

## City Manager's Weekly Report

### Department:

Administration - City Manager

### Notable Notes:

This week I attended the December DEMEC board meeting where we adopted the 2019 budget which is attached for your reference. The major takeaway from this budget is that our wholesale rate for power is reducing by 4.08% in 2019 from the 2018 rate. Staff recommends that Council consider passing some of this savings on to our customers via an electric rate reduction. We will be preparing options for rate reductions along with the anticipated bill impact for each option for council consideration.

I attended a meeting with Planning and Development, PWWR, and Parking where we discussed some options for adding additional parking meters to help offset the anticipated loss of on-street spaces during the Main Street rehabilitation project. We anticipate bringing options to council for discussion in early 2019.

On Wednesday I attended the Delaware Opportunity Zone (OZ) Summit which was held in the STAR Tower. STAR Campus is located within an OZ which will likely bring additional funding sources and faster growth than would have happened otherwise. This is both an opportunity and challenge for Newark because we will want to ensure that what is built at STAR is complementary to our community and not in competition. We will be working with UD to host a community meeting on the Newark OZ to provide feedback to UD on what we as a community would like to see at STAR with the hope that UD will take that into consideration when discussing potential projects. If you would like more information on opportunity zones, the State of Delaware has created an interactive website with information on Delaware's opportunity zones which can be found here: <https://business.delaware.gov/opportunity-zones/>

I attended the third Newark Futures workshop on Wednesday evening. Attendees broke into groups to strategize ideas for the partnership. My table focused on ways to engage a diverse segment of the community, both residents, service providers, and businesses.

We hosted the risk manager for DFIT, a municipally owned workers compensation insurance company, for a risk assessment which is part of developing a cost estimate for Newark to join DFIT. Initial feedback from the assessment was quite positive and we discussed areas where we can improve our processes to help further reduce risk to our employees.

Finance Director Del Grande, Acting PWWR Director Filasky, and Water operations Superintendent attended the December Water Infrastructure Advisory Council (WIAC) meeting where they approved SRL funding for all four projects that were up for approval. Those projects are:

- Sanitary Sewer Phase 1 (1.3m)
- SCADA (550k)
- South Well Field (3m)
- Water Main Replacement Phase 1 (1m)

All projects were approved at a rate of 2.489% which is below the 3% that we estimated in the

2019 budget. All were for a period of 20 years, except the SCADA project which was 10 years. Loan closing will occur in approximately 45 days.

I met with Councilman Morehead to discuss ongoing items and the results of a recent speed collection performed by NPD along Casho Mill Road. I will be raising for discussion at Council on Monday the idea of the City potentially becoming more financially involved in the Safe Routes to School effort for Downes School to try to address the existing speeding problem.

The remainder of the week was spent on general administrative and personnel related items.

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**Activity or Project:**

**Description:**

**Status:**

**Expected Completion:**

**Execution Status:**

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**Activity or Project:**

**Description:**

**Status:**

**Expected Completion:**

**Execution Status:**

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**Activity or Project:**

**Description:**

**Status:**

**Expected Completion:**

**Execution Status:**

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**City Manager's Weekly Report**

**Department:**

Administration - Deputy City Manager

**Notable Notes:**

On Monday, December 3rd, Acting Deputy City Manager Mark Farrall participated in the City Manager interview of Acting City Manager Tom Coleman. Feedback was provided to GOVHR following the interview. On Tuesday, December 4th, Assistant to the City Manager Mark Brainard attended a meeting with Tom Coleman and the Parking Division regarding plans to expand Lot 1. On Wednesday, December 5th, he attended the annual RASCL (Resilient and Sustainable Communities League) Summit in Dover. On Thursday, December 6th, Mr. Farrall and Mr. Brainard, along with Mr. Coleman and other Department heads attended a meeting with DFIT (Delaware Founder's Insurance Trust) who was on site to perform a risk assessment report for the City's possible participation in the program. Mr. Brainard also attended a Sustainability Steering Committee meeting on Thursday, December 6th.

**Activity or Project:****Description:****Status:****Expected Completion:****Execution Status:****Activity or Project:****Description:****Status:****Expected Completion:****Execution Status:****Activity or Project:****Description:****Status:****Expected Completion:****Execution Status:****City Manager's Weekly Report****Department:**

Alderman's Court

**Notable Notes:**

Alderman's Court held three court sessions from 11/28/18 to 12/5/18. These sessions included arraignments, trials, capias returns, video hearings and parking appeals. Parking Ambassadors were here on Tuesday and Wednesday to handle any parking appeals.

**Activity or Project:**

Court Sessions

**Description:**

From 11/28/18 to 12/5/18 Alderman's Court handled 85 arraignments, 43 trials, 29 capias returns and 2 video hearings. The court collected a total of 472 parking payments which included 323 online payments and 149 court payments. The court also collected criminal/traffic payments which included 161 online payments and 86 court payments for a total of 247 criminal/traffic payments.

**Status:**

Completed

**Expected Completion:**

12-05-2018

**Execution Status:**

Completed

**Activity or Project:****Description:****Status:**

<b>Expected Completion:</b>	
<b>Execution Status:</b>	
<b>Activity or Project:</b>	
<b>Description:</b>	
<b>Status:</b>	
<b>Expected Completion:</b>	
<b>Execution Status:</b>	

### City Manager's Weekly Report

**Department:**

City Secretary and City Solicitor's Office

**Notable Notes:**

Paul was in the office on December 4 for Council and Planning Commission. Geena was in the office on November 29 for Court.

Renee attended the staff meeting on November 29 where the December 10 Council agenda was discussed.

Staff finalized and posted the agenda and packet items for the December 10 Council meeting on December 3. An addendum adding Executive Session C was sent to Council and posted on December 4.

Renee participated in the department head event for the City Manager search on December 3.

Renee staffed the City Manager search public event on December 3.

Renee attended the Women Leading Government meeting in Dover on December 4.

Whitney drafted and posted the agenda for the December 11 Conservation Advisory Commission meeting on December 4.

Paul and Renee staffed the special Council meeting on December 4. Follow up was completed by staff on December 5.

Renee presented to the Planning Commission on the needed amendments in Chapters 27 and 32 to dissolve the Downtown Newark Partnership on December 4. Planning Commission voted 7-0 to forward the recommended amendments to Council with some minor textual edits.

Renee attended the Newark Futures Workshop on December 5, where the Newark Partnership was discussed.

Renee spent extensive time working on a subpoena response for a civil suit in which the City is not a party.

Danielle spent time working on a subpoena response regarding an upcoming Board of Adjustment

case.

Renee spent time working on several items for the December 10 Council agenda including drafting four bills, a resolution and related supporting materials.

Whitney spent time processing public comments for the December 6 Board of Adjustment meeting.

Tara drafted a proclamation recognizing an Eagle Scout.

Tara worked on the Legislative Department procedures manual.

Staff spent time on FOIA-related items this week. The following actions were taken on FOIA requests:

- \* Sent documents requested, completed and closed an October 31 FOIA request from Huang Law LLC regarding traffic camera video.
- \* Received withdrawals from the requestor, completed and closed November 1, November 6 and November 13 FOIA requests from Everett Jones regarding 18 and 19 Squirrel Lane.
- \* Received documents, provided documents to the requestor, completed and closed a November 2 FOIA request from Environmental Alliance regarding 17 New Street.
- \* Determined there were no relevant documents, notified the requestor and closed a November 6 FOIA request regarding 118 Register Drive.
- \* Provided documents to the requestor, completed and closed a November 7 FOIA request from Albert Porach regarding Planning Department documents.
- \* Denied, notified requestor, completed and closed a November 9 FOIA request from Custard Insurance Adjusters regarding surveillance video footage.
- \* Received documents, provided documents to the requestor, completed and closed a November 13 FOIA request from SmartProcure regarding purchase orders.
- \* Received documents, provided documents to the requestor, completed and closed a November 14 FOIA request from Legal Services Corporation of Delaware regarding 35 Madison Drive.
- \* Received, provided documents to requestor, completed and closed a November 16 FOIA request from First American Commercial Due Diligence Services regarding 300-315 Socum Court.
- \* Received, circulated to staff and began receiving documents for a November 19 FOIA request from Acer Associates regarding 540 South College Avenue.
- \* Received and circulated to staff a November 26 FOIA request from SBA Communications Corporation regarding cell tower applications.
- \* Received, requested additional clarification from the requestor, circulated to staff and began receiving documents for a December 3 FOIA request from Katie Gifford regarding Mayor's Corner/Mayor's event communications.
- \* Received and circulated to staff a December 4 FOIA request from Ward and Taylor regarding 258 Pennwood Street.
- \* Received, provided documents to the requestor, completed and closed a December 5 FOIA request from Construction Monitor regarding September, October and November building permits.
- \* Received and circulated to staff a December 5 FOIA request from Mattleman, Weinroth & Miller regarding 160 Madison Drive.
- \* Received, circulated to staff and requested additional clarification from the requestor for a December 5 FOIA request from Rhodunda, Williams and Kondraschow regarding Caffe Gelato underage alcohol compliance checks.
- \* Spent time updating the FOIA log for the City.

The December 10 Council, December 11 Newark Partnership Economic Enhancement Working Group, December 11 Conservation Advisory Commission and December 12 Newark Partnership Nonprofit Enhancement Committee agendas and December 20 Board of Adjustment cancellation notice were posted and forwarded to Council.

Regarding minutes, staff time was spent on the November 13 Conservation Advisory Commission (Tara edited - complete), November 26 Council (Whitney drafting) and December 4 Council (Danielle drafting) minutes. The October 30, November 12, November 26 and December 4 Council executive session minutes are currently in the queue.

Danielle fulfilled 14 discovery requests for upcoming Alderman's Court cases. 366 discovery requests have been filled so far for 2018. The court calendar was received for December 13 and the 14 associated case files were prepared for the Deputy City Solicitor. 48 court calendars with 716 associated case files have been compiled so far for 2018. Three plea by mail agreements were processed this week.

The office received 16 new lien certificate requests last week, which were sent to Finance for processing. 10 lien certificates were completed and sent to the requestor. So far, 562 lien certificates have been processed for 2018.

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**Activity or Project:**

Digital Records Project

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**Description:**

Renee and Samantha completed the City of Newark Records Retention Schedule materials for presentation to Council at the December 10 meeting. Council will be asked to approve a resolution adopting the City of Newark Records Retention Schedule, which is based on the State Local Government Records Retention Schedule.

Samantha spent time scheduling staff from various City departments for upcoming TCM training.

Samantha sent requests for destruction for 31 rolls of plans that have been scanned.

Samantha and Ana continued working on quality control review for documents already scanned or being directly imported into TCM. This project is critical to ensure that when public portals are opened, there is consistent titling and metadata so documents can be easily found by members of the public.

The scanned documents numbers for November 29-December 5 are below.

<b>Status:</b>	In-Progress
<b>Expected Completion:</b>	
<b>Execution Status:</b>	On Track

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**Activity or Project:**

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**Description:**

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**Status:**

<b>Expected Completion:</b>	
<b>Execution Status:</b>	
<b>Activity or Project:</b>	
<b>Description:</b>	
<b>Status:</b>	
<b>Expected Completion:</b>	
<b>Execution Status:</b>	

### City Manager's Weekly Report

**Department:**

Community Relations

**Notable Notes:**

Meeting with Newark High School: Megan McGuriman and Kelly Bachman met with the students and faculty involved with the TV Station at Newark High School. They discussed potential opportunities for the students to create video content for the City's Channel 22.

