,000	BBB+	Baa1
\$	5,000,000	BBB	Baa2

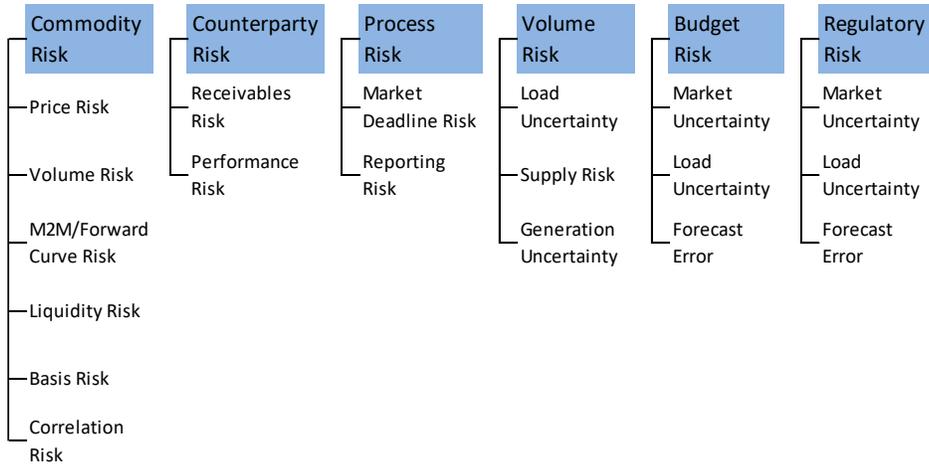
\$		
-	BBB- or below	Baa3 or below

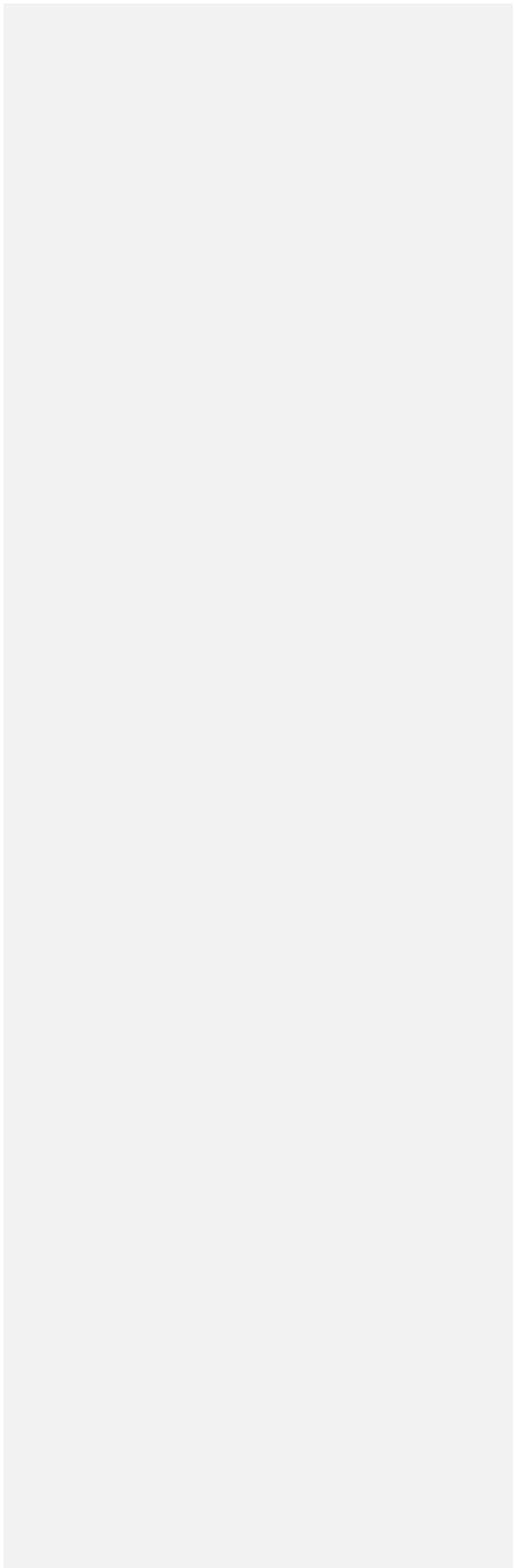
**Barclays Bank**

Threshold	Fitch	Moody's
\$ 25,000,000	AAA	Aaa
\$ 20,000,000	AA- to AA+	AA3 to Aa1
\$ 15,000,000	A- to A+	A3 to A1
\$ 10,000,000	BBB+	Baa1
\$ 5,000,000	BBB	Baa2
\$ -	BBB- or below	Baa3 or below

**APPENDIX C - Business Risks**

**Business Risks Topology**





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## APPENDIX D - Glossary

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**Back Office** - That part of a trading organization which handles transaction accounting, confirmations, management reporting, and working capital management.

**Bilateral Transaction** - Any physical or financial transaction between two counterparties, neither of whom is an Exchange or market entity (e.g. MISO).

**Capacity** - The real power output rating of a generator or system, typically in megawatts, measured on an instantaneous basis.

**Commodity** - A basic good used in commerce that is interchangeable with other commodities of the same type. Commodities are most often used as inputs in the production of other goods or services. The quality of a given commodity may differ slightly, but it is essentially uniform across producers. When they are traded on an exchange, commodities must also meet specified minimum standards, also known as a basis grade.

**Financial Bilateral Transaction** - A Bilateral Transaction that is non-physical and is defined by a Source Point, Sink Point, and Delivery Point that may be any CP Nodes as specified by the Midwest ISO.

**Financial Forward** - An agreement regarding a position in a specified commodity, a specified price, and a specified future settlement date, that does not result in physical delivery of the commodity. Rather one party in the agreement makes a payment to the other party based on the commodity price at the future date.

**Front Office** - That part of a trading organization which solicits customer business, services existing customers, executes trades and ensures the physical delivery of commodities.

**Hedging Transaction** - A transaction designed to reduce the exposure of a specific outstanding position or portfolio; "fully hedged" equates to complete elimination of the targeted risk and "partially hedged" implies a risk reduction of less than 100%.

**Mark-to-Market Value** - A measure of the current value of unrealized positions; includes both Open Positions and Closed Positions.

**Maturity** - The time between the date on which a transaction is executed to the last date that power or gas will flow (in the case of physical transactions) or be settled financially (in the case of financial transactions). For products such as RECs which may be

delivered independent of energy flow, the maturity shall be defined as the vintage period plus any additional time it may take to deliver the RECs, which may extend beyond / past the vintage period

**Middle Office** - That part of a trading organization that measures and reports on market risks, develops risk management policies and monitors compliance with those policies, manages contract administration and credit, and keeps management and the Board informed on risk management issues.

**Policy** - Dover's Governing Policy for Energy Commodity Risk, as amended and approved by The Utility Committee.

**Portfolio** - A collection of transactions.

**Realized Gains/(Losses)** - The amount earned (or lost~~s~~) from a transaction, considered to be **realized** once the time for performance has lapsed (e.g. delivery of power in the case of physical transactions or expiration of an option in the case of financial transactions).

**Term** - The total duration of a contract, defined as the number of days between the beginning flow date and ending flow date, inclusive. -

**Unrealized Gains/ (Losses)** - The amount expected to earn (lose) on a specific transaction(s); however, the time for performance has not lapsed. The total value of Unrealized Gains/ (Losses) is the Mark-to-Market value.

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## APPENDIX E - Swap Transaction Representative

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**Purpose:**

To ensure that the City of Dover, a Special Entity under the Dodd-Frank Financial Reform Act, selects a qualified representative (“Representative”) to provide advice and guidance when entering into swap transactions with Swap Dealers or Major Swap Participants.

**Definitions:**

Special Entity: As defined in 7 U.S.C. 6s(h)(2)(C) and further interpreted in 17 C.F.R. 23.401(c). The City of Dover is a Special Entity as defined by 17 C.F.R. 23.401(c)(2).

