LEGISLATIVE, FINANCE, AND ADMINISTRATION COMMITTEE

A G E N D A

January 11, 2010 - 5:30 P.M. - Council Chambers - City Hall - City of Dover

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

AGENDA ADDITIONS/DELETIONS

1. Review and Recommendation - Filling Critical Positions - Police Officer

2. MAG Overview of Recommendations (*Tabled by Committee on November 23,2009 Pending Conclusion of Meetings with Employees*)

3. Review and Analysis
   A. Vacant Positions Report
   B. Overtime Report
   C. Furlough Report

4. Proposed Ordinances
   A. Ordinance #2010-01 - Chapter 102 – Taxation, Article I - In General, Section 102-1 - Annual Valuation and Assessment
   B. Ordinance #2010-02 - Adoption of 2009 ICC Codes (*Building Codes*)

5. Health Benefits Committee

6. Proposed Ordinance #2010-03 - FY 2009 Budget Balances and Projected Carry Forward Balances

7. Adjournment by 7:00 P.M.

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

Permission to Recruit

To: Carleton E. Carey
Mayor

Date: January 4, 2010

From: Jeffrey Horvath
Chief of Police

Permission to recruit: 1 person

Type of Position: (PF) PP TF TP

Title of Position: Police Officer

Start employment on: December 28, 2009

Opening is due to:

Termination, Transfer, Promotion, (Other:) Retirement of Capt. Ray M. Sammons III

Captain Ray M. Sammons III
(name of previous employee)

Type of recruitment desired:

Local Newspaper: None, we have an eligibility list already

(name of publication)

Note: All out-of-house job postings will be advertised in the Delaware State News

Other: City and Departmental Website

Chief Jeffrey Horvath

☐ APPROVED ☐ DENIED

Mayor of the City of Dover

Hiring Justification Outline

1. **Explain the principal function of this job.**

   The principal function of this position is to ensure security for the citizens of Dover. The person would be responsible to enforce the laws of the State of Delaware within the city limits of Dover.

2. **Explain why this position is critical and cannot go unfilled or postponed**.

   The departments authorized strength is currently 91 officers. It is essential for the department to maintain personnel to provide all levels of safety for the citizens of Dover. At this time the department maintains an active roster of qualified applicants for hire as positions become available. The next applicant on the list is not a certified officer. When hired, this officer will have to attend training at a police academy. There will be a minor delay in hiring this officer due to the fact the police academy is not scheduled to begin until, approximately March of 2010.

   This position also needs to be filled in order for the department and the City of Dover to remain compliant with the staffing provisions of the COPS Grant which city council accepted on September 14, 2009. Failure to replace this officer would put the department and the city in violation of the COPS Grant requirements for this current budget year.

3. **How would City services diminish if this position were not filled or postponed at this time?**

   The Police Department would become unable to provide the level of services we currently provide to the citizens of our city. Public safety services provided to the city would diminish quickly. The department must maintain its authorized strength in order to perform the day to day operations of the police department.

4. **Are there other employees whose ability to perform would be diminished by not filling or postponing this position?**

   Yes, the departments' performance would diminish overall by not maintaining current staffing needs to provide security and safety for all citizens within the City of Dover.

5. **Is there a person that can be promoted into this position and whose position is less critical at this time and con go unfilled permanently or temporarily?**

   No. This position is for a new police officer.

6. **Can one or more existing employees absorb the duties of this position?**

Over time the quality of service the department current provides would diminish. The current authorized strength for the police department is 91 officers, which has been approved by City Council. Without this position the department would once again be working under the authorized number of officers.
The department maintains a list of eligible candidates for hire.

7. **Could a temporary person be hired to fill this position for 60 days?**

No, there are too many complexities in this position. The person will be a trained law enforcement officer and would have to pass a background check.

ACTION FORM

PROCEEDING: Legislative, Finance and Administration Committee
DEPARTMENT OF ORIGIN: Human Resources **DATE SUBMITTED**: 4/1/09
PREPARED BY: Anthony DePrima, City Manager and Kim Hawkins, Human Resources Director
SUBJECT: Implementation Management Advisory Group (MAG) Phase 2 –Pay for Performance Evaluation System
REFERENCE: Phase 2 of MAG report
RELATED PROJECT: MAG Phase 1
APPROVALS: City Council
EXHIBITS: **Exhibit 1**: 21 Recommendations from MAG **Exhibit 2**: Employee Recommendations **Exhibit 3**: Performance Scores Definition **Exhibit 4**: PFP Instructions **Exhibit 5**: PFP Policy **Exhibit 6**: MAG Phase 2 Report **Exhibit 7:** MAG Study Recommendation/Explanation of Awarding Salary Increases **Exhibit 8:** Recommendation for Awarding PFP Salary Increases
EXPENDITURE REQUIRED: **AMOUNT BUDGETED**: **FUNDING SOURCE (Dept./Page in CIP & Budget)**:
TIMETABLE: Some aspects will be completed immediately while others will be presented by February 2010.
RECOMMENDED ACTION: Implementation of Recommendations

BACKGROUND AND ANALYSIS

On October 7, 2009 nine department heads or representatives met to express their concerns and improvements of the PFP system to myself and Tony DePrima. The 21 recommendations that have been referenced throughout the Leg and Fin meetings have been updated to reflect the agreed upon suggestions. In September 2007 City Council indicated a desire to have the Pay for Performance Policy and its implementation to be evaluated to determine whether it is meeting its original purpose. Interviews were held with two consultants in November /December 2007. At the January 28, 2008 Leg and Fin meeting, the request to award the bid was tabled awaiting mid-year review of the budget for funding purposes. At the March 10, 2008 Leg and Fin meeting it was recommended to approve the awarding of the bid to Management Advisory Group (MAG). Council approved this recommendation on March 24, 2008. In May 2008 the scope of the contract expanded to review the salaries of non-bargaining employees and the salary ranges of all non-bargaining positions. This was the result of Council's action to regrade and retitle the Finance Director position. The position was regraded using the Position Analysis Factor (PAF) without adjustments. In 2002/2003 when all positions were evaluated, the PAF method was used however with adjustments. Many management positions were downgraded by two grades.

MAG obtained our current PFP documents from the City Manager and Human Resources Director. MAG conducted two sets of mandatory on-site meetings with all non-bargaining employees. One set of meeting was held in October and the other in December. The meetings were intended to obtain the employee's perceptive of the weaknesses and strengths of the PFP system and solutions to their concerns. At the conclusion of the second meeting, employees were encouraged to submit a confidential survey regarding the PFP evaluation system.

Based upon the conclusions that MAG developed, I submit to you their recommendations as well as the City Manager's and mine.

Indicated in Exhibit 1 are MAG's 21 recommended changes to the current evaluation system. In addition, Exhibit 2 provides a summary of the comments from the employees that will be implemented or further studied. As previously mentioned, all non-bargaining employees had an opportunity to provide input to the strengths, weakness and solutions of the PFP evaluation system.

One of MAG's recommendations (recommendation #5-#7) was to change the title of three performance ratings. Exhibit 3 illustrations these suggested changes.

As a result of MAG's recommendation as well as the employee's comments, the PFP instructions and policy needed to be updated to reflect the recommendations. The updated instructions are provided in Exhibit 4 and the policy is Exhibit 5.

While the MAG Phase 2 report was provided at the February 23rd Leg and Fin meeting is it being provided once again in electronic format.

Exhibit 1 April 13, 2009
Management Advisory Group (MAG) Phase 2 Recommendation
Updated on 10/7/09 to reflect additional comments from Department Heads
Updated on 12/29/09 to reflect comments from members of the Leg and Fin Committee

Rec. #	Page # in Phase 2 Report & Related Exhibit Attached	MAG's Recommended Action	City's Recommended Action	Estimated Completion Date
1	2-4 Exhibit 5, page 5	Change the PFP policy to require training for supervisors once per year. If training is not attended, deny any salary increase for which the supervisor may be eligible.	Update language: Change the PFP policy to require training for supervisors once per year. If training is not attended, deny any salary increase for which the supervisor may be eligible. **The ~~City Manager~~** Department Head **may excuse a supervisor from the training.** If there is a pattern of nonattendance, the HR Director will have a conversation with the Department Head and advise the City Manager of the reasons.	Immediately
2	2-5 Exhibit 4, page 1	Establish a more precise time frame within the set of Instructions so as to clearly define the time allotted for each step in the performance review cycle.	This recommendation is in reference to allowing sufficient time for the HR Director to review evaluations. The instructions have been updated to include a time frame of five days.	Immediately

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Rec. #	Page # in Phase 2 Report & Related Exhibit Attached	MAG's Recommended Action	City's Recommended Action	Estimated Completion Date
3	2-5 Exhibit 4, page 2	Written quarterly reviews should be done by Department Heads, and documented in the evaluation by entering into the PFP software.	~~Required quarterly reviews will begin July 1, 2009 as this review cycle is ending~~. Quarterly reviews are strongly encouraged however all employees will be offered an opportunity to meet to review their goals and core competencies. When poor performance is observed, a quarterly meeting is required at which time an evaluation is to be completed which will include an improvement plan. Quarterly reviews would be completed by 9/30, 12/31 and 3/31.	Implement July 1, 2009
4	2-5 Exhibit 4 page 3	All evaluated employees should conduct self evaluation, with the purpose of then comparing them at the formal performance evaluation meeting.	The PFP instructions will be updated accordingly. The employee at a minimum will be required to provide to the evaluator before the evaluation is completed (1) progress made on performance goals, (2) unplanned goals, (3) potential future goals, and (4) other matters they would like to have addressed. The PFP computer software will be modify to allow all non-bargaining employees to input information into the software.	Effective with reviews to be completed by May 31, 2009.

Exhibit 1 April 13, 2009
Management Advisory Group (MAG) Phase 2 Recommendation
Updated on 10/7/09 to reflect additional comments from Department Heads
Updated on 12/29/09 to reflect comments from members of the Leg and Fin Committee

Rec. #	Page # in Phase 2 Report & Related Exhibit Attached	MAG's Recommended Action	City's Recommended Action	Estimated Completion Date
5	2-6 Exhibit 3 Exhibit 4, page 4	Change the current performance form label of "Good" to "Meets Expectations" on the evaluation form.	The PFP evaluation will be updated.	Effective with reviews to be completed by May 31, 2009.
6	2-6 Exhibit 3	Change the current performance form label of "Acceptable with Some Improvements Needed" to Improvement Needed" on the evaluation form.	The PFP evaluation will be updated.	Effective with reviews to be completed by May 31, 2009.
7	2-7 Exhibit 3 Exhibit 4, page 4	Change the current performance label of "Outstanding" to "Results Rarely Achieved by Others."	The PFP evaluation will be updated. This title caused concerns however a more appropriate description was not determined. This will be considered more during the evaluation improvement process.	Effective with reviews to be completed by May 31, 2009.
~~8~~	~~4-5~~	~~Create a committee structure to evaluate Council appointed positions that would make recommendation on compensation adjustments for the evaluated employee.~~	~~***If Council wants to pursue further, a separate Committee Action Form will be prepared and presented***~~. A ~~–~~separate CAF form was presented and failed at the 9/28 Leg and Fin meeting~~.~~	~~FY10~~
9	4-5	Apply the changes noted in Section 5.0 to the development of Core Competencies for the Council positions. See recommendation #15 - *Streamline and enhance Core Competency and Element statements.*	This will become a goal for the HR Director for FY10. A committee will be formed to formally discuss. Incorporate work ethics into the core competencies.	Present to City Council by February 2010.

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Management Advisory Group (MAG) Phase 2 Recommendation
Updated on 10/7/09 to reflect additional comments from Department Heads
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Rec. #	Page # in Phase 2 Report & Related Exhibit Attached	MAG's Recommended Action	City's Recommended Action	Estimated Completion Date
10	5-3	Base the movement within the pay grade on the concept of a "normal progression" career plan for employees who "Meet Expectations" to reach midpoint in 10 years.	According to MAG, this will be achieved by implementing Recommendation #11.	
11	5-4 Exhibit 5 page 1 & 2 Ex. 5 Appexd. A	Use the arithmetic midpoint of the position's assigned pay grade as the basis for calculating potential performance adjustments.	Use the described method for calculating July 1, 2009 pay increases. Implement the use of the CPI-U with a floor and a ceiling. The PFP system would remain with the "Good" performers receiving the CPI-U or floor percentage of the mid-point. Employees scoring below or above the rating of "Good" would be awarded less or more. In addition, the pay grades would be updated yearly based upon the CPI-U.	July 1, 2009
12	5-6 Exhibit 5 – Appendix A	Establish a simple and straightforward program for potential adjustments of zero (0) through an annually determined percentage amount, based on budget availability.	Create a matrix for awarding July 1 pay increases. Appendix will be created based upon budget and market conditions. Please see red language in #11.	July 1, 2009
13	5-8	Automate the statistical normalization of rater comparisons.	This will become a goal for the HR Director for FY10.	Present to City Council by February 2010.

Exhibit 1 April 13, 2009
Management Advisory Group (MAG) Phase 2 Recommendation
Updated on 10/7/09 to reflect additional comments from Department Heads
Updated on 12/29/09 to reflect comments from members of the Leg and Fin Committee

Rec. #	Page # in Phase 2 Report & Related Exhibit Attached	MAG's Recommended Action	City's Recommended Action	Estimated Completion Date
14	5-8 Exhibit 4, page 1	Hold up salary adjustments until all evaluations are complete; publish stragglers on the City's intranet.	Not recommended for implementation. We wish to continue our current practice of extending the specific tardy department head's salary increase. "Stragglers" will be handled by the supervisor.	Immediately
15	5-12	Streamline and enhance Core Competency and Element statements. *See Rec. #9*	This will become a goal for the HR Director for FY10. A committee will be formed to formally discuss. Incorporate work ethics into the core competencies.	Present to City Council by February 2010.
16	6-1 Exhibit 4, page 2	Continue to complete performance evaluations annually as dictated by current policy.	No additional action needed.	
~~17~~	~~6-2~~ ~~Exhibit 4, page 2~~	~~Require quarterly review of all employees being evaluated.~~ **Duplicate of #3**	~~Additional monitoring of quarterly reviews will be maintained.~~	~~Implement July 1, 2009.~~
18	6-3	Add responsible participation in the PFP as a Supervisory Core Competency	The core competency for Supervisory Skills will be updated accordingly.	Effective July 1, 2009
19	6-3	Add monitoring and reminder goals to the Core Competency of the HR Director – *Include monitoring goals for the HR Director to ensure consistency with the City's Strategic Plan, reminding departments of the need for quarterly reviews, setting up annual training on the program, and identifying unusual scoring patterns to the City Manager, the Department Head and the rater. This should be reflected in the Supervisory Core Competency.*	Rather than modify the PFP evaluation for this one recommendation, this suggestion will become a standing goal for the HR Director.	Effective July 1, 2009

Exhibit 1 April 13, 2009
Management Advisory Group (MAG) Phase 2 Recommendation
Updated on 10/7/09 to reflect additional comments from Department Heads
Updated on 12/29/09 to reflect comments from members of the Leg and Fin Committee

Rec. #	Page # in Phase 2 Report & Related Exhibit Attached	MAG's Recommended Action	City's Recommended Action	Estimated Completion Date
20	6-4 Exhibit 5, page 4	Continue the current process for appeals.	No action needed.	
21	6-5 Exhibit 5, page 2 Exhibit 5 – Appendix A	Any pay out for performance over the maximum of the range is a lump-sum one-time payout that does not roll into the base salary.	~~In addition to the proposed language, add, "the city reserves the right not to award any pay increase for employee's whose salary is over the maximum of the range."~~ Provide performance increase to those employee's over maximum	Effective with pay increases awarded on July 1, 2009.

Additional Recommendation:

Exhibit 4 (page 4 & 5): The group had varying opinions on the requirement of providing an explanation for a score of four. The compromise was that when evaluating goals an explanation is required for all scores. For core competencies an explanation is only required for a score of 1,2 and 5.

Exhibit 2
Management Advisory Group (MAG) Phase 2 Employee Comments April 13, 2009

Section 3 and Appendix 2 of Management Advisory Group's (MAG) Phase 2 report provides the anonymous views of employees and supervisors who attended workshops conducted by MAG in October and December 2008. The views are in response to a series of questions posed to employees who are evaluated under the PFP Evaluation System.

Employees were also asked to review the entire MAG Phase 2 report and submit any additional comments to either the City Manager or the Human Resources Director. While employees were provided approximately two and half weeks to submit additional comments, no additional comments were received.

In analyzing Section 3 and Appendix 2, the City Manager and Human Resources Director extensively reviewed all the comments. While all the comments were considered valuable and will be reviewed frequently, eight recommendations will be further addressed. They are indicated in the table.

Blank Intentionally

Exhibit 2
Management Advisory Group (MAG) Phase 2 Employee Comments April 13, 2009

Rec.	Employee Suggestion	Intended City's Recommendation	Date of Completion
1	Goals don't flow down in a timely manner Exhibit 4, page 5	City Council/City Manager and Mayor to establish goals for Department Heads by March 31 of each year.	Department Heads are to establish goals for FY 10 immediately upon adoption of updated policy.
2	Goals are not realistic under current work load Exhibit 4, page 5 & 6 Exhibit 5, page 2	All supervisors are to be mindful of the number of goals being assigned. Employees can create their own goals for review by their supervisor. The HR Director will be more astute to the number being assigned.	Effective with evaluations for FY 10.
3	All evaluations are due at the same time thus causing a heavy work load in a short amount of time Exhibit 4, page 2	This issue is being addressed by requiring quarterly reviews. Thus as the fiscal year ends three fourths of the evaluation should be complete.	July 1, 2009
4	Implement weighting of goals	This option will be considered an evaluation committee that will be created.	If implemented, it will become effective in FY 10.
5	Do not require an explanation for a performance score of three and four Exhibit 4, page 4	Explanation for a score of three will not be required.	Effective for evaluations being completed for FY09.
6	High performers are not awarded	The salary matrix provides for additional compensation for employees who receive a higher than average performance score. An improved effort will be provided by supervisors in rewarding high performers with non-monetary incentives and actions.	Immediately
7	Provide educational training to employees on the PFP system and process Exhibit 5, page 5	Training will begin being offered to employees.	Immediately
8	Do not assign goals during probationary period Exhibit 4, page 2	It is realized that the probationary period is a time for learning. Only when necessary will goals be assigned.	Immediately

PERFORMANCE RATING DEFINITIONS

~~OUTSTANDING~~: RESULTS RARELY ACHIEVED BY OTHERS

MAG Rec. #7, page 2-7 of MAG Phase 2 report **Performance Points 5**

10/7/09 – Recommendation to change title however a more appropriate description was not determined. This will be considered more during the evaluation improvement process.

This level of performance represents the achievement of significant and exceptional results. The employee consistently achieved additional, significant results beyond established targets and significantly exceeds position requirements. The employee actively and continuously exhibits initiative and innovation and serves as a model for others.

COMMENDABLE: Performance Points 4

Demonstrates above-average knowledge, skills, abilities and effort. Performance goes beyond the position requirements and exceeds expected results. Performance measurably exceeds expectations. Employee exhibits initiative and resourcefulness in going beyond expectations of job performance in accomplishing goals and objectives.

~~GOOD~~: MEETS EXPECTATIONS Performance Points 3

MAG Rec. #5, page 2-6 of MAG Phase 2 report

The employee is effective, with good, solid performance as demonstrated by achieving a majority of results and demonstrating most competencies successfully. Job performance is accomplished in an efficient and competent manner. This performance is fully satisfactory and meets acceptable or expected standards for the job. Work efficiency and effectiveness support the overall productivity of the work unit. Employee accomplishes assigned tasks with expected direction and assistance.

~~ACCEPTABLE WITH SOME IMPROVEMENT NEEDED~~: IMPROVEMENT NEEDED Performance Points 2

MAG Rec. #6, page 2-6 of MAG Phase 2 report

The employee has met the basic expectations however has not performed the assigned duties in a fully competent manner thus requiring additional support of others. Inefficiency and/or ineffectiveness effects the productivity of the work unit. Does not consistently demonstrate the required knowledge, skills, abilities and/or effort for this position. Higher level of performance may be possible through increased effort, training and guidance. Performance at this level will be subject to continued careful assessment.

UNSATISFACTORY: Performance Points 1

Minimum standards for the job are not met; job duties are performed at a marginal level or not performed, or must be performed by others. There is minimal contribution to work unit productivity. Employee is unwilling or unable to improve. A need for further improvement is clearly recognized, identified and must occur immediately. Employee requires constant and close supervision. Continued performance at this level, absent any potential or evidence of immediate improvement will lead to progressive discipline up to and including termination.

Instructions for the Performance Review Cycle

Please realize that annual reviews are due to the Human Resources Director by May 31. A supervisor shall arrange to meet with the employee to discuss the employee's evaluation no later than June 25 of each year.

Failure to provide a completed evaluation for an employee in a timely manner, no later then July 1, will cause the effective date of the Department Head's pay-for-performance pay increase, if one was granted, to be extended by the number of days the evaluation was not received if the failure to submit a completed evaluation harms the evaluated employee. For example, if pay-for-performance increases are effective July 1 and the Department Head submits the evaluation on July 5 (five days late), the Department Head's pay-for-performance increase would be granted, if he or she was entitled to one, on July 5. The employee's increase, if one was granted, would be retroactive to July 1. MAG Rec. #14, page 5-8 of MAG Phase 2 report ***Sufficient time for review by the Human Resources Director shall be considered when determining a timely manner. ~~For example, submission of the evaluation on June 30 may not provide ample time for the Director to review and return to the evaluator. This may cause harm to the evaluated employee.~~*** **A minimum of five days should be allowed for review by the Human Resources Director.** MAG Rec. #2, page 2-5 of MAG Phase 2 report

Before conducting a performance evaluation, a supervisor must give an employee a reasonable time to demonstrate performance.

THROUGHOUT THE YEAR

Observe and document the employee's performance and give immediate feedback whenever possible. ~~Documentation at this point can be somewhat informal, but try to keep a record of what the employee does, both good and bad.~~ This record will be very helpful in completing the remarks/example section of the evaluation as well as ensuring the employee is not being evaluated on a short timeframe.

Ask the employee for input about their performance during the year. This is important because the performance review should be based on two-way communication, so that it is not merely a "report card." The employee's input can be any combination of the following:

- A draft performance appraisal prepared by the employee
- A list of accomplishments and significant events
- An informal discussion between the employee and supervisor

It is important to keep in mind that the supervisor should collaborate and seek advice from others in evaluating the employee throughout the year. Other supervisors, employees, customers, division and department heads may be able to provide important insights.

QUARTERLY REVIEW (generally October, December and March)

Meet ~~informally~~ **formally** MAG Rec. #3 & #17, page 2-5 and 6-2 of MAG Phase 2 report with the employee to discuss progress toward the goals and objectives as outlined in Part 3 of the Pay-for-Performance Evaluation for the previous year. Update, add or remove goals as necessary since the last review **in the PFP software**. MAG Rec. #3 & #17, page 2-5 and 6-2 of MAG Phase 2 report and Employee Rec. #3–Unexpected and unplanned assignments may arise. As new goals are added, it is important to evaluate the employee's capacity to accomplish already established goals. By keeping goals and objectives current, the necessity of documenting unplanned assignments in "Part 1" during the Annual Review will be minimized.

10/7/09 Quarterly reviews are encouraged however all employees will be offered an opportunity to meet to review their goals and core competencies.

~~Indicate any additional comments by the supervisor or employee in the supervisor's log/journal.~~

PROBATIONARY REVIEW

All new employees shall receive a formal probationary review for no less than six months of active service and no more than seven months of active service. **It is understood that the probationary period is a learning period. Goals are not required during the probationary period however if appropriate, goals could be assigned.** Employee Rec. #8 (Exhibit 2) ~~Goals are to be established for the new employee to complete during the probationary period.~~ See next section, Annual Review, for additional information.

ANNUAL REVIEW

Annual reviews are required for all employees. MAG Rec. #16, page 6-1 of MAG Phase 2 report

Employees hired between July 1 and November 30 of each year shall receive a probationary review for no less than six months of active service and no more than seven months of active service in addition to an annual review in May. On July 1, the employee would be eligible for a pay-for-performance increase.

Employees hired between December 1 and June 30 shall not receive an annual review in May; however, they would receive a probationary review upon completion of six months of active service and no more than seven months of active service. Employees would be eligible for a pay-for-performance increase at their one-year employment anniversary. These employees would then receive an annual review in May of the following year and be eligible for a pay-for-performance increase on July 1 of the following year.

The pay-for-performance evaluation instructions are available on Public Docs in the Pay for Performance folder while the evaluation is available on the City's intranet, ~~http://intranet/projects/pfpfb/.~~ **http://intranet/new.** For assistance, please contact the Human Resources Department. It is important to inform the employee that his or her yearly evaluation is

due. The supervisor shall set a meeting date and time with the employee to review the evaluation. This will ensure that everyone has ample time to prepare for the evaluation.

It is important to keep in mind that the supervisor should collaborate and seek advice from others in developing the evaluation. Other supervisors, employees, customers, division and department heads may be able to provide important insights into the evaluation process.

SELF EVALUATION

A self-evaluation is ~~not~~ required by the employee ~~unless requested by the supervisor~~. A self-evaluation ~~is strongly encouraged since it is~~ **provides** an opportunity for ~~an~~ **the** employee to inform the evaluating supervisor of surrounding circumstances or extraordinary efforts that were involved in the completion of the goals. MAG Rec. #4, page 2-5 of MAG Phase 2 report Evaluators will be specifically seeking the employee's synopsis of the results achieved on his or her planned and unplanned goals. The employee shall be given a copy of a blank evaluation **in July** by his or her evaluator so that he or she may ~~prepare a self-evaluation prior to the formal discussion of the evaluation~~. **maintain the evaluation for quarterly and yearly reviews.** MAG Rec. #4, page 2-5 of MAG Phase 2 report

10/7/09 The employee at a minimum will be required to provide to the evaluator before the evaluation is completed (1) progress made on performance goals, (2) unplanned goals, (3) potential future goals, and (4) other matters they would like to have addressed. The PFP computer software will be modify to allow all non-bargaining employees to input information into the software.

The employee may also wish to indicate goals they would like to achieve in the next review period. Goals should be related to the overall vision and mission of the City as well as the employee's department.

Professional development opportunities are not considered goals and should not be noted in the goal section of the evaluation. For example, complete an Excel class.

JOB DESCRIPTION

Obtain the current job description for the employee's position to be reviewed by the employee and supervisor during the annual budget process. In general this review will occur in December or January each year. The job description shall be reviewed by the employee and the supervisor individually. Reviewing the job description annually will ensure that the job description remains up to date with current job duties. All changes must be submitted to the Human Resources Director for consideration and final approval. If appropriate, the HR Director may recommend the position be re-graded.

COMPLETING THE PAY FOR PERFORMANCE EVALUATION FORM

Page One

The intranet system will automatically complete Page 1 of the evaluation. Please realize that each non-bargaining position has been assigned a weight for goals and objectives and one for core competencies. If you think that the weights need to be changed, please contact the Human Resources Director. ~~If you need assistance, please contact the Human Resources Department.~~

PART 1: Planned Goal and Unplanned Assignment Results

This section is to include comment**s** on the degree and qualities of the results achieved and note any extenuating circumstances affecting the results. It should also be noted how well an employee did in accomplishing the objectives and if they were completed in a timely manner. **A status report on each goal and unplanned assignment is required.** Assign performance points based upon the Performance Rating Definitions and the Key as noted in the Performance Rating tab of the Pay for Performance intranet system. The performance score shall be indicated in the Performance Rating box. Narrative information is very important in the review process **and is required in Part 1 of the evaluation**; therefore, include remarks and whenever possible, specific examples. It is very important to consider the difficulty of the goals and objectives when scoring. Goals and objectives can have different degrees of difficulty. The completion of a relatively easy goal and objective should not be scored the same as completing a difficult goal and objective. An easily attainable goal that is completed should be rated "~~good~~ **meets expectations**," MAG Rec. #5, page 2-6 of MAG Phase 2 report a more difficult goal should be rated "commendable," and achieving a very difficult goal should be "~~outstanding~~ **results rarely achieved by others**." MAG Rec. #7, page 2-7 of MAG Phase 2 report A very difficult goal or objective that may be only partially completed may score the same as an easily attainable goal that is completed. It is very important that the difficulty of the goal and objective not be gauged on the employee's ability, but on its relative difficulty when compared to goals and objectives assigned to others.

After completing the Planned Goals and Objectives section, proceed to the Major Unplanned Assignments contained in Part 1. This section should be completed in the same manner as Planned Goals and Objectives. Major unplanned assignments are assignments which either were not included on the previous year's evaluation or were added during the quarterly review and were not scheduled for completion throughout the fiscal year and required at least 40 hours to complete.

The performance score is determined by dividing the sum of the points by the number of Planned Goals and Unplanned Assignments. The result is then rounded to the nearest tenth. This figure will be automatically calculated once the evaluation is saved. Please refer to page one of the evaluation.

10/7/09 For all goals and unplanned assignments an explanation is required for all scores.

PART 2: Core Competency Elements

Each employee shall be evaluated on all the core competencies indicated in Part 2 with the exception of categories that pertain to employees who supervise. This category is indicated. The supervisor should review the Performance Rating Definitions on page 2 of the evaluation or contained in the Performance Rating tab of the Pay for Performance intranet system prior to completing this section.

Specific examples are to be provided in addition to remarks in the space provided. **It is required to provide documentation for a performance score of 1 and 2 as well as a performance score of 5. A performance rating of three does not require an explanation.** Employee Rec. #5 (Exhibit 2) **Specific examples and documentation is recommended for a performance score of 4. Employees need to be aware how they are deficient as well as how they performance is at or above the desired level.** The examples provided for each competency on the evaluation form should be used as guidelines in developing the narrative in the remarks/example section rather than merely copied.

10/7/09 For core competencies an explanation is only required for a score of 1,2 and 5.

Upon the completion of evaluating all core competencies, save the evaluation. By saving the evaluation the score will automatically be calculated.

Once the weighted scores for planned goal and unplanned assignment results and core competencies have been calculated the employee's overall score will automatically be calculated by the intranet system. This is calculated by adding the two weighted scores together.

Overall Comments

A detailed narrative is be included in the Overall Comments section (located at the end of Part 2, Core Competencies) of the evaluation. This section should be used for the supervisor to express any comments or concerns that were not addressed previously in the evaluation.

PART 3: Major Responsibilities for Next Year

List goals and objectives for the coming year that are to be evaluated during the next evaluation. **Evaluators are to be mindful of the number of goals that are assigned to employees.** Employee Rec. #2 (Exhibit 2) **Each year Department Heads are to receive their goals by March 31.** Employee Rec. #1 (Exhibit 2)**This will assist the departments in preparing goals for their employees. It is encouraged that employee be involved in the development of the departments fiscal year strategic goals.** Employee Rec. #2 (Exhibit 2) **All** goals are to be written in the S.M.A.R.T. (**S**pecific, **M**easurable, **A**ttainable, **R**ealistically high, and **T**arget date) format. These goals are to be discussed with the employee during the formal evaluation process and reviewed quarterly to determine the employee's progress toward reaching them. For information regarding S.M.A.R.T., please contact the Human Resources Department.

PART 4: Employee's Professional Development Plan

Establish a Development Plan listing actions that the employee can take to improve performance for the coming year. This may include suggestions for education and training, reading material, research, job shadowing, counseling and other self-improvement programs. The Development Plan should include specific actions that the employee can take to enhance performance. This section of the evaluation affords the evaluator and the employee an opportunity to collaborate on how the employee's performance can be improved both as an individual and as a part of a team. This section should be taken very seriously and should be considered one of the most important parts of the evaluation.

Submission for ~~Additional Approval~~ *Human Resources Quality Control Review*

Upon completing the evaluation, please electronically "Forward" the evaluation. This function is within the Pay for Performance intranet system. This function indicates to the next approving supervisor/department head that the evaluation has been completed and is ready for their review. The intranet system allows the evaluation to be forwarded as well as "Returned". The proper chain of command must be followed in order for the evaluation to reach the Human Resources Director for final ~~approval~~ **review**. Throughout the ~~approval~~ **review** process, a supervisor may return the evaluation to the previous level. This process should be continued until the final ~~approval~~ **review** is ~~received from~~ **completed by** the Human Resources Director.

The evaluation is not to be presented to the employee until it has been ~~approved~~ reviewed by the Human Resources Director. If the evaluation is presented to the employee before the Human Resources Director ~~approves~~ reviews it, the evaluator may be subject to presenting the evaluation again to the employee.

Review with the Employee

Once final ~~approval~~ **review** is ~~received from~~ **completed by** the Human Resources Director, the supervisor shall meet with the employee at the time and date originally scheduled at the beginning of the evaluation process. The supervisor ~~may~~ **shall** provide a copy of the **completed** evaluation ~~up to~~ **at a minimum of** two days prior to the meeting **to the employee**. **This will allow** ~~for~~ the employee **an opportunity** to ~~preview~~ **review the evaluation prior to the meeting**. At ~~this~~ **the same** time, the employee ~~may~~ **shall** give the supervisor a ~~preview~~ **copy** of ~~the~~ **his or her** self-evaluation. **Included in the self-evaluation should be at a minimum two SMART goals that the employee developed. The department head/supervisor can consider the goals for inclusion in the evaluation.** Employee Rec. #2 (Exhibit 2)During the review, the individual's performance, strengths, and developmental needs are to be discussed. Explain the reasons for the review. For example, probationary, annual, special or for another reason. During the review, an open line of communication should be maintained. This is when the employee~~'s~~ **and the supervisor will compare the employee's** self-evaluation ~~should be compared~~ with the supervisor's evaluation. The supervisor as well as the employee being evaluated should be open-minded toward comments made. After the formal review with the employee, the supervisor may need to modify the original evaluation to include information the employee presented during the review process.

Signatures

The employee and the supervisor must sign the evaluation once it has been reviewed together. The employee's signature does not necessarily indicate agreement with the evaluation. If the employee refuses to sign a performance evaluation, the supervisor must make a notation on the evaluation to indicate that the employee refused to sign the evaluation. The employee and supervisor may attach an addendum. The evaluation shall be presented to the Department Head for review and signature. The Department Head shall then forward the evaluation to the Human Resources Director.

Once the evaluation has been finalized, make a copy of the evaluation for the employee. Once the evaluation is submitted to Human Resources, the Human Resources Director will sign the evaluation. Human Resources will then forward to the department a copy of the signature page.

The employee shall be informed that the evaluation will be placed in the employee's personnel file maintained in the Human Resources Department. Evaluations become a permanent record in the employee's file.

City of Dover

Performance Based Pay Policy
For Non-Bargaining Employees

~~**April 19, 2005**~~ ~~**April 13, 2009**~~ **November 2, 2009**

I. Purpose

The City of Dover Performance Based Pay Policy is intended to provide equitable compensation based on performance for all non-bargaining exempt and non-exempt positions when considered in relation to each other and to general pay ranges for similar employment elsewhere. This policy rewards excellence in core competencies, as well as the ability to get results.

This policy will allow the City to maintain an effective, responsible and loyal work force, and allow us to recruit and retain high quality employees. The Policy establishes pay ranges and maintains an effective ongoing pay system for appropriate compensation recognizing the importance of results-based performance.

II. Pay Plan Maintenance

~~New market-based salary ranges shall be adopted every year after consideration of a market survey that considers both external and internal movement in market salaries. The ranges shall establish an entry-level rate, market rate~~ ~~**a mid-point**~~ ~~*MAG Rec. #11, page 5-4 of MAG Phase 2 report*~~ ~~and a maximum rate.~~ ~~**Sources will include, however not limited to, the Employment Cost Index (ECI), non-seasonally adjusted, and the inflation or deflation rate from January of the previous year to January of the current year. Local government organization, Kent County, the State of Delaware and the City of Newark and any other Delaware government organizations that is deemed comparable. The Bureau of National Affairs, (BNA) will to utilized to research percentage of increased awarded to bargaining units in the state and local government section. Salary increases awarded to City of Dover bargaining units will be considered as well. The key is to remain consistent in the yearly evaluation . Every five years the City will retain the services of a professional labor market researcher to determine if the City's ranges are being adjusted accordingly.~~ ~~The City Manager will forward the results of the market survey and his recommendations to Council for consideration during the annual budget process. The increases in salary ranges shall not be considered as cost of living increases, but shall serve to keep ranges up to date so that employees' performance is properly evaluated within the context of where their salary lies within the market place.~~

The Pay Plan will be updated yearly in the Annual Budget by the City Manager for City Council consideration and approval. The City Manager shall use the CPI-U published in January as the basis of annually increasing the Pay Plan, except when the CPI-U is less than zero, than no increase in the Pay Plan will be recommended. Every third year the City will retain the services of a professional labor market researcher to review the City's Pay Plan and report whether it is satisfactory or in need of further adjustment. The annual increase in the Pay Plan shall not be considered a cost of living salary increase.

III. Annual Salary Appropriation for Non-Bargaining Salary Increases.

The City Manager shall place in the Annual Budget an overall appropriation for Non-Bargaining salary increases to be approved by City Council. The amount of the appropriation shall be equal to the total current year base salary for non-bargaining employees' multiplied by the sum of the CPI-U published in January plus 1%. The additional 1% shall be used to compensate employees with commendable and outstanding performance. However, where the CPI-U is less than an increase given to a bargaining unit through a contract then the higher increase will be used as a basis by the City Manager instead of the CPI-U.

While it is the intent of the City to keep salaries competitive within the market place, the City Council reserves the right to set percentage increases based on what it determines the City can afford regardless of changes in the CPI-U or bargaining unit increases. The annual appropriation approved by City Council shall be disbursed to non-bargaining employees in accordance with the following Sections of this policy.

IV. Performance Evaluations and Advancement Guidelines

Performance evaluations must be completed annually, prior to any consideration for an increase in pay. No supervisor shall receive an increase in pay until subordinate evaluations are complete. The evaluation will include measurement of the results of predetermined goals and objectives, unplanned assignment results and core competencies. The evaluations shall give goals and objectives for the coming evaluation year.

The amount of the proposed pay increase will be determined by the overall Performance ~~Score as applied to the Pay for Performance Worksheet in accordance with the table found on the worksheet. The Pay for Performance Worksheet shall be approved by City Council with the annual budget. Appendix A is the model Pay-for-Performance Worksheet; the areas where percentage increases will be placed have been left blank.~~

~~Each year, salary increases will be determined by a percentage of the mid-point of each salary range. Once the percentage of mid-point is determined, percentage decreases or increases will be awarded based upon the employee's~~

~~**individual score.** *MAG Rec. #11, page 5-4 of MAG Phase 2 report* **Any salary increase granted to an employee whose salary is above the maximum of the labor range shall receive a one-time lump sum payment that does not roll into the employee's base salary.** *MAG Rec. #21, page 6-5 of MAG Phase 2 report* **The city reserves the right not to award any pay increase for employee's whose salary is over the maximum of the range.**~~

The CPI-U published in January of each year will be the basis for the percentage of mid-point increase for an employee who receives a "good" performance. In years where the City Council approved a higher bargaining unit increase instead of the CPI-U then the basis shall be the bargaining unit's increase. Employees with Commendable or Outstanding Performance Scores shall receive higher midpoint adjustments, and employees with Unacceptable and Needs Improvement will receive lower or no mid-point salary adjustments. The actual percentage increases at the mid-point shall be calculated so that the total amount appropriated shall not exceed the amount approved by City Council as described in Section II. After approval of the Annual Budget the City Manager will publish a schedule that sets forth the approved mid-point increases for each Salary Range and Performance Score for use by Department Heads to complete Personnel Status Action Form.

~~In general, the percentage increase for employees scoring between 21 and 30 evaluation points whose current salary is within the market range (within the 2nd third of their salary range) will receive an increase equivalent to market increases as determined by the annual market survey. In general, employees with lower scores will receive lower percentage increases, and those with higher scores will receive higher percentage increases. To advance employees to the market rate, employees who are compensated at levels below market will receive increases that are higher than those who are at and above the market with similar performance scores. In some cases with low scores or salaries above maximum, there may be no increases.~~

V. Evaluation Quality Control Systems

To ensure quality control, the Human Resources Department will review ~~the latest~~ employee performance evaluations ~~in August of~~ each year **prior to presentation to the employee** to ensure that they have clear and concise goals and objectives with expected results that are aligned with the City's Strategic Organizational Plan. Goals are to be **S.M.A.R.T.** (**S**pecific, **M**easurable, **A**ttainable, **R**ealistically High, **T**arget Date). **In addition, to review if ample or insufficient goals have been assigned to the employee.** Employee Rec. #2 (Exhibit 2)

The comments supporting the results achieved must be specific to the goals and/or competencies and not just a repetition of the goal or objective. Achievement or lack thereof of results and progression in core competencies are to be outlined in these comments.

The Human Resources Department will also review the evaluators for unusual patterns such as consistently high/low patterns of scoring, as well as incomplete or unrelated comments to support the performance points associated with the goals and objectives. While there are no formal quotas, there is an expectation that scoring will naturally fall into a normalized pattern, particularly as evaluations are considered over time and in groups. Feedback will be given to evaluators and their department heads to give them the opportunity to justify the perceived inequities or patterns and if necessary correct the problem(s).

VI. Procedures for New Job Titles/Grades and Re-grading and Retitling Existing Positions

To establish new job titles, grade new positions, or re-grade and re-title existing positions where job responsibilities have changed, the following procedure must be followed **(Please note that the procedure could be modified by the City Manager during the budget process.)**:

1. Department heads must submit a proposed job description along with a completed Position Analysis Factor (PAF) Guide to the Human Resources Department with an explanation outlining the reasons for the new title, re-grade or new position. The Human Resources Department will enter the Position Analysis into the Job Analysis Qualification (JAQ) software to determine the salary grade. The Human Resources Director shall compile all of the new positions, new titles and new grades and forward them to the City Manager for consideration within the annual budget.

