COUNCIL COMMITTEE OF THE WHOLE

The Council Committee of the Whole met on June 11, 2019 at 5:00 p.m., with Council President Hare presiding. Members of Council present were Mr. Anderson, Mr. Sudler (departed at 7:32 p.m.), Mr. Neil, Mr. Slavin (departed at 7:34 p.m.), Mr. Cole, Mr. Polce, Mr. Taylor, and Mr. Lindell. Mayor Christiansen was absent. Civilian members present for ethics training and their Committee meetings were Mr. Caldwell and Col. Dix, Retired, (*Parks, Recreation, and Community Enhancement*), Mr. Garfinkel and Mr. Shelton (*Safety Advisory and Transportation*), Mrs. Doyle and Mrs. Haass (*Utility*), and Mr. Shevock (*Legislative, Finance, and Administration*). Mr. Contant (*Legislative, Finance, and Administration*) was absent.

COUNCIL COMMITTEE OF THE WHOLE

ADOPTION OF AGENDA

Mr. Neil moved for approval of the agenda, seconded by Mr. Sudler and unanimously carried.

Ethics Training

Ms. Deborah Moreau, Commission Counsel, Delaware Public Integrity Commission, reviewed a presentation entitled "Ethics in Government."

PARKS, RECREATION, AND COMMUNITY ENHANCEMENT COMMITTEE

The Parks, Recreation, and Community Enhancement Committee met with Chairman Anderson presiding.

ADOPTION OF AGENDA

Mr. Neil moved for approval of the agenda, seconded by Mr. Sudler and unanimously carried.

Presentation - Postlethwait Middle School Business Professionals of America

Mr. Neil moved to defer the presentation by Postlethwait Middle School Business Professionals of America to a future meeting. The motion was seconded by Mr. Cole and unanimously carried.

Presentation - Partnership with the City and Reserves through Innovative Readiness Training (IRT) - Major John Rundle

Major John Rundle reviewed a presentation entitled "Innovative Readiness Training" (Attachment #1).

Col. Dix asked how the partnership would work, for example if the Reserves would provide the labor and the City would provide the materials. Responding, Major Rundle explained that the City would provide that information in the application and it would be considered based on whether the proposed project meets the military need for training. He stated that construction projects are more complicated because you have to submit certified architectural plans for those, whereas a medical project really only needs a building for personnel to use.

In response to Mr. Sudler, Major Rundle stated that the veterinary services include basic healthcare and immunizations, as well as spay and neuter.

Responding to Mr. Anderson, Major Rundle indicated that he had previously provided an informational presentation to the Mayor's Task Force on Homelessness. He noted that one of the major things regarding medical projects is that the organization has to advertise no compete for local providers because they will not come to an area where the providers feel like there is going to be a competition issue. Major Rundle stated that they do not compete or refer, and they only provide basic healthcare. He advised that they do not give immunizations or prescribe Class III drugs. Major Rundle explained that they need to know that the full community is behind the initiative and the doctors do not feel threatened by it. He informed members that, based on his experience in Georgia, the working class really benefits from this program, and it is beneficial to the homeless as well.

Mr. Polce stated his understanding that Major Rundle was referring to classic Centers for Medicare and Medicaid Services (CMS) recipients when he referenced the working class, and noted that CMS recipients probably don't have medical homes, therefore they don't have a Preferred Care Provider (PCP). He asked what range of services the IRT program can provide these individuals. Responding, Major Rundle explained that the doctors do not like to prescribe long-term medication because then they would need to assume some semblance of care and they will be gone in 10 days. He advised that based on his prior experience the population was about 75% to 85% hypertensive and about the same for diabetic care, so they provided education and training. Major Rundle stated that medically speaking the impact is minimal but they are able to uncover some issues that may otherwise go unknown because the individuals do not see a medical provider. He noted that they have the biggest impact through dental care, explaining that they see individuals who have never seen a dentist before and are able to provide relief by taking care of abscesses, pulling teeth, and giving fillings.

Major Rundle informed members that the mission he was on included Naval Ophthalmic Support and Training Activity (NOSTRA), which makes single prescription glasses, and they were able to prescribe and provide 1,400 single vision glasses within 36 hours, with a turnaround time of 12 hours. He stated that there was a little girl who read for the first time accurately, and he thinks that's their greater impact from a general medical perspective. Major Rundle noted that they are able to do a lot of physicals, which may reveal underlying issues. He explained that individuals are referred back to the community when necessary, so it's important for him, or the person in his position, to work closely with public health to ensure they aren't just leaving issues out in the open.

Mr. Polce stated that oral care is huge, noting that Delaware is one of the very few states that still doesn't allow Medicaid recipients to receive oral care, which is the backbone to overall care. He explained that this was a real opportunity for partnership because the City has transient and CMS populations that do not currently have access to oral care.

Mr. Anderson noted that this would also apply to parks, recreation, and community enhancement, explaining that it would be possible do things like athletic fields, skate parks, trails, buildings, and other civil engineering projects and lower the cost. He asked Major Rundle to explain the process for the civil engineering projects. In response, Major Rundle stated that everything begins with the

application process. He noted that the City would have to own the property that they would want to work on and would have to work with an engineering firm to get the plans drawn up. He explained that the community drives the scope of the project, not the military.

Mr. Slavin asked if there are similar concerns regarding competition for construction projects as there are for competition regarding medical projects, noting that construction projects would otherwise be put out to the local economy. Responding, Major Rundle stated that either type of project would be no compete, so if the community at-large does not want it, then they wouldn't come. He indicated that with his prior medical project, they took out flyers to all the providers for a month in advance and gave a specific time frame for people to reply, and he thought it would be the same process for a community enhancement project.

Mr. Sudler moved to recommend that this matter be referred to staff for further consideration. The motion was seconded by Col. Dix and unanimously carried.

Proposed Land Swap - City of Dover and Capitol Baptist Church/Mayfair Park

Mr. Kirby Hudson, Director of Parks and Recreation, reviewed the background and analysis regarding the proposed land swap between the City and Capitol Baptist Church involving Mayfair Park.