Swap Dealer: As defined in 7 U.S.C. 1a(49) and further interpreted in 17 C.F.R. 1.3(ggg)

Major Swap Participant: As defined in 7 U.S.C. 1a(33) and further interpreted in 17 C.F.R. 1.3(hhh)

Representative: As defined in this policy and 17 C.F.R. 23.450

**Policy:**

Selection: The City of Dover shall endeavor to seek and employ an individual or entity that will voluntarily act as a Representative for all energy commodity swap transactions between XXXX and any Swap Dealer or Major Swap Participant. The Representative must meet the following qualifications identified in 17 C.F.R. 23.450(b):

- (i) Has sufficient knowledge to evaluate the transaction and risks;
- (ii) Is not subject to a statutory disqualification;
- (iii) Is independent of the swap dealer or major swap participant;
- (iv) Undertakes a duty to act in the best interests of the Special Entity it represents;
- (v) Makes appropriate and timely disclosures to the Special Entity;
- (vi) Evaluates, consistent with any guidelines provided by the Special Entity, fair pricing and the appropriateness of the swap; and
- (vii) In the case of a Special Entity as defined in § 23.401(c)(2) or (4), is subject to restrictions on certain political contributions imposed by the Commission, the Securities and Exchange Commission, or a self-regulatory organization subject to the jurisdiction of the Commission or the Securities and Exchange Commission; provided however, that this paragraph (b)(1)(vii) of this section shall not apply if the representative is an employee of the Special Entity.

The Representative and the City of Dover shall enter into a legal agreement that binds the Representative to comply with items (i) through (vii) in this policy.

At no longer than any 12-month interval, the City of Dover shall review the performance of the Representative to ensure compliance with items (i) through (vii) in this policy.

## COMMITTEE ACTION FORM

<b>PROCEEDING:</b> Legislative Finance & Administration Committee
<b>DEPARTMENT OF ORIGIN:</b> CMO, Finance & HR <b>DATE SUBMITTED:</b> October 3, 2025
<b>PREPARED BY:</b> Patricia Marney, Controller / Treasurer and Naomi Poole, Human Resources Director
<b>SUBJECT:</b> Non-bargaining Step Proposal and Funding
<b>REFERENCE:</b> N/A
<b>RELATED PROJECT:</b> N/A
<b>REVIEWED BY:</b> Dave Hugg, City Manager, Sharon Duca, Assistant City Manager, and Patricia Marney, Controller / Treasurer
<b>EXHIBITS:</b> Exhibit #1 presentation from 9/9/2025 Leg and Fin Meeting, Exhibit #2 summary of costing options, Exhibit # 3 proposed scale, Exhibit # 4 funding sources
<b>EXPENDITURE REQUIRED:</b> \$69,574.98 <b>AMOUNT BUDGETED:</b> see below
<b>FUNDING SOURCE (Dept./Page in CIP &amp; Budget):</b> Funding source recommended existing FY2026 budget lines.
<b>TIME TIMETABLE:</b> Recommended implementation effective January 1, 2026
<b>RECOMMENDED ACTION:</b> Staff have evaluated several options for implementation of a Non-Bargaining Salary Scale as compared to our current bargaining schedules. The option presented for approval this evening provides an average 2% increase per employee at a proposed cost of \$69,574.98. If accepted the new scale will be implemented in January 2026 and would impact budget preparations for FY2027 moving forward.

### BACKGROUND AND ANALYSIS

Following directions from the Legislative and Finance Committee regarding wage compression of non-bargaining salary scales. Staff evaluated current wage rates for all non-bargaining staff, excluding the Chief of Police, Major, Council, Committee Members and staff who received significant changes in salary for FY2026 through the budget process. For the purposes of this proposal any decision made would not apply to this classification of staff except those placed on the scale for FY2027.

The option recommended by staff is 1<sup>st</sup> year placement on the scale presented to begin on January 1, 2026. The cost associated with this option is \$69,574.98 to be funded by salary savings related to open positions shown in exhibit 4. This will impact several salary and overtime line items ending in 51011 and 51012 depending on funds affected.

Additional options reviewed include one-time bonus payments. A 3% one-time bonus would cost \$116,384.53. A 6% bonus would cost \$232,769.06 if paid in January 2026. To review the requested option proposed by HR Director, Naomi Poole, staff considered adding a step to the first-year placement. This would yield an average 5% increase to the affected staff. The cost of this implementation is \$176,857.59.

Staff respectfully request approval of year one placement and implementation of a FY2026 scale as shown in exhibit 3.

- Exhibit 1 – 9/9/2025 Legislative & Finance Committee Packet – Non-bargaining step proposal discussion
- Exhibit 2 – Summary of Costing Options
- Exhibit 3 – Staff Recommendation - FY 2026 and FY2027 Proposed salary scale
- Exhibit 4 – January 1, 2026, Funding sources – FY 2026 Salary Savings (various GLs)

**Exhibit 1**  
**9/9/2025 Legislative & Finance Committee Packet**  
**Non-bargaining step proposal discussion**

**ACTION FORM**

<b>PROCEEDING:</b> Council Committee of the Whole - Legislative, Finance and Admin. Committee	
<b>DEPARTMENT OF ORIGIN:</b> City Manager and HR	<b>DATE SUBMITTED:</b> 9/3/2025
<b>PREPARED BY:</b> David S. Hugg III	
<b>SUBJECT:</b> Non-bargaining Step Proposal Discussion	
<b>REFERENCE:</b>	
<b>RELATED PROJECT:</b>	
<b>REVIEWED BY:</b> City Manager and HR Director	
<b>EXHIBITS:</b> #1 - Discussion Paper, #2 - Examples of Compression and #3 - HR Director Wage Compression Recommendation	
<b>EXPENDITURE REQUIRED:</b> n/a <b>AMOUNT BUDGETED:</b> n/a	
<b>FUNDING SOURCE (Dept./Page in CIP &amp; Budget):</b> n/a	
<b>TIMETABLE:</b>	
<b>STAFF RECOMMENDATION:</b> Discussion and Direction for staff	

**BACKGROUND AND ANALYSIS**

Non-bargaining employees (those not represented by a union) traditionally receive a flat annual adjustment to their compensation as part of the budget preparation action. In recent years that increase was 3% and most recently set at 4%. This is significantly below the increases built into the various union scales as a result of both an annual adjustment of the pay scale and the award of an annual step in grade. These increases were around 7% depending on the union contract.

This disparity results in what is known as “wage compression”, as discussed in the attached exhibits. Wage compression can result in reduced morale and retention, and difficulty filling managerial jobs. Staff wish to address this issue during the current Fiscal Year and as we go forward into the subsequent budget cycle which will commence this fall.

There are two documents attached for committee consideration: a discussion paper drafted by the City Manager and a response with different options prepared by the HR Director. Input from the Council and Committee is desired so that the proposal can be more fully developed and possibly implemented as early as January 2026.

**DRAFT**

**Discussion Paper for consideration by the  
Legislative, Finance and Administration Committee**

**Wage Compression- A Significant and Growing Concern for Dover**

Salaried and hourly (union represented) experience two different compensation structures. Salaried employment provides a fixed, predictable income, while hourly paid employment fluctuates based on hours worked, potentially including overtime. Salaried positions often come with benefits like health insurance and paid time off, while hourly employees may have more ability to earn overtime pay.

Wage (or pay compression) occurs when there is little difference in pay between employees with varying levels of experience, skills, or seniority. This often happens when new hires are brought in at salaries close to or higher than those of long-tenured employees, or when the pay for lower-level positions approaches that of higher-level ones, especially when the differences between levels are too small to be meaningful. It also happens where there are union contract scales and steps that vary significantly compared to a non-union formula. It may occur when two otherwise comparable jobs are treated differently due to eligibility for union coverage (as a result of differing access to confidential records, for example).

In some cases, this can even result in wage inversion , whereby new employees earn *more* than older, more experienced ones or when contracted increases move up faster over time than budgeted ones.