Downtown Holiday Storefront Decorating Contest: Voting is underway for the Holiday Storefront Decorating Contest. The week of public voting ends the afternoon of Friday, December 7. The following businesses are going head-to-head for the title of best holiday display: Grotto; The Delaware Growler; National 5 & 10; Playa Bowls; Del One; Bloom; Delaware Running Company; Pachamama; and Lieberman's Bookstore. The last minute votes can be cast here: <http://survey.constantcontact.com/survey/a07efvyjmy2jplajos6/a01qqjpadf1x8/questions>

Downtown Newark in the Media: Onlyinyourstate.com listed Newark in the article "Christmas In These 7 Delaware Towns Looks Like Something From A Hallmark Movie." The article used a photo taken by Megan McGuriman for the Downtown Newark Partnership: <https://www.onlyinyourstate.com/delaware/delaware-christmas-towns-de/>.

**Creative Design/Web Updates**

- Created a new InformMe subscription group for Newark News Brief; Special Use Permit Point System webpage; PUBS 12/10 closing signage and posted to Newark News.
- Designed municipal building parking overflow parking sign; and police vehicle parking sign.
- Posted 12/5 City Manager Search press release to Newark News.
- Published City of Newark Lodging Tax webpage.
- Scheduled Newark News Brief on TV22; and weekly public meeting notices.
- Updated Public Works and Water Resources employee directory; and Water and Wastewater Standards and Specifications document on City website.

**Press Releases/Media Inquiries**

Brooke Schultz, Newark Post, inquired if the city staff inspects University of Delaware buildings for code enforcement, or if the university has their own system. Response provided: UD has their own fire marshal who conducts routine fire inspections, but the City conducts inspections for all new buildings for code enforcement (including fire). We also regularly inspect all UD fraternities and sororities for property maintenance compliance and will conduct property maintenance inspections on other UD buildings upon a complaint.

Council Votes to Enter Contract Negotiations with Tom Coleman as City Manager:  
<https://bit.ly/2BUQcBC>

**Activity or Project:**

Media Room/Franchise Agreement Efforts

**Description:**

Work continues on the media room in the communications division. Almost all of the equipment for the media room has been ordered and will be arriving in the coming days. Once the equipment arrives, Megan will work with John Herring and Rich Burtell on the installation of the cameras in Council Chamber and cable connection from Council Chamber to the media room upstairs.

<b>Status:</b>	In-Progress
<b>Expected Completion:</b>	01-04-2019
<b>Execution Status:</b>	Behind Schedule

**Activity or Project:**

**Description:**

<b>Status:</b>	
<b>Expected Completion:</b>	
<b>Execution Status:</b>	

**Activity or Project:**

**Description:**

<b>Status:</b>	
<b>Expected Completion:</b>	
<b>Execution Status:</b>	

**City Manager's Weekly Report**

**Department:**

Finance Department

**Notable Notes:**

On December 1st, the City's lodging tax went into effect. All hotels within the City limits will be paying a 3% tax on all paid reservations to the City. The City's program mirrors the state program. For more information, please visit our website: <https://newarkde.gov/1086/Lodging-Tax>

On November 27th, the Finance office was notified by New Castle County's Assessment office that a tax appeal filed by Danneman Hospitality for the Springhill Suites property was stipulated. The original tax assessment for the hotel was calculated to be \$4.8 million. The new taxable assessment is now \$3.8 million. 2018/2019 tax bill will be the first tax bill for SpringHill Suites. The assessment process is handled completely by New Castle County's certified assessors. The City of Newark follows whatever taxable assessment is determined for all property within the City. Tax bills can be viewed directly online at <https://newarkde.gov/taxbill>.



**Activity or Project:**

Automatic Bill Payment/Leak Notification System – CustomerConnect

**Description:**

We would like to remind all residents that monthly utility bills can be processed automatically via CustomerConnect. Did you know that CustomerConnect also has features that will alert you when your household exceeds certain consumption thresholds? This tool is helpful for finding water leaks, or unintended electric usage before it goes on for a prolonged period of time, saving you money. The notification thresholds can be set by the account holder on a monthly, weekly or daily limit. It's another way of keeping utility consumption to a minimum. The account holder can elect to be notified by email, text, and via notice to their web portal account.

Newark utility customers also have the option to pay the City for utility services using CustomerConnect's "Budget Billing" option. This method of payment allows the account holder to pay a fixed amount each month on the date of their choosing when they sign up for this feature. The system determines your estimated annual utility bill and divides that amount by twelve months. On the December bill, there will be a true up for whatever balance that remains (either a credit or debit to the account) to settle the balance for the year.

Please click on this link to set up your account today: <https://newarkde.gov/pay>. In order to keep costs to a minimum, the City urges CustomerConnect users to set up their accounts to debit their bank accounts vs. a credit card in order to keep City costs to a minimum, as the City incurs credit card fees with every credit card transaction.

<b>Status:</b>	Completed
<b>Expected Completion:</b>	12-31-2017
<b>Execution Status:</b>	Completed

**Activity or Project:**

Payments &amp; Utility Billing (PUB)

**Description:**

The group processed 4,337 utility payments and Munis transactions last week. The breakdown of the balance was as follows:

Manual payments (Check/Cash/etc.): 547

Web Payments: 1,264 via Customer Connect

Lockbox: 1,002

Online Banking payments: 214

PUB import (single owner with multiple accounts): 820

IVR (via Phone – Paymentus): 270

Tyler Cashiering (tax bills and licensing (contractor, business, rental, etc.): 220

<b>Status:</b>	In-Progress
<b>Expected Completion:</b>	12-31-2018
<b>Execution Status:</b>	On Track

**Activity or Project:****Description:**

<b>Status:</b>	
<b>Expected Completion:</b>	
<b>Execution Status:</b>	

### City Manager's Weekly Report

**Department:**

Parks and Recreation Department

**Notable Notes:**

Director: Attended the Newark Sustainability Plan presentation with Department Directors; met with recreation staff about Winterfest organization and tree set up; reviewed several development plans for comment on the landscape plan and other issues; working on employee evaluations and reviewing all evaluations for department; conducted parks maintenance meeting to discuss upcoming work orders and projects; working on 2019 creek clearance and tree pruning contract with Tom Z.

Deputy Director: Assisted with promotion of Winterfest event on Facebook page, checked on preparations for set up of Winterfest on Academy Lawn, assisted with preparations for the event and worked; worked with Kathy on information to provide to Finance for upcoming audit; worked on end of year staff evaluations; updated information for the dance and yoga classes for the winter/spring activity guide after speaking with the instructor; assisted with preparations for the upcoming dance recital while Chrissy is out of the office; attended meeting with Joe and other department directors and AECOM representatives regarding the Newark Sustainability Plan; met with University of Delaware staff regarding the possibility of a run in conjunction with Fandemonium along with coordinating another outdoor movie night for 2019; continued to process special event applications and issue permits once approved; held post-Thanksgiving Day Breakfast meeting with Joe and Melinda to review the event; continued to update winter/spring activity guide.

Recreation Supervisor of Athletics: Continues working on program planning for winter/spring programs; received our annual license renewal for before and after school care at West Park; continues preparation for the beginning of games in our youth basketball leagues, interviewing referees, scheduling gym supervisors, adding late registrations to teams; preparing materials for our NYC bus trip scheduled on 12/8; covered the George Wilson Center on Friday morning.

Recreation Supervisor of Community Events: Prepared for and held Winterfest with approximately 2,500 in attendance; prepared for and held Snack with Santa and Santa's Secret Shoppe at the George Wilson Center.

Recreation Specialist: Entered all volunteer hours into spreadsheet for the Turkey Trot Prep/Turkey Trot; entered and tallied volunteer hours for the Thanksgiving Breakfast, returned borrowed items to donors including the Newark Senior Center, Starbucks, Kirk's Flowers, and Timothy's, 138 preregistered for the Thanksgiving Day Breakfast, 24 individuals did not show up but served additional 25 who registered the day of, a total of 139 meals served, generated Thank You letters to sponsors, met with Paula and Joe for post-breakfast discussion; gathered supplies, and assisted with the setup of Winterfest, worked both Winterfest and Snack with Santa/Secret Shoppe, contacted and managed volunteers for the event, gathered craft supplies, entered and tallied volunteer hours; updated Jump Shot, Elementary, and Junior Basketball schedules on

website; helped cover the George Wilson Center for fitness classes; checked weekly Foodbank aftercare forms and gathered after care club supplies for both sites. Volunteer Hours: Turkey Trot Prep – Thanksgiving Day Breakfast – 44 volunteers, 196 hours, Snack with Santa/Santa Secret Shoppe - 38 volunteers, 112.25 hours.

**Parks Superintendent:** Reviewed plantings at Newark Shopping Center for release of two-year warranty, met with landscape contractor doing snow removal at Fountain View concerning piling snow along section of block wall and post and rail fence, met with representatives of Delaware Audubon Society and University of Delaware concerning methods on controlling Chinese Bush Clover in upper meadow at Curtis Mill Park, began coordinating with Delaware Audubon Society on spring 2019 herbaceous planting of three areas in upper meadow at Curtis Mill to increase plant diversity, inspected three park/open space areas and developed work lists as needed, met on site with water quality engineer concerning possible plantings around basin at treatment plant, reviewed with department office administrator layout of upcoming Tree Removal/Pruning and Creek Clearance contract, and oversaw horticulture crew starting invasive removal at Curtis Mill Park of Chinese Bush Clover.

**Parks Supervisor:** Started yearly reviews of all full-time and seasonal employees, coordinated staff on setting up and decorating holiday tree at Academy and Main Streets, met with Parks Director concerning rail installation along asphalt trail at west end of bridge over the Christina behind Downes School, coordinated staff for upcoming Winterfest and 5K Deer Run events, and assigned field staff daily and assisted as needed.

**Parks/Horticulture:** Staff did spot mowing/leaf clean up at several park/horticulture sites, did trash removal throughout park system as needed, put on cabs on both Kubota mowing units as well as Ventrac unit for upcoming snow removal operations, blew off Hall Trail, put up holiday tree at Academy and Main Streets and hung decorations on both the holiday tree and trees/shrubs in the surrounding area, loading/set up/removal of materials/supplies for Winterfest event, delivered supplies to Wilson Center for Snack with Santa and Santa’s Secret Shop events, started cutting and bagging Chinese Bush Clover in upper meadow area at Curtis Mill Park, checked pots along Main Street and pruned off yellowing leaves on ornamental Cabbage/Kale as needed, interior bed maintenance at City Hall, did tree pruning/removal as assigned, and continued on work lists as assigned. Teamworks installed wood carpet at Fairfield Park under all play equipment.

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**Activity or Project:**

Emerald Ash Borer (EAB) confirmed in Newark

**Description:**

We have been notified by the Delaware Department of Agriculture (DDA) that the Emerald Ash Borer (EAB) has been confirmed in Newark. We will be meeting with the United States Department of Agriculture (USDA) and the University of Delaware to finalize a bio control plan within our parks to help defend against the invasive species. We will also be working with the DDA to help make Newark residents aware of their findings. For more information on the Emerald Ash Borer, please visit <https://news.delaware.gov/2018/11/19/eab-new-delaware-sites/>

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<b>Status:</b>	Started
<b>Expected Completion:</b>	08-30-2019
<b>Execution Status:</b>	On Track

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**Activity or Project:**

**Description:****Status:****Expected Completion:****Execution Status:****Activity or Project:****Description:****Status:****Expected Completion:****Execution Status:****City Manager's Weekly Report****Department:**

Planning and Development Department

**Notable Notes:**

## Code Enforcement:

Fire Marshal Dave Tynan continues to meet with business owners about storage and blocking of egress paths as they stock up their retail spaces for the holidays. Work continues on plan reviews and inspections for open fire protection permits, as well as the continued clean-up of business and fire license data errors within Munis. From an emergency management coordination perspective, updates continue to the Emergency Operations Plan; a rough draft is expected to be submitted to the Planning Director and City Manager's Office within the next few weeks.