2. To ensure that existing job titles and grades are kept current, as part of the budget process each Department Head/supervisor will give the employee a copy of their current job description and ask the employees to review the description for accuracy. The employees will return the job descriptions within one (1) week of receiving them from the Department Head/supervisor and discuss the changes (if any) with the Department Head/supervisor. The Human Resources Department will review the submitted information within one (1) week from receiving it from the Department Head for appropriateness and use the Position Analysis Factor Guide to reevaluate the position. When reclassification is initiated, all incumbents holding the same job title should complete a JAQ. A desk audit usually at the job site would then be conducted with the individual being considered for reclassification or with a representative number of people if the reclassification request affects a number of people with the same title. Key questions concerning the job should be answered to assist in determining the proper level within the overall pay and classification system. The analysis of all the information is then compared to the current position description for the various classifications' levels and weighted, using the same quantitative point-factor rating criteria used to establish the level of all positions in the City pay plan. The Human Resources Department will notify the Department Head and City Manager of the

outcome of the review and recommendations. The employee shall be informed of the outcome by the Department Head. Proposed reclassifications will be included in the budget proposal of the City Manager.

3. Hiring, promoting and re-grading an employee to a new or open position will be done in accordance with established procedures outlined in the Employee Handbook.

4. Establishing the hiring salary or salary increase associated with a promotion or re-grading will be derived as follows:

   a. Employees will be placed within the approved salary range at the entry level. On occasion for highly skilled, technical, or managerial positions, it would be necessary to hire above the minimum rate in the range, but not above the ~~market rate~~ **mid-point**. In these cases, consideration will be given to the applicant/employee's education, equivalent experience, related experience and past performance. Recognizing that the current salary ranges are based on a 20-year period between the entry salary and maximum salary the individual may be placed within the salary range using the following guidelines: (1) The employee will be given credit for equivalent experience year for year; (2) Credit for related experience will be ½ year for year; (3) Year for year equivalent experience credit will be given for college experience beyond the minimum required where a related Master's or related Bachelor's Degree has been obtained. A recommendation to hire above the minimum rate in the range should be documented by the supervisor, reviewed and endorsed by the Human Resources Director and approved by the City Manager.

VII. Personnel ***Performance*** Evaluation Appeal Process *MAG Rec. #20, page 6-4 of MAG Phase 2 report*

Employees dissatisfied with **performance** evaluations are entitled to dispute the evaluation through the following appeal process.

1. Employees may request an appeal of the evaluation within seven (7) days of receiving the evaluation.

2. The appeal must be filed with the employee's immediate supervisor, in writing, stating the reason(s) for the dispute. The contents of the appeal request must include the specific categories being appealed, the rating sought, and the justification for the change. The immediate supervisor's decision will be rendered to the employee, in writing, within seven (7) days.

3. If an employee is dissatisfied with the immediate supervisor's decision, then the appeal will be forwarded within seven (7) days to the next level of

supervision for that division along with a copy to the Human Resources Director.

4. If the employee is still dissatisfied with the decision, the process will continue through each level of supervision up to the City Manager or the Mayor and Council depending on the reporting relationship. City Manager and Council Appointee Department Heads shall have final decision on employees within their departments. Mayor and Council shall hear any appeals by the City Manager or Council Appointed Department Heads. Any appeal going as far as the City Manager, Council Appointed Department Heads, or Mayor and Council will be first submitted to the Human Resources Director.

VIII. Instructions for Using the Pay-for-Performance Evaluation

Detailed instructions are located on Public Docs in the Pay-for-Performance folder.

IX. Evaluator Training

All evaluators will receive detailed training in setting S.M.A.R.T. goals and objectives, preparing for and giving Pay-for-Performance evaluations, using the Pay-for-Performance Worksheet and completing the Position Analysis Factor Guide ~~prior to implementation of this new system~~. Ongoing and refresher training will take place as needed ~~but not less than two (2) times~~ each fiscal year**, however never less then once**. **Failure to attend the training will result in no salary increase awarded.** Training will be mandatory**, unless excused by the ~~City Manager~~** *MAG Rec. #1, page 2-4 of MAG Phase 2 report* employee's supervisor**.** If there is a pattern of nonattendance, the HR Director will have a conversation with the Department Head and advise the City Manager of the reasons. ~~and~~ **Training** will include the following subjects: introduction of policy, purpose, guidelines, components of policy, evaluation, appeal process, S.M.A.R.T. goals and objectives, JAQ scoring system and plan administration. **Each topic is to be addressed as it relates to the employee as an evaluator.**

X. Employee Training

Employee Rec. #7 (Exhibit 2)

All employees will be extended an invitation to attend annual training of the Pay for Performance system. Subjects to be discussed are as followings: introduction of policy, purpose, guidelines, components of policy, evaluation, appeal process, S.M.A.R.T. goals and objectives, JAQ scoring system and plan administration. Each topic is to be addressed as it relates to the employee.

***XI*. Weights for Each Position**

Each non-bargaining position was evaluated and weights were assigned that determined the degree of responsibility and control it contained versus recurring

or scheduled tasks as identified in the position description. For example, if a position was determined to have fairly low responsibilities and required the same duties on a recurring basis, the core competencies weight will be greater than the planned goals and unplanned assignment results weight. Conversely, a department director's position would receive the highest weight for planned goals and unplanned assignment results and the lowest weight for core competencies since the position has a much higher level of autonomy and responsibilities.

Appendix A

P.F.P. Salary Calculation Worksheet

(Adopted by City Council _____)

Instructions: ~~**Percentage of increase is determined based on the midpoint of the labor grade for the position in which the employee occupies. Fluctuation from the mid point is based upon the employee's overall Pay for Performance score. Any salary increase granted to an employee whose salary is above the maximum of the labor range shall receive a one-time lump sum payment that does not roll into the employee's base salary.** MAG Rec. #21, page 6-5 of MAG Phase 2 report **The city reserves the right not to award any pay increase for employee's whose salary is over the maximum of the range.**~~

The CPI-U published in January of each year will be the basis for the percentage of mid-point increase for an employee who receives a "good" performance. In years where the City Council approved a higher bargaining unit increase instead of the CPI-U then the basis shall be the bargaining unit's increase. Employees with Commendable or Outstanding Performance Scores shall receive higher midpoint adjustments, and employees with Unacceptable and Needs Improvement will receive lower or no mid-point salary adjustments. The actual percentage increases at the mid-point shall be calculated so that the total amount appropriated shall not exceed the amount approved by City Council as described in Section II. After approval of the Annual Budget the City Manager will publish a schedule that sets forth the approved mid-point increases for each Salary Range and Performance Score for use by Department Heads to complete Personnel Status Action Form.

OVERALL SCORE		~~MAG Rec. #11 and 12, page 5-4 and 5-6 of MAG Phase 2 report~~
FROM	**TO**	**ADJUSTMENT**
		For example:
10	19	~~0%~~
20	29	~~2% of mid-point~~
30	35	***3% of mid-point***
		(Market research recommended movement)
36	41	~~4% of mid-point~~
42	50	~~5% of mid-point~~
10	19	0%
20	29	2% of mid-point
30	35	***3% of mid-point***
		(Based upon the CPI-U or Floor/Ceiling of Union Contracts)
36	41	4% of mid-point
42	50	5% of mid-point

REVIEW AND EVALUATION OF THE PFP EVALUATION SYSTEM

FOR

THE CITY OF DOVER



FEBRUARY 13, 2009

PART TWO OF TWO:
PAY FOR PERFORMANCE EVALUATION SYSTEM

MANAGEMENT ADVISORY GROUP, INC.

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MANAGEMENT ADVISORY GROUP, INC.

HUMAN RESOURCES CONSULTING SERVICES

February 13, 2009

Members of City Council
c/o City Manager Tony DePrima
City of Dover
710 William Street
Dover, DE 19904

Dear Council,

Management Advisory Group, Inc. (MAG) is pleased to present this Phase II report for the Review and Evaluation of the *PFP Evaluation System* to the City of Dover (City), in reference to the City's RFP # R8006-JW-09/21/2007.

This initial report is labeled as Part Two of Two for the project. It focuses on the elements that were agreed to in revisions to the original work plan, including the review of the performance evaluation aspect of the project. Part One focused on the classification and compensation elements.

This report reflects input from the City Council, department heads, and employees during a series of meetings conducted on-site.

Please feel free to contact me if you have any questions, or require clarification on any aspect of this report (703) 590-7250 and by facsimile at (703) 590-0366. We appreciate the opportunity to be of service to the City.

Sincerely,

Donald C. Long

Donald C. Long, Ph.D.
Executive Vice President
Management Advisory Group, Inc.
4207 Dale Boulevard
Woodbridge, Virginia 22193
Phone: 703.590.7250

THE CITY OF DOVER

REVIEW AND EVALUATION OF THE PFP EVALUATION SYSTEM

PHASE II

TABLE OF CONTENTS

Transmittal Letter

Table of Contents

Section 1.0 – Goals and Objectives of the Review ..... Page 1-1

Section 2.0 – Current Pay for Performance (PFP) System ..... Page 2-1

Section 3.0 – Summary of Employee Views on the PFP System..... Page 3-1

Section 4.0 – City Council Evaluations ..... Page 4-1

Section 5.0 – PFP Scoring and Calculations ..... Page 5-1

Section 6.0 – Recommendations on Related PFP Issues..... Page 6-1

Section 7.0 – Implementation Table of Recommendations..... Page 7-1

Appendix 1 – PFP Description, Instructions, and Forms..... Appendix 1

Appendix 2 – Employee Views on PFP Questions ..... Appendix 2

Appendix 3 – Council Appointed Positions Form ..... Appendix 3

Appendix 4 – PFP Calculation Worksheets ..... Appendix 4

SECTION 1.0

GOALS AND OBJECTIVES

This section identifies the goals and objectives for the review of the Pay for Performance System.

1.0 Goals and Objectives

Project Understanding

The City of Dover (City) has sought a review of its total compensation as it relates to the City's Pay *for Performance Evaluation System*. The proposed services have been conducted during two major time frames, including prior to October 2008 and after October 2008. The Phase I report was provided to the City Council September 29, 2008. This enclosed report focuses on Phase II issues related to performance evaluation.

Work Plan: Phase II

In this report, the following questions are relevant and reviewed:

- Are performance evaluations and advancement goals being met?
- Are the "Quality Control" systems working?
- Are "below market" employees advancing to "at market" at the expected rate?
- Has the system reduced or eliminated the number of employees above the maximum and prevented employees from advancing above the maximum?
- Is the appeal process working?
- Have there been a high number of appeals?
- Do appellants feel that they have been treated fairly?
- Are we properly training evaluators?
- Are we following the training guidelines?
- Do evaluators feel as though they are being properly trained?
- Is the system working to retain quality employees or are we losing them to competitors?
- Are the new recruits staying with the city?
- Are we getting results based performance due to rewarding better performance? Are employees more goal oriented under this system of evaluation? Are employees more motivated to perform better under this system?

SECTION 2.0

CURRENT PFP SYSTEM

This section describes the major elements of the current Pay for Performance System, and includes some key recommendations.

2.0 Current Pay for Performance System

Review of Major Elements of the Pay for Performance (PFP) System

The City has established four (4) major elements that constitute the current Pay for Performance System. They include:

- Performance Based Pay Policy for Non-Bargaining Employees (April 2005);
- Instructions for the Performance Review Cycle (supporting documentation);
- Pay for Performance Evaluation Form for Non-Council Appointed Positions;
- Pay for Performance Evaluation Form for Council Appointed Positions.

The actual descriptions of these elements for the Pay for Performance System are included in Appendix I. The form for Council appointed positions is included for reference in Appendix II.

The system devised and used by the City is quite comprehensive, documented, and detailed. It is a more detailed and involved system than most municipal employers utilize. In the public sector, there is a broad mix of systems and programs used. Agencies often go through cycles of use and non-use of performance evaluation. The application and implementation of a performance evaluation system is a function of the management and leadership of the governmental organization. If the practice is embraced by the leadership, it is put in place. If it is not viewed as a viable mechanism for evaluating, documenting, and determining compensation adjustments, the default is that all employees receive the same level of adjustments.

Performance evaluation is a complex undertaking, which is why some agencies take the easy road and do not bother with implementing a performance evaluation program. The City of Dover has chosen to meet the challenge directly, by not only implementing a comprehensive and well documented system, but also seeking an evaluation of its relevance, appropriateness, and implementation.

Performance Based Pay Policy for Non-Bargaining Employees (April 2005)

The Performance Based Pay Policy document provides the background, guidelines, definitions, procedures, and appeal process for the Pay for Performance System. It indicates that the purpose of the program is to provide equitable compensation based on performance for all non-bargaining positions when considered in relation to each other. The goal is to reward excellence in core competencies and to obtain positive results. This general purpose applies to the entire compensation system. Part III of the City's policy document focuses on Performance Evaluation and Advancement.

The tone of the evaluation program is established when it states that performance evaluations must be completed (annually) before any consideration can be given to an increase in compensation. Further, no supervisor may receive an adjustment until subordinate evaluations are completed. This is a critical rule that appears to have been upheld to ensure the integrity of the system.

The potential increases that are available to employees are a function of their score and their current compensation relative to the market rate or market point. The calculation is based on a percentage presented in the budget. This percentage is then multiplied by the incumbent's base salary. If an employee is below the market rate for his or her pay grade, the adjustment would typically be larger than an employee whose current compensation is above the market rate. This approach is based on the theory that the market rate is provided to a fully competent incumbent. The rate of compensation growth is accelerated in the early stages of incumbency to move to the market rate faster. The compensation growth is slowed down after the employee has entered the market range of pay, and is further slowed when the salary is above market. The potential adjustments under this approach are established in a Salary Calculation

Worksheet which are the result of the actual scoring and where the employee's salary is in relation to the market point.

The Salary Calculation Worksheet does not appear to be fully understood at all levels of the organization and is not fully embraced at all levels. It is somewhat complex, has changed from year to year, and based on budgetary decisions may not be fully integrated with the City's stated policy of a normal progression framework to the market point of the range. Its basis (use of market rate in combination with score) is not unique, but can be achieved through a simpler technique recommended in Section 5.0 of this report.

Part IV of the City's Performance Based Policy outlines a quality control mechanism that includes a review by the Human Resources Department to ensure that the goals and objectives of individual evaluation plans are consistent with the City's Strategic Organizational Plan, and that SMART goals are established. Human Resources is also charged with reviewing the evaluators for unusual patterns of scoring, or incomplete or unrelated comments. The policy indicates an expectation that scoring will fall into a somewhat "normalized" pattern. While normalized is not defined in the City's policy, this typically means a bell curve pattern, in which most scores will be in the mid range, while some people will score low and some will score at the higher levels. The Human Resources Department is to provide feedback to evaluators and department heads to justify inequities or patterns, and if necessary, correct the problem. Some discussion of this "quality control" approach will be made in Section 5.0 of this report, and recommendations made to ensure an appropriate organization wide quality control mechanism is in place.

Part VI of the City's Performance Based Pay Policy describes the appeal process. The appeal of an evaluation is directed up the chain of command, which is a standard

approach for an appeal. There appear to be very few appeals made, which is discussed more fully in Section 6.0.

Part IX of the City's Performance Based Pay Policy describes the requirement for training of evaluators in all aspects of the program. This is required two (2) times per year. In practice, in recent years, this type of training has been provided once each year, so the practice does not match the policy in this instance. Training on the elements of the system once per year is standard and sufficient for most agencies.

It is noted that not all evaluators are actually attending the "required" training. The policy should also be adjusted to put "teeth" in the training program. If evaluators do not attend the required training, they would not be able to receive any adjustment to their own salary level for which they may be eligible.

Council Members also have responsibility for evaluating five (5) positions that are "direct reports" to the Council. As a matter of fairness to the evaluated employees, Council Members should also attend the annual training program. If a Council Member does not have time to attend the training, he/she should consider recusing him or her self from the evaluation process.

Recommendation # 1: ***Change the policy on training in the PFP System to match the practice, by requiring training for supervisors once per year. If training is not attended, deny any salary increase for which the supervisor may be eligible.***

Instructions for the Performance Review Cycle (supporting documentation)

The instructions for the performance review cycle are comprehensive. The impact of not getting evaluations done in a timely manner is clearly placed on the Department Head. If not done in a timely manner, their own potential increase will be delayed by the same number of days the evaluation is late. The instructions (second paragraph of the instructions) indicate that "sufficient time" must be given to enable the Human Resources Director to complete a review of the scoring, but that time is not fully defined.

Recommendation #2: Establish a more precise time frame and accountability within the set of Instructions so as to clearly define the time allotted for each step in the performance review cycle.

Quarterly Reviews

Language is included in the Instructions about documenting work behaviors throughout the year. This is an excellent policy and should be monitored. Requiring a "quarterly review" is also a fine policy, and requires substantial attention to ensure their completion on a regular and routine basis. The set of instructions strongly encourages that quarterly reviews be completed. Under the current City policy, quarterly reviews do not have to be submitted to HR for review. The advantage of conducting quarterly reviews is to keep employees abreast of their performance and focused on their goals. There is no record of the quarterly reviews being accomplished and, in practice, some departments do quarterly reviews and some don't.

Recommendation #3: Written quarterly reviews should be done by Department Heads on a schedule outlined in the City's policy, and documented in the evaluation by entering into the PFP software.

Self Evaluations

A "self-evaluation" component is described in the Instructions, in which an employee is not required to complete one unless requested by the supervisor. The intent is to have a basis for the formal discussion of the evaluation at a later point. In practice, some department heads ask employees to complete self evaluations and some do not. This is an uneven practice within the departments. The policy should dictate one way or the other as to whether self-evaluations shall be done. While supervisors may focus on one set of behaviors, they may find that employees have identified achievements that have been overlooked.

Recommendation #4: All evaluated employees should conduct self evaluations, with the purpose of then comparing them at the formal performance evaluation meeting.

Pay for Performance Evaluation Form for Non-Council Appointed Positions

This evaluation form includes definitions of performance ratings, including Outstanding, Commendable, Good, Acceptable with Some Improvement Needed, and Unsatisfactory. For the most part, the definitions are appropriate and reflect standard definitions within a typical performance evaluation format. However, there is a disconnect in the labeling and definitions for the "Good" level and the "Acceptable with Some Improvement Needed" level.

The definition for "Good" is more consistent with the label of "Meets Expectations" as defined in most systems. It is the third level down in the relative ranking of performance, and in a five (5) rank level system, is typically assigned the label of "Meets Expectations". That is essentially what the definition in the form describes. The incumbent is to meet the expected standards of the job. The definition describes what the City should expect of an incumbent receiving compensation for work.

Recommendation #5: ***Change the current performance form label of "Good" to "Meets Expectations" on the evaluation form.***

For the level that is labeled "Acceptable with Some Improvement Needed", the label itself is deceiving. The definition describes performance that is clearly not acceptable within a work environment. Labeling the described performance as "Acceptable" creates an impression that "not consistently demonstrating the required knowledge, skills, abilities, and/or effort for the position" is indeed acceptable (when in fact, it is not, or should not be).

Recommendation #6: Change the current performance form label of "Acceptable with Some Improvements Needed" to "Improvement Needed".

MAG further offers an observation and recommendation in reference to the label assigned to level 5 of the evaluation system, that of "Outstanding". The PFP policy itself has indicated that the evaluation system is a relative ranking system. In other words, how well (or not) employees are performing relative to others in the organization is a key component. Under the current labeling system, it is feasible that all employees could obtain "Outstanding" scores. In a relative ranking system, that scenario is not feasible. In order to match the reality of scoring with the defined policy and policy intent, an adjustment to the label for the highest score is needed to re-emphasize the relative ranking intent of the policy and the program.

Recommendation #7: Change the current performance label of "Outstanding" to "Results Rarely Achieved by Others".

The evaluation form also includes both planned goals and unplanned assignments. This demonstrates the flexibility of the system as it recognizes that goals and objectives may change during the course of a performance cycle. The prioritization aspect of the format is commendable as well. A unique dimension to the establishment of goals and objectives is that of requiring goals to meet the SMART criteria (Specific, Measurable, Attainable, Realistically High, Target Date). The evaluator and the employee have some parameters guiding the development of goals and objectives.

The inclusion of a professional development plan for the coming year is also a desirable component of a performance evaluation program. It demonstrates that the evaluation is not only looking backward on previous performance, but is also forward looking as well.

SECTION 3.0

EMPLOYEE VIEWS ON THE PFP SYSTEM

This section summarizes the views expressed by supervisors and employees attending training sessions in October 2008 and December 2008.

3.0 Summary of Employee Views on the PFP System

Employee Meetings Conducted

Meetings were held with groups of employees and supervisors in both October and December 2008. In the October meetings, attendees were asked to identify strengths, weaknesses, and possible solutions to the Pay for Performance System. The extensive comments are summarized here, with duplicative comments removed.

Strengths of the PFP System Noted by Employees and Supervisors

- Online capability *(use year after year, saves time, better than paper);*
- The PFP system is standardized across departments;
- The system requires establishing goals;

- Separates achievers from underachievers – rewards achievers;
- There is potential for a larger increase;
- The system documents poor performers;

- Documents *actions/goals and work behaviors;*
- Keeps you focused *and provides c*onstant feedback;
- Defines expectations *and k*eeps employees on track;

- There is an incentive to excel in performance;
- Employee morale is positively affected, generally;
- There is better retention of skilled staff;

- Goals are clear and they are good in theory/principle;
- There is opportunity for employee development;
- Goal setting – goals are flexible;

- Enhances communication between supervisor and employee;
- The use of self evaluation is good;
- Increases productivity;

- Grading based upon performance rather than random views;
- Dialogue between supervisor and manager;
- There is a continuity for goals if done properly;

- The system benefits “under market” employees;
- Credit can be given for unplanned assignments;
- The system allows you to set goals for next year.

Weaknesses of the PFP System Noted by Employees and Supervisors

- There is a lack of understanding of the PFP system by Council;
- Scores can be subjective;
- Goals and objectives can be redundant and don't flow down in timely manner;

- A lot of approval levels can take months;
- No incentive once you get to "above market";
- "Below market" concept can sometimes reward poor performers

- Supervisors not always qualified to evaluate the employee;
- Weak training on standards/standardizing on grading;
- The required paperwork can be cumbersome and process time consuming;

- The scoring system is sometimes seen as unfair and not understandable;
- Calculation manipulation and influence from outside of the department;
- Distrust of HR – denial of high scores, lack of communication;

- Matrix should be consistent each year – no changing at budget;
- Can be abandoned without notice – Council can eliminate after goals are met;
- Substantial sacrifice does NOT equal pay for performance;

- Union employees getting better raises & step increases than PFP;
- Matrix is misleading;
- Brings down morale and incentive is minimal;

- No credit is given for experience that one brings to the job;
- Weighted scoring;
- Unfair to long-time employees, less of an increase;

- Core Competency is too wordy/repetitive;
- Performance goals take precedence over core competencies;
- It takes too long to complete each evaluation;

- Evaluations are all due at the same time;
- There is a tendency to trend toward the middle;
- Union employees get better raises/step increases than supervisors;

- Budget drives the compensation – not enough difference in actual pay between an "average" and an "outstanding";

- "Down-sizing" of actual performance ratings to meet budget constraints;
- Process takes too much time from evaluation to results;

Solutions for the PFP System Noted by Employees and Supervisors

- Goals should have more weight than objectives;
- Unplanned goals should have more weight than scheduled goals;
- Hold off goals during the probationary period;

- Final approval should be with Dept. Head – not HR;
- More support/understanding of the program by Council;
- Accountability, follow up on findings;

- Training should be a "on-going" process;
- Proper/consistent training for supervisors doing evaluations;

- Need less reliance on HR to monitor the system;
- Need more time to talk with supervisors about goals;
- Funding – have to fully fund the system;

- Stop hiring people at "below market";
- Eliminate decreased "increases" for above market;

- Simplify evaluations;
- Council needs to identify goals earlier to incorporate in evaluations;

- Define Council appointee goals in March;
- Define department head goals in April;
- Develop weight system for goals;

- Delete <u>below</u> & above market;
- Better define priorities/weight goals;
- Don't require explanations for 3's + 4's;

- Place more authority with Dept. Heads;
- Evaluate PFP software for user-friendliness;

- Simplify core competencies;
- Add flat cost-of-living increase and make PFP an additional %;

- Base evaluation dates on anniversary date;
- Supervisor raises should not be less then union (good evaluations);
- Allow more 5's;

- Develop a plan to get people to market;
- Limit goals.

While not all views are reflected in the series of recommendations, they have all been considered. For example, broad comments on the need for supervisory training on the PFP system are reflected in the recommendations, the role of HR has been further defined and clarified, and the system scoring is simplified. Some suggestions may be based on incomplete information or rumor (final scoring approval is with DH, not HR), or may not be feasible at this time (such as evaluations on anniversary dates, which is a major change). Employees may be assured that all suggestions were reviewed in the context of other needed system adjustments.

Employee Views Regarding Specific PFP Related Questions

In addition to the strengths, weaknesses and possible solutions identified by employees in October 2008, a series of meetings was conducted in December 2008 to focus on specific questions. All of the responses are listed in Appendix 2. They are summarized here for the reader.

1. **You have been a provided a copy of the PFP policy and instructions. Do you believe the evaluations are being completed in accordance with the Policy and Instructions? If not, what specific policies are not being met?**

   Of the 74 responses to whether the evaluations are being completed in accordance with the Policy and Instructions, 57 people answered "Yes", while six (6) people answered "No". Of the remaining respondents, seven (7) people indicated that they had not been evaluated yet as newer employees, while four (4) responses were non-committal.

2. **Does your supervisor collaborate with you on developing your goals for the coming year? Do those goals use the SMART criteria (Specific, Measurable, Attainable, Realistically High, Target Date)?**

   Of the 80 responses to this question, 65 people answered "Yes", while 12 people answered "No". Three (3) responses were unclear or non-committal. Some of the "No" responses were due to the view that the goals are either very clear or pre-determined, so no collaboration was needed.

3. **Do you feel that establishing goals is relevant to your job (if not, could you identify your job title)?**

   Of the 78 responses to this question, 64 people answered "Yes", while five (5) people answered "No". Nine (9) of the responses were non-committal or unclear.

4. **Is the "core competency" of the evaluation relevant to your job?**

   Of the 78 responses to whether the core competencies are relevant to the employee's job, 65 people answered "Yes", while two (2) people answered "No". Eleven respondents were unsure, non-committal, or indicated "somewhat".

5. **Do you feel your job is weighted appropriately between goals and competency?**

   Of the 72 responses to this question, 41 answered "Yes", while 19 people answered "No". Twelve respondents were unclear or uncertain.

6. Do you believe the scoring system is fair?

Of the 76 responses to this question, 38 people answered "Yes", while 22 people answered "No". Sixteen (16) respondents were either unclear, non-committal, or had not been evaluated yet and had no comment.

7. Is high performance rewarded?

Of the 71 responses to this question, only 13 people answered "Yes", while 43 people answered "No". Fifteen (15) people were not certain or were non-committal.

8. Are evaluations done consistently across departments?

Of the 74 responses, 14 people answered "Yes", while 14 people answered "No". Most respondents (46) did not know or could not answer the question.

9. Supervisors: do you feel as though you have enough knowledge of how to use the performance evaluation system?

Of the 53 responses to this question, 34 people answered "Yes", while only three (3) people answered "No". Sixteen (16) people answered n/a, and other non-supervisory people simply did not answer.

10. Does the system help retain high performing employees?

Of the 73 responses to this question, 15 people answered "Yes", while 39 people answered "No". Nineteen (19) people answered unsure or don't know.

11. Are employees generally more goal oriented under this system of evaluation? Why or why not?

Of the 77 responses to this question, 44 people answered "Yes, while 17 people answered "No". Sixteen (16) people were unsure or non committal.

12. Once the evaluation is complete, does the employee receive timely feedback on the results? Why or why not?

Of the 70 responses to this question, 41 people answered "Yes", while 15 people answered "No". Fourteen (14) people were unsure or non committal.

13. **Have you ever appealed an evaluation? If yes, did you feel it was handled adequately? Why or why not? (was it fair?)**

Of the 73 responses to this question, six (6) people indicated that they have appealed an evaluation, while 62 respondents indicated they had not ever made an appeal. Five (5) people indicated no response or unrelated information. Of the six (6) people who appealed, two (2) indicated a satisfactory response, while three (3) were not satisfied. One (1) appellant did not discuss the outcome.

14. What single action would you recommend to improve the system?

As one might imagine, with open ended responses from 75 employees, the answers are highly variable. The responses varied from "get rid of it" to "don't change anything". Some recommendations noted several times included:

- ensure Council commitment to the program (since it was suspended recently, this has been a matter of concern);
- make the evaluations more department specific;
- reduce the role of Human Resources to that of process monitoring rather than reviewing or changing scores (although no documented evidence was presented);
- shorten the format, particularly with the redundancies in the core competencies;
- require more meetings between supervisors and employees;
- make the matrix consistent and do not manipulate;
- let department heads decide increases;
- let supervisors decide increases;

The more frequent employee recommendations focused on making the PFP simpler, limiting the role of HR, shortening the format, and ensuring Council commitment and acceptance.

SECTION 4.0

CITY COUNCIL EVALUATIONS

This section focuses on the evaluation form and process used by City Council to evaluate five (5) Council appointed positions.

4.0 City Council Evaluations

Council Appointed Evaluations

There are five (5) positions within the City that report directly to the City Council. These include the City Manager, City Clerk, Planning Director, Finance Director, and Tax Assessor. For these positions, the City Council as a whole is responsible for providing performance evaluations.

Evaluation Process

In terms of process, these incumbents conduct self evaluations (using the prescribed form in Appendix 2). Then, the evaluations are given to Council Members for review and consideration. The Council will meet as a group, without the employee present, to discuss the performance issues and concerns. Following this step, the employee meets with the full Council to discuss the performance evaluation document and views of Council Members. The City Clerk creates a score sheet upon which each Council Member's scores are recorded for the goals and the core competencies. The City Clerk does the calculations, which includes dropping off the high score and the low score for each item evaluated. The Council Members review the form and scores and then the City Clerk enters the scores into the PFP electronic system. The evaluation is then printed out.

The City Manager provides input into the evaluations for the Planner and the Tax Assessor positions.

Format and Form

In terms of the form used, it is essentially the same format as that which is used for non-Council appointed positions. The major difference is in the sub-elements of the core competencies. The items within the core competencies are specific to the higher level nature of the positions and their work relationship to Council.

Planned Goals and Unplanned Assignments

This section of the forms for Council appointees appears to be well done and focused. The tight definition of the planned goals and/or unplanned assignments lends itself to a somewhat objective review and assessment.

Core Competency Elements

This section of the form is not well described and as a result is difficult, if not impossible to result in an objective evaluation of the incumbent. While MAG has selected (for the sake of brevity) to use a single review form as an example, (see Section 5.0) it should be noted that this area of the form was also voiced as a concern by other non-bargaining employees. The "elements" portion of the Core Competency section was described as "overlapping", "redundant" and "overly complex". These comments appear to be supported by MAG's review of this area of the evaluation form (See Section 5.0)

Performance Rating Definitions

The performance rating definitions used for Council appointed positions is the same as that which is used for non-Council appointed positions. The evaluation in Section 2.0 includes a review of the definitions, and MAG has the same recommendation for the Council appointed positions.

Observations

There is an inherent challenge for Council Members to evaluate the work performance of the management employees reporting directly to the whole Council. A primary concern is that Council Members are not typically in daily contact with the reporting employee to the same extent as a supervisor is with an employee. The interactions and therefore the observations are infrequent and often occur during periods of stress (public meetings or other times when significant issues are at stake). To compound the challenge, some Council Members, due to their time commitments and also the committees in which they are most active, may or may not have sufficient

opportunity to observe and evaluate the work performance of the employee. As an added point, if Council Members are not able to attend the training provided annually on the PFP system, they may not be familiar with the forms and nuances of the system to enable full and appropriate consideration of all facets of the work being completed. It was noted in Section 2.0 that Council Members should attend the annual training to ensure their full understanding of this (complex) system of evaluation.

While the process established for the evaluation of Council appointed positions has some good elements (requiring initial self evaluations, meeting first without the employee, using core competencies and a scoring system similar to other employees, dropping off the high and low scores), a slight adjustment in process may be helpful.

Committee Structure for Council Direct Reports

The City should consider establishing a three (3) or four (4) person committee structure for evaluations that would assign Council Members with the most familiarity with the work performance of the employee to that particular committee. For example, the Council Members who work most closely on financial affairs and budgetary matters would be assigned to a four (4) person committee to initially evaluate the performance of the Finance Director. The Council Members who work most closely on planning and community development issues and committees would take the lead on the evaluation of the Planning Director position. MAG further suggests that the Council President be assigned to each of these committees.

As an example, for the Planning Director position, the committee might include the following committee chairs:

- Parks, Recreation, and Community Enhancement
- Safety Advisory and Transportation
- Planning Commission Chair
- Council President

For the Tax Assessor position, the committee might include the following committee chairs:

- Legislative, Finance, and Administration
- Chair of the Tax Appeal Board
- Council President

For the Finance Director, the committee might include the following committee chairs:

- Legislative, Finance, and Administration
- Chair of the Pension Committee
- Utility Committee
- Council President

For the City Clerk, the committee might include the following committee chairs:

- Legislative, Finance, and Administration
- Parks, Recreation, and Community Enhancement
- Utility Committee
- Council President

For the City Manager, while it is ultimately the entire Council that is responsible for this evaluation, the full Council should rely upon the approach established in the contract for the City Manager. It indicates that the review would be completed by five (5) Council Members, including the Council President and the chairs of the standing committees. The five (5) person committee should therefore include:

- Legislative, Finance, and Administration
- Parks, Recreation, and Community Enhancement
- Safety Advisory and Transportation
- Utility Committee
- Council President

This committee would *conduct the initial meeting* with the City Manager to review the self evaluation and provide a recommendation to the full Council. This action could make the full evaluation meeting with Council a more productive and focused meeting.

This process adjustment would allow Council Members to discuss performance in greater detail and have a more meaningful set of interactions with the employee. The outcome of the initial evaluation would then be presented to the whole Council as a recommendation, with the whole Council then confirming the recommendation or making any adjustments deemed appropriate.

Recommendation #8: Create a committee structure to evaluate Council appointed positions that would make recommendations on compensation adjustments for the evaluated employee.

Recommendation #9: Apply the changes noted in Section 5.0 to the development of Core Competencies for the Council positions.

SECTION 5.0

PFP SCORING AND CALCULATIONS

This section reviews the current scoring system and the current method of calculating possible increases.

5.0 PFP Scores, Calculations and Forms

Policy for Performance Pay

The following is excerpted from the "Performance Based Pay Policy for Non-Bargaining Employees":

> I. Purpose
>
> "The City of Dover Performance Based Pay Policy is intended to provide equitable compensation based on performance for all exempt and non-exempt positions when considered in relation to each other and to general pay ranges for similar employment elsewhere. This policy rewards excellence in core competencies, as well as the ability to get results.
>
> "This will allow the City to maintain an effective, responsible and loyal work force, and allow us to recruit and retain high quality employees. The Policy establishes pay ranges and maintains an effective ongoing pay system for appropriate compensation recognizing the importance of results based performance."

The current Pay for Performance narrative recognizes that the pay structure is established on a twenty (20) year career plan base. Additionally, the movement for acceptable performance for employees who are "below market' is based on reaching the market point in seven (7) years. The policy is to have an employee who starts at the entry level and who receives a "GOOD" evaluation to move to the market level within seven (7) years.

Current Pay for Performance Scoring and Salary Adjustments

The current pay plan structure is 57% from the entry level of the range to the top of the range, with approximately 21% between the entry level and the market point and 30% between the market point and the maximum of the range (percentages compound to yield a range width of 57%). Given this spread, a "Good" evaluation, or as MAG recommends, "Meets Expectations", would be an annual adjustment of approximately

3%. If the policy to move employees to the maximum of the range was recognized in the performance management plan, a "Good' or "Meets Expectation" raise from the market to the maximum of the range would be an annual adjustment of approximately 2.3%.

In contrast, the City's calculation for "Good" for the 2008 – 2009 matrix (which is currently suspended) would be 4.25% (for below market) and 2.5% for above market. An employee whose salary is at market would receive 3.25%. The Row of "30-35" would represent "Good" or 'Meets Expectations" and should equate to 7 years to market and 20 years to maximum (or an additional 13 years of service).

MAG has reproduced the City's 2008-2009 Performance Score Table and has also added a "years to…" calculation based on the current pay structure and the percentages shown in the table. This calculation shows the "years to market" and "years to maximum" that would be required to reach either level in the pay plan, based on the percentages noted in the table.

PFP Score				ADJUSTMENTS					
From	To								
		Employee Above Max	YRS MAX	Employee Above Mkt	YRS Max	Employee at Mkt	YRS	Employee Below Mkt	YRS MKT
From	To								
0	19	0.00%	N/A	0.00%	N/A	0.00%	N/A	0.00%	N/A
20	29	0.00%	N/A	2.00%	15.0	2.50%	N/A	3.00%	7.0
30	***35***	***2.00%***	***N/A***	***2.50%***	**12.0**	***3.25%***	***N/A***	**4.25%**	***4.9***
36	41	2.75%	N/A	3.25%	9.2	4.00%	N/A	6.00%	3.5
42	50	3.50%	N/A	4.00%	7.5	4.75%	N/A	6.50%	3.2

The current approach and assigned percentages result in an uneven movement toward the market and maximum of the assigned pay range. In all cases, the row that equates to the score of 30 – 35 ("Good" or "Meets Expectations") is more aggressive than the City's presumptive policy.

Plan Simplification

The recent and current economy dictates a responsible and reasonable approach towards performance adjustments. Employees are seeking a more straightforward and understandable system of adjustments. The current approach is often viewed as being manipulated and so complex that it is difficult to explain and follow. There is certainly a mixed view of the concepts (and resulting adjustments) by employees who are either "below market" or "above market". While there is a defensible philosophy upon which the current system is structured and implemented, MAG recommends a methodology that employs some elements of that underlying philosophy, yet includes an easy to comprehend approach. There are several elements of the system, and they are presented one at a time below.

10 Years to Midpoint

The first construct or basis of the system is that of the number of years upon which the structure is based. MAG recommends that the system be based on a "normal progression" with 10 years to the arithmetic midpoint. This is similar to the current program except that it would mean eliminating the concepts of "below market" and "above market". Instead of using "below market", the recommended approach would advance an employee who "meets expectations" to the midpoint in 10 years.

Recommendation #10: Base the movement within the pay grade on the concept of a "normal progression" career plan for employees who "Meet Expectations" to reach midpoint in 10 years.

Use of Midpoint to Calculate Adjustments

Historically, following the completion of a performance evaluation, the City has provided percentage adjustments to the employee's current salary. The results of this practice, in combination with the application of the "below market" and "above market" concepts, have been a source of concern within the workforce as being inequitable.

To simplify the adjustments, and based on equity within the compensation plan structure, MAG recommends using the midpoint of the assigned pay grade as the basis of potential adjustments. A position title in a particular grade has an identified market range value. Any performance evaluation adjustments would be based on the arithmetic midpoint of the pay range within which the position title is assigned.

For example:

- Computer Operator and GIS Technician are both grade 113. Each has the same midpoint value ($36,989). If a Computer Operator produces a higher performance evaluation score than the GIS Technician, then the Computer Operator would receive a higher adjustment. If the performance evaluation score translates into a 4% adjustment for the Computer Operator, the dollar value of the increase would be $1,479.56. If the GIS Technician's performance evaluation translates into a 3% adjustment, the dollar value of the increase would be $1,109.67. If their scores are in the same range, they would both receive the same dollar value of adjustment.

This practice would have a somewhat similar effect of moving the person with a salary lower than the midpoint at a faster pace, but would also enable experienced incumbents to advance towards the maximum level of the pay range. This concept is simpler than the current approach. It would not matter whether the incumbent was at the lower end of the pay range or in the upper portion of the pay range. The increase is influenced more by performance than by relative position within the pay range.

Recommendation #11: Use the arithmetic midpoint of the position's assigned pay grade as the basis for calculating potential performance adjustments.

Calculating Performance Adjustments

Performance adjustments would be based on the midpoint of the assigned pay range of the position held by the employee. The potential annual performance adjustments on a percentage basis would have to be identified each year, as a function of several factors, including any structural adjustment made, actual performance score, and the available dollars.

The City has historically made structural adjustments to the entire compensation structure to recognize increased costs of living and to ensure the City's overall competitiveness within the general market. The City should continue its practice of using labor market indicators to make structural adjustments.

In order to provide performance evaluation adjustments based on the midpoint, the arithmetic midpoints would have to be calculated each year.

The percentage adjustments would range from zero (0) percent for employees scoring fewer than 20 points in their evaluation, which is current policy. The percentage of midpoint adjustments for the other four (4) categories of PFP scoring would have to be determined each year based on any structural adjustment made, actual performance score, and the available dollars. **For example, if the City makes a 3% structural adjustment to the pay structure, the following set of adjustments would occur:**

PFP Score	Rating	Adjustment as a percentage of midpoint
0 – 19	Unsatisfactory	0
20 – 29	Needs Improvement	2%
30 – 35	Meets Expectations	3%
36 – 41	Commendable	4%
42 - 50	Results Rarely Achieved by Others	5%

One can readily see that it will take an employee a longer period of time to reach higher salary levels if their performance evaluation scores are lower than the employee who regularly achieves higher annual evaluation scores. The likelihood is that employees will score at varying levels during their employment with the City. The

movement is based on performance. Consistent evaluations at the "Needs Improvement" level should not occur, as it would bring into question the viability of continued employment.

