COUNCIL COMMITTEE OF THE WHOLE AGENDA

AUGUST 13, 2019 - 6:00 P.M.

CITY HALL COUNCIL CHAMBERS
15 LOOCKERMAN PLAZA, DOVER, DELAWARE

PUBLIC COMMENTS ARE WELCOMED ON ANY ITEM AND WILL BE PERMITTED AT APPROPRIATE TIMES. WHEN POSSIBLE, PLEASE NOTIFY THE CITY CLERK (736-7008 OR E-MAIL AT CITYCLERK@DOVER.DE.US) SHOULD YOU WISH TO BE RECOGNIZED.

PARKS, RECREATION, AND COMMUNITY ENHANCEMENT COMMITTEE

ADOPTION OF AGENDA

1. **REVIEW OF ACTIVE RECREATION AREA PLAN (AND REQUEST FOR PARTIAL CASH-IN-LIEU) FOR WHITE OAK PROPERTY: APARTMENTS AND TOWNHOUSES (PLANNING REFERENCE: S-19-15)**
   (STAFF RECOMMENDATION: APPROVAL OF THE ACTIVE RECREATION AREA PLAN WITH THE COMMENTS AND CONDITIONS PROVIDED)
   (STAFF RECOMMENDATION: ACCEPTANCE OF THE $3,490.87 CASH-IN-LIEU OF RECREATION AREA CONSTRUCTION DONATION, AS THE AMOUNT COMPLIES WITH THE REQUIREMENTS OF THE *ZONING ORDINANCE*)

2. **COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM SEMI-ANNUAL UPDATE (MARCH 2019 - AUGUST 2019)**
   (COMMITTEE ACTION NOT REQUIRED)

3. **DOVER PARK MASTER PLAN**
   (STAFF RECOMMENDATION: THAT THE CITY PROCEED WITH THE "FINAL CONCEPT" WITH A SPLASH PAD AND SMALL BUILDING AND, IF FUNDS AND SPACE CAN BE FOUND, A CAN-DO PLAYGROUND)

4. **PRESENTATION - SKATE PARK ADVOCATES** (DEFERRED FROM JULY 9, 2019)

5. **ADJOURNMENT OF PARKS, RECREATION, AND COMMUNITY ENHANCEMENT COMMITTEE MEETING**

UTILITY COMMITTEE

ADOPTION OF AGENDA

1. **ANNUAL REVIEW AND APPROVAL OF GOVERNING POLICY FOR ENERGY COMMODITY RISK MANAGEMENT**
   (STAFF RECOMMENDATION: APPROVAL OF THE PROPOSED AMENDMENTS)

2. **ADJOURNMENT OF UTILITY COMMITTEE MEETING**

ADJOURNMENT OF THE COUNCIL COMMITTEE OF THE WHOLE MEETING

/TM S:\AGENDAS-MINUTES-PACKETS-PRESENTATIONS-ATT&EXH\COMMITTEE-AGENDAS\2019\08-13-2019 CCW AGENDA-NEW.WPD

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

City of Dover

DATA SHEET FOR RECREATION PLAN REVIEW
Review of Active Recreation Area Plan and
Consideration of Cash-in-Lieu Donation

PARKS, RECREATION AND COMMUNITY ENHANCEMENT COMMITTEE
MEETING OF August 13, 2019
PLANNING COMMISSION MEETING of August 19, 2019

Plan Title:	White Oak Property: Apartments and Townhouses on 3 parcels of land on White Oak Road, S-19-15
Plan Type:	Active Recreation Area and Consideration of Cash-in-lieu Donation (Cash-in-lieu of Recreation Area Construction) Associated with Site Plan S-19-15
Location:	North side of White Oak Road, west of State Route 1
Addresses:	1317 White Oak Road and other not yet addressed properties on White Oak Road
Tax Parcels:	ED-05-068.11-01-05.00-000 ED-05-068.11-01-03.00-000 ED-05-068.11-01-01.00-000
Owner/Applicant:	Harman Brothers, LLC
Site Area:	11.17 acres (three parcels)
Zoning:	C-2A (Limited Central Commercial Zone)
Present Use:	vacant, wooded areas
Proposed Use:	Apartment Building of 24 units and Eight (8) Townhouse Units
Dwelling Units:	32 units
Recreation Area:	Required – 21,780 SF Provided – 6,450 SF (Deficient 15,330 SF)

Proposed Cash-in-lieu Donation: $3,490.87

I. PROJECT SUMMARY:

The project proposes a new residential development consisting of an apartment building of twenty-four (24) units and a townhouse series of eight (8) units, along with associated site improvements including parking and landscaping. There is a single entrance point to White Oak

Road. To the west, the apartment building is encircled by parking and a drive-aisle for circulation. The townhouse units on the east are accessed from a drive-aisle connection which ends in a cul-de-sac turnaround.

The three (3) project parcels currently consist of wooded areas with some open areas adjacent to White Oak Road. The project requires some clearing of the existing woodland for the development activities. The largest of the three parcels is impacted by the 100-year floodplain and wetland areas. With the project, the three (3) parcels will be consolidated into one parcel of land with all units on the one parcel.

II. SPECIAL FLOOD HAZARD AREAS AND WETLANDS

Portions of the subject site are within the City's Flood Hazard Area (100-year flood plain). These properties are found on the FEMA FIRM Panel of Kent County Delaware Map Number 10001C0167H, dated May 5, 2003. Letter of Map Revision LOMR #18-03-1850P effective January 29, 2019 revised FIRM Map #1001C0167H and shows the site areas within the 100-year floodplain. (It supersedes LOMR #17-03-0901P effective June 4, 2018 that also revised FIRM Map #10001C0167H.) It is also noted that data collection continues in this area which may result in future submissions to FEMA for a Letter of Map Revision that may impact the floodplain on these properties. The *Zoning Ordinance,* Article 5 §11.21 requires that flood hazard areas (100-year floodplain) remain as open natural areas with no impervious surfaces.

The subject site also includes areas of wetlands. The *Zoning Ordinance,* Article 5 §11.22 prescribes provisions related to wetland areas. There are setback requirements from wetland areas that are over 0.25 acres in size where development activities are limited, and where no buildings or impervious areas can be located.

III. ACTIVE RECREATION AREA PLAN SUMMARY:

As part of the Plan review process for this project, the applicant prepared a Conceptual Recreation Plan which illustrates how the White Oak Road Property: Apartments and Townhouses development will provide recreation amenities in accordance with the design specifications described in Article 5, Section 10 Open space, recreation, and other public facilities of the *Zoning Ordinance*. Due to the property size and unit density, this project does not qualify for any of the Active Recreation Area exemptions for small developments under *Zoning Ordinance,* Article 5 §10.5.

