Council Committee of the Whole Agenda

September 29, 2020 - 6:00 p.m.

This meeting will be held remotely via WebEx. Public participation information is as follows:

Phone: 1-408-418-9388

Link:
https://cityofdoverde.webex.com/cityofdoverde/onstage/g.php?MTID=eab7fd403fcd07a72bc18c219f01a5624

Event number: 173 185 6555

Event password: DOVER (if needed)

If you are new to WebEx get the app now at https://www.webex.com/ to be ready when the meeting starts.

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

Safety Advisory and Transportation Committee

Adoption of the Agenda

1. **COVID-19 Safety Update** (Mr. Robert E. Clark II, President - Wesley College)

2. **Social Professional/Law Enforcement Collaborative**

3. **Update on Body Cameras**

4. **Prioritization of City of Dover State Capital Transportation Program (CTP) Projects**
   (Staff recommendation: Confirm continuation of the 2019 Prioritization of City of Dover State Capital Transportation Program (CTP) Projects)

5. **Proposed Ordinance #2020-12 Amending Chapter 106 - Traffic and Vehicles, Article III - Stopping, Standing, and Parking, Division 2 - Metered Parking, Division 3 - Removal and Disposition of Illegally Parked or Abandoned Vehicles, Sec. 106-181 - Definitions, and Division 4 - Downtown Parking**
   (Staff recommendation: Adoption of Ordinance #2020-12)

6. **Adjournment of Safety Advisory and Transportation Committee meeting**

Legislative, Finance, and Administration Committee

Adoption of the Agenda

1. **Resolution Application for Drinking Water Matching Planning Grant**
   (Staff recommendation: Adoption of the resolution as submitted so Staff may complete application for a Water Matching Planning Grant.)

2. **Annual Review of Investment Policy**
   (Staff recommendation: No changes to the Investment Policy)

3. **Proposed Ordinance #2020-05 Amending Chapter 22 - Buildings and Building Regulations, Article IX - Lodginghouses and Article X - Rental Dwellings**
   (Referred back to Committee on September 14, 2020)

4. **Adjournment of Legislative, Finance, and Administration Committee meeting**

Adjournment of Council Committee of the Whole meeting

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The agenda items as listed may not be considered in sequence. Pursuant to 29 Del.C. §1004(e)(2), this agenda is subject to change to include the addition or deletion of items, including executive sessions, which arise at the time of the meeting.

REVISED TO REFLECT SAFETY ADVISORY AND TRANSPORTATION COMMITTEE RECOMMENDATION OF NOVEMBER 26, 2019

CITY OF DOVER
2019 TRANSPORTATION PROJECT PRIORITIZATION

1. Garrison Oak Connector Road

Garrison Oak Business and Technology Center (GOBTC) is a 385-acre tract zoned IPM-2 (Industrial Park Manufacturing Zone-Technology Center) and is the only site in the City to be zoned as such. It has been identified by the City as an ideal location for large technology/green industry firms.

Dover City Council desires that DelDOT provide a direct access to State Route 1 via a connector road to White Oak Road. While the State discourages growth east of State Route 1, this tract is acknowledged by both the City of Dover and the State of Delaware as the only large-scale developable land east of State Route 1 in the City of Dover.

A June 2017 study of the project (the *Garrison Oak Traffic Study*), determined that constructing a connector road was not justified as of 2018, based on the current uses and development in the park. However, an Alignment Study to determine the feasibility and location of a future road connection is justified given current and potential development interests. The Park is an important economic development asset for the City and the County. Utilization of GOBTC is restricted by the lack of good access to SR1. As additional development occurs in the business park its priority for construction will be revised as appropriate.

2. Kenton Road Corridor Upgrades/ Route 8 East/West Corridor Plan Improvements

The Kenton Road Corridor project includes road improvements and sidewalks to improve traffic flow and bicycle/pedestrian safety. It is critical to improving the approach to the City from the northwest where new residential areas within and outside the City are being built. This segment also lacks sidewalks. The Route 8 Corridor Study identified several improvements along the Route 8 corridor that would improve safety, better manage access, reduce congestion and provide improved traffic flow. While improvements complementary to this corridor (POW-MIA Parkway and Senator Bikeway, for example) address north/south movements, continued development on the west side of the City impacts the capacity and operation of this roadway.

3. College Road Corridor Upgrades (Kenton Road to McKee Road)

This project includes road improvements and sidewalks in the heavily traveled College Road corridor. It is a key east-west linkage from northwest residential areas to commercial corridors and Delaware State University. Recent development in this area includes apartments and a rehabilitation hospital near the College Road/McKee Road Intersection. Potential improvements in this project include new pavement sections, sidewalks, shoulders, a closed drainage system, bicycle lanes, lighting and other improvements.

4. Sidewalks within the walk zone of the new Dover High School

Critical gaps in the sidewalk system near Dover High School remain, including along Mifflin Road and along Route 8 on the south side from Mifflin Road west. This project also addresses the continuation of the Senator Bikeway and the recommendations from the Capital Gateway Study. The City is very concerned about public safety in this area and believes it deserves to be included in the CTP and funded at the earliest opportunity.

5. Crawford Carroll Avenue Extension

This project reflects the continuing growth of Delaware State University, commercial development in the area, and future development possibilities involving the Dover Mall and adjoining properties. The project was proposed to continue the improved right-of-way of Crawford Carroll Avenue from West Rustic Lane in a southerly direction to the site where HomeGoods and PetSmart are located and then connect to US Route 13 via a signalized intersection. It would provide access between the DSU Learning and Living Commons facility and the main campus as an alternate to using US 13. DelDOT has expressed concern about the feasibility of the original proposal, however, the City requests that service road connections on the west side of US 13 continue to be addressed even if the original design should not be achievable.

6. West Street Improvements from North Street to the Transit Center

This project is along the western edge of the Downtown Development District and would improve traffic flow, safety and access to the transit system serving the Downtown and the City. It would also provide an opportunity for multi-modal linkages to be improved. West Street has become an important connection for the DART transit service in the City but has not been improved to reflect the standards necessary to meet this use. Part of these improvements were achieved in 2018 with the completion of a multi-use path along the east side of West Street.

7. US 13 Service Roads/Scarborough Road

This project would create a service road parallel to US 13 from Leipsic Road to Scarborough Road, and a set of local access roads providing economic benefits to the Dover Mall and a proposed adjacent commercial complex. This project is part of the US Route 13 Circulation Study. In adherence to the State's Corridor Capacity Preservation Program, the addition of service roads would decrease traffic on US 13/DuPont Highway by having more local traffic use the service roads instead. The project also reflects the corridor's continued growing role as a destination for commerce, employment, and community activities, and its lessened importance as a high-speed through travel route compared to State Route 1.

8. US 13 Sidewalk Construction

Construction of multi-use paths along US 13 continues to be a priority. Construction of sidewalks is required when properties are developed or redeveloped, but significant sections of the sidewalk system are either in deteriorated condition or missing. Examples include Public Safety Boulevard

to the Puncheon Run Connector and White Oak Road to College Road. A 2019 sidewalk project being built by DelDOT will complete a sidewalk/path from Townsend Boulevard to Leipsic Road on the east side of US 13.

9. Route 8/Hazletteville Road Connector

This is a north/south access road that was identified in the *Route 8 Concept Plan and Operations Study*. This connection will encourage economic development and provide transportation alternatives in this heavily traveled corridor. The connector road would incorporate the existing Dover High Drive and extend south on the west side of the Village of Cannon Mills.