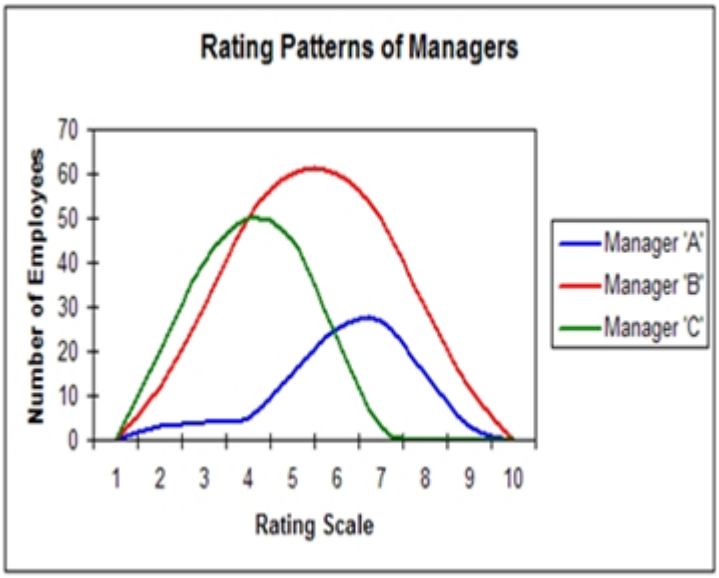
Recommendation #12: Establish a simple and straightforward program for potential adjustments of zero (0) through an annually determined percentage amount for all other categories of evaluation.

Normalizing Scores by Human Resources

The City has attempted to compensate for lenient or harsh raters by having the HR Department review the scores and make recommendations back to the Departments with respect to the perceived "rating tendency" of various supervisors. A statistical formula should be developed and employed that can convert the scores into rater profiles and allow for comparison of rater profiles. While using a statistical model will help to reduce the perception that the HR department is substituting its judgment for that of the supervisor, it will not be entirely without pitfalls. The reality is that the group being evaluated is already, in the nomenclature of statistics, "pre-selected". In other words, these incumbents have already been promoted from lower level positions or have been hired in at a higher level. As a result, one would not expect that their evaluation scores would reproduce a balanced bell curve.

The following chart provides an example of how rating patterns of various managers can be compared by graphing on a standard bell curve chart.

CHART OF COMPARATIVE RATING PATTERNS



It can be observed, from the figure above, that Manager 'A', compared to Manager 'B', has the tendency to rate most of his subordinates at 7 to 8 points on a Performance rating scale of 1 to 10. Manager 'C', on the other hand, is highly conservative and awards given to the best of his subordinates are in the range of 5 to 6 points. Thus, an average performer with Manager 'B' gets equated with the Best employee reporting to Manager 'C' and with a low average subordinate of Manager 'A'.

The City has attempted to adjust for rater tendency by making compensating recommendations. However, this process is not always perceived by employees, whose scores may have been adjusted, as being objective and equitable. Many organizations choose to ignore the problems created by rater tendency. The City of Dover is commended for recognizing and attempting to address this very valid concern.

Without any adjustment, those employees who are assigned to a harsh rater may leave the City and those assigned to a lenient rater may be the managers of tomorrow. Suppose there are 10 appraisers in the City, each with a high degree of variability in their performance appraisal scoring. The process of balancing this variability is called "normalization".

The Normalization Process

An overview of the process is comprised of the following steps:

- ✓ 'Statistical Mean' of organizational rating pattern of all the Managers (i.e., Appraisers) at the same level, across various departments, is computed. Let this Mean be 'M'.
- ✓ Statistical Mean for each of the Appraisers at the same level (i.e., for all the 10 Managers in the example given above) is computed. Each Manager should have done the Appraisal for 40 to 50 employees (may be over the last 5 years). Let this Mean be 'Mi ' (i = 1 to 10).
- ✓ A correction Factor (CF) for each of these Managers (Appraisers) is then computed = Mi / M. Its value, for example, will be 1.0 if the rating pattern of a Manager is the same as the statistical Mean for all the Managers.

- ✓ Performance Score of each individual employee is divided by CF for his/her Manager to compute its normalized value. This normalized score is utilized for all management decisions.

There are other factors that should be considered in a normalization process. Data can be compiled from previous year's evaluations to have enough data from each of the raters to insure statistical validity. While it is possible to manually manage a normalization process, MAG would suggest that the City consider automating this approach. This should address both the concerns that the Human Resources Department is "changing ratings" and also address the criticism that it takes a very long time for the Human Resources Department to complete the review process. Critical to the success of any normalization process is the timely completion of the evaluations. It is imperative that all evaluation scores are available for normalization comparison at the same time.

Recommendation #13: Enhance the reliability of the normalization process by adopting a statistically recognized process for comparing performance appraisal scores between and among raters. (The process briefly outlined above is not all inclusive. Automate the process of normalization of the performance scores either by contracting with MAG to develop the program or by assigning it to in-house IT staff.

Recommendation #14: Enhance the current policy of holding up any salary adjustment for a supervisor who has not completed his or her evaluation to holding up the entire City-wide processing of adjustments until all supervisors have completed and submitted their evaluations to the Human Resources Department. MAG would also recommend that within three days following the date for submission, that the Human Resources Department shall prepare and publish on the City's intranet a list of those supervisors/employees who have not submitted a completed evaluation. (This would not apply to Council appointees, but would apply to all employees in the department of a Council appointee.)

Planned Goals and Unplanned Assignments

The scoring is based on a five point Likert Scale and is easy to understand and to use. The "weighting" approach makes common sense and is also easy to use and understand.

Recommendation: No change

Core Competency Elements

Employee criticisms of the core competency elements included "overlapping", "redundant", "too wordy" and "repetitive". These criticisms appear to be valid. While it is very difficult to develop a performance appraisal system, it is relative easy to be critical. MAG's comments with respect to the Core Competency Elements are made with the greatest respect for the difficulty of developing the system and fully recognizing that conducting a critical review is easier than creating a system.

The Core Competency Elements include the following Standards:

- Accountability/Leadership/Work Management
- Communication and Customer Service
- Job Knowledge
- Planning, Organization, Problem Solving and Decision Making
- Relationships within the Organization

For Supervisors an Additional Standard:

- Supervisory Skills

In the sample reviewed, each Standard had from four (4) to 11 "elements", with the average being more than seven (7). In the sample reviewed, the elements were not always related to the standard and in some cases, there were multiple versions of the same element, just worded slightly differently.

When the same or very similar elements occur, if the employee is considered to be "outstanding" the first time the "element" appears, they would then appear to continue to be "outstanding". Conversely, if an employee was not scored high on the element the first time it appeared, when a slightly different version of the same element appeared again, it would overweight that negative rating.

Additionally, in the same sample reviewed by MAG, the elements listed for "Job Knowledge" were all examples of what should have been considered the accepted qualification for performance of the job. The elements listed were "required" knowledge for the job, but the employee was rated "Outstanding" on "Job Knowledge" with no particular examples of why the rating would have been so high. The "justification" for the "Outstanding" evaluation would have supported "Meets Expectations", but would not, for the level of the employee being reviewed, have been support for the highest level of evaluation.

Each of the Standards should be defined as to what they are attempting to measure and should be directly related to the job. Each Standard should have no more than three or four elements. The elements should be clear and distinct. The elements should be directly related to the defined standard and should be clear examples of the desired behaviors purporting to be measured. The following is an example of a Standard and related elements:

Sample Table Showing Standards and Elements

Teamwork
Works with others either in formal teams or ad hoc groups to accomplish tasks or provide services effectively and efficiently.
Cooperation *(Examples may Include)*: • Works well with other Agency groups and organizations for the success of the group or organization. • Works with others in developing and implementing solutions to problems. • Assists others to meet objectives. • Maintains effective working relationships with team members. • Actively participates in team efforts. **Leadership *(Examples may Include)*:** • Leads or follows, as necessary, within the team. • Takes initiative to arbitrate and resolve disagreements if they arise. **Commitment to Team Effort *(Examples may Include)*:** • Shares information willingly. • Shares credit, recognition, and visibility with others. • Supports and promotes team decisions and initiatives.

In the example provided, the Standard is "Teamwork". There are three Elements, "Cooperation", "Leadership" and "Commitment". The statements under each element are to provide examples. The examples are not meant to be all inclusive, but rather suggestive of acceptable behavior or outcomes.

Each of the Standards should be defined. The definition should be a simple one and easy to understand. Then, the elements should be edited to two or three, and examples provided that would suggest a successful measure or outcome for the element. If successful measures or outcomes cannot be identified, then the element may not be appropriate and should be removed or replaced.

The definitions of the standards should be appropriate to the level of the work being reviewed. While the standard, "Communication", might be appropriate for all employees being reviewed, the definition may differ and the elements for this standard would vary considerably based on the level of the incumbent in the organization.

The City has done an excellent job of developing a form that is simple to use and easy to understand. The changes that would improve the system are meant to be positive suggestions and not to be overwhelming. Most of the information needed to strengthen the content and format of the forms is readily available. The basic framework already exists. The re-work could be fairly quickly accomplished and then reviewed by the incumbent and supervisor for finalization.

Recommendation #15: Review the Core Competencies and Elements to add definitions for the Core Competencies and to streamline the elements statements.

SECTION 6.0

RECOMMENDATIONS ON RELATED PFP ISSUES

This section provides recommendations on key issues raised during the study process.

6.0 Recommendations on Related PFP Issues

6.1 Adherence to Policy

For the non-bargaining positions for which performance evaluations are to be completed, City staff has completed the evaluations as required. This may seem to be an obvious point, however, there are agencies with evaluation programs that simply do not follow through, or are so late in conducting evaluations so that they are rendered meaningless. Dover has been highly responsible in implementing the PFP evaluation programs and evaluations. One of the reasons is that the program has "teeth", in that supervisors are not able to receive a potential adjustment if they do not complete their evaluations in a timely manner. The pressure to perform evaluations, and in a timely way, has been institutionalized within the organization.

With respect to the implementation of the system, MAG finds:

- evaluations are being completed annually as policy requires;
- market salary ranges are being adopted every year;
- Council is informed as to market changes and salary calculations;
- supervisors are not receiving increases until subordinate reviews are completed;
- evaluations include goals and objectives (current and anticipated);
- adjustments are determined by performance scores;
- percentage adjustments have been consistent with stated policy, as employees move towards the market rate with higher increases than an employee above the market rate with the same performance score (Section 5.0 establishes a new method of calculating increases);
- Human Resources has taken actions for quality control by reviewing the consistency of SMART goals with the City's Strategic Plan and looking for unusual scoring patterns;
- Evaluator training has been provided once per year, which is viewed internally as sufficient (34 of 37 responses by supervisors indicated that they have enough knowledge of how to use the PFP system.

Recommendation #16: Continue to complete performance evaluations annually as dictated by current policy.

6.2 SMART Goals, Departmental Goals, and Quarterly Reviews

Generally, clear goals are being established meeting the SMART criteria. This is one of the more difficult aspects of developing a meaningful performance evaluation program. Some departments appear to be better able to accomplish this than others, either due to the nature of the work or the extent of effort applied to the task. Some work is more easily measurable and therefore able to be quantitatively described and evaluated. Because jobs change over time, establishing goals meeting the SMART criteria requires regular and routine monitoring. It also appears that the departments make an effort to incorporate the departmental goals and objectives into the goals and objectives of the individual employees. This is not an easy task and is easier done by some departments than others. Some jobs don't always have full control over their goals and objectives, and departmental goals change as well. Incorporating departmental goals into individual employee evaluations requires constant monitoring.

The set of instructions for the PFP policy requires that supervisors meet quarterly with the employee to discuss progress toward the goals and objectives established. In practice, this is not performed evenly throughout the City departments. It is a reasonable requirement that forces managers and supervisors to maintain currency in performance goals.

When employees were asked whether evaluations are done consistently across departments, of 74 responses, 14 people answered "Yes", while 14 people answered "No". Most respondents (46) did not know or could not answer the question.

Section 5.0 indicates that the core competencies need to be reviewed and edited for duplication and redundancies.

Recommendation #17: Require managers and supervisors to document the quarterly review of goals and objectives with their employees. If the quarterly reviews are not documented, the supervisor would be denied (not simply deferred) a possible increase at the time of their own evaluation.

6.3 Administration and Control

A system of performance evaluation requires monitoring to ensure that the base policy requirements are met, that all needed actions are occurring in a timely manner, and that employees have a perception of fairness regarding the outcomes. As required in the PFP Policy, Human Resources has taken actions for quality control by reviewing the consistency of SMART goals with the City's Strategic Plan and looking for unusual scoring patterns. Employees noted that the monitoring role has expanded into departmental areas of responsibility and affected scores.

As noted above, the Quarterly Review cycle must play a critical role in ensuring that the goals are appropriate for each position. Developing or re-writing the goals and then conducting Quarterly Reviews is primarily a departmental matter, and should not be left to the Human Resources Department to re-write goals or second guess their relevance. Human Resources should review the goals for consistency with the City's Strategic Plan, remind Department Heads to conduct the Quarterly Reviews, and also determine if unusual scoring patterns do indeed exist. MAG has recommended that the City utilize a recognized statistical process of comparing and normalizing scores to overcome rater tendency. This is constructive and meaningful feedback to the Departments and raters.

Recommendation #18: Make the accurate implementation of the PFP system a key element of the core competency for Supervision. If a supervisor does not implement the PFP system, Supervision should be downgraded substantially. This should be reflected in the Supervisory Core Competency.

Recommendation #19: Include monitoring goals for the Human Resources Director to ensure consistency with the City's Strategic Plan, reminding departments of the need for Quarterly Reviews, setting up annual training on the program, and identifying unusual scoring patterns to the City Manager, the Department Head and the rater. This should be reflected in the Supervisory Core Competency.

6.4 Appeal Process

Part VI of the City's PFP Policy describes a process under which employees may appeal their performance evaluation. Questions regarding the appeals process were asked of employees attending sessions in December 2008. Of the 72 responses, six (6) people indicated that they have appealed an evaluation, while 62 respondents indicated they had not ever made an appeal. Of the six (6) people who appealed, two (2) indicated a satisfactory response, while three (3) were not satisfied. One (1) appellant did not discuss the outcome. Five (5) people had no response.

One may conclude that the appeal process is available to all employees and very few have made an appeal over the last several years. This is a relatively low number of appeals for 80 plus people through four (4) years of experience. While three (3) of the six (6) appellants were not satisfied with the outcome of their appeal, there has been no indication that the appellants have not been treated fairly.

Recommendation #20: Continue the current process regarding appeals.

6.5 Retention

Two of the issues for consideration included whether new recruits are staying with the City and whether the system is working to retain quality employees. Excellent retention is a function of many factors, including the ability of incumbents to advance in pay. The City has made both range structure adjustments and performance adjustments over the last four (4) years. The structure adjustments have been competitive with other agencies. The performance adjustments move "under market" incumbents at a faster rate than "over market" incumbents. The workforce appears to be stabilized, although the implementation of a positive performance evaluation system may not be the primary reason for this stabilization.

In a related question, two-thirds of employees responding to a question as to whether the system helps retain high performing employees answered "No". Many people indicated that performance evaluation will not make a substantial difference in whether an incumbent stays or not. Rather, the internal motivation has greater impact on the interest and willingness of an incumbent to remain.

6.6 Employees Above the Maximum

One issue raised was whether the system reduced or eliminated the number of employees above the maximum and prevented employees from advancing above the maximum. In the database established during the classification and compensation review, only one (1) person was identified as being over the maximum. The incumbent received a demotion and the salary was not reduced below the maximum of the reassigned position. One may conclude that the systems (both classification/compensation and performance) have minimized the number of employees above the maximum and have prevented employees from advancing above the maximum.

The City's proposed 2008-2009 PFP matrix included a performance based adjustment of salary for employees whose salary exceeded the maximum of the range. Organizations are divided on providing increases to employees above the range maximum.

Recommendation #21: If the City adopts a policy of providing a performance based monetary recognition, the City should consider providing any amount above the maximum of the range in a one-time lump-sum payment that does not roll into the base salary.

6.7 Results, Goals, and Motivation

Several additional issues were raised in reference to the performance evaluation system, including whether the City is getting results based performance due to rewarding better performance; whether employees are more goal oriented under this system of evaluation; and, whether employees are more motivated to perform better under this system.

In response to a question as to whether employees are generally more goal oriented under this system of evaluation, of the 77 responses, 44 people answered "Yes", while 17 people answered "No". Two (2) people were unsure or non committal. Two-thirds of employees who answered the question do believe that they are more goal oriented under the system of evaluation.

Employees appear to conclude that establishing goals is relevant to their jobs. Of the 71 responses to a question on the matter, 64 people answered "Yes", while five (5) people answered "No". Nine (9) of the responses were non-committal or unclear.

As to whether employees are more motivated to perform under the PFP system, Department Heads noted that motivation is more internally generated, and that the potential increases, while sought after, are not the primary drivers of motivation. This is not the message from general employees. The fact that there is less reward potential to employees who are "above market" than employees who are "below market", was noted as a concern by some. The City's compensation philosophy of moving employees quickly who are "under market" is consistent with compensation strategies in the general market which reflects a steeper learning curve early in their career.

6.8 "Below Market" Advancements

An issue raised is whether "below market" employees are advancing to "at market" at the expected rate. Non-bargaining employees, using MAG's software system, all appear to be advancing through the ranges at an acceptable pace. Using a "7 years to market and 20 years to max" calculation, MAG did not identify any significant deviation that required immediate administrative redress. Any differences in rate of progression can be largely explained by reviewing differences in rewards earned under the pay for performance system.

6.9 Scoring System Differentiation

Another noted issue is whether the scoring system is working to differentiate better performance. The scoring system is differentiating between and among employees' salaries in the various pay ranges, and, given the general enthusiasm for the system, one may conclude that pay for performance must be working. While many employees offered comments and criticisms of the system designed to improve it, only two dissenting voices were heard that would scrap the whole system.

SECTION 7.0

IMPLEMENTATION TABLE OF RECOMMENDATIONS

This section includes a table that identifies each recommendation, responsible party, time frame, impact, and potential cost for each of the study's recommendations.

7.0 IMPLEMENTATION TABLE OF RECOMMENDATIONS

CITY OF DOVER, DELAWARE
REVIEW OF PAY FOR PERFORMANCE SYSTEM

Rec. #	Action Step	Responsibility	Estimated Completion	Impact	Projected Savings or (Costs)
1	Change the PFP policy to require training for supervisors once per year. If training is not attended, deny any salary increase for which the supervisor may be eligible.	City Manager and HR Director	Ongoing	No adverse impact, as recommendation reflects current practice.	Staff time saved.
2	Establish a more precise time frame within the set of Instructions so as to clearly define the time allotted for each step in the performance review cycle.	City Manager and HR Director	February 2009	Clear expectations and accountability.	None.
3	Written quarterly reviews should be done by Department Heads, and documented in the evaluation by entering into the PFP software.	Department Heads	Ongoing; Quarterly	Improved monitoring and annual evaluations.	Staff time to complete quarterly reviews.
4	All evaluated employees should conduct self evaluations, with the purpose of then comparing them at the formal performance evaluation meeting.	All employees under the evaluation system.	Annually, at evaluation time.	Improved annual evaluations and supervisory/employee interactions.	Staff time to complete self evaluations.

CITY OF DOVER, DELAWARE
REVIEW OF PAY FOR PERFORMANCE SYSTEM

Rec. #	Action Step	Responsibility	Estimated Completion	Impact	Projected Savings or (Costs)
5	Change the current performance form label of "Good" to "Meets Expectations" on the evaluation form.	City Manager and HR Director	February 2009	Accuracy in performance labeling.	None.
6	Change the current performance form label of "Acceptable with Some Improvements Needed" to "Improvement Needed" on the evaluation form.	City Manager and HR Director	February 2009	Accuracy in performance labeling.	None.
7	Change the current performance label of "Outstanding" to "Results Rarely Achieved by Others".	City Manager and HR Director	February 2009	Accuracy in performance labeling.	None.
8	Create a committee structure to evaluate Council appointed positions that would make recommendations on compensation adjustments for the evaluated employee.	City Council	March 2009	Improved annual evaluations for Council appointed positions.	None.

CITY OF DOVER, DELAWARE
REVIEW OF PAY FOR PERFORMANCE SYSTEM

Rec. #	Action Step	Responsibility	Estimated Completion	Impact	Projected Savings or (Costs)
9	Apply the changes noted in Section 5.0 to the development of Core Competencies for the Council positions.	City Manager	March 2009	Improved annual evaluations.	None.
10	Base the movement within the pay grade on the concept of a "normal progression" career plan for employees who "Meet Expectations" to reach midpoint in 10 years.	City Manager; Council Approval; Human Resources	April 2009 for July evaluations.	Less cost than current PFP matrix and consistency from year to year	Unknown.
11	Use the arithmetic midpoint of the position's assigned pay grade as the basis for calculating potential performance adjustments.	City Manager; Council Approval; Human Resources	April 2009 for July evaluations.	Equity and system simplification	Unknown.
12	Establish a simple and straightforward program for potential adjustments of zero (0) through an annually determined percentage amount, based on budget availability.	City Manager; Council Approval; Human Resources	April 2009 for July evaluations.	Equity and system simplification	Unknown.

CITY OF DOVER, DELAWARE
REVIEW OF PAY FOR PERFORMANCE SYSTEM

Rec. #	Action Step	Responsibility	Estimated Completion	Impact	Projected Savings or (Costs)
13	Automate the statistical normalization of rater comparisons.	City Manager; Council Approval; IT or MAG support	Can commence upon approval	Establish reliable process of comparing rater profiles; more equitable evaluation across raters/departments.	Unknown.
14	Hold up salary adjustments until all evaluations are complete; publish stragglers on the City's intranet.	City Manager	Can commence upon approval.	Essential to rater profiling process that all evaluations are available at the same time.	None.
15	Streamline and enhance Core Competency and Element statements.	Human Resources with assistance	Dependent on in-house or contractual assistance.	More valid and reliable Format and basis for assessment.	Unknown.
16	Continue to complete performance evaluations annually as dictated by current policy.	City Council; City Manager	Ongoing	Documentation and monitoring of performance.	Staff time and preparation of materials.

CITY OF DOVER, DELAWARE
REVIEW OF PAY FOR PERFORMANCE SYSTEM

Rec. #	Action Step	Responsibility	Estimated Completion	Impact	Projected Savings or (Costs)
17	Require quarterly review of all employees being evaluated.	City Council; City Manager	March 2009	Enhance communications and establish consistency across the system.	Additional time for supervisors not currently doing this.
18	Add responsible participation in the PFP as a Supervisory Core Competency.	Human Resources	March 2009	Further strengthen the system – greater accountability	None.
19	Add monitoring and reminder goals to the Core Competency of the HR Director.	City Manager; Human Resources Director	As soon as model is complete	Add accountability to the rater profiling and normalization process	Unknown
20	Continue the current process for appeals.	Human Resources	No change	No change	No change
21	Any pay out for performance over the maximum of the range is a lump-sum one-time payout that does not roll into the base salary.	City Manager; City Council	Adopt new policy	Do not compound base salary above the maximum of the range.	Long-term cost control

APPENDIX 1

PFP Description, Instructions, and Forms:

This appendix includes the current Performance Based Pay Policy dated April 19, 2005.

Also included are the instructions that supervisors are to follow during the performance review cycle, and a sample form used to evaluate Non-Council Appointed Positions.

City of Dover

Performance Based Pay Policy
For Non-Bargaining Employees

April 19, 2005

I. Purpose

The City of Dover Performance Based Pay Policy is intended to provide equitable compensation based on performance for all exempt and non-exempt positions when considered in relation to each other and to general pay ranges for similar employment elsewhere. This policy rewards excellence in core competencies, as well as the ability to get results.

This will allow the City to maintain an effective, responsible and loyal work force, and allow us to recruit and retain high quality employees. The Policy establishes pay ranges and maintains an effective ongoing pay system for appropriate compensation recognizing the importance of results-based performance.

II. Pay Plan Maintenance

New market-based salary ranges shall be adopted every year after consideration of a market survey that considers both external and internal movement in market salaries. The ranges shall establish an entry-level rate, market rate and a maximum rate. The City Manager will forward the results of the market survey and his recommendations to Council for consideration during the annual budget process. The increases in salary ranges shall not be considered as cost of living increases, but shall serve to keep ranges up to date so that employees' performance is properly evaluated within the context of where their salary lies within the market place.

III. Performance Evaluations and Advancement Guidelines

Performance evaluations must be completed annually, prior to any consideration for an increase in pay. No supervisor shall receive an increase in pay until subordinate evaluations are complete. The evaluation will include measurement of the results of predetermined goals and objectives, unplanned assignment results and core competencies. The evaluations shall give goals and objectives for the coming evaluation year.

The amount of the proposed pay increase will be determined by the overall Performance Score as applied to the Pay-for-Performance Worksheet in accordance with the table found on the worksheet. The Pay-for-Performance Worksheet shall be approved by City Council with the annual budget. Appendix A is the model Pay-for-Performance Worksheet; the areas where percentage increases will be placed have been left blank.

In general, the percentage increase for employees scoring between 21 and 30 evaluation points whose current salary is within the market range (within the 2nd third of their salary range) will receive an increase equivalent to market increases as determined by the annual market survey. In general, employees with lower scores will receive lower percentage increases, and those with higher scores will receive higher percentage increases. To advance employees to the market rate, employees who are compensated at levels below market will receive increases that are higher than those who are at and above the market with similar performance scores. In some cases with low scores or salaries above maximum, there may be no increases. While it is the intent of the City to keep salaries competitive within the market place, the City Council reserves the right to set percentage increases based on what it determines the City can afford regardless of changes in the market.

IV. Evaluation Quality Control Systems

To ensure quality control, the Human Resources Department will review the latest employee performance evaluations in August of each year to ensure that they have clear and concise goals and objectives with expected results that are aligned with the City's Strategic Organizational Plan. Goals are to be **S.M.A.R.T.** (**S**pecific, **M**easurable, **A**ttainable, **R**ealistically High, **T**arget Date). The comments supporting the results achieved must be specific to the goals and/or competencies and not just a repetition of the goal or objective. Achievement or lack thereof of results and progression in core competencies are to be outlined in these comments.

The Human Resources Department will also review the evaluators for unusual patterns such as consistently high/low patterns of scoring, as well as incomplete or unrelated comments to support the performance points associated with the goals and objectives. While there are no formal quotas, there is an expectation that scoring will naturally fall into a normalized pattern, particularly as evaluations are considered over time and in groups. Feedback will be given to evaluators and their department heads to give them the opportunity to justify the perceived inequities or patterns and if necessary correct the problem(s).

V. Procedures for New Job Titles/Grades and Re-grading and Retitling Existing Positions

To establish new job titles, grade new positions, or re-grade and re-title existing positions where job responsibilities have changed, the following procedure must be followed:

1. Department heads must submit a proposed job description along with a completed Position Analysis Factor (PAF) Guide to the Human Resources Department with an explanation outlining the reasons for the new title, re-grade or new position. The Human Resources Department will enter the Position Analysis into the Job Analysis Qualification (JAQ) software to determine the salary grade. The Human Resources Director shall compile all of the new positions, new titles and new grades and forward them to the City Manager for consideration within the annual budget.

2. To ensure that existing job titles and grades are kept current, as part of the budget process each Department Head/supervisor will give the employee a copy of their current job description and ask the employees to review the description for accuracy. The employees will return the job descriptions within one (1) week of receiving them from the Department Head/supervisor and discuss the changes (if any) with the Department Head/supervisor. The Human Resources Department will review the submitted information within one (1) week from receiving it from the Department Head for appropriateness and use the Position Analysis Factor Guide to reevaluate the position. When reclassification is initiated, all incumbents holding the same job title should complete a JAQ. A desk audit usually at the job site would then be conducted with the individual being considered for reclassification or with a representative number of people if the reclassification request affects a number of people with the same title. Key questions concerning the job should be answered to assist in determining the proper level within the overall pay and classification system. The analysis of all the information is then compared to the current position description for the various classifications' levels and weighted, using the same quantitative point-factor rating criteria used to establish the level of all positions in the City pay plan. The Human Resources Department will notify the Department Head and City Manager of the outcome of the review and recommendations. The employee shall be informed of the outcome by the Department Head. Proposed reclassifications will be included in the budget proposal of the City Manager.

3. Hiring, promoting and re-grading an employee to a new or open position will be done in accordance with established procedures outlined in the Employee Handbook.

4. Establishing the hiring salary or salary increase associated with a promotion or re-grading will be derived as follows:

    a. Employees will be placed within the approved salary range at the entry level. On occasion for highly skilled, technical, or managerial positions, it would be necessary to hire above the minimum rate in the range, but not above the market rate. In these cases, consideration will be given to the applicant/employee's education, equivalent experience, related experience and past performance. Recognizing that the current salary ranges are based on a 20-year period between the entry salary and maximum salary the individual may be placed within the salary range using the following guidelines: (1) The employee will be given credit for equivalent experience year for year; (2) Credit for related experience will be ½ year for year; (3) Year for year equivalent experience credit will be given for college experience beyond the minimum required where a related Master's or related Bachelor's Degree has been obtained. A recommendation to hire above the minimum rate in the range should be documented by the supervisor, reviewed and endorsed by the Human Resources Director and approved by the City Manager.

VI. Personnel Evaluation Appeal Process

Employees dissatisfied with evaluations are entitled to dispute the evaluation through the following appeal process.

1. Employees may request an appeal of the evaluation within seven (7) days of receiving the evaluation.

2. The appeal must be filed with the employee's immediate supervisor, in writing, stating the reason(s) for the dispute. The contents of the appeal request must include the specific categories being appealed, the rating sought, and the justification for the change. The immediate supervisor's decision will be rendered to the employee, in writing, within seven (7) days.

3. If an employee is dissatisfied with the immediate supervisor's decision, then the appeal will be forwarded within seven (7) days to the next level of supervision for that division along with a copy to the Human Resources Director.

4. If the employee is still dissatisfied with the decision, the process will continue through each level of supervision up to the City Manager or the Mayor and Council depending on the reporting relationship. City Manager and Council Appointee Department Heads shall have final decision on employees within their departments. Mayor and Council shall hear any appeals by the City Manager or Council Appointed Department Heads. Any appeal going as far as the City Manager, Council Appointed Department Heads, or Mayor and Council will be first submitted to the Human Resources Director.

VIII. Instructions for Using the Pay-for-Performance Evaluation

Detailed instructions are located on Public Docs in the Pay-for-Performance folder.

IX. Evaluator Training

All evaluators will receive detailed training in setting S.M.A.R.T. goals and objectives, preparing for and giving Pay-for-Performance evaluations, using the Pay-for-Performance Worksheet and completing the Position Analysis Factor Guide prior to implementation of this new system. Ongoing and refresher training will take place as needed but not less than two (2) times each fiscal year. Training will be mandatory and will include the following subjects: introduction of policy, purpose, guidelines, components of policy, evaluation, appeal process, S.M.A.R.T. goals and objectives, JAQ scoring system and plan administration.

Appendix A

P.F.P. Salary Calculation Worksheet

(Adopted by City Council _____)

Instructions: The total PFP adjustment is calculated by carrying forward the Overall Score from page 1 and finding the range in the two left-hand columns of the following matrix in which the score falls. The PFP adjustment is found in the right-hand column.

OVERALL SCORE		**ADJUSTMENT**			
FROM	**TO**	**Employee Below Market[(1)]**	**Employee At Market[(1)]**	**Employee Above Market[(1)]**	**Employee Above Maximum**
0	19				
20	29				
30	35				
36	41				
42	50				

[(1)]Below Market = first third of salary range; At Market = second third of salary range; Above Market = top third of salary range.

Instructions for the Performance Review Cycle

Please realize that annual reviews are due to the Human Resources Director by May 31. A supervisor shall arrange to meet with the employee to discuss the employee's evaluation no later than June 25 of each year.

Failure to provide a completed evaluation for an employee in a timely manner, no later then July 1, will cause the effective date of the Department Head's pay-for-performance pay increase, if one was granted, to be extended by the number of days the evaluation was not received if the failure to submit a completed evaluation harms the evaluated employee. For example, if pay-for-performance increases are effective July 1 and the Department Head submits the evaluation on July 5 (five days late), the Department Head's pay-for-performance increase would be granted, if he or she was entitled to one, on July 5. The employee's increase, if one was granted, would be retroactive to July 1. Sufficient time for review by the Human Resources Director shall be considered when determining a timely manner. For example, submission of the evaluation on June 30 may not provide ample time for the Director to review and return to the evaluator. This may cause harm to the evaluated employee.

Before conducting a performance evaluation, a supervisor must give an employee a reasonable time to demonstrate performance.

THROUGHOUT THE YEAR

Observe and document the employee's performance and give immediate feedback whenever possible. Documentation at this point can be somewhat informal, but try to keep a record of what the employee does, both good and bad. This record will be very helpful in completing the remarks/example section of the evaluation as well as ensuring the employee is not being evaluated on a short timeframe.

Ask the employee for input about their performance during the year. This is important because the performance review should be based on two-way communication, so that it is not merely a "report card." The employee's input can be any combination of the following:

- A draft performance appraisal prepared by the employee
- A list of accomplishments and significant events
- An informal discussion between the employee and supervisor

It is important to keep in mind that the supervisor should collaborate and seek advice from others in evaluating the employee throughout the year. Other supervisors, employees, customers, division and department heads may be able to provide important insights.

QUARTERLY REVIEW (generally October, December and March)

Meet informally with the employee to discuss progress toward the goals and objectives as outlined in Part 3 of the Pay-for-Performance Evaluation for the previous year. Update, add or remove goals as necessary since the last review. Unexpected and unplanned assignments may arise. As new goals are added, it is important to evaluate the employee's capacity to accomplish

already established goals. By keeping goals and objectives current, the necessity of documenting unplanned assignments in "Part 1" during the Annual Review will be minimized.

Indicate any additional comments by the supervisor or employee in the supervisor's log/journal.

PROBATIONARY REVIEW

All new employees shall receive a formal probationary review for no less than six months of active service and no more than seven months of active service. Goals are to be established for the new employee to complete during the probationary period. See next section, Annual Review, for additional information.

ANNUAL REVIEW

Employees hired between July 1 and November 30 of each year shall receive a probationary review for no less than six months of active service and no more than seven months of active service in addition to an annual review in May. On July 1, the employee would be eligible for a pay-for-performance increase.

Employees hired between December 1 and June 30 shall not receive an annual review in May; however, they would receive a probationary review upon completion of six months of active service and no more than seven months of active service. Employees would be eligible for a pay-for-performance increase at their one-year employment anniversary. These employees would then receive an annual review in May of the following year and be eligible for a pay-for-performance increase on July 1 of the following year.

The pay-for-performance evaluation instructions are available on Public Docs in the Pay for Performance folder while the evaluation is available on the City's intranet, http://intranet/projects/pfpfb/. For assistance, please contact the Human Resources Department. It is important to inform the employee that his or her yearly evaluation is due. The supervisor shall set a meeting date and time with the employee to review the evaluation. This will ensure that everyone has ample time to prepare for the evaluation.

It is important to keep in mind that the supervisor should collaborate and seek advice from others in developing the evaluation. Other supervisors, employees, customers, division and department heads may be able to provide important insights into the evaluation process.

SELF EVALUATION

A self-evaluation is not required by the employee unless requested by the supervisor. A self-evaluation is strongly encouraged since it is an opportunity for an employee to inform the evaluating supervisor of surrounding circumstances or extraordinary efforts that were involved in the completion of the goals. Evaluators will be specifically seeking the employee's synopsis of the results achieved on his or her planned and unplanned goals. The employee shall be given a copy of a blank evaluation by his or her evaluator so that he or she may prepare a self-evaluation prior to the formal discussion of the evaluation.

The employee may also wish to indicate goals they would like to achieve in the next review period. Goals should be related to the overall vision and mission of the City as well as the employee's department.

Professional development opportunities are not considered goals and should not be noted in the goal section of the evaluation. For example, complete an Excel class.

JOB DESCRIPTION

Obtain the current job description for the employee's position to be reviewed by the employee and supervisor during the annual budget process. In general this review will occur in December or January each year. The job description shall be reviewed by the employee and the supervisor individually. Reviewing the job description annually will ensure that the job description remains up to date with current job duties. All changes must be submitted to the Human Resources Director for consideration and final approval. If appropriate, the HR Director may recommend the position be re-graded.

COMPLETING THE PAY FOR PERFORMANCE EVALUATION FORM

Page One

The intranet system will automatically complete Page 1 of the evaluation. Please realize that each non-bargaining position has been assigned a weight for goals and objectives and one for core competencies. If you think that the weights need to be changed, please contact the Human Resources Director. If you need assistance, please contact the Human Resources Department.

PART 1: Planned Goal and Unplanned Assignment Results

This section is to include comment on the degree and qualities of the results achieved and note any extenuating circumstances affecting the results. It should also be noted how well an employee did in accomplishing the objectives and if they were completed in a timely manner. Assign performance points based upon the Performance Rating Definitions and the Key as noted in the Performance Rating tab of the Pay for Performance intranet system. The performance score shall be indicated in the Performance Rating box. Narrative information is very important in the review process; therefore, include remarks and whenever possible, specific examples. It is very important to consider the difficulty of the goals and objectives when scoring. Goals and objectives can have different degrees of difficulty. The completion of a relatively easy goal and objective should not be scored the same as completing a difficult goal and objective. An easily attainable goal that is completed should be rated "good," a more difficult goal should be rated "commendable," and achieving a very difficult goal should be "outstanding." A very difficult goal or objective that may be only partially completed may score the same as an easily attainable goal that is completed. It is very important that the difficulty of the goal and objective not be gauged on the employee's ability, but on its relative difficulty when compared to goals and objectives assigned to others.

After completing the Planned Goals and Objectives section, proceed to the Major Unplanned Assignments contained in Part 1. This section should be completed in the same manner as Planned Goals and Objectives. Major unplanned assignments are assignments which either were

not included on the previous year's evaluation or were added during the quarterly review and were not scheduled for completion throughout the fiscal year and required at least 40 hours to complete.

The performance score is determined by dividing the sum of the points by the number of Planned Goals and Unplanned Assignments. The result is then rounded to the nearest tenth. This figure will be automatically calculated once the evaluation is saved. Please refer to page one of the evaluation.

PART 2: Core Competency Elements

Each employee shall be evaluated on all the core competencies indicated in Part 2 with the exception of categories that pertain to employees who supervise. This category is indicated. The supervisor should review the Performance Rating Definitions on page 2 of the evaluation or contained in the Performance Rating tab of the Pay for Performance intranet system prior to completing this section.

Specific examples are to be provided in addition to remarks in the space provided. The examples provided for each competency on the evaluation form should be used as guidelines in developing the narrative in the remarks/example section rather than merely copied.

Upon the completion of evaluating all core competencies, save the evaluation. By saving the evaluation the score will automatically be calculated.

Once the weighted scores for planned goal and unplanned assignment results and core competencies have been calculated the employee's overall score will automatically be calculated by the intranet system. This is calculated by adding the two weighted scores together.

Overall Comments

A detailed narrative is be included in the Overall Comments section (located at the end of Part 2, Core Competencies) of the evaluation. This section should be used for the supervisor to express any comments or concerns that were not addressed previously in the evaluation.

PART 3: Major Responsibilities for Next Year

List goals and objectives for the coming year that are to be evaluated during the next evaluation. Goals are to be written in the S.M.A.R.T. (**S**pecific, **M**easurable, **A**ttainable, **R**ealistically high, and **T**arget date) format. These goals are to be discussed with the employee during the formal evaluation process and reviewed quarterly to determine the employee's progress toward reaching them. For information regarding S.M.A.R.T., please contact the Human Resources Department.

PART 4: Employee's Professional Development Plan

Establish a Development Plan listing actions that the employee can take to improve performance for the coming year. This may include suggestions for education and training, reading material, research, job shadowing, counseling and other self-improvement programs. The Development Plan should include specific actions that the employee can take to enhance performance. This

section of the evaluation affords the evaluator and the employee an opportunity to collaborate on how the employee's performance can be improved both as an individual and as a part of a team. This section should be taken very seriously and should be considered one of the most important parts of the evaluation.

Submission for Additional Approval

Upon completing the evaluation, please electronically "Forward" the evaluation. This function is within the Pay for Performance intranet system. This function indicates to the next approving supervisor/department head that the evaluation has been completed and is ready for their review. The intranet system allows the evaluation to be forwarded as well as "Returned". The proper chain of command must be followed in order for the evaluation to reach the Human Resources Director for final approval. Throughout the approval process, a supervisor may return the evaluation to the previous level. This process should be continued until the final approval is received from the Human Resources Director.

The evaluation is not to be presented to the employee until it has been approved by the Human Resources Director. If the evaluation is presented to the employee before the Human Resources Director approves it, the evaluator may be subject to presenting the evaluation again to the employee.

Review with the Employee

Once final approval is received from the Human Resources Director, the supervisor shall meet with the employee at the time and date originally scheduled at the beginning of the evaluation process. The supervisor may provide a copy of the evaluation up to two days prior to the meeting for the employee to preview. At this time, the employee may give the supervisor a preview of the self-evaluation. During the review, the individual's performance, strengths, and developmental needs are to be discussed. Explain the reasons for the review. For example, probationary, annual, special or for another reason. During the review, an open line of communication should be maintained. This is when the employee's self-evaluation should be compared with the supervisor's evaluation. The supervisor as well as the employee being evaluated should be open-minded toward comments made. After the formal review with the employee, the supervisor may need to modify the original evaluation to include information the employee presented during the review process.