The Active Recreation Area is required at a rate of 275 SF per unit or a half acre (21,780 SF), whichever is greater. With this project of thirty-two (32) units, the Active Recreation Area requirement calculates to 8,800 SF; however, the half-acre (21,780 SF) is required.

The Active Recreation Area proposal for the White Oak Road Property project is depicted in the plan submission of Site Plan Sheet REC – Recreational Plan and in a Letter of Request. The proposal to is provide an open field/lawn area in the eastern portion of the site. It is 6,450 SF in size and is dimensioned at 68 feet in width and varies 57 feet to 103 feet in depth. The following table provides information from the submitted Plan (dated June 2019) for the Active Recreation Area as proposed:

	Required	***Provided on Plan***
Active Recreation Area (Article 5 §10.514)	275 S.F. per dwelling unit or ½ acre (21,780 SF) whichever is greater to be provided on site. 32 DU = 8,800 SF Required = 21,780 SF Provided: 6,450 SF ***Deficient: 15,330 SF (0.35 ac)***	Open Lawn/Field area as Recreational area = 6,450 SF Width: 68 feet Depth: 57 feet to 103 feet
Active Recreation Amenities (Article 5 §10.15)	Accessible	Located at the east end of the development and accessible via proposed sidewalk system.
Active Recreation Amenities (Article 5 §10.15)	Age Oriented to development	Open Lawn/Field area allows variety of multi-purpose activities (i.e. "pick-up" games) and would serve all ages.
	Parking	This type of recreation area does not have associated parking needs. There are on-site parking areas for the apartment complex and the townhouse units.
	Setbacks: 30 feet from residential lots and 25 feet from right-of-way for street	There no specific equipment amenities or designated game court surfaces that must meet this requirement.
	Landscaping	The project shows existing woodland area around the open field. There are proposed tree plantings around the overall development site including along the sidewalk leading to the open field area.

IV. CONSIDERATION OF CASH-IN-LIEU

The applicant has made a request for consideration of Cash-in-lieu of Recreation Area Construction. Their request seeks to pay cash-in-lieu of construction the remaining recreation area of 15,330 SF (21,780 SF – 6,4500 SF). If the Planning Commission determines that the construction of some or all of the required active recreation area is not practical or desirable, then they shall require a full or partial cash in lieu donation for the portion of the active recreation area determined as not practical or desirable. The applicant would be required to make a cash donation to the City's Parkland Reserve Fund in lieu of the required recreation area.

Article 5 §10 of the *Zoning Ordinance* addresses Open Space, Recreation and Other Public Facilities outlines the calculation of the amount for cash-in-lieu of recreation area construction.

For the calculation of the amount of the cash donation, the *Zoning Ordinance* specifies that the "cash donation shall be equivalent to the appraised value of land required…" and that land area value shall be "based on the appraisal prepared for the developer to secure construction financing."

An appraisal performed by Dover Consulting Services, Inc., Report dated March 21, 2017, was submitted to the Planning Office (as page excerpts from appraisal of multiple properties). (The appraisal document is on file in the Planning Office.) This appraisal identifies a market value (land value) of the properties which was utilized to generate a land value per acre. Based on the value of the 15,330 SF of land required to satisfy the Active Recreation Area requirement, the cash-in-lieu amount was determined. See calculation below:

2017 Appraisal of Land Value: $130,000
White Oak Road properties consists of 13.034 acres of land[1]
Land Value per acre = $9,973.91 per acre

Active Recreation Area Deficiency = 15,330 SF = 0.35 acre
Cash-in-Lieu Amount = $9,973.91 per acre value x 0.35 acre = $3,490.87

V. REVIEW PROCESS

The Planning Office has prepared this Active Recreation Area Report outlining the Recreation Area proposal and outlining the amount of the Cash-in-lieu donation. The Parks, Recreation and Community Enhancement Committee will need to consider the proposed Active Recreation Area and the proposed Cash-in-lieu of Recreation Area payment request and make a recommendation. The Planning Commission must act to accept the Recreation Area Plan and the Cash-in-lieu donation as part its review of the Site Development Plan.

The Parks, Recreation and Community Enhancement Committee will review the Recreation Area Plan and the Consider the Cash-in-lieu Donation amount for the White Oak Road Property: Apartments and Townhouses at their meeting on August 13, 2019. The Planning Commission Public Hearing and Review of the Site Plan S-19-15 and the Recreation Area Plan/Consideration of Cash-in-lieu Donation is scheduled for August 19, 2019.

VI. CODE CITATIONS:

Dover Code of Ordinances, Appendix B – Zoning, Article 5 – Supplementary Regulations, Section 10 – Open Space, Recreation and Other Public Facilities (select excerpts).

Article 5 Section 10

Section 10. - Open space, recreation and other public facilities.

The City of Dover shall require the reservation of open space, recreation and other public facilities in accordance with the provisions of this section as a condition of approval for all one-family dwelling, two-

[1] The appraisal was completed on four (4) properties held by Harman Brothers, LLC located on White Oak Road. Only three of the four properties (parcels) are involved in this Site Development Plan. The four properties consist of a total of 13.034 acres and the three properties of the project consist of a total of 11.17 acres.

family dwelling and multiple-family dwelling residential developments requiring conditional use approval, site development plan approval, or land subdivision approval by the City of Dover Planning Commission.

10.1 Recreation areas.

10.11 Purpose. The purpose of this section is to ensure that active recreation areas are provided as an integral design element within residential developments and that such facilities are of an adequate scale in relation to the size of the residential development and which provide residents with a variety of active recreational pursuits.

10.12 Dedication required. The commission shall require the dedication or reservation of recreation areas, and the subsequent construction of recreation facilities of a character, extent and location suitable to the needs created by a development for recreation facilities as defined and in accordance with the design guidelines set forth.

10.13 Definition. The following are illustrative of the types of recreation areas and subsequent facilities that shall be deemed to serve active recreational needs and therefore to count toward satisfaction of the recreation area requirements of this section: tennis courts, handball courts, racquetball courts, swimming pools, saunas and exercise rooms, meeting or activity rooms within clubhouses, baseball and soccer fields, basketball courts, volleyball courts, swings, slides and play apparatus, and developed walking, jogging or biking trails.

10.14 *Recreation area review*….

10.15 *Design guidelines…*

10.16 *Area required…*

10.17 *Cash in lieu of recreation area construction.*

10.171 *Determination of suitability for cash donation.* If the commission determines that the construction of recreation is not practical due to close proximity to existing available recreation facilities or infeasible due to natural characteristics of the land or will not benefit the residents of the development, the commission shall require a full or partial cash in lieu of areas of donation to be made by the developer in lieu of a full or partial dedication of land.