10. Kings Highway/Route 13 Intersection Improvements

The intersection of Kings Highway/White Oak Road and US Route 13 needs improvements to meet an acceptable level of service. Extensive new commercial development (Capital Station Shopping Center, Lidl grocery store, and other commercial facilities) are being constructed or are planned south of the intersection which will add traffic and access burdens on these roads. Because of the multi-use paths to be constructed along with this commercial development, pedestrian and bicyclist safety improvements will be needed as part of the intersection upgrade as well.

11. Loockerman Street/Forest Street Intersection

This project is prioritized by the City to help spur redevelopment activities in the Downtown Development District while also improving traffic circulation and safety. It was identified as a needed improvement through the *Restoring Central Dover Study* and the *Westside Redevelopment Study* conducted in 2001. It is also complementary to the recommendations of the Capital Gateway Study addressing the Forest Street/Route 8 corridor. It would result in improved traffic circulation, a more pedestrian-friendly zone at the railroad crossings and create a new "gateway" into the Downtown.

Action: Revised to reflect reordered priority as a result of action of the Safety Advisory and Transportation Committee on November 26, 2019; recommended for Council consideration on December 9, 2019

City of Dover, DE

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LEGEND

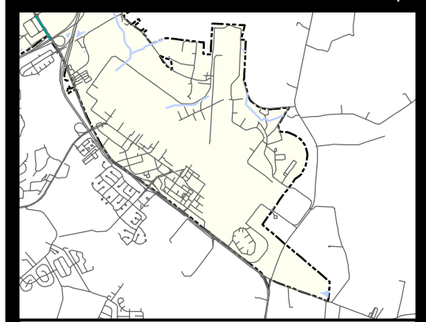
- Transportation Projects
- Dover Boundary
- Water Bodies
- Hydrology
- Roads

Transportation Project Priorities 2019	
1	Garrison Oak Connector
2	Kenton Road Corridor
3	College Road Corridor
4	Dover High Sidewalks
5	Crawford Carroll Avenue
6	West Street Improvements
7	US13 Service Roads
8	US13 Sidewalks
9	Route 8/Hazelettville Connector
10	Kings Highway/US13 Intersection
11	Loockerman/Forest Street Intersection

As Approved by the Safety and Transportation Committee, November 26, 2019

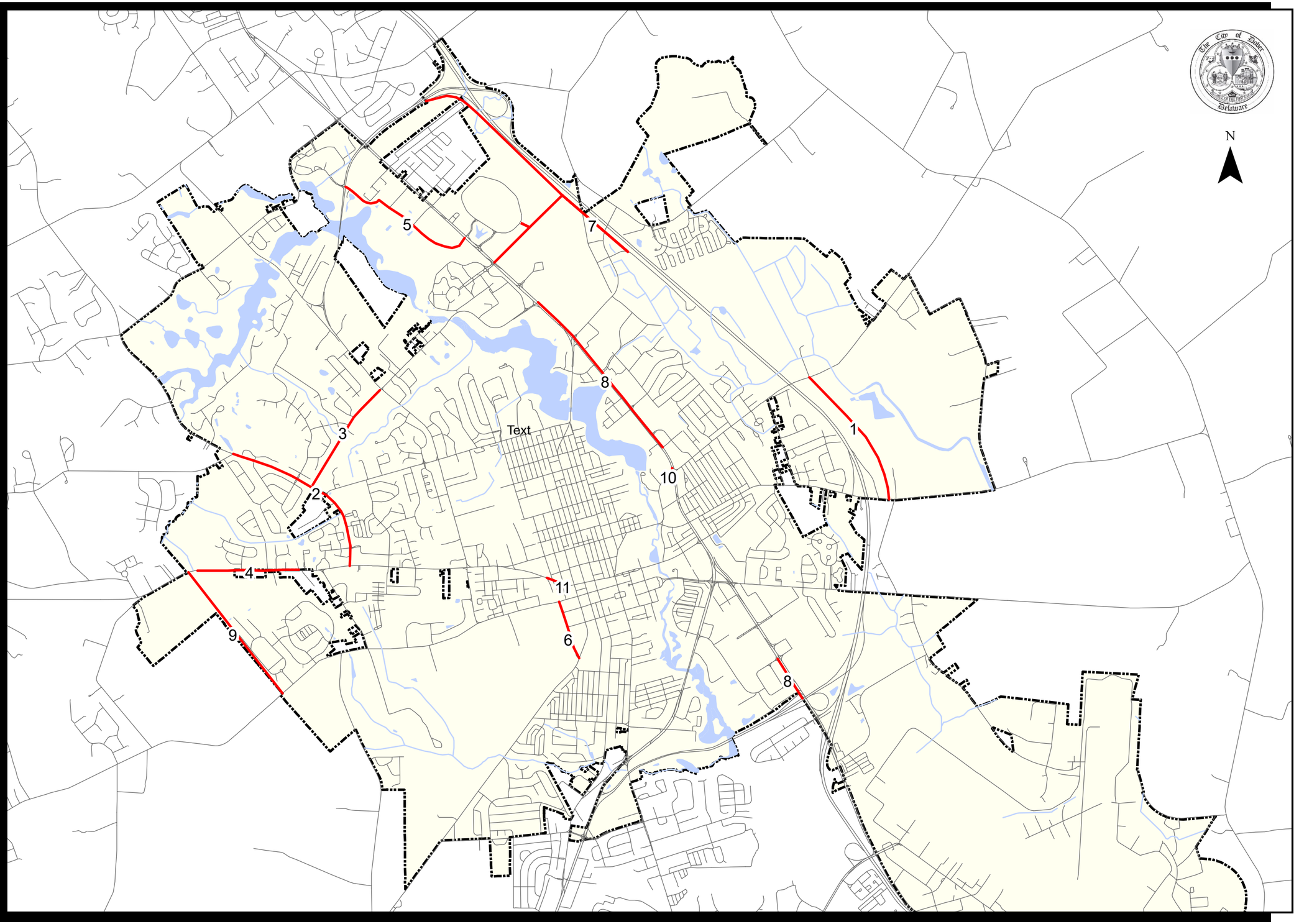
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Inset Map



PAPER MAP DISCLAIMER:

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CITY OF DOVER ORDINANCE #2020-12

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

That Chapter 106 - Traffic and Vehicles, Article III. - Stopping, Standing and Parking – Division 2. – Metered Parking, be amended by inserting the text indicated in blue font and deleting the text indicated in red strikeout as follows:

DIVISION 2. - METERED PARKING

Sec. 106-161. - Payment for leasing parking meters.

The payment for the leasing or purchase of parking meters within the designated area is to be provided by the Downtown Dover Partnership solely from the receipts, funds and revenues obtained by the ~~city~~ Partnership from the operation of parking ~~meters~~ systems.

(Code 1968, § 31-72; Code 1981, § 13-46)

Sec. 106-162. - Marking parking spaces and erecting meters.

(a) Upon those streets or portions of streets which the city council has designated as parking meter zones, the city manager shall cause parking spaces to be marked on the curb or pavement, or by other appropriate means, and ~~shall cause a parking meter to be erected at each space so marked~~ the Downtown Dover Partnership shall be authorized to install a parking meter at each space or series of spaces so marked, as they deem appropriate.

(b) The city council may authorize the city manager to enter into an agreement with the Downtown Dover Partnership to manage parking on city-owned lots within the designated area and extend the installation and management of a parking system thereon.