Staff recommended authorizing the City Manager and staff to execute the proposed land swap agreement between the Capitol Baptist Church and the City of Dover using Option #1. As a part of the land swap agreement, Capitol Baptist Church has agreed to incur all legal expenses necessary to finalize the terms and conditions of the agreement that involves the public open space known as Mayfair Park.

Col. Dix expressed concern regarding the church's request for a split rail fence. Responding, Mr. Hudson explained that he requested the split rail fence to delineate the property lines and he thought it would be better, aesthetically, for the people that live adjacent to the property. He noted his belief that the church intends to use the property for additional parking and they do not want to be a nuisance to the neighbors. Mr. Hudson stated that there was a previous discussion regarding planting trees in the area; however, it was decided to erect a split rail fence instead.

Col. Dix asked if the church was going to remove the playground equipment to construct a parking lot. In response, Mr. Hudson stated that the church is going to keep the playground equipment, explaining that the equipment is not in the area where the church intends to construct the parking lot.

Mr. Slavin expressed his appreciation for the time and effort that had been put into this land swap, noting that it had been a long process. He stated that once the agreement is finalized, the City will have contiguous land and can then look to the improvements for the park.

Mr. Hare noted that he had talked to all of the residents that back up to this property and they are all on board.

Mr. Polce moved to recommend authorizing the City Manager and staff to execute the proposed land swap agreement between the Capitol Baptist Church and the City of Dover using Option #1 (Attachment #2). As a part of the land swap agreement, Capitol Baptist Church has agreed to incur all legal expenses necessary to finalize the terms and conditions of the agreement that involves the public open space known as Mayfair Park. The motion was seconded by Mr. Cole and unanimously carried.

Mr. Slavin moved for adjournment of the Parks, Recreation, and Community Enhancement Committee meeting. The motion was seconded by Mr. Cole and unanimously carried.

Meeting adjourned at 7:12 p.m.

UTILITY COMMITTEE

The Utility Committee met with Chairman Cole presiding.

ADOPTION OF AGENDA

Mr. Slavin moved for approval of the agenda, seconded by Mr. Sudler and unanimously carried.

Evaluation of Proposal - Bradford Street Hydrologic and Hydraulic Feasibility Study

Mrs. Donna Mitchell, City Manager, reviewed the background and analysis regarding the evaluation of proposal for the Bradford Street Hydrologic and Hydraulic Feasibility Study. She noted that the City did not request proposals from multiple firms, which is an exception to the City Purchasing Policy; however, staff believes that utilizing the same firm that the Delaware Department of Transportation (DelDOT) is using for their work on the streetscape improvement project will be the most economical and efficient choice for the City.

Staff recommended awarding the contract to McCormick and Taylor to perform the hydrologic and hydraulic feasibility study for Bradford Street for the amount of $112,500.

Responding to Mr. Neil, Mrs. Mitchell indicated that DelDOT was still holding a public hearing regarding the streetscape improvement project on June 24, 2019. She explained that the City was trying to get the feasibility study done and align it with the State's construction phase, so everyone would be working together on this whole project. Mrs. Mitchell advised that the State planned to begin construction next spring.

Mr. Neil moved to recommend awarding the contract to McCormick and Taylor to perform the hydrologic and hydraulic feasibility study for Bradford Street for the amount of $112,500, as recommended by staff. The motion was seconded by Mr. Hare and unanimously carried.

Renewal of Power Supply Contracts and Authorization for McKee Run Generating Station Decommissioning Study

Mr. Jim Robinson, Electric Director, reviewed a presentation entitled "Power Supply Update and Contract Extensions."

Staff recommended: 1) Extending the North American Energy Services contract through June 30, 2021; 2) Extending The Energy Authority contract through June 30, 2022; and 3) Authorizing staff to engage NAES to perform the McKee Run Generating Station Decommissioning Study.

Mr. Neil asked if any parts of the units would be salvageable or recyclable or have any value to the City. Responding, Mr. Robinson advised that certain components of the units, especially Unit 3, which is now running, may have some value to other similar old plants.

Mr. Robinson noted that he thought once the site gets back to a brownfield, it may not be a bad location for a modest solar facility since the City has a substation and transmission there. He stated that the City does not want to spend a lot of time and effort cleaning what's below the ground, explaining that he thinks it's expensive and difficult to anticipate the outcome. Mr. Robinson explained that a solar or battery storage facility may be better economic options.

Mr. Slavin moved to recommend approval of staff's recommendation to 1) extend the North American Energy Services contract through June 30, 2021; 2) extend The Energy Authority contract through June 30, 2022; and 3) authorize staff to engage NAES to perform the McKee Run Generating Station Decommissioning Study. The motion was seconded by Mr. Neil and unanimously carried.

Mr. Sudler moved for adjournment of the Utility Committee meeting, seconded by Mr. Lindell and unanimously carried.

Meeting adjourned at 7:27 p.m.

LEGISLATIVE, FINANCE, AND ADMINISTRATION COMMITTEE

The Legislative, Finance, and Administration Committee met with Chairman Lindell presiding.

ADOPTION OF AGENDA

Mr. Slavin moved to consider item #6 - Downtown Dover Business Improvement District (BID) Budget and Assessment (Tax) Rates for Fiscal Year 2019-2020, first. The motion was seconded by Mr. Sudler and unanimously carried.

By unanimous consent, the agenda was approved as amended.

Downtown Dover Business Improvement District (BID) Budget and Assessment (Tax) Rates for Fiscal Year 2019-2020

Mrs. Donna Mitchell, City Manager, reviewed the Downtown Dover Business Improvement District (BID) Budget and Assessment (Tax) Rates for Fiscal Year 2019-2020, noting that staff proposed to set the rate at zero (0) again for Fiscal Year 2019-2020.

Staff recommended approval of the proposed Fiscal Year 2019-20 Budget and Assessment (Tax) Rate.