10.172 *Separate recreation account.* The cash donation shall be deposited in a separate account to be used for parks, playgrounds or recreational purposes.

10.173 *Amount of cash donation.* The cash donation shall be equivalent to the appraised value of land area required in section 10.16. The land area value shall be based on the appraisal prepared for the developer to secure construction financing. This submitted appraisal shall be a copy of the original supplied to the lending institution, with that institution identified, and shall conform in all ways to the Uniform Standards of Professional Appraisal practice and be performed by an appropriately qualified certified appraiser. If an appraisal prepared for construction financing is not available, then the developer shall have an appraisal done in accordance with the procedures set forth in [sub]section 10.174.

10.174 *Appeal of appraised value.* If the city does not accept the land value established by the appraisal detailed in [sub]section 10.173, the city may, at the developer's expense, require another appraisal be performed. This appraisal will be let on a bid basis between at least three appropriately qualified, certified appraisers selected by the city. The appraiser(s) who prepared the original appraisal in [sub]section 10.173 cannot be a party to this appeal appraisal.

10.175 *Payment of cash donation.* One hundred percent cash donation provided under this section shall be collected prior to issuing the first building permit for the development.

10.7 Council approval. Prior to acceptance by the planning commission, all areas planned for public dedication, or cash donations provided under this section must be submitted to, and approved by the parks, recreation, and community enhancement committee of the City of Dover, and shall be subject to final review and approval by [the] city council.

VII. STAFF RECOMMENDATIONS

The following are comments and recommendations from Staff of the Planning Office following review of the Active Recreation Area Plan and Request for Consideration of Cash-in-lieu.

1) Active Recreation Area: As a residential development there is a requirement for Active Recreation area. The project proposes an Open Field/Lawn area with no specific amenity improvements. Staff recommends approval of this Open Field/Lawn concept for its opportunities for multi-purposes. As it does not include development of a specific game court surface, a variety of "pick-up" games like football, soccer, throw & catch activities, etc. are possible. The impacts of the 100-year floodplain and wetland areas limit the development of the properties involved. Staff also notes that this property is within proximity to the existing City park known as Dover Park that has a variety of amenities (playground, game courts/fields, trails, etc.).

2) Staff Recommends the following regarding this Recreation Area:
    a. The grass lawn area must be prepared and appropriately maintained to allow for such use of the field as a play surface.
    b. Consideration of placement of a bench.
    c. Posting of rules for use of the Open Field Recreation area.

3) Given the proximity of this development to the existing Dover Park facility, Staff recommends the applicant explore options to create a clear pedestrian and/or biking route to that Park for use by its residents. This may involve construction of additional sidewalks (missing segments) along White Oak Road heading west from the property location to the Park and a pedestrian crossing.

4) The proposed plan presents an area designated for Active Recreation Area for this project. However, the plan is required to provide 21,780 SF of Active Recreation Area and it is currently shown as proposing 6,450 SF of Active Recreation Area. The project is deficit 15,330 S.F. of Active Recreation Area.
    a. The deficiency of Active Recreation Area must be satisfied. There are multiple options to achieve this including, but not limited to, a reduction in the project unit count and/or size of the proposed buildings to increase outdoor open space availability, the addition of interior recreation space, or a cash-in-lieu donation for the recreation area. The applicant has made a request for Cash-in-lieu of Recreation Area Construction.

5) Consideration of Cash-in-lieu of Recreation Area Construction: The Commission should determine how the proposal should best address the requirement for an Active Recreation Area, which must be at least one-half acre (21,780 SF) as required by the *Zoning Ordinance*. The applicant is seeking to instead pay a cash-in-lieu for a portion of the required area not provided. Staff recommends acceptance of the $3,490.87 Cash-in-lieu of Recreation Area

Construction donation, as the amount complies with the requirements of the *Zoning Ordinance*.

VIII. ADVISORY COMMENTS

1) The Site Development Plan set including any plan sheets depicting the Recreational Area are to include appropriate improvements, plans, and details of the Recreation Area as approved.

2) The applicant is reminded of the requirements for construction phasing of the recreation area as associated with the development of the residential units.

> Article 5 §10.6 Construction Phasing. The recreation and open space areas shall be completed in a proportion equal to or greater than the proportion of residential dwelling units completed, except that one hundred (100) percent of the recreation and open space areas shall be completed prior to issuing building permits for the final twenty (20) percent of the dwelling units proposed. Building permits shall not be issued for dwelling units unless the requirements of this section are met.

3) There shall be provisions which ensure that the common open space land (including the active recreation areas) shall continue as such and be properly managed and maintained. The developer shall either retain ownership and responsibility for maintenance of such open land or provide for and establish one (1) or more organizations for the ownership and maintenance of all common open space i.e. a Homeowners Association. The organization shall be responsible for maintenance, insurance and taxes on the common open space.

4) In the event, that major changes and revisions to the Site Plan occur in the finalization of the Plan contact the Planning Office. Examples include reorientation of buildings, relocation of site components, changes in floor area or unit count, or design revisions impacting Active Recreation Areas. These changes may require resubmission for review by the Development Advisory Committee, Planning Commission, or other agencies and commissions making recommendations in regard to the plan.

5) The Parks, Recreation, and Community Enhancement Committee shall submit to the Planning Commission a report detailing the recommendations as to the Recreation Area Plan and Request for Consideration of Cash-in-Lieu Donation.

Attachments:

- Site Plan S-19-15 Active Recreation Plan as Sheet REC – Recreational Plan dated June 2019
- Letter regarding Recreational Areas and Request for Consideration of Cash-in-lieu Donation dated 7/24/2019

DAVIS BOWEN & FRIEDEL, INC.

ARCHITECTS ENGINEERS SURVEYORS

Michael R. Wigley, AIA, LEED AP
W. Zachary Crouch, P.E.
Michael E. Wheedleton, AIA
Jason P. Loar, P.E.
Ring W. Lardner, P.E.
Jamie L. Sechler, P.E.

July 24, 2019

City of Dover
Planning Department
P.O. Box 475
Dover, DE 19903-0475

Attn: Dawn Melson-Williams, AICP

RE: **White Oak Road Property**
Preliminary Site Plan – Active Open Space Waiver
Tax Map No.: ED-05-068.11-01-01.00, 03.00 and 05.00
DBF #: 1649A002

Dear Mrs. Melson-Williams:

On behalf of our client, Harman Brothers, LLC, we are respectfully requesting a waiver from Appendix B, Article 5, Section 10.16 regarding recreational areas. The project as designed would require one-half acre of land (21,780 SF). This project is unique given the environmental resources and protection where the developable area is approximately 3.17 acres of land or 28% of the total acreage. We have included a recreational area that is 6,450 square feet and will consist of an open field that can be used for multi-purposes (i.e. soccer, wiffle ball, flag football, playing catch, etc.).