(Code 1968, § 31-70; Code 1981, § 13-47)

Sec. 106-163. - Use of meters required.

(a) *Payment.* Upon entering a parking meter zone when the parking meter regulations are in effect, the operator of a vehicle shall immediately make the required payment in U.S. currency by coin, cash, debit card, credit card, or other acceptable method of payment, in the parking meter situated at or near the parking space and operate the meter according to the instructions thereon. Failure to make the required payment shall result in a fine ~~as provided for in Appendix F – Fees and Fines~~ in accordance with the provisions of Sec. 106-212 - Downtown Dover Partnership authority and Parking limitations., fines and fees, set by the Downtown Dover Partnership.

(b) *Payments accepted.* All parking meters shall be adjusted so that when properly operated, payments may be made at any time throughout the time range of the meters, with each payment permitting the vehicle to be parked in a metered parking space for a period as ~~provided for in Appendix F – Fees and Fines~~in accordance with the provisions of Sec. 106-212 - Downtown Dover Partnership authority and Parking limitations., fees and fines, set by the Downtown Dover Partnership.

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(c) *Overtime parking.* It shall be unlawful for any person to allow a vehicle to remain parked in a parking meter zone for a period of time in excess of that prescribed in subsection (b) of this section for the particular payment. It shall be prima facie evidence of an overtime parking violation when the parking meter shall indicate by proper signal that the lawful parking period has expired.

(d) *Exceptions.* The use of parking meters shall not be required on Sundays and legal holidays.

(Code 1968, §§ 31-73, 31-74; Code 1981, § 13-48; Ord. No. 2009-09, 6-22-2009; Ord. No. 2015-09, 6-8-2015)

Sec. 106-164. - Violations; penalties.

(a) *Generally.* Any person convicted of violating the provisions of this article or of aiding, abetting or assisting in the violation of said provisions shall be sentenced to pay a fine as provided for in Appendix F—Fees and Fines.

(b) *Enhanced civil enforcement authority.* If three or more violations of this article have been issued to a vehicle and those violations are more than 30 days past due, or if accumulated unpaid violations of this article exceed more than $100.00, the vehicle shall be subject to enhanced civil enforcement, as follows:

(1) Such vehicle found parked on any street in the city shall be immobilized by any police officer or parking enforcement employee of this city in such manner as to prevent its operation. Any vehicle so immobilized or impounded shall not be released to its lawful owner until all unpaid violations and applicable administrative fees issued to such owner have been discharged by payment in full, together with payment for the costs of immobilizing, releasing, and storing such vehicle. The owner shall sign a receipt for such vehicle. Payment for any such towing shall be in accordance with the towing costs outlined in the current agreement between the police department and the towing operator. If the vehicle is a tractor-trailer combination, the trailer may be released to an authorized agent if the tractor-trailer is immobilized pursuant to this section.

(2) In any case involving immobilization of a vehicle pursuant to this section, the police officer or parking enforcement employee shall place on such vehicle, in a conspicuous manner, notice sufficient to warn any individual that such vehicle has been immobilized and that any attempt to move such vehicle might result in damage to such vehicle.

(3) Any vehicle remaining immobilized and not released for 24 hours may be towed and impounded at the direction of a police officer or parking enforcement employee.

(4) Any person who unlawfully removes a device for immobilization of a vehicle shall be fined as provided for in Appendix F—Fees and Fines.

(5) Any person who tows or otherwise moves an immobilized vehicle without authorization by the chief of police or his designee shall be fined as provided for in Appendix F—Fees and Fines.

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(c) *Cost.* No cost will be assessed if payment of the penalty as hereinbefore imposed is voluntarily paid without the necessity of a hearing before the proper official.

(Code 1968, § 31-77; Ord. of 8-25-1971, § 1; Code 1981, § 13-49; Ord. No. 2009-09, 6-22-2009; Ord. No. 2011-22, 9-26-2011; Ord. No. 2015-09, 6-8-2015 ; Ord. No. 2015-16, 10-26-2015 ; Ord. No. 2016-05, 2-22-2016)

Secs. 106-165—106-180. - Reserved.

BE IT FURTHER ORDAINED:

That Chapter 106 - Traffic and Vehicles, Article III. - Stopping, Standing and Parking – Division 3. – Removal and Disposition of Illegally Parked or Abandoned Vehicles, Sec. 106-181. - Definitions, be amended by inserting the text indicated in blue font and deleting the text indicated in red strikeout as follows:

The following words, terms and phrases, when used in this division, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Enforcement officer means ~~the health inspector~~ any duly authorized person granted authority in writing to enforce parking regulations by the Downtown Dover Partnership or any member of the police department.

(Code 1981, § 13-56)

BE IT FURTHER ORDAINED:

That Chapter 106 - Traffic and Vehicles, Article III. - Stopping, Standing and Parking – Division 4. – Downtown Parking, be amended by inserting the text indicated in blue font and deleting the text indicated in red strikeout as follows:

DIVISION 4. - DOWNTOWN PARKING

Sec. 106-211. - Definitions.

As used in this division, all terms shall have the same meaning as provided in 21 Del. C. § 101 et seq., unless the context requires otherwise. In addition, the following terms shall have the meanings indicated:

Designated area means those ~~areas~~ streets or portions of streets within the downtown business district and any city-owned parking lot ~~controlled by the city parking authority~~ so designated by the city council as parking meter zones to be controlled by the Downtown Dover Partnership.

Downtown business district means that part of the city bounded by and including South State Street, North Street, Queen Street and Reed Street, and any other areas designated by ~~the chief of police and~~ the city manager.

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(Code 1981, § 13-70; Ord. of 12-11-1995)

Sec. 106-212. ~~-~~– Downtown Dover Partnership authority and Parking limitations.

(a) *Overtime parking.* No person shall stop, stand or park a vehicle within any designated area for a longer period of time than is permitted by the applicable traffic control device.

(b) *Evading time limits.* No person shall move a vehicle from one parking space to any other parking space for the purpose of evading time limitations on parking. There shall be a rebuttable presumption that any vehicle that is moved from one space to another space in the immediate area has been moved for the purpose of evading time limitations on parking.

(c) *Second ticket.* A second parking ticket may be issued for the same violation, provided that more than two hours have elapsed since the issuance of the first ticket. No more than two parking tickets may be issued per day for violating subsection (a) of this section.

(d) *Towing of vehicles.* Vehicles parked in a time-limited zone in excess of 24 hours may be towed.

~~(d)~~(e) Within the designated area, the Downtown Dover Partnership shall have the authority to establish parking regulations and policies consistent with Chapter 106 – Traffic and Vehicles, as deemed appropriate, including, but not limited to, the installation of parking meters, setting and collection of parking fees, enforcement of parking regulations and collection of fines, and shall retain all receipts therefrom.

(Code 1981, § 13-71; Ord. of 12-11-1995; Ord. of 10-22-2007)

Secs. 106-213 – Effective date and duration:

This ordinance shall be effective upon the designation of the parking meter zones and shall be reviewed at the end of the first two years and at least every five years thereafter to ensure that the purposes of this ordinance are being achieved and may be void if not effective.

Secs. 106-214—106-234. - Reserved.