Signatures

The employee and the supervisor must sign the evaluation once it has been reviewed together. The employee's signature does not necessarily indicate agreement with the evaluation. If the employee refuses to sign a performance evaluation, the supervisor must make a notation on the evaluation to indicate that the employee refused to sign the evaluation. The employee and supervisor may attach an addendum. The evaluation shall be presented to the Department Head for review and signature. The Department Head shall then forward the evaluation to the Human Resources Director.

Once the evaluation has been finalized, make a copy of the evaluation for the employee. Once the evaluation is submitted to Human Resources, the Human Resources Director will sign the evaluation. Human Resources will then forward to the department a copy of the signature page.

The employee shall be informed that the evaluation will be placed in the employee's personnel file maintained in the Human Resources Department. Evaluations become a permanent record in the employee's file.

APPENDIX 2

This appendix includes the documented (anonymous) views of employees and supervisors who attended workshops in October and December 2008.

The views are in response to a series of questions posed to employees who are evaluated under the PFP Evaluation System.

Consolidation of Views on the
Pay for Performance System
Employee Meetings Held on October 13, 2008

Strengths:

- Online *(use year after year, saves time, better than paper)*
- Standardized *(across depts. + non-rep/rep + elected)*
- Retention Tool *(state has none)*
- Separates Achievers from Underachievers – rewards achievers
- Documents poor performers
- Focuses on goal attainment
- Provides incentives – potentially
- Keeps you focused
- Motivation
- Sparks initiative
- Constant feedback and defines expectations
- Quantitative analysis *(For HR due to scoring)*
- Morale
- Increase productivity
- Goals are clear which is good in theory/principle
- Opportunity for employee development
- Grading + raise linked
- Enhances communication between supervisor + manager
- Self evaluation good
- Keeps employees on track
- Grading based upon performance
- Self-evaluation
- Continuity for goals <u>if</u> done properly
- Expectations are set out for you → Contingent upon doing PFP properly
- Employee retention (If fair market is done for classification)
- Benefits under-market employees
- S.M.A.R.T. – attainable goals – eliminates goals that are not attainable
- Credit for unplanned assignments
- Allows for non scoring (Penalized) for not achieving a goal due to outside circumstances
- Tied to pay raise
- Adjustable – Unplanned/Removed goals
- Standardizes evaluation + grading process
- Documents work activity
- Flexibility of adding goals throughout year

Weaknesses:

- Goals for sake of goals
- Lack of understanding by Council
- Need recourse for contesting score
- Some areas don't apply to person
- Goals + objectives can be redundant
- "Above market" employees don't benefit (topped out)
- A lot of approval levels can take months
- Supervisor qualifications to be able to evaluate the employee
- Paperwork cumbersome and time consuming
- Trend toward the middle
- Unfair scoring system
- Unobtainable scoring
- Goals don't flow down in timely manner
- Calculation manipulation
- W/Good employees – repetitive
- Below market can sometimes reward poor performers
- Matrix not consistent each year – changes at budget
- Evaluations – a lot less writing for good employees, more for poor ones
- Outside influences should be prohibited in evaluations
- Can be abandoned without notice
- Goals not realistic under daily work load
- Positive for new hires and negative for veterans
- Too many approval levels (supv → mgr → HR → emp)
- Distrust of HR – denial of high scores, lack of communication
- No clear means to contest scores
- Weak training on standards/standardizing on grading
- Council approved without understanding the system
- Only as strong as the supervisor that is doing them
- Not assigning goals during probation period
- Misunderstanding of system
- Union employees getting better raises & step increases than PFP
- No credit for experience
- Cannot count on it – Council can eliminate after goals are met
- Too subjective: HR has too much control and every supervisor is different
- Unfair to long-time employees, less of an increase.
- Core Competency is too wordy/repetitive
- Performance goals take precedence over core comp.
- Due all at same time
- Dept. Heads can delegate goals and not have to meet their own
- Budget drives the compensation – not enough difference in actual pay between an "average" + an "outstanding"
- "Down-sizing" of actual performance ratings to meet budget constraints

Solutions

- Goals should have more weight than objectives
- Change weighting scale
- Unplanned goals should have more weight than scheduled goals
- Hold off goals during probationary period
- Different scoring system
- Accountability, follow up on findings
  → Frequent feedback
  → Specific goals – developed by supervisor + subordinate
  → should be an "ongoing" process
- Reduce HR – cumbersome paperwork
- More time to talk with supervisors about goals
- Funding – have to fully fund the system
- No process for below average
- Proper/consistent training for supervisors doing evaluations
- Stop hiring people at "below market"
- Eliminate decreased "increases" for above market
- Council needs to identify goals earlier to incorporate in evaluations
- Set matrix + index outside + ahead of budget process
- Define council goals in March
- Define dept. head goals in April
- Develop weight system for goals
- Delete <u>below</u> & above market
- Better define priorities/weight goals
- Don't require explanations for 3's + 4's
- Place more authority with Dept. Heads
- Evaluate PFP software for user-friendliness
- Simplify core competencies
- Add flat cost-of-living increase + make PFP an additional %
- Council should commit
- Base evaluation dates on anniversary
- Supervisor raises should not be less than union (good evaluations)
- Simplify evaluations – multiple choice questions/answers then give examples. Yes/No – HR would have less to comment on
- Revamp electronic form. User friendly
- Periodically check goals of other departments that affect your department
- Re-evaluate system
- Retro Pay for last year's evaluations
- Re-evaluate Job Descriptions/Classifications
- Allow more 5's
- Develop a plan to get people to market

Employee Views on the PFP System
Training Sessions Conducted December 2008

1. **You have been a provided a copy of the PFP policy and instructions. Do you believe the evaluations are being completed in accordance with the Policy and Instructions? If not, what specific policies are not being met?**

   Of the 74 responses to whether the evaluations are being completed in accordance with the Policy and Instructions, 57 people answered "Yes", while six (6) people answered "No". Of the remaining respondents, seven (7) people indicated that they had not been evaluated yet as newer employees, while four (4) responses were non-committal.

2. **Does your supervisor collaborate with you on developing your goals for the coming year? Do those goals use the SMART criteria (Specific, Measurable, Attainable, Realistically High, Target Date)?**

   Of the 80 responses to this question, 65 people answered "Yes", while 12 people answered "No". Three (3) responses were unclear or non-committal. Some of the "No" responses were due to the view that the goals are either very clear or pre-determined, so no collaboration was needed.

3. **Do you feel that establishing goals is relevant to your job (if not, could you identify your job title)?**

   Of the 78 responses to this question, 64 people answered "Yes", while five (5) people answered "No". Nine (9) of the responses were non-committal or unclear.

4. **Is the "core competency" of the evaluation relevant to your job?**

   Of the 78 responses to whether the core competencies are relevant to the employee's job, 65 people answered "Yes", while two (2) people answered "No". Eleven respondents were unsure, non-committal, or indicated "somewhat".

5. **Do you feel your job is weighted appropriately between goals and competency?**

   Of the 72 responses to this question, 41 answered "Yes", while 19 people answered "No". Twelve respondents were unclear or uncertain.

6. **Do you believe the scoring system is fair?**

   Of the 76 responses to this question, 38 people answered "Yes", while 22 people answered "No". Sixteen (16) respondents were either unclear, non-committal, or had not been evaluated yet and had no comment.

7. Is high performance rewarded?

Of the 71 responses to this question, only 13 people answered “Yes”, while 43 people answered “No”. Fifteen (15) people were not certain or were non-committal.

8. Are evaluations done consistently across departments?

Of the 74 responses, 14 people answered “Yes”, while 14 people answered “No”. Most respondents (46) did not know or could not answer the question.

9. Supervisors: do you feel as though you have enough knowledge of how to use the performance evaluation system?

Of the 53 responses to this question, 34 people answered “Yes”, while only three (3) people answered “No”. Sixteen (16) people answered n/a, and other non-supervisory people simply did not answer.

10. Does the system help retain high performing employees?

Of the 73 responses to this question, 15 people answered “Yes”, while 39 people answered “No”. Nineteen (19) people answered unsure or don’t know.

11. Are employees generally more goal oriented under this system of evaluation? Why or why not?

Of the 77 responses to this question, 44 people answered “Yes, while 17 people answered “No”. Sixteen (16) people were unsure or non committal.

12. Once the evaluation is complete, does the employee receive timely feedback on the results? Why or why not?

Of the 70 responses to this question, 41 people answered “Yes”, while 15 people answered “No”. Fourteen (14) people were unsure or non committal.

13. **Have you ever appealed an evaluation? If yes, did you feel it was handled adequately? Why or why not? (was it fair?)**

Of the 73 responses to this question, six (6) people indicated that they have appealed an evaluation, while 62 respondents indicated they had not ever made an appeal. Five (5) people indicated no response or unrelated information. Of the six (6) people who appealed, two (2) indicated a satisfactory response, while three (3) were not satisfied. One (1) appellant did not discuss the outcome.

14. What single action would you recommend to improve the system?

As one might imagine, with open ended responses from 75 employees, the answers are highly variable. The responses varied from “get rid of it” to “don’t change anything”. Some recommendations noted several times included:

- ensure Council commitment to the program (since it was suspended recently, this has been a matter of concern);
- make the evaluations more department specific;
- reduce the role of Human Resources to that of process monitoring rather than reviewing or changing scores;
- shorten the format, particularly with the redundancies in the core competencies;
- require more meetings between supervisors and employees;
- make the matrix consistent and do not manipulate;
- let department heads decide increases;
- let supervisors decide increases;

The more frequent employee recommendations focused on making the PFP simpler, limiting the role of HR, shortening the format, and ensuring Council commitment and acceptance.

APPENDIX 3

This appendix includes a sample PFP Evaluation form for Council appointed positions.

Evaluation Date:

Type of Review:

CITY OF DOVER
PAY-FOR-PERFORMANCE EVALUATIONS
COUNCIL APPOINTED POSITIONS

Employee:

Department:

Evaluator 1:

Evaluator 2:

Evaluator 3:

Evaluator 4:

Evaluator 5:

Date Employed:

Evaluation Period Covered:

From:

To:

Date of Next Review:

Current Annual Salary:

Salary Ranges:

Below Market	At Market	Above Market	Above Maximum

SCORING TABLE

	Performance Score	X	Weight	=	Weighted Score
PART 1 - Planned Goal and Unplanned Assignment Results		X		=	
PART 2 - Core Competencies		X		=	
OVERALL SCORE (Part 1 + Part 2)					

PERFORMANCE RATING DEFINITIONS

Outstanding: Performance Points 5

This level of performance represents the achievement of significant and exceptional results. The employee consistently achieved additional, significant results beyond established targets and significantly exceeds position requirements. The employee actively and continuously exhibits initiative and innovation and serves as a model for others.

Commendable: Performance Points 4

Demonstrates above-average knowledge, skills, abilities and effort. Performance goes beyond the position requirements and exceeds expected results. Performance measurably exceeds expectations. Employee exhibits initiative and resourcefulness in going beyond expectations of job performance in accomplishing goals and objectives.

Good: Performance Points 3

The employee is effective, with good, solid performance as demonstrated by achieving a majority of results and demonstrating most competencies successfully. Job performance is accomplished in an efficient and competent manner. This performance is fully satisfactory and meets acceptable or expected standards for the job. Work efficiency and effectiveness support the overall productivity of the work unit. Employee accomplishes assigned tasks with expected direction and assistance.

Acceptable With Some Improvement Needed: Performance Points 2

The employee has met the basic expectations however has not performed the assigned duties in a fully or consistently competent manner thus requiring additional support of others. Inefficiency and/or ineffectiveness affects the productivity of the work unit. Does not consistently demonstrate the required knowledge, skills, abilities and/or effort for this position. Higher level of performance may be possible through increased effort, training and guidance. Performance at this level will be subject to continued careful assessment.

Unsatisfactory: Performance Points 1

Minimum standards for the job are not met; job duties are performed at a marginal level or not performed, or must be performed by others. There is minimal contribution to work unit productivity. Employee is unwilling or unable to improve. A need for further improvement is clearly recognized, identified and must occur immediately. Employee requires constant and close supervision. Continued performance at this level, absent any potential or evidence of immediate improvement will lead to progressive discipline up to and including termination.

PART 1: Planned Goals and Unplanned Assignments

GOAL/OBJECTIVE: Write clear, concise statements relative to the principal goals/objectives for the position. Establish the relative importance (priority) of each goal/objective. These planned goals and objectives are listed on the most recent evaluation completed for the employee.

RESULT ACHIEVED: Comment on the degree and quality of the results achieved and note and extenuating circumstances affecting the results. When performance is "Outstanding," "Needs Improvement" or "Unsatisfactory," specific reasons/examples must be included or attached.

PRIORITY: List the major planned goals and unplanned assignments in order of priority, with number one being the highest priority.

1	PLANNED GOAL/OBJECTIVE	PRIORITY:
	RESULT ACHIEVED	**Performance Rating (points):**
2	PLANNED GOAL/OBJECTIVE	PRIORITY:
	RESULT ACHIEVED	**Performance Rating (points):**
3	PLANNED GOAL/OBJECTIVE	PRIORITY:
	RESULT ACHIEVED	**Performance Rating (points):**
4	PLANNED GOAL/OBJECTIVE	PRIORITY:
	RESULT ACHIEVED	**Performance Rating (points):**
5	PLANNED GOAL/OBJECTIVE	PRIORITY:
	RESULT ACHIEVED	**Performance Rating (points):**

ADD UPDATED INFORMATION REGARDING MAJOR UNPLANNED ASSIGNMENTS AS APPROPRIATE THAT OCCURRED DURING THE REVIEW PERIOD THAT WAS NOT CITED ABOVE.

ADDITIONAL TASKS ASSIGNED AND RESULT ACHIEVED

TITLE RESULT ACHIEVED	**Performance Rating (points):**
TITLE RESULT ACHIEVED	**Performance Rating (points):**
TITLE RESULT ACHIEVED	**Performance Rating (points):**
TITLE RESULT ACHIEVED	**Performance Rating (points):**
TITLE RESULT ACHIEVED	**Performance Rating (points):**

PART 2: Core Competency Elements

Performance Rating (points):

Accountability/Leadership/Work Management

- Responds to Mayor and Council requests in a timely manner.
- Adjusts schedule to meet with Council to listen to and address their concerns.
- Handles Constituent complaints referred by Mayor and City Council in an effective and timely manner.
- Accepts criticism and feedback from Council.
- Completes work assignments from City Council within established deadlines and guidelines.
- Accepts responsibility for actions and results.
- Accepts responsibility for work assignments and ensures desired results are achieved within established deadlines and guidelines.
- Reports to work regularly and is on time for work and meetings in accordance with department/personnel policy; schedules appointments at appropriate times.
- Works effectively under pressure conditions, such as heavy workloads or deadline situations, with productivity remaining consistent.
- Observes safety rules, reports, and corrects conditions and/or practices in work environment that are or may become unsafe.
- Inspires and motivates others in addition to leading by example.

Remarks/Example

Performance Rating (points):

Communication and Customer Service

- Updates Mayor and Council on City actions as appropriate and in a manner that is clearly and easily understood.
- Ensures that appropriate staff and Council are provided with all relevant information.
- Demonstrates effective written reports & CAFs to City Council; clearly conveys ideas and information in a written format using proper grammar and punctuation when preparing written reports that are comprehensive, well-organized, clearly written & timely.
- Attends civic and community meetings, as appropriate, to represent the City to hear concerns of its citizens.
- Demonstrates effective oral communication skills and conveys ideas and information in a clear and concise manner.
- Demonstrates effective presentation skills at meetings.
- Responds promptly and effectively to citizen questions, concerns, and complaints treating each citizens/customers with courtesy and respect under all circumstances.
- Always maintains a highly professional demeanor.
- With an open-mind communicates with all staff and customers comments and suggestions.

Remarks/Example

Performance Rating (points):

Job Knowledge

- Has knowledge of and complies with applicable City policies, procedures, regulations and Council initiatives.
- Ability to research and recommend new initiatives requested by City Council.
- Takes initiative to receive on the job and training and attend appropriate conferences to further development and job knowledge.
- Possesses, demonstrates and applies the knowledge of relevant laws, rules, regulations and state of the art equipment, when available, within the profession and uses appropriate resources to make knowledgeable decisions.
- Understands job responsibilities and demonstrates competency.
- When made available to the employee, employee participates in training programs, takes advantage of other continuing education opportunities, and/or reads professional publications to keep current on techniques or methodologies appropriate to the job.
- Continuously analyzes current department operations, identifies areas where improvement may be made to better serve the public, reduces City expenses, increases revenue efficiency and implements these improvements where appropriate.

Remarks/Example

Performance Rating (points):

Planning, Organization, Problem Solving and Decision Making

- Includes appropriate people in decision-making process and keeps Council apprised when appropriate.
- Sets priorities and meets deadlines for work activities and Council initiatives.
- Presents Annual Budget to Council in the agreed upon time frame and format along with Finance Director.
- Allows for flexibility in work activities to meet changing needs for unusual situations and anticipates variations in work flow and plans accordingly for unexpected situations.
- Ability to devise effective solutions to problems or identify effective measures and procedures for accomplishing objectives.
- Demonstrates effective decision making skills.

Remarks/Example

Performance Rating (points):

Relationships within the Organization

- Works cooperatively with Council and other Council appointees.
- Works cooperatively with fellow employees and other departments in order to accomplish work effectively and efficiently as well as in accomplishing the City's goals and mission.
- Contributes to good working relationships with fellow employees; involves fellow workers in formulating department objectives and planning work activities as appropriate.
- Supports the City's goal of valuing diversity within the workforce.

Remarks/Example

Performance Rating (points):

Supervisory Skills
(*Not applicable to employees who do not supervise*)

- Understands and explains the City's Strategic Organizational Plan to employees and Council.
- Communicates and explains performance standards, organizational goals and objectives to subordinates.
- Provides and evaluates training for personnel to ensure effective and consistent job performance and to instruct personnel in new methods or techniques to be utilized. Provides and evaluates sufficient orientation or training of new personnel.
- Documents ongoing employee performance, especially in critical areas.
- Properly manages personnel and resources within Budget guidelines.
- Is familiar with established personnel policies, procedures and labor agreements, operates in a consistent manner with these and seeks advice of the Human Resources Department and outside Counsel when appropriate.
- Delegates responsibilities to co-workers as appropriate and establishes a follow-up plan.
- Actively supports the City's cultural diversity programs and policies.

Remarks/Example

OVERALL COMMENTS: A detailed narrative should be included to express any comments or concerns that were not addressed previously in the evaluation.

PART 3: Major Responsibilities for Next Year

List goals/objectives for the coming year to be rated during the next evaluation.
Goals are to be S.M.A.R.T.
(**S**pecific, **M**easurable, **A**ttainable, **R**ealistically High, **T**arget Date)

GOAL/OBJECTIVE	PRIORITY:
GOAL/OBJECTIVE	PRIORITY:
GOAL/OBJECTIVE	PRIORITY:
GOAL/OBJECTIVE	PRIORITY:
GOAL/OBJECTIVE	PRIORITY:

PART 4: Employee's Professional Development Plan

Establish a development plan listing goals and objectives with the employee for the coming year. The development plan includes specific actions that the employee can take to enhance performance. The objectives are results the employee will be expected to achieve and are the basis for the next formal performance evaluation. This development plan must accompany the performance evaluation in the employee's personnel file.

SIGNATURES

The employee and the evaluator are to sign in the space below after they have reviewed the evaluation. The employee's signature does not necessarily indicate agreement with the evaluation. Any written comments made by the employee must be attached.

Employee: I have had this evaluation explained to me.

- ☐ I agree with this evaluation.
- ☐ I do not agree with this evaluation.
- ☐ I wish to appeal this evaluation.
- ☐ I have attached an addendum to this evaluation.

Additional Comments:

Signature of Employee _____ Date _____

Evaluator: I have explained this evaluation to the employee and attest that the information contained herein represents my best judgment of the employee's performance.

- ☐ I have attached an addendum to this evaluation.

Signature of Evaluator _____ Date _____

Department Head
Signature _____ Date _____

Human Resources Director
Signature _____ Date _____

APPENDIX 4

This appendix includes the PFP Calculation Worksheets used over the past several years. It is provided for historical purposes.

Memorandum

Office of the City Manager
P.O. Box 475
Dover, DE 19903-0475
Phone: (302) 736-7005
FAX: (302) 736-7002
E-mail: tdeprima@dover.de.us

To: Mayor and City Council

From: Anthony J. DePrima, AICP
City Manager

Date: May 3, 2004

Subject: Pay-for-Performance Salary Approval for Fiscal Year 2005

With the Council's approval of the City's first pay for performance plan in Fiscal Year 2004, we submit the following:

Market Analysis Memorandum with attachments
Pay-for-Performance Salary Calculation Worksheet
Revised City of Dover Pay Plans (Grades and Ranges)

This is the first market analysis since the City consulted with the Public Administrative Service in 2002. The market analysis was prepared by our Human Resources Director, Frank Szyjka. We plan to perform this analysis on an annual basis. The market analysis recommends an average increase of 3.5 percent for non-bargaining employees based on market movement. Also recommended is an additional 1.0 percent increase to compensate for the difference between this year's average non-bargaining increase of 2.0 percent for "meeting expectations" verses the FOP settlement of 3.0 percent and the 2.5 percent for the IBEW. According to the market analysis, we have developed the Pay-for-Performance Salary Calculation Worksheet for your approval.

The Pay-for-Performance Salary Calculation Worksheet is a matrix which compensates non-bargaining employees based on (1) their evaluated job performance and (2) where their compensation falls in City of Dover pay plan ranges. We have budgeted $174,191 to cover the increases. This budget number is based on estimated scores that we received from department heads.

Lastly, the market analysis recommends City of Dover Labor Grades increase by 3.2 percent. We have attached the City of Dover Pay Plans, both current and proposed, for your review. This does not represent an additional increase over the P.F.P. increases.

We are eager to move forward with a compensation program that integrates the City's Strategic Plan, employees' goals and objectives, and performance. We believe this rewards employees for achieving their goals and objectives and compensates them properly for their performance.

Memorandum

TO: Tony DePrima

FROM: Frank E. Szyjka

DATE: April 28, 2004

SUBJECT: Market Analysis with Recommendation for projected increases and LG movement FY 2004/05

I recommend that the City of Dover Labor Grades increase by 3.2 percent. This recommendation is based on review of various surveys and Government reports.

I also recommend that the salary increase for the City of Dover non-bargaining positions should be 3.5 percent based on these same reports and discussions with area municipalities. Unless the City elects to retroactively give non-bargaining employees an additional 1.0 percent increase based on the difference between this year's average non-bargaining increase of 2.0 percent verses the proposed FOP settlement of 3.0 percent, you will need to consider adding this 1.0 percent to next year's recommended increase for a total of 4.5 percent.

Sources used include the ICMA 2004 Survey and Annual Report on Local Government Executive Salaries and Fringe Benefits which increased the range from 2.7 percent to a high of 3.9 percent with the majority of ranges increasing over 3.4 percent. Specific ICMA reports used include both Northeast Regional Information and the South Region Information by population group (cities ranging from 25,000 – 49,999). In addition, the Bureau of National Affairs Daily Labor Report, which compiles up-to-date information on 2004 bargaining settlements and State and Local Government data, outlined the average increase of 3.4 percent which also supports the recommendation. As an added source of information, I completed a phone survey of local municipalities to find out what their salary increase plans are for the upcoming year. The results indicated increases in midpoint of 2.5 percent to 4.0 percent with at least two of the surveyed employers adding COLA to the planned increases.

I have attached the Bureau of National Affairs report and the information gathered from area municipalities. The ICMA reports are a total of 260 pages. If you need a copy of this information, please advise.

CONFIDENTIAL

NON-BARGAINING
MARKET SURVEY

Municipality	Percentage Increase/Adjustment	Explanation
Kent County	4.0 percent (2.0 percent COLA plus 2.0 percent Step)	Employees receive both a Step increase and COLA yearly.
City of Newark	3.5 percent	Employees receive the same as the bargaining unit (will be 4.0 percent in 2005)
City of Wilmington	0.0 percent (possible $500 bonus)	Non-Bargaining - no increase since 7/00 - no contracts
Ocean City, MD	3.0 percent Midpoint Adjustment	Performance-based system employees at Minimum 4.0 percent plus Employees at Maximum 2.0 percent plus
City of Bowie, MD	2.5 percent - 6.5 percent	2.5 percent COLA established by contract negotiation for three years plus up to 4.0 percent Step
Duke Power	Anticipate 2.0 percent every six months	Same as bargaining unit

DAILY LABOR REPORT, March 18, 2004

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DAILY LABOR REPORT

March 18, 2004, Thursday

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LENGTH: 722 words

SECTION: ECONOMIC NEWS

TITLE: Collective Bargaining: BNA DATA SHOW AVERAGE WAGE INCREASE OF 3.4 PERCENT IN FIRST YEAR OF NEW CONTRACTS

TEXT:

Data compiled by BNA from 2004 bargaining settlements through March 15 showed that the average first-year wage increase was 3.4 percent, the same increase reported in the comparable period of 2003. The median first-year wage increase from the settlements was 3.1 percent, the same as that reported in the comparable period of 2003, and the weighted average increase was 1.8 percent, compared with 2.4 percent a year earlier.

When construction and state and local government contracts were excluded, the average increase was 3.6 percent, compared with 3.3 percent in 2003; the median was 3.1 percent, compared with 3 percent; and the weighted average was 1.5 percent, compared with 1.8 percent in 2003.

The manufacturing average increase was 2.6 percent, compared with 1.8 percent in 2003, and the median was 2.5 percent, compared with 2.4 percent. Nonmanufacturing (excluding construction) contracts provided an average increase was 4 percent, compared with 3.9 percent a year earlier, and the median was 3.4 percent, compared with 3.5 percent.

Construction contracts showed an average increase of 3.4 percent, the same as that reported in 2003, and a median of 3.2 percent, compared with 4.1 percent a year earlier. State and local government agreements provided an average increase of 3.2 percent, compared with 3.5 percent in 2003, and a median of 3 percent, compared with 3.5 percent.

Factoring lump-sum payments into calculations, the all-settlements average first-year wage increase to date in 2004 was 3.8 percent, compared with 3.4 percent in the comparable period of 2003. The median was 3.3 percent, compared with 3.1 percent in 2003, and the weighted average increase was 2.4 percent, the same increase reported last year. The all-settlements (excluding construction and state and local government) average increase was 4.1percent, compared with 3.4 percent in 2003; the median was 3.4 percent, compared with 3 percent; and the weighted average was 2.4 percent, compared with 1.8 percent in 2003.

Manufacturing settlements with lump sums posted an average increase of 3.6 percent, compared with 2 percent in 2003, and a median of 3.2 percent, compared with 2.4 percent. Nonmanufacturing (excluding construction) contracts provided an average increase of 4.3 percent, compared with 3.9 percent, and a median of 3.5 percent, the same increase reported in 2003. The state and local government average increase was 3.2 percent, compared with 3.5

percent in 2003, and the median was 3 percent, compared with 3.5 percent.

Summaries of recent settlements and contracts with deferred increases that took effect recently follow the tables below.

FIRST-YEAR WAGE INCREASES

Lump Sums Not Factored

	Year-to-date 2004			Year-to-date 2003		
	Wgt. Avg.	Average	Median	Wgt. Avg.	Average	Median
All settlements.....	1.8%	3.4%	3.1%	2.4%	3.4%	3.1%
All settlements, excluding construction & state and local government.....	1.5%	3.6%	3.1%	1.8%	3.3%	3.0%
Manufacturing.....	1.9%	2.6%	2.5%	4.6%	1.8%	2.4%
Nonmanufacturing, excluding construction.....	1.5%	4.0%	3.4%	1.4%	3.9%	3.5%
Construction.....	2.9%	3.4%	3.2%	3.4%	3.4%	4.1%
State and local government.....	2.3%	3.2%	3.0%	3.2%	3.5%	3.5%

Lump Sums Factored

	Year-to-date 2004			Year-to-date 2003		
	Wgt. Avg.	Average	Median	Wgt. Avg.	Average	Median
All settlements.....	2.4%	3.8%	3.3%	2.4%	3.4%	3.1%
All settlements, excluding construction & state and local government.....	2.4%	4.1%	3.4%	1.8%	3.4%	3.0%
Manufacturing.....	4.2%	3.6%	3.2%	4.6%	2.0%	2.4%
Nonmanufacturing, excluding construction.....	2.0%	4.3%	3.5%	1.4%	3.9%	3.5%
Construction.....	2.9%	3.4%	3.2%	3.4%	3.4%	4.1%
State and local government.....	2.3%	3.2%	3.0%	3.2%	3.5%	3.5%

Note: The statistical summary above is subject to revision as more information becomes available. The summary does not include automatic increases effective after 12 months (designated as deferred increases), cost-of-living adjustments, or Canadian settlements. Portions of construction wage increases may be diverted to benefits.

P.F.P. SALARY CALCULATION WORKSHEET

(Adopted by City Council on June 28, 2004)

OVERALL SCORE			ADJUSTMENT			
	FROM	TO	Employee Below Market	Employee at Market	Employee Above Market	Employee Above Maximum
Unsatisfactory	10	15	0	0	0	0
Needs Improvement	16	25	0	0	0	0
Good	26	35	4.75%	4.50%	4.25%	4.00%
Commendable	36	45	5.00%	4.75%	4.50%	4.00%
Outstanding	46	50	5.50%	5.00%	4.75%	4.00%

CITY OF DOVER
PAY PLANS

GRADE	CURRENT			PROPOSED		
	MINIMUM	MARKET	MAXIMUM	MINIMUM	MARKET	MAXIMUM
101	$14,065	$16,878	$22,110	$14,515	$17,418	$22,818
102	$14,768	$17,722	$23,216	$15,241	$18,289	$23,959
103	$15,507	$18,608	$24,377	$16,003	$19,203	$25,157
104	$16,282	$19,539	$25,596	$16,803	$20,164	$26,415
105	$17,096	$20,516	$26,875	$17,643	$21,173	$27,735
106	$17,951	$21,541	$28,219	$18,525	$22,230	$29,122
107	$18,849	$22,618	$29,630	$19,452	$23,342	$30,578
108	$19,791	$23,749	$31,112	$20,424	$24,509	$32,108
109	$20,781	$24,937	$32,667	$21,446	$25,735	$33,712
110	$21,820	$26,184	$34,301	$22,518	$27,022	$35,399
111	$22,911	$27,493	$36,016	$23,644	$28,373	$37,169
112	$24,056	$28,867	$37,816	$24,826	$29,791	$39,026
113	$25,259	$30,311	$39,707	$26,067	$31,281	$40,978
114	$26,522	$31,826	$41,692	$27,371	$32,844	$43,026
115	$27,848	$33,418	$43,777	$28,739	$34,487	$45,178
116	$29,240	$35,089	$45,966	$30,176	$36,212	$47,437
117	$30,702	$36,843	$48,264	$31,684	$38,022	$49,808
118	$32,238	$38,685	$50,677	$33,270	$39,923	$52,299
119	$33,849	$40,619	$53,211	$34,932	$41,919	$54,914
120	$35,542	$42,650	$55,872	$36,679	$44,015	$57,660
121	$37,319	$44,783	$58,665	$38,513	$46,216	$60,542
122	$39,185	$47,022	$61,599	$40,439	$48,527	$63,570
123	$41,144	$49,373	$64,679	$42,461	$50,953	$66,749
124	$43,201	$51,842	$67,913	$44,583	$53,501	$70,086
125	$45,361	$54,434	$71,308	$46,813	$56,176	$73,590
126	$47,630	$57,155	$74,874	$49,154	$58,984	$77,270
127	$50,011	$60,013	$78,617	$51,611	$61,933	$81,133
128	$52,512	$63,014	$82,548	$54,192	$65,030	$85,190
129	$55,137	$66,165	$86,676	$56,901	$68,282	$89,450
130	$57,894	$69,473	$91,009	$59,747	$71,696	$93,921
131	$60,789	$72,946	$95,560	$62,734	$75,280	$98,618
132	$63,828	$76,594	$100,338	$65,870	$79,045	$103,549
133	$67,020	$80,424	$105,355	$69,165	$82,998	$108,726
134	$70,371	$84,445	$110,623	$72,623	$87,147	$114,163
135	$73,889	$88,667	$116,154	$76,253	$91,504	$119,871
136	$77,584	$93,100	$121,961	$80,067	$96,079	$125,864
137	$81,463	$97,755	$128,059	$84,070	$100,883	$132,157

Memorandum

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To: Mayor and City Council

From: Anthony J. DePrima, AICP
City Manager

Date: April 18, 2005

Subject: Pay-for-Performance Salary Approval for Fiscal Year 2006

This is the second market analysis since the City consulted with the Public Administrative Service in 2002. The market analysis was prepared by our Human Resources Director, Frank Szyjka. We plan to perform this analysis on an annual basis. The following are submitted:

Market Analysis Memorandum with attachments
Pay-for-Performance Salary Calculation Worksheet
Revised City of Dover Pay Plans (Grades and Ranges)

The market analysis recommends an increase of 3.5 percent for non-bargaining employees based on market movement. According to the market analysis, we have developed the Pay-for-Performance Salary Calculation Worksheet for your approval. For employees who are below market, an additional 3.0 percent increase is recommended to bring the employees within the market ranges.

The Pay-for-Performance Salary Calculation Worksheet is a matrix which compensates non-bargaining employees based on (1) their evaluated job performance and (2) where their compensation falls in City of Dover pay plan ranges. We have budgeted $179,057 to cover the increases. This budget number is based on estimated scores that we received from department heads.

We are eager to move forward with a compensation program that integrates the City's Strategic Plan, employees' goals and objectives, and performance. We believe this rewards employees for achieving their goals and objectives and compensates them properly for their performance.

Memorandum

To: Tony DePrima

From: Frank E. Szyjka

Date: February 24, 2005

Re: Recommendation for projected increases and LG movement FY 2005-06

I recommend that the salary market increase for the City of Dover non-bargaining positions and corresponding salary range increase should be 3.5% based on various nationwide and local surveys and Government reports assuming good performance. It is also recommended that non-bargaining employees below market performing at acceptable levels be granted an added differential of 3.0% to achieve the PFP goal of paying non-bargaining employees at market within a maximum seven year period of time assuming good performance. There are four (4) employees in this category.

Sources used include the ICMA 2004 Survey and Annual Report on Local Government Executive Salaries and Fringe Benefits which highlighted that the highest increase in average salary from 2003–2004 is for Chief Librarian at 12.9%. The second highest was for Public Works Directors at 10.1%. The range was from 2.7% to a high of over 12.0% with the majority of ranges increasing over 3.4%. Specific ICMA reports used include both Northeast Regional information and the South Regional information by population group (cities ranging from 25,000 – 49,999). In addition, the American Public Power Association (APPA) and the Bureau of National Affairs Daily Labor Report, which compiles up-to-date information on 2004 Bargaining settlements and State and Local Government data, outlined the average increase of 3.5% which also supports the recommendation. As an added source of information, I completed a phone survey of local municipalities to find out what their salary increase plans are for the upcoming year, and the results indicated increases in midpoint of 2.5% to 4% and, as mentioned last year, at least two of the surveyed employers adding COLA to the planned increases. Additional surveys used that support the recommendation include a Delaware Governmental Compensation Survey for Local Governments conducted by the University of Delaware and a City of Salisbury and Wicomico County Compensation Survey.

I have attached the local market survey results from area municipalities. The Bureau of National Affairs report, ICMA, APPA, Delaware Government, and Salisbury surveys are available upon request.

NON-BARGAINING
MARKET SURVEY
FEBRUARY 20, 2005

Municipality	Percentage Increase/Adjustment	Explanation
Kent County	4.0 percent (2.0 percent COLA plus 2.0 percent Step)	Employees receive both a Step increase and COLA yearly.
City of Newark	3.5 percent	Employees receive the same as the bargaining unit (will be 4.0 percent in 2005)
City of Wilmington	2.0 percent	Employees receive the same as the bargaining unit – 2.0 percent each year retroactive to 2000 through 2007.
Ocean City, MD	3.0 percent Midpoint Adjustment	Performance-based system employees at Minimum 4.0 percent plus Employees at Maximum 2.0 percent plus
City of Bowie, MD	2.5 percent - 6.5 percent	2.5 percent COLA established by contract negotiations for three years plus up to 4.0 percent Step
Duke Power	Anticipates 2.0 percent every six months	Same as bargaining unit plus additional discretionary

P.F.P. SALARY CALCULATION WORKSHEET

(Adopted by City Council on June 27, 2005.)

OVERALL SCORE			ADJUSTMENT			
	From	**To**	**Employee Below Market**	**Employee At Market**	**Employee Above Market**	**Employee Above Maximum**
Unsatisfactory	10	15	0	0	0	0
Needs Improvement	16	25	0	0	0	0
Good	26	35	6.50%	3.50%	3.00%	2.50%
Commendable	36	45	7.00%	4.00%	3.50%	3.00%
Outstanding	46	50	7.50%	4.50%	4.00%	3.50%

Note: Currently there are 25 non-bargaining employees below market, 32 in the market range, and 20 in the above market range. Only one non-bargaining employee is above maximum.

CITY OF DOVER
PAY PLANS

There is an increase of 3.5 percent from CURRENT to PROPOSED.

GRADE	CURRENT			PROPOSED		
	Below Market	At Market	Above Market	Below Market	At Market	Above Market
101	$14,515	$17,418	$22,818	$15,023	$18,028	$23,616
102	$15,241	$18,289	$23,959	$15,774	$18,929	$24,797
103	$16,003	$19,203	$25,157	$16,563	$19,876	$26,038
104	$16,803	$20,164	$26,415	$17,391	$20,870	$27,340
105	$17,643	$21,173	$27,735	$18,261	$21,914	$28,706
106	$18,525	$22,230	$29,122	$19,174	$23,008	$30,141
107	$19,452	$23,342	$30,578	$20,133	$24,159	$31,648
108	$20,424	$24,509	$32,108	$21,139	$25,367	$33,231
109	$21,446	$25,735	$33,712	$22,197	$26,636	$34,892
110	$22,518	$27,022	$35,399	$23,306	$27,968	$36,638
111	$23,644	$28,373	$37,169	$24,472	$29,366	$38,469
112	$24,826	$29,791	$39,026	$25,695	$30,833	$40,392
113	$26,067	$31,281	$40,978	$26,980	$32,376	$42,412
114	$27,371	$32,844	$43,026	$28,329	$33,994	$44,532
115	$28,739	$34,487	$45,178	$29,745	$35,694	$46,759
116	$30,176	$36,212	$47,437	$31,232	$37,479	$49,097
117	$31,684	$38,022	$49,808	$32,793	$39,353	$51,552
118	$33,270	$39,923	$52,299	$34,434	$41,320	$54,129
119	$34,932	$41,919	$54,914	$36,155	$43,386	$56,836
120	$36,679	$44,015	$57,660	$37,963	$45,555	$59,678
121	$38,513	$46,216	$60,542	$39,861	$47,834	$62,661
122	$40,439	$48,527	$63,570	$41,854	$50,225	$65,795
123	$42,461	$50,953	$66,749	$43,947	$52,736	$69,085
124	$44,583	$53,501	$70,086	$46,144	$55,373	$72,539
125	$46,813	$56,176	$73,590	$48,451	$58,142	$76,166
126	$49,154	$58,984	$77,270	$50,875	$61,048	$79,974
127	$51,611	$61,933	$81,133	$53,418	$64,101	$83,972
128	$54,192	$65,030	$85,190	$56,089	$67,307	$88,171
129	$56,901	$68,282	$89,450	$58,893	$70,672	$92,580
130	$59,747	$71,696	$93,921	$61,838	$74,206	$97,209
131	$62,734	$75,280	$98,618	$64,930	$77,915	$102,070
132	$65,870	$79,045	$103,549	$68,176	$81,812	$107,173
133	$69,165	$82,998	$108,726	$71,585	$85,902	$112,532
134	$72,623	$87,147	$114,163	$75,165	$90,197	$118,159
135	$76,253	$91,504	$119,871	$78,922	$94,707	$124,066
136	$80,067	$96,079	$125,864	$82,869	$99,442	$130,269
137	$84,070	$100,883	$132,157	$87,012	$104,414	$136,782

NON-BARGAINING SALARY, PROMOTIONS, AND STAFF ADDITION RECOMMENDATIONS

1. Market Increase Recommendations

The recommendation is that the Non-Bargaining salary pay grades be increased 3.0 percent based on movement in the labor market. This would also mean that an employee whose salary is within the market range and whose performance is good would received a 3.0 percent increase in salary. In making these recommendations, I considered the following survey of increases planned in the market:

City of Newark	3.0%
Kent County	3.0% COLA plus 2.0% step
City of Wilmington	2.0%
State of Delaware	1.0% or $500 (Governor's Budgets – Legislators indicate more is likely)
New Castle County	3.1%
Ocean City, MD	3.0% (plus additional five percent based on market study)
BNA Labor Report	3.2% - (first year settled increases YTD)
BNA Labor Report	2.9% - (first year settled local and state government YTD)

Table I on the following page shows the revised pay grades based on a 3.0 percent increase.