Wage inversion opens up the door for a discrimination claim, especially if the individual earning less than the new hire is part of a protected class of worker based on gender, race, sexual orientation, age, or other underrepresented group. The employee has an opportunity to claim pay discrimination.

Wage compression can be the result of external factors like minimum wage increases or a tight labor market or internal issues, such as a failure to keep pace with fair market pay.

The negative impacts of Wage Compression hurt culture and employee morale, promoting a sense of unfairness at work, which may lead to an a decision to leave the city, or view the pay discrepancy as discriminatory. It encourages turnover and affects human capital, leading an enterprise to lose long-standing employees, who are often some of their best employees, and as noted above create grounds for litigation.

Often employees represented by unions benefit as a result of a fixed automatic compensation increase, often combining a general wage increase for all positions (maybe inflation adjusted) plus an advancement (step-increase) in grade as a function of tenure. Salaried employees typically don't get both.

In Dover, in recent years union contract combined increases have averaged near 7%. In this same period, non-bargaining increases have ranged between 2% and 4% (current budget year is 4%) with no step or longevity increases. Benefits and other forms of added compensation are essentially the same for all employees except for the opportunity to work overtime.

In many instances union employees may reach or exceed the compensation of a non-bargaining manager or supervisor where skills or education do not support the outcome. In some instances, employees tend to decline promotion to a managerial level because of the small difference in compensation, the benefits of a contract scale, and the ability to earn more with the benefit of overtime or special duty pay (1.5 to 2.0 x regular rate).

Union representation provides many desired benefits such as predictability, job protection, added compensation, stronger grievance provisions, and built-in pay increases. But the desire for representation shouldn't be to the detriment of those not represented, at least as it relates to fair compensation.

EXAMPLES\* - The following examples (See table) demonstrate the impact of wage compression or inversion, projected two years in the future.

First example – equal positions but unequal compensation due to union contracted scale. Non-bargaining budgeted increases do not keep pace. The difference in current compensation is probably due to longevity. Because non-bargaining employees in this class have access to sensitive data, they are not union eligible.

Second, third and fourth examples -reflects the cumulative effect of different percentages – plays out in subsequent years. They also demonstrate the manager/supervisor to employee relationship where employee closes in or exceeds manager's compensation. The impact is exacerbated in future years.

Fifth and sixth examples – these are examples of supervision of employees with specialized skills or credentials; the delta grows disproportionately (constantly widening spread) leading to a form of wage inversion. It's pretty common for technically skilled employees to make more than their managers in many industries. A skilled employee is typically compensated based on their specific, valuable skills, certification and knowledge, while a manager's compensation includes pay for taking on responsibilities, accountability, and leadership. Salary is about market value theoretically. If a manager is managing someone

who's highly technical with a rare skill set, then the manager should expect the employee's salary to be independent of theirs.

Prior to the consideration of the FY26 budget, Naomi Poole, HR Director, raised this concern in June in response to a compensation adjustment in the Police Department. Her original proposal\*\*:

**What other Non-Bargaining Positions are involved?** The 9% spread for the Chief and the Major do not impact the other non-bargaining employees. It is my assessment that pay equity amongst all non-bargaining employees should be comparable if not better than the other negotiated union contracts so that we can limit the impact of pay compression. Maintaining a 4% increase will continue to create a huge lag in pay equity and will increase the probability of union employees' ability to make more than the non-bargaining employees that supervise them. My suggestion by no means is a permanent resolve, as that will take more resources and discussion, but merely a recommendation to keep non-bargaining pay scales above water.

**What would this cost to implement?** With the help of my HR team, and Trish, we created a FY26 non-bargaining pay scale to include the average percentage that union employees are set to receive FY26. The average increase is 7%, and the non-bargaining scale reflects just that. The total additional cost added to the approved 4% non-bargaining increase will be approximately **\$130,448.35**. I have included a spreadsheet with a full breakdown of how we arrived at the estimated amount.

**How soon can we act on the recommendations?** My recommendations are certainly a change from what was already projected and approved for FY26. The changes would need approval, and once approved, my team and I can implement those changes for the July 1<sup>st</sup> increase as planned. Time is of the essence because HR would need an appropriate amount of time to build the new scale in Tyler.

\*\*Note: These recommendations were not deemed timely enough to become part of the FY26 budget. However, the Council President and the Chair of the Legislative, Finance and Administration Committee requested that the issue be discussed further, with the possibility a mid-year correction.

#### RECOMMENDATIONS:

Any additional compensation during FY26 would require analysis to identify additional funding. Assuming that some additional funding is available, a short-term solution is to

increase non-bargaining compensation by approximately 3% for the second half of the fiscal year (at a projected added cost of about \$65,000 – this needs to be confirmed).

Longer term considerations include creating a two-part salary adjustment for non-bargaining positions with a fixed base adjustment (4%-5%) and a second part based on some index (perhaps CPI) .

Simply mirroring the average percentage increase granted to unionized civilian employees each year putting all employees on a level basis.

Additionally, schedule a regular wage study for non-bargaining positions no less often than every 3- 5 year to reflect fair market conditions. Make necessary adjustments to base compensation.

Finally, carefully identify those circumstances where an employee’s credentials, special skills, training, certifications/licensing, etc. support a wage exceeding the regular compensation structure and for those determine a market scale separate from practice.

DSH Revised 8/30

\*\* (See also additional comments from HR Director Poole – separate document/email)

**Examples of compression:**

Assumptions:

- Non-bargaining employees receive an additional 4% each year.
- Union employees\* (second number in each case) receive the increase assumed by contract of an additional 7% each year (average for illustration).
- Does not adjust for longevity or maximum range.
- Difference is non-bargaining amount over or below union (annualized).
- Illustrative only.

	Now	+Year 1	+Year 2
Admin, Assistant (NB) +4%	\$42,494	\$44,194	\$45,962
Admin. Assistant* +7%	<u>\$45,739</u>	<u>\$48,941</u>	<u>\$52,367</u>
Difference	(\$3,245)	(\$4,747)	(\$6,405)
Assist Library Director (NB) +4%	\$79,518	\$82,698	\$86,007
Librarian II* +7%	<u>\$75,296</u>	<u>\$80,566</u>	<u>\$86,206</u>
Difference	\$4,222	\$2,132	(\$199)
Code Enforcement, Mgr.(NB)+4%	\$69,364	\$72,034	\$74,915
Code Inspector II* +7%	<u>\$67,392</u>	<u>\$72,109</u>	<u>\$77,156</u>
Difference	\$1,972	(\$75)	(\$2,241)
P&R Director (NB) +4%	\$87,454	\$90,952	\$94,580
Recreation Specialist* +7%	<u>\$82,492</u>	<u>\$88,266</u>	<u>\$94,445</u>
Difference	\$4,620	\$2,686	\$135
Facilities Manager (NB) +4%	\$82,547	\$85,849	\$89,283
Electrician II* +7%	<u>\$87,922</u>	<u>\$94,087</u>	<u>\$100,673</u>
Difference	(\$5,375)	(\$8,238)	(\$11,390)
Electric Director (NB) +4%	\$137,363	\$142,857	\$148,571
Engineer* +7%	<u>\$138,424</u>	<u>\$148,114</u>	<u>\$158,482</u>
Difference	(\$1,061)	(\$5,527)	(\$9,911)

\*Note: these examples are based on actual conditions, however some of the comparisons could be distorted because of longevity. They are intended to demonstrate the impacts of wage compression if extrapolated two years into the future at the 4% and 7% rates.

**Wage Compression Recommendation:**

There has been no radical change in positions and the job market that would otherwise require a market study. However, following the last civilian wage study, a comparable non-bargaining pay scale should have been implemented. Current compression issues are internal and largely due to inequities between unionized and non-unionized positions.