Attached to this letter is a plan showing the recreational area and most recent appraisal of the property. The appraised value is $130,000.00 for 13.034 acres of land or $9973.91 per acre. We are requesting to pay a cash in lieu of for the difference between the code required area and provided area and calculate the fee to be:

Required Area:	21,780 SF
Provided Area:	6,450 SF
Shortfall Amount:	15,330 SF (0.35 AC)

0.35 AC * $9,973.91 per AC = $3,490.87

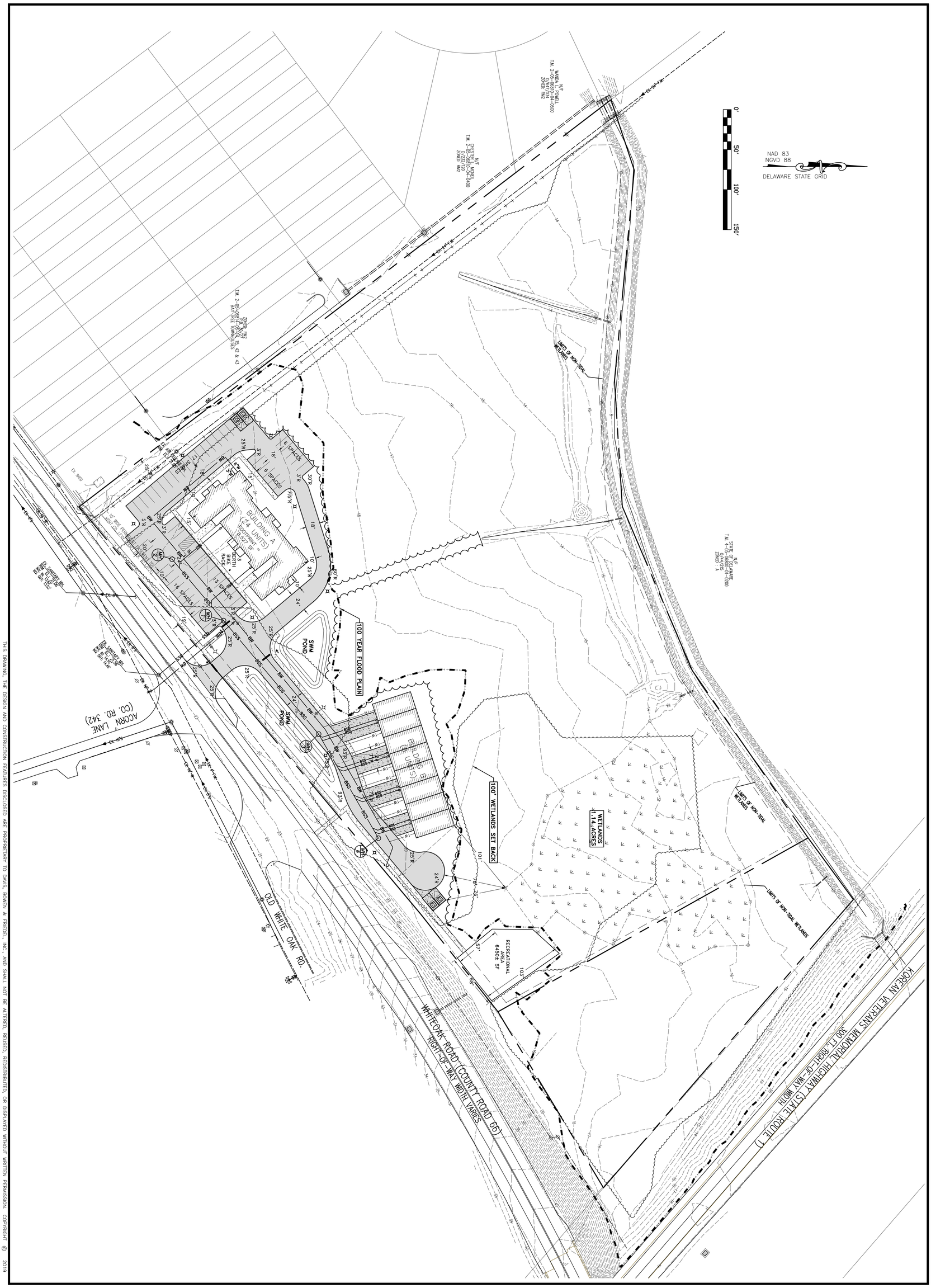
If you have any questions or require additional information, please do not hesitate to contact me at (302) 424-1441 or via email at rwl@dbfinc.com.

Respectfully Submitted,
Davis, Bowen & Friedel, Inc.

Ring W. Lardner, P.E.
Principal

P:\Harman\White Oak Property\Documents\2019-07-24 Active Open Space Waiver\Cover Letter.doc

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REC

Date: JUNE 2019
Scale: 1"=50'
Drawn By: RJL
Proj.No.: 1649A002
Dwg.No.:

Revisions:

WHITE OAK ROAD PROPERTY

CITY OF DOVER

KENT COUNTY, DELAWARE

DAVIS, BOWEN & FRIEDEL, INC.
ARCHITECTS, ENGINEERS & SURVEYORS
SALISBURY, MARYLAND (410) 543-9091
MILFORD, DELAWARE (302) 424-1441

RECREATIONAL PLAN

CDBG Semi-Annual Report
March 2019 – August 2019

CDBG Semi-Annual Review

- The City was awarded $282,307 in program funds for fiscal year 2019.
- The 2019 Annual Action Plan was submitted in May 2019 and has been approved by HUD.
- The City is in compliance with policies and procedures for Davis Bacon Labor Standards with a satisfactory rating and no findings by HUD from its review in June.

The following projects are scheduled to be underway in late August.

CDBG FY19 Projects

Homeownership Assistance Program

CDBG funds will be used to provide settlement assistance up $20,000 to first-time homebuyers who purchase affordable housing in the City.

Dover Interfaith Mission for Housing (DIMH)

CDBG funds will be used to provide operations cost for the shelter.

DIMH &Central Delaware Housing Collaborative

CDBG funds will be used to renovate an existing building that will service homeless women and children.

Milford Housing Homeowner Rehabilitation/Emergency Home Repair Programs

CDBG funds will be used to rehabilitate and complete emergency home repairs to existing owner-occupied homes found in violation of the City's Housing Code.

Analysis of Impediments (Fair Housing Plan)

The City has collaborated with Delaware State Housing Authority, Kent County, Dover Housing Authority, New Castle County and the City of Wilmington to complete a Fair Housing Plan for the State of Delaware that will be submitted to HUD in October 2019. The Draft Plan was completed in late July and is currently under review by the Consortium.