ADOPTED: *

S:\ORDINANCES\2020\DRAFT\ORDINANCE #2020-12 - CH 106 - TRAFFIC AND VEHICLES\PROPOSED ORDINANCE #2020-12 - CHAPTER 106 - TRAFFIC AND VEHICLES.DOCX

SYNOPSIS

This ordinance grants the authority to the Downtown Dover Partnership to install and manage parking meters within parking meter zones designated by the City Council in the Downtown Development District, and to retain the proceeds from such operation.

(SPONSORS: NEIL AND HUGG)

Actions History:

9/29/2020 – Scheduled for Introduction – Council Committee of the Whole/Safety Advisory and Transportation Committee

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ACTION FORM

PROCEEDING: Council Committee of the Whole (L, F & A) **AGENDA ITEM NO.:**
DEPARTMENT OF ORIGIN: Water & Wastewater **DATE SUBMITTED**: 09/18/2020
PREPARED BY: Jason A. Lyon, P.E., Director of Water & Wastewater
SUBJECT: Resolution – Application for Drinking Water Matching Planning Grant
REFERENCE: N/A
RELATED PROJECT: N/A
APPROVALS: City Manager
EXHIBITS: Proposed Resolution
EXPENDITURE REQUIRED: N/A **BUDGET**: N/A **FUNDING SOURCE (Dept./Page in CIP & Budget)**: N/A
TIME TABLE: Partial application to be submitted by October 2, 2020. Once adopted by Council, this will be forwarded to Drinking Water State Revolving Fund Program.
RECOMMENDED ACTION: Adopt resolution as submitted so staff may complete application for a Water Matching Planning Grant.

BACKGROUND AND ANALYSIS

The State of Delaware has allotted matching funds to update and prepare water facility master plans. The Fiscal Year 2021 budget includes funds in the Water Division to update the 2006 Water Master Plan. In general, the forthcoming Water Master Plan Update will provide a complete re-evaluation of the City water system, including the water supply and new technology research for aquifer recharge, water storage and water distribution system. The plan will update the projected long term demands of the City, the impact of water supply and availability of water, confirmation and calibration of our existing water model, including the water storage and distribution demands as well as an evaluation of the existing water distribution system. This update will also provide an evaluation of existing operational practices, including public outreach to customers. This update will provide a twenty (20) year capital outlook on improvements for the water system. This update will work in conjunction with the adopted 2019 City of Dover Comprehensive Plan.

The cost to prepare the plan as described above has not been determined to date. The budget in the Water Division operational budget is $100,000. The Department of Water & Wastewater will be seeking matching funds in the amount of $100,000 which could be 50% of the total cost. The amount of the matching grant will depend on the costs of the bid that will be forthcoming. For example, if the bid comes in at $100,000, the City would amend the grant application to 50% of the bid, or $50,000. The application process for the grant requires the City Council to adopt a resolution endorsing the application for a Water Facility Planning Grant.

City of Dover

MAYOR AND COUNCIL

PROPOSED COUNCIL RESOLUTION NO. 2020-12

A RESOLUTION PROPOSING APPLICATION FOR DRINKING WATER MATCHING PLANNING GRANT

WHEREAS, the Mayor and Council of the City of Dover, Delaware, herein called the "Applicant", has, after adequate consideration, of the various aspects of available data as it relates to the water infrastructure, determined that improvements to the City of Dover water infrastructure may be necessary; and

WHEREAS, the Applicant has determined that the expeditious completion of an update to the City of Dover's 2006 Water System Master Plan is desirable and in the public interest, and to that end it is necessary that actions be taken immediately; and

WHEREAS, the State of Delaware has authorized the making of grants to aid in financing a Water System Master Plan and related services in connection therewith; and

WHEREAS, the Applicant has examined and duly considered the Guidelines for said grants and the Applicant deems it to be in the public interest and to the public benefit to file an application for a grant under these Guidelines, and to authorize other action in connection therewith.

NOW, THEREFORE, BE IT RESOLVED BY the Mayor and Council of the City of Dover, Delaware, the governing body of said Applicant, as follows:

1. That the said Project is essential to and is in the best interest of the Applicant and to the end that the said Project may be carried out as promptly as practical, it is desirable that action hereto be undertaken immediately.

2. That Donna S. Mitchell, City Manager, or her designated representative, be hereby authorized to file on behalf of the Applicant, an application (in the format required by the State of Delaware and in conformity with the request hereto) for a matching grant to be made from the State of Delaware Drinking Water State Revolving Fund (DWSRF) Non-Federal Administrative Account to the Applicant to aid in defraying the cost of the Project described above.

3. That if such a grant is made, the Applicant agrees to pay all the remaining cost of the approved Project, over and above the amount of the State grant.

4. That the said Donna S. Mitchell, City Manager, or her designated representative, is hereby authorized to accept any State grant that may be offered, to furnish such information and to take other action as may be necessary to enable the Applicant to qualify for the grant; and

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5. That the said Donna S. Mitchell, City Manager, or her representative designated as the Authorized Representative of the Applicant for the purpose of furnishing to the State of Delaware such information, data, and documents pertaining to the application for the grant as may be required; and otherwise to act as the authorized representative of the Applicant in connection to the application and in connection with any requirements of the State grant which may be made.

6. That certified copies of this Resolution be included as part of the Application to be submitted to the State of Delaware.

ADOPTED: *

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ROBIN R. CHRISTIANSEN MAYOR	WILLIAM F. HARE COUNCIL PRESIDENT

Actions History (Most recent first)

09/29/2020 – Scheduled for Introduction - Legislative, Finance, and Administration Committee

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City of Dover, DE

Investment Policy Statement

~~Dated November 15, 2018~~

Dated October 12, 2020

1.0 Governing Authority

It is the policy of the City of Dover to invest public funds under its control in a manner that will provide the highest investment return consistent with the maximum safety of principal, while meeting cash flow needs of the City. The investment program shall conform to all state and local statutes governing the investment of public funds.

2.0 Scope

This Investment Policy Statement (the "Policy") applies to all financial assets of the City of Dover for which the City retains direct or indirect daily control. Funds for which the City has retained outside fund manager(s) shall also be governed by this Policy or, in the case of bond proceeds, related governing bond documents.

2.1 Accounts

2.1.1 Cash and Liquidity Accounts: The majority of the City's cash balance available for investment is maintained in the cash and liquidity accounts. These accounts will be managed and invested by investment managers, selected by the City Council through competitive bid, in order to maximize the return to the City while, at the same time, providing for safety of principal and sufficient liquidity for the City to meet its cash needs. The City will manage its short-term investments to ensure sufficient liquidity and prevent their premature sale for the purpose of covering expenditures. Short-term investments should mature at face value in sufficient amounts to meet any liquidity needs.

2.1.2 Reserve Cash (Intermediate) Account: To the extent cash is not expected to be needed on short notice, the City shall invest such funds in the Reserve Cash Account. This fund shall be managed and invested by an investment manager or managers**,** selected by the City Council after a competitive bid, in order to maximize the return on said money to the City while providing for the safety of principal.

All of the City of Dover's funds are accounted for in its Comprehensive Annual Financial Report. Those funds to which this Policy applies include (excluding the Deferred Compensation Plan and Pension Trusts):

2.2 Funds

2.2.1 General Fund
2.2.2 Capital Project Funds
2.2.3 Special Revenue Funds
2.2.4 Enterprise Funds
2.2.5 Internal Service Funds
2.2.6 Any new fund created by the City Council, unless specifically exempted

3.0 Objectives

The primary objectives of the City of Dover's investment activities, in order of importance shall be:

3.1 Safety

Preservation of principal is the foremost objective of the investment program. To attain this objective, funds shall be diversified among securities of high credit quality and liquidity, so that risk of loss of principal is minimized.