Table I

City of Dover Pay Plans

There is an increase of 3.0 percent from CURRENT to PROPOSED

Grade	CURRENT			PROPOSED		
	Below Market	At Market	Above Market	Below Market	At Market	Above Market
101	15,023	17,888	20,754	15,474	18,425	21,376
102	15,774	18,783	21,792	16,247	19,346	22,445
103	16,563	19,722	22,881	17,060	20,314	23,568
104	17,391	20,708	24,025	17,913	21,330	24,746
105	18,261	21,743	25,226	18,808	22,396	25,983
106	19,174	22,831	26,487	19,749	23,516	27,282
107	20,133	23,972	27,812	20,737	24,692	28,646
108	21,139	25,171	29,203	21,773	25,926	30,079
109	22,197	26,429	30,662	22,862	27,222	31,582
110	23,306	27,751	32,196	24,006	28,584	33,162
111	24,472	29,139	33,806	25,206	30,013	34,820
112	25,695	30,595	35,495	26,466	31,513	36,560
113	26,980	32,125	37,270	27,789	33,088	38,388
114	28,329	33,731	39,133	29,179	34,743	40,307
115	29,745	35,417	41,090	30,637	36,480	42,322
116	31,232	37,188	43,144	32,169	38,304	44,438
117	32,793	39,047	45,301	33,777	40,219	46,660
118	34,434	41,000	47,566	35,467	42,230	48,993
119	36,155	43,049	49,944	37,239	44,341	51,442
120	37,963	45,202	52,442	39,102	46,558	54,015
121	39,861	47,462	55,063	41,057	48,886	56,715
122	41,854	49,836	57,817	43,110	51,331	59,551
123	43,947	52,327	60,708	45,265	53,897	62,529
124	46,144	54,943	63,743	47,528	56,592	65,655
125	48,451	57,690	66,929	49,905	59,421	68,937
126	50,875	60,576	70,276	52,401	62,393	72,385
127	53,418	63,604	73,790	55,020	65,512	76,003
128	56,089	66,784	77,479	57,772	68,788	79,803
129	58,893	70,123	81,353	60,660	72,227	83,794
130	61,838	73,629	85,420	63,693	75,838	87,983
131	64,930	77,311	89,692	66,878	79,630	92,382
132	68,176	81,176	94,176	70,221	83,611	97,001
133	71,585	85,235	98,885	73,733	87,792	101,851
134	75,165	89,497	103,829	77,420	92,182	106,944
135	78,922	93,971	109,020	81,290	96,790	112,291
136	82,869	98,670	114,471	85,355	101,630	117,905
137	87,012	103,603	120,194	89,623	106,711	123,800

2. Pay-For-Performance

Below Market Increases

Our Pay-For-Performance policy includes an additional increase for employees whose salary is below market range. The policy is to have an employee who starts at the entry level and who receives a GOOD evaluation move to market level in within seven years. This works out to a 2.7 percent additional increase above the market increase which is 3.0 percent as proposed above. There are 23 employees currently below market. This year for illustration, a table (Table II) showing the Department Heads, Managers, and Supervisors is being provided which shows current salary, market status, market range, and the salary increases proposed assuming a score in the "good performance range."

Table II

Management Salary Increases Proposed for Fiscal Year 2007

Title	Salary	Market Status	Market Range		Percent Increase*
City Manager	100,099	Below	103,603	120,193	5.7%
Chief of Police	95,110	Market	89,497	103,828	3.0%
Public Services Manager **	93,268	Market	89,497	103,828	0.0%
Utility Services Manager **	93,268	Market	89,497	103,828	0.0%
Finance Director/Treasurer	88,154	Market	77,311	89,691	3.0%
Police Major	86,072	Above	70,123	81,352	2.5%
Information Technology Director	82,174	Market	81,176	94,175	3.0%
Senior City Administrator	80,454	Market	73,629	85,419	3.0%
Central Services Director	76,537	Below	81,176	94,175	5.7%
Inspections Director/Planner **	73,000	Below	77,311	89,691	0.0%
Line Crew Superintendent	72,244	Above	57,690	66,928	2.5%
Parks and Recreation Director	68,089	Market	66,784	77,478	3.0%
Human Resources Director	66,510	Below	73,629	85,419	5.7%
Assistant Finance Director	63,900	Market	63,604	73,789	3.0%
Assistant City Engineer	62,100	Below	63,604	73,789	5.7%
Superintendent of Grounds	61,261	Above	49,836	57,816	2.5%
Engineering Services and System Ops Supervisor	61,224	Market	57,690	66,928	3.0%
Assistant City Engineer	59,046	Below	63,604	73,789	5.7%
Library Director	56,881	Market	54,943	63,742	3.0%
Public Works Operation Manager	56,152	Below	60,576	70,275	5.7%
Police Resources Manager	55,346	Below	57,690	66,928	5.7%
City Assessor **	55,000	Market	52,327	60,707	0.0%
City Clerk	54,532	Market	52,327	60,707	3.0%
Customer Services Manager	49,901	Below	52,327	60,707	5.7%
Purchaser ***	49,574	Market	45,202	52,441	3.0%
Community Development Manager	44,624	Below	45,202	52,441	5.7%

* Assuming a GOOD performance evaluation; actual increase may vary +/- two percent based on actual performance evaluation score.

** New hires or promotions that do not qualify for increases at this time

*** Reclassification also recommended for this position. See the Promotion/Reclassification table.

Performance Scores

The Pay-For-Performance policy uses a 0-50 weighted scoring system. This year's performance spread (shown in Table II) uses a 0.75 percent pay increase differential between performance grades except for employees who are paid above the maximum of their grade where a 0.50 percent is used. This year the score ranges have been changed to encourage a more normal bell curve where more employees' scores are disbursed into both the higher range and the lower range and less concentrated in the two middle ranges.

Table III

Performance Scores

PFP SCORE			ADJUSTMENT			
	From	**To**	**Employee Above Maximum**	**Employee Above Market**	**Employee At Market**	**Employee Below Market**
Unsatisfactory	0	19	0	0	0	0
Acceptable but Some Improvement Needed	20	29	0	1.50%	2.25%	3.00%
Good	30	35	1.50%	2.25%	3.00%	5.70%
Commendable	36	41	3.00%	3.00%	3.75%	6.45%
Outstanding	42	50	3.50%	3.75%	4.50%	7.20%

Note: Currently there are 23 non-bargaining employees below market, 41 at market, and 16 in above market. Only two non-bargaining employees are above maximum.

3. Proposed Promotions and Grade Recommendations

This year the City of Dover contracted with LaFlamme & Associates, Inc. who conducted a survey of area local government ranges to determine if our salary ranges and job titles are properly aligned. Also used to assist in this effort was data from similar studies done by Kent County, 2005 ICMA, 2005 Survey of Executive Salaries, 2005 Delaware Compensation Survey of Local and State Governments, and a few other sources. Based on these comparisons, no recommendations were made to move any job titles either up or down pay grades.

During the budget process, two requests to promote employees were received. The two promotions were supported and are included in the budget. One was to promote the Purchaser to Purchasing and Material Manager which is the work actually performed. The other promotion was to promote a Clerk Typist II to an Administrative Assistant, again based on actual job performance.

Also during the budget process, four requests to re-evaluate and reclassify positions were received. Out of these four, only one was supported by the Human Resource Department's analysis and that is to reclassify the Records Management Coordinator from a Labor Grade 108 to a Grade 110.

4. New Positions Recommendations

Department	Position	Justification	Amount Budgeted
Police	Police Officer	This completes the Quality of Life Task Force.	$51,723
Customer Services	Account Clerk I	Because of rapid growth and additional responsibilities, there is not sufficient staff. Customers find themselves waiting in longer lines. We are also finding errors in metering, billing, and customer payments. These errors are becoming customer issues as well as revenue issues. We cannot maintain the quality of our services to customers without additional staff.	$48,575
Customer Services	Account Clerk III	There is currently no backup for the Billing Clerk except the Customer Services Manager. There is no routine monitoring of our large customer accounts. We have experienced billing issues because mistakes are not detected for long periods of time. These errors are becoming customer issues as well as revenue issues. We currently do not have backup in our Collections area. We do not have a dedicated person to monitor the collections of taxes. Because of rapid growth and additional responsibilities, we cannot pull staff from other areas as we have in the past.	$61,083
Human Resources	HR Clerk	The Human Resources Department will be assuming all risk management, vehicle/equipment insurance, and registration of all vehicle and equipment purchases for the City of Dover from the City Clerk's Office by June 2007. The Human Resources Department currently has a part-time employee. This position would be eliminated.	$27,402
Public Utilities/ Electric T & D	Meter Tech I	There is increased workload from the meter reading change-out program and with anticipation of increased workload due to several large new developments including the privatization of the Dover Air Force Base housing and Eden Hill Farms.	$48,048
Tax Assessor	Administrative Assistant	There is currently no one to handle day-to-day management of the office so that existing staff can work in the field. Until this position is filled, the office will not be able to provide an acceptable level of customer service.	$58,213

PAY-FOR-PERFORMANCE

THE FOLLOWING SUBSECTIONS ARE INCLUDED:

NON-BARGAINING SALARY, PROMOTIONS, AND STAFF ADDITION RECOMMENDATIONS

MANAGEMENT SALARY INCREASES

NON-BARGAINING SALARY, PROMOTIONS, AND STAFF ADDITION RECOMMENDATIONS

1. Market Increase Recommendations

The recommendation is that the Non-Bargaining salary pay grades be increased 3.5 percent based on movement in the labor market. This would also mean that an employee whose salary is within the market range and whose performance is good would receive a 3.5 percent increase in salary. In making these recommendations, I considered the following survey of increases planned in the market:

Institute for Public Administration (IPA) 2006 Compensation Survey - Conducted by the University of Delaware. This survey covers eight State Governments and thirteen local Governments in the Mid-Atlantic region. The survey highlights that the mean local government increase was 3.7 percent and the State Government increase was 3.3 percent.

The Bureau of Labor Statistics (BLS) - Calculates the wages and salary component of the Employment Cost Index (ECI) increased 3.7 percent nationally which is the same as the increase outlined by the IPA for Local governments.

The ICMA 2006 Survey and Annual Report - Annual report on Local Government Executive Salaries and Fringe Benefits with the majority of ranges increasing over 3.4 percent.

The BNA Labor Report - Average wage increase reported in 2006 was 3.3 percent.
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The FOP Bargaining Unit - Increase for Fiscal Year 2007 is 3.5 percent.

Table 1 on the following page shows the revised pay grades based on a 3.5 percent increase.

Table I

City of Dover Pay Plans

There is an increase of 3.5 percent from CURRENT to PROPOSED

	CURRENT			PROPOSED		
Grade	**Below Market**	**At Market**	**Above Market**	**Below Market**	**At Market**	**Above Market**
101	15,474	18,425	21,376	16,016	19,070	22,124
102	16,247	19,346	22,445	16,816	20,023	23,231
103	17,060	20,314	23,568	17,657	21,025	24,393
104	17,913	21,330	24,746	18,540	22,077	25,612
105	18,808	22,396	25,983	19,466	23,180	26,892
106	19,749	23,516	27,282	20,440	24,339	28,237
107	20,737	24,692	28,646	21,463	25,556	29,649
108	21,773	25,926	30,079	22,535	26,833	31,132
109	22,862	27,222	31,582	23,662	28,175	32,687
110	24,006	28,584	33,162	24,846	29,584	34,323
111	25,206	30,013	34,820	26,088	31,063	36,039
112	26,466	31,513	36,560	27,392	32,616	37,840
113	27,789	33,088	38,388	28,762	34,246	39,732
114	29,179	34,743	40,307	30,200	35,959	41,718
115	30,637	36,480	42,322	31,709	37,757	43,803
116	32,169	38,304	44,438	33,295	39,645	45,993
117	33,777	40,219	46,660	34,959	41,627	48,293
118	35,467	42,230	48,993	36,708	43,708	50,708
119	37,239	44,341	51,442	38,542	45,893	53,242
120	39,102	46,558	54,015	40,471	48,188	55,906
121	41,057	48,886	56,715	42,494	50,597	58,700
122	43,110	51,331	59,551	44,619	53,128	61,635
123	45,265	53,897	62,529	46,849	55,783	64,718
124	47,528	56,592	65,655	49,191	58,573	67,953
125	49,905	59,421	68,937	51,652	61,501	71,350
126	52,401	62,393	72,385	54,235	64,577	74,918
127	55,020	65,512	76,003	56,946	67,805	78,663
128	57,772	68,788	79,803	59,794	71,196	82,596
129	60,660	72,227	83,794	62,783	74,755	86,727
130	63,693	75,838	87,983	65,922	78,492	91,062
131	66,878	79,630	92,382	69,219	82,417	95,615
132	70,221	83,611	97,001	72,679	86,537	100,396
133	73,733	87,792	101,851	76,314	90,865	105,416
134	77,420	92,182	106,944	80,130	95,408	110,687
135	81,290	96,790	112,291	84,135	100,178	116,221
136	85,355	101,630	117,905	88,342	105,187	122,032
137	89,623	106,711	123,800	92,760	110,446	128,133

2. Pay-For-Performance

Below Market Increases

Our Pay-For-Performance policy includes an additional increase for employees whose salary is below market range. The policy is to have an employee who starts at the entry level and who receives a GOOD evaluation move to market level within seven years. This works out to a 2.7 percent additional increase above the market increase which is 3.5 percent as proposed above. There are 28 employees currently below market. This year for illustration, a table (Table II) showing the Department Heads, Managers, and Supervisors is being provided which shows current salary, market status, market range, and the salary increases proposed assuming a score in the "good performance range."

TABLE II

Management Salary Increases
Proposed for Fiscal Year 2008

Title	Salary	Market Status	Market Range		
City Manager	106,555	Below	106,711	123,798	6.20%
Chief of Police	99,390	Market	92,183	106,944	3.50%
Public Services Manager	93,268	Market	92,183	106,944	3.50%
Public Utilities Manager	100,000	Market	92,183	106944	3.50%
Finance Director/Treasurer	91,460	Market	79,631	92,382	3.50%
Police Major	88,654	Above	72,227	83,792	2.75%
Information Technology Director	85,256	Market	83,611	96,999	3.50%
Senior City Administrator	83,471	Market	75,838	87,981	3.50%
Central Services Director	81,300	Below	83,611	96,999	6.20%
Inspections Director/Planner	77,709	Below	79,631	92,382	6.20%
Line Crew Superintendent	74,411	Above	59,422	68,937	2.75%
Parks and Recreation Director	70,643	Market	68,788	79,802	3.50%
Human Resources Director	70,301	Below	75,838	87,981	6.20%
Assistant Finance Director	open		67,572	80,121	
Water/Wastewater Manager	74,865	Below	75,838	87,981	6.20%
Superintendent of Grounds	63,511	Above	51,331	59,550	2.75%
Engineering Services and System Ops Supervisor	69,872	Above	59,422	68,937	2.75%
Library Director	open		56,592	65,654	
Public Works Operation Manager	59,353	Below	62,393	72,383	6.20%
Police Resources Manager	58,916	Below	59,422	68,937	6.20%
City Assessor	55,000	Market	53,897	62,527	3.50%
City Clerk	54,532	Market	53,897	62,527	3.50%
Customer Services Manager	53,494	Below	53,897	62,527	6.20%
Contract and Procurement Manager	56,029	Market	53,897	62,527	3.50%
Financial Reporting and Accounting Manager	58,600	Below	59,422	68,937	6.20%
Meter Crew Leader	57,927	Above	44,342	51,442	2.75%
Construction Manager	58,794	Market	51,331	59,550	3.50%
Construction Manager	59,509	Market	51,331	59,550	3.50%
Chief Building Inspector	51,368	Market	48,886	56,713	3.50%
Relay Crew Leader	open		44,342	51,442	
Water Production Supervisor	51,916	Market	46,559	54,014	3.50%

* Assuming a GOOD performance evaluation; actual increase may vary +/- two percent based on actual performance evaluation score.
** New hires or promotions that do not qualify for increases at this time
*** Reclassification also recommended for this position. See the Promotion/Reclassification table.

Performance Scores

The Pay-For-Performance policy uses a 0-50 weighted scoring system. This year's performance spread (shown in Table II) uses a 0.75 percent pay increase differential between performance grades except for employees who are paid above the maximum of their grade where a 0.50 percent is used. The score ranges encourage a more normal bell curve where more employees' scores are disbursed into both the higher range and the lower range and less concentrated in the two middle ranges.

Performance Scores

PFP Score		ADJUSTMENT		
From	**To**	**Employee Above Market**	**Employee At Market**	**Employee Below Market**
0	19	0	0	0
20	29	2.00%	2.50%	3.00%
30	35	2.50%	3.25%	4.25%
36	41	3.25%	4.00%	6.00%
42	50	4.00%	4.75%	6.50%

Note: Currently there are 28 non-bargaining employees below market, 40 at market, and 15 in above market. Only two non-bargaining employees are above maximum.

3. Proposed Promotions and Grade Recommendations

During the budget process, four requests to promote employees were received. Each of these involves creating a new title to better reflect their actual or proposed responsibilities and appropriate adjustment in salary. The Planning division is reclassifying the Senior Planner to Principal Planner ($12,175). The Information Technologies Department is promoting a LAN Analyst to Senior LAN Analyst ($7,047). The Central Services Division is reclassifying the Secretary II to an Administrative Assistant position ($22,2,070). The Electric Department is requesting than an Administrative Assistant be promoted to a new position of Department Budget and Staff Supervisor ($640). These positions are promoted based on actual duties being performed and to improve operating efficiencies.

4. New Positions Recommendations

Department	Position	Justification	Amount Budgeted
Tax Assessor	Residential Assessment Technician	This position will provide staffing to support reassessment and re-evaluation efforts in the Tax Office.	$42,830
Tax Assessor	Commercial Assessment Technician	This position will provide staffing to support reassessment and re-evaluation efforts in the Tax Office.	$61,564
Planning and Inspections	Inspector	Property Maintenance Inspector to increase the number of inspectors on the community enhancement team. Position will be funded with proposed increases in related inspection fees and will not be filled until the new fees are approved.	$45,341
Recreation	Center Coordinator	This position is requested to staff the John W. Pitts Recreation Center. This position will be responsible for the operation of the building and the staff for this facility. The Coordinator will supervise two part-time service center clerks and two part-time building supervisors that will be needed to operate the center.	$33,035
Information Technologies	LAN Technician	This position is requested to support the additional work load and to improve service. In the last six months IT has taken on the responsibility of the City's new telephone system. Also the number of PCs in the City has increased 40% from 153 (2001) to 218 (2007). This position will assist with support at the Police Department.	$48,756
Facilities Management	Custodian	This position is requested to staff the John W. Pitts Recreation Center. It will also be used throughout the City buildings as needed.	$24,579
Public Utilities Water/Wastewater Engineering & Inspections	Civil Engineer I	This engineer will provide much needed support to deal with water quality concerns, inflow/infiltration problems and other issues associated with aging infrastructure.	$79,396
Public Utilities Water/Wastewater Engineering & Inspections	GIS Technician	This position will allow the Water and Wastewater utilities to move forward with its GIS program to improve data collection and management methods, as well as, enhance mapping efforts and system tracking. Currently the program is on hold because it was supported by Engineers who are no longer able to support the function due to more critical duties.	$39,818
Public Utilities Water/ Wastewater Construction	Inspector	This position is requested to meet current work load. Increased construction volume has pushed the waiting time for requests from 24 hours to 72 hours.	$50,593
Public Utilities Water/ Wastewater Divisions	Water Service Worker	Currently there is only one service worker to accomplish all service work orders; including installing radio read meters and conducting hydrant flow testing. The department is falling behind in radio read replacement and hydrant testing due to the Brown Water Project. The addition of a second permanent full-time person will assist in the bringing these programs up to date.	$41,714
Public Utilities Water/ Wastewater Water Treatment	Operator	This position is requested to ensure the effective implementation of unidirectional flushing of the City's water system as a part of the Brown Water Project. This flushing is critical to resolving the City's water quality issues.	$43,104
Public Services Administration	Emergency Preparedness Staff	Necessary to manage the City's emergency preparedness functions and to maintain compliance with State and Federal Guidelines, so eligibility for grant revenues is maintained.	$67,089
Police Department	Sex Crimes Unit	This new unit will take over all sex offender management responsibilities and allow the Community Policing Unit to attend to community concerns and various programs. In addition, the SCU will become intimately familiar with all of the sex offenders that reside, work or study in the City. In the past few years the number of sex offender notifications has increased dramatically. This increase is due to more stringent laws and the Dover Police Department taking on a more active role in sex offender management. The department verifies sex offenders addresses annually for Tier I offenders, semi-annually for Tier II offenders and quarterly for Tier III (most severe) sex offenders.	$35,000

NON-BARGAINING SALARY, PROMOTIONS, AND STAFF ADDITION RECOMMENDATIONS

1. Market Increase Recommendations for Non-Bargaining Employees

The recommendation is that the Non-Bargaining salary pay grades be increased 3.25 percent based on movement in the labor market. This would mean that an employee whose salary is within the market range and whose performance is good would receive a 3.25 percent increase in salary. In making this recommendation, the following surveys of increases planned in the market were considered:

The Bureau of Labor Statistics (BLS) - Calculates the wages and salary component of the Employment Cost Index (ECI) increased 3.5% nationally.

The ICMA 2007 Survey and Annual Report - Annual report on Local Government Executive Salaries and Fringe Benefits with the majority of ranges increasing 1.77 percent. This is based upon the salaries for selected positions in the Mid-Atlantic and South-Atlantic regions.

The BNA Labor Report - Average wage increase reported in 2007 was 3.3 percent.

The FOP Bargaining Unit - Increase for FY 2009 is 4 percent.

The IUE-CWA Bargaining Unit – Increase for FY 2009 is 3.5 percent.

The IBEW Bargaining Unit – Increase for FY 2009 is 3.5 percent.

Table 1 on the following page shows the revised pay grades based on a 3.25 percent increase.

Table I

City of Dover Pay Plans

There is an increase of 3.25 percent from CURRENT to PROPOSED

	CURRENT			PROPOSED		
Grade	**Below Market**	**At Market**	**Above Market**	**Below Market**	**At Market**	**Above Market**
101	16,016	19,070	22,124	16,537	19,690	22,843
102	16,816	20,023	23,231	17,363	20,674	23,986
103	17,657	21,025	24,393	18,231	21,708	25,186
104	18,540	22,077	25,612	19,143	22,795	26,444
105	19,466	23,180	26,892	20,099	23,933	27,766
106	20,440	24,339	28,237	21,104	25,130	29,155
107	21,463	25,556	29,649	22,161	26,387	30,613
108	22,535	26,833	31,132	23,267	27,705	32,144
109	23,662	28,175	32,687	24,431	29,091	33,749
110	24,846	29,584	34,323	25,653	30,545	35,438
111	26,088	31,063	36,039	26,936	32,073	37,210
112	27,392	32,616	37,840	28,282	33,676	39,070
113	28,762	34,246	39,732	29,697	35,359	41,023
114	30,200	35,959	41,718	31,182	37,128	43,074
115	31,709	37,757	43,803	32,740	38,984	45,227
116	33,295	39,645	45,993	34,377	40,933	47,488
117	34,959	41,627	48,293	36,095	42,980	49,863
118	36,708	43,708	50,708	37,901	45,129	52,356
119	38,542	45,893	53,242	39,795	47,385	54,972
120	40,471	48,188	55,906	41,786	49,754	57,723
121	42,494	50,597	58,700	43,875	52,241	60,608
122	44,619	53,128	61,635	46,069	54,855	63,638
123	46,849	55,783	64,718	48,372	57,596	66,821
124	49,191	58,573	67,953	50,790	60,477	70,161
125	51,652	61,501	71,350	53,331	63,500	73,669
126	54,235	64,577	74,918	55,998	66,676	77,353
127	56,949	67,805	78,663	58,800	70,009	81,220
128	59,794	71,196	82,596	61,737	73,510	85,280
129	62,783	74,755	86,727	64,823	77,185	89,546
130	65,922	78,492	91,062	68,064	81,043	94,022
131	69,219	82,417	95,615	71,469	85,096	98,722
132	72,679	86,537	100,396	75,041	89,349	103,659
133	76,314	90,865	105,416	78,794	93,818	108,842
134	80,130	95,408	110,687	82,734	98,509	114,284
135	84,135	100,178	116,221	86,869	103,434	119,998
136	88,342	105,187	122,032	91,213	108,606	125,998

2. **Pay-For-Performance**

Below Market Increases

Our Pay-For-Performance policy includes an additional increase for employees whose salary is below market range. The policy is to have an employee who starts at the entry level and who receives a GOOD evaluation move to market level in within seven years. This works out to a 2.7 percent additional increase above the market increase which is 3.25 percent as proposed above. There are 26 employees currently below market. This year for illustration, a table (Table II) showing the Department Heads, Managers, and Supervisors is being provided which shows current salary, market status, market range, and the salary increases proposed assuming a score in the "good performance range."

TABLE II

Management Salary Increases Proposed for Fiscal Year 2009

Title	Salary	Market Status	Market Range FY 08 Rates		*Percent Increase
Meter Crew Leader	59,810	Above	45,783	53,114	2.50%
Substation Relay Foreman	55,000	Above	45,783	53,114	2.50%
***Water Production Supervisor	53,992	Market	48,072	55,769	3.25%
Water/Wastewater Manager	49,672	Market	48,072	55,769	3.25%
Chief Building Inspector	open	-	50,475	58,556	-
Superintendent of Grounds	65,535	Above	52,999	61,485	2.50%
Construction Manager	62,336	Above	52,999	61,485	2.50%
City Assessor	open	-	55,649	64,559	-
City Clerk	59,693	Market	55,649	64,559	3.25%
Customer Services Manager	56,703	Market	55,649	64,559	3.25%
Contract and Procurement Manager	58,690	Market	55,649	64,559	3.25%
Library Director	open	-	58,431	67,788	-
Line Crew Superintendent	76,829	Above	61,353	71,177	2.50%
Engineering Services and System Ops Supervisor	72,143	Above	61,353	71,177	2.50%
Police Resources Manager	62,451	Market	61,353	71,177	3.25%
Financial Reporting and Accounting Manager	62,116	Market	61,353	71,177	3.25%
Public Works Operation Manager	61,875	Below	64,421	74,735	5.95%
Assistant Finance Director	71,000	Market	69,768	82,725	3.25%
Parks and Recreation Director	72,939	Market	71,024	82,396	3.25%
Police Major	92,200	Above	74,574	86,515	2.50%
Senior City Administrator	86,809	Market	78,303	90,840	3.25%
**Human Resources Director	73,861	Below	78,303	90,840	5.95%
**Controller/Treasurer	113,229	Above	82,219	95,384	2.50%
Inspections Director/Planner	82,371	Market	82,219	95,384	3.25%
Information Technology Director	88,666	Market	86,328	100,151	3.25%
Central Services Director	86,103	Below	86,328	100,151	5.95%
Chief of Police	104,111	Market	95,179	110,420	3.25%
Public Services Manager	100,635	Market	95,179	110,420	3.25%
Public Utilities Manager	104,000	Market	95,179	110,420	3.25%
City Manager	112,948	Market	110,179	127,821	3.25%

* Assuming a GOOD performance evaluation; actual increase may vary +/- two percent based on actual performance evaluation score.

** New hires or promotions that do not qualify for increases at this time/In accordance with the PFP policy these staff are given increases at their first annual review after hire or promotion.

*** Reclassification also recommended for this position. See the Promotion/Reclassification table.

Performance Scores

The Pay-For-Performance policy uses a 0-50 weighted scoring system. This year's performance spread (shown in Table III) uses a 0.75 percent pay increase differential between performance grades except for employees who are paid above the maximum of their grade and employees paid above market. The score ranges encourage a more normal bell curve where more employees' scores are disbursed into both the higher range and the lower range and less concentrated in the two middle ranges.

Table III
Performance Scores

PFP SCORE		ADJUSTMENT			
From	To	Employee Above Maximum	Employee Above Market	Employee At Market	Employee Below Market
0	19	0	0	0	0
20	29	0	2.00%	2.50%	3.00%
30	35	2.00%	2.50%	3.25%	4.25%
36	41	2.75%	3.25%	4.00%	6.00%
42	50	3.50%	4.00%	4.75%	6.50%

Note: Currently there are 26 non-bargaining employees below market, 40 at market, and 17 in above market. Only one non-bargaining employees is above maximum.

3. New Positions Recommendations

During the budget process, the City Manager received twelve (12) requests for new positions. While originally supporting six (6), due to budget constraints none were approved for inclusion in the budget. There are three new positions for the newly formed Economic Development Division; however these positions were outside of the departmental request process. One of those three positions currently exists in the Main Street budget and will be transferred to the City. The new positions are summarized in the table below.

Department	Position	Justification	Amount Budgeted
Economic Development	Main Street Manager	Coordination of City's economic development efforts. Existing position from existing Main Street budget.	$71,642
Economic Development	Marketing Professional	Coordination of City's economic development efforts	$83,853
Economic Development	Administrative Assistant	Coordination of City's economic development efforts	$61,853

4. Reclassification/Upgrades Proposed for Non-Bargaining

Eight requests for reclassifications/re-gradings and promotions of non-bargaining positions were reviewed. Seven were included in the budget. Some involved creating a new position title, some involved creating a career ladder and some involved increasing the labor grade of a current position as a result of increased responsibilities.

The Library division of Parks and Recreation is recommending that the Office Assistant II be reclassified to Administrative Assistant.

The budget includes two reclassifications for the Public Services Group and a creation of a career ladder for Planners. The recommendations for reclassifications are GIS Coordinator to GIS Manager and Weed and Seed Coordinator to Community Prevention Manager. The creation of a career ladder among the planning staff is desired. This ladder is being developed for acknowledgement of obtainment of professional certifications. The ladder is being suggested for recruitment and retention, and is similar to the State of Delaware's career ladder for Planners.

The Public Utilities department is recommending the Water Production Supervisor be re-graded however retain the same job title.

The changes are summarized in the following table.

Department	Position	Justification	Amount Budgeted
Library	Secretary II to Administrative Assistant	Performing Administrative Assistant duties	$2,605
Public Services Admin	GIS Coordinator to GIS Manager	Additional responsibilities as the function expands and grows	$3,068
Public Services Planning	Weed & Seed Coordinator to Community Prevention Manager	Reclassified to fit actual duties being performed.	$744
Public Services Planning	Planner I	Creates a progressive career path for Planners	N/A
Public Services Planning	Senior Planner	Creates a progressive career path for Planners	N/A
Public Services Planning	Planner to Planner II	Creates a progressive career path for Planners	$2,303
Public Utilities Water Treatment	Water Production Supervisor Re-grading	Reclassified to fit actual duties being performed	$3,338

5. Reclassification Re-grading of Bargaining Positions

These positions were reviewed with the IUE Union and department heads outside of negotiations. The union, as well as, the City reviewed the positions for consideration. These changes are supported by management.

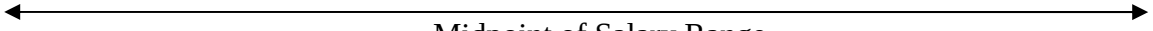
The changes are summarized in the table below.

Department	Position	Justification	Amount Budgeted
Police	Communications Operators	Re-grading 11 from a grade 17 to 18	$30,261
Police	Animal Control Officer	Re-grade one from a grade 11 to 12	$1,909
Central Services	Mechanic I to Mechanic II	Re-grade one from grade 15 to 19	$10,468
Central Services	Courier to Central Mailroom Clerk	Re-grade one from grade 12 to 13	$1,747
Central Services	Storekeeper I	Re-grade two from grade 12 to 13	$3,454
Central Services	Storekeeper II	Re-grade one from grade 14 to 15	$2,198

Exhibit 7: MAG Study Recommendation/Explanation of Awarding Salary Increases

MAG's recommendation eliminates the below, at and above market reference. Pay increases would be awarded based upon the mid-point of the salary range of the position the employee occupies and the employee's performance rather than the employee's placement within the salary range and performance. As a result, assuming employees performance is at the same level, employees at the beginning of the scale would receive a larger percentage increase in proportion to their salary. As the employee's salary moves along the salary range, the mid-point increase would reflect a smaller and smaller increase.

Example #1:



Midpoint of Salary Range

$10,000 $20,000 $30,000

PFP Score	Rating	Adjustment as a % of Midpoint*	Dollar Amount of Increase
0-19	Unsatisfactory	0	0
20-29	Needs Improvement	2%	$400 ($20,000 * 2%)
30-35	Good (Meets Expectations)	3%	$600 ($20,000 * 3%)
36-41	Commendable	4%	$800 ($20,000 * 4%)
42-50	Outstanding (Results Rarely Achieved by Others)	5%	$1,000 ($20,000 * 5%)

Reference page 5-5 of MAG study

*Percentages are determined by City during the budget process

Additional Examples on Page 2 and 3

Example #2:
Computer Operator and GIS Technician are both grade 113. Each has the same midpoint value ($36,989). If a Computer Operator produces a higher performance evaluation score than the GIS Technician, then the Computer Operator would receive a higher adjustment. If the performance evaluation score translates into a 4% adjustment (see table in Example #1) for the Computer Operator, the dollar value of the increase would be $1,479.56. If the GIS Technician's performance evaluation translates into a 3% adjustment (see table in Example #2), the dollar value of the increase would be $1,109.67. If their scores are in the same range, they would both receive the same dollar value of adjustment; however the percentage in relation to their current salary would differ. To clarify, if the Computer Operator's salary is $30,000, the $1,479.56 is really a 4.9% increase. If the GIS Technician's salary is $40,000, an increase of $1,109.67 is really a 2.8% increase. This type of movement allows the employee's at the lower end of the scale to move closer to mid-point, while maintaining others at mid-point unless their performance is stellar.

Position	Salary	Increase of Midpoint	Dollar Value of Increase	True Percentage Increase
Computer Operator	$30,000	4%	$1,479.56	4.9%
GIS Technician	$40,000	3%	$1,109.67	2.8%

Midpoint of Salary Range

$28,762 $36,989 $45,215

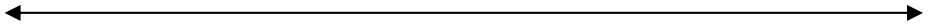
Computer Operator
$30,000
$1,479.56 (4% of midpoint)
$1,479.56/$30,000 = 4.9% increase

GIS Technician
$40,000
$1,109.67 (3% of midpoint)
$1,109.67/$40,000=2.8% increase

Additional Example on Page 3

Exhibit 7: MAG Study Recommendation/Explanation of Awarding Salary Increases

Example #3: Reference page 5-4 of MAG study
According to MAG's recommendation #21 page 6-5 on the report, the City should consider providing any amount above the maximum of the range in a one-time lump-sum payment that does not roll into the base salary. The city is also recommending that the city reserves the right not to award any pay increase for employee's whose salary is over the maximum of the range.



Midpoint of Salary Range

$28,762 $36,989 $45,215

GIS Technician
$48,000
$1,109.67 (3% of midpoint)
No increase or a lump-sum payment
of $1,109.67 that does not roll into base

Exhibit 8: After 10/7/09 Meeting with Department Heads Recommendation for Awarding PFP Salary Increases

The Department Heads suggest using the CPI-U (or a cap of the highest percentage increase in any one of the collective bargaining agreements) plus one percent for a performance increase. The overall budget for non-bargaining pay increases would not exceed this amount. Actual pay increases would be based on mid-point salary and performance scores.

The following is an example of how this would work.

Assuming the current collective bargaining agreement with the FOP is the highest bargaining contract increase and is greater than the inflation rate. Next year's calculation would be based on 1.5 percent plus one percent or 2.5 percent of current non-bargaining salaries. When we calculated this with current aggregate non-bargaining salaries the amount would be $133,484. This number would not be exceeded in the aggregate.

We then applied the 2.5 percentage to the same individuals using the mid-point plus performance scores. Applying the following percentages to the midpoint salaries based on scoring yielded $125,070. This calculation used the following percent increases: outstanding scores = 3.5 percent; commendable scores = 2.5 percent; good scores = 1.5 percent; needs improvement scores = 1 percent and unsatisfactory scores = zero. Performance scores used in this calculation were based on 2007-2009 actual performance scores.

The difference between the budget calculation and the actual performance calculations is $8,414 and could be used for personnel status changes which may occur from January to June. These changes could be annual review increases occurring after January, or differences in projected pay for performance scoring versus actual scoring.

Actual raises will be such that individuals with the same performance rating will get the same percentage increases to their respective grade midpoint.

Open Positions
Prepared by Kim Hawkins, Human Resources Director
January 4, 2010

					Column 1	Column 2	Column 3	Column 4	Column 5
	Open since:	**Person Who Occupied Position**	**Department**	**Open Positions**	**FY10 Budgeted Salary**	**FY10 Budgeted Benefits**	**FY 10 Budgeted Terminal Leave**	**YTD Salary Expense for FY 10**	**YTD Benefit Expense for FY10**
*1	10/29/2008	Tom Keiper	Central Service	Custodian	0	0			
		Temporary Employee filling position			23,699	2,775		9,348	1,095
2	11/17/2008	Joe Heeger	Water	Water/Wastewater Project Supervisor	0	0			
3	12/31/2008	Melissa Jones	Library	Library Clerk 1	0	0			
*4	1/1/2008	Joan Stover	Librarian II	Library	40,582	30,133			
5	2/3/2009	Natalie Cofone	Customer Service	Billing Supervisor	0	0			
6	2/19/2009	Ryan Hall	Electric	Groundworker II	37,897	30,371			
7	3/7/2009	Bill Hughes	Electric	Lineman 1st Class	0	0			
*8	3/13/2009	Carter Knotts	Fire	Fire Dispatcher	44,488	30,443	1,024	8,296	3,080
9	3/31/2009	Joan Stover	Library	Assistant Library Director	58,159	30,371	6,692	9,057	3,796
*10	5/4/2009	Sandy Smetana	Police		126,922	0		18,439	5,855
11	6/6/2009	Kevin Roe	Sanitation	MEO III	40,901	36,399	12,550	13,304	23,982
12	7/8/2009	JR Oman	Wastewater	Utility Maintenance Mechanic II	44,593	26,703		18,265	3,144
*13	7/10/2009	Aaron Officer	IT	Programmer/Analyst	46,705	19,981		4,108	1,696
*14	7/11/2009	Ray Reed	Police					54,837	6,778
15	7/13/2009	Jeff McCarthy	Electric	Meter Tech 1	44,342	32,733		1,697	626
16	8/4/2009	Linda Calvert	Central Services	Storekeeper/Buyer 1	30,535	19,957		4,128	2,556
*17	8/11/2009	Benjamin Marvel	Police	Police Corporal				1,330	1,129
*18	8/31/2009	Diane Faircloth	Library	Library Clerk II	36,437	19,700		20,763	10,544
19	9/17/2009	Richard Abbott	Water	MEO III	40,901	33,868	7,580	2,579	4,606
20	9/23/2009	Rhonda Walker	Human Resources	Human Resources Specialist	31,026	28,454		9,354	4,805
21	9/24/2009	Earl Hayes	PU-Water Construction	Crew Leader	44,488	14,959		12,332	4,478
*22	9/25/2009	Jim Baynard	Public Utilities	Utility Locator	42,549	32,954	23,544	25,722	7,440
*23	10/15/2009	Jeff Hurley	Public Works	MEO III	40,901	30,428	17,257	22,132	11,874
*24	12/15/2009	Lorri Moore	IT	LAN Analyst	53,003	34,947	15,247	27,630	14,384
					$828,127	$455,174	$83,895	$263,319	$111,868
		figures will increase each month							

Column 1	$828,127
Column 2	455,174
Column 3	83,895
Column 4	(263,319)
Column 5	(111,868)
Net savings	$992,009

Note Exceptions on page 2

Exceptions: Please see page 2 to cross reference the numbers (*1, *4, *8, etc.)

Open Positions
Prepared by Kim Hawkins, Human Resources Director
January 4, 2010

Please note, the previous reports included the OPEB benefit. This benefit/expense was removed from the budget. This report accurately reflects the decrease in benefit. In addition, two figures have been updated accordingly.

*1 Tom Keiper, Custodian
This position is currently filled with a temporary employee. Her salary should increase each month.

*4 Joan Stover, Librarian II
This position became vacant when Joan was promoted to Assistant Library Director. It is currently being recruited.

***8** Carter Knott, Fire Dispatcher
While the position title indicates Fire Dispatcher the primary responsibility of the position is to be the administrative assistant to the Fire Chief. The Fire Chief and I have reviewed the position to expand upon the duties to include supervisory responsibility of the other Fire Dispatchers. The title of the position would also be changed to reflect any additional responsibilities. While there are current budget savings, those savings would be influenced based upon a possible recruitment process.

***10** Sandy Smetana, Police Officer
This is an excellent example in which the exact savings are not calculated. As senior ranking officers retire or resign lower ranking officers are promoted. This specific cost was not determined. The $126,922 represents the value of not replacing three officers at the Patrol Officer Level.

***13** Aaron Officer, Programmer/Analyst
Some of the budget savings are being used for contractor services. The contractor performs services that the Programmer/Analyst was performing. For example, a contractor was required to assist with a programming issue with the CIP software that is located on the City's intranet.

*__14__ Ray Reed, Police Officer
Please reference *10 above.

***17** Benjamin Marvel, Police Officer
Please reference *10 above.

***18** Diane Faircloth, Library Clerk II
Diane is currently on terminal leave. Her salary and benefits expense will continue to increase until the conclusion of her terminal leave. Her terminal leave will end in May 2010.

***22** Jim Baynard, Utility Locator III
The locating responsibility has been outsourced to an independent contractor.

***23** Jeff Hurley, MEO III, Streets
Jeff is currently on terminal leave until January 4, 2010. His salary and benefits expense will continue to increase until the conclusion of his terminal leave.

***24** Lorri Moore, LAN Analyst
Lorri is currently on terminal leave until January 4, 2010. Her salary and benefits expense will continue to increase until the conclusion of her terminal leave.