Construction is ongoing at Benny Street for the new townhome development. The next level of façade replacement at the Washington House for the stone veneer is ongoing. The renovation work for the Food Lion at Fairfield Shopping Center is ongoing; construction for the overall renovation of the shopping center is continuing. Façade renovations at College Square Shopping Center are ongoing. The framing on South Main Street for the next phase of Chimney Ridge is continuing. Revised plans are under review for the new Millcroft Memory Care Facility building. Construction of the new rail station on the STAR Campus is continuing. The framing and façade installation is ongoing for the new six-story lab at the STAR Campus. The Chemours Building interior framing and fit out work is ongoing.

## Parking:

The Parking Division worked extensively through the week notifying businesses and, upon their request destroying old business validations, as well as creating new generic validations, per the City Council vote on November 26 to eliminate the current parking validation subsidy program and move forward with a new validation program. A new auditing/logging system was created to ensure the Parking Office could keep track of who buys the generic tokens under the new system.

Parking Manager Marvin Howard and Parking Supervisor Courtney Mulvanity attended the Delaware Avenue Parking Discussion along with Acting City Manager Tom Coleman, Planning

and Development Director Mary Ellen Gray, Acting Director of Public Works and Water Resources Tim Filasky and Assistant to the City Manager Mark Brainard. Topics included areas staff believed either permanent or temporary parking could be added through the City that could alleviate issues from the parking reduction during the Main Street rehab. Staff measured multiple streets in conjunction with the Delaware Avenue Parking Discussion to compile data on how much parking could be added on each street.

The Maintenance team has been working extensively on meter repair in preparation for the winter; an IPS technician was also on-site to get diagnostics of each meter in the field. The Booth 3B heater that was damaged when a vehicle hit it over the weekend was repaired this week. Parking staff prepared tokens and bagged meters for Winterfest on November 30; two Parking Ambassadors assisted with safety procedures per Police orders. Interviews were conducted this week for the open Parking Ambassador position; a conditional offer of employment was given to a candidate and training should start shortly. End-of-month November 2018 financial paperwork was also completed.

#### Planning/Land Use:

At its meeting on December 4, the Planning Commission took the following actions:

- Took part in a presentation and discussion with Max Walton, Esquire, in conjunction with City Solicitor Paul Bilodeau, regarding the Site Plan Approval provision of the City of Newark;
- Recommended approval of the workplan for the Parking Subcommittee Strategy;
- Recommended approval of the rezoning and major subdivision with site plan approval for 62 North Chapel Street; and
- Recommended approval of amendments to Chapters 27 and 32 regarding the Downtown Newark Partnership Design Committee.

The Newark Community Sustainability Plan Steering Committee is scheduled to meet next on December 6 at 4:00 p.m. in the Council Chamber.

The Green Building Code Work Group, established to review LEED certification standards to identify and recommend revisions to the LEED ordinance, held its first meeting on November 27. The Work Group, which reports to the Planning Commission, will meet for six months and consists of representatives from the Planning Commission, the Conservation Advisory Commission, the Downtown Newark Partnership Design Committee, City of Newark Planning and Development and Code Enforcement staff, and citizens with an interest or expertise in Green Building and/or LEED. The group's next meeting is scheduled for December 18 at 3:30 p.m. in the George Wilson Center, 303 New London Road.

Planner Mike Fortner facilitated a "focus group" meeting on November 29 for the development of the Newark Community Sustainability Plan between consultant AECOM and City department staff; represented the City of Newark at the Solvay Specialty Polymers Community Advisory Committee meeting, where representatives from the local Newark facility gave a presentation on sustainability policies and practices of the company; and, presented the Planning and Development Department's staff technical review of the Planning Commission's Parking Subcommittee report at the December 4 Planning Commission meeting.

The following was also completed this week:

- 6 Deed Transfer Affidavits

#### Land Use Projects Currently Under Review:

1119 South College Avenue, Parcel 1804600026 (PR#16-06-01): On June 6, 2016, the Planning and Development Department received a sketch plan review for the proposed redevelopment of the property at 1119 South College Avenue, the present location of the Red Roof Inn. The application and plans for the proposed major subdivision and special use permit were received on November 20, 2016. Revised plans were received February 8, 2017. The proposal calls for demolition of the existing structure at the site and construction of a 4-story hotel and convenience store with gas pumps, with associated parking. Staff comments were sent to the applicant on March 9, 2017.

0 Independence Way, Village of Chestnut Hill, Parcel ID 1100900078 (PR#16-06-02): The Planning and Development Department received plans for an annexation, rezoning, and major subdivision of the property located at 0 Independence Way on June 30, 2016. The plans call for a 45-unit townhouse community at the site. Plans were reviewed by the Subdivision Advisory Committee (SAC) at an October 13, 2017 meeting. SAC comments were sent to the applicant on October 27, 2017.

65 South Chapel Street, Continental Court Apartments, Parcel ID 1802000209 (PR#17-04-03): The Planning and Development Department received a sketch plan review for the proposed redevelopment of the property at 65 South Chapel Street on April 19, 2017. The proposal calls for the demolition of the existing apartment building and construction of a 74-unit, 5-story high-rise apartment building at the site. The sketch plan has been pulled by the applicant, who plans to submit a revised plan in the future.

0 Paper Mill Road, Parcel ID 0805200012 (PR#17-11-01): On November 7, 2017, the Planning and Development Department received plans for the annexation, rezoning from NCC-SR New Castle County zoning to RS (single family residential) City of Newark zoning, and major subdivision with site plan approval for the property located at 0 Paper Mill Road. The proposal includes the creation of 18 new lots for construction of single family homes. Plans were distributed to the Subdivision Advisory Committee (SAC) on November 7, 2017. A SAC meeting was held on December 6, 2017. SAC comments were sent to the applicant on December 14, 2017. Revised plans were submitted on April 2, 2018 and distributed to the Subdivision Advisory Committee for review. A SAC meeting was held May 29, 2018 to discuss the plans with City operating departments. Staff comments were sent to the applicant on June 1, 2018. Revised plans were received by the Planning and Development Department on August 17, 2018. SAC comments were sent to the applicant on August 28, 2018. At their meeting on September 4, 2018, the Planning Commission recommended approval of the annexation, rezoning, and major subdivision with site plan approval. The project will be placed on an upcoming available City Council agenda.

67-69 New London Avenue, Parcel ID 1801900262 (PR#17-11-02): The Planning and Development Department received plans for a minor subdivision for the property located at 67-69 New London Avenue on November 15, 2017. The proposal includes the demolition of the existing building on the site and the construction of two townhouses. Plans were distributed to the Subdivision Advisory Committee (SAC) on November 15, 2017. A SAC meeting was held February 14, 2018. SAC comments were sent to the applicant on March 12, 2018. Revised plans were received by the Planning and Development Department on May 18, 2018 and distributed for SAC review. Revised plans were received by the Planning and Development Department on June

7, 2018. On August 16, the applicant appeared before the Board of Adjustment. The Board heard the applicant's appeal for a variance regarding the Planning Department's definition of dwelling, multi-family per Section 32-4(a)(40) for the property at 67-69 New London Road, which was denied. The Board also denied the appeal regarding the interpretation of Section 32-11(b)(1) regarding the conversion of a one-family dwelling unit for two or more families. The Board voted to table discussion of the remaining area variances at this time. The Planning and Development Department received revised plans on August 29, 2018.

46 Welsh Tract Road, Parcel IDs 1100900033, 1100900059 (PR#17-11-03): On November 16, 2017, the Planning and Development Department received a sketch plan for the annexation, rezoning from S (Suburban) New Castle County zoning to RR (Town Houses) City of Newark zoning, and major subdivision, with possible site plan approval, of two parcels totaling 2.15 acres to construct 22 townhomes. Plans were distributed to the Subdivision Advisory Committee (SAC) on November 21, 2017. A SAC meeting was held on December 14, 2017. Staff comments were sent to the applicant on December 29, 2017.

419 and 421 Paper Mill Road, Parcel IDs 0805200010, 0805200011 (PR#17-11-04): Sketch plans for the annexation and rezoning of two existing single-family homes were received by the Planning and Development Department on November 21, 2017. The plan proposes annexation and rezoning from SR (Suburban Reserve) New Castle County zoning to RH (One Family Detached Residential) City of Newark zoning, in conjunction with the adjacent proposed subdivision of 0 Paper Mill Road, to tie into the public water and sanitary sewer. Submission of plans for 419 and 421 Paper Mill Road will likely be contingent on approval of the 0 Paper Mill Road subdivision, as the plan proposes the discharge of sewage using the 0 Paper Mill Road infrastructure. Plans were distributed to the Subdivision Advisory Committee on November 21, 2017.

1501 Casho Mill Road, Parcel ID 1803000127 (PR#17-11-05): On November 23, 2017, the Planning and Development Department received a sketch plan submission for a Comprehensive Development Plan amendment and major subdivision for the property located at 1501 Cash Mill Road. The proposal includes demolition of the existing office building at the site and construction of a new three-story structure with 23,526 square feet of office and retail on the first floor and 60 apartments on the second and third floors. Plans were distributed to the Subdivision Advisory Committee on November 29, 2017. A SAC meeting was held on December 18, 2017. Staff comments were sent to the applicant on January 18, 2018.

924 Barksdale Road, Parcel ID 1802400155 (PR#17-11-06): A sketch plan for the rezoning and major subdivision of 924 Barksdale Road was received by the Planning and Development Department on November 30, 2017. The plan proposes rezoning the property from BL (Limited Business) to AC (Adult Community) zoning to construct a 112-unit assisted living and memory care facility. On May 9, 2018, the Planning and Development Department received an application and revised plans for a Comprehensive Development Plan amendment, rezoning, and major subdivision at 924 Barksdale Road. The sketch plan was distributed to the Subdivision Advisory Committee (SAC) on December 1, 2017. Staff comments were sent to the applicant on February 15, 2018. Revised plans were distributed for SAC review on May 9, 2018. A SAC meeting was held on May 23, 2018 to discuss the plans with City operating departments. A SAC letter with staff comments was sent to the applicant on June 12, 2018. Revised plans were received by the Planning and Development Department on October 31, 2018 and distributed to the SAC for review on November 1, 2018.

515 Capitol Trail, Charlotte's Way, Parcel IDs 1801000004, 1801000005 (PR#18-02-01): The Planning and Development Department received a sketch plan for the rezoning and major subdivision of 515 Capitol Trail, to be known as Charlotte's Way, on February 15, 2018. The plan proposes the rezoning of the property from RS to RR, demolition of the existing single-family home on the site, and construction of ten townhomes. Applications and plans for the rezoning and major subdivision with site plan approval of this property were received by the Planning and Development Department on September 26, 2018. The sketch plan was distributed to the Subdivision Advisory Committee (SAC) on February 16, 2018. SAC comments were sent to the applicant on April 20, 2018. Plans received on September 26, 2018 were forwarded to the SAC for review on September 26. A SAC meeting was held on October 19, 2018 to discuss the plans with City operating departments.