Mr. Slavin stated that he does not like the BID tax because it is double taxation. He explained that it had taken many years to roll it back to zero (0); however, the structure for the tax was left in place. Mr. Slavin noted that there are two (2) zones in the downtown area and one (1) gets taxed at a higher rate than the other, and this tax is on top of the property tax they already pay. He stated that if the City is serious about the downtown improvement district, members should be looking at reducing the overall tax bill, not increasing it.

Mr. Slavin moved to recommend approval of the proposed Fiscal Year 2019-2020 Budget and Assessment (Tax) Rate, as recommended by staff. The motion was seconded by Mr. Anderson and unanimously carried.

Mr. Slavin moved to recommend that the City Clerk's Office be requested to develop an ordinance for introduction to repeal the bid tax in its entirety. The motion was seconded by Mr. Polce.

Mr. Anderson stated that he would also like the City Clerk's Office to provide members with any opinions from the City Solicitor's Office about the relation to state law in the downtown development districts, in the bid districts regarding having such a tax.

Responding to Mr. Slavin, Mr. Anderson indicated that he wants to make sure the City does not repeal something that is needed in order to keep the downtown development district designation, as well as all the grants, etc. Mr. Anderson agreed that he did not want to amend the motion, but wanted his request included as staff instructions.

The motion to recommend that the City Clerk's Office be requested to develop an ordinance for introduction to repeal the bid tax in its entirety was unanimously carried.

Evaluation of Bids - Dover Police Impound Lot

Mrs. Donna Mitchell, City Manager, reviewed the background and analysis regarding the evaluation of bids for the Dover Police Impound Lot. She noted that this project was a learning experience for her, explaining that she has a much better understanding of the frustrations experienced by local developers. Mrs. Mitchell stated that this project started with a budget of approximately $75,000 and had increased to over $200,000 due to Development Advisory Committee, Planning Commission, Metropolitan Planning Organization (MPO), and Kent Conservation District reviews, as well as all of the requirements of the Delaware Department of Transportation (DelDOT). She explained that the City had to install new sidewalks on Queen and Water Street and a berm around the impound lot, and also had to make the area aesthetically pleasing because of the transit plan that was completed for the Transit Center in 2011.

Staff recommended awarding the contract to Gateway Construction, Inc. to construct a new Dover Police Department Impound Lot, Bid #19-0021PD, for the amount of $200,614.

Responding to Mr. Neil, Mrs. Mitchell explained that the contractor's contingency items are based on change orders that may come up during construction. She explained that Gateway Construction, Inc. had worked with the City in the past, so they know the City's processes and she believed this may have accounted for their contingency being much lower than Dixon Contracting.

Mr. Neil moved to recommend approval of staff's recommendation, seconded by Mr. Shevock and unanimously carried.

Evaluation of Proposals - Janitorial Services Contract

Mrs. Donna Mitchell, City Manager, reviewed the background and analysis regarding the evaluation of proposals for the janitorial services contract.

Staff recommended awarding a three (3) year contract with the option for two (2) one (1) year extensions to Mid Atlantic Services A-Team Corporation as per the proposal submitted in response to RFP #19-0020CS.

Responding to Mr. Anderson, Mrs. Mitchell stated that Mid Atlantic Services does a lot of State buildings and is quite experienced. She noted that, in the past, the City utilized the State contract for this service; however, she asked staff to do a request for proposals (RFP) for comparison.

In response to Mr. Anderson, Mrs. Mitchell confirmed that no City employees were being displaced because they had retired.

Responding to Mr. Neil, Mrs. Mitchell stated that she was not aware whether any of the employees of Mid Atlantic Services A-Team Corporation have disabilities; however, she noted that the employees she had seen did not appear to have disabilities.

Mr. Neil moved to recommend awarding a three (3) year contract with the option for two (2) one (1) year extensions to Mid Atlantic Services A-Team Corporation as per the proposal submitted in response to RFP #19-0020CS, as recommended by staff. The motion was seconded by Mr. Shevock and unanimously carried.

Discussion - Fiscal Year 2020 Audit Program

Mrs. Donna Mitchell, City Manager, reviewed a presentation entitled "Auditor's Responsibility for Communicating with Audit Committee," dated June 11, 2019.

Mr. Polce noted that the City was compliant in accordance with generally accepted accounting principles (GAAP), but asked if the City ever performed a forensic audit. Responding, Mrs. Mitchell stated that the City did not perform a forensic audit. She stated that since she had been with the City, there had been three (3) instances where there were issues found during the audit which resulted in agreed upon procedure engagements. Mrs. Mitchell explained that, in those instances, she received the findings which were sent to Council, along with the proposed solutions.

Bond Counsel Contract

Mrs. Donna Mitchell, City Manager, advised members that Ballard Spahr, LLP had been the City bond counsel firm for a number of years. She explained that, when she began working for the City, Mr. Charles McDowell did all of the City bond issues through Potter, Anderson & Corroon LLP. She stated that Mr. McDowell knew the City's history and had all the files on every debt issuance and bond covenants, and kept track of the City's max annual debt service to ensure compliance. Mrs. Mitchell explained that as Mr. McDowell got close to retirement, he trained Ms. Emilie Ninan and she took over the City's account. She informed members that since that time, Potter, Anderson

& Corroon LLP got out of the bond business and Ms. Ninan went to Ballard Spahr, LLP and the City maintained the relationship with her.

Mrs. Mitchell explained that, like the City Solicitor, this service had never been sent out for bids; however, they had never sent terms of engagement before. She stated that typically the City gets a quote of what it will cost when preparing to do a bond issue and the service cost is usually paid for out of the issuance cost. Mrs. Mitchell advised that she wanted to make members of aware, in case they would prefer for this service to be sent out for bids. She noted that the only other bond counsel entity in Delaware that she was aware of is Saul Ewing and he is typically the attorney for the underwriter when the City issues a bond. Mrs. Mitchell asked that if members want staff to send this service out for bids, that they allow staff to proceed with the terms of engagement for at least a year since there are some debt issues staff is currently working on for the treatment plant.