		November Hours		% Chg	November Expense $		YTD Hours		% Chg	YTD Expense $		Budget $	41.00% % of Budget	Budget $	41.00% % of Budget	Difference
	Department	FY09	FY 10				FY09	FY 10		FY09	FY 10	FY09	FY09	FY 10	FY 10	09 vs 10
514	Fire	117.0	163.0	39.3%	3,327.22	4,649.19	413.0	690.0	67.1%	11,748.50	19,463.35	35,000	33.57%	46,188	42.14%	8.57%
518	HR			0.0%						180.99		1,000	18.10%	-	0.00%	-18.10%
522	Grounds	82.5	80.0	-3.0%	1,967.30	2,168.73	388.8	313.5	-19.4%	9,499.60	7,817.75	15,000	63.33%	15,000	52.12%	-11.21%
523	Library	16.0		-100.0%	442.56		16.0		-100.0%	442.56		4,774	9.27%	-		-9.27%
526	Systems Oper	40.0	82.5	106.3%	1,643.29	3,459.48	692.0	716.0	3.5%	28,351.59	30,552.45	60,000	47.25%	61,350	49.80%	2.55%
533	Planning	10.0	6.0	-40.0%	300.50	186.62	38.5	45.5	18.2%	1,156.95	1,415.19	2,745	42.15%	3,606	39.25%	-2.90%
534	Inspections			0.0%			0.5		-100.0%	16.26		1,500	1.08%	2,500	0.00%	-1.08%
542	Police - Civilian	53.0	22.0	-58.5%	1,463.91	657.87	371.5	153.0	-58.8%	11,128.49	4,692.19	50,000	22.26%	50,000	9.38%	-12.87%
543	Police	197.0	185.5	-5.8%	8,770.34	8,450.24	2,477.0	909.0	-63.3%	107,543.99	40,113.40	426,168	25.24%	459,946	8.72%	-16.51%
551	PW Admin			0.0%					0.0%					500	0.00%	0.00%
552	Facilities management			0.0%			4.0	1.5	-62.5%	129.08	37.67	500	25.82%	300	12.56%	-13.26%
553	Engineering	9.5	9.5	0.0%	337.44	345.27	45.0	32.5	-27.8%	1,519.02	1,170.57	3,000	50.63%	3,120	37.52%	-13.12%
554	Streets	39.5		-100.0%	1,024.44		77.5	19.0	-75.5%	2,109.84	638.97	11,700	18.03%	13,200	4.84%	-13.19%
555	Sanitation	58.5	23.0	-60.7%	1,441.23	606.46	199.5	117.5	-41.1%	4,970.03	3,047.94	21,800	22.80%	18,000	16.93%	-5.87%
556	Construction	9.0	18.5	105.6%	258.57	497.75	39.5	63.0	59.5%	1,018.18	1,695.93	7,000	14.55%	5,000	33.92%	19.37%
562	T & D	162.5	79.5	-51.1%	7,631.22	3,686.01	1,130.0	794.0	-29.7%	49,920.74	36,858.57	1,055,660	4.73%	110,074	33.49%	28.76%
563	Engineering - Electric	79.5	10.5	-86.8%	3,123.24	460.90	764.5	65.0	-91.5%	29,299.46	2,664.49	45,500	64.39%	47,320	5.63%	-58.76%
564	PU Admin			0.0%					0.0%							
565	Electric Metering	11.5	37.0	221.7%	355.58	1,149.84	121.5	170.0	39.9%	3,704.26	5,454.12	8,018	46.20%	12,100	45.08%	-1.12%
566	Metering	4.0	30.5	662.5%	117.52	925.05	55.5	75.0	35.1%	1,595.94	2,239.55	2,021	78.97%	2,603	86.04%	7.07%
568	Water/Wastewater	74.5	49.0	-34.2%	1,864.90	1,243.62	435.0	225.5	-48.2%	10,486.44	6,167.59	7,750	135.31%	7,000	88.11%	-47.20%
569	Water/Wastewater	12.0	18.5	54.2%	322.44	526.85	94.5	96.0	1.6%	2,910.43	2,916.76	23,950	12.15%	27,000	10.80%	-1.35%
571	Central Services	2.0		-100.0%	49.84		6.0	2.0	-66.7%	155.22	46.74	1,000	15.52%	-		-15.52%
572	Vehicle Maintancnce			0.0%					0.0%			1,900	0.00%	1,500	0.00%	0.00%
576	Wate Treatment Plant	32.0	16.0	-50.0%	909.60	457.08	141.0	80.0	-43.3%	3,983.42	2,094.00	7,000	56.91%	25,880	8.09%	-48.81%
596	Community Block Grant			0.0%					0.0%							
531	Life Safety	7.5	24.0	220.0%	269.24	825.62	117.8	105.5	-10.4%	3,943.70	3,297.12	12,000	32.86%	13,000	25.36%	-7.50%
532	Code Enforcement		11.0	0.0%		295.54	12.5	18.5	48.0%	305.06	518.14	934	32.66%	4,702	11.02%	-21.64%

MEMORANDUM

TO: Tony DePrima, City Manager

FROM: Kim Hawkins, Human Resources Director

DATE: December 22, 2009

SUBJECT: November Furlough Summary

Attached please find the November Furlough Summary. Indicated below are the exceptions with an explanation. The exceptions are indicated in yellow on the summary document. All of the recording errors noted on the October summary have been corrected.

Recording errors that will be corrected in December:

Public Utilities	Grounds
Robert Carson	Michael Hand
John Durk	James Lewis

Employees who took more than the required furlough:

Police

Michael Wisniewski (12 hours verse 8 hours)

If you have any questions regarding the report please feel free to contact me.

NOVEMBER
FURLOUGH LEAVE SUMMARY

Department	Last Name	First Name	July	August	September	October	November
CITY CLERK	CLENDANIEL	AMBER	LWOP -Maternity				
CITY CLERK	MCDOWELL	TRACI	8		8	8	8
CITY CLERK	ROLLISON	REBECCA	8		8	8	8
CITY CLERK	STEIN	JODY	8		8	8	8
TOTAL CITY CLERK			**24**		**24**	**24**	**24**
TAX ASSESSOR	HART	ANNETTE	8		8	8	8
TAX ASSESSOR	KEENER	JAMES	8		8	8	8
TAX ASSESSOR	RUSSELL	CHERYL	8		8	8	8
TOTAL TAX ASSESSOR			**24**		**24**	**24**	**24**
GROUNDS	COOPER	WILLIAM	8		8	8	8
GROUNDS	FARROW	NATHAN	8		8	8	8
GROUNDS	HAND	MICHAEL	8		8	8	4
GROUNDS	HOEFLICH	ROBERT	8		8	8	8
GROUNDS	KOHOUT	CHRIS	8		8	8	8
GROUNDS	LAWSON	CYNTHIA	8		8	8	8
GROUNDS	LEFORT	WAYNE	8		8	8	8
GROUNDS	LEWIS JR	JAMES	8		8	8	12
GROUNDS	MCILVAIN JR	ALLEN	8		8	8	8
GROUNDS	MORGAN SR	DAVID	8		8	8	8
GROUNDS	MORRIS	CHRISTOPHER	8		8	8	8
GROUNDS	RABENOLDCONNELLY	ALICIA	8		8	8	8
GROUNDS	STRAUSS	TIFFANY	LWOP - Maternity		8	8	8
GROUNDS	VANVLECK	KEITH	8		8	8	8
GROUNDS	WALKER	KERRY	8		8	8	8
GROUNDS	WELCH	TIMOTHY	8		8	8	8
TOTAL GROUNDS			**120**		**128**	**128**	**128**
LIBRARY	ALLEN	BRIAN	4		4	4	4
LIBRARY	AVERY	AUDREY	8		8	8	8
LIBRARY	BIDDLE	BRENDA	8		8	8	8
LIBRARY	BURTON	JOANNE	8		7	9	8
LIBRARY	COCKEL	SUSAN	4		4	4	4
LIBRARY	CYR	MARGERY	8		8	8	8
LIBRARY	DEMARCO	KAREN	8		8	8	8
LIBRARY	FARLING	MONICA	4		4	4	4
LIBRARY	GIGLIO	DAVID	8		8	8	8
LIBRARY	GOULET	LEIGH	4		4	4	4
LIBRARY	HIGDON	DOUGLAS	4		4	4	4
LIBRARY	JACOB-BUNCE	MARIA	4		4	4	4
LIBRARY	LAUER	JANICE	2		6	4	4
LIBRARY	LONG	JOYCE	8		8	8	8
LIBRARY	LOPEZ	DANIEL	4		4	4	4
LIBRARY	MCCABE	JACQUELINE	4		4	4	4
LIBRARY	NESBIT	WANDA	8		8	8	8
LIBRARY	PARSON	VINCE	4		4	4	4

NOVEMBER
FURLOUGH LEAVE SUMMARY

Department	Last Name	First Name	July	August	September	October	November
LIBRARY	RAY	SUSAN	8		8	8	8
LIBRARY	RIDGEWAY	E. DIANNE	8		8	8	8
LIBRARY	ROBERSON	DENISE	4		4.5	3.5	4
TOTAL LIBRARY			**122**		**125.5**	**124.5**	**124**
RECREATION	BYRNES	KATIE	4		4	4	4
RECREATION	CARTER	ZACHERY	8		8	8	8
RECREATION	COURTNEY	CAROLYN	8		8	8	8
RECREATION	DEE	HOLLY			start date 9/21	4	4
RECREATION	DICKERSON	CONSTANCE	4		4	4	4
RECREATION	O'BRIEN	PEGGY	8		8	8	8
RECREATION	PICKERING	STEVEN	8		8	8	8
RECREATION	RACHAL	SHERWANDA	8		8	8	8
RECREATION	VOSHELL	HAROLD	8		8	8	8
RECREATION	WEBB	AMY	4		4	4	4
TOTAL RECREATION			**60**		**60**	**64**	**64**
INSPECTIONS - LIFE SAFETY	GONZALEZ	SAMUEL	8		8	8	8
INSPECTIONS - LIFE SAFETY	HUTCHISON	WAYNE	8		8	8	8
INSPECTIONS - LIFE SAFETY	MULLANEY	TIMOTHY	8		8	8	8
INSPECTIONS - LIFE SAFETY	TRUAX	DAVID	8		8	8	8
TOTAL LIFE SAFETY			**32**		**32**	**32**	**32**
INSPECTIONS -PROPERTY	COBURN JR	RONALD	8		8	8	8
INSPECTIONS -PROPERTY	GRAVES, JR.	EDWARD	8	8	0	8	8
INSPECTIONS -PROPERTY	MCGINNIS	DAVID	8		8	8	8
INSPECTIONS -PROPERTY	SPEICHER JR	RANDALL	8		8	8	8
INSPECTIONS -PROPERTY	TARAILA	TIMOTHY	8		8	8	8
TOTAL PROPERTY			**40**		**32**	**40**	**40**
PLANNING	ALBERT	MICHAEL	8		8	8	8
PLANNING	CORNWELL	JANELLE	8		8	8	8
PLANNING	MELSON-WILLIAMS	DAWN	8		8	8	8
PLANNING	METSCH	DIANE	8		8	8	8
PLANNING	TOWNSHEND	ANN MARIE	8		8	8	8
TOTAL PLANNING			**40**		**40**	**40**	**40**
INSPECTIONS -CONSTRUCTION	AKERS	GREGORY	8		8	8	8
INSPECTIONS -CONSTRUCTION	JESTER	KRISTEN	8		8	8	8
INSPECTIONS -CONSTRUCTION	MARTIN	EDWARD	8		8	8	8
INSPECTIONS -CONSTRUCTION	MCGREGOR	MICHAEL	8		8	8	8
INSPECTIONS -CONSTRUCTION	PURNELL	MARETTA	8		8	8	8
INSPECTIONS -CONSTRUCTION	ROCKEY	JUDITH	8		8	8	8
INSPECTIONS -CONSTRUCTION	SCOTT	CHRISTOPHER	8		8	8	8
TOTAL INSPECTION- CONSTRUCTION			**56**		**56**	**56**	**56**
ECONOMIC DEVELOPMENT OFFICE	JACKSON	BEVERLY	8		8	8	8
ECONOMIC DEVELOPMENT OFFICE	NEATON	WILLIAM	8		8	8	8

NOVEMBER
FURLOUGH LEAVE SUMMARY

Department	Last Name	First Name	July	August	September	October	November
ECONOMIC DEVELOPMENT OFFICE	PEREZ	CARLOS	8		8	8	8
TOTAL ECONOMIC DEVELOPMENT			**24**		**24**	**24**	**24**
POLICE - CIVILIAN	ADKINS	ROBIN	8		8	8	8
POLICE - CIVILIAN	BOYER SR	JOHN	8		8	8	8
POLICE - CIVILIAN	COOKSON	PAUL	8		8	8	8
POLICE - CIVILIAN	FRAZIER	NANCY	8		8	8	8
POLICE - CIVILIAN	GLENN	DIANE	8		8	8	8
POLICE - CIVILIAN	HODGES	VICKY	8		8	8	8
POLICE - CIVILIAN	HOFFER	LISA	8		32	0	0
POLICE - CIVILIAN	HUDSON	KAREN	8		8	8	8
POLICE - CIVILIAN	HUTCHINS	CHARLES	8		8	8	8
POLICE - CIVILIAN	KOBER	CHRISTINA	8		8	8	8
POLICE - CIVILIAN	MILLS	DONNA	8		8	8	8
POLICE - CIVILIAN	MOORE	MARK	8		8	8	8
POLICE - CIVILIAN	MUTTER	TIMOTHY	8		8	8	8
POLICE - CIVILIAN	NEYLAN	ROBERT	8		8	8	8
POLICE - CIVILIAN	NORTHAM	RENEE	8		8	8	8
POLICE - CIVILIAN	PARSONS	ELIZABETH	8		8	8	8
POLICE - CIVILIAN	VIRDIN	PATRICIA	8		8	8	8
POLICE - CIVILIAN	WALKER	SHARON	8		8	8	8
TOTAL POLICE-CIVILIAN			**144**		**168**	**136**	**136**
POLICE - LAW ENFORCEMENT	ALLEN	BRIAN			8	8	8
POLICE - LAW ENFORCEMENT	BALKE	KENNETH			8	8	8
POLICE - LAW ENFORCEMENT	BARRETT	ROBERT			8	8	8
POLICE - LAW ENFORCEMENT	BAUER	JOSEPH			8	8	8
POLICE - LAW ENFORCEMENT	BERNAT	PAUL			8	8	8
POLICE - LAW ENFORCEMENT	BERNAT	CHAD			8	8	8
POLICE - LAW ENFORCEMENT	BOESENBERG	JOSHUA			8	8	8
POLICE - LAW ENFORCEMENT	BONEY	DAVID			8	8	8
POLICE - LAW ENFORCEMENT	BUMGARNER	CHRISTOPHER			8	8	8
POLICE - LAW ENFORCEMENT	BURNS	KELLI			8	8	8
POLICE - LAW ENFORCEMENT	CASE	TODD			8	8	8
POLICE - LAW ENFORCEMENT	CHANDLER	LANCE			8	8	8
POLICE - LAW ENFORCEMENT	COUNSELMAN	BENTON			8	8	8
POLICE - LAW ENFORCEMENT	DAVIS	AARON			8	8	8
POLICE - LAW ENFORCEMENT	DAVIS	JEFFREY			8	8	8
POLICE - LAW ENFORCEMENT	DICKINSON	AARON			8	8	8
POLICE - LAW ENFORCEMENT	DIGIROLOMO	ANTHONY			8	8	8
POLICE - LAW ENFORCEMENT	FIGUEROA	CLIFF			8	8	8
POLICE - LAW ENFORCEMENT	FIORAVANITI	BERNARDO			8	8	8
POLICE - LAW ENFORCEMENT	FORTNEY	JACK			8	8	8
POLICE - LAW ENFORCEMENT	GEDNEY	BRIAN			8	8	8
POLICE - LAW ENFORCEMENT	GETEK	STEVEN			8	8	8
POLICE - LAW ENFORCEMENT	GIST	DAVID			8	8	8
POLICE - LAW ENFORCEMENT	GOTT	JEFFREY			8	8	8
POLICE - LAW ENFORCEMENT	GRAY	MARC			8	8	8

NOVEMBER
FURLOUGH LEAVE SUMMARY

Department	Last Name	First Name	July	August	September	October	November
POLICE - LAW ENFORCEMENT	GUITERAS	MARK		[redacted]	8	8	8
POLICE - LAW ENFORCEMENT	HANNON	THOMAS			8	8	8
POLICE - LAW ENFORCEMENT	HARMON	MATTHEW			8	8	8
POLICE - LAW ENFORCEMENT	HARRINGTON	SHAWN			8	8	8
POLICE - LAW ENFORCEMENT	HERMANCE	CHRISTOPHER			8	8	8
POLICE - LAW ENFORCEMENT	HESTER	EDWARD			8	8	8
POLICE - LAW ENFORCEMENT	HOFFMAN	MARK			8	8	8
POLICE - LAW ENFORCEMENT	HOPKINS	GREGORY			8	8	8
POLICE - LAW ENFORCEMENT	HORVATH	JEFFREY	8		4	12	8
POLICE - LAW ENFORCEMENT	HOSFELT	JAMES			8	8	8
POLICE - LAW ENFORCEMENT	HUMPHREY	CARL			8	8	8
POLICE - LAW ENFORCEMENT	HURD	SCOTT			8	8	8
POLICE - LAW ENFORCEMENT	JAKSCH	HARVEY			8	8	8
POLICE - LAW ENFORCEMENT	KENT	WILLIAM			8	8	Retire 12/11
POLICE - LAW ENFORCEMENT	KING	JENNIFER			8	8	8
POLICE - LAW ENFORCEMENT	KNIGHT	MATTHEW			8	8	8
POLICE - LAW ENFORCEMENT	KOBER	KEVIN			8	8	8
POLICE - LAW ENFORCEMENT	KONNICK	MICHAEL			8	8	8
POLICE - LAW ENFORCEMENT	KUNTZI	PAUL			8	8	8
POLICE - LAW ENFORCEMENT	LAWSON	DEREK			8	8	8
POLICE - LAW ENFORCEMENT	MAILEY	MARVIN			8	8	8
POLICE - LAW ENFORCEMENT	MARTINEK	PETER			8	8	8
POLICE - LAW ENFORCEMENT	MAST	DERRICK			8	8	8
POLICE - LAW ENFORCEMENT	MATTHEWS	JEFFREY			8	8	8
POLICE - LAW ENFORCEMENT	MCKEOWN	DANIEL			8	8	8
POLICE - LAW ENFORCEMENT	MELVIN	JEFFREY			8	8	8
POLICE - LAW ENFORCEMENT	MILLER	JORDAN			8	8	8
POLICE - LAW ENFORCEMENT	MINOR	DAVID			8	8	8
POLICE - LAW ENFORCEMENT	MORRIS	ANDREW			8	8	8
POLICE - LAW ENFORCEMENT	MUSEMICI	SALVATORE			8	8	8
POLICE - LAW ENFORCEMENT	NESTER III	LEONARD			8	8	8
POLICE - LAW ENFORCEMENT	PEER	CHRISTOPHER			8	8	8
POLICE - LAW ENFORCEMENT	PFEIFFER	JASON			8	8	8
POLICE - LAW ENFORCEMENT	PIAZZA	JAMES			8	8	8
POLICE - LAW ENFORCEMENT	PIRES	JASON			8	8	8
POLICE - LAW ENFORCEMENT	PRICE	MICKIE			8	8	8
POLICE - LAW ENFORCEMENT	RACHKO	ALAN			8	8	8
POLICE - LAW ENFORCEMENT	RANGER	BIANCA			8	8	8
POLICE - LAW ENFORCEMENT	RANGER	DANNY			8	8	8
POLICE - LAW ENFORCEMENT	RICH	CALEB			8	8	8
POLICE - LAW ENFORCEMENT	RICHARDSON	JOSEPH			8	8	8
POLICE - LAW ENFORCEMENT	RICHEY	JUSTIN			8	8	8
POLICE - LAW ENFORCEMENT	ROBBINS	RANDY			8	4	8
POLICE - LAW ENFORCEMENT	ROSWELL	ROBERT			8	8	8
POLICE - LAW ENFORCEMENT	SAMMONS	RAY			8	8	8
POLICE - LAW ENFORCEMENT	SCOTT	ROBERT			8	8	8
POLICE - LAW ENFORCEMENT	SEALUND	KRISTA			8	8	8
POLICE - LAW ENFORCEMENT	SEALUND	SCOTT			8	8	8

NOVEMBER
FURLOUGH LEAVE SUMMARY

Department	Last Name	First Name	July	August	September	October	November
POLICE - LAW ENFORCEMENT	SHERWOOD	BRIAN			8	8	8
POLICE - LAW ENFORCEMENT	SIMPKISS	LAWRENCE			8	8	8
POLICE - LAW ENFORCEMENT	SPICER	DAVID			8	8	8
POLICE - LAW ENFORCEMENT	STEVENSON	DEMETRIUS			8	8	8
POLICE - LAW ENFORCEMENT	STREADWICK	KEVIN			8	8	8
POLICE - LAW ENFORCEMENT	STUBBS	JAMES			8	8	8
POLICE - LAW ENFORCEMENT	STUMP	TIMOTHY			72	0	0
POLICE - LAW ENFORCEMENT	TARAILA	RAYMOND					Retired 11/27
POLICE - LAW ENFORCEMENT	TAYLOR	RALPH			8	8	8
POLICE - LAW ENFORCEMENT	TOTO	ANTHONY			8	8	8
POLICE - LAW ENFORCEMENT	TURNER JR	CARLTON			8	8	8
POLICE - LAW ENFORCEMENT	VIRDIN	GLENN			8	8	8
POLICE - LAW ENFORCEMENT	WEBSTER IV	THOMAS			8	8	8
POLICE - LAW ENFORCEMENT	WELCH	JEFFERY			8	8	8
POLICE - LAW ENFORCEMENT	WILLSON	JOHN			8	8	8
POLICE - LAW ENFORCEMENT	WISNIEWSKI	MICHAEL			8	8	12
POLICE - LAW ENFORCEMENT	WOOD	BRIAN			8	8	8
TOTAL POLICE-LAW ENFORCEMENT			**8**		**772**	**704**	**700**
STREETS	DEPUTY	FRANKLIN	8		8	8	8
STREETS	DURHAM	ERIC	8		8	8	8
STREETS	EMBERT	NICHOLAS	8		8	8	8
STREETS	HARMON	DANIEL	8		8	8	8
STREETS	HAYES	EARL	8		0*	0*	8
STREETS	HURLEY	JEFFREY	8		8	8	Retired Oct
STREETS	LARIMORE	CHAD	8		8	8	8
STREETS	MARVEL	BRUCE	8		8	8	8
STREETS	ROAN	WESLEY	8		8	8	8
STREETS	SEMANS	JOHN	8		8	8	8
STREETS	SUDLER	STACEY	8		8	8	8
STREETS	SWAGGARD	RONALD	8		8	8	8
TOTAL STREETS			**96**		**88**	**88**	**88**
SANITATION	BAINES	THEOPLES	8		8	8	8
SANITATION	BLACK	KENNETH	8		8	8	8
SANITATION	BLANCHFIELD	JOHN	8		8	8	8
SANITATION	EDWARDS	WILLIAM	8		8	8	8
SANITATION	MORRIS	CRAIG	8		8	8	8
SANITATION	PEER JR	JOHN	8		8	8	8
SANITATION	PERRY	ROBERT	8		LWOP	LWOP	8
SANITATION	RIDGEWAY	CHRISTOPHER	8		8	8	8
SANITATION	ROE	WILLIAM	Terminal Leave		Terminal Leave	Retired	
SANITATION	SAMMONS	PERRY	8		8	8	8
SANITATION	SMITH	SHAWN	8		8	8	8
SANITATION	STEVENS	DON	Military Leave-Active Duty		Military Leave-Active Duty	Military Leave-Active Duty	8

NOVEMBER
FURLOUGH LEAVE SUMMARY

Department	Last Name	First Name	July	August	September	October	November
SANITATION	WHITE SR	GREGORY	8		8	8	8
TOTAL SANITATION			**88**		**80**	**80**	**96**
CITY MANAGER	DEPRIMA	ANTHONY	8		8	8	8
CITY MANAGER	DIETZ-SASS	KAY	8		8	8	8
CITY MANAGER	FORD	HOLLIE	8		8	8	8
CITY MANAGER	LOWRY	YVONNE	8		8	8	8
CITY MANAGER	TIEMAN	TERESA	8		8	8	8
TOTAL CITY MANAGER			**40**		**40**	**40**	**40**
INFORMATION TECHNOLOGY	CALLAN	MARK	8		8	8	8
INFORMATION TECHNOLOGY	DICKERSON	MICHAEL	8		8	8	8
INFORMATION TECHNOLOGY	GLISSON	DONNA	8		8	8	8
INFORMATION TECHNOLOGY	LOOMIS	MARLENE	8		8	8	8
INFORMATION TECHNOLOGY	MOORE	LORRI	8		8	8	8
INFORMATION TECHNOLOGY	ROY	JAMIE	8		8	8	8
INFORMATION TECHNOLOGY	SIEGEL	ANDREW	8		8	8	8
TOTAL INFORMATION TECHNOLOGY			**56**		**56**	**56**	**56**
FINANCE	DANIEL	SHARON	8		8	10	6
FINANCE	DILL	JEFFREY	8		8	10	6
FINANCE	GOMES	LINDA	8		8	10	6
FINANCE	JORDAN	TURHAN	8		8	10	6
FINANCE	LISIECKI	TRACEY	8		8	10	6
FINANCE	MITCHELL	DONNA	8		8	10	6
FINANCE	TEAL	MARGARET	8		8	10	6
FINANCE	WALKER	KARLETT	8		8	10	6
TOTAL FINANCE			**64**		**64**	**80**	48
PUBLIC WORKS ADMINISTRATION	GIBB	JEREMY	8		8	8	8
PUBLIC WORKS ADMINISTRATION	KOENIG	SCOTT	8		8	8	8
PUBLIC WORKS ADMINISTRATION	NOWAK	MARK	8		8	8	8
PUBLIC WORKS ADMINISTRATION	O'NEAL	CAROLEE	8		8	8	8
PUBLIC WORKS ADMINISTRATION	THOMPSON	PAUL	8		8	8	8
TOTAL PUBLIC WORKS ADMINISTRATION			**40**		**40**	**40**	**40**
FACILITIES MAINTENANCE	ATTIX	RICHARD	8		8	8	8
FACILITIES MAINTENANCE	BAKER	RODNEY	8		8	LWOP	8
FACILITIES MAINTENANCE	BAKER JR	EDWIN	8		8	8	8
FACILITIES MAINTENANCE	CLENDANIEL	KENNETH	8		8	8	8
FACILITIES MAINTENANCE	COUDEN	KRISTIN	8		8	8	8
FACILITIES MAINTENANCE	DEPUE	ROBERT	8		8	8	8
FACILITIES MAINTENANCE	GEDNEY	ROBERT	8		8	8	8
FACILITIES MAINTENANCE	JOHNSON	THERESA	8		8	8	8
FACILITIES MAINTENANCE	KUCEK	JEFFREY	8		8	8	8
FACILITIES MAINTENANCE	MYERS JR	WILBUR	8		8	8	8
FACILITIES MAINTENANCE	SHERMAN	LINDA	8		8	8	8
FACILITIES MAINTENANCE	STUBBS	THOMAS	8		8	8	8

NOVEMBER
FURLOUGH LEAVE SUMMARY

Department	Last Name	First Name	July	August	September	October	November
FACILITIES MAINTENANCE	WOLFGANG	BARRY	8		8	8	8
TOTAL FACILITIES MAINTENANCE			**104**		**104**	**96**	**104**
PUBLIC WORKS - ENGINEERING	DUCA	SHARON	8		8	8	8
PUBLIC WORKS - ENGINEERING	HUDSON	RICHARD	8		8	8	8
PUBLIC WORKS - ENGINEERING	LYON	JASON	8		8	8	8
PUBLIC WORKS - ENGINEERING	MUMFORD	JOHN	8		8	8	8
PUBLIC WORKS - ENGINEERING	SEE JR	ROBERT	8		8	8	8
PUBLIC WORKS - ENGINEERING	TURNER	BRIAN	8		8	8	8
PUBLIC WORKS - ENGINEERING	WASHINGTON JR	CHARLES	8		8	8	8
TOTAL PUBLIC WORKS-ENGINEERING			**56**		**56**	**56**	**56**
CENTRAL SERVICES	ANDERSON	FLOYD	8		8	8	8
CENTRAL SERVICES	GREGG	PETER	8		8	8	8
CENTRAL SERVICES	JONES	CAROL	8		8	8	8
CENTRAL SERVICES	MOORE	JEFFREY	8		8	8	Retired 11/20
CENTRAL SERVICES	TUSON	SCOTT	8		8	8	8
CENTRAL SERVICES	VOSSBERG	WENDY	8		8	8	8
TOTAL CENTRAL SERVICES			**48**		**48**	**48**	**40**
VEHICLE MAINTENANCE	BOSAK	JOHN	8		8	8	8
VEHICLE MAINTENANCE	FLINT	JAMES	8		8	8	8
VEHICLE MAINTENANCE	JESTER	JOHN	8		8	8	8
VEHICLE MAINTENANCE	MILLER	RICHARD	8		8	8	8
VEHICLE MAINTENANCE	ROHRBACH	HOWARD	8		8	8	8
VEHICLE MAINTENANCE	VANDEGRIFT	SCOTT	8		8	8	8
TOTAL VEHICLE MAINTENANCE			**48**		**48**	**48**	**48**
CUSTOMER SERVICE	BAUTISTA	EMILIA	8		8	8	8
CUSTOMER SERVICE	CARROLL	RYAN	8		8	8	8
CUSTOMER SERVICE	COFFEY	ANGEL	8		8	8	8
CUSTOMER SERVICE	DIVVER	KATHLEEN	8		8	8	8
CUSTOMER SERVICE	DIXON	SHERRY	8		8	8	8
CUSTOMER SERVICE	FENSKE	JAMIE	8		8	8	8
CUSTOMER SERVICE	MINTZ	LOUISE	8		8	8	8
CUSTOMER SERVICE	MORRIS	DOROTHY	8		8	8	8
CUSTOMER SERVICE	MOSHER	CORINNE	8		8	8	8
CUSTOMER SERVICE	RIDGEWAY	JUDITH	8		8	8	8
CUSTOMER SERVICE	ROBERSON	DENISE	8		8	8	8
CUSTOMER SERVICE	RUSSELL	MARGARET	8		8	8	8
CUSTOMER SERVICE	SCOTT	CAROL	8		8	8	8
CUSTOMER SERVICE	TURNER	ANGELA	8		8	8	8
CUSTOMER SERVICE	WENTELER	GAIL	8		8	8	8
TOTAL CUSTOMER SERVICE			**120**		**120**	**120**	**120**
HUMAN RESOURCES	EDWARDS	ELAINE	8		8	8	8
HUMAN RESOURCES	HAWKINS	KIMBERLY	8		8	8	8
HUMAN RESOURCES	JACKSON	CHERYL	8		6	10	8

NOVEMBER
FURLOUGH LEAVE SUMMARY

Department	Last Name	First Name	July	August	September	October	November
TOTAL HUMAN RESOURCES			**24**		**30**	**26**	**24**
WATER CONSTRUCTION	BROWN	VICTOR	8		8	8	8
WATER CONSTRUCTION	LLOYD	RAUGHLEY	8		8	8	8
WATER CONSTRUCTION	OELLER	WAYNE	8		8	8	8
WATER CONSTRUCTION	REICHELT	PAUL	8		8	8	8
WATER CONSTRUCTION	RIDGEWAY	GORDON	8		8	8	8
WATER CONSTRUCTION	RIDGWAY SR	EMANUEL	8		8	8	8
TOTAL WATER CONSTRUCTION			**48**		**48**	**48**	**48**
WATER/WASTERWATER - METERING	SCHEERS	MICHAEL	8		8	8	8
TOTAL WATER METERING			**8**		**8**	**8**	**8**
WATER/WASTEWATER	CARSON JR	ROBERT	8		8	8	
WATER/WASTEWATER	DURK, JR	JOHN	8		8	8	
WATER/WASTEWATER	MCDOUGALL	RALPH	8		8	8	8
WATER/WASTEWATER	O'NEAL	THOMAS	8		8	8	8
WATER/WASTEWATER	RIDGEWAY	SHAWN	8		8	8	8
WATER/WASTEWATER	RIDGWAY II	EMANUEL	8		8	8	8
WATER/WASTEWATER	SCOTTON	DONALD	8		8	8	8
WATER/WASTEWATER	SCOTTON JR	DALE	8		8	8	8
TOTAL WATERWASTEWATER			**64**		**64**	**64**	**48**
WATER/WASTEWATER	HOTTE	ROBERT	8		8	8	8
WATER/WASTEWATER	MARTIN	JOEL	8		8	8	8
WATER/WASTEWATER	MOXLEY	STEVEN	8		8	8	8
WATER/WASTEWATER	OLSEN	TRAVIS	8		8	8	8
WATER/WASTEWATER	SANDERS	KEITH	8		8	8	8
TOTAL WASTEWATER			**40**		**40**	**40**	**40**
WATER TREATMENT PLANT	BLANKENSHIP	BRUCE	8		8	8	8
WATER TREATMENT PLANT	BOOTS	MICHAEL	8		8	8	8
WATER TREATMENT PLANT	COMBS	SHAWN	8		8	8	8
WATER TREATMENT PLANT	DANIELS	ROBERT	8		8	8	8
WATER TREATMENT PLANT	GRIER	LARRY	8		8	8	8
WATER TREATMENT PLANT	HUNTER	JAMES	8		8	8	8
WATER TREATMENT PLANT	POLASKO	ANDREW	8		8	8	8
WATER TREATMENT PLANT	RUSSUM	SHAWN	8		8	8	8
WATER TREATMENT PLANT	SISSON	JOHN	8		8	8	8
WATER TREATMENT PLANT	SPANGLER JR	SAMUEL	8		8	8	8
TOTAL TREATMENT PLANT			**80**		**80**	**80**	**80**
TRANSMISSION/DISTRIBUTION	BOYD	DAVID	8		8	8	8
TRANSMISSION/DISTRIBUTION	BOYD	RANDALL	8		8	8	8
TRANSMISSION/DISTRIBUTION	CARDEN	DAVID	8		8	8	8
TRANSMISSION/DISTRIBUTION	CLENDANIEL	MATTHEW	8		8	8	8
TRANSMISSION/DISTRIBUTION	COTTON	RONALD	8		8	8	8
TRANSMISSION/DISTRIBUTION	DEE	MARIE	8		8	8	8

NOVEMBER
FURLOUGH LEAVE SUMMARY

Department	Last Name	First Name	July	August	September	October	November
TRANSMISSION/DISTRIBUTION	ESPIL	MATTHEW	8		8	8	8
TRANSMISSION/DISTRIBUTION	GARDNER	RICHARD	8		8	8	8
TRANSMISSION/DISTRIBUTION	GRINSTEAD	JOHN	8		8	8	8
TRANSMISSION/DISTRIBUTION	HEWLETT JR	BILLY	8		8	8	8
TRANSMISSION/DISTRIBUTION	HISER	GREGORY	8		8	8	8
TRANSMISSION/DISTRIBUTION	HISER	DAVID	8		8	8	8
TRANSMISSION/DISTRIBUTION	LLOYD	MARK	8		8	8	8
TRANSMISSION/DISTRIBUTION	MORGAN JR	DAVID	8		8	8	8
TRANSMISSION/DISTRIBUTION	MYERS	WILLIAM	8		8	8	8
TRANSMISSION/DISTRIBUTION	PORTER	TIMOTHY	8		8	8	8
TRANSMISSION/DISTRIBUTION	ROBBINS	BRIAN	8		8	8	8
TRANSMISSION/DISTRIBUTION	RODRIGUE	RODNEY	8		8	8	8
TRANSMISSION/DISTRIBUTION	SAPP	STEPHEN	8		8	8	8
TRANSMISSION/DISTRIBUTION	SCOTT	CURTIS	8		8	8	8
TRANSMISSION/DISTRIBUTION	STEVENS	FRANCIS	8		8	8	8
TRANSMISSION/DISTRIBUTION	VINSON	JAMES	8		8	8	8
TRANSMISSION/DISTRIBUTION	WIMER II	DENNIS	8		8	8	8
TOTAL ELECTRIC T & D			**184**		**184**	**184**	**184**
ELECTRIC ENGINEERING	BAYNARD	JAMES	8		Retired 9/25		
ELECTRIC ENGINEERING	BURRIS	SANDRA	8		8	8	8
ELECTRIC ENGINEERING	EMBERT	THOMAS	8		8	8	8
ELECTRIC ENGINEERING	ENSS	STEPHEN	8		8	8	8
ELECTRIC ENGINEERING	JOHNSON	JEREMY	8		8	8	8
ELECTRIC ENGINEERING	JONES	SCOTT	8		8	8	8
ELECTRIC ENGINEERING	LARIMORE	RICHARD	8		8	8	8
ELECTRIC ENGINEERING	LAWSON	GARY	8		8	8	8
ELECTRIC ENGINEERING	LONG	ERNEST	8		8	8	8
ELECTRIC ENGINEERING	THOMPSON	JOHN	8		8	8	8
ELECTRIC ENGINEERING	WHEATLEY	RAY	8		8	8	8
ELECTRIC ENGINEERING	WRIGHT	AREN	8		8	8	8
TOTAL ELECTRIC ENGINEERING			**96**		**88**	**88**	**88**
PUBLIC UTILITIES ADMINISTRATION	GARDNER	LISA	8		8	8	8
PUBLIC UTILITIES ADMINISTRATION	KING	LOIS	8		8	8	8
PUBLIC UTILITIES ADMINISTRATION	LUNT	RONALD	8		8	8	8
PUBLIC UTILITIES ADMINISTRATION	LUPPINO	PATRICIA	8		8	8	8
TOTAL PU ADMINISTRATION			**32**		**32**	**32**	**32**
ELECTRIC METERING	CARNEY	ROGER	8		8	8	8
ELECTRIC METERING	OLSEN	THOMAS	8		8	8	8
ELECTRIC METERING	PEARSON	JEFFREY	8		8	8	8
ELECTRIC METERING	SWAGGARD	NANCY	8		8	8	8
TOTAL ELECTRIC METERING			**32**		**32**	**32**	**32**
COMMUNITY BLOCK GRANT	HARVEY	TRACEY	8		8	8	8
TOTAL COMMUNITY BLOCK GRANT							

NOVEMBER
FURLOUGH LEAVE SUMMARY

Department	Last Name	First Name	July	August	September	October	November
ELECTRIC SYSTEM OPERATORS	MCCARTHY	JEFFREY	Exempt				
ELECTRIC SYSTEM OPERATORS	RICHARDSON	DERRICK	Exempt				
ELECTRIC SYSTEM OPERATORS	RIDGEWAY	ROGER	Exempt				
ELECTRIC SYSTEM OPERATORS	ROSE	LAWRENCE	Exempt				
ELECTRIC SYSTEM OPERATORS	SACK	JAMES	Exempt				

NOVEMBER
FURLOUGH LEAVE SUMMARY

Department	Last Name	First Name	July	August	September	October	November
FIRE DEPT	CAREY	MATTHEW	Exempt				
FIRE DEPT	JACOBS	CHRISTOPHER	Exempt				
FIRE DEPT	OSIKA	JASON	Exempt				
FIRE DEPT	PARSELL	GREGORY	Exempt				
FIRE DEPT	SMALL	TREY	Exempt				
POLICE - CIVILIAN	CIAMPA	MATTHEW	Exempt				
POLICE - CIVILIAN	DAVIS	CHAD	Exempt				
POLICE - CIVILIAN	GILLCRESE SR	DENNIS	Exempt				
POLICE - CIVILIAN	HALL II	MARK	Exempt				
POLICE - CIVILIAN	HOLLOWAY JR	MARK	Exempt				
POLICE - CIVILIAN	JACKSON	LEE	Exempt				
POLICE - CIVILIAN	KNOWLES	RYAN	Exempt				
POLICE - CIVILIAN	O'CONNOR, III	MICHAEL	Exempt				
POLICE - CIVILIAN	SAPP	PATRICIA	Exempt				
POLICE - CIVILIAN	STILLER	DONALD	Exempt				
POLICE - CIVILIAN	WHITEMAN	HARRY	Exempt				

ACTION FORM

PROCEEDING: Legislative, Finance, and Administration Committee **AGENDA ITEM NO.:**
DEPARTMENT OF ORIGIN: Assessor's Office **DATE SUBMITTED**: 1/11/2010
PREPARED BY: Cheryl Russell, Assessor
SUBJECT: Proposed Ordinance Amendments –**Section 102-1 Annual Valuation and assessment;**
REFERENCE: IAAO Audit
RELATED PROJECT: IAAO Audit
APPROVALS: Council;
EXHIBITS: 1. Draft Ordinance Amendments; 2. IAAO Recommendations; 3. Memo to Council dated 11/23/2009
EXPENDITURE REQUIRED: **N/A** **AMOUNT BUDGETED**: N/A **FUNDING SOURCE (Dept./Page in CIP & Budget)**: N/A
TIMETABLE: Ordinance Amendments to become effective upon Council Approval.
RECOMMENDED ACTION: Staff recommends adoption of proposed Ordinance Amendment.