3.2 Liquidity

The City's investments shall be made for such periods as to enable the City to meet all operating requirements that may be scheduled or reasonably anticipated.

3.3 Return on Investments

A goal of the investment program shall be to maximize investment return within the constraints of Sections 3.1 and 3.2.

4.0 Delegation of Authority

Authority to manage the City of Dover's investment program is derived from this Policy, which is approved by City Council, and "Dover Code, PART I, Subpart A, Article II, Section 17" (attachment B) which states in part that "The Controller/Treasurer shall be the custodian of all of the City funds."

The City's Controller/Treasurer shall:

1) Review this Policy annually and recommend changes, if any, to City Council;
2) Be charged with implementing the Policy, and may delegate authority to make investments to an investment advisor. The Controller/Treasurer shall be responsible for all investment transactions and shall establish controls to regulate the activities of the investment advisor, if any.
3) Ensure that records of the City's investment activities are kept for ten years.

5.0 Prudence, Ethics and Conflicts of Interest

Any official of the City or investment advisor/manager empowered to make investments on behalf of the City of Dover shall comply with the following:

5.1 "Prudent Person" Rule

Investment decisions shall be made with the judgment and care which persons of reasonable intelligence, under circumstances prevailing at the time the investment is made, would exercise in the management of their own investments assuming that their objectives are those shown in Section 3.0 of this policy.

5.2 Ethics and Conflict of Interest

The delegate authorized to make City investments shall act at all times in an ethical manner, and shall not engage in activity that could impair or be perceived to impair their ability to make impartial investment decisions. They shall disclose to the Mayor and City Council any material interests in financial institutions with which the City has financial dealings, and which may be related to the performance of the investment program. Employees and officers shall refrain from undertaking personal investment transactions with the same individual(s) with whom business is conducted on behalf of the City.

6.0 Authorized Institutions and Dealers

All broker/dealers that desire to become qualified for investment transactions with the City shall meet the following:

1. Primary dealers and regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule)
2. Capital of at least $25,000,000 or capital of $5,000,000 for firms incorporated in the State of Delaware
3. Registered as a dealer under the Securities Exchange Act of 1934
4. Member of the Financial Industry Regulatory Authority (FINRA)
5. Registered to sell securities in the State of Delaware
6. Engaged in the business of effecting transactions in U.S. government, federal agency, and corporate securities for at least five (5) consecutive years

To the extent the City utilizes the services of an outside Investment Advisor, it shall be the responsibility of the Investment Advisor to maintain an approved list of brokers.

7.0 Safekeeping and Custody

To ensure that securities are deposited in an eligible financial institution prior to the release of funds, all trades of marketable securities will be executed by delivery vs. payment ("DVP").

Further, all securities will be held by an independent third-party custodian, in the name of the City, and evidenced by safekeeping receipts in the City's name. The custodian shall provide daily confirmation of held securities as well as a monthly transactions and holdings report.

8.0 Authorized Investments and Trading of Securities

The Controller/Treasurer or authorized delegate may invest only in the types of securities listed below. The maximum stated maturity of any security shall be limited to 10 years at settlement, unless otherwise stated. The maximum average maturity of the portfolio shall be seven years. For asset backed and Agency mortgage backed securities, the maximum maturity shall be defined as the weighted average life ("WAL"). WAL is a convention that estimates the expected weighted amount of time, in years, for the principal amount of an issue to be fully paid. For Agency mortgage backed securities, WAL shall be limited to 10 years, measured at the settlement date, provided by Bloomberg Financial Markets. For asset backed securities, the average life must not exceed two years, except for such securities that are subject to periodic reset of coupon or interest rate - - these may have an average life not to exceed three years.

8.1 United States Government Securities

Marketable securities issued by the U.S. Government and supported by the full faith and credit of the U. S. Treasury either by statue or an opinion of the attorney general of the United States. The maximum maturity shall be limited to 10 years. Up to 100% of the portfolio may be invested in this sector.

8.2 Government Agency Securities

Debt securities issued by government-sponsored enterprises ("GSE"), federal agencies, federal financing banks, and instrumentalities of the U.S. Government.

The maximum maturity shall be limited to 10 years. Up to 50% of the portfolio may be invested in this sector, with a maximum of 20% in any one issuer.

8.3 Certificates of Deposit and Time Deposits

8.3.1 **Domestic Institutions**: Issued or endorsed by a domestic bank, or a savings and loan association, organized and supervised under the laws of the United States and denominated in U.S. dollars; provided, however, that deposits are fully insured or guaranteed by the Federal Deposit Insurance Corporation ("FDIC").

If not insured by the FDIC:

- The banking institution must have assets of not less than $5 billion; and
- Issuers must have a short-term rating in the highest category by Standard & Poor's, Moody's, or Fitch and a long-term rating of at least the "A" category by Standard & Poor's, Moody's, or Fitch.

The maximum maturity of any investment in this sector shall be limited to 10 years at trade settlement. This sector shall not exceed 25% of the total portfolio. No single issuer shall exceed 5% of the City's portfolio.

8.3.2 **Delaware-Domiciled Institutions**: Issued by or endorsed by any bank or savings association domiciled in the State of Delaware and organized and supervised under federal or State of Delaware banking laws which does not meet the requirements of Section 8.3.1 hereto; provided, however, that:

- For each of the latest two years, the bank or association has had a return on total average assets of 0.50% or greater and an average capital ratio (defined as total equity capital to total assets) of at least 1 to 20, or the instrument is secured as set forth in Section 9, "Collateralization of City Deposits," hereto; and
- Not more than the lesser of $10 million or 25% of an issuer's total equity capital, may be invested in any one issuer. (Investments due to mature in one business day may be excluded from the computation of this percentage.)
- The Board expressly affirms that, consistent with these guidelines, Delaware banks and savings associations should be considered as a source of investment.
- The maximum stated maturity of any investment in this sector shall be limited to 10 years at time of purchase. This sector shall not exceed 20% of the total portfolio. No single issuer shall exceed 5% of the City's portfolio.

8.4 Corporate Debt Instruments

Such instruments include commercial paper bankers' acceptances, and non-convertible senior debt securities (bonds and debentures).

8.4.1 Corporate securities must be denominated/issued in US dollars. Many foreign corporations issue debt/securities in the US market, in US dollars.

8.4.2 No single issuer shall exceed 5% of the City's portfolio.

8.4.3 Commercial Paper shall be limited to a final maturity of 270 days. This sector shall not exceed 25% of the total portfolio. Issuers shall be rated in the highest short-term category by Standard & Poor's, Moody's, or Fitch.

8.4.4. Bankers' Acceptances shall be limited to a final maturity of 365 days. This sector shall not exceed 25% of the City's Portfolio. Issuers shall be rated in the highest short-term rating by Standard & Poor's, Moody's, or Fitch.

8.4.5 Corporate bonds and debentures shall be limited to a final maturity of 10 years. This sector shall not exceed 50% of the total portfolio. Issuers shall hold a long-term rating of at least the "A" category by Standard & Poor's, Moody's, or Fitch.