**Recommendation**

1. Adjustment to Pay Increases
  - Instead of applying a 3% increase, non-bargaining employees should receive a total 6% increase to account for FY25 and FY26.
  - This mirrors increases granted to civilian unionized employees and places non-bargaining employees on a level playing field.
  - It also provides an opportunity to incorporate a new non-bargaining scale moving forward.
2. Cost of Living and Step Scale
  - A combined adjustment totaling 7% should be considered (4% cost of living + 3% step increase).
  - With each civilian negotiation cycle, the non-bargaining scale should be recalibrated to accommodate percentage changes, ensuring fairness and consistency.
3. Compression and Equity
  - Implementing a scale consistent with unionized employees will help reduce inequities and address compression concerns.
  - Supervisory positions, though smaller in number per the report I shared with you, should also be reviewed to ensure alignment.

This recommendation should be fully costed by Finance. The non-bargaining pay scale must be rebuilt to reflect these changes so that the FY26 structure incorporates the adjustments that should have been made if a FY25 scale had originally been established for non-bargaining employees.

To achieve equity, mitigate compression, and align with unionized pay practices, it is recommended that the City implement a 6% increase (spanning FY25 and FY26) for non-bargaining employees. Finance should rebuild the pay scale accordingly to ensure long-term alignment.

This approach will at minimum bring civilian non-bargaining employees into parity with their unionized counterparts while providing a sustainable framework for future adjustments.

**Exhibit 2**  
**Summary of Costing Options**

**City of Dover  
Non-Bargaining Wage Scale Evaluation Summary  
As of 10/3/2025**

**Cost to Implement Year One FY2026 Scale Effective January 1, 2026**

	<b>Gross Salary Calculation</b>	<b>FICA &amp; Medicare Taxes</b>	<b>Retirement Benefit Costs</b>	<b>OPEB Costs</b>	<b>Workers Comp Cost</b>	<b>PMFLA Ins</b>	<b>Annual Salary + Overhead</b>	<b>January Implementation</b>
FY26 NB Year 1 Scale	\$ 5,508,318.40	\$ 421,386.36	\$ 1,854,133.32	\$ 55,083.18	\$ 17,846.95	\$ 41,918.30	\$ 7,898,686.52	\$ 3,949,343.26
CY NB Rate as of 7/1/25	\$ 5,407,991.15	\$ 413,711.32	\$ 1,825,077.48	\$ 54,079.91	\$ 17,521.89	\$ 41,154.81	\$ 7,759,536.57	\$ 3,879,768.28
<b>Cost of Change</b>	<b>\$ 100,327.25</b>	<b>\$ 7,675.03</b>	<b>\$ 29,055.84</b>	<b>\$ 1,003.27</b>	<b>\$ 325.06</b>	<b>\$ 763.49</b>	<b>\$ 139,149.95</b>	<b>\$ 69,574.98</b>

**\*\*Average 2% increase**

**\*\*\*Scale placement based on employee's hourly rate as of July 1, 2025, which included an approved 4% COLA increase.\*\*\***

**One-time Bonus - 3% or 6% One-Time Payment and Placement on Year One Scale Beginning in FY2027**

	<b>Gross Salary Calculation</b>	<b>FICA &amp; Medicare Taxes</b>	<b>Retirement Benefit Costs</b>	<b>OPEB Costs</b>	<b>Workers Comp Cost</b>	<b>PMFLA Ins</b>	<b>Annual Salary + Overhead</b>	<b>January Implementation</b>
One Time 3% Bonus	\$ 162,239.73	\$ 12,411.34	\$ 54,735.29	\$ 1,622.40	\$ 525.66	\$ 1,234.64	\$ 232,769.06	\$ 116,384.53
One Time 6% Bonus	\$ 324,479.47	\$ 24,822.68	\$ 109,470.58	\$ 3,244.79	\$ 1,051.31	\$ 2,469.29	\$ 465,538.12	\$ 232,769.06

**Staff Recommendation:**

Option 1 presents the least expensive option for FY2026 expenditures. This can be accomplished with existing department salary savings. It also implements the year 1 scale allowing staff an established guideline for FY2027 and years forward for budgeting and planning purposes. Staff would receive payroll adjustments in January.



**Cost of Implementation**

**Option 1** \$ 69,574.98

**Alternatives considered**

- One time bonus
- Scale placement with an additional step
- Implement Year 1 placement in FY2027

pmm

**Exhibit 3**  
**Staff Recommendation**  
**FY 2026 and FY2027 Proposed salary scale**

Exhibit 3 -Staff Recommendation - FY2026 Proposed Non-Bargaining Salary Scale

Item 1.