1364 Marrows Road and 701 Ogletown Road, Martin Honda, Parcel ID 1802100215 (PR#16-01-03): On March 23, 2018, the Planning and Development Department received plans for an amendment to the major subdivision plan for the property at 1364 Marrows Road and 701 Ogletown Road. The plan proposes the reconfiguration of the automobile/vehicle repair facility shown on the Annexation, Rezoning, Major Subdivision and Special Use Permit plan of Martin Honda approved by City Council at their December 12, 2016 meeting, to include the elimination of one building and one two-story parking deck, reducing the overall gross floor area from 65,786 square feet to 52,080 square feet. Plans have been distributed for Subdivision Advisory Committee (SAC) review. SAC comments were forwarded to the applicant on May 18, 2018. Revised plans were received by the Planning and Development Department on August 16, 2018. SAC comments were forwarded to the applicant on October 12, 2018.

209-225 Haines Street, Parcel IDs 1802600107, 1802600108, 1802600217, 1802600109, 1802600212 (PR#18-05-02): On May 10, 2018, the Planning and Development Department received plans for a Comprehensive Development Plan amendment, rezoning, and major subdivision with site plan approval for the property at 209-225 Haines Street. The plan proposes demolition of the existing buildings on the site and construction of a high-rise apartment with 24 units – 12 three-bedroom and 12 two-bedroom apartments – with 22 garage parking spaces on the first floor. Plans were distributed to the Subdivision Advisory Committee (SAC) for review on May 11, 2018. A SAC meeting was held on June 14, 2018. SAC comments were sent to the applicant on July 26, 2018. Revised plans were received by the Planning and Development Department on September 7, 2018, with SAC comments forwarded to the applicant on September 24, 2018. The project was reviewed by the Planning Commission at their meeting on October 2, 2018, at which time the Planning Commission, at the applicant's request, tabled the proposal until the next regularly scheduled Commission meeting on November 6, 2018. At their meeting on November 6, 2018, the Planning Commission recommended approval of the Comprehensive Development Plan amendment (7-0), rezoning (4-3), and major subdivision with site plan approval (4-3). The project will be placed on an upcoming City Council agenda.

62 North Chapel Street, Parcel ID 1801400215 (PR#18-05-03): Plans for the rezoning and major subdivision with site plan approval of 62 North Chapel Street were received by the Planning and Development Department on May 10, 2018. The plan proposes the demolition of the existing office building on the site and construction of a mixed-use building with 300 square feet of office space and 30 garage parking spaces on the first floor, and 18 two-bedroom apartments on the two floors above. Plans were distributed to the Subdivision Advisory Committee (SAC) for review on May 11, 2018. A SAC meeting was held on June 14, 2018. SAC comments were sent to the



applicant on October 1, 2018. Revised plans were received by the Planning and Development Department on November 8, 2018. SAC comments were sent to the applicant on November 27, 2018. At their meeting on December 4, 2018, the Planning Commission recommended approval of the rezoning (5-2) and major subdivision with site plan approval (4-3). The project will be placed on an upcoming City Council agenda.

100, 115, 121 College Square, Parcel IDs 1802100196, 1802100199, 1802100172 (PR#18-05-04): On May 22, 2018, the Planning and Development Department received a sketch plan for a major subdivision for the redevelopment of a portion of the College Square shopping center, to include a mixed-use complex with retail and residential space. Plans were distributed to the Subdivision Advisory Committee (SAC) for review on May 22, 2018. Revised sketch plans were received by the Planning and Development Department on June 6, 2018. SAC comments were sent to the applicant on August 27, 2018. Revised plans were received by the Planning and Development Department on October 11, 2018. A SAC meeting was held on November 5, 2018. SAC comments will be forwarded to the applicant in the near future.

18 North Street, White Clay Vista, Parcel ID 1801400025 (PR#18-06-03): On June 22, 2018, the Planning and Development Department received plans for a minor subdivision at 18 North Street. The plan proposes to replace the one-story apartment building at the site with four 3-story townhouse style apartments similar to the existing units at the rear of the property. Plans were distributed to the Subdivision Advisory Committee (SAC) for review on June 22, 2018. A SAC meeting was held on August 16, 2018. Staff comments will be sent to the applicant in the near future.

321 Hillside Road, Parcel ID 1801900222 (PR#18-06-04): On June 26, 2018, the Planning and Development Department received a sketch plan for the property at 321 Hillside Road, the site of the now-closed University of Delaware Dickinson dormitory. The plan proposes the demolition of the existing buildings at the site and construction of two 15-unit apartment buildings and 65 townhomes. Plans were distributed to the Subdivision Advisory Committee (SAC) for review on June 27, 2018. A revised sketch plan was received by the Planning and Development Department on July 17, 2018. A SAC meeting was held on August 13, 2018. SAC comments were sent to the applicant on October 11, 2018.

1105 Elkton Road, Royal Farms, Parcel ID 1100400013 (PR#18-07-01): A sketch plan was received by the Planning and Development Department on July 20, 2018 for the property located at 1105 Elkton Road. The plan proposes an annexation, rezoning, and minor subdivision to demolish the existing buildings at the site and construct a Royal Farms gas station, car wash, and convenience store. Plans were distributed to the Subdivision Advisory Committee (SAC) for review on July 23, 2018. A SAC meeting was held on August 27, 2018. SAC comments were forwarded to the applicant on October 22, 2018.

105-83 New London Road and 36-42 & 41 Wilson Street, Campus Walk II, Parcel IDs 1801300106, 1801300107, 1801300108, 1801300109, 1801300196, 1801300110, 1801300111, 1801300112, 1801300113, 1801900157, 1801900156, 1801300161, 1801300086, 1801300085, 1801300198, 1801900143 (PR#18-08-01): On August 9, 2018, the Planning and Development Department received plans for the property located at 105-83 New London Road and 36-42 & 41 Wilson Street. The plan, to be known as Campus Walk II, proposes a Comprehensive Development Plan amendment and major subdivision with site plan approval to demolish the existing structures located at 83-105 New London Road and 41 Wilson Street, relocate the existing

structure at 87 New London Road to 41 Wilson Street and repurpose it as a 4-person student rental, and construct 28 garden apartments on the parcels fronting on New London Road, with vehicular access via the original Campus Walk accessway. The parcels located at 36-42 Wilson Street are incorporated into the land use proposal for the purpose of relocating lot lines and are not being redeveloped as part of the plan. Plans were distributed to the Subdivision Advisory Committee (SAC) for review on August 9, 2018, and a SAC meeting was held on September 5, 2018. SAC comments were forwarded to the applicant on September 21, 2018. Revised plans were received by the Planning and Development Department on October 9, 2018. SAC comments were forwarded to the applicant on October 30, 2018. The project was reviewed and considered by the Planning Commission at their November 6, 2018 meeting, at which time they recommended approval of the Comprehensive Development Plan amendment (6-1) and major subdivision with site plan approval (4-3). The project will be placed on an upcoming City Council agenda.

511 Valley Road, Parcel ID 1801700079 (PR#18-09-01): Plans for a minor subdivision with site plan approval for 511 Valley Road were received by the Planning and Development Department on September 7, 2018. The plan proposes the demolition of the existing single-family structure on the site and construction of a semi-detached structure that will replicate the existing architecture of the Briarcreek subdivision. Plans were distributed to the Subdivision Advisory Committee for review on September 10, 2018 and a SAC meeting was held on October 1, 2018. SAC comments will be distributed to the applicant at a future date.

92 & 96 East Main Street, Green Mansion, Parcel IDs 1802000033 & 1802000034 (PR#18-10-01): On October 5, 2018, the Planning and Development Department received plans for a major subdivision and special use permit for the property located at 92 & 96 East Main Street. The plans propose to extinguish the interior common parcel lines to combine the parcels into one parcel, the demolition of 92 East Main Street, and the preservation and rehabilitation of 96 East Main Street (often referred to as the Green Mansion) to construct a mixed-use building including a 7-story, 147-room hotel and 19,500 square feet of office space with associated parking, amenities and accessory uses. The special use permit is required for a hotel in the BB zoning district. Plans were distributed to the Subdivision Advisory Committee (SAC) for review on October 8, 2018. A SAC meeting was held on November 6, 2018. SAC comments will be forwarded to the applicant in the near future.

132-138 East Main Street, Parcel IDs 1802000126 & 1802000127 (PR#18-10-02): On October 8, 2018, the Planning and Development Department received a rough concept sketch plan for the property at 132-138 East Main Street. The sketch plan proposes a major subdivision for the demolition of the existing structures at the site and construction of a 4-story structure with retail on the ground level and 12 apartments on the 2nd, 3rd, and 4th floors on the front of the lot. The rear of the lot is proposed to have parking on the first two floors with an 88-room hotel on the 3rd, 4th, and 5th floors, and a roof deck on top. Plans were distributed to the Subdivision Advisory Committee (SAC) for review on October 9, 2018. A SAC meeting is scheduled for November 7, 2018. SAC comments will be forwarded to the applicant in the near future.

20-22 Benny Street, Maras Landing, Parcel IDs 1802600125 & 1802600126 (PR#18-11-01): On November 8, 2018, the Planning and Development Department received plans for a Comprehensive Development Plan amendment, rezoning, and major subdivision with site plan approval for the property at 20-22 Benny Street. The plan proposes demolition of the existing structures on the site and construction of 9 garden apartments consisting of variations in width and

bedroom count. Plans were distributed to the Subdivision Advisory Committee (SAC) for review on November 8, 2018.

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**Activity or Project:**

**Description:**

**Status:**

**Expected Completion:**

**Execution Status:**

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**Activity or Project:**

**Description:**

**Status:**

**Expected Completion:**

**Execution Status:**

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**Activity or Project:**

**Description:**

**Status:**

**Expected Completion:**

**Execution Status:**

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**City Manager's Weekly Report**

**Department:**

Police Department

**Notable Notes:**

Auxiliary Services Division:

- The department has crafted State grant applications supporting advanced training, upgraded and new equipment, along with funding for overtime. The applications will be submitted this week with State committee review scheduled in January 2019.

Criminal Investigations Division:

- On 11/15/18, NPD officers responded to a report of a Robbery that occurred in the unit block of White Clay Drive. Detectives from the Criminal Investigations Unit assumed the investigation and through witness statements, surveillance video and other investigative means, Detectives identified three suspects along with the suspect vehicle. On 11/26/18, the suspect vehicle was located in an apartment complex in Wilmington, DE. A search warrant for the vehicle was issued and evidence related to the robbery was located in the vehicle. On 11/30/18, all three suspects were arrested on several charges.

Administration Division:

- Cpl. Barnes is assigned to a temporary rotation with the Evidence Detection Unit for the entire week. Cpl. Barnes will be transitioning to this role full-time in January 2019.

- Cpl. Pagnotti is assigned to a temporary rotation with the School Resource Officer. Cpl. Pagnotti will transition to this role full-time in January 2019.

**Special Enforcement Division:**

- On 12/2/18, Cpl. Nate Graber along with Cpl. Andrew Pagnotti conducted ALICE active shooter training at the Temple Beth El.
- On 12/5/18, Traffic Unit Officers were called out to investigate a fatal motor vehicle collision involving a DART bus at the intersection of West Chestnut Hill Road and South College Avenue. The roadway was closed for several hours and the investigation is ongoing.
- On 12/5/18, 2018 Sgt. Greg D'Elia assisted with promotional oral boards at the Southern Chester County Regional Police Department.
- On 12/5/18, Officer Corey Spencer and K9 Luto graduated from K9 training at the DSP Training Academy.
- During the week, the Special Operations Unit will continue their retail theft prevention operation.