Staff recommended authorizing the Controller/Treasurer to enter into a contract with BallardSpahr, LLP for capital project financing when needed.

Responding to Mr. Shevock, Mrs. Mitchell stated that she sent the proposed terms to Deputy Solicitor Pepper for review and he explained that he thought it looked reasonable for bond counsel; however, she did not know how it would compare to others, since she hadn't bid it out.

In response to Mr. Neil, Mrs. Mitchell confirmed that Ballard Spahr, LLP had provided a list of the hourly costs for each attorney. She explained that in the past they had provided a total estimated amount for each bond issue, usually between $10,000 and $15,000, and they would get paid out of that bond issuance cost. Mrs. Mitchell noted that they prepare all of the legal documents for the bond issue, pull the perspectives together for the rating agencies, and prepare the bond documents, and debt instruments.

Mr. Neil moved to recommend authorizing the Controller/Treasurer to enter into a contract with Ballard Spahr, LLP for capital project financing when needed, as recommended by staff. The motion was seconded by Mr. Anderson and unanimously carried.

Proposed Amendments to Financial Policies

Mrs. Donna Mitchell, City Manager, reviewed the proposed amendments to the City of Dover Financial Policies.

Staff recommended approval of the proposed amendments.

Mr. Hare moved to recommend approval of the proposed amendments to the City of Dover Financial Policies (Attachment #3). The motion was seconded by Mr. Neil and unanimously carried.

Proposed Ordinance #2019-15 - Amending Appendix B - Zoning, Article 3 - District Regulations, Section 20A - Industrial Park Manufacturing Zone - Technology Center (IPM2); Article 4 - Zoning Bulk and Parking Regulations, Section 4.16 - M, IPM zones; and Article 12 - Definitions

Mr. David Hugg, Director of Planning and Community Development, reviewed proposed Ordinance #2019-15, noting that the amendments are intended to allow a broader range of potential uses in the IPM2 zone while retaining the emphasis on technology versus general manufacturing uses. He explained that the amendments are in line with the recent name change to Garrison Oak Business and Technology Center.

Staff recommended adoption of Proposed Ordinance #2019-15.

Mr. Neil moved to recommend approval of staff's recommendation, seconded by Mr. Polce and unanimously carried.

Mr. Hare moved for adjournment of the Legislative, Finance, and Administration Committee meeting, seconded by Mr. Taylor and unanimously carried.

Meeting adjourned at 7:58 p.m.

Mr. Neil moved for adjournment of the Council Committee of the Whole meeting. The motion was seconded by Mr. Anderson and unanimously carried.

Meeting adjourned at 7:59 p.m.

William F. Hare
Council President

WFH/TM/dd/jt
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Attachments
Attachment #1 - Presentation entitled "Innovative Readiness Training"
Attachment #2 - Map depicting Mayfair Park Potential Land Swap: Option 1
Attachment #3 - Proposed Amendments to the City of Dover Financial Policies

Innovative Readiness Training

Major John Rundle
512th Aeromedical Dental Squadron

AFRC IRT Program Management Office

IRT Video

- https://www.youtube.com/watch?v=vTb0S7CLVV

- https://www.youtube.com/watch?v=DF_7_MFaKck&list=PLuHG1tTNNyR5TU9qTmmpA0GJcMG2bwuvz&index=28

Innovative Readiness Training: Origin

What if the Best Military Training Led to Ready Forces and Thriving American Communities?

Department of Defense Response to 1992 "Rebuild America" Initiative



"The American people have made an enormous investment in developing the skills, capabilities, and resources of the Armed Forces. These resources, if properly matched to local needs and coordinated with civilian efforts, can be a useful contribution to addressing the serious domestic needs of the United States." - *1993 Senate Armed Services Committee Report*

- **Authorized Under Title 10 U.S. Code §2012**
- **IRT is led by the Director, Civil-Military Engagement Policy, in the Office of the Deputy Assistant Secretary of Defense for Reserve Integration.**
- **IRT includes opportunities for Active, Guard, and Reserve Service Members, (and multi-national partners) to integrate as a joint and whole-of-society team to train and serve American communities**

IRT Meets National Defense Priorities

SECDEF Priorities	IRT Purpose
Restore Military Readiness	IRT Provides hands-on, real-world training to improve readiness and survivability in complex contingency environments
Strengthen Alliances as we Attract New Partners	IRT strengthens and builds community partnerships, while providing key services for American communities
Bring Business Reform to the Department of Defense	IRT is a collaborative program that leverages military contributions and community resources to multiply value and cost savings for participants

INNOVATIVE READINESS TRAINING

The Premier Military Training Platform *for a* Secure and Prosperous America

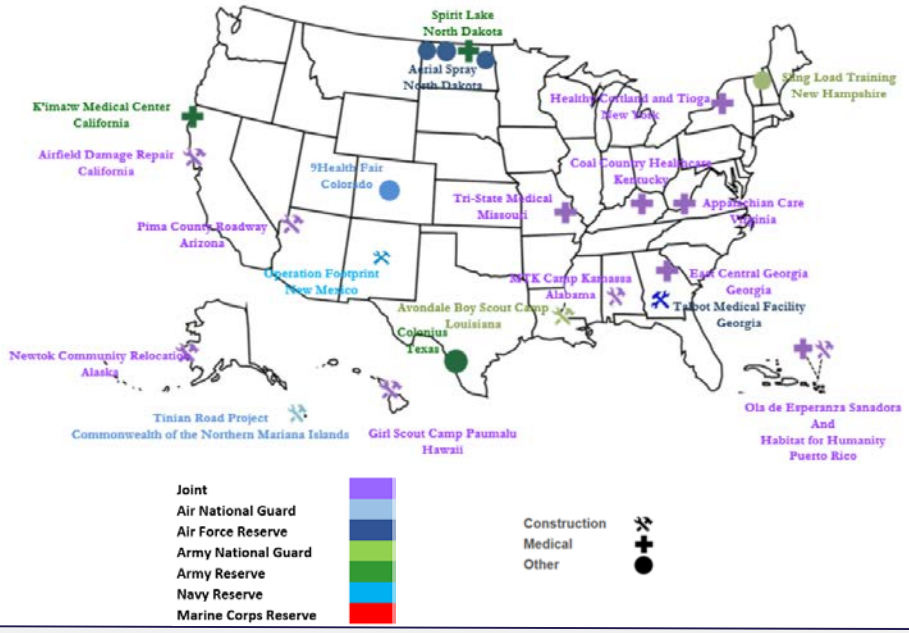
LEADERSHIP SPOTLIGHTS

"One of the reasons that we're ready—you know, anytime, anywhere—is because of projects like this … it allows the Seabees in this case to be ready and train to accomplish any mission they may have."
– Admiral, U.S. Navy Reserve