8.5 Repurchase Agreements

The underlying collateral shall consist of U.S. government and/or GSE securities provided, however, that:

8.5.1 All repurchase agreements must be governed by a written master repurchase agreement;

8.5.2 Agreements will be entered into only with respect to underlying securities in which the investment manager may otherwise invest as described above, and only with a recognized U.S. Government/broker or a bank which meets the requirements set out under paragraph Section 8.3.1 or 8.3.2 above;

8.5.3 In the case of repurchase collateral held in book-entry form in the Federal Reserve System, all deliveries of securities must be made, for the transfer thereof, through the Federal Reserve book-entry system to the account designated by the investment manager for such purpose. Securities held in certificated form must be delivered to the investment manager or a custodian as directed by the investment manager.

8.5.4 Any collateral employed under this paragraph shall be counted towards the applicable maximum limits set forth within these guidelines for such type of investment, and such collateral shall be valued at market at not less than 103 percent of the maturity value of the agreement and marked-to-the-market as requested by the investment manager.

8.5.5 Repurchase agreements shall be limited to a maximum maturity of 90 days from date of purchase. This sector shall not exceed 50% of the total portfolio. No single issuer shall exceed 25% of the City's portfolio.

8.6 Registered Investment Companies (Money Market Funds)

No single fund shall exceed 25% of the City's portfolio. Money market funds shall be rated AAA by Standard & Poor's. A current prospectus must be obtained before investing in any money market fund, and current holdings reports must be maintained at least each month.

8.7 Mortgage-Backed Securities

Mortgage-backed securities issued by the following: Government National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Association (FHLMC). This sector, combined with the asset backed security sector, shall not exceed 10% of the total portfolio.

8.8 Asset Backed Securities

These investments include auto loan receivables, credit card receivables, home equity loans, and manufactured housing loans. These can be fixed or floating rate and must be rated in the highest long-term category by Standard & Poor's, Moody's, or Fitch. This sector, combined with the mortgage-backed security sector, shall not exceed 10% of the City's portfolio. No single issuer shall exceed 5% of the City's portfolio.

8.9 Municipal Obligations

Taxable and tax-exempt securities issued by state and local governments and public authorities in the United States. The maximum stated maturity of any investment in this sector shall be limited to 10 years at time of purchase. This sector shall not exceed 20% of the City's portfolio. No single issuer shall exceed 5% of the City's portfolio. Issuers shall be rated in at least the "A" category by Standard & Poor's, Moody's, or Fitch. Additionally, Issuers in the short term market (under one year) shall be rated at a minimum of "mig-1", "f1" or "sp-1" for Moody's, Fitch and Standard &Poor's.

8.10 State of Delaware Investments Pool

8.10.1 Delaware Local Government Investment Pool (DELGIP) -The investment in this pool is permitted in relation to the City's cash flow and the guidelines set forth by the State of Delaware. The investment in this pool will not exceed 25% of the total funds available and will be monitored by the City's Finance Department on a monthly basis.

8.10.2 Delaware Local Government Retirement Investment Pool (DELRIP) The investment in this pool is permitted in relation to the City's Post-Retirement Benefits Fund. The investment in this pool will not exceed 25% of the total funds available and will be monitored by the City's Finance Department on a monthly basis.

8.11 Trading Securities

The Controller/Treasurer is hereby authorized to sell securities prior to their stated maturity date in the following circumstances:

1. A security with declining credit may be sold prior to its maturity to minimize loss of principal;
2. A security swap may be executed if it would improve the quality, yield, or target duration of the portfolio;
3. Securities may be sold to provide needed liquidity.

8.12 Internal Control on such transactions

8.12.1 An investment report will be provided to the Council on a quarterly basis.

8.12.2 All investment reporting documents will be provided to the independent auditors.

8.12.3 Investment records will be kept by the City for ten (10) years.

8.12.4 The trading shall not involve any hedge, derivatives and/or borrowing funds for trading purposes.

A summary of permitted investments is below:

Investment Type	Sector Limit	Issuer Limit	Maturity Limit	Credit Quality Minimum
United States Government Securities	100%	100%	10 Years	N/A
Government Agency Securities	50%	20%	10 Years	N/A
Mortgage-Backed Securities	Combined 10% limit	N/A	10 Year WAL	N/A
Asset Backed Securities		5%	2 Year WAL	Highest long-term rating by Fitch, Moody's or S&P
Municipal Obligations	20%	5%	10 Years	Long-term rating of at least "A" by S&P, Moody's, or Fitch For issuers in short term market, rating of at least "mig-1", "f1 or "sp-1" for Moody's, Fitch & S&P
FDIC-Insured Deposits	25%	5%	10 Years	N/A
Certificates of Deposit and Time Deposits (not insured by FDIC)	25%	5%	10 Years	Highest short-term rating by Fitch, Moody's or S&P. Long-term rating of at least "A" by S&P, Moody's, or Fitch
Delaware-Domiciled Institutions	20%	5%	10 Years	N/A
Commercial Paper	25%	5%	270 Days	Highest short-term rating by Fitch, Moody's or S&P
Bankers' Acceptances	25%	5%	365 Days	Highest short-term rating by Fitch, Moody's or S&P
Corporate Bonds and Debentures	50%	5%	10 Years	Long-term rating of at least "A" by S&P, Moody's, or Fitch
Repurchase Agreements	50%	25%	90 days	N/A
Registered Investment Companies (Money Market Funds)	100%	25%	N/A	AAAm by S&P
Delaware Local Government Investment Pool	25%	N/A	N/A	N/A
Delaware Local Government Retirement Investment Pool	25%	N/A	N/A	N/A

9.0 Collateralization of City Deposits

If the City deposits funds in any financial institution, those funds will be subject to the following collateralization requirements. The financial institution shall:

9.1 Collateralize the City's daily ledger balance(s) if, for any quarter during the most recent eight quarters the bank has not met both of the following two criteria:

- Return on total average assets of 0.50 percent or greater.
- Average capital ratio (total equity to total assets) of 5.00 percent or greater.

9.2 If either criterion in paragraph 9.1 is not satisfied collateral must be pledged and shall consist of one or more of the following securities:

- U.S. Government securities
- U.S. Government agency securities
- Federal Home Loan Board letters of credit
- State of Delaware securities
- Mortgage backed securities as referenced in Section 8.7
- Securities of a political subdivision of the State of Delaware with a Moody's rating of "A" or better

9.3 Ensure that the securities pledged as collateral (except for Federal Home Loan Board letters of credit) have a market value equal to or greater than 102 percent of the ledger balance(s) in the account(s) marked to market each day.

9.4 Ensure that securities pledged as collateral are housed at the Federal Reserve Bank or a mutually agreed upon third party depository. (The trust department of the winning vendor will not be acceptable.)

9.5 Provide reports on a monthly basis to the City Finance Department detailing the collateral pledged.

9.6 Provide a Call Report (Consolidated Report of Condition and Income, FFIEC 031) on a quarterly basis to the City Finance Department.

10.0 Policy Considerations

If securities owned by the City are downgraded by either Standard & Poor's, Fitch or Moody's to a level below the quality required by this Policy, it shall be the City's policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio.

If a security is downgraded two grades below the level required by the Policy, the security shall be sold immediately.

If a security is downgraded one grade below the level required by this Policy and matures within 6 months, the security may be held to maturity. The Controller/Treasurer may determine to sell the security if it is determined that there is a probability of default prior to maturity.

If a decision is made to retain a downgraded security in the portfolio, its presence in the portfolio will be monitored and reported monthly to the Controller/Treasurer.