**Activity or Project:**

N/A

**Description:**

N/A

<b>Status:</b>	Completed
<b>Expected Completion:</b>	12-06-2017
<b>Execution Status:</b>	Completed

**Activity or Project:**

**Description:**

<b>Status:</b>	
<b>Expected Completion:</b>	
<b>Execution Status:</b>	

**Activity or Project:**

**Description:**

<b>Status:</b>	
<b>Expected Completion:</b>	
<b>Execution Status:</b>	

**City Manager's Weekly Report**

**Department:**

Public Works and Water Resources Department

**Notable Notes:**

Acting Director Filasky attended the DNREC Water Infrastructure Advisory Council (WIAC) meeting on December 5th along with Water Operations Superintendent Mark Neimeister and Finance Director Dave Del Grande. The Council approved the financing of four referendum

projects, Water Main Replacement, Water SCADA, South Well Field Treatment Plant Upgrades, and Sanitary Sewer Study and Repair. Interest rates for all three projects are locked in at lower than anticipated rates, well below traditional debt market rates.

PWWR heavy equipment operator is assisting the Electric Department with a conduit install at their substation behind the South Well Field Treatment Plant. Departments working together not only helps reduce costs on projects, but it gives department staff the opportunity to see how other departments work and appreciate the work they do every day.

Crews fixed one water main break this week. It was challenging due to the proximity to a gas line, but we were able to complete the fix and received some very positive feedback from a nearby resident. This was our 10th main break since October 1, keeping pace with our historical averages.

Leaf collections:

Collections are averaging 6 working days between collections and decreasing by the day. We will begin to scale back collection operations moving from 4-5 crews to 3-4 crews. This will allow us to remove the leaf boxes from two dump trucks and be better prepared for winter weather as the season approaches. The current 3-4 crew operation includes two swap loader leaf trucks, two dump trucks with one pull behind leaf unit, and the catch basin truck as an option depending on staffing.

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**Activity or Project:**

Rodney Stormwater and Park Project

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**Description:**

Plymouth Environmental will begin the Environmental Remediation on the Rodney Complex on Monday, December 10th. Due to the proximity to the walking path, the underpass to and from South Main Street will be closed for at least the first week of the project. If we determine that it can be safely open sooner, we will notify the public. Background air samples were collected earlier this week and air samples will be collected throughout the duration of the remediation.

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<b>Status:</b>	In-Progress
<b>Expected Completion:</b>	03-31-2019
<b>Execution Status:</b>	On Track

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**Activity or Project:**

Monthly Safety Talks

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**Description:**

Field staff held a monthly safety talk at the Field Operations Complex on December 6, 2018. Each 20 minutes session focuses on a particular safety item and is offered to all field staff. The safety topics are selected based on seasonal tasks so they are relevant to the work being completed by the crews.

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<b>Status:</b>	In-Progress
<b>Expected Completion:</b>	12-06-2018
<b>Execution Status:</b>	Completed

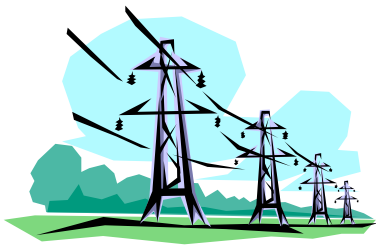
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**Activity or Project:**

<b>Description:</b>	
<b>Status:</b>	
<b>Expected Completion:</b>	
<b>Execution Status:</b>	



# DEMEC

## Delaware Municipal Electric Corporation

22 Artisan Drive, PO Box 310, Smyrna, Delaware 19977 Phone 302 653-2733 Fax 302 653-2734

December 4, 2018

TO: DEMEC Board of Directors

FROM: Patrick E. McCullar, President

SUBJ: Issues List and Adopted Budget for 2019

Enclosed is the adopted budget for 2019 for power supply management, generation operations, and related services to members. The proposed 2019 wholesale billing rate of \$69.42 represents a 4.08% reduction from 2018 for the seven Full-Requirements Beasley Joint Owners. The proposed Lewes Full-Requirements Only billing rate is \$72.62, a 3.90% reduction from their 2018 rate. The budget proposes a billing rate to participating members for calendar year 2019 that will provide sufficient resources to procure and deliver lowest-cost, reliable full-requirements power supply and additional services required by the members. The components of the Joint Owners rate are \$68.22 for power supply and \$1.20 for administrative costs as presented in detail on page 11. The components of the Lewes rate are \$71.42 for power supply and \$1.20 for administrative costs. The administrative cost rate is reduced 19% from \$1.48 to \$1.20 due to load growth and other non-member revenues increasing.

This budget has been prepared with a view to the anticipated changes in the industry and our projected total costs to supply full-requirements power supply and other required services to our member communities. The structure of the power supply portfolio continues to allow us flexibility to adapt to unexpected regulatory and technological developments. The total budget reflects a modest change with an increase of 1.32% in total revenues and a decrease of 1.95% in total expenses, as shown on page 9. The Beasley O&M expense increases 2.38% and the non-power administrative expense increase 5.65%.

While PJM capacity rules and other proposed market changes are again being proposed, the full impact of the capacity rule changes are not yet known, and there is still a lot of uncertainty around full implementation timelines. The current market environment for natural gas is somewhat volatile, as is typical at the beginning of the winter heating season, but we expect a return to the lower range of prices by summer 2019. We still expect natural gas prices to remain in the \$2.75-\$3.25 range over the longer term, benefiting us with greater energy only certainty over the next five to ten years. While energy only costs have come down, capacity costs and transmission costs are likely our biggest line item increases going into the next five years. Transmission expansion investment by DPL continues at an accelerating rate, pushing our transmission service costs significantly higher in the future. Additionally, it is likely that older generation units will continue to retire in the Eastern MAAC region for several reasons, including age, economics, and regulatory burdens. We can only roughly model the impact of these generation retirements and new transmission facilities on energy prices, capacity costs, congestion costs, or marginal losses costs. In addition, electric demand in our service territories is growing briskly again after several years of stagnation due to the lagging

economy, the penetration of distributed energy resources (“DER”) and energy efficiency investments by residential and commercial customers.

The proposed power supply budget projects MWh sales for 2019 to be 6% higher than the 2018 projection. The demand projection reflects positive growth in load from new and expanding commercial customers being offset by small load reductions caused by DER and energy efficiency investments in almost all customer classes. We expect this positive growth to continue for several years.

Our power supply strategy continues to reflect our primary goals of lowest-cost reliable supply with significant flexibility to react to changes in the industry and PJM markets. We continue our strategic shift away from market-based power contracts to self-supply assets. This strategy has increased our generation assets to provide approximately 45% of our projected energy needs while purchasing the remainder of energy requirements at fixed prices from a diversified set of suppliers. We are currently evaluating the portfolio impact of adding 25MW of additional supply from our Fremont generation plant. Fremont continues to be our best performing asset and an increased position in the plant is expected to have an immediate and long-term positive effect on our portfolio Average Variable Cost (“AVC”). Hourly balancing is achieved utilizing the PJM markets. We hedge the risks of volatility by purchasing natural gas forward contracts for generation assets and fixing energy prices in staggered forward energy contracts. This diversified and flexible hedged portfolio structure will continue to provide lower total power supply cost, and minimize risk associated with markets while maximizing our benefit from access to a broad field of suppliers and energy products. We are 90% hedged for energy only for 2019, 80% for 2020, and 67% for 2021 through 2024. We will continue buying energy for 2020 and forward when the forward gas prices return to the anticipated range, making forward energy offers very attractive. We are seeking to extend our portfolio average hedge and average duration as forward energy prices reach historic lows. Our longest non-asset forward contract hedge is currently through 2027. Our power supply strategy has delivered increasing value to members since 2012, bringing increased price stability from aggressively managed assets and active management of our Financial Transmission Rights (“FTRs”) portfolio. We have experienced a favorable reduction of 47% in the AVC of energy and a 25.5% reduction in the total cost of full-requirements wholesale power supply over the past seven years. This has allowed full-requirements members to replenish electric system reserves and reduce retail electric rates to their communities. However, in the future we expect smaller rate decreases or small rate increases as capacity market changes and transmission investment increase our uncontrollable costs in those areas. The board adopted a Rate Stabilization Reserve target of \$30 million last year as a hedge to significant cost impacts from market changes going forward. Our forecast indicates this new target will be met by the end of 2020.

The next focus of our strategy is to deploy new solar generation projects, either self-built or in conjunction with AMP, to significantly reduce the cost of solar generation deployment and generate as much power as possible behind our members’ meters. We will concentrate on “Community Solar” projects but also seek other behind-the-meter opportunities utilizing both traditional generation resources and renewables.

This strategy assists us in avoiding the above-mentioned uncontrollable costs being pushed by transmission owner investments and PJM policies. Because we do not have adequate tools to manage the risk of the transmission cost increases or the uncontrollable PJM costs, we need to avoid these costs to the greatest extent possible by reducing the amount of energy we move across the PJM transmission system. Our most recent generation project addition is a 1.5 MW solar



generator located inside the Smyrna service territory. We are currently developing several project locations inside our members' service territories with the goal of adding 5 MW of additional generation resources behind our member meters over the next two years.

The operational goals and issues that DEMEC will pursue in 2019 are:

- Acquire all necessary power supply components and provide reliable, lowest-cost full-requirements service to Participating Members.
- Maximize the value of self-supply assets through active management of the assets, hedging fuel risks to the extent practical.
- Maintain our Beasley generation facility O&M program and review and revise all of our operational systems and management policies to increase efficiency and reliability; and assure the maximum readiness of the plant to perform under the PJM dispatch and capacity performance requirements.
- Expand the use of the benefits and resources available from our relationship with our strategic partner, American Municipal Power, Inc. (AMP).
- Maintain and/or modify contracts for third-party service providers to maximize efficient management of assets and service programs and minimize the cost and risks of power supply procurement, compliance, and operations of the company.
- Enhance the accuracy of all databases and all existing transactional and reporting systems necessary to meet the internal and external needs of the Company and effectively transact in the PJM marketplace to efficiently acquire and deliver all products required by members at the lowest possible cost.
- Manage the comprehensive set of procedures to meet and maintain compliance requirements of the North American Electric Reliability Council (“NERC”) for both Generation Owner and Distribution System Owner status.
- Maintain all necessary data and reporting systems to demonstrate compliance with all federal, state and local regulatory requirements.
- Expand training programs to improve the technical knowledge and market awareness of the Board of Directors, management and staff at all levels of the member systems.
- Administer the Municipal Green Energy Fund Program to promote renewable energy and energy efficiency in accordance with the State Mandate and member policies and be prepared for changes in mandated operations.
- Continue to manage the Municipal RPS Program on behalf of all nine municipal members to meet compliance at the least possible cost. This includes managing the renewable assets and contracts and actively managing the political challenges surrounding Municipal RPS.
- Expand the Demand Response (“DR”) Program that designates DEMEC as the Curtailment Service Provider for those member systems that do not choose to self-manage. The goals of the DR Program are to acquire new DR participants, maximize the participation of end-use customers and reduce DEMEC’s coincident peak demand as much as possible through active management of DR participants.
- Continue our vigorous efforts to shape energy policy on the federal and state levels by significantly expanding education efforts and policy initiatives promulgated by the Board at FERC, Congress, and the State Legislature to improve the operation of the electricity market and promote fair and reasonable rules for Public Power utilities.
- Continue participation in the PJM Transmission Planning Process and market operations to assure fair rules and policies for Load Serving Entities in general and Public Power Entities in particular.