"This is no different than what they would be doing if they were deployed overseas. This is training we can't get when we go to drill two or three days a month."
– Commander, Marine Wing Support Squadron

"Our EMTs are going on EMT runs, they're driving the ambulance, they are picking up patients and bringing them back to the emergency room—our nurses are getting real-world nursing experience.. This is real-world training!" – Commander, U.S. Army Hospital

FY 2019 PROGRAM SUMMARY



2018 MISSION HIGHLIGHTS



1. Operation Empower Health – Greater Savannah (GA) provided medical, dental, optometry, and veterinary training to 417 military personnel while providing services valued at $4.3 million to over 8,100 patients.
2. Ola de Esperanza Sanadora, "Healing Wave of Hope" (PR) brought more than 200 Sailors, Soldiers and Airmen together to serve over 3,500 patients from four separate sites-of-care – two remote – providing medical services valued over $1 million, which included nearly 1,500 pairs of eyeglasses.
3. Camp Kamassa (AL) provided construction services in the first of a three year project which includes building 8 cabins which include gas, power, water/sewer, and roads for special needs children and adults.

Learn more at: http://irt.defense.gov
Questions: osd.irt@mail.mil

Authorized under: 10 U.S. Code §2012, *Support & services for eligible organizations & activities outside Department of Defense*

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Social Media

Pull out those phones!

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Instagram: IRTsWin
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LinkedIn: https://www.linkedin/com/company/IRTsWin
Learn more at: http://irt.defense.gov

#IRTsWin

Closing / Questions

AFRC IRT Program Management Office

Mayfair Park

Potential Land Swap: Option 1



0 75 150 300 Feet

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Date Printed: April 8, 2019
File: m:\gis_data\projects\tech_mxds
\planning_maps\mayfair_park_land_swap
\option_1
Department: Public Works GIS
City of Dover, Delaware

Legend

Dover Parcels

Lands to be Exchanged

Option 1

CITY OF DOVER
FINANCIAL POLICIES

Amended ~~October 12, 2015~~ June 5, 2019

CITY OF DOVER, DELAWARE
FINANCIAL POLICIES

The purpose of these policies is to present a standardized set of principles that the City follows in managing its financial and budgetary affairs. These are general statements of policies, which represent long-standing principles, traditions, and practices that will be used to guide the City in maintaining financial stability. It will be the responsibility of the Finance Department to ensure the financial objectives of these policies are maintained.

Revenue Policy

1. The City will strive to maintain a broad and diversified revenue base that will equitably distribute the burden of supporting City services and will protect the City from short-term fluctuations in any one revenue source.

2. The City will actively support economic and industrial development recruitment and retention efforts to provide for a solid revenue base.

3. The City will maintain timely collection systems and implement necessary enforcement strategies to collect revenues from available sources.

4. The City will establish user fees and charges for services, when feasible, at levels related to the cost of providing the services. The City will review the fees and charges every three to five years to determine modifications needed to keep pace with the cost of providing the services. Property Tax Rates are set annually

5. The City will establish, when feasible, self-supporting enterprise funds and intergovernmental service funds in which a relationship between revenues and expenditures clearly exists.

6. The City will project current revenues on a conservative basis so the actual revenues will consistently meet or exceed budgeted revenues. Revenues greater or less than the original budget will flow through to the audited Ending Budget Balance.

7. The City will maintain a budgetary control system and will prepare reports, which compare actual revenues to budgeted amounts.

8. The City will limit the designation of General Fund revenues for specified purposes to maximize flexibility in budgeting and revenue utilization.

9. The City will review annually and revise, where necessary, its cost allocation formulas, i.e. internal service departments.

10. Upon satisfying all rate covenants the City will provide operating transfers to the General Fund. From the Water/Wastewater Utility no greater than $1,000,000 and from the Electric Utility no greater than $10,000,000.

Expenditure Policy

1. Basic and essential services provided by the City will receive ~~first~~ priority for funding, i.e. Public Safety & Health, Utilities, Streets, & Sanitation.

2. A report of the expenses of the Public Safety categories that have been identified will be presented to City Council two (2) times; once upon delivery of the proposed budget in May and the other upon the adoption of the budget in July. The report will map the revenues that have been identified to support the expenses, how much of a gap there is, and what the trend is for closing the gap over a ~~20 year~~20-year period. The revenues will be the direct revenues of those programs and the Property Tax Revenue, excluding BID taxes.

3. The City will adopt a balanced budget, by fund, for all funds maintained by the City, in which total anticipated revenues must equal or exceed the budgeted expenditures, less capital transfers, for each fund. The Beginning Budget Balance will not be considered a revenue source.

4. The City will maintain a budgetary control system to ensure adherence to the original adopted budget and will prepare reports, which compare actual expenditures to budgeted amounts. Expenditures greater or less than the original adopted budget will flow through the audited Ending Budget Balance.