Status of FY-19 Program Funds - Fiscal Year 7/1/19- 6/30/20

2019 Grant Projects	Project Details	Total Grant	Funds Expended	Unencumbered Balance
Homeownership Assistance Program	Funds will be utilized for settlement assistance for properties purchased in the City	$97,845		$97,845
Central DE Housing Collaborative	Funds will be utilized to renovate a building for homeless women and children	$40,000		$40,000
Dover Interfaith Mission for Housing	Funds will be utilized for utility and maintenance cost for the shelter.	$30,000		$30,000
Milford Housing Development Corp	Funds will be utilized for emergency home repairs.	$33,000		$33,000
Milford Housing Development Corp	Funds will be utilized for rehabbing owner occupied homes.	$25,000		$25,000
Total		$225,845		$225,845

City of Dover
PO Box 475
Dover DE 19903-0475
Phone: (302)736-7005
E-Mail: dmitchell @dover.de.us

MEMORANDUM

To: Donna Mitchell, City Manager

From: Matt Harline, Assistant City Manager
Kirby Hudson, Parks & Recreation Director

Date: August 7, 2019

Subject: Recommendations for Dover Park

City Council reviewed the Dover Park Master Plan in August of 2018. The City Staff recommends that the City proceed with the "Final Concept" with a Splash Pad and small building and, if funds and space can be found, a Can-Do Playground.

The City hired the firm of Whitman, Requardt & Associates (WRA) to develop a Master Plan for the Dover Park, the City's third largest park. WRA initially presented two alternative concepts, but after a public process presented the "Final Concept" to City Council in August of 2018. City Council has had other options presented by members of the Community since then. Staff has been asked to return with options and a preferred recommendation. The City still believes the Final Concept is the best alternative.

If City Council wishes to include a recreation building, a Splash Pad *and* a Can-Do Playground in the adopted Final Dover Park Master Plan, staff believes that a modified version of the Final Concept should be chosen. The Final Concept is attached here, on the poster board on display in the Council Chambers and slide 2 in the presentation. If City Council wants a Splash Pad, building and a Can-Do Playground; City staff believes that the Splash Pad should be placed as shown in the Final Concept where the Can-Do Park or Splash Pad is suggested as there is access to utilities. The building will need to be built in this vicinity as well as shown in the Final Concept. Staff will need to investigate if the Can-Do Playground can be fit in the area just north of the existing playground. Having the existing playground and the Can-Do Playground together is optimal to allow families and friends with different abilities to be closer together.

- Alternately the Can-Do Playground could be placed on the south side of the access road where the "Large Nature Play Area" is shown in the Final Concept and the Splash Pad would go where the Can-Do Park is shown. This would also require cutting down several large trees and relocation of part of the Disc Golf Course.

Water, sewer and electric service is required for the building or for the Splash Pad. Placing either a building or a Splash Pad further to the south (deeper into the park) will require extension of water and sewer. The Can-Do Playground is probably the best candidate for grant funding.

DOVER PARK FINAL CONCEPT



Dover Park Master Plan

Originally Presented August 28, 2018

Where we are today



Dover Park Master Plan

- Presented to Committee as a Whole on August 28, 2018
- Began implementation of plan in January 2019



Dover Park Master Plan – 2018

HIGH PRIORITY FACILITIES

Short Term (0-5 years) Element Sections	
Element	**Description**
Paved Loop Trail System	Public feedback favored a loop trail system but there was concern for the amount of asphalt trails and disturbance within the wooded areas. For the final concept, an ADA accessible asphalt loop trail was selected with crushed stone/gravel secondary connection trails. The asphalt trail from the main entrance to the existing playground was eliminated, the main trail in the evergreen forest was moved along the perimeter to minimize forest impacts, and the alignment within the hardwood forest was adjusted to use the existing abandoned asphalt area and avoid crossing the ditch. Potential for bicycle racks, fitness stations, benches, etc. to be added along trail and at intersections.
Resurface Existing Courts	Public feedback encouraged preserving and enhancing existing facilities within the park. Resurface and repaint existing tennis courts (3) and basketball courts (2). Repaint tennis court lines to include pickleball. Repair or replace broken nets, if any.
Park Entrances and Enhancements	Due to the amount of vegetation clearing for a new parking lot and an asphalt trail from Acorn Lane and the park currently having adequate parking, the parking lot addition was not selected for final design. A pedestrian access point and crushed/stone trail was selected to provide access from Acorn Lane to minimize environmental impacts. Similar trail treaments were selected for access points from Mapleton Square and Manchester Square. Trim and remove of vegetation around entrances and on fencing to improve visibilty to park. Replace main entrance sign. Add smaller park signs for all other entrances.
Vegetation Management	This action is a top priority for safety and better utilization of the park. Thinning of undergrowth and clearing of invasive vegetation near the existing entrances, all proposed entrances, along proposed trails and through the middle of the park to improve user visibility.
Security Camera	At least three security cameras funded, placed and monitored by Dover Police Department.

Dover Park Master Plan - 2018

FINAL PREFERRED CONCEPT - DOVER PARK CAPITAL IMPROVEMENT LIST				
Phase 1 (0-5 yrs.)				
Phase	Quantity	Improvement	Approximate Unit Cost	Total Cost
Pathways, Trails, and Circulation				
1	0.75 Miles	Asphalt Paved Trail	$45,000 per 1/4 mile	$135,000
1	0.25 Miles	Gravel/crushed stone trail (8' wide)	$15,000 per 1/4 mile	$30,000
1	5	Park Entrance Enhancements	$7,000 each	$35,000
			sub-total	$200,000
Athletic Facilities				
1	3	Resurface Tennis Courts	$10,000 each	$30,000
1	2	Resurface Basketball Courts	$10,000 each	$20,000
			sub-total	$50,000
Vegetation Management				
1	6	Clearing Undergrowth	$8,000 per acre	$60,000
1	5	Remove Large Specimen Trees	$3,000 each	$15,000
			sub-total	$75,000
Park Security				
1	3	Security Cameras	$7,500 camera + $7,500 pole	$45,000
			sub-total	$45,000
			Total Improvements	**$370,000**
			Estimated Engineering costs (15%)	$60,000
			5 year maintenance costs (includes current costs)	$70,000
			Approximate Phase I Cost	**$500,000**