- Perform long-term power supply studies and identify strategies for provision of reliable, stable, lowest-cost power supply to meet the projected intermediate and long-term load requirements of DEMEC members.
- Continue our program for public relations and press relations to create a focused and coherent message for public power and municipal utility value to educate our elected officials and the press.
- Continue to develop and coordinate joint projects and services that will result in increased operational efficiency and/or lower costs for DEMEC members.
- Seek to develop traditional and renewable generation projects for deployment behind our member meters to reduce uncontrollable costs resulting from use of the PJM transmission system.

Our self-managed power supply portfolio and related component purchasing strategy have the following goals:

- Deploy additional behind-the-meter generation assets in member systems to effectively manage transmission and capacity obligations.
- Maximize the value of new self-supply assets to minimize risk and reduce our Average Variable Cost (“AVC”) of energy over the long term. We have integrated our newest generation assets (Beasley Unit #2 with condensing clutch, Fremont Energy Center Combined Cycle, Milford Solar and Laurel Hill Wind Farm) with contractual power supply in our power supply portfolio. We added 10 MW from the Fremont asset in 2018, and we are analyzing the impact of again increasing our position in the Fremont asset in 2019.
- Purchase fixed bilateral energy hedges from the lowest cost credit-worthy providers to meet our remaining forecasted energy requirements.
- Contract for power supplies and generation on a rolling basis for a minimum of three years or more forward to meet our remaining forecasted energy requirements and seek to extend the duration our portfolio position by purchasing additional longer-term energy supply contracts up to ten years forward.
- Meet our capacity obligations with owned resources and purchase residual requirements from the PJM RPM Auction.
- Manage the cost of ancillary services and balancing energy in the PJM Day-Ahead and Real-Time market.
- Manage congestion cost risks utilizing DEMEC’s owned generation resources and our actively-managed FTR portfolio purchases in the PJM market.
- Utilize external consulting services for forecasting, scheduling and energy risk management.
- Identify and capture additional opportunities to continue to lower portfolio AVC and total delivered energy cost to our members.

Our operating strategy is designed to keep our energy costs relatively stable and at a competitive level with wholesale energy supply costs in the Delmarva region while minimizing the risk of price volatility to our member systems. The strategy has been effective over the past seven years. It has enabled us to receive a significant portion of our energy and capacity requirements from our self-supply assets and purchase the remainder contractually from the lowest cost, credit-worthy energy suppliers. We will continue to manage our market and corporate risk through various options. We will employ a portfolio hedging policy that will allow us to protect ourselves from high prices that can be caused by fuel and energy market volatility. We will establish and maintain operating procedures for our generation assets that enable us to have high availability and economic dispatch

to maximize return on our investments. Utilizing our self-supply assets in place of market-based contracts has enabled us to avoid the excessive premiums added by other power suppliers for the risks related to fuel and transmission congestion. This power supply strategy gives us more certainty of wholesale price and limits our exposure to price run-ups.

The 2019 budget proposal anticipates delivered wholesale energy costs to members to be 4.08% lower than the 2018 budget on a dollar per megawatt hour basis, as shown on page 11. This is the seventh year of reductions in the wholesale delivered energy rate to members. This reduction is driven entirely by the positive contributions of our assets and lower natural gas fuel costs. These two factors are driving down the cost of our Energy Average Variable Cost (“AVC”). As generation units retire and transmission projects progress, the DPL transmission tariff and the PJM capacity costs are likely to be drivers of increases in our delivered power supply cost. After energy (49%), capacity (26%) and transmission (14%) are our biggest contributors to overall delivered wholesale power supply costs. History has shown that the PJM capacity auction results cannot be predicted, so we must remain conservative in our capacity cost projections. Transmission tariff costs are expected to rise for 2019 and continue to increase over the next five years. Congestion and marginal losses should remain level unless unanticipated transmission outages occur, or new congestion is created by retiring generation plants or demand growth in congested areas. However, our FTR portfolio will provide considerable protection from the financial risk of unanticipated transmission outages.

The 2019 Combined Operations Budget anticipates revenues of \$169,765,300 from energy and capacity sales from owned assets and energy supply billings to full requirements members (page 7), and a cost of goods sold of \$152,956,600, resulting in a contribution from sales of \$16,808,700 to fund company operating costs, member services, Beasley plant operations & maintenance, and debt service (page 8). The 2019 Combined Operations Budget proposes total revenues of \$169,765,300 and expenses of \$162,591,721, resulting in a projected net margin of \$7,173,579 (page 9). Total budgeted revenues will increase 1.32% and total expenses will decrease 1.95%.

The subsidiary Administration Operations budget is set out on page 10. Available resources increase 9.97%, and planned expenses increased 6.10%. The Administrative Services category increases 3.69%. The Contractual Services category increases 2.07% by adding \$10,000 to support the national Public Power initiative Light Up Navajo Nation. We also show two new line items splitting out additional detail for legal and regulatory expenses. The Office Operations category increases 24.83% to support increased IT infrastructure maintenance and expanded training programs. In the Other Expenses category, the 2019 APPA membership dues the company pays on behalf of the eight FR members will be \$67,000, which increased 5.85% from 2018.

The table at the bottom of page 10 details the allocation of administrative costs to the members. The Full-Requirements Contract Member’s contribution rate for Administration Expenses will be decreased 19% to \$0.00120/kWh. The contribution rate is decreasing due to higher projected sales and increases in other non-member revenues. Contributions from City of Dover will increase by \$5,000 to \$35,000 in 2019, and by \$5,000 to \$40,000 in 2020.

Under the Beasley Generation Plant Operations Budget (page 13-16), we propose an increase in the O&M budget of 2.38% (page 15). The increase reflects anticipated lower fuel costs and higher dispatch rates for both units. We continue the funding of the Major Maintenance line item at \$750,000 annually to address future major overhaul requirements scheduled over the next ten years. This funding plan for long-term major maintenance resulted from our holistic review of plant

management and operations. Unit #1 is over 17 years old and will require major overhaul in the next five years. This increased funding also addresses the need for greater reliability and operational readiness as a hedge to the increased risk of non-performance under the PJM Capacity Performance rules which became effective June 1, 2016 and will be fully implemented by June 1, 2020. The 2018 Beasley Capital Budget proposes to invest \$683,219 in Beasley Plant additions, as detailed on page 16.

I recommend the Board adopt the 2019 proposed budget.

(The DEMEC Board adopted the amended 2019 budget on 12/04/2018)

**Delaware Municipal Electric Corporation**  
**Adopted 2019 Budget - Combined Operations**

	2019 Budget	2018 Projected	2018 Budget	CY Budget vs PY Budget	PY Projected vs PY Budget	Budget Inc(Dec)
<b>Income</b>						
<b>Power Sales to Members</b>						
Energy	53,833,000	63,600,000	53,530,000	0.57%	18.81%	303,000
Transmission	14,074,000	10,894,000	13,250,000	6.22%	-17.78%	824,000
Capacity	26,740,600	28,992,000	25,175,000	6.22%	15.16%	1,565,600
Ancillary Services	2,815,000	1,520,000	3,312,500	-15.02%	-54.11%	(497,500)
RPS Compliance-SRECS	1,984,000	1,617,400	1,825,188	8.70%	-11.38%	158,812
RPS Compliance-Other RECS	1,070,000	1,000,533	1,075,900	-0.55%	-7.00%	(5,900)
<b>Total Power Sales to Members</b>	<b>100,516,600</b>	<b>107,623,933</b>	<b>98,168,588</b>	<b>2.39%</b>	<b>9.63%</b>	<b>2,348,012</b>
<b>PJM Market Revenue</b>						
PJM Energy Revenue	21,000,000	21,200,000	21,000,000	0.00%	0.95%	-
Marginal Losses	120,000	95,000	120,000	0.00%	-20.83%	-
Congestion	722,000	723,600	1,500,000	-51.87%	-51.76%	(778,000)
<b>Total PJM Market Revenue</b>	<b>21,842,000</b>	<b>22,018,600</b>	<b>22,620,000</b>	<b>-3.44%</b>	<b>-2.66%</b>	<b>(778,000)</b>
<b>Generation Revenue</b>						
Generation Energy	23,500,000	19,000,000	23,500,000	0.00%	-19.15%	-
Generation Capacity	11,935,000	13,260,000	11,252,000	6.07%	17.85%	683,000
Generation Congestion	500,000	100,000	500,000	-	-80.00%	-
Generation Marginal Losses	120,000	130,000	120,000	-	8.33%	-
Generation Synch Reserve	244,800	240,000	150,000	-	60.00%	94,800
Generation Ancillary Services	1,018,000	1,000,000	1,018,000	0.00%	-1.77%	-
<b>Total Generation Revenue</b>	<b>37,317,800</b>	<b>33,730,000</b>	<b>36,540,000</b>	<b>2.13%</b>	<b>-7.69%</b>	<b>777,800</b>
<b>Member Admin Charges</b>						
Member Admin Charges-General	1,723,900	1,390,000	1,961,000	-12.09%	-29.12%	(237,100)
Member Admin Charges-GEF	44,000	38,000	40,000	10.00%	-5.00%	4,000
<b>Total Member Admin Charges</b>	<b>1,767,900</b>	<b>1,428,000</b>	<b>2,001,000</b>	<b>-11.65%</b>	<b>-28.64%</b>	<b>(233,100)</b>
<b>Member Contrib-Beasley</b>						
Member Contrib-Beasley	7,063,000	6,708,771	6,993,371	1.00%	-4.07%	69,629
Member Project Fee	700,000	205,000	1,135,000	-38.33%	-81.94%	(435,000)
Contract Service Fee	78,000	78,000	83,000	-6.02%	-6.02%	(5,000)
Training Fees	-	-	1,000	-100.00%	-100.00%	(1,000)
Interest Income	480,000	180,000	15,000	3100.00%	1100.00%	465,000
<b>Total Income</b>	<b>169,765,300</b>	<b>171,972,304</b>	<b>167,556,959</b>	<b>1.32%</b>	<b>2.64%</b>	<b>2,208,341</b>
<b>Cost of Goods Sold</b>						
Ancillary Services	2,815,000	1,520,000	3,312,500	-15.02%	-54.11%	(497,500)
Capacity Purchases	26,740,600	18,080,000	25,175,000	6.22%	-28.18%	1,565,600
Generation Capacity Cost	11,242,000	10,267,000	12,056,400	-6.75%	-14.84%	(814,400)
Generation Fuel Cost	2,500,000	578,000	2,000,000	25.00%	-71.10%	500,000
Transmission Services	14,074,000	10,894,000	13,250,000	6.22%	-17.78%	824,000
Power Purchases	91,200,000	90,940,000	96,830,200	-5.81%	-6.08%	(5,630,200)
Marginal Losses	671,000	468,400	671,000	0.00%	-30.19%	-
Congestion	660,000	2,760,000	190,000	247.37%	1352.63%	470,000
RPS Compliance-SRECS	1,984,000	1,617,400	1,825,188	8.70%	-11.38%	158,812