11.0 Internal Controls

The Controller/Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse. The Controller/Treasurer shall also establish a process for an annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following:

- Control of collusion
- Separation of transaction authority from accounting and recordkeeping
- Custodial safekeeping
- Prohibition of physical delivery securities
- Clear, written delegation of authority to subordinate staff members
- Written confirmation of transactions for investments and wire transfers

12.0 Performance Standards

The City of Dover's investment decisions shall be made with the objective of obtaining a rate of return commensurate with the investment risk constraints and the cash flow needs. On a quarterly basis, the Controller/Treasurer shall compare the City's portfolio against the Merrill Lynch 0-5 Year U.S. Treasury Index, in terms of time-weighted total return and average duration for the period under review.

13.0 Reporting

At the end of each calendar quarter, the Controller/Treasurer will submit a report of all quarter-ending investments to the Mayor and City Council. Reports shall include the following:

- Listing of individual securities held as of last day of reporting period, sorted by sector
- Par, market, and amortized cost values of each security
- Coupon, current yield, and final stated maturity date of each security

14.0 Investment Policy Adoption

The City of Dover's investment policy will be adopted by the City Council after review and recommendation of the Legislative and Finance Committee. The policy will be reviewed at least once every year by the Legislative and Finance Committee, which is charged with considering the existing policy and any recommendations to modify the policy. Any modifications to the policy must be approved by the City Council.

LEGEND

1. Original approval by City Council - November 14, 1988
2. Revised policy approved by City Council - March 7, 2005
3. City Council Approved with No Changes – April 14, 2008
4. Revised policy approved by City Council – July 25, 2011
5. Revised policy approved by City Council – August 12, 2013.
6. Revised policy approved by City Council – September 8, 2014
7. Revised policy approved by City Council – October 10, 2016
8. Revised policy approved by City Council – October 23, 2017
9. City Council Approved with No Changes – December 10, 2018
10. Revised policy approved by City Council – December 9, 2019

LEGEND (Cont.)
11. City Council Approved with No Changes -

ATTACHMENT A

GLOSSARY

AGENCIES: Federal agency securities, otherwise known as "Government Sponsored Enterprises."

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Large denomination CD's are typically negotiable.

BANKERS ACCEPTANCE: A short-term credit investment which is created by a non-financial firm and whose payment is guaranteed by a bank.

COLLATERAL: Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COMMERCIAL PAPER: An unsecured obligation issued by a corporation or bank to finance its short-term credit needs. Maturities typically range from one (1) to 270 days.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): The official annual report for the City of Dover. It includes five combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

CORPORATE BONDS: A debt security issued by a corporation based in the United States of America. Such bonds usually have a par value of $1,000, have a term maturity, and are traded on a major exchange.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns, in an attempt to limit risk.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to $250,000 per deposit.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANKS (FHLB): The institutions that regulate and lend to savings and loan associations. The Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Banks vis-a-vis member commercial banks.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FMHM mortgages. The term "passthroughs" is often used to describe Ginnie Mae's.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE: The price at which a security is trading and could presumable be purchased or sold.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MORTGAGE-BACKED SECURITIES (MBS): An investment instrument that represents ownership of, and is backed by, an individual interest in a pool of mortgages such as those issued by Ginnie Mae or Freddie Mac. Principal and interest from the individual mortgages is used to pay principal and interest on the MBS.

MUNICIPAL NOTES AND BONDS: Securities issued by a state, city, or local government to finance operations or special projects.

PRUDENT PERSON RULE: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state--the so-called legal list. In other states the trustee may invest in a security if it is one which

would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN: A measure of worth, either at security or aggregate portfolio level, over a period of time. There are many return conventions, including but not limited to yield to maturity at cost, yield to maturity at market, yield to worst, time weighted total return, dollar weighted total return.

REPURCHASE AGREEMENT (RP OR REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money, that is, increasing bank reserves.

REVERSE REPURCHASE AGREEMENT: The purchase of a security by a dealer with the agreement to sell it back to the seller at a fixed price at a later date. Typically used by owners of securities to finance short-term needs without having to liquidate the security.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

TIME DEPOSITS: A savings account or CD held for a fixed term or with the understanding that the customer can withdraw only by giving advanced notice.

TREASURY BILLS: A short-term (less than one year) non-interest bearing discount security issued by the U.S. Treasury department to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BOND: Long-term U.S. Treasury securities having initial maturities of more than 10 years.

TREASURY NOTES: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months or one year.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1: also called net capital rule and net capital ratio.

Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

VARIABLE RATE MASTER DEMAND NOTES: A floating rate security with initial maturities and indexed rates chosen by the investor. The interest rate is adjusted periodically, usually off a standard such as that prevailing on a Treasury Bill or the prime interest rate.

YIELD: The rate of annual income return on an investment, expressed as a percentage.

INCOME YIELD is obtained by dividing the current dollar income by the current market price for the security.

NET YIELD or YIELD TO MATURITY is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

ATTACHMENT B

Dover, Delaware, Code of Ordinances >> PART I - CHARTER AND RELATED LAWS

PART I - CHARTER AND RELATED LAWS [1]

Subpart A - CHARTER

PREAMBLE [3]

We the people of the City of Dover, under the constitution and laws of the state of Delaware, in order to secure the benefits of local self-government and to provide for an honest and accountable council-manager government, do hereby adopt this charter and confer upon the city the following powers, subject to the following restrictions, and prescribed by the following procedures and governmental structure. By this action, we secure the benefits of home rule and affirm the values of representative democracy, professional management, strong political leadership, citizen participation, and regional cooperation.

ARTICLE I. - POWERS OF THE CITY

ARTICLE II. - MAYOR AND COUNCIL

Sec. 17. - Controller/treasurer.

At the annual meeting the council shall elect a controller/treasurer to hold office until the next annual meeting of the council, or until his/her successor has been duly chosen and qualified, but subject to removal at any time by the council.

The controller/treasurer shall be the custodian of all the city funds and shall deposit them in a banking institution designated by the council.

(Amd. of 7-12-2005 (S.B. 126); Amd. of 7-8-2009 (S.B. 165, § 15))

Ordinance # 2020-05 –

VERSION 3 (with revisions and comments from CCOW meeting of 9/15)

DRAFT of September 18, 2020

AN ORDINANCE TO AMEND CHAPTER 22 OF THE CITY OF DOVER CODE OF ORDINANCES TO PERMIT AND REGULATE SHORT TERM RENTAL USE TO ENSURE PUBLIC HEALTH, SAFETY AND WELFARE, AND TO PROVIDE PENALTIES FOR VIOLATIONS THEREOF; AND FURTHER TO AMMEND APPENDIX B, ZONING, ARTICLE 12, DEFINITIONS AND FURTHER TO AMEND ARTICLE IX, SECTION 22-281 LODGINGHOUSES.

Pert 1 - AMEND CHAPTER 22 BY ADDING DIVISION 3 SHORT TERM RENTAL USE

DIVISION 3. SHORT TERM RENTAL USE

Section 22-353: Purpose; applicability; definitions; compliance

(a) Purpose: The City of Dover wishes to permit the limited and temporary rental use of one family dwellings (residences) in established areas of the City as an economic asset, allowing for increased travel, visitation and tourism and affording property owners of the opportunity to earn revenue from such occupancy, while ensuring that such uses do not become a nuisance, that neighborhood character is not compromised, and that such businesses are properly operated and maintained. The purpose of this Division shall be to minimize public safety risks and public nuisances, such as noise, trash and parking problems; to ensure that traditional neighborhoods are not turned into tourist areas to the detriment of long-term residents; and to ensure that individual dwellings are not turned into pseudo hotels or party houses.