**FY 2026 Non-Bargaining Step Scale**

3% increase between steps = 4% Cost of Living Increase

FY 26	Step	Step	Step	Step	Step	Step										
Pay Grade	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
23	\$25.94	\$26.71	\$27.52	\$28.34	\$29.19	\$30.07	\$30.97	\$31.90	\$32.86	\$33.84	\$34.86	\$35.90	\$36.98	\$38.09	\$39.23	\$40.41
102	\$16.22	\$16.71	\$17.21	\$17.73	\$18.26	\$18.81	\$19.37	\$19.95	\$20.55	\$21.17	\$21.80	\$22.46	\$23.13	\$23.83	\$24.54	\$25.28
115	\$16.48	\$16.98	\$17.49	\$18.01	\$18.55	\$19.11	\$19.68	\$20.27	\$20.88	\$21.51	\$22.15	\$22.82	\$23.50	\$24.21	\$24.93	\$25.68
116	\$17.32	\$17.84	\$18.37	\$18.92	\$19.49	\$20.07	\$20.68	\$21.30	\$21.94	\$22.59	\$23.27	\$23.97	\$24.69	\$25.43	\$26.19	\$26.98
117	\$18.20	\$18.75	\$19.31	\$19.89	\$20.49	\$21.10	\$21.74	\$22.39	\$23.06	\$23.75	\$24.46	\$25.20	\$25.95	\$26.73	\$27.53	\$28.36
118	\$19.08	\$19.65	\$20.24	\$20.85	\$21.47	\$22.12	\$22.78	\$23.47	\$24.17	\$24.89	\$25.64	\$26.41	\$27.20	\$28.02	\$28.86	\$29.73
119	\$20.02	\$20.62	\$21.24	\$21.88	\$22.53	\$23.21	\$23.91	\$24.62	\$25.36	\$26.12	\$26.91	\$27.71	\$28.54	\$29.40	\$30.28	\$31.19
120	\$21.06	\$21.69	\$22.34	\$23.01	\$23.70	\$24.41	\$25.15	\$25.90	\$26.68	\$27.48	\$28.30	\$29.15	\$30.02	\$30.93	\$31.85	\$32.81
121	\$22.10	\$22.76	\$23.44	\$24.15	\$24.87	\$25.62	\$26.39	\$27.18	\$27.99	\$28.83	\$29.70	\$30.59	\$31.51	\$32.45	\$33.42	\$34.43
122	\$23.19	\$23.89	\$24.60	\$25.34	\$26.10	\$26.88	\$27.69	\$28.52	\$29.38	\$30.26	\$31.16	\$32.10	\$33.06	\$34.05	\$35.08	\$36.13
123	\$24.34	\$25.07	\$25.82	\$26.59	\$27.39	\$28.21	\$29.06	\$29.93	\$30.83	\$31.75	\$32.71	\$33.69	\$34.70	\$35.74	\$36.81	\$37.91
124	\$25.58	\$26.35	\$27.14	\$27.95	\$28.79	\$29.65	\$30.54	\$31.46	\$32.40	\$33.38	\$34.38	\$35.41	\$36.47	\$37.56	\$38.69	\$39.85
125	\$26.89	\$27.70	\$28.53	\$29.38	\$30.26	\$31.17	\$32.11	\$33.07	\$34.06	\$35.08	\$36.14	\$37.22	\$38.34	\$39.49	\$40.67	\$41.89
126	\$28.19	\$29.03	\$29.90	\$30.80	\$31.72	\$32.68	\$33.66	\$34.67	\$35.71	\$36.78	\$37.88	\$39.02	\$40.19	\$41.39	\$42.63	\$43.91
127	\$29.59	\$30.48	\$31.39	\$32.34	\$33.31	\$34.31	\$35.34	\$36.40	\$37.49	\$38.61	\$39.77	\$40.96	\$42.19	\$43.46	\$44.76	\$46.10
128	\$31.10	\$32.03	\$32.99	\$33.98	\$35.00	\$36.05	\$37.13	\$38.24	\$39.39	\$40.57	\$41.79	\$43.04	\$44.34	\$45.67	\$47.04	\$48.45
129	\$32.65	\$33.63	\$34.64	\$35.68	\$36.75	\$37.85	\$38.99	\$40.16	\$41.36	\$42.61	\$43.88	\$45.20	\$46.56	\$47.95	\$49.39	\$50.87
130	\$34.27	\$35.29	\$36.35	\$37.44	\$38.57	\$39.72	\$40.91	\$42.14	\$43.41	\$44.71	\$46.05	\$47.43	\$48.85	\$50.32	\$51.83	\$53.38
131	\$35.98	\$37.06	\$38.18	\$39.32	\$40.50	\$41.72	\$42.97	\$44.26	\$45.58	\$46.95	\$48.36	\$49.81	\$51.31	\$52.84	\$54.43	\$56.06
132	\$37.80	\$38.94	\$40.10	\$41.31	\$42.55	\$43.82	\$45.14	\$46.49	\$47.89	\$49.32	\$50.80	\$52.33	\$53.90	\$55.51	\$57.18	\$58.89
133	\$39.67	\$40.86	\$42.09	\$43.35	\$44.65	\$45.99	\$47.37	\$48.79	\$50.26	\$51.76	\$53.32	\$54.92	\$56.56	\$58.26	\$60.01	\$61.81
134	\$41.65	\$42.90	\$44.19	\$45.51	\$46.88	\$48.29	\$49.74	\$51.23	\$52.76	\$54.35	\$55.98	\$57.66	\$59.39	\$61.17	\$63.00	\$64.89
135	\$43.73	\$45.04	\$46.39	\$47.78	\$49.22	\$50.69	\$52.21	\$53.78	\$55.39	\$57.06	\$58.77	\$60.53	\$62.35	\$64.22	\$66.14	\$68.13
136	\$45.91	\$47.29	\$48.71	\$50.17	\$51.68	\$53.23	\$54.82	\$56.47	\$58.16	\$59.91	\$61.70	\$63.56	\$65.46	\$67.43	\$69.45	\$71.53
137	\$48.26	\$49.71	\$51.20	\$52.74	\$54.32	\$55.95	\$57.63	\$59.35	\$61.14	\$62.97	\$64.86	\$66.80	\$68.81	\$70.87	\$73.00	\$75.19
138	\$50.65	\$52.17	\$53.74	\$55.35	\$57.01	\$58.72	\$60.48	\$62.29	\$64.16	\$66.09	\$68.07	\$70.11	\$72.22	\$74.38	\$76.61	\$78.91
140	\$53.19	\$54.79	\$56.43	\$58.13	\$59.87	\$61.67	\$63.52	\$65.42	\$67.38	\$69.40	\$71.49	\$73.63	\$75.84	\$78.12	\$80.46	\$82.87
141	\$55.81	\$57.48	\$59.21	\$60.99	\$62.82	\$64.70	\$66.64	\$68.64	\$70.70	\$72.82	\$75.00	\$77.25	\$79.57	\$81.96	\$84.42	\$86.95
142	\$61.56	\$63.41	\$65.31	\$67.27	\$69.29	\$71.37	\$73.51	\$75.72	\$77.99	\$80.33	\$82.74	\$85.22	\$87.78	\$90.41	\$93.12	\$95.92
143	\$64.64	\$66.58	\$68.57	\$70.63	\$72.75	\$74.93	\$77.18	\$79.49	\$81.88	\$84.34	\$86.87	\$89.47	\$92.16	\$94.92	\$97.77	\$100.70
144	\$67.86	\$69.90	\$71.99	\$74.15	\$76.38	\$78.67	\$81.03	\$83.46	\$85.96	\$88.54	\$91.20	\$93.93	\$96.75	\$99.65	\$102.64	\$105.72
145	\$71.24	\$73.38	\$75.58	\$77.85	\$80.19	\$82.59	\$85.07	\$87.62	\$90.25	\$92.96	\$95.75	\$98.62	\$101.58	\$104.63	\$107.76	\$111.00
146	\$74.83	\$77.07	\$79.38	\$81.76	\$84.22	\$86.74	\$89.35	\$92.03	\$94.79	\$97.63	\$100.56	\$103.58	\$106.68	\$109.88	\$113.18	\$116.58

### Exhibit 3 -Staff Recommendation - FY2027 Proposed Non-Bargaining Salary Scale

Item 1.