5. The City will restrict the use of appropriations as follows:
   - Funds appropriated for personnel expenses shall be restricted to use as personnel expenses. Any personnel savings at the end of each fiscal year will be re-appropriated in the next fiscal year to be transferred to the City's capital funds or unfunded retirement liabilities as approved by City Council;
   - Funds appropriated as capital expenses shall be restricted to use as capital expenses;
   - Funds appropriated as operating expenses shall be restricted to use as operating expenses;
   - All requests for additional personnel shall be accompanied with a five-year estimate on the costs of such position(s), including salaries and other employment costs (OEC's);

6. The City will refrain from budgeting revenues derived from infrequent and unanticipated transactions for ongoing expenses. These revenues will be set aside for asset replacement or as otherwise directed by Council.

7. The City will provide access to medical, dental, vision, life, AD & D, and short-term disability insurance for its employees. The cost for these benefits will be a shared responsibility between the City and its employees as outlined in the City Personnel Handbook or collective bargaining agreements

8. The City will provide access to medical and dental insurance for its retirees and their families. The cost for these benefits will be a shared responsibility between the City and its retirees as outlined in the City Personnel Handbook or collective bargaining agreements.

9. The City will provide access to appropriate retirement plans for its employees. The City will make contributions for eligible employees at the actuarial determined percentage defined for each of the respective retirement plans.

10. The City will establish an Other Post-Employment Benefit Fund (OPEB). The City will make contributions for eligible employees and retirees at the actuarial determined rates or percentages to fund future retiree medical benefits.

Debt Policy

1. The City will maintain a debt management policy and full disclosure on financial reports.

2. The City will maintain communications with bond rating agencies and continue to strive for improvements in the City's bond rating.

3. The City will adhere to its debt covenants.

4. The City will review its debt capacity every three (3) years.

5. The City will pay for all capital projects and capital improvements on a pay-as-you-go basis using current revenues if possible. If a project or improvement cannot be financed with current revenues, long-term debt or use of reserves will be recommended.

6. The City will refrain from issuing long-term debt for a period in excess of the expected useful life of the capital project.

7. The City will use special assessment revenue or other self-supporting bonds instead of general obligation bonds, when practical.

8. The City will seek refinancing of outstanding debt if it is determined that the City will benefit by reduced interest expense over the remaining life of the bonds.

Budget Balance/Reserve Policy – General Fund

1. The City will strive to maintain a minimum Budget Balance, of at least 8% and no greater than 12% of the current year operating revenues for the General Fund, excluding the carry forward balance. The purpose of the budget balance is to meet temporary fluctuations in cash flows and to provide a cushion for loss of revenues until operating changes can be implemented. If the final Budget Balance exceeds the amount as approved in the budget ordinance, such funds shall be used to provide for capital purchases, unfunded retirement liabilities, or as otherwise designated by City Council. The City may use monies in the Budget Balance only in times of fiscal and economic hardship.

2. Once achieved, at no time should the City's budget balances fall below their specified percentages. If a shortfall occurs in the budget balance and immediately restoring the balances to the specified percentage would cause an extreme burden on the taxpayers, the budget balance may, with the City Council's approval, be restored to the specified percentage within one (1) year, but in any case, no longer than three (3) years.

3. The City will maintain a minimum reserve, in a contingency account, of at least $700,000. The City may only use monies in the contingency accounts to cover emergencies of a non-recurring nature that are over and above the normal course of operations. Examples are uninsured losses, storms or hurricane damages. The Contingency Reserve will not be used to balance the operating budget.

4. The total of the General Fund budget and contingency balances shall not exceed 17% (~ 2 months) of Budgeted Operating Revenues.

5. The City will create a Capital Asset Replacement account for Governmental Fund asset procurements. Optimally, the amount set aside for future asset replacements should equal the annual depreciation of the current assets. (Annual Depreciation is approximately ~~$2.5~~ $3.5 million per ~~The~~year) The City will appropriate excess (amounts greater than budgeted) revenues to fund this account, or if the balance is less than the $500,000 minimum, $200,000 per annum until such time the minimum balance is replenished.

6. The City will create a General Capital Project Fund to account for all General Government asset procurements and projects. The City will provide operating fund transfers and/or debt proceeds for each fiscal year's Capital Investment Plan. All vehicle and equipment purchases under $25,000 will be budgeted on a pay as you go basis.

Budget Balance/Reserve Policy – ~~Water &~~ Wastewater Fund~~s~~

1. The City will strive to maintain a minimum Budget Balance, of at least 8% and no greater than 17% (two months) of the current year operating revenues for ~~each of the Water &~~ Wastewater Utility Fund~~s~~, excluding the carry forward balance. The purpose of the budget balance is to meet temporary fluctuations in cash flows and to provide a cushion for loss of revenues until operating changes can be implemented. If the final Budget Balance exceeds the amount as approved in the budget ordinance, such funds shall be used to provide for capital purchases, unfunded retirement liabilities, or as otherwise designated by City Council. The City may use monies in the Budget Balance only in times of fiscal and economic hardship.

2. Once achieved, at no time should the City's budget balances fall below their specified percentages. If a shortfall occurs in the budget balance and immediately restoring the balances to the specified percentage would cause an extreme burden on the ratepayers, the budget balance may, with the City Council's approval, be restored to the specified percentage within one (1) year, but in any case, no longer than three (3) years.

3. The City will maintain a minimum reserve, in a contingency account, of at least $250,000 for ~~each~~ the ~~Water &~~ Wastewater Fund~~s~~. The City may only use monies in the contingency accounts to cover emergencies of a non-recurring nature that are over and above the normal course of operations. Examples are uninsured losses, storms or hurricane damages. The Contingency Reserve will not be used to balance the operating budget.

4. The total of the ~~combined~~ ~~Water &~~ Wastewater Fund budget and contingency balances shall not exceed 25% (3 months) of Budgeted Operating Revenues.

5. The City will maintain a Capital Asset Replacement account to cover replacement or procurement of assets of the utility. Optimally, the amount set aside for future asset

replacements should equal the annual depreciation of the current assets. The City will maintain a minimum balance of $500,000 ~~for each utility~~ for Capital Asset Replacements. The City will appropriate excess revenues to fund this account, or if the balance is less than the minimum $100,000 per annum for each utility until such time the minimum balance is achieved.