BACKGROUND AND ANALYSIS

The City of Dover Assessor's staff has completed amendments to the Dover City Ordinance. A copy of the Ordinance Amendments and its related attachments are attached. The Ordinance Amendments were based on recommendations of an audit of the City of Dover Assessor's Office performed by Frederick Chmura, CCMA, AAS and William Ford, IAO AAS of IAAO (International Association of Assessing Officers) dated June 2008.

The purpose of the Ordinance Amendments is to follow the recommendations from the IAAO audit; and also follow the anticipated Charter Amendments that were approved by Council on January 26, 2009.

Section 102-1. (Annual valuation and assessment)

This ordinance is being brought back through the process to revert the ordinance back to its original intent and to strike out the amendments made by the Mayor that were approved at the December 14th 2009. Additional information has been provided to better explain the calculations for the new assessments. Also included are opinions by Fred Chmura(IAAO) and Paul Miller (Tyler Technologies)

CITY OF DOVER PROPOSED ORDINANCE #2010-01

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

That Chapter 102 – Taxation, Article I - In General, Section 102-1 - Valuation and Assessment, be amended by inserting the text indicated in bold, blue, italics and deleting the text indicated in red strikeout as follows:

Sec. 102-1. Valuation and assessment.

Section 47 of the Charter provides that an impartial valuation and assessment of all real property within the city shall be conducted by the city assessor every third year. The council may also direct that in lieu of the reassessment and valuation by the city assessor, such reassessment and valuation may be done by an outside appraiser chosen by the council. Pursuant to section 47 of the Charter, commencing with the year 2010 and every ninth year thereafter, the valuation and assessment of all real property shall be conducted by an outside appraiser chosen by the council. All property shall be valued as to its status; as of its ownership; and as of its current market value as of the January 1st assessment date~~***; except if improvements are not deemed by the assessor to be complete; property shall be partially valued if construction has ceased for 90 days as of the January 1st assessment date***~~.

ADOPTED: *

SYNOPSIS

The proposed ordinance amendment provides language that property shall be valued as to its status; as of its ownership; and as of its current market value.

Actions History

January 11, 2010 - Scheduled for Consideration by the Legislative, Finance, and Administration Committee

Draft

MEMORANDUM

TO: **Mayor and City Council**

FROM: **Cheryl Russell, AAS**
City Assessor

DATE: **November 23, 2009**

RE: **Ordinance 102-1 Valuation and Assessment**

I have requested information concerning the Ordinance Amendment for Sec. 102-1. Valuation and assessment.

Fred Chmura, IAAO (Conducted IAAO Audit in June 2008)

"As to the January 1st valuation. Understand that the City Council wants to give tax breakers to developers during the construction period and that is a policy decision. We, Bill and I, believe that all taxpayers should be treated equally and fairly and should be valued and taxed on the value of a property as of the assessment date. If the property is completed (Certificate of Occupancy issued) during the year then the prorated increase between the January 1 value and the C of O date value should be added to the quarterly supplemental.

That position is a policy decision and theirs to make. Tax policy and who pays the property tax are the decisions of the lawmakers and not ours as administrators. So if they want to give tax breaks to developers and reduce revenue or shift tax burden to the other tax payers that is tax policy. Just remember reducing taxes on one section of the population just increases or shifts the tax to the other tax payers.

Proving that construction has ceased is probably difficult.

The State of Kansas passed legislation a few years ago doing the same thing. Developers do not get valued on buildings under construction just on the land. So Dover is not unique in giving developers a tax break. "

Fred

Paul Miller, Project Supervisor, Sales Executive Tyler Technologies (Re-Assessment Firm)

"A key element to any appraisal is the appraisal date. To non-appraisers, this might not seem like a big deal, but every appraisal, whether it is for a mortgage or an assessment, must have a date associated with it. The appraiser is giving their opinion of value of the real estate as it exists on that date. So, as it relates to what we do, we are to accurately inventory and value every piece of real estate as of the Date of Value. If there is just a foundation, you value the land and the foundation."

As stated by Fred Chmura, determining that construction has ceased will be very hard to prove. An employee of the Assessor's Office would need to visit the location(s) every day to determine if any work has been done. If not, the developer(s) could claim work was done at any time without detection and there would be no way of verifying.

A valid point that must be made is fairness and equality. Any tax breaks or incentives will be shifted to other property owners within the City Limits.

The valuation of property as of a certain date is an inventory issue as well, as stated by Paul Miller-The assessor's job is to accurately inventory and value every piece of real estate as of the date of value (January 1st)

Example:

If a commercial property has been vacant, they have been receiving a property tax bill on land only. If the anticipated amount of improvement value is $1,000,000, based on our software and the property is 50% complete on January 1st (and not complete for the July billing), the tax amount based on the improvement only is $1,650.00. They are currently paying tax on the land so the $1,650.00 would be an increase to their July tax Bill.

$1,000,000 x .0033 =	$3,300 x .25 =	$ 825.00
$1,000,000 x .0033 =	$3,300 x .50 =	$1,650.00
$1,000,000 x .0033 =	$3,300 x .75 =	$2,475.00

Assessor's Recommendation:

I recommend approval of the ordinance as it was originally written and recommended by IAAO.

EVALUATION OF THE PRACTICES AND PROCEDURESOF THE ASSESSOR'S OFFICE AND APPEAL PROCESS - JUNE 2008

RECOMMENDATIONS ONLY

Assessment Change #

- ***Recommendation – Changes to the City Charter and City Code***
  There are a number of recommendations that should be implemented to bring the assessment process in line with current industry standards.

- **Annual Assessment Date:** Institute and clarify the annual assessment date in the City Code. Currently the assessor uses January 1st of each year as the assessment date. This is probably the most common assessment date in the United States and a date that works very well for the Dover tax system. 1

- **Valuation of Property as of the Assessment Date:** Clarify that all property is valued as of its ownership and current market value as of the January 1st assessment date. Currently property under construction cannot be placed on the tax rolls until a Certificate of Occupancy is issued.[1] This is not common practice in the assessment profession in other states. The general practice is that all property is assessed as of its status on the assessment date. For example, if a building is under construction as of January and is 50% complete on that date, then the assessor values the property as its 50% complete status and places this partial value on the annual assessment roll. Then the Certificate of Occupancy is issued, the assessor then reassesses the building and adds the additional increased assessment as a supplemental assessment on the next quarterly supplemental assessment date. Property receiving a change in zoning or specific use would also be adjusted based upon the assessment date. 2

- **Proration of New Assessment:** In the assessment process outlined above, the additional increased assessment for the Supplemental Assessment is prorated from the date of the Certificate of Occupancy to the next January 1st annual assessment date. For example, if a building is 50% complete on January 1st and is valued at $100,000 for its incomplete building status and the Certificate of Occupancy is issued on following July 1st; the assessor adds the additional $100,000 to the value of the building for the Supplement Roll. The amount to be added to the July Supplemental Roll would be a prorated assessment in the amount of $50,000. ($100,000 X 6/12 = $50,000 or $100,000 X 0.5 = $50,000). The proration of this additional assessment can be done either on a monthly basis (January = 1.00 factor, February = 0.917, March = 0.833 etc.) or daily basis (January 10 = 346/356 or 0.972). Both monthly and daily proration's are the basis of adding new construction to the assessment roll and are commonly used throughout the United States. 3

- **Addition of Property to Supplemental Roll when Used or Occupied:** Clarify the time period that property can be added to the Supplemental Roll either by the date the Certificate of Occupancy is issued by the Building Inspection Department or in those cases when a Certificate of Occupancy is not issued but the new construction is being used or occupied for its intended purpose. This additional language of "*being used or occupied for its intended purpose*" will allow the assessor to add completed new construction to the supplemental roll whether or not a Certificate of Occupancy is issued. This case may occur for minor residential construction. 4

- **No Supplemental Addition if Increase is less the $25,000:** The City should also codify the current assessment practice of not adding to the supplemental role any new construction of less than $25,000 in assessed value. This will eliminate the generation and collection of small tax bills that may in fact cost the City more dollars to process than is actually collected. The new construction of less than $25,000 will be realized on the next annual assessment roll. 5

- **Date of Assessment Roll Filing:** The City should add to the City Code the date by which the Assessor is required to finalize and make the annual assessment role available for public inspection. Current practice is that the Assessment Register for the annual assessment roll is completed and available for public review on April 1st of each year. This is a reasonable amount of time for the Assessor to complete the roll after the January 1st assessment date and it is recommended that is current practice be codified.

- **Date of Notification of Assessment Increase:** The City should add to the City Code the date or a period of time after the filing of the assessment roll by which the Assessor's Office must mail notifications of assessment changes to the property owner. It is generally an industry standard that the assessor must notify the property owner of changes in their assessment in a set period of time. This ensures that all taxpayers receive a notice of assessment change and have sufficient time to file for an appeal if they chose to appeal their new assessment.

- **Elimination of Freehold Requirement:** Eliminate the requirement set forth in Section 47 of the City Charter that, "Assessor must be a freeholder within the corporate limits of the city." The requirement that the Assessor must be a freehold is an archaic requirement. No other City Official is required to be a freeholder. Also, the City Charter does not define the term "freeholder". Interestingly, when we inquired about the definition of the term we received different answers from different City Officials. A common definition is "One who possesses a freehold." A freehold is ..."An estate in land held in fee simple, in fee tail, or for term of life."[2] There are two schools of thought on this issue of an assessor being a resident of the jurisdiction. Those in favor of a residence requirement believe that the Assessor should be a taxpaying property owner of the jurisdiction that employs them. On the other hand, those not in favor of a residency requirement believe that the requirement restricts the potential pool of applicants for the position, and places the Assessor in the position assessing their own property and the property of their neighbors. If the City Council wishes to continue the requirement that the Assessor be a resident of the City then, at a minimum, the Charter should be changed. Replace the term "freeholder" with "a resident".

- **Elimination of Certified Independent outside Appraiser for Reassessment:** The City Code Section 102-1 should be changed to eliminate the requirement that the three year "...reassessment and valuation may be done by a certified independent outside appraiser chosen by the Council." Under current Delaware State statutes a certified appraiser must be an individual certified by the State Council on Real Estate Appraisers and hold such certification in accordance with Federal regulations set forth in the Financial Institutions Reform, Recovery and Enforcement Act of 1989, the act of August 9, 1989 (FIRREA). This certification is required for fee appraisers performing real estate appraisals for federally related transactions. Although Certified Real Estate Appraisers have demonstrated education and competency in appraisal and qualified as regulated professionals, this requirement is a very high standard for mass appraisal for assessment purposes. Jurisdictions similar to the City of Dover, utilize companies that specialize in mass appraisal for assessments. The City currently has contract with one such company. Although some of its employees may hold state certification it is very restrictive and expensive to require that all the properties be assessed using certified appraisers. Also, a different model of performing reassessments is discussed in the section "Adequacy of Staffing" below.

- **Income and Expense Reports:** The City Code should be amended to allow the Assessor to require that owners of rental properties complete and file annual reports of income and expenses on forms developed by the Assessor's Office. Income and expense information is invaluable in developing the valuation of income producing properties, both as to the individual properties income and expenses and to the general information related to similar properties to develop typical income and expenses for comparable properties. Income producing properties are bought and sold on the real estate market on the basis of their ability to generate net income for their owners and the possible of future appreciation in value. The Income Approach to Valuation is the most common used methodology, by both assessors and fee appraisers, to value these types of property. Critical to this approach to valuation is accurate income and

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expense information concerning the property being valued. Also critical to this approach is information concerning other comparable properties or typical property's operating income and expenses. Although there are national services that publish this type of information, the information is at best regional information that needs to be verified and adjusted to the local City of Dover real estate market to ensure accurate individual valuations for the taxpayers of Dover.

- **Update Tax Stamps Affixing for the Transfer Tax:** City Charter in Article III, Section 102-74 and subsequent sections refer to the affixing of adhesive documentary stamps to the document as evidence of payment of the transfer tax. Section 102-77 requires the Assessor ....."shall make provisions for the sale of such stamps in such places as may be deemed necessary." This is outdated language. The Charter should be updated to reflect the current practice of marking the document with an indication that the transfer tax has been paid and the amount paid. 11

- **Auditing of Transfer Tax:** The City Code should be amended to state that the Assessor may review the payment and the "value" stated for purposes of this tax. The review or audit process should also state a period of time for the audit after the filing of the documents with the Assessor, such as ten (10) business days. 12

- **Update language in the Code to identify or clarify:** "true value in money" as "full market value". Delaware State Code § 8306. Standard of assessment; requires all property subject to assessment shall be assessed at its true value in money. The clarification of true value in money, as the full market value of the property as of the valuation date, (January 1st of each year) will go further in creating transparency in the assessment process. 13

- ***Recommendations – Adequacy of Staffing***

  The City may wish to consider that the three year reassessment be completed by a combination of in-house valuations for one to three family residential properties and outside contractors for the apartments, commercial and industrial properties and valuation modeling. This model of conducting a revaluation is often a transitional model between using outside services completely for reassessment and complete in-house reassessment. If the City staffs the Assessor's Office with an additional Residential Assessment Technician, changes the position of part-clerk to a full time clerk, fills the current vacancy in either the Assessor's position or Assistant Assessor position (see Appendix A - 4) it is possible for the City to perform the reassessment with the more limited assistance of an outside contractor.

- ***Recommendation – Management Style***

  - Annually the Assessor should continue to adopt and communicate a set of specific goals delineating the expectations for the Assessor's Office for the coming year. This should include a level of assessment, what equity measures will be used and what the expected equity level is, the number of parcels to be physically inspected, the expected number of permits to be worked, deeds to be processed, land splits, etc. and a quality measure of acceptable error rates. **Formatted:** Bullets and Numbering

  - Annually, the Assessor should adopt and communicate an annual assessment calendar. The calendar should include all important legislative and city dates, IT deadlines for data entry closings, important processing dates and periodic benchmark dates reflecting the levels of tasks that must be done to achieve the goals. **Formatted:** Bullets and Numbering

  - Institute a Quality Review Program to determine data quality and error rates, as well as uniformity of practices within the office. **Formatted:** Bullets and Numbering

  - After setting the annual goals the Assessor should meet with pertinent staff to develop a strategic plan to achieve the goals. **Formatted:** Bullets and Numbering

- A search feature for recent sales of properties, at minimum for residential properties, should be added. This query function could consist of a "drop-down" list of neighborhoods or sub-sections of the city allowing the user to select a subdivision to view recent sales that have occurred within that subdivision. The Assessor's Office Annual Report should be directly available on the Web site.
- It would be helpful to the public for the Assessor's office to provide copies of the applications for such initiatives as tax relief for Senior and Disabled Citizens, the program for the Tax Abatement for Agricultural in the Assessor's Section of the web site. Also during the time for filing tax relief applications for seniors and disabled citizens a highlighted link should be on the home page of the City's site for public awareness of this program to assist the eligible taxpayers of the City.

- The information for appealing one's assessment to the Board of Tax Review should be located in the Assessor's Section of the web site. Although these documents are available on the web site if the visitor searches the site to find them, it is not intuitive to a taxpayer where to find these documents on the site. Information concerning the appeal process should listed both in the both the Assessor's section of the site and in a Board of Tax Review section of the web site. Also, currently the Board of Tax Review's Appeal forms and Policy Statements are on the web, it would be more meaningfully and user-friendly if these policy statement were incorporated into one document that the taxpayer can see and print rather than searching the site and hoping that they found all the information that is needed for submitting an appeal.

- The Web site needs to be updated regularly to ensure that the public has access to the most accurate information.

➢ ***Recommendations – Appraisal Methodology***

Retrain and rededicate their efforts to become a mass appraisal office, maximizing the use of ias World's capabilities in valuing, analyzing, and reporting.

➢ ***Recommendations – Appraisal Data***

All the data fields in the CAMA system be defined in the new appraisal manual and the appraisers conduct an analysis of the valuation model to determine if they are collecting the appropriate data for the factors that affect value in the City of Dover.

➢ ***Recommendations: - Appeals and Board of Tax Review***

- It is recommended that the City of Dover develop a similar impartial Board to review formal complaints from taxpayers. The Board can be elected by the voters of the City or appointed by the City Council. The terms of appointment should be for a period of at least four years, in order for members to gain experience in this area of valuation and should have terms that expire in staggering years, so that there is always some experienced members on the Board.

14

- If such an independent Board is created it should be named Board of Assessment Appeals or Board of Assessment Review. The word "tax" should not be the name of the Board as it is not a "tax" review board but a board that reviews the valuation or assessment of properties. This name change may remove the misconception that the Board can reduce the tax burden on a property owner.

- The City Code should include a section on property tax exemptions for governmental property. Certainly property owned by high levels of government should be exempt by right as these governmental bodies will not pay local property taxes and the current process of the Assessor appealing on behalf of these governments before the City Council does not seem to be a good use of time. The following property owners should be exempt by right and do not have to apply for the exemption:
    - Property owned by the United States
    - Property Owned by the State of Delaware
    - Property owned by the County
    - Property owned by the City

15

- The City Code should include a section on property tax exemptions for religious, educational, and other not-for-profit organizations. The typical standard for these exemptions is that the property must be owned by the organization and be used for the intended purpose that serves a public benefit. Another characteristic standard for these property tax exemptions is that the organization hold an exemption from federal taxes in compliance with Section 500 (c) (3) of the Internal Revenue Code of 1954 as amended and/or a State tax exemption as issued by the State's Department of Revenue. The Code should set forth a process for applying for the exemption and periodic review of property that received the exemption to ensure that they are still in compliance.

- The City Code should be amended to include a section on the exemption process. The exemption can be processed and granted by the Assessor or by the recommended Appeals Board. Either of these two alternates is common in the United States. Often there is a requirement that the exemption application is reviewed by the City's legal counsel to ensure that the organization and property comply with the legal requirements set forth for the exemption.

  It is also recommended that a review of the existing exempt properties be performed to determine the current status of those property owners receiving exemptions and to confirm their continued 501(c) (3) tax exempt status. A review period of once every five or six years should be codified in the City Code to ensure that the properties receiving an exemption continue to quality for the exemption from the City's property tax.

- The Assessor's Office and Board of Tax Review must apply their rules and procedures for the appeal process consistently and fairly to all taxpayers. Public trust and acceptance of a tax system is based on the tax being applied "fairly and equitably" to all taxpayers.

- The requirement, that is stated in the Board's Tax Policy #3 "*Procedure For Commercial/Industrial/Income Producing Properties*", that these appeals must include a "self-contained written appraisal report" is too high a standard at this level of appeal. The general practice of documentation for an appeal is that this highest standard of a USPAP compliant appraisal is not required until the third level of the appeal process – the appeal to the state court.

  The general and more typical standard, at the second level of appeal before a formal board of review, is a **recommendation** that a summary appraisal is submitted to the local appeal board. A summary appraisal is required to meet all the USPAP standards but is not fully written in a report. An appeal should not be dismissed solely on the lack of submitting a USPAP appraisal. The taxpayer should be able to submit the documentation and evidence that they believe is relevant to their case and it is the function of the Board to make its decision based on the quantity, quality and credibility of the evidence submitted by the taxpayer. In many cases the issue(s) of the appeal and valuation of the property do not require an appraisal but may be issues of law or facts. Also, for many complex commercial properties even the time period for the owner to contract an appraiser that is qualified to appraise the type of property under appeal is greater than thirty days and the time to produce a USPAP compliant appraisal can be many months.

16

ACTION FORM

PROCEEDING: Legislative, Finance & Administration Committee	**AGENDA ITEM**:
DEPARTMENT OF ORIGIN: Public Services	**DATE SUBMITTED**: 12-08-2009
PREPARED BY: Scott D. Koenig, P.E., Public Services Manager	
SUBJECT: Adoption of 2009 Building and Associated Codes	
REFERENCE: Dover Code Chapter 22 – Buildings and Building Regulations & Chapter 46 – Fire Prevention and Protection, Article III – Fire Codes	
RELATED PROJECT: N/A	
APPROVALS: City Manager	
EXHIBITS: Draft Ordinance #2010-02	
EXPENDITURE REQUIRED: $ 0	**AMOUNT BUDGETED**: $ 0
FUNDING SOURCE (Dept./Page in CIP & Budget): N/A	
TIMETABLE: As set by City Council	
RECOMMENDED ACTION: Draft ordinance be forwarded to City Council for adoption.	

BACKGROUND AND ANALYSIS

The proposed ordinance would adopt the 2009 ICC building codes. The City is currently operating under the 2003 ICC building codes. State law requires that municipalities adopt the 2009 International Plumbing Code. Staff has developed this ordinance to adopt the 2009 versions of the International Plumbing Code, International Building Code, International Residential Code, International Mechanical Code, International Fuel and Gas Code, and International Property Maintenance Code. In addition, staff is proposing adoption of the 2009 versions of the International Code Council Performance Code for Buildings and Facilities, International Existing Building Code, and International Energy Conservation Code. These new codes will allow flexibility in meeting code objectives. The proposed ordinance would specifically not adopt the portion of the International Residential Code that would require installation of sprinkler systems in single family homes, duplex homes, and townhomes.

CITY OF DOVER
DRAFT PROPOSED ORDINANCE #2010-02

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

That Chapter 22 - Buildings and Building Regulations, Article III- Building Code, be amended by adding the text shown in blue, bold and deleting the text shown in red, bold, strike-through, as follows:

ARTICLE III BUILDING CODE

Sec. 22-61 Adopted.

(a) *International Building Code adopted.* Certain documents, three **(3)** copies of which are on file in the licensing and permitting office of the city being marked and designated as "The International Building Code, ~~**2003**~~ **2009** Edition" as published by the International Code Council be and is hereby adopted as the Building Code of the City of Dover in the State of Delaware; for the control of buildings and structures as herein provided; and each and all of the regulations, provisions, penalties, conditions and terms of said International Building Code, are hereby referred to, adopted and made a part hereof as if fully set out in this section, with the additions, insertions, deletions and changes as follows:

Section 101.1 *Title*. Insert "City of Dover, DE" in place of *"[NAME OF JURISDICTION]"*

105.2 Work exempt from permit. ~~**Delete section in its entirety.**~~

Building:

1. **One-story detached *accessory structures* used as tool and storage sheds, playhouses and similar uses, provided that the floor area does not exceed 120 square feet.**
2. **Oil derricks.**
3. **Sidewalks and driveways not more than 30 inches (762 mm) above adjacent grade and not over any basement or story below.**
4. **Painting, papering, tiling, carpeting, cabinets, countertops and similar finish work.**
5. **Temporary motion picture, television and theater stage sets and scenery.**
6. **Prefabricated swimming pools accessory to a Group R-3 occupancy provided that the swimming pools are not designed to retain a depth of 24" (610 mm) or more, and do not exceed 5,000 gallons (18925L) and installed entirely above ground.**
7. **Shade cloth structures constructed for nursery or agricultural purposes, not including service systems.**
8. **Swings and other playground equipment accessory to a one or two-family dwelling.**

DRAFT

9. **Window awnings supported by an exterior wall which do not project more than 54 inches (1372 mm) from the exterior wall and do not require additional support of Group R-3 and U Occupancies.**
10. **Non-fixed and movable fixtures, cases, racks, counters and partitions not over 5 feet 9 inches (1753 mm) in height.**

Section 105.5. Expiration. Insert the following text following the word "demonstrated" at the end of the section: "and does not exceed the 3 year time limit as stated in 105.5.2."; and insert the following subsections:

105.5.1
Time limitation of permit. A permit for any activity for which a permit is required shall be valid for 180 days from the date of issuance. One 180-day extension may be granted without additional charge to the permit holder. Additional 180-day extensions may be granted with payment of a renewal fee as specified in Appendix F: Fees and Fines.

105.5.2
Completion of construction. All construction for which a building permit is required must be completed and pass final inspection within three (3) years after issuance of the building permit. If not completed within three (3) years, a new building permit must be obtained and any associated fees paid incurred by the previous submission.

SECTION ~~106~~ **107** ~~CONSTRUCTION~~ **SUBMITTAL** DOCUMENTS

~~106.1~~ **107.1 Submittal documents.** Insert: "**Construction documents, statement of special inspections, structural observation programs and other data,** for new construction, alterations, repairs, expansion, additions or modifications of buildings or structures, which involve the practice of architecture or engineering, as defined by the professional registration laws of the State of Delaware shall be prepared by a registered design professional consistent with the professional registration laws of the State of Delaware. Construction documents shall include the name, address and license or registration number of the registered design professional and shall be signed, sealed and dated by the registered design professional in accordance with the professional registration or licensing laws, statutes, regulations or administration provisions of the State of Delaware." in place of "**Submittal documents consisting of construction documents, statement of special inspections, geotechnical report and other data shall be submitted in two or more sets with each permit application. The construction documents** shall be prepared by a registered design professional where required by the statues of the jurisdiction in which the project is to be constructed."

Section **108.3**. **109.3** Insert: "see Section ~~5-21~~ **22-65** Fees for permits" ~~**[Section 22-65, Permit fees]**~~ in place of "in accordance with the schedule as established by the applicable governing authority". **New construction valuation will be confirmed using the most current ICC valuation chart information unless otherwise approved by the authority having jurisdiction.**

Section ~~112~~ **113** BOARD OF APPEALS. ~~**Delete this section in its entirety.**~~ **See Chapter 22 – Buildings and Building Regulations, Article I – In General, Sec. 22-1 Construction code appeals committee.**

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Section ~~113.4~~ **114.4** *Violation Penalties.* Any person who violates a provision of this code or fails to comply with any of the requirements thereof or who erects, constructs, places, alters, repairs, a building or structure in violation of the approved construction documents or directive of the building inspector, or of a permit or certificate issued under the provisions of this code shall be charged with a violation of this code and be guilty of a misdemeanor, punishable by a fine as provided for in Appendix F--Fees and Fines, or by imprisonment thirty (30) days, or both such fine and imprisonment. Each day that a violation continues shall be deemed a separate offense.

Section 114.3 Unlawful continuance. Insert: "Any person who shall continue any work after having been served with a stop work order, except such work as that person is directed to perform to remove a violation or unsafe condition, shall be charged with a violation of this section and shall be fined as provided for in Appendix F--Fees and Fines. Repeat offenders shall not receive warnings and shall instead be subject to progressively increasing fines as provided for in Appendix F--Fees and Fines. Each day that a violation continues shall be deemed a separate offense." in place of: "Any person who shall continue any work after having been served with a stop work order, except such work as that person is directed to perform a violation or unsafe condition, shall be subject to penalties as prescribed by law."

Section 1612.3 Establishment of flood hazard areas. Insert "Kent County" in place of, "*[INSERT NAME OF JURISDICTION]*" and "May 5, 2003" in place of "*[INSERT DATE OF ISSUANCE]*"

Section 3410.2 Applicability. Insert "April 4, 1984" in place of *[DATE TO BE INSERTED BY THE JURISDICTION. NOTE: IT IS RECOMMENDED THAT THIS DATE COINCIDE WITH THE EFFECTIVE DATE OF BUILDING CODES WITHIN THE JURISDICTION]*.

(b) International Residential Code Adopted. That certain documents, three **(3)** copies of which are on file in the licensing and permitting office in the city, being marked and designated as the International Residential Code **2009 edition**, as published by the International Code Council, be and is hereby adopted as the code of the city for regulating the design, construction, quality of materials, erection, installation, alteration, repair, location, relocation, replacement, addition to, use or maintenance of building, mechanical, plumbing and electrical systems in the City of Dover and providing for the issuance of permits and collection of fees therefore; and each and all of the regulations, provisions, conditions and terms of such International Residential Code, as referenced in the Building Code adopted in subsection(a), published by the International Code Council, on file in the office of the city are hereby referred to, adopted and made a part hereof as if fully set out in this section. The following sections of the International Residential Code are hereby revised:

Section 101.1 Title. Insert "City of Dover, DE" in place of "*[NAME OF JURISDICTION]*"

Section **R**105.2. Work exempt from permit, Building - 1. Insert ~~**"24"**~~ **"120"** in place of "200" ~~**and "2.23 m² " in place of "18.58 m² "**~~. Delete numbers 2 through 5 in their entirety. **Replace number 7 with the following: "Prefabricated swimming pools accessory to a Group R-3 occupancy provided that the swimming pools are not designed to retain a depth of 24" (610 mm) or more, and do not exceed 5,000 gallons (18925L) and installed entirely above ground.**

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SECTION R106 CONSTRUCTION DOCUMENTS

R106.1 Submittal documents. ~~**Insert "two" in place of "one or more and delete "the construction documents shall be prepared by a registered design professional where required by the statutes of the jurisdiction in which the project is to be constructed." in its entirety.**~~ **Insert: "Construction documents, statement of special inspections, structural observation programs and other data, for new construction, alterations, repairs, expansion, additions or modifications of buildings or structures, shall be submitted in 2 sets and as defined by the professional registration laws of the State of Delaware and be prepared by a registered design professional consistent with the professional registration laws of the State of Delaware. Construction documents shall include the name, address and license or registration number of the registered design professional and shall be signed, sealed and dated by the registered design professional in accordance with the professional registration or licensing laws, statutes, regulations or administration provisions of the State of Delaware." in place of "shall be prepared by a registered design professional where required by the statues of the jurisdiction in which the project is to be constructed". Where special conditions exist, the building official is authorized to require additional construction documents as described here.**

Exception: The building official is authorized to waive the submission of construction documents and other data not required to be prepared by a registered design professional *if* it is found that the nature of the work applied for is such that review of construction documents is not necessary to obtain compliance with this code.

SECTION R108 FEES

R108.2 Schedule of permit fees. Insert "see Section ~~5-21~~ **22-65** Fees for permits ~~**[Section 22-65 Permit fees]**~~" in place of "in accordance with the schedule as established by the applicable governing authority".

SECTION R112 BOARD OF APPEALS ~~**Delete this section in its entirety.**~~ **See Chapter 22 – Buildings and Building Regulations, Article I – In General, Sec. 22-1 Construction code appeals committee.**

SECTION R113 VIOLATIONS

Section 113.4 Violation Penalties. Insert "See Section ~~**5-16(a)**~~ ~~**[**~~22-61 (a)~~**]**~~ Section 113.4 Violation Penalties" in place of "Any person who violates a provision of this code or fails to comply with any of the requirements thereof or who erects, constructs, places, alters, repairs, a building or structure in violation of the approved construction documents or directive of the building inspector, or of a permit or certificate issued under the provisions of this code, shall be subject to penalties as prescribed by law."

SECTION R114 STOP WORK ORDER

Section R114.2 Unlawful continuance. Insert: "See Section ~~**5-16(a)**~~ ~~**[**~~22-61 (a)~~**]**~~ International Building Code, Section 114.3 Unlawful continuance" in place of "Any person who shall continue

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any work after having been served with a stop work order, except such work as that person is directed to perform a violation or unsafe condition, shall be subject to penalties as prescribed by law."

TABLE R301.2(1) CLIMATIC AND GEOGRAPHIC DESIGN CRITERIA

~~Ground snow load~~	~~Wind speed (mph)~~	~~Seismic design category~~	~~SUBJECT TO DAMAGE FROM~~				~~Winter design temp~~	~~Ice shield underlayment required~~	~~Flood hazards~~	~~Air freezing index~~	~~Mean annual temp~~
			~~Weathering~~	~~Frost line depth~~	~~Termite~~	~~Decay~~					
~~25~~	~~95 Gust 77 fastest~~	~~A~~	~~Severe~~	~~24"~~	~~Moderate to Heavy~~	~~Slight to Moderate~~	~~14°~~	~~NO~~	~~May 5, 2003~~	~~450~~	~~55°~~

Ground Snow Load	Wind Design		Seismic Design Category [f]	Subject to Damage From			Winter Design Temp [e]	Ice Barrier Underlayment Required [h]	Flood Hazards [g]	Air Freezing Index [i]	Mean Annual Temperature [j]
	Speed [d] (mph)	Topographic effects [k]		Weathering [a]	Frost line Depth [b]	Termite [c]					
25	95 gust 77 fastest	NO	A	Severe	24”	Moderate To Heavy	14º	NO	May 5, 2003	450	55º

Table R301.5 MINIMUM UNIFORMLY DISTRIBUTED LIVE LOADS. Insert the following at the end of footnote “c”: Calculations demonstrating compliance with the minimum live load shall be provided by a registered design professional for stairs and fire escapes that do not have additional “stringer” or “carriage” support located and equally distributed in the middle section of the stair width.

SECTION R313 AUTOMATIC FIRE SPRINKLER SYSTEMS – Delete this section in its entirety.

CHAPTER 4 FOUNDATIONS

SECTION R403 FOOTINGS

R403.1.1 Minimum size. Insert “The minimum thickness of a footing shall be the nominal width of the wall but not less than 8 inches. The nominal width of the footings shall be twice the nominal thickness of the wall. Two story sections of a building shall have a minimum footing width of 24 inches and a minimum footing depth of 10 inches.” in place of “ Minimum sizes for concrete and masonry footings shall be as set forth in Table R403.1 and Figure R403.1(1). The footing width, W, shall be based on the load-bearing value of the soil in accordance with Table 401.4.1. Spread footings shall be at least 6 inches in thickness. Footing projections, P, shall be at least 2 inches and shall not exceed the thickness of the footing.” Insert “, but in all cases shall be a minimum of 24 inches x 24 inches x 12 inches deep.” at the end of the following sentence: “The size of footings supporting piers and columns shall be based on the tributary load and allowable soil pressure in accordance with Table 401.4.1.”

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R403.1.2 Continuous footings in Seismic Design Categories D1 and D2. *Delete in its entirety and Insert:* R403.1.2 Footing reinforcement. Footings shall be reinforced with a minimum of two #4 rebar wired together with a minimum 15" overlap; pier footings with a minimum of two #4 rebar wired together in two directions, and column footings with three #4 rebar wired together in two directions.

R403.1.3 Seismic reinforcing. *Delete in its entirety*

R403.1.4 Minimum Depth. Insert "24" in place of "12".

Amend R403.1.4.1 Frost protection - Exceptions to read:

1. **Frost Protection of** freestanding residential accessory / utility structures with an area of 240 square feet or less and an eave height of 10 feet or less, except for pole buildings and garages, shall not be required to be– frost protected. ~~**provided that they are leveled and secured with tie-downs or equivalent manufactured home fastening devices on each corner.**~~ **Freestanding accessory structures (sheds) between 120 sf and 240 sf shall be secured with tie-downs or equivalent manufactured home fastening devices on each corner.** Structures 20 feet or more in length shall have additional anchors attached in the center of each side **unless frost protection applies as stated herein**. **All accessory / utility structures greater than 240 square feet, all pole buildings and all garages shall have frost protection (footings).**

2. Decks not supported by a dwelling ~~**need not be**~~ **shall also be** provided with footings that extend below the frost line. Single story supported in part by a dwelling and with 4" x 4" posts shall have footings that are a minimum of 8 inches in diameter; with 6" x 6" posts a minimum of 12" diameter is required; the bottom of all such footings shall be a minimum of 24" below finished grade and be at least 6" deep.

Footings shall not bear on frozen soil unless such frozen condition is of a permanent character.

(c) ***The ICC Performance Code for Buildings and Facilities*. That certain documents, three (3) copies of which are on file in the licensing and permitting office of the city being marked and designated as "The ICC Performance Code for Buildings and Facilities 2009 Edition" as published by the International Code Council be and is hereby adopted as the Performance Code of the City of Dover in the State of Delaware; for, regulating and governing the performance-based design, construction, quality of materials, erection, installation, alteration, repair, location, relocation, replacement, addition to, use or maintenance of building and/or fire protection systems in the City of Dover.**

(d) ***The International Existing Building Code*. That certain documents, three (3) copies of which are on file in the licensing and permitting office of the city being marked and designated as "The International Existing Building Code 2009 Edition" as published by the International Code Council be and is hereby adopted as the Existing Building Code of the City of Dover in the State of Delaware; for, regulating and governing the repair, alteration, change of occupancy, addition and relocation of existing buildings, including historic buildings, as herein provided.**

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(e) *The International Energy Conservation Code*. That certain documents, three (3) copies of which are on file in the licensing and permitting office of the city being marked and designated as "The International Energy Conservation Code 2009 Edition" as published by the International Code Council be and is hereby adopted as the Energy Conservation Code of the City of Dover in the State of Delaware; for, regulating and governing energy efficient building envelopes and installation of energy efficient mechanical, lighting and power systems as herein provided.

BE IT FURTHER ORDAINED:

That Chapter 22 - Buildings and Building Regulations, Article V - Mechanical Code, be amended to add the text shown in blue bold and delete the text in red bold strike-through, as follows:

ARTICLE V MECHANICAL CODE

Sec. 22-141. Adopted.

(a) Certain documents, three **(3)** copies of which are on file in the licensing and permitting office of the city, being marked and designated as the International Mechanical Code **2009 Edition**, including appendix chapter "A", as referenced in the building code adopted in 22-61(a), published by the International Code Council, be and is hereby adopted as the code of the city for regulating the design, construction, quality of materials, erection, installation, alteration, repair, location, relocation, replacement, addition to, use or maintenance of mechanical systems in the city and providing for the issuance of permits and collection of fees therefore; and each and all of the regulations, provisions, conditions and terms of such International Mechanical Code, as referenced in the building code adopted in section 22-61(a), published by the International Code Council, on file in the office of the city are hereby referred to, adopted and made a part hereof as if fully set out in this section. The following sections of the International Mechanical Code are hereby revised:

Section 101.1 Title. Insert "City of Dover, DE" in place of "[NAME OF JURISDICTION]"

106.5 Fee Schedule. Insert "See DCO Section ~~**5.61**~~ **22-145** Heating, air conditioning, and heat pump permit fees" in place of "The fees for all mechanical work shall be as indicated in the following schedule:"
In place of:

Section 106.5.3 Fee refunds. Delete in its entirety.

SECTION 108 VIOLATIONS

Section 108.4 Violation Penalties. Insert "See Section ~~**5-16(a) [subsection**~~ 22-61(a)~~]~~ International Building Code Section 113.4, Violation Penalties" in place of "Any person who shall violate a provision of this code or shall fail to comply with any of the requirements thereof or who shall erect, install, alters, or repair, a plumbing work in

violation of the approved construction documents or directive of the code official, or of a permit or certificate issued under the provisions of this code, shall be guilty of a [SPECIFY OFFENSE], punishable by a fine of not more than [AMOUNT], or by imprisonment not exceeding thirty (30) days, or both such fine and imprisonment. Each day that a violation continues after due notice has been served shall be deemed a separate offense."

Section 108.5 Stop work orders. Insert "See ~~Section 5-16(a) [subsection~~ 22-61(a)~~]~~ International Building Code, Section 114.3 Unlawful continuance" in place of "Upon notice from the code official that mechanical work is being done contrary to the provisions of this code or in a dangerous and unsafe manner such work shall immediately cease. Such notice shall be in writing and shall be given to the owner of the property, or to the owner's agent, or to the person doing the work. The notice shall state the conditions under which work is authorized to resume. Where an emergency exists, the code official shall not be required to give a written notice prior to stopping work. Any person who shall continue any work in or about the structure after having been served with a stop work order, except such work as that person is directed to remove a violation or unsafe condition, shall be charged with a violation of this section and shall be liable to a fine of not less than [AMOUNT] dollars or more than [AMOUNT] dollars"

SECTION 109 MEANS OF APPEAL Delete Section in its entirety.

(b) If any section, subsection, sentence, clause or phrase of this section is, for any reason, held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this section. The city council hereby declares that it would have passed the ordinance from which this section derives, and each section, subsection, clause or phrase thereof, irrespective of the fact that any one (1) or more sections, subsections, sentences, clauses and phrases be declared unconstitutional.

BE IT FURTHER ORDAINED:

That Chapter 22- Buildings and Building Regulations, Article VI - Plumbing Code be amended to add the text shown in blue bold and delete the text in red bold strike-through, as follows:

ARTICLE VI. PLUMBING CODE

Sec. 22-181. Adopted.

(a) Certain documents, three **(3)** copies of which are on file in the licensing and permitting office in the city, being marked and designated as International Plumbing Code **2009**, including appendix chapters B, C, D, E, F, G, as referenced in the building code adopted in ~~**5-16(a) [subsection**~~ 22-61(a)~~]~~, published by the International Code Council, be and is hereby adopted as the code of the City of Dover for regulating the design, construction, quality of materials, erection, installation, alteration, repair, location, relocation, replacement, addition to, use or maintenance of plumbing systems in the city and providing for the issuance of permits and collection of fees therefore; and each and all of the regulations, provisions, conditions and terms of such International Plumbing Code, as referenced in the building code adopted in ~~**5-16(a) [subsection**~~ 22-61(a)~~]~~, published by the International Code Council, on file in the office of the City of Dover are hereby referred to, adopted and made a part hereof as if fully set out in this

section. The following sections are hereby revised:

Exception: The 2009 International Private Sewage Disposal portion of this code is not adopted, as enforced by other authorities having jurisdiction.

Section 101.1 Title. Insert "City of Dover, DE" in place of "*[NAME OF JURISDICTION]*"

Section 106.6.2 Fee Schedule. Insert "See Section **5.75 22-65** Permit Fees" in place of "The fees for all plumbing work shall be as indicated in the following schedule:

[JURISDICTION TO INSERT APPROPRIATE SCHEDULE]".

Section 106.6.3 Fee refunds. Delete in its entirety.

Section 108.4 Violation Penalties. Insert: "See Section ~~5-16~~ **22-61**(a) International Building Code Section 113.4, Violation Penalties" in place of "Any person who shall violate a provision of this code or shall fail to comply with any of the requirements thereof or who shall erect, install, alters, or repair, a plumbing work in violation of the approved construction documents or directive of the code official, or of a permit or certificate issued under the provisions of this code, shall be guilty of a [SPECIFY OFFENSE], punishable by a fine of not more than [AMOUNT] dollars or by imprisonment not exceeding [NUMBER OF DAYS], or both such fine and imprisonment. Each day that a violation continues after due notice has been served shall be deemed a separate offense."