#### FY 2027 Non-Bargaining Step Scale

3% increase between steps = 4% Cost of Living Increase

FY 26	Step	Step	Step	Step	Step	Step	Step									
Pay Grade	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
23	\$26.97	\$27.78	\$28.62	\$29.48	\$30.36	\$31.27	\$32.21	\$33.17	\$34.17	\$35.20	\$36.25	\$37.34	\$38.46	\$39.61	\$40.80	\$42.02
102	\$16.87	\$17.38	\$17.90	\$18.44	\$18.99	\$19.56	\$20.15	\$20.75	\$21.37	\$22.02	\$22.68	\$23.36	\$24.06	\$24.78	\$25.52	\$26.29
115	\$17.14	\$17.66	\$18.19	\$18.73	\$19.29	\$19.87	\$20.47	\$21.08	\$21.72	\$22.37	\$23.04	\$23.73	\$24.44	\$25.17	\$25.93	\$26.71
116	\$18.01	\$18.55	\$19.11	\$19.68	\$20.27	\$20.88	\$21.50	\$22.15	\$22.81	\$23.50	\$24.20	\$24.93	\$25.68	\$26.45	\$27.24	\$28.06
117	\$18.93	\$19.50	\$20.08	\$20.69	\$21.31	\$21.95	\$22.61	\$23.28	\$23.98	\$24.70	\$25.44	\$26.21	\$26.99	\$27.80	\$28.64	\$29.49
118	\$19.84	\$20.44	\$21.05	\$21.68	\$22.33	\$23.00	\$23.69	\$24.40	\$25.14	\$25.89	\$26.67	\$27.47	\$28.29	\$29.14	\$30.01	\$30.91
119	\$20.82	\$21.45	\$22.09	\$22.75	\$23.43	\$24.14	\$24.86	\$25.61	\$26.38	\$27.17	\$27.98	\$28.82	\$29.69	\$30.58	\$31.49	\$32.44
120	\$21.90	\$22.56	\$23.23	\$23.93	\$24.65	\$25.39	\$26.15	\$26.94	\$27.74	\$28.58	\$29.43	\$30.32	\$31.23	\$32.16	\$33.13	\$34.12
121	\$22.98	\$23.67	\$24.38	\$25.11	\$25.87	\$26.64	\$27.44	\$28.26	\$29.11	\$29.98	\$30.88	\$31.81	\$32.77	\$33.75	\$34.76	\$35.80
122	\$24.12	\$24.84	\$25.59	\$26.35	\$27.14	\$27.96	\$28.80	\$29.66	\$30.55	\$31.47	\$32.41	\$33.38	\$34.39	\$35.42	\$36.48	\$37.57
123	\$25.31	\$26.07	\$26.85	\$27.66	\$28.49	\$29.34	\$30.22	\$31.13	\$32.06	\$33.02	\$34.01	\$35.03	\$36.09	\$37.17	\$38.28	\$39.43
124	\$26.60	\$27.40	\$28.22	\$29.07	\$29.94	\$30.84	\$31.77	\$32.72	\$33.70	\$34.71	\$35.75	\$36.82	\$37.93	\$39.07	\$40.24	\$41.45
125	\$27.96	\$28.80	\$29.67	\$30.56	\$31.47	\$32.42	\$33.39	\$34.39	\$35.42	\$36.49	\$37.58	\$38.71	\$39.87	\$41.07	\$42.30	\$43.57
126	\$29.31	\$30.19	\$31.10	\$32.03	\$32.99	\$33.98	\$35.00	\$36.05	\$37.13	\$38.25	\$39.40	\$40.58	\$41.79	\$43.05	\$44.34	\$45.67
127	\$30.78	\$31.70	\$32.65	\$33.63	\$34.64	\$35.68	\$36.75	\$37.85	\$38.99	\$40.16	\$41.36	\$42.60	\$43.88	\$45.20	\$46.55	\$47.95
128	\$32.34	\$33.31	\$34.31	\$35.34	\$36.40	\$37.49	\$38.62	\$39.77	\$40.97	\$42.20	\$43.46	\$44.77	\$46.11	\$47.49	\$48.92	\$50.38
129	\$33.96	\$34.98	\$36.03	\$37.11	\$38.22	\$39.37	\$40.55	\$41.77	\$43.02	\$44.31	\$45.64	\$47.01	\$48.42	\$49.87	\$51.37	\$52.91
130	\$35.64	\$36.70	\$37.81	\$38.94	\$40.11	\$41.31	\$42.55	\$43.83	\$45.14	\$46.50	\$47.89	\$49.33	\$50.81	\$52.33	\$53.90	\$55.52
131	\$37.42	\$38.55	\$39.70	\$40.89	\$42.12	\$43.38	\$44.69	\$46.03	\$47.41	\$48.83	\$50.30	\$51.80	\$53.36	\$54.96	\$56.61	\$58.31
132	\$39.31	\$40.49	\$41.71	\$42.96	\$44.25	\$45.58	\$46.94	\$48.35	\$49.80	\$51.30	\$52.83	\$54.42	\$56.05	\$57.73	\$59.47	\$61.25
133	\$41.26	\$42.50	\$43.77	\$45.09	\$46.44	\$47.83	\$49.27	\$50.74	\$52.27	\$53.83	\$55.45	\$57.11	\$58.83	\$60.59	\$62.41	\$64.28
134	\$43.32	\$44.62	\$45.96	\$47.34	\$48.76	\$50.22	\$51.72	\$53.28	\$54.87	\$56.52	\$58.22	\$59.96	\$61.76	\$63.61	\$65.52	\$67.49
135	\$45.48	\$46.84	\$48.25	\$49.70	\$51.19	\$52.72	\$54.30	\$55.93	\$57.61	\$59.34	\$61.12	\$62.95	\$64.84	\$66.79	\$68.79	\$70.85
136	\$47.75	\$49.18	\$50.66	\$52.18	\$53.74	\$55.36	\$57.02	\$58.73	\$60.49	\$62.30	\$64.17	\$66.10	\$68.08	\$70.12	\$72.23	\$74.39
137	\$50.19	\$51.70	\$53.25	\$54.85	\$56.49	\$58.19	\$59.93	\$61.73	\$63.58	\$65.49	\$67.45	\$69.48	\$71.56	\$73.71	\$75.92	\$78.20
138	\$52.68	\$54.26	\$55.89	\$57.56	\$59.29	\$61.07	\$62.90	\$64.79	\$66.73	\$68.73	\$70.79	\$72.92	\$75.11	\$77.36	\$79.68	\$82.07
140	\$55.32	\$56.98	\$58.69	\$60.45	\$62.26	\$64.13	\$66.06	\$68.04	\$70.08	\$72.18	\$74.35	\$76.58	\$78.87	\$81.24	\$83.68	\$86.19
141	\$58.04	\$59.78	\$61.58	\$63.43	\$65.33	\$67.29	\$69.31	\$71.39	\$73.53	\$75.73	\$78.00	\$80.35	\$82.76	\$85.24	\$87.80	\$90.43
142	\$64.03	\$65.95	\$67.93	\$69.96	\$72.06	\$74.23	\$76.45	\$78.75	\$81.11	\$83.54	\$86.05	\$88.63	\$91.29	\$94.03	\$96.85	\$99.75
143	\$67.22	\$69.24	\$71.32	\$73.46	\$75.66	\$77.93	\$80.27	\$82.67	\$85.15	\$87.71	\$90.34	\$93.05	\$95.84	\$98.72	\$101.68	\$104.73
144	\$70.57	\$72.69	\$74.87	\$77.12	\$79.43	\$81.81	\$84.27	\$86.80	\$89.40	\$92.08	\$94.85	\$97.69	\$100.62	\$103.64	\$106.75	\$109.95
145	\$74.09	\$76.32	\$78.61	\$80.97	\$83.39	\$85.90	\$88.47	\$91.13	\$93.86	\$96.68	\$99.58	\$102.56	\$105.64	\$108.81	\$112.08	\$115.44
146	\$77.82	\$80.15	\$82.56	\$85.03	\$87.58	\$90.21	\$92.92	\$95.71	\$98.58	\$101.53	\$104.58	\$107.72	\$110.95	\$114.28	\$117.71	\$121.24