6. The City established by ordinance on December 17, 1996 the Wastewater Impact Fee Reserve to provide for future expansion of the City's wastewater system due to increased demand. The ordinance further provides for debt service payments attributed to wastewater expansion projects to be funded by the current year's collection of Impact Fees and the remainder to be deposited into the reserve account. The City shall maintain a minimum of 20% of wastewater revenues in the Impact Fee Reserve account. Amounts used to finance projects shall be replenished by the operating revenues of the Wastewater Fund over the succeeding seven years of any project completion.

7. ~~The City established by ordinance on February 1, 2008 the Water Impact Fee Reserve to provide for future expansion of the City's water system due to increased demand. The ordinance further provides for debt service payments attributed to water system expansion projects to be funded by the current year's collection of Impact Fees and the remainder to be deposited into the reserve account. The City shall maintain a minimum of $1.5 million of water revenues in the Impact Fee Reserve account. Amounts used to finance projects shall be replenished by the operating revenues of the Water Fund over the succeeding seven (7) years of any project completion.~~

7~~8~~. The ~~Water &~~ Wastewater Improvement & Extension Fund budget balance shall be no less than $200,000 of the current fiscal year's appropriation for ~~water and~~ wastewater projects to allow for project variances and change orders; a 10% contingency shall be included in project budgets greater than $250,000 if the Department Head determines it to be appropriate. All vehicle and equipment purchases under $25,000 will be budgeted on a pay as you go basis. The City Manager shall make the necessary budget amendments in accordance with the City of Dover Purchasing & Budget Amendment Policies.

Budget Balance/Reserve Policy – Water ~~& Wastewater~~ Fund~~s~~

2. The City will strive to maintain a minimum Budget Balance, of at least 8% and no greater than 17% (two months) of the current year operating revenues for ~~each of~~ the Water ~~& Wastewater~~ Utility Fund~~s~~, excluding the carry forward balance. The purpose of the budget balance is to meet temporary fluctuations in cash flows and to provide a cushion for loss of revenues until operating changes can be implemented. If the final Budget Balance exceeds the amount as approved in the budget ordinance, such funds shall be used to provide for capital purchases, unfunded retirement liabilities, or as otherwise designated by City Council. The City may use monies in the Budget Balance only in times of fiscal and economic hardship.

2. Once achieved, at no time should the City's budget balances fall below their specified percentages. If a shortfall occurs in the budget balance and immediately restoring the balances to the specified percentage would cause an extreme burden on the ratepayers, the budget balance may, with the City Council's approval, be restored to the specified percentage within one (1) year, but in any case, no longer than three (3) years.

3. The City will maintain a minimum reserve, in a contingency account, of at least $250,000 for each the Water ~~& Wastewater~~ Fund~~s~~. The City may only use monies in the contingency accounts to cover emergencies of a non-recurring nature that are over and above the normal course of operations. Examples are uninsured losses, storms or hurricane damages. The Contingency Reserve will not be used to balance the operating budget.

4. The total of the ~~combined~~ Water ~~& Wastewater~~ Fund budget and contingency balances shall not exceed 25% (3 months) of Budgeted Operating Revenues.

5. The City will maintain a Capital Asset Replacement account to cover replacement or procurement of assets of the utility. Optimally, the amount set aside for future asset replacements should equal the annual depreciation of the current assets. The City will maintain a minimum balance of $500,000 for ~~each utility for~~ Capital Asset Replacements. The City will appropriate excess revenues to fund this account, or if the balance is less than the minimum $100,000 per annum for each utility until such time the minimum balance is achieved.

6. ~~The City established by ordinance on December 17, 1996 the Wastewater Impact Fee Reserve to provide for future expansion of the City's wastewater system due to increased demand. The ordinance further provides for debt service payments attributed to wastewater expansion projects to be funded by the current year's collection of Impact Fees and the remainder to be deposited into the reserve account. The City shall maintain a minimum of 20% of wastewater revenues in the Impact Fee Reserve account. Amounts used to finance projects shall be replenished by the operating revenues of the Wastewater Fund over the succeeding seven years of any project completion.~~

6~~7~~. The City established by ordinance on February 1, 2008 the Water Impact Fee Reserve to provide for future expansion of the City's water system due to increased demand. The ordinance further provides for debt service payments attributed to water system expansion projects to be funded by the current year's collection of Impact Fees and the remainder to be deposited into the reserve account. The City shall maintain a minimum of $1.5 million of water revenues in the Impact Fee Reserve account. Amounts used to finance projects shall be replenished by the operating revenues of the Water Fund over the succeeding seven (7) years of any project completion.

7~~8~~. The Water ~~& Wastewater~~ Improvement & Extension Fund budget balance shall be no less than $200,000 of the current fiscal year's appropriation for water ~~and wastewater~~ projects to allow for project variances and change orders; a 10% contingency shall be included in project budgets greater than $250,000 if the Department Head determines it to be appropriate. All vehicle and equipment purchases under $25,000 will be budgeted on a pay as you go basis. The City Manager shall make the necessary budget amendments in accordance with the City of Dover Purchasing & Budget Amendment Policies.

Budget Balance/Reserve Policy – Electric Revenue Fund

1. The City will strive to maintain a minimum Budget Balance, of at least 12% (45 days) of the current year operating revenues for the Electric Revenue Fund, excluding the carry forward balance and power cost adjustments. The purpose of the budget balance is to meet temporary fluctuations in cash flows and to provide a cushion for loss of revenues until operating changes can be implemented. If the final Budget Balance exceeds the amount as approved in the budget

ordinance, such funds shall be used to provide for capital purchases, unfunded retirement liabilities, or as otherwise designated by City Council. The City may use monies in the Budget Balance only in times of fiscal and economic hardship.

2. Once achieved, at no time should the City's budget balances fall below their specified percentages. If a shortfall occurs in the budget balance and immediately restoring the balances to the specified percentage would cause an extreme burden on the ratepayers, the budget balance may, with the City Council's approval, be restored to the specified percentage within one (1) year, but in any case, no longer than three (3) years.