Menu of Potential Additional Improvements	
Splash Pad (accommodates 20-30 Kids)	$250,000
Can-Do Playground	$195,000
Indoor Classroom with Restrooms	$165,000
Linear Skate Obstacles (1000 SF)	$65,000
Nature Play Area	$40,000
Community Garden (with fence)	$35,000
Park benches (10)	$20,000
Pond Enhancement/Enjoyment Area	$20,000
Wildlife enhancements (i.e. birdhouses, bat boxes, view scopes)	$6,000
Fix and Maintain Frisbee Golf Course	$6,000

Anticipated Available Funding Phase 1	
FY 2018-2019	$140,000
FY 2019-2020	$125,000
FY 2020-2021	$125,000
FY 2021-2022	$125,000
FY 2022-2023	$125,000
total	**$640,000**


DOVER PARK


DOVER
PARK

Accomplishments

Before Start of Project

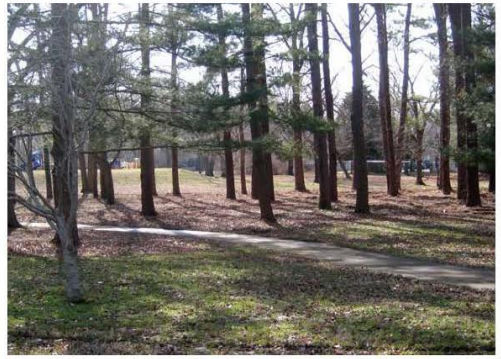








After Vegetation Removed













Before We Started


Existing softball field with field lighting


Existing basketball courts with faded court lines and leaning backboard


Existing chess tables with playground (ages 2-5) and bench in foreground.


Pavilion near the playground with six picnic tables - some picnic tables missing parts


Existing tennis courts with worn surfaces


Multi-purpose field with evergreen trees in background


Disc golf course tee marker with faded signage


Existing playground equipment and benches


Existing vehicular access within the forested area


Disc golf basket within the evergreen forested area


Existing pavilion with one picnic table in the forested area


Existing sidewalk near main entrance with thick vegetation that creates poor user visibility

Among all the parks in the Dover City system, Dover Park is known and loved by many for its trees and woodlands. A majority of participants in the master planning process expressed their affinity for the natural feel of the park.

Stakeholders also strongly support enhancing the existing recreational facilities currently in Dover Park. Additionally, they desire to protect the environmental assets above infrastructure development that would heavily disturb or diminish these features. During the design team site visit and part of the site analysis and inventory effort, the elements that make up Dover Park were identified, inspected and an action to implement as part of the vision for Dover Park was assigned to each element.

CURRENT MAINTENANCE AND OPERATIONS

City of Dover Public Works is currently in charge of managing all City owned parkland in Dover. Public Works is also responsible for maintaining local roads and stormwater facilities within the City. Tasks at Dover Park include trash receptacle and general debris collection, setting up soccer nets, removing fallen tree limbs, mowing lawns, and responding to resident calls for park maintenance requests. Dover Police currently opens and closes the vehicular access gate and does a drive through the park. The City doesn't currently have an official maintenance plan for Dover Park.

Concept Accomplishments

- Priority Services was selected to remove the heaviest of vegetation (ditch only)
- Hired a Park Maintenance Crew of three (this crew serves all the parks)
- Pond Enhancements completed
- Security Camera Installation one camera installed
- Disc Golf Course Baskets and Signage Refreshed completed
- Engineered Wood Fiber Added to Surfacing of Playground Equipment completed
- Outdoor Game Tables Refurbishment completed
- Basketball Court Refurbishment anticipated completion August 10, waiting on blacktop to be scheduled
- Tennis Court Fencing Repairs completed Aug. 8
- Tennis Court Surface Cleaning anticipated completion Aug. 9
- Entrance Enhancements to White Oak Road entrance started completed Aug. 9
- Programming in the Park – Movie Nights and Tuesdays in the Park were planned for the summer of 2019
- Asphalt Trail - Pre-Application Submitted and Accepted to Outdoors Parks & Trails grant (DNREC) to complete a section of the proposed asphalt trail (Grant application due in September)
- 10 Benches – planning stage
- Splash Pad – planning stage
- Can Do Park – planning stage
- Permanent Restrooms – planning stage

City of Dover, Delaware

Governing Policy

For

Energy Commodity
Risk Management

Effective: ~~August 27, 2019~~TBD

Approved by: City of Dover Council

(Last Revision ~~August 28, 2017~~)

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PURPOSE OF THE RISK MANAGEMENT POLICY

A. Introduction

The City of Dover ("**City**") and its customers are routinely exposed to energy price risk, volume variability risk, basis risk and credit risk – herein referred to collectively as energy commodity risk - in the normal conduct of serving its electric load requirements. Volatility of energy commodity prices and volumetric uncertainty (either supply/generation or load obligations) impose a substantial and direct risk to the City's financial and operating performance.

By authority of its charter, the City has responsibility for overseeing the City's electricity operations, including the management of its cost of serving Dover's customers. By agreement dated ~~May 6, 2011~~ July 2, 2019 and approved by the City (the "Energy Management Agreement ~~**EMA**~~"), the City has engaged The Energy Authority, Inc. ("**TEA**") to assist the City with Asset Management and Strategic Planning Services, Risk Management Services, and Energy Management Services.

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

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

B. Scope of Policy

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

In the event of conflict between this Policy and the EMA, the Policy shall control. This Policy is separate and distinct from enterprise risk management policies and procedures addressing the City's safe operation of its generating stations and energy infrastructure, insurance requirements, permit compliance, employee matters regulatory compliance with laws and regulations of the State of Delaware and Federal

Agencies such as EPA, FERC, NERC and CFTC or other potential risks to the City beyond the purchase and sale of fuel and electric power and its ancillary products.

C. Objectives and Risk Philosophy

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

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

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

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

D. Policy Administration

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

MANAGEMENT AND CONTROLS

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

A. Utility Committee of The City Council

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

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

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

B. Executive Risk Management Committee

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

The ERMC shall be comprised of the following voting members: The City Manager, The Director of Utility, The City's Controller and TEA's Client Service Manager.