**Exhibit 4**  
**January 1, 2026 Funding sources**  
**FY 2026 Salay Savings (various GLs)**

**Exhibit 4 Funding Source - Open Positions**

Job Title	Employment Type	Union	Department	Hourly Salary	Posting Date	Months		FY2026	Retirement					Current Salary	Savings by Fund
						Open as of	Gross Available		FICA & Medicare Taxes .0765	Benefit Costs (Base MMC .06)	OPEB Costs .01	Workers Comp Cost .00324	PMFLA Ins .00761		
Planning, Inspections & Community Development Director	Full-Time	Non- Bargaining	Planning	\$ 46.83	10/18/2023	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	100
Chief Building Inspector	Full-Time	AFCSME	Planning	\$ 34.10	6/13/2024	3	\$ 17,732.00	\$ 1,356.50	\$ 1,063.92	\$ 177.32	\$ 57.45	\$ 134.94	\$ 20,522.13	\$ -	100
Building Maintenance Craftsperson I	Full-Time	DOE	Central Services	\$ 20.85	5/7/2025	3	\$ 10,842.00	\$ 829.41	\$ 650.52	\$ 108.42	\$ 35.13	\$ 82.51	\$ 12,547.99	\$ -	100
Building Maintenance Craftsperson III	Full-Time	DOE	Central Services	\$ 24.74	5/23/2025	3	\$ 12,864.80	\$ 984.16	\$ 771.89	\$ 128.65	\$ 41.68	\$ 97.90	\$ 14,889.08	\$ -	100
Sr LAN Analyst	Full-Time	AFCSME	POLICE	\$ 30.19	7/2/2025	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	100
Executive Assistant - City Clerk's Office	Full-Time	Non- Bargaining	City Clerk	\$ 24.86	7/11/2025	3	\$ 12,927.20	\$ 988.93	\$ 775.63	\$ 129.27	\$ 41.88	\$ 98.38	\$ 14,961.29	\$ -	100
Communications Operator	Full-Time	DOE	POLICE	\$ 25.81	8/5/2025	2	\$ 8,947.47	\$ 684.48	\$ 536.85	\$ 89.47	\$ 28.99	\$ 68.09	\$ 10,355.35	\$ -	100
Customer Service Clerk I	Full-Time	DOE	Customer Service	\$ 20.85	8/20/2025	2	\$ 7,228.00	\$ 552.94	\$ 433.68	\$ 72.28	\$ 23.42	\$ 55.01	\$ 8,365.33	\$ -	100
Motor Equipment Operator I - Streets	Full-Time	DOE	Public Works	\$ 20.05	8/26/2025	1	\$ 3,475.33	\$ 265.86	\$ 208.52	\$ 34.75	\$ 11.26	\$ 26.45	\$ 4,022.18	\$ -	100
Police Cadet	Part-Time	Non- Bargaining	POLICE	\$ 18.00	8/26/2025	1	\$ 3,120.00	\$ 238.68	\$ 187.20	\$ 31.20	\$ 10.11	\$ 23.74	\$ 3,610.93	\$ -	100
Inspector I - Code Enforcement	Full Time	DOE	Code Enforcement	\$ 24.74	8/27/2025	1	\$ 4,288.27	\$ 328.05	\$ 257.30	\$ 42.88	\$ 13.89	\$ 32.63	\$ 4,963.03	\$ -	100
LAN Analyst	Full Time	AFCSME	Information Technol	\$ 28.05	8/27/2025	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	100
Planner II	Full Time	AFCSME	Planning	\$ 29.45	8/29/2025	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	100
Arborist	Full-Time	DOE	Parks & Recreation	\$ 22.70	9/18/2025	1	\$ 3,934.67	\$ 301.00	\$ 236.08	\$ 39.35	\$ 12.75	\$ 29.94	\$ 4,553.79	\$ -	100
Service Center Clerk	Part-Time	Non- Bargaining	Parks & Recreation	\$ 15.24	9/18/2025	1	\$ 1,320.80	\$ 101.04	\$ 79.25	\$ 13.21	\$ 4.28	\$ 10.05	\$ 1,528.63	\$ -	100
Motor Equipment Operator I - Sanitation	Full-Time (3)	DOE	Public Works	\$ 20.05	3/4/2024	3	\$ 31,278.00	\$ 2,392.77	\$ 1,876.68	\$ 312.78	\$ 101.34	\$ 238.03	\$ 36,199.59	\$ -	402
Motor Equipment Operator II - Water & Wastewater	Full-Time	DOE	Water-Wastewater	\$ 22.70	6/3/2025	3	\$ 11,804.00	\$ 903.01	\$ 708.24	\$ 118.04	\$ 38.24	\$ 89.83	\$ 13,661.36	\$ -	402
Geographic Information Systems (GIS Specialist)	Full-Time	Non- Bargaining	Water-Wastewater	\$ 23.65	7/14/2025	3	\$ 12,298.00	\$ 940.80	\$ 737.88	\$ 122.98	\$ 39.85	\$ 93.59	\$ 14,233.09	\$ -	402
Civil Engineer I	Full-Time	AFCSME	Water-Wastewater	\$ 29.45	8/26/2025	1	\$ 5,104.67	\$ 390.51	\$ 306.28	\$ 51.05	\$ 16.54	\$ 38.85	\$ 5,907.89	\$ -	402
Utility Maintenance Mechanic I (In-House)	Full-Time	DOE	Water-Wastewater	\$ 20.05	9/18/2025	1	\$ 3,475.33	\$ 265.86	\$ 208.52	\$ 34.75	\$ 11.26	\$ 26.45	\$ 4,022.18	\$ -	402
Account Clerk I	Full-Time	DOE	Electric	\$ 18.61	6/3/2025	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	410
<b>Updated 10/3/2025</b>							<u>\$150,640.53</u>	<u>\$11,524.00</u>	<u>\$ 9,038.43</u>	<u>\$1,506.41</u>	<u>\$488.08</u>	<u>\$1,146.37</u>	<u>\$174,343.82</u>		
		<b>Savings</b>	<b>Need - Option 1</b>	<b>Need - Option 2</b>											
General Fund Positions	\$	100,319.72	\$ 61,553.97	\$ 151,068.87											
Water / Wastewater Fund Positions	\$	74,024.11	\$ 4,387.95	\$ 13,086.73											
Electric Fund Positions	\$	-	\$ 3,633.05	\$ 12,701.98											
	\$	174,343.82	\$ 69,574.98	\$ 176,857.59											



**CITY OF DOVER, DELAWARE**  
**ACTION FORM**

**PROCEEDING:** City Council

**DEPARTMENT OF ORIGIN:** Central Services

**SUBMITTED ON:** September 23, 2025

**PREPARED BY:** Barry Wolfgang, Contract & Procurement Manager

**REVIEWED BY:** David S. Hugg, III, City Manager and Patricia M. Marney, Controller / Treasurer

**SUBJECT:** FY26 CIP Budget – Fuel Pump Island Upgrade

**TIMETABLE:** Notice to proceed to be issued immediately upon Council approval

**RELATED PROJECT:** N/A

**REFERENCE:** CIP- CS2502

**EXPENDITURE REQUIRED:** \$619,565.00

**AMOUNT BUDGETED:** \$ 1,200,000.00

**FUNDING SOURCE (Dept./Page in CIP & Budget):** Central Services / Page 101

**STAFF RECOMMENDATION:**

Approve the proposal of \$619,565 submitted by 1<sup>st</sup> State Petroleum in RFP 26-0001WH.

**BACKGROUND AND ANALYSIS:**

The amount budgeted includes additional funds for contingency items such as possible disposal of contaminated soil from around the old tanks and anything additional discovered during excavation for the new tank and/or removal and disposal of old tanks.

In recent years, the pumps have been having an increasing number of issues causing downtime and parts are getting harder to obtain for repairs. This style of suction pump is no longer in common use and no one stocks repair parts for them. The proposed dispensers have a pump inside the tank as they are more reliable and easier to maintain. We are also adding a dispenser for DEF (Diesel Exhaust Fluid) fluid as our fleet now has multiple diesel vehicles (line trucks, refuse trucks, fire trucks, etc.) that require it, and all new diesel vehicles will require it going forward.

In addition, the underground tanks are at the end of their useful life (30 years approximately) and need to be replaced. Insurance companies will stop providing insurance after a certain age due to higher probability of corrosion with steel tanks. The canopy that is presently covering the pumps is too small and too low for some of the new trucks (City Fleet and Fire Department) to fit under for fueling. They must stay a distance from the pumps to avoid hitting the rain gutters.

Proposals were opened on Wednesday, August 20, 2025, at 2:00 pm. Two contractors submitted proposals for the proposed Fuel Pump Island Upgrade. The contract proposals are as follows:

<b>Contractor</b>	<b>Location</b>	<b>Proposal Amount</b>
Coastal Pump & Tank	Harrington, DE	\$864,095.00
1 <sup>st</sup> State Petroleum	Moorestown, NJ	\$619,565.00

Each proposal was evaluated on six factors, which included experience, capabilities, work plan, cost, project history, and location related to the City of Dover. Based upon this comprehensive evaluation, 1<sup>st</sup> State Petroleum scored the highest and should be awarded the Fuel Pump Island Upgrade project.

**ACTION REQUESTED:**

The Council Committee of the Whole approve the project award to 1<sup>st</sup> State Petroleum as requested.

<b>PROCEEDING:</b> CCOW Legislative, Finance and Administration Committee	
<b>DEPARTMENT OF ORIGIN:</b> City Manager	<b>DATE SUBMITTED:</b> 09/17, 2025
<b>PREPARED BY:</b> David S. Hugg III, City Manager	
<b>SUBJECT:</b> Donation of City Property to Downtown Dover Partnership (DDP)	
<b>REFERENCE:</b> Sec.2-425 (e)	
<b>RELATED PROJECT:</b>	
<b>REVIEWED BY:</b> David S. Hugg III	
<b>EXHIBITS:</b> Resolution #2025-10, Letter from Downtown Dover Partnership; Location Map & Capital City 2030 Master Plan by Reference	
<b>EXPENDITURE REQUIRED:</b> n/a	<b>AMOUNT BUDGETED:</b> n/a
<b>FUNDING SOURCE (Dept./Page in CIP &amp; Budget):</b> n/a	
<b>TIMETABLE:</b> Immediate	
<b>STAFF RECOMMENDATION:</b> Approve transfer of three (3) properties in support of Capital City 2030 Plan	

**BACKGROUND AND ANALYSIS**

Exception “E” to Section 2-425 of the City Code permits the city council to donate a parcel of excess land to a non-profit organization when it is in the best interest of the city, The city owns various parcels that are integral to the plans for downtown redevelopment, as set forth in the “Capital City 2030; Transforming Downtown Dover Master Plan”, incorporated by reference herein.

The Downtown Dover Partnership is a 501c/6 non-profit organization and is committed to driving an improved quality of life for the residents and visitors of Dover, Delaware, through collective collaboration, economic development, and promotion of downtown Dover’s unique historic properties. It is charged with the responsibility of guiding, directing, and implementing the 2030 plan.