3. The City will maintain a minimum reserve, in a contingency account, of at least $750,000 for the Electric Revenue Fund. The City may only use monies in the contingency accounts to cover emergencies of a non-recurring nature that are over and above the normal course of operations. Examples are uninsured losses, storms or hurricane damages. The Contingency Reserve will not be used to balance the operating budget.

4. The total of the combined Electric Revenue Fund budget and contingency balances shall not exceed 25% (3 months) of Budgeted Operating Revenues.

5. The City has established by bond covenant an account to cover insurance deductibles on the electric transmission and distribution system or the generating plants. The City shall maintain a minimum balance of $750,000 to cover various deductibles.

6. Recognizing price fluctuations in the wholesale power markets the City has established a rate stabilization reserve. The purpose of using such a reserve is to level off the fluctuations in the wholesale power supply market and in turn provide stable rates to our customers. In those instances where the actual cost of power supply and generation are less/more than the budgeted cost of power supply and generation, the City will transfer the difference to/from the Rate Stabilization Reserve. The balance shall be maintained at a minimum of 10% not to exceed 20% of the purchase power cost in any given year. If the reserve balance exceeds the 20% maximum, a credit will be applied to the power cost adjustment over the next three (3) fiscal years.

7. The Electric Improvement & Extension Fund budget balance shall be no less than $200,000 of the current fiscal year's appropriation for electric system projects to allow for project variances and change orders; a 10% contingency shall be included in project budgets greater than $250,000 if the Department Head determines it to be appropriate. All vehicle and equipment purchases under $25,000 will be budgeted on a pay as you go basis. The City Manager shall make the necessary budget amendments in accordance with the City of Dover Purchasing & Budget Amendment Policies.

8. The City has established an account to provide for capital financing of Future Capacity or system expansion. The City shall maintain a balance equivalent to the value of 10% growth in capacity at any given time, or no less than $10,000,000. Amounts used to finance projects shall be replenished by the operating revenues of the Electric Revenue Fund over the succeeding seven years of any project completion.

9. The City has established an account to provide for replacement or procurement of utility system assets, otherwise known as Depreciation Reserve. Optimally, the amount set aside for future

asset replacements should equal the annual depreciation of the current assets. The City will maintain a minimum balance of $10,000,000. The primary purpose of this account is to provide partial or all financing of major capital projects and minimize debt service payments. The account is also intended to cover unforeseen capital replacements due to equipment breakdowns, storms or hurricane damages. Amounts used to finance projects shall be replenished by the operating revenues of the Electric Revenue Fund over the succeeding seven (7) years of any project completion

10. The total of the combined Electric Revenue and Electric Improvement & Extension Fund budget and reserve balances shall be benchmarked at 50% Budgeted Operating Revenues. Operating Fund Budget Balance and Reserves shall be adjusted to appropriate levels through adjustments in the operating budget. Improvement & Extension Fund Budget Balance and Reserves shall be adjusted in accordance with the Capital Improvement Plan.

Investment and Cash Management Policy

1. The City will deposit all receipts on a timely basis in interest bearing accounts.

2. The City will strive to maximize the return on its investment portfolio without jeopardizing principal amounts.

3. The City will limit its investments to the types of securities provided for by Delaware statutes.

4. The City will diversify its investments by maturity date to protect against market fluctuations.

5. The City will purchase securities from qualified institutions based on competitive bids in an effort to obtain the highest available rates.

6. The City will maintain an Investment Policy based on prudent investment practices and will monitor all investment managers' compliance with policy objectives.

Capital Improvement Policy

1. The City will prepare and update, as needed a five-year Capital Improvements Program (CIP) which will provide for the orderly maintenance, replacement, and expansion of capital assets.

2. The CIP will identify long-range capital projects and capital improvements of all types, which will be coordinated with the annual operating budget to maintain full utilization of available revenue sources.

3. When preparing the CIP, the City will seek to identify all viable capital projects and capital improvements required during the subsequent five-year period. These projects and improvements will be prioritized by year and by funding source.

4. Every attempt will be made to match projects and improvements with available funding sources. Future operating costs and savings associated with a project or an improvement will also be given consideration in the establishment of priorities.

5. When appropriate, ~~The~~the City will seek Federal, State, and other funding to assist in financing capital projects and capital improvements.

6. The City will incorporate the reasonable findings and recommendations of other cities' Boards, Commissions, Committees, and Citizen Task Forces, as they relate to capital projects and improvements.

7. The City will seek input from the public by holding public hearings in relation to the establishment of projects and project priorities.

Financial Reporting Policy

1. The City's accounting system will maintain records in accordance with accounting standards and principles outlined by the Governmental Accounting Standards Board (GASB), Financial Accounting Standards Board (FASB), and the State of Delaware.

2. The City will employ an independent accounting firm to perform an annual audit of the City's finances and make the annual audit available to all required and interested parties.

3. The City will produce monthly and quarterly financial statements reporting the current periods' activity for all funds maintained by the City.

4. The City will prepare an annual budget document that provides a basic understanding of the City's planned financial operations for the coming fiscal year. Copies of the proposed and final budget will be made available to all interested parties and opportunities will be provided for citizen input prior to final decisions on the budget.

5. The City will place continued emphasis on review and maintenance of an accounting system which provides strong internal budgetary and accounting controls designed to provide reasonable assurance, but not absolute, assurance regarding:

   (a) the safeguarding of assets against loss from unauthorized use or disposition and,
   (b) the reliability of financial records for preparing financial statements and reports, and the maintaining accountability for assets.

6. The City will seek annual renewal of the Government Finance Officers Association's (GFOA) Certificatte of Achievement for Excellence in Financial Reporting.

~~7.~~

Adoption:
Approval by City Council: January 28, 2002

Most recent amendments:
~~1. Amended by City Council on June 11, 2014~~
~~2.~~1. Amended by City Council on September 8, 2014
~~3.~~2. Amended by City Council on October 12, 2015