The City's ERMC will make decisions following the process outlined in this Policy. TEA's Client Services Manager may include representatives from other areas within TEA in the monthly ERMC meetings who will attend in person or by conference call as

non-voting advisors. Other City employees and TEA staff may also be asked to attend meetings from time-to-time, as the ERMC deems necessary. The responsibilities of the ERMC shall include:

- Establish scope and frequency for management reporting to the Utility Committee.
- No less than annually, review the City's Energy Commodity Policies and Procedures for correctness and completeness.
- Review and approve any new risk report or change to an existing risk report provided by TEA to monitor risks outlined in this Policy.
- Understand and approve any models, methodologies, and assumptions used for measuring risks such as volume risk, process risk, counterparty risk and commodity risk.
- Monitor the City's risks and ensure they are within the limits and are being managed according to what is indicated within the City's Policy and associated procedures
- Understand the City's risk management objectives and risk tolerances.
- Review and approve the risk management and trading strategy programs and associated risk. Each program should be reviewed to ensure alignment with Policy objectives and compliance with risk limits within this Policy.
- Periodically review any risk management program approved in light of recent market changes, and ensure continued compliance with its established guidelines
- Review and approve new products, markets, trading counterparties and credit limits
- Review all violations and exceptions to this Policy and report such to the Committee.
- Approve the individuals or companies that engage in the City's commodity transactions and are subject to the limits within this Policy.
- Ensure that the individuals or companies authorized to transact on behalf of the City as well as manage its risks, are appropriately trained and qualified.
- Ensure independence and segregation of duties between front, middle and back office at TEA.
- Recommend changes to this Policy to the City's Utility Committee for approval and ensure the Utility Committee understands the City's overall compliance with this Policy and associated procedures.
- The ERMC will meet at least monthly to review risks identified and reported on by the Policy, this meeting shall be chaired by The City Manager. Minutes of each meeting of the ERMC shall be recorded and reflect any decisions and follow-up action items to be performed. These minutes will be reviewed and approved by the members of the ERMC in a timely manner.

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

1. City Manager

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

- Ensure this Policy is maintained.
- Oversee reviews of the City's energy commodity risks, limits, risk measurement methodologies and models, and programs and recommend changes to the ERMC.
- Ensure potential transactions and their impacts on the City's risks and limits defined within this Policy.
- Develop and monitor the implementation of the Policy, and oversee other risk management processes and procedures established by this Policy or otherwise by the ERMC.
- The City Manager shall name an Alternate to be approved by the Committee.

2. Director of the Utility

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

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

3. Controller

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

- Perform financial accounting including accounting for hedging and derivatives activities.
- Comply with tax rules and make appropriate tax elections.
- Record realized and unrealized gains and losses.

- Reconcile general ledger, cash transactions and margin accounts.
- Implement tax-hedge accounting policies and other regulatory tax requirements.
- Develop and maintain documentation outlining standard procedures for conducting business.
- Invoice counterparties and resolve billing disputes.
- Perform daily/weekly/monthly transaction checkout with counterparties.
- Develop and maintain documentation outlining standard procedures for conducting business.
- The Controller shall nominate an alternate to be approved by the Committee.

4. TEA Client Services Manager

The TEA Client Service Manager roles and responsibilities are defined Eexhibit B of the EMA between the City and TEA. The TEA Client Service Manager will be a voting member on the ERMC and act as chair of the ERMC in the absence of the City Manager. Other responsibilities include:

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

- Alternates may vote, but only in the absence of the voting member for whom they serve. A person may serve for an alternate for more than one official, but they can only cast one vote. A quorum for a meeting shall be any combination of three voting members and alternates. A simple majority of votes is necessary to approve any action of the ERMC, but at least two voting members must approve the action. Members and alternates may attend by electronic means and count as present for the purpose of quorum and for a majority for a decision.

DISCUSSION OF RISKS

This Policy covers the management of all material energy market risks faced by the City. A comprehensive list of risks that are or could be relevant to City is shown in Appendix C of the

Policy. Among the most critical of these risks are commodity risk, counterparty risk, process risk, volume risk, and budget risk. These risks are measured by the limit structure and controls outlined in the Policy.

Commodity risk represents the potential adverse impacts to the value of the City's portfolio due to changes in the market. Commodity risk encompasses volatility risk, forward price risk, basis risk, correlation risk and liquidity risk.

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

Process risk represents the risks associated with process problems including, but not limited to, inaccurate data capture, untimely trade execution or settlement problems. Controls over process risks are embedded in the organizational structure of TEA through the design processes and operating procedures.

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

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

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

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

MARKETING AND TRADING PRACTICES

A. Standards of Conduct

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

B. Products, Activities and Limitations

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

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

- Unwinding of hedges to accommodate changes in expected load requirements, or for economic reasons subject to explicit constraints set by the ERMC.

C. Contract Documentation and Confirmations

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

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

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

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

D. Training

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

E. New Product Protocol

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

RISK LIMITS AND RISK MEASUREMENTS

A. Limits

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

1. Delegation Authority

The Utility Committee delegates authority to the Dover ERMC to approve the acquisition of electric energy, capacity and/or transmission according to the following ~~approval authority~~ limits ~~to the Dover ERMC~~ for expenditures or terms. The ERMC may not delegate these authorities to individuals authorized to commit Dover to financial obligations.

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

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

2. Volume Limits

For no reason should a transaction be executed that exceeds the City's electric load requirements. If there is an adjustment to the City's electric load requirements and the existing transactions greater than 100% of the adjusted electric load requirements the ERMC will review and approve the offsetting strategy deployed in sufficient proportion to mitigate the encroachment.

3. Locational Limits

Non-Commodity Transactions must support the requirement of one of the City's generation units, native load or transaction locations.

B. Stress Testing and Back Testing

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

C. Instances of Exceeding Risk Limits

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

CREDIT POLICY

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

A. Measuring Credit Risk

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

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

B. Analysis and Extension of Credit Limits

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

- A company's debt credit ratings provided by the rating agencies.

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

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

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

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

C. Instances of Exceeding Credit Limits

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

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

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

REPORTING

A. Risk Reporting

Preparation of timely reports is critical to monitoring risk. TEA will furnish the required reports on a regular frequency for the City in a format acceptable to the ERMC. In addition, the ERMC and its designees will be provided access to the City's risk reports as updated daily via TEA's secure Web Portal.

Reports required on a monthly basis and for periodic meetings of the ERMC include the following:

- **Profit and Loss Report**

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

- **Mark to Market Report**

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

- **Daily Activity Report**

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

- **Cost of Service Report**

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

  - The Net Purchased Power Cost shows the net cost of all physical and financial transactions related to the City's anticipated commodity requirements for power and fuel and is based on the price of all hedge transactions plus the forward market price of all unhedged transactions valued at current forward prices for energy commodities, customer-level cost per MWH of all physical and financial transactions related to Dover's actual plus anticipated energy.
  - The expected fixed costs defined as load-serving entity (LSE) capacity costs, transmission costs and TEA management fees.
  - The Expected Load-Following Cost for a specified power year is defined as the expected cost (or revenue) associated with intra-month load variations due to weather or other events affecting demand. TEA has completed a historical analysis to measures the effective monthly average unit cost paid for Dover's PJM Wholesale Load Responsibility (WLR) was calculated for each month since July

2013. From this analysis, TEA recommends using the post-Garrison results as a proxy for future estimates of the WLR and as an estimate of the Load Following Cost to be used for estimating the City's Forward Cost-of-Service Report. The ERMC will update the Expected Load Following estimate while lack of necessary market information persists no less than annually.