**Delaware Municipal Electric Corporation  
Adopted 2019 Budget - Combined Operations**

	<b>2019 Budget</b>	<b>2018 Projected</b>	<b>2018 Budget</b>	<b>CY Budget vs PY Budget</b>	<b>PY Projected vs PY Budget</b>	<b>Budget Inc(Dec)</b>
<b>RPS Compliance-Other RECS</b>	1,070,000	1,000,533	1,075,900	-0.55%	-7.00%	(5,900)
<b>Total COGS</b>	<b>152,956,600</b>	<b>138,125,333</b>	<b>156,386,188</b>	<b>-2.19%</b>	<b>-11.68%</b>	<b>(3,429,588)</b>
<b>Contribution from Sales</b>	<b>16,808,700</b>	<b>33,846,971</b>	<b>11,170,771</b>	<b>50.47%</b>	<b>203.00%</b>	<b>5,637,929</b>
<b><u>Expense</u></b>						
<b>Administrative Expenses</b>						
Deferred Comp Contr-Company	87,555	91,200	91,769	-4.59%	-0.62%	(4,214)
Health Insurance	237,510	206,400	224,718	5.69%	-8.15%	12,792
Payroll Expenses	977,089	906,000	940,981	3.84%	-3.72%	36,108
Payroll Taxes	60,446	64,800	56,616	6.76%	14.46%	3,830
<b>Total Administrative Expenses</b>	<b>1,362,600</b>	<b>1,268,400</b>	<b>1,314,084</b>	<b>3.69%</b>	<b>-3.48%</b>	<b>48,516</b>
<b>Contractual Services</b>						
Banking Fees & Charges	7,000	5,200	7,000	0.00%	-25.71%	-
Government & Community Relations	85,000	79,000	55,000	54.55%	43.64%	-
Insurance-Auto	2,000	1,790	2,000	0.00%	-10.50%	-
Insurance-Liability	20,000	18,900	20,000	0.00%	-5.50%	-
Legal Counsel	100,000	70,000	250,000	-60.00%	-72.00%	-
Regulatory Counsel	100,000	20,000	-	-	-	-
Technical Consulting	130,000	150,000	150,000	-13.33%	0.00%	-
Regulatory Consulting	50,000	-	-	-	-	-
<b>Total Contractual Services</b>	<b>494,000</b>	<b>344,890</b>	<b>484,000</b>	<b>2.07%</b>	<b>-28.74%</b>	<b>10,000</b>
<b>Interest Expense</b>						
LOC Loan Interest	25,000	3,000	25,000	0.00%	-88.00%	-
Member Financing Expense	215,000	145,421	215,000	0.00%	-32.36%	-
<b>Total Interest Expense</b>	<b>240,000</b>	<b>148,421</b>	<b>240,000</b>	<b>0.00%</b>	<b>-38.16%</b>	<b>-</b>
<b>Office Operations</b>						
Automobile Expense	7,000	4,500	7,000	0.00%	-35.71%	-
Office Building Mortgage	55,000	55,000	55,000	0.00%	0.00%	-
Office Info Services/IT	85,000	65,600	65,000	30.77%	0.92%	20,000
Office Operation & Maintenance	50,000	40,000	50,000	0.00%	-20.00%	-
Office Supplies	20,000	20,000	20,000	0.00%	0.00%	-
Training	100,000	122,000	55,000	81.82%	121.82%	45,000
Travel	45,000	34,300	45,000	0.00%	-23.78%	-
<b>Total Office Operations</b>	<b>362,000</b>	<b>341,400</b>	<b>297,000</b>	<b>21.89%</b>	<b>14.95%</b>	<b>65,000</b>
<b>Other Expenses</b>						
Annual Meeting Expense	20,000	15,500	20,000	0.00%	-22.50%	-
APPA Annual Member Dues	67,000	61,400	63,300	5.85%	-3.00%	3,700
Publications & Subscriptions	28,000	14,000	28,000	0.00%	-50.00%	-
<b>Total Other Expenses</b>	<b>115,000</b>	<b>90,900</b>	<b>111,300</b>	<b>3.32%</b>	<b>-18.33%</b>	<b>3,700</b>
<b>Generation Operations</b>						

**Delaware Municipal Electric Corporation  
Adopted 2019 Budget - Combined Operations**

	<b>2019 Budget</b>	<b>2018 Projected</b>	<b>2018 Budget</b>	<b>CY Budget vs PY Budget</b>	<b>PY Projected vs PY Budget</b>	<b>Budget Inc(Dec)</b>
Debt Serv - Series 2011	4,125,371	4,125,371	4,125,371	0.00%	0.00%	-
Generation Plant O&M						-
BOP Control System	26,000	5,000	15,000	73.33%	-66.67%	11,000
Combustion Turbine Generator	225,000	325,000	175,000	28.57%	85.71%	50,000
Compressed Air System	1,500	2,000	2,000	-25.00%	0.00%	(500)
Cooling Tower & Water Systems	50,000	50,000	60,000	-16.67%	-16.67%	(10,000)
Electrical Interconnection	2,000	1,000	2,000	0.00%	-50.00%	-
Electrical Systems - Plant	16,000	2,000	5,000	220.00%	-60.00%	11,000
Emission Control System (CEMS)	65,000	95,000	65,000	0.00%	46.15%	-
Engineering Services-Plant	5,000	2,000	10,000	-50.00%	-80.00%	(5,000)
Facility Administration	520,000	482,000	500,000	4.00%	-3.60%	20,000
Facility Maintenance	75,000	50,000	100,000	-25.00%	-50.00%	(25,000)
Fire Protection & Safety	25,000	19,000	15,000	66.67%	26.67%	10,000
Insurance-Gen Plant	78,000	41,000	50,000	56.00%	-18.00%	28,000
Local Utility Services	25,000	24,000	20,000	25.00%	20.00%	5,000
Misc. Consum, Supplies & Mat'ls	10,000	4,500	25,000	-60.00%	-82.00%	(15,000)
NERC Compliance	200,000	255,000	200,000	-	-	-
O&M Contract Labor	650,000	665,000	600,000	8.33%	10.83%	50,000
Permit Fees	50,000	49,000	35,000	42.86%	40.00%	15,000
Plant Info Services/IT	20,000	6,000	10,000	100.00%	-40.00%	10,000
Regulatory Compliance	50,000	75,000	100,000	-	-	(50,000)
Telephone	8,000	9,700	15,000	-46.67%	-35.33%	(7,000)
Tools & Shop Equipment	5,000	3,300	10,000	-50.00%	-67.00%	(5,000)
Training & Travel	10,000	6,600	10,000	0.00%	-34.00%	-
Water Treatment Systems	60,000	68,000	60,000	0.00%	13.33%	-
Major Maintenance	750,000	750,000	750,000	0.00%	0.00%	-
SCADA Operations	9,650	85,000	34,000	-71.62%	150.00%	(24,350)
<b>Total Generation Plant O&amp;M</b>	<b>2,936,150</b>	<b>3,075,100</b>	<b>2,868,000</b>	<b>2.38%</b>	<b>7.22%</b>	<b>68,150</b>
<b>Total Generation Operations</b>	<b>7,061,521</b>	<b>7,200,471</b>	<b>6,993,371</b>	<b>0.97%</b>	<b>2.96%</b>	<b>68,150</b>
<b>Total Expense</b>	<b>9,635,121</b>	<b>9,394,482</b>	<b>9,439,755</b>	<b>2.07%</b>	<b>-0.48%</b>	<b>195,366</b>
<b>Net Income</b>	<b>7,173,579</b>	<b>24,452,489</b>	<b>1,731,016</b>	<b>314.41%</b>	<b>1312.61%</b>	<b>5,442,563</b>
<b>Revenues</b>	<b>169,765,300</b>	<b>171,972,304</b>	<b>167,556,959</b>	<b>1.32%</b>	<b>2.64%</b>	<b>2,208,341</b>
<b>Expenses</b>	<b>162,591,721</b>	<b>147,519,815</b>	<b>165,825,943</b>	<b>-1.95%</b>	<b>-11.04%</b>	<b>(3,234,222)</b>
<b>Net Income</b>	<b>7,173,579</b>	<b>24,452,489</b>	<b>1,731,016</b>	<b>314.41%</b>	<b>1312.61%</b>	<b>5,442,563</b>

Note: Board amended Budget 12/04/2018:

1) Add \$10K to Government & Community Relations to support Light Up Navajo Nation.

2) Board approved allocation of \$15K from Government & Community Relations as allocation to support Donation & Sponsorship Policy for 2019

**Delaware Municipal Electric Corporation  
Adopted 2019 Administration Operations Budget**

	<b>2019 Budget</b>	<b>2018 Projected</b>	<b>2018 Budget</b>	<b>CY Budget vs PY Budget</b>	<b>PY Projected vs PY Budget</b>
Admin Charge to FR Members	\$ 1,688,900	\$ 2,055,000	\$ 1,961,000	-13.88%	4.79%
Annual Member Fixed Support	\$ 35,000	\$ 30,000	\$ 30,000	16.67%	0.00%
Contribution from GEF	\$ 44,000	\$ 43,500	\$ 40,000	10.00%	8.75%
Contract Service Fees	\$ 78,000	\$ 74,200	\$ 83,000	-6.02%	-10.60%
Interest Income	\$ 480,000	\$ 180,000	\$ 1,000	47900.00%	17900.00%
<b>Total Available Resources</b>	<b>\$ 2,325,900</b>	<b>\$ 2,382,700</b>	<b>\$ 2,115,000</b>	<b>9.97%</b>	<b>12.66%</b>
<b>Administrative Services</b>					
Deferred Comp Contr-Company	\$ 87,555	\$ 91,200	\$ 91,769	-4.59%	-0.62%
Health Insurance	\$ 237,510	\$ 206,400	\$ 224,718	5.69%	-8.15%
Payroll Expenses	\$ 977,089	\$ 906,000	\$ 940,981	3.84%	-3.72%
Payroll Taxes	\$ 60,446	\$ 64,800	\$ 56,616	6.76%	-14.46%
<b>Total Administrative Expenses</b>	<b>\$ 1,362,600</b>	<b>\$ 1,268,400</b>	<b>\$ 1,314,084</b>	<b>3.69%</b>	<b>-3.48%</b>
<b>Contractual Services</b>					
Banking Fees & Charges	\$ 7,000	\$ 5,200	\$ 7,000	-	-
Government & Community Relations	\$ 85,000	\$ 79,000	\$ 55,000	54.55%	43.64%
Insurance-Auto	\$ 2,000	\$ 1,790	\$ 2,000	0.00%	-10.50%
Insurance-Liability	\$ 20,000	\$ 18,900	\$ 20,000	0.00%	-5.50%
Legal Counsel	\$ 100,000	\$ 70,000	\$ 250,000	-60.00%	-72.00%
Regulatory Counsel	\$ 100,000	\$ 20,000			
Technical Consulting	\$ 130,000	\$ 150,000	\$ 150,000	-13.33%	0.00%
Regulatory Consulting	\$ 50,000	\$ 36,500			
<b>Total Contractual Services</b>	<b>\$ 494,000</b>	<b>\$ 381,390</b>	<b>\$ 484,000</b>	<b>2.07%</b>	<b>-21.20%</b>
<b>Office Operations</b>					
Automobile Expense	\$ 7,000	\$ 4,500	\$ 7,000	0.00%	-35.71%
Office Building Mortgage	\$ 55,000	\$ 55,000	\$ 55,000	0.00%	0.00%
Office Information Services/IT	\$ 85,000	\$ 65,600	\$ 65,000	30.77%	0.92%
Office Operation & Maintenance	\$ 50,000	\$ 40,000	\$ 50,000	0.00%	-20.00%
Office Supplies	\$ 20,000	\$ 20,000	\$ 20,000	0.00%	0.00%
Training	\$ 100,000	\$ 122,000	\$ 55,000	81.82%	121.82%
Travel	\$ 45,000	\$ 34,300	\$ 45,000	0.00%	-23.78%
<b>Total Office Expenses</b>	<b>\$ 362,000</b>	<b>\$ 341,400</b>	<b>\$ 290,000</b>	<b>24.83%</b>	<b>17.72%</b>
<b>Other Expenses</b>					
Annual Meeting Expense	\$ 20,000	\$ 15,500	\$ 20,000	0.00%	-22.50%
APPA Annual Member Dues	\$ 67,000	\$ 61,400	\$ 63,300	5.85%	-3.00%
Publications & Subscriptions	\$ 28,000	\$ 14,000	\$ 28,000	0.00%	-50.00%
<b>Total Other Expenses</b>	<b>\$ 115,000</b>	<b>\$ 90,900</b>	<b>\$ 111,300</b>	<b>3.32%</b>	<b>-18.33%</b>
<b>Total Planned Admin. Expenses</b>	<b>\$ 2,333,600</b>	<b>\$ 2,082,090</b>	<b>\$ 2,199,384</b>	<b>6.10%</b>	<b>-5.33%</b>