The Downtown Dover Partnership, through its President and Executive Director, have requested that the city donate three (3) city-owned parcels to the Downtown Dover Partnership to facilitate meeting the recreation and open space requirements and massing for a mix-use building at 120 S. Governors Avenue. Such parcels are identified below:

Address	Parcel ID	Current Use	Assessed Value
222 W. Reed Street	ED05-077.09-01-36.00	Vacant lot	\$ 6,700
105 S. New Street	ED05-077.09-01-37.00	Vacant lot	\$16,400
115 S. New Street	ED05-077.09-01-43.00	Vacant lot	\$15,500

The transfer by donation to the Downtown Dover Partnership is declared to be in the public interest as the parcels will support current and planned initiatives to revitalize Dover’s historic downtown. The City’s interests are recognized by Dover’s participation in the Downtown Dover Partnership Board and service on its committees.

The City previously transferred by donation six (6) parcels in support of the proposed mobility center project (Resolution #2024-08, approved September 23, 2024).

Recommendation: To facilitate implementation of the Capital City 2030 Plan, the City Council of the City of Dover authorizes the City Manager and the City Solicitor to effectuate the transfer of the requested three (3) parcels to the Downtown Dover Partnership, subject to conditions set forth in the Resolution.



**Downtown Dover Partnership**  
**Main Street Dover**  
**101 W. Loockerman Street, Ste 2B**  
**Dover, DE 19904**  
**(302)678-2940**

March 27, 2025

Mr. David S. Hugg, III  
City Manager  
15 Loockerman Plaza  
Dover, DE 19901

Dear Mr. Hugg,

Together, the City and the Downtown Dover Partnership (DDP) continue to move successfully toward the transformation of the Dover commercial district, working for the common good of the community. Working in great alignment with the priorities outlined in the *Capital City 2030: Transforming Downtown Dover!* master plan, we are, at this time, placing specific emphasis on building parking, commercial and residential amenities.

As recommended in the plan, the priority five story, mixed-use project at 120 S. Governor’s Ave. projects 160 mixed-income apartments and amenities that will serve the needs of the residents therein, including a grocery store and micro-retail spaces, a café, a wellness center, and a daycare center that will require an outdoor play area.

The DDP now owns 111 S. New Street. On either side of 111 lies a city-owned property. All three of these properties have been identified for use adjacent to, and in conjunction with, this redevelopment project. **Beyond being an asset required for the daycare, this space will also be open to the community act as a public amenity.**

Design, material, and massing concept drawings for 120 S. Governor’s Ave. are being prepared for Historic District Review in April 2025. The team continues to build the capital stack required to construct the project with a targeted groundbreaking by the end of this year. Simultaneously to these activities, DDP must acquire 105 and 115 S. New Street:

105 S New Street	ED05-077.09-01-37.00	Massing required for 120 S. Governor’s Ave. mixed-use, and specifically the outdoor day-care center
115 S New Street	ED05-077.09-01-43.00	(above)

As a partner with the City (and formally, a “Committee” of the City) the DDP is requesting an investment by the City whereby these properties would be consolidated into DDP ownership. This property is projected to be an +/- \$80M project, which will, in turn, is estimated to **provide the city with a significant tax return of \$146,589 annually**, as projected by Assistant City Manager at FY 25 tax rate of .00455 (Attached; Ms. Duca copied herein).

Thank you for your thoughtful consideration toward this request. Please advise next steps.



Sincerely,  
  
Diane Laird, Executive Director  
  
Todd Stonesifer, Board President

# MAP SET "B"

City-Owned Parcels  
Vacant - Map 1

ED05-077.09-01-36.00  
222 W REED ST  
Acres: 0.03  
Zoning: C-2

ED05-077.09-01-37.00  
105 S NEW ST  
Acres: 0.1  
Zoning: C-2

ED05-077.09-01-43.00  
115 S NEW ST  
Acres: 0.09  
Zoning: C-2

W Reed St  
S New St  
S Governors Ave

Vacant  
DDP Amey  
VACANT  
DDP

**Legend**

- City Limits
- Water Bodies
- Parcels
- Building Footprints
- Vacant City Owned Parcels**
  - Packet 1- Vacant



1 inch = 75 feet

Date Printed: June 20, 2023  
 File: m:\gis\_data\projects\tech\_mxds  
 lco\_prop\_may2023\packet1  
 p1map1  
 Department: Public Works GIS  
 City of Dover, Delaware

N



**MAYOR AND COUNCIL**

**PROPOSED COUNCIL RESOLUTION NO. 2025-10**

1 **A RESOLUTION AUTHORIZING THE DONATION OF CITY-OWNED PROPERTIES**  
2 **TO THE DOWNTOWN DOVER PARTNERSHIP**

3 **WHEREAS**, Exception “E” to Section 2-425 of the City Code permits the city council to donate a  
4 parcel of excess land to a non-profit organization when it is in the best interest of the city; and

5 **WHEREAS**, the city owns various parcels that are integral to the plans for downtown  
6 redevelopment, as set forth in the “Capital City 2030, Transforming Downtown Dover Master  
7 Plan”, incorporated by reference herein, and

8 **WHEREAS**, the Downtown Dover Partnership is a 501c/6 non-profit organization. The Downtown  
9 Dover Partnership is committed to fostering an improved quality of life for the residents and visitors  
10 of Dover, Delaware, through collective collaboration, economic development, and promotion of  
11 downtown Dover’s unique historic properties. It is charged with the responsibility of guiding,  
12 directing, and implementing the plan, and

13 **WHEREAS**, the city previously transferred by donation pursuant to Resolution 2024-08, on  
14 September 23, 2024, six city-owned parcels in support of the planned Multi-modal parking facility,  
15 and

16 **WHEREAS**, the Downtown Dover Partnership, through its President and Executive Director, have  
17 written the City Manager requesting that the city donate three (3) other city-owned parcels to the  
18 Downtown Dover Partnership to facilitate the massing of parcels for outdoor recreational use in  
19 support of a planned mixed-use redevelopment; and

20 **WHEREAS**, such parcels are identified below:

21	Address	Parcel ID	Current Use
22			
23	222 W. Reed Street	ED05-077.09-01-36.00	Vacant lot
24	105 S. New Street	ED05-077.09-01-37.00	Vacant lot
25	115 S. New Street	ED05-077.09-01-43.00	Vacant lot

26 **WHEREAS**, the transfer by donation to the Downtown Dover Partnership is declared to be in the  
27 public interest as the parcels will support current and planned initiatives to revitalize Dover’s  
28 historic downtown. The City’s interests are recognized by Dover’s participation in the Downtown  
29 Dover Partnership Board and service on its committees.



**MAYOR AND COUNCIL**

30 **NOW THEREFORE**, the City Council of the City of Dover authorizes the City Manager and the  
31 City Solicitor to effectuate the transfer of the requested parcels to the Downtown Dover  
32 Partnership, subject to the following conditions:

- 33 a) The Downtown Dover Partnership assumes maintenance, responsibility, and control over
- 34 the parcels, ensuring that they will be kept in good condition and routinely policed to
- 35 minimize inappropriate use,
- 36 b) Both parties agree that such parcels are to be used for redevelopment in accordance with
- 37 the “Capital City 2030” plan,
- 38 c) All redevelopment projects will be in accordance with all then-current City of Dover
- 39 codes and ordinances,
- 40 d) The parcels will revert to the city, if requested by action of the City Council, if not
- 41 committed to use in accordance with the plan in 5 years from the date of donation,
- 42 e) The Downtown Dover Partnership assumes all costs (fees, recording, taxes, etc.) at
- 43 settlement, and all future costs, including but not limited to taxes and fees, insurance, and
- 44 maintenance, and
- 45 f) The donation is subject to official action of acceptance by the Downtown Dover
- 46 Partnership Board of Directors.

47 **ADOPTED:**

48  
49 \_\_\_\_\_  
ROBIN R. CHRISTIANSEN  
MAYOR

\_\_\_\_\_

FRED A. NEIL  
COUNCIL PRESIDENT

50 Actions History  
51 10/14/2025 – Introduction – Legislative, Finance & Administration