- For the historical payment analysis, an effective monthly average unit cost paid for Dover's PJM Wholesale Load Responsibility (WLR) was calculated for each month since July 2013. This effective unit cost was constructed using Dover's monthly PJM load payment (Dover Budget line item: PJM – Energy, Congestion & Losses), adding back the West Hub hedging credits, and dividing by the WLR. The values pre-Garrison-online and post-Garrison-online were compared with both straight and WLR-weighted averages. This effective LMP therefore includes the effects of intra-month load variations, contributions of both the DALMP and RTLMP, and the additional PJM charge types reflected in the monthly Dover Budget line item: PJM – Energy, Congestion & Losses. Pre-Garrison (July 2013 – May 2015) weighted average monthly load costs were $3.02, while the average post-Garrison cost (Jun 2015 – Apr 2018) has been **$2.60**.
-
- The Budget Target for Purchase Power Expense represents the City's view of expected purchase power expense.

B. Credit Reporting

- **Counterparty Credit Report**

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

- **CFTC Reporting**

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

C. Hedge Effectiveness Reporting

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

INFORMATION TECHNOLOGY SYSTEMS

Since information systems play a vital role in The City's trading abilities, the City shall ensure that the information systems and technology used to store all transaction information is maintained and secure. The City's transactions will be stored in TEA's enterprise trading and risk management system. TEA uses the TriplePoint Commodity XL (CXL) system, integrated with Commodity XL for Credit Risk (Credit Risk). TEA has assigned a Database Administrator (DBA) that is charged with the database security and maintenance for the transaction database, CXL.

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

- Transaction data stored in the system of record will be replicated daily to ensure data redundancy;
- The CXL database will be backed up at least daily after the close of business.

POLICY DISTRIBUTION AND COUNSEL

A. Distribution Outside The City

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

B. Designated Counsel

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

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

APPENDIX A – Approved Products

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

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

The above instruments can be executed by TEA on behalf of the City of Dover for the current and next two successive Power Years (July to June).

APPENDIX B – Approved Counterparties and Threshold Tables

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

Credit Thresholds from Dover Extended to the Counterparty

Exelon Generation Company, LLC

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

AEP Energy Partners, Inc.

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

BP Energy Company

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

Calpine Energy Services, L.P.

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

EDF Trading North America, LLC

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

PSEG Energy Resources & Trade, LLC

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

Sequent Energy Management, L.P.

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

Conectiv

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

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

Macquarie Energy, LLC

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

Morgan Stanley Capital Group

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

NextEra Energy Marketing, LLC

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

Deutsche Bank

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

Barclays Bank

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

Credit Thresholds from the Counterparty Extended to Dover

AEP Energy Partners, Inc.

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

BP Energy Company

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

Calpine Energy Services, L.P.

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

Exelon Generation Company, LLC

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

Conectiv

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

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

PSEG Energy Resources & Trade, LLC

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

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

Morgan Stanley Capital Group

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

Macquarie Energy, LLC

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

NextEra Energy Marketing, LLC

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

EDF Trading North America, LLC

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

Deutsche Bank

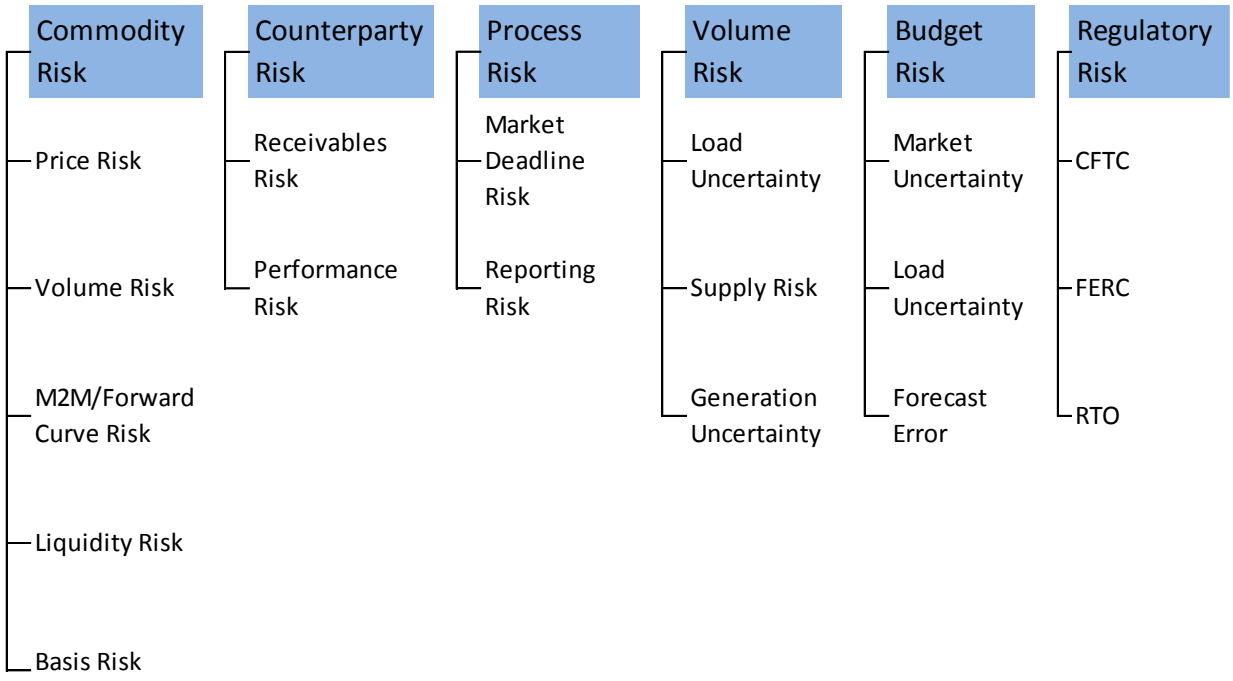
Threshold	Fitch	Moody's
$ 25,000,000	AAA	Aaa
$ 20,000,000	AA- to AA+	AA3 to Aa1
$ 15,000,000	A- to A+	A3 to A1
$ 10,000,000	BBB+	Baa1
$ 5,000,000	BBB	Baa2
$ -	BBB- or below	Baa3 or below

Barclays Bank

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

APPENDIX C – Business Risks

Business Risks Topology



APPENDIX D – Glossary

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

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

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

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

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

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

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

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

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

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

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

Portfolio – A collection of transactions.

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

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

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

APPENDIX E – Swap Transaction Representative

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

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

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

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

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

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

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

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

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