Section 108.5 Stop work orders. Insert "See Section ~~5-16~~ **22-61**(a) International Building Code, Section 114.3 Unlawful continuance" in place of "Upon notice from the code official, work on any plumbing system that is being done contrary to the provisions of this code or in a dangerous and unsafe manner shall immediately cease. Such notice shall be in writing and shall be given to the owner of the property, or to the owner's agent, or to the person doing the work. The notice shall state the conditions under which work is authorized to resume. Where an emergency exists, the code official shall not be required to give a written notice prior to stopping work. Any person who shall continue any work in or about the structure after having been served with a stop work order, except such work as that person is directed to perform to remove a violation or unsafe condition, shall be charged with a violation of this section and shall be liable to a fine of not less than [AMOUNT] dollars or more than [AMOUNT] dollars"

(b) *International Fuel and Gas Code*. That certain documents, three (3) copies of which are on file in the licensing and permitting office of the city being marked and designated as "The International Fuel and Gas Code, ~~2003~~ 2009 Edition" as published by the International Code Council be and is hereby adopted as the Fuel and Gas Code of the City of Dover in the State of Delaware; for regulating and governing fuel gas systems and gas fired appliances as herein provided.

~~(b)~~ **(c)** That if any section, subsection, sentences, clause or phrase of this section is, for any reason, held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this section. The city council hereby declares that it would have passed the ordinance from which this section derives, and each section, subsection, clause and phrase therefore, irrespective of the fact that any one (1) or more sections, subsections, sentences, clauses and phrases be declared unconstitutional.

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BE IT FURTHER ORDAINED:

That Chapter 22 Buildings and Building Regulations, Article VII - Property Maintenance Code adopted be amended to add the text shown in blue bold and delete the text in red bold strike-through, as follows:

ARTICLE VII. PROPERTY MAINTENANCE CODE

Sec. 22-221 Adopted.

(a) A certain document, three **(3)** copies of which are on file in the licensing and permitting office of the city, being marked and designated as "The International Property Maintenance Code, ~~**2003**~~ **2009**" as published by the International Code Council, be and is hereby adopted as the Property Maintenance Code of the City of Dover, in the State of Delaware; for the control of buildings and structures as herein provided; and each and all of the regulations, provisions, penalties, conditions and terms of said property maintenance code are hereby referred to, adopted, and made a part hereof, as if fully set out in this section, with the following additions, insertions, deletions and changes:

Section 101.1 Title. Insert "City of Dover, DE" in place of *"[NAME OF JURISDICTION]"*

SECTION 111 MEANS OF APPEAL ~~**Delete Section in its entirety.**~~ **See Chapter 22 – Buildings and Building Regulations, Article VII – Property Maintenance Code, Sec. 22-225 Property maintenance code board of appeals.**

Section 304.14 Insect screens. Insert "March 1st to November 30th" in place of "[date] to [date]".

Section 602.3 Heat supply. Insert "September 15th to May 1st" in place of "[date] to [date]".

Section 602.4. Occupiable work spaces. Insert "September 15th to May 1st" in place of "[date] to [date]".

(b) It shall be unlawful for any person to violate any of the provisions of the publication adopted in subsection (a).

BE IT FURTHER ORDAINED:

That Chapter 46 - Fire Prevention and Protection, Article III - Fire Codes, be amended to add the text shown in blue bold and delete the text in red bold strike-through, as follows:

Sec 46-121Adopted

(a)*International Fire Code adopted.* A certain document, three **(3)** copies of which are on file in the **licensing and permitting** office ~~**of the department of planning**~~ of the city, being marked and designated as "International Fire Code, ~~**2003**~~ **2009** Edition," as published by the International Code Council, be and is hereby adopted as the Fire Prevention Code of the City of Dover in the State of Delaware; for the control of

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buildings, structures and premises as herein provided; and each and all of the regulations, provisions, penalties, conditions and terms of said International Fire Code, are hereby referred to, adopted and made part hereof as if fully set out in this section, with additions, insertions, deletions and changes as follows:

Section 101.1 Insert "City of Dover", in place of [NAME OF JURIDICTION].

Delete in their entirety: Sections 105.6 Required operational permits, through 105.7.12 Temporary membrane structures, tents, and canopies.

(b) National Fire Codes adopted. There is hereby adopted the most recently published edition of the National Fire Prevention Association's (NFPA) National Fire Codes (excluding NFPA Codes 11C, 13E, 402M, -41s, 422, 424M-473, 901-906, 1001-1041, 1201-1410, 1452-1999, 5000), three (3) copies of which are on file in the office of the fire marshal.

(c) The more restrictive provisions of the International Fire Codes as set forth in subsection (a) above or the National Fire Codes as set forth in subsection (b) above shall apply whenever they may be in conflict.

(d) It shall be unlawful for any person to violate any of the provisions of the publications adopted in subsection (a) or (b).

BE IT FURTHER ORDAINED:

That Appendix F – Fees and Fines, Chapter 22- Buildings and Building Regulations be amended by inserting the text shown in blue, bold and deleting the text shown in red, bold, strike-through, as follows:

Chapter 22--Buildings and Building Regulations, Article III--Building Code			
Fines not paid within 14 days of the day the fine was issued, including the day the fine was issued, shall be automatically doubled in amount.			
Sec. 22-61	Adopted (*International Building Code*)		
Sec. 105.5.1	**Expiration; Additional 180 day extensions may be granted with payment of a renewal fee…**		**$25.00 per 180-day extension**
Sec. 113.4	Violation penalties; Each day that a violation continues shall be deemed a separate offense.....		Fine of not less than $100.00 or more than $10,000.00
Sec. 114.3	Unlawful continuance		
		First offense.....	$100.00

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		Second offense.....	$250.00
		Third offense.....	$500.00
		Fourth and subsequent offenses.....	No less than $1,000.00 and no more than $10,000.00

ADOPTED: *

SYNOPSIS

The proposed ordinance would adopt the 2009 ICC building codes. The City is currently operating under the 2003 ICC building codes. State law requires that municipalities adopt the 2009 International Plumbing Code. Staff has developed this ordinance to adopt the 2009 versions of the International Plumbing Code, International Building Code, International Residential Code, International Mechanical Code, International Fuel and Gas Code, and International Property Maintenance Code. In addition, staff is proposing adoption of the 2009 versions of the International Code Council Performance Code for Buildings and Facilities, International Existing Building Code, and International Energy Conservation Code. These new codes will allow flexibility in meeting code objectives. The proposed ordinance would specifically not adopt the portion of the International Residential Code that would require installation of sprinkler systems in single family homes, duplex homes, and townhomes.

Actions History:

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ACTION FORM

PROCEEDING: Legislative, Finance & Administration Committee January 11, 2010
DEPARTMENT OF ORIGIN: Human Resources **DATE SUBMITTED**
PREPARED BY: Kim Hawkins, Anthony DePrima, & Donna Mitchell
SUBJECT: Health Benefits Committee
APPROVALS: City Council
EXHIBITS: N/A
EXPENDITURE REQUIRED: **Total:** **AMOUNT BUDGETED**: N/A **FUNDING SOURCE**: OPEB Trust Fund
TIMETABLE:
RECOMMENDED ACTION: Agreement on the formation of a Health Benefits Committee and appointment of two Council Members to serve on the Committee with the understanding that meetings will be conducted during City business hours.

In order to manage the OPEB liability and annual cost of health benefits, the City Administration is recommending the formation of a Health Benefits Committee as appointed by City Council. The Committee membership would consist of the following positions.

Council Members (2) – appointed by City Council
City Manager (Ex Officio)
Human Resources Director
Controller/Treasurer
FOP – one representative as appointed by the Union
IBEW – one representative as appointed by the Union
IUE/CWA – one representative as appointed by the Union
Non-Bargaining – one volunteer

The goal of the Health Benefits Committee would be to research alternative health care plans, alternative vendors, health savings accounts, policy/procedure changes or any other options to assist the City in reducing its health care liability and annual cost. In doing so, the Committee shall maintain quality health insurance that is affordable for the City employees, customers, and taxpayers. The Committee shall provide their recommendations to City Council by January 31, 2011.

In order to achieve its goal the Health Benefits Committee may at times need to hire consultants to explain or cost out various options. The Committee will be responsible for developing RFP's, selecting vendors, and submitting to Council the approval of recommended vendors as promulgated by the Purchasing Policy. All cost will be paid from the OPEB Trust Fund.

ACTION FORM

PROCEEDING: Legislative, Finance & Administration Committee	**January 11, 2009 Agenda Item**
DEPARTMENT OF ORIGIN: Finance	**DATE SUBMITTED**: 12/31/09
PREPARED BY: Donna Mitchell, Controller/Treasurer	
SUBJECT: Budget Ordinance – First Amendment	
REFERENCE: Fiscal Year 2009 Comprehensive Annual Financial Report	
RELATED PROJECT: N/A	
APPROVALS: Committee & Council	
EXHIBITS: Budget Ordinance	
EXPENDITURE REQUIRED: As attached	**AMOUNT BUDGETED**: As attached
FUNDING SOURCE (Dept./Page in CIP & Budget):	
TIMETABLE: As included in recommended action.	
RECOMMENDED ACTION: Approval of the attached budget ordinance to be forwarded to City Council for first reading on January 25, 2010.	

BACKGROUND AND ANALYSIS

The attached draft Budget Ordinance is to incorporate into the FY10 Budget the final budget balances and project budget balances carried forward from FY09. The adjustment columns are for this presentation only.

The General Fund changes incorporates the loss of the Municipal Street Aid funds $775,200, which was offset by the adjustment to the Beginning Budget Balance $812,127. The Municipal Street Aid Fund has been adjusted as well for the $775,200. FY09 Encumbrances have been included for the Police Department and Human Resources Department.

The Water and Wastewater Fund had a negative Beginning Budget Balance Adjustment in aggregate which was all attributed to Kent County Sewer Treatment Fees exceeding our revenues for Treatment fees ($497,667).

The Electric Revenue Fund had a positive Beginning Budget Balance Adjustment of $3.1 million. The City Manager and I will discuss the possibility of eliminating the budgeted $3 million transfer-in from the Rate Stabilization Reserve in the Mid Year Review in order to maintain the current reserve balance to address any needs in the FY11 Budget. Balance as of 6/30/09 is $4.7 million. Policy minimum is 3% of budgeted purchased power cost and the maximum is 10%. ($2.5 million - $8.3 million)

For the first time in several years, our Worker's Comp Fund had a negative adjustment to the Beginning Budget Balance of $126,345 since expenses exceeded contributions in FY09. However, the Fund still remains in a good financial position with a Budget Balance of $1.4 million.

Other changes are the elimination of the budget for Other Post Employment Benefits Fund, as this is now a Trust as adopted by Council in May 2009 and no longer a governmental fund, a $50,000 adjustment to Community Transportation Fund for the transfer-in as a correction to the budget, the addition of the CDBG Fund budget.

2009 - 2010 BUDGET ORDINANCES
GENERAL FUND
CASH RECEIPTS AND EXPENDITURES FOR 2009 - 2010

CASH RECEIPTS ESTIMATES	**Info Only 2009/10 BUDGET**	**Audit Adj**	**Prior Yr Project Bals.**	***Revised* 2009/10 BUDGET**
PRIOR YEAR BALANCE	2,816,763	812,127	-	3,628,890
FINES AND POLICE REVENUE	620,000	-	-	620,000
911 FEE	45,000	-	-	45,000
INVESTMENT INCOME	253,000	-	-	253,000
LIBRARY REVENUES	66,508	-	-	66,508
KENT COUNTY BOOK REIMBURSEMENT	460,000	-	-	460,000
BUSINESS LICENSES	1,430,000	-	-	1,430,000
PERMITS AND OTHER LICENSES	904,000	-	-	904,000
MISCELLANEOUS CHARGES	54,250	-	-	54,250
POLICE EXTRA DUTY	300,000	-	-	300,000
PROPERTY TAXES	10,185,246	-	-	10,185,246
BID REVENUE	52,692	-	-	52,692
RECREATION REVENUE	141,500	-	-	141,500
FRANCHISE FEE	486,000	-	-	486,000
TRASH FEES	1,260,000	-	-	1,260,000
DSWA TRASH FEE REBATE	160,000	-	-	160,000
RENT REVENUE - GARRISON FARM	41,535	-	-	41,535
COURT OF CHANCERY FEES	745,000	-	-	745,000
INTRAFUND SERVICE RECEIPTS W/WW	991,830	-	-	991,830
INTRAFUND SERVICE RECEIPTS ELECTRIC	3,483,884	-	-	3,483,884
GRANTS:				
POLICE RELATED	40,000	-	-	40,000
POLICE PENSION GRANTS	620,000			620,000
CAPITAL SCHOOL DISTRICT REVENUE	74,000	-	-	74,000
TRANSFERS FROM:				
TRANSFER TAX	1,400,000	-	-	1,400,000
MUNICIPAL STREET AID	775,200	(775,200)	-	-
CIVIL TRAFFIC PENALTIES	700,000	-	-	700,000
WATER/WASTEWATER	548,020	-	-	548,020
ELECTRIC	6,758,100	-	-	6,758,100
TOTALS	**35,412,528**	**36,927**	**-**	**35,449,455**

2009 - 2010 BUDGET ORDINANCES
GENERAL FUND - CONTINUED

EXPENDITURE SUMMARY	**Info Only 2009/10 BUDGET**	**Audit Adj**	**Prior Yr Project Bals.**	***Revised* 2009/10 BUDGET**
DEPARTMENT EXPENSES:				
CITY CLERK	290,580	-	-	290,580
COUNCIL	112,684	-	-	112,684
TAX ASSESSOR	572,526	-	-	572,526
FIRE	750,445	-	-	750,445
GROUNDS MAINTENANCE	1,119,611	-	-	1,119,611
LIBRARY	1,148,716	-	-	1,148,716
RECREATION	757,467	-	-	757,467
LIFE SAFETY	422,029	-	-	422,029
CODE INFORCEMENT	378,092	-	-	378,092
PLANNING	409,335	-	-	409,335
INSPECTIONS	517,316	-	-	517,316
ECONOMIC DEVELOPMENT	243,854	-	-	243,854
POLICE	11,739,470	-	30,215	11,769,685
POLICE EXTRA DUTY	449,516	-	-	449,516
STREETS	857,422	-	-	857,422
SANITATION	2,200,285	-	-	2,200,285
CITY MANAGER	553,130	-	-	553,130
INFORMATION TECHNOLOGY	883,075	-	-	883,075
FINANCE	781,791	-	-	781,791
PUBLIC SERVICES - ADMINISTRATION	355,159	-	-	355,159
FACILITIES MANAGEMENT	1,042,498	-	-	1,042,498
CENTRAL SERVICES	778,095	-	-	778,095
FLEET MAINTENANCE	699,676	-	-	699,676
CUSTOMER SERVICES	893,054	-	-	893,054
HUMAN RESOURCES	451,960	-	4,000	455,960
MAYOR	69,899	-	-	69,899
OTHER EXPENDITURES:				
DEBT SERVICE	328,410	-	-	328,410
INSURANCE	600,000	-	-	600,000
RETIREES HEALTH CARE	1,014,820	-	-	1,014,820
UNCOLLECTIBLES - TRASH AND OTHER	10,000	-	-	10,000
STREET LIGHTS	985,000	-	-	985,000
TRANSFER TO CAPITAL PROJECT FUND	344,802	-	-	344,802
TRANSFER TO PENSION TRUST	620,000	-	-	620,000
TRANSFER TO CDBG FUND	11,000	-	-	11,000
CURRENT YEAR BALANCE	3,020,811	36,927	(34,215)	3,023,523
TOTALS	**35,412,528**	**36,927**	**-**	**35,449,455**

2009 - 2010 BUDGET ORDINANCES
GENERAL CONTINGENCY FUND
CASH RECEIPTS AND EXPENDITURES FOR 2009 - 2010

CASH RECEIPTS ESTIMATES	**Info Only 2009/10 BUDGET**	**Audit Adj**	***Revised* 2009/10 BUDGET**
BEGINNING BALANCE	645,254	99,617	744,871
TOTALS	**645,254**	**99,617**	**744,871**
EXPENDITURE ESTIMATES			
CARRY FORWARD TO NEXT YEAR	645,254	99,617	744,871
TOTALS	**645,254**	**99,617**	**744,871**

2009 - 2010 BUDGET ORDINANCES
GOVERNMENTAL CAPITAL PROJECTS FUND
CASH RECEIPTS AND EXPENDITURES FOR 2009 - 2010

CASH RECEIPTS ESTIMATES	**Info Only 2009/10 BUDGET**	**Audit Adj**	**Prior Yr Project Bals.**	***Revised* 2009/10 BUDGET**
BEGINNING BALANCE	375,408	87,285	-	462,693
STATE GRANTS	4,000,000	-	180,234	4,180,234
INTEREST EARNINGS	2,700	-	-	2,700
BOND PROCEEDS	1,912,433	-	-	1,912,433
TRANSFER FROM GENERAL FUND	344,802	-	-	344,802
TRANSFER FROM PARKLAND RESERVE	-	-	-	-
TRANSFER FROM LIBRARY RESERVE	3,000,000	-	180,235	3,180,235
TOTALS	**9,635,343**	**87,285**	**360,469**	**10,083,097**
EXPENDITURE SUMMARY				
FIRE	292,210	-	-	292,210
LIBRARY	8,912,433	-	360,469	9,272,902
RECREATION	-	-	70,000	70,000
POLICE	73,700	-	21,006	94,706
STREETS	350,000	-	-	350,000
INFORMATION TECHNOLOGY	7,000	-	-	7,000
CURRENT YEAR BALANCE	-	87,285	(91,006)	(3,721)
TOTALS	**9,635,343**	**87,285**	**360,469**	**10,083,097**

2009 - 2010 BUDGET ORDINANCES
GENERAL CAPITAL ASSET REPLACEMENT RESERVE
CASH RECEIPTS AND EXPENDITURES FOR 2009 - 2010

CASH RECEIPTS ESTIMATES	Info Only 2009/10 BUDGET	Audit Adj	*Revised* 2009/10 BUDGET
BEGINNING BALANCE	235,074	92,295	327,369
INTEREST EARNINGS	7,000	-	7,000
TOTALS	**242,074**	**92,295**	**334,369**
EXPENDITURE ESTIMATES			
CARRY FORWARD TO NEXT YEAR	242,074	92,295	334,369
TOTALS	**242,074**	**92,295**	**334,369**

2009 - 2010 BUDGET ORDINANCES
WATER/WASTEWATER FUND
REVENUES AND EXPENSES FOR 2009 - 2010

REVENUE ESTIMATES	Info Only 2009/10 BUDGET	Audit Adj	*Revised* 2009/10 BUDGET
PRIOR YEAR BALANCE - WATER	662,079	(2,495)	659,584
PRIOR YEAR BALANCE - WASTEWATER	307,112	20,502	327,614
PRIOR YEAR BALANCE - KCSA	100,194	(497,667)	(397,473)
WATER FEES	4,499,000	-	4,499,000
WASTEWATER FEES	3,045,560	-	3,045,560
WASTEWATER ADJUSTMENT FEES	3,435,390	-	3,435,390
WATER TANK SPACE LEASING	293,669	-	293,669
SEWER IMPACT FEES	475,000	-	475,000
WATER IMPACT FEES	280,000	-	280,000
INTEREST EARNINGS - WATER	35,370	-	35,370
INTEREST EARNINGS - WASTEWATER	43,230	-	43,230
MISCELLANEOUS SERVICE FEE	71,000	-	71,000
TOTALS	**13,247,604**	**(479,660)**	**12,767,944**

2009 - 2010 BUDGET ORDINANCES
WATER/WASTEWATER FUND - CONTINUED

EXPENSE SUMMARY	**Info Only 2009/10 BUDGET**	**Audit Adj**	***Revised* 2009/10 BUDGET**
DIRECT EXPENSES:			
ENGINEERING & INSPECTION	697,783	-	697,783
WATER CONSTRUCTION	410,338	-	410,338
WATER DEPARTMENT	458,333	-	458,333
WATER TREATMENT PLANT	1,517,663	-	1,517,663
WASTEWATER DEPARTMENT	988,455	-	988,455
METER READING	72,533	-	72,533
KENT COUNTY TREATMENT CHARGE	3,435,430	-	3,435,430
DIRECT EXPENDITURE SUBTOTALS	**7,580,535**	**-**	**7,580,535**
OTHER EXPENSES:			
DEBT SERVICE - WATER	468,013	-	468,013
DEBT SERVICE - WASTEWATER	364,938	-	364,938
RETIREES HEALTH CARE	134,680	-	134,680
INTRAFUND SERVICE FEES	1,262,456	-	1,262,456
TRANSFER TO:			
GENERAL FUND FROM WATER	231,459	-	231,459
GENERAL FUND FROM WASTEWATER	316,561	-	316,561
WATER IMP AND EXT	500,000	-	500,000
WASTEWATER IMP AND EXT	200,000	-	200,000
SEWER IMPACT FEE RESERVE	110,062	-	110,062
CURRENT YEAR BALANCE WATER	1,136,086	(2,495)	1,133,591
CURRENT YEAR BALANCE WASTEWATER	842,660	20,502	863,162
CURRENT YEAR BALANCE KCSA	100,154	(497,667)	(397,513)
OTHER EXPENSES SUBTOTALS	**3,588,169**	**-**	**3,588,169**
TOTALS	**13,247,604**	**(479,660)**	**12,767,944**

2009 - 2010 BUDGET ORDINANCES
WATER/WASTEWATER CONTINGENCY RESERVE
SOURCES AND USES OF FUNDS 2009 - 2010

SOURCE OF FUNDS	Info Only 2009/10 BUDGET	Audit Adj	Revised 2009/10 BUDGET
PRIOR YEAR BALANCE - WATER	118,292	488	118,780
PRIOR YEAR BALANCE - WASTEWATER	132,279	542	132,821
INTEREST EARNINGS	8,770	-	8,770
TOTALS	**259,341**	**1,030**	**260,371**
USE OF FUNDS			
CURRENT YEAR BALANCE - WATER	122,431	488	122,919
CURRENT YEAR BALANCE - WASTEWATER	136,910	542	137,452
TOTALS	**259,341**	**1,030**	**260,371**

2009 - 2010 BUDGET ORDINANCES
WATER/WASTEWATER IMPROVEMENT & EXTENSION FUND
REVENUES AND EXPENSES FOR 2009 - 2010

REVENUE ESTIMATES	Info Only 2009/10 BUDGET	Audit Adj	Prior Yr Project Bals.	*Revised* 2009/10 BUDGET
PRIOR YEAR BALANCE - WATER	431,400	1,200,444	-	1,631,844
PRIOR YEAR BALANCE - WASTEWATER	219,375	405,777	-	625,152
TRANS FR WATER OPERATING FUND	500,000	-	-	500,000
TRANS FR WASTEWATER OPERATING FUND	200,000	-	-	200,000
TRANS FR WASTEWATER IMPACT FEE RESERVE	518,230	-	-	518,230
WATER - STATE REVOLVING LOAN PROCEEDS	2,404,017	-	-	2,404,017
WASTEWATER - STATE REVOLVING LOAN PROCEEDS	5,942,481	-	-	5,942,481
FEDERAL/STATE GRANTS	-	-	45,248	45,248
TOTALS	**10,215,503**	**1,606,221**	**45,248**	**11,866,972**
EXPENSE SUMMARY				
WATER	2,987,317	-	766,113	3,753,430
WASTEWATER	6,539,110	-	373,832	6,912,942
WATER CONSTRUCTION	39,000	-	-	39,000
CURRENT YEAR BALANCE - WATER	309,100	1,200,444	(756,113)	753,431
CURRENT YEAR BALANCE - WASTEWATER	340,976	405,777	(338,584)	408,169
TOTALS	**10,215,503**	**1,606,221**	**45,248**	**11,866,972**

2009 - 2010 BUDGET ORDINANCES
WATER/WASTEWATER CAPITAL ASSET RESERVE ACCOUNT
SOURCES AND USES OF FUNDS FOR 2009 - 2010

SOURCE OF FUNDS	**Info Only 2009/10 BUDGET**	**Audit Adj**	***Revised* 2009/10 BUDGET**
BEGINNING BALANCE WATER	178,452	27,159	205,611
BEGINNING BALANCE WASTEWATER	84,403	(19,843)	64,560
INTEREST EARNINGS - WATER	6,246	-	6,246
INTEREST EARNINGS - WASTEWATER	2,954	-	2,954
TOTALS	**272,055**	**7,316**	**279,371**
USE OF FUNDS			
CARRY FORWARD TO NEXT YEAR WATER	184,698	27,159	211,857
CARRY FORWARD TO NEXT YEAR WASTEWATER	87,357	(19,843)	67,514
TOTALS	**272,055**	**7,316**	**279,371**

2009 - 2010 BUDGET ORDINANCES
ELECTRIC REVENUE FUND
REVENUES AND EXPENSES FOR 2009 - 2010

REVENUE ESTIMATES	**Info Only 2009/10 BUDGET**	**Audit Adj**	**Prior Yr Project Bals.**	***Revised* 2009/10 BUDGET**
PRIOR YEAR BALANCE	8,219,350	3,196,387	-	11,415,737
DIRECT SALES TO CUSTOMER	99,533,042	-	-	99,533,042
UTILITY TAX	1,781,500	-	-	1,781,500
GREEN ENERGY	137,600	-	-	137,600
MISCELLANEOUS REVENUE	1,051,184	-	-	1,051,184
RENT REVENUE	186,816	-	-	186,816
EMISSION CREDIT SALES	274,000	-	-	274,000
INTRAFUND SERVICE RECEIPTS W/WW FUND	270,626	-	-	270,626
INTEREST EARNINGS	158,500	-	-	158,500
TOTALS	**111,612,618**	**3,196,387**	**-**	**114,809,005**

2009-2010 BUDGET ORDINANCES
ELECTRIC REVENUE FUND - CONTINUED

EXPENSE SUMMARY	**Info Only 2009/10 BUDGET**	**Audit Adj**	**Prior Yr Project Bals.**	***Revised* 2009/10 BUDGET**
DIRECT EXPENSES:				
POWER SUPPLY	55,619,481	-	-	55,619,481
POWER SUPPLY MANAGEMENT	3,000,000	-	-	3,000,000
PJM CHARGES - LOAD	13,943,413	-	-	13,943,413
CAPACITY CHARGES	13,469,528	-	-	13,469,528
RATE STABILIZATION CREDIT	(3,000,000)	-	-	(3,000,000)
SUBTOTAL POWER SUPPLY	**83,032,422**	**-**	**-**	**83,032,422**
PLANT OPERATIONS	5,798,710	-	50,000	5,848,710
GENERATIONS FUELS	1,275,251	-	-	1,275,251
PJM CREDITS	(1,701,066)	-	-	(1,701,066)
CAPACITY CREDITS	(12,133,285)	-	-	(12,133,285)
GENERATION SUBTOTAL	**(6,760,390)**	**-**	**50,000**	**(6,710,390)**
POWER SUPPLY & GENERATION SUBTOTAL	**76,272,032**	**-**	**50,000**	**76,322,032**
TRANSITION COSTS				
TRANSMISSION/DISTRIBUTION	3,318,622	-	-	3,318,622
ELECTRICAL ENGINEERING	1,500,012	-	-	1,500,012
ADMINISTRATION	640,535	-	-	640,535
METER READING	289,103	-	-	289,103
SYSTEMS OPERATIONS	624,520	-	-	624,520
UTILITY TAX	1,781,500	-	-	1,781,500
DIRECT EXPENSE SUBTOTALS	**84,426,324**	**-**	**50,000**	**84,476,324**
OTHER EXPENSES:				
ALLOW FOR UNCOLLECTIBLES	135,000	-	-	135,000
RETIREES HEALTH CARE	567,430	-	-	567,430
GREEN ENERGY PAYMENT TO DEMEC	137,600	-	-	137,600
INTRAFUND SERVICE FEES	3,483,884	-	-	3,483,884
INTEREST ON DEPOSITS	54,500	-	-	54,500
INVENTORY WRITE OFFS	175,000	-	-	175,000
POWER SUPPLY STUDY	497,250	-	-	497,250
DEBT SERVICE	3,956,600		-	3,956,600
TRANSFER TO:				
IMPROVEMENT & EXTENSION	2,500,000	-	-	2,500,000
GENERAL FUND	6,758,100	-	-	6,758,100
CONTINGENCY RESERVE	83,500	-	-	83,500
CURRENT YEAR BALANCE	8,837,430	3,196,387	(50,000)	11,983,817
TOTALS	**111,612,618**	**3,196,387**	**-**	**114,809,005**

2009 - 2010 BUDGET ORDINANCES
ELECTRIC UTILITY IMPROVEMENT AND EXTENSION FUND
REVENUES AND EXPENSES FOR 2009 - 2010

REVENUE ESTIMATES	**Info Only 2009/10 BUDGET**	**Audit Adj**	**Prior Yr Project Bals.**	***Revised* 2009/10 BUDGET**
PRIOR YEAR BALANCE	1,461,547	1,164,213	-	2,625,760
PRIOR YEAR BALANCE BOND PROCEEDS	1,378,257	903,670	1,958,107	4,240,034
INTEREST EARNINGS	33,700	-	-	33,700
STATE REIMBURSEMENT FOR GOVS AVE	-	-	710,318	710,318
STATE GRANTS	-	-	105,723	105,723
FEDERAL GRANTS	-	-	135,152	135,152
BOND ISSUE 2008	1,958,107	-	(1,958,107)	-
TRANSFER FROM ELECTRIC	2,500,000	-	-	2,500,000
TOTALS	**7,331,611**	**2,067,883**	**951,193**	**10,350,687**
EXPENSE SUMMARY				
ELECTRIC GENERATION	1,254,000	-	621,290	1,875,290
TRANSMISSION AND DISTRIBUTION	1,127,147	-	-	1,127,147
ELECTRICAL ENGINEERING	3,525,536	-	2,116,631	5,642,167
ELECTRICAL ADMINISTRATION	-	-	105,723	105,723
CURRENT YEAR BALANCE	1,424,928	1,164,213	(988,781)	1,600,360
CURRENT YEAR BALANCE -BOND	-	903,670	(903,670)	-
TOTALS	**7,331,611**	**2,067,883**	**951,193**	**10,350,687**

2009 - 2010 BUDGET ORDINANCES
ELECTRIC CONTINGENCY RESERVE ACCOUNT
SOURCES AND USES OF FUNDS FOR 2009 - 2010

SOURCE OF FUNDS	**Info Only 2009/10 BUDGET**	**Audit Adj**	***Revised* 2009/10 BUDGET**
BEGINNING BALANCE	927,869	785	928,654
INTEREST EARNINGS	27,700	-	27,700
TRANSFER FROM ELECTRIC REVENUE FUND	83,500		83,500
TOTALS	**1,039,069**	**785**	**1,039,854**
USE OF FUNDS			
CARRY FORWARD TO NEXT YEAR	1,039,069	785	1,039,854
TOTALS	**1,039,069**	**785**	**1,039,854**

2009 - 2010 BUDGET ORDINANCES
ELECTRIC DEPRECIATION RESERVE ACCOUNT
SOURCES AND USES OF FUNDS FOR 2009 - 2010

SOURCE OF FUNDS	**Info Only 2009/10 BUDGET**	**Audit Adj**	***Revised* 2009/10 BUDGET**
PRIOR YEAR BALANCE	7,701,763	88,227	7,789,990
INTEREST EARNINGS	290,000	-	290,000
TOTALS	**7,991,763**	**88,227**	**8,079,990**
USE OF FUNDS			
TRANSFER TO I & E FUND	-	-	-
CURRENT YEAR BALANCE	7,991,763	88,227	8,079,990
TOTALS	**7,991,763**	**88,227**	**8,079,990**

2009 - 2010 BUDGET ORDINANCES
FUTURE CAPACITY RESERVE ACCOUNT
SOURCES AND USES OF FUNDS FOR 2009 - 2010

SOURCE OF FUNDS	**Info Only 2009/10 BUDGET**	**Audit Adj**	***Revised* 2009/10 BUDGET**
PRIOR YEAR BALANCE	8,640,651	123,212	8,763,863
INTEREST EARNINGS	260,000	-	260,000
TOTALS	**8,900,651**	**123,212**	**9,023,863**
USE OF FUNDS			
TRANSFER TO I & E FUND	-	-	-
CURRENT YEAR BALANCE	8,900,651	123,212	9,023,863
TOTALS	**8,900,651**	**123,212**	**9,023,863**

2009 - 2010 BUDGET ORDINANCES
INSURANCE STABILIZATION RESERVE ACCOUNT
SOURCES AND USES OF FUNDS FOR 2009 - 2010

SOURCE OF FUNDS	**Info Only 2009/10 BUDGET**	**Audit Adj**	***Revised* 2008/09 BUDGET**
PRIOR YEAR BALANCE	383,502	1,601	385,103
INTEREST EARNINGS	11,500	-	11,500
TOTALS	**395,002**	**1,601**	**396,603**
USE OF FUNDS			
CURRENT YEAR BALANCE	395,002	1,601	396,603
TOTALS	**395,002**	**1,601**	**396,603**

2009 - 2010 BUDGET ORDINANCES
ELECTRIC RATE STABILIZATION RESERVE ACCOUNT
SOURCES AND USES OF FUNDS FOR 2009 - 2010

SOURCE OF FUNDS	**Info Only 2009/10 BUDGET**	**Audit Adj**	***Revised* 2009/10 BUDGET**
PRIOR YEAR BALANCE	4,642,013	10,514	4,652,527
INTEREST EARNINGS	76,600	-	76,600
TOTALS	**4,718,613**	**10,514**	**4,729,127**
BUDGET SUMMARY			
TRANSFER TO ELECTRIC FUND	3,000,000	**-**	3,000,000
CURRENT YEAR BALANCE	1,718,613	10,514	1,729,127
TOTALS	**4,718,613**	**10,514**	**4,729,127**

2009 - 2010 BUDGET ORDINANCES
MUNICIPAL STREET AID FUND
CASH RECEIPTS AND EXPENDITURES FOR 2009 - 2010

CASH RECEIPTS ESTIMATES	**Info Only 2009/10 BUDGET**	**Audit Adj**	***Revised* 2009/10 BUDGET**
BEGINNING BALANCE	107	321	428
STATE GRANT	775,000	(775,000)	-
INTEREST EARNED	200	(200)	-
TOTALS	**775,307**	**(774,679)**	**428**
EXPENDITURE ESTIMATES			
TRANSFER TO GENERAL FUND	775,200	(775,200)	-
CURRENT YEAR BALANCE	107	521	428
TOTALS	**775,307**	**(774,679)**	**428**

2009 - 2010 BUDGET ORDINANCES
WORKER'S COMPENSATION FUND
REVENUES AND EXPENSES FOR 2009 - 2010

REVENUE ESTIMATES	**Info Only 2009/10 BUDGET**	**Audit Adj**	***Revised* 2009/10 BUDGET**
PRIOR YEAR BALANCE	1,404,956	(126,345)	1,278,611
INTEREST INCOME	46,300	-	46,300
PREMIUM FROM CITY	753,822	-	753,822
TOTALS	**2,205,078**	**(126,345)**	**2,078,733**
EXPENSE ESTIMATES			
PROGRAM EXPENSES - CLAIMS	450,000	-	450,000
INSURANCE	93,400	-	93,400
BANK FEES	1,300	-	1,300
STATE OF DEL - SELF INSURANCE TAX	50,000	-	50,000
CONTRACTUAL SERVICES	37,000	-	37,000
CURRENT YEAR BALANCE	1,573,378	(126,345)	1,447,033
TOTALS	**2,205,078**	**(126,345)**	**2,078,733**

2009 - 2010 BUDGET ORDINANCES
OTHER POST EMPLOYMENT BENEFITS FUND *(Closed with annual audit)*
CASH RECEIPTS AND EXPENDITURES FOR 2009 - 2010

In May 2009 Council adopted a OPEB Trust - all assets were transferred to the Trust

CASH RECEIPTS ESTIMATES	**Info Only 2009/10 BUDGET**	**Audit Adj**	***Revised* 2009/10 BUDGET**
PRIOR YEAR BALANCE	4,752,552	(4,752,552)	-
INTEREST INCOME	135,000	(135,000)	-
TOTALS	**4,887,552**	**(4,887,552)**	**-**
EXPENDITURE ESTIMATES			
CURRENT YEAR BALANCE	4,887,552	(4,887,552)	-
TOTALS	**4,887,552**	**(4,887,552)**	**-**

2009 - 2010 BUDGET ORDINANCES
COMMUNITY TRANSPORTATION IMPROVEMENT FUND
CASH RECEIPTS AND EXPENDITURES FOR 2009 - 2010

CASH RECEIPTS ESTIMATES	**Info Only 2009/10 BUDGET**	**Audit Adj**	**Prior Yr Project Bals.**	***Revised* 2009/10 BUDGET**
PRIOR YEAR BALANCE	108,812	161,991	-	270,803
GRANTS REVENUE - STATE LEGISLATORS	1,000,000	-	-	1,000,000
TRANSFER FROM GOVT CAP PROJECTS FUN	350,000	-	(50,000)	300,000
INTEREST INCOME	2,800	-	-	2,800
TOTALS	**1,461,612**	**161,991**	**(50,000)**	**1,573,603**
EXPENDITURE ESTIMATES				
PROGRAM EXPENSES	1,350,000	-	122,690	1,472,690
CURRENT YEAR BALANCE	111,612	161,991	(172,690)	100,913
TOTALS	**1,461,612**	**161,991**	**(50,000)**	**1,573,603**

2009 - 2010 BUDGET ORDINANCES
PARKLAND/RECREATION RESERVE ACCOUNT
CASH RECEIPTS AND EXPENDITURES FOR 2009 - 2010

SOURCE OF FUNDS	Info Only 2009/10 BUDGET	Audit Adj	*Revised* 2009/10 BUDGET
PRIOR YEAR BALANCE	192,735	25,510	218,245
TOTALS	**192,735**	**25,510**	**218,245**
USES OF FUNDS			
TRANSFER TO GOVT CAP PROJECTS FUND	-	-	-
CURRENT YEAR BALANCE	192,735	25,510	218,245
TOTALS	**192,735**	**25,510**	**218,245**

2009 - 2010 BUDGET ORDINANCES
LIBRARY RESERVE ACCOUNT
CASH RECEIPTS AND EXPENDITURES FOR 2009 - 2010

SOURCE OF FUNDS	Info Only 2009/10 BUDGET	Audit Adj	*Revised* 2009/10 BUDGET
PRIOR YEAR BALANCE	3,309,400	244,678	3,554,078
INTEREST INCOME	117,000	-	117,000
TOTALS	**3,426,400**	**244,678**	**3,671,078**
USE OF FUNDS			
TRANSFER TO CAPITAL PROJECT FUND	3,000,000	180,235	3,180,235
CURRENT YEAR BALANCE	426,400	64,443	490,843
TOTALS	**3,426,400**	**244,678**	**3,671,078**

2009 - 2010 BUDGET ORDINANCES
LIBRARY GRANTS
CASH RECEIPTS AND EXPENDITURES FOR 2009 - 2010

RECEIPT ESTIMATES	**Info Only 2009/10 BUDGET**	**Audit Adj**	***Revised* 2009/10 BUDGET**
PRIOR YEAR BALANCE	133	16,203	16,336
STATE GRANT	247,801	-	247,801
TOTALS	**247,934**	**16,203**	**264,137**
EXPENDITURE ESTIMATES			
STATE GRANTS:			
PROGRAM EXPENSES & SUPPLIES	41,935	-	41,935
BOOKS	107,216	-	107,216
AUDIO VISUAL SUPPLIES	55,000	-	55,000
TRAINING/CONF/FOOD/TRAVEL	5,000	-	5,000
CONTRACTUAL SERVICES	18,650	-	18,650
COMPUTUER HARDWARE	20,000	-	20,000
SUBTOTAL STATE GRANTS	247,801	-	247,801
FEDERAL GRANTS:			
CURRENT YEAR BALANCE	133	16,203	16,336
TOTALS	**247,934**	**16,203**	**264,137**

2009 - 2010 BUDGET ORDINANCES
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
CASH RECEIPTS AND EXPENDITURES FOR 2009 - 2010

RECEIPT ESTIMATES	**Info Only 2009/10 BUDGET**	**Audit Adj**	**Prior Yr Project Bals.**	***Revised* 2009/10 BUDGET**
PRIOR YEAR BALANCE	-	104,742	-	104,742
GENERAL FUND APPROPRIATION	11,000	-	-	11,000
FEDERAL GRANT	269,548	-	-	269,548
TOTALS	**280,548**	**104,742**	**-**	**385,290**
EXPENDITURE SUMMARY				
COMMUNITY DEVELOPMENT DIVISION	56,109	-	-	56,109
CLOSING COST/DOWN PAYMENT PROGRAM	30,000	-	7,157	37,157
DOVER INTERFAITH MINISTRY		-	60,000	60,000
COMMUNITY REHAB ASSISTANCE	60,000	-	37,535	97,535
FAIR HOUSING COUNSELING		-	50	50
FIRST STATE RESOURCE CONSERVATION	35,000	-	-	35,000
GEM PROPERTIES 217 - 219 W REED ST	6,956	-	-	6,956
MURPHY SCHOOL	50,483	-	-	50,483
DOWNTOWN DOVER PARTNERSHIP	42,000	-	-	42,000
CURRENT YEAR BALANCE	-	104,742	(104,742)	-
TOTALS	**280,548**	**104,742**	**-**	**385,290**