(b) Applicability: A Short Term Rental Use (STRU) shall be allowed in any one family dwelling as defined in Article 12 of the Zoning Ordinance wherever such are allowed by right and do not require a variance or conditional use approval.

(c) Definitions:

1) *Good Neighbor Brochure* means a document provided by the owner to the guest or guests and containing: the name and telephone number for the owner; notification on standards of behavior and occupancy relating to parking, noise, trash collection, waste disposal, street maintenance, snow removal, and public safety services and including contact and web access information; and such other information as the City may for time to time prescribe.

2) *Guest* or guests means the individual or individuals securing the Short Term Rental Use for the purposes of staying overnight.

3) *Owner* means the person or persons holding legal or equitable title to the property being offered as a Short Term Rental Use.

4) *Short Term Rental Use (STRU)* means rental of all or part of a residential one family dwelling unit for a duration of a temporary occupancy of less than 30 days. Rentals of 30 days or more shall comply with the provisions of Divisions 1 and 2 of this Chapter.

(d) Compliance: no person shall operate, offer for occupancy or let to another for occupancy as a Short Term Rental Use any dwelling which is not in compliance with this Article or any other applicable codes

Section 22-354: Registration and Inspection Requirements; Inspection required for life safety and building purposes. Short-Term Rental Use License Required.

a) The Owner of any dwelling proposed for a Short Term Rental Use must obtain an annual Short Term Rental Use license and pay a license fee as established by the City of Dover.
b) An inspection by the City of Dover Code Inspection Department shall be required to determine compliance with City Property Maintenance, Life Safety and Building Codes. Any items in non-compliance shall be remedied before a license is granted. The inspection shall be required the first time a license is issued and may be required at renewal at the discretion of the Code official. The rental license must be kept current during anytime the dwelling is offered as a Short Term Rental Use.
c) The license shall be valid for up to one year and must be renewed no later than January 31 of each year of continued operation.
d) The Short Term Rental Use License must be clearly displayed inside the dwelling along with any state licenses or permits.
e) The Short Term Rental Use license may not be transferred to any party except heirs and assigns and shall be void upon transfer of ownership of the property where the Short Term Rental Use is located.
f) No uses otherwise not allowed in zone shall be permitted under the Short Term Rental Use license.

Section 22-355: Owner obligations: An Owner of a dwelling seeking to use a property as a Short Term Rental Use shall comply with the following obligations:

a) The Owner of the property being offered as a Short Term Rental Use must be a resident of the City of Dover. Determination of residency shall be based on meeting City of Dover voting residency eligibility. Such owner may offer for Short Term Rental Use only that property which is the owner's primary residence.
b) A property not owned by a resident of the City of Dover shall not be used as a Short Term Rental Use. Such property shall not be used for overnight accommodations unless such property qualifies as a Bed and Breakfast Inn pursuant to Dover Code, Appendix B – Zoning, Article 3, District Regulations.
c) A "Good Neighbor" brochure must be provided in the dwelling listing City provisions as required.

Section 22-356: Limitations on occupancy and use:

a) The number of guests 12 years and older permitted at any time shall not exceed twice the number of bedrooms (i.e. 3 bedrooms x 2 = 6 occupants), with a maximum of 12 occupants of all ages at any one time regardless of number of bedrooms available.
b) No more than 1 extra vehicle per bedroom beyond the base number allowed in the zoning district, not to exceed 6 in total; all parking shall comply with all requirements relating to street maintenance, fire access, parking on paved surfaces, trash collection, obstacles to travel, etc. Violations shall be ticketed offenses.

c) Signage identifying the Short Term Rental Use, if desired, shall be limited to one sign, mounted on the dwelling, not illuminated, and not to exceed one (1) square feet in size overall
d) Access to a full bath must be provided.
e) Guests shall be prohibited from further subletting the dwelling.
f) Weddings, graduation parties, corporate events, commercial functions, large gatherings, or other special events shall be prohibited unless a City of Dover Special Event Permit shall have been granted for a specific activity and date.
g) The Owner has the responsibility to not knowingly allow any illegal or criminal activity on the property nor permit the guests to create a public nuisance including, but not limited to, creating noise, causing odors, permitting an unsafe condition, maintaining a disorderly premise, generation of trash, or other behavior which unreasonably disturbs the peace, safety and general welfare of the neighborhood as provided in this Chapter and pursuant to Section 70-8 and Section 42-2 of the Dover Code of Ordinances.

Section 22-357. Enforcement, Fees and Penalties, Reporting

a) Payment of a Short Term Rental Use license fee of $100 is required annually beginning January 31 of each year; the fee will be prorated for a partial year.
b) Penalties and fines for violations or failure to register and obtain a license shall be as set forth in Appendix F – Fees and Fines.
c) Fines and penalties shall be as set forth in Appendix F for violations under Chapters 22, 42 and 70 of the Code.
d) A dwelling cited three times by the Code official or by any City department as a nuisance or the location of illegal or criminal activity within any consecutive 12-month period shall have its Short Term Rental Use license suspended for not less than the rest of the license year or a longer period up to permanently.
e) The Owner shall report to the City annually documenting the occupancy and frequency of rentals obtained, such report to be completed by January 31 of the following year as part of the license renewal. The reporting shall be voluntary and for the purposes of building a database of STRU activity and economic impact, not for enforcement or tax purposes.

Section 22-359 Enforcement, Notice and Appeals

Enforcement of violations of this Division shall be as set forth in Chapters 22, 42 and 70 of the Code of Ordinances.

Part 2 – AMEND DIVISION 3 SAFE COMMUNITIES BY REDESIGNATING IT AS DIVISION 4 OF THIS CHAPTER.

Part 3- FURTHER AMEND APPENDIX B, ZONING, Article 12, DEFINITIONS: (Deletions in red, additions in blue)

Amend definition of family:

Family: One or more persons occupying a dwelling unit as a single nonprofit housekeeping unit. More than five persons, exclusive of domestic servants, or more than one boarder or roomer, not related by blood, marriage or adoption, shall not constitute one family.

Part 3 – FURHER AMEND Article IX, Section 22-281, definition of lodginghouse –

Lodginghouse means a building operated principally for the temporary residence of the transient public, including but not limited to hotels, motels, inns, boardinghouses, rooming houses, tourist homes and dormitories.

Severability – sections of this ordinance shall be severable as set forth in Section 1-14 of this Code.

EFFECTIVE DATE: This Ordinance shall be effective upon adoption by the Dover City Council. Owners of existing STRU's shall register their properties and obtain a STRU license not later than 90 days after adoption of this ordinance.

SYNOPSIS

This Ordinance recognizes that Short Term Rental Uses are an economic asset, allowing for increased travel, visitation and tourism and affording property owners of the opportunity to earn revenue from such occupancy, while setting forth the purposes and establishing regulations to ensure that such uses do not create public safety risks or become nuisances. It restricts operation of Short Term Rental Uses to properties owned by a resident of the City of Dover as defined by City of Dover voting eligibility. The Ordinance establishes an annual licensing process and sets forth owner's rules, responsibilities and obligations with limits on frequency of rental and occupancy. It provides safeguards to protect established neighborhoods, address nuisances, provide notice, and address complaints. It also includes provisions for reporting, enforcement and penalties for violations. Finally, it makes corrective amendments in the Code to ensure consistency.

Sponsors: Hare