**ESTIMATED ADMINISTRATIVE CHARGES BY MEMBER**

<b>Participating Member</b>	<b>2019 MWH</b>	<b>Allocation Percentage</b>	<b>2019 Admin. Share</b>	<b>2018 Admin. Share</b>
Clayton	22,236	1.58%	\$ 26,680	\$ 30,200
Lewes	86,837	6.17%	\$ 104,210	\$ 120,200
Middletown	260,932	18.54%	\$ 313,120	\$ 359,060
Milford	239,399	17.01%	\$ 287,280	\$ 330,430
New Castle	85,007	6.04%	\$ 102,010	\$ 121,190
Newark	473,027	33.61%	\$ 567,640	\$ 656,350
Smyrna	121,881	8.66%	\$ 146,260	\$ 171,000
Seaford	118,081	8.39%	\$ 141,700	\$ 172,570
Dover (Fixed Contribution)	-	-	\$ 35,000	\$ 30,000
<b>TOTAL MWH</b>	<b>1,407,400</b>	<b>100.00%</b>	<b>\$ 1,723,900</b>	<b>\$ 1,991,000</b>
	2019	Allocation Rate Per MWH		<b>1.20</b>
	2018	Allocation Rate Per MWH		<b>1.48</b>
		Change		<b>-19%</b>



Delaware Municipal Electric Corporation  
Adopted 2019 Operations Budget

Components of Power Supply Rate 2019

<u>Component:</u>	2019 Cost/MWh	Mwh Delivered	Total Projected Cost	2018 Cost/MWh	Change	2019 % of Total
Energy Only-Western Hub (AVC)	35.50	1,407,400	\$ 49,962,700	37.40	-5.08%	48.88%
Congestion - West Hub to DEMEC Agg	3.25	1,407,400	\$ 4,574,000	3.50	-7.14%	4.48%
ARR/FTR Congestion Credit	(1.50)	1,407,400	\$ (2,111,100)	(1.50)	0.00%	-2.07%
Capacity	19.00	1,407,400	\$ 26,740,600	19.00	0.00%	26.16%
Ancillary Services (PJM)	2.00	1,407,400	\$ 2,815,000	2.50	-20.00%	2.75%
Transmission Service (PJM)	10.00	1,407,400	\$ 14,074,000	10.00	0.00%	13.77%
REC Compliance Cost	0.76	1,407,400	\$ 1,070,000	0.81	-6.40%	1.05%
SREC Compliance Cost	1.41	1,407,400	\$ 1,984,000	1.38	2.36%	1.94%
DEMEC RSR Funding	1.00	1,407,400	\$ 1,407,400	1.00	0.00%	1.38%
Administrative Costs	1.20	1,407,400	\$ 1,688,900	1.48	-18.92%	1.65%
Net Power Delivered Cost	<u>72.62</u>	<u>1,407,400</u>	<u>\$ 102,205,500</u>	<u>75.57</u>	<u>-3.90%</u>	<u>100.00%</u>
Beasley Generation Cost	5.10	1,407,400	\$ 7,178,000	5.10	0.00%	
Beasley Generation Credit	(8.30)	1,407,400	\$ (11,681,000)	(8.30)	0.00%	
Total Cost(Credit) for Beasley Participants	<u>(3.20)</u>	<u>1,407,400</u>	<u>\$ (4,504,000)</u>	<u>(3.20)</u>	<u>0.00%</u>	
Beasley Participants Supply Costs	68.22	1,407,400	\$ 96,013,000	70.89	-3.77%	
Admin Costs	1.20	1,407,400	\$ 1,688,900	1.48	-18.92%	
<b>BEASLEY PARTICIPANTS BILLING RATE</b>	<u><u>69.42</u></u>	<u>1,407,400</u>	<u>\$ 102,205,500</u>	<u><u>72.37</u></u>	<u>-4.08%</u>	
<b>LEWES BILLING RATE</b>	<u><u>72.62</u></u>			<u><u>75.57</u></u>	<u>-3.90%</u>	

**Delaware Municipal Electric Corporation  
Adopted 2019 Capital Budget**

**CAPITAL BUDGET:**

Board Member iPads (BoardPaq)	\$ 15,000
Vehicle Replacement	<u>\$ 40,000</u>
	<u><u>\$ 55,000</u></u>

Board Member iPads are five years old, end of useful life  
Vehicle will have 6 years and 150K miles mid 2019, regular replacement

**Delaware Municipal Electric Corporation**  
**Adopted 2019 Beasley Generation Plant Operations Budget**

	<u>2019 Budget</u>	<u>2018 Projected</u>	<u>2018 Budget</u>
<b>Anticipated Revenues:</b>			
Member Capacity Charges	\$ 7,063,000.00	\$ 6,993,371.00	\$ 6,993,371.00
External Capacity Revenues	5,300,000.00	5,300,000.00	6,620,392.00
Generation Energy Sales	3,600,000.00	4,000,000.00	3,600,000.00
Generation Synch Reserve Sales	150,000.00	200,000.00	150,000.00
Generation Ancillary Service Sales	1,018,000.00	770,000.00	1,018,000.00
	<hr/>		
Total Revenues	\$ 17,131,000.00	\$ 17,263,371.00	\$ 18,381,763.00
<b>Anticipated Expenses:</b>			
Fuel Expense	\$ 2,500,000.00	\$ 1,750,000.00	\$ 2,000,000.00
Debt Service	4,126,000.00	4,125,371.00	4,125,371.00
Labor	650,000.00	665,000.00	600,000.00
Insurance	78,000.00	41,000.00	50,000.00
Facility Administrative and General	520,000.00	482,000.00	500,000.00
O&M Materials & Services	938,150.00	1,137,100.00	968,000.00
Major Maintenance	750,000.00	750,000.00	750,000.00
	<hr/>		
Total Expenses	\$ 9,562,150.00	\$ 8,950,471.00	\$ 8,993,371.00
Anticipated Net Revenues	<u>\$ 7,568,850.00</u>	<u>\$ 8,312,900.00</u>	<u>\$ 9,388,392.00</u>

**Delaware Municipal Electric Corporation  
Adopted 2019 Generation Operations Budget**

<b>Fixed Generation Costs:</b>	<b>2019</b>	<b>2018</b>
Debt Service Coverage (110% Max Annual DS)	\$ 4,126,000.00	\$ 4,125,371.00
Generation Operations & Maintenance Expense Budget	\$ 2,937,000.00	\$ 2,868,000.00
<b>Total Fixed Costs to Recover</b>	<b>\$ 7,063,000.00</b>	<b>\$ 6,993,371.00</b>
Capacity Available to Members (KW)	90,000	90,000
Net Capacity Charge Per KW/Day to recover fixed costs	\$ 0.2150	\$ 0.2134

**Capacity charge based on Joint Ownership Share:**

New 2011 Bond Issue (allocation thru 7/1/2026)			Annual		
	Percentage	Total Output	Fixed Costs	2019	2018
<u>OWNER</u>	<u>Ownership Share</u>	<u>Share (kw)</u>	<u>by Owner</u>	<u>Monthly Charge</u>	<u>Monthly Charge</u>
Clayton	1.70%	1530	\$ 120,071.00	\$ 10,005.92	\$ 9,930.51
Middletown	11.00%	9900	\$ 776,930.00	\$ 64,744.17	\$ 64,256.23
Milford	20.30%	18270	\$ 1,433,789.00	\$ 119,482.42	\$ 118,581.96
New Castle	8.10%	7290	\$ 572,103.00	\$ 47,675.25	\$ 47,315.95
Newark	42.10%	37890	\$ 2,973,523.00	\$ 247,793.58	\$ 245,926.13
Smyrna	8.40%	7560	\$ 593,292.00	\$ 49,441.00	\$ 49,068.40
Seaford	8.40%	7560	\$ 593,292.00	\$ 49,441.00	\$ 49,068.40
<b>Total</b>	<b>100.00%</b>	<b>90000</b>	<b>\$ 7,063,000.00</b>	<b>\$ 588,583.33</b>	<b>\$ 584,147.58</b>
<b>Average Annual Charge (\$\$/mWh)</b>				<b>\$ 5.10</b>	<b>\$ 5.10</b>

**Delaware Municipal Electric Corporation  
Warren F. "Sam" Beasley Power Station  
Adopted 2019 Generation Operations & Maintenance Budget**

	<b>2019 Proposed Budget</b>	<b>2018 Projected</b>	<b>2018 Budget</b>
<b>System Operations</b>			
<b>Generation Plant O&amp;M</b>			
<b>BOP Control System</b>	26,000.00	5,000.00	15,000.00
<b>Combustion Turbine Generator</b>	225,000.00	325,000.00	175,000.00
<b>Compressed Air System</b>	1,500.00	2,000.00	2,000.00
<b>Cooling Tower &amp; Water Systems</b>	50,000.00	50,000.00	60,000.00
<b>Electrical Interconnection</b>	2,000.00	1,000.00	2,000.00
<b>Electrical Systems - Plant</b>	16,000.00	2,000.00	5,000.00
<b>Emission Control System (CEMS)</b>	65,000.00	95,000.00	65,000.00
<b>Engineering Services-Plant</b>	5,000.00	2,000.00	10,000.00
<b>Facility Administration</b>	520,000.00	482,000.00	500,000.00
<b>Facility Maintenance</b>	75,000.00	50,000.00	100,000.00
<b>Fire Protection &amp; Safety</b>	25,000.00	19,000.00	15,000.00
<b>Insurance-Gen Plant</b>	78,000.00	41,000.00	50,000.00
<b>Local Utility Services</b>	25,000.00	24,000.00	20,000.00
<b>Misc. Consum, Supplies &amp; Mat'ls</b>	10,000.00	4,500.00	25,000.00
<b>NERC Compliance</b>	200,000.00	255,000.00	200,000.00
<b>O&amp;M Contract Labor</b>	650,000.00	665,000.00	600,000.00
<b>Permit Fees</b>	50,000.00	49,000.00	35,000.00
<b>Plant Info Services/IT</b>	20,000.00	6,000.00	10,000.00
<b>Regulatory Compliance</b>	50,000.00	75,000.00	100,000.00
<b>Telephone</b>	8,000.00	9,700.00	15,000.00
<b>Tools &amp; Shop Equipment</b>	5,000.00	3,300.00	10,000.00
<b>Training &amp; Travel</b>	10,000.00	6,600.00	10,000.00
<b>Water Treatment Systems</b>	60,000.00	68,000.00	60,000.00
<b>Major Maintenance</b>	750,000.00	750,000.00	750,000.00
<b>SCADA Operations</b>	9,650.00	85,000.00	34,000.00
<b>Total Generation Plant O&amp;M</b>	<b>2,936,150.00</b>	<b>3,075,100.00</b>	<b>2,868,000.00</b>
<b>Fuel Costs</b>	2,500,000.00	1,750,000.00	2,000,000.00

**Delaware Municipal Electric Corporation  
Adopted 2019 Beasley Capital Budget**

**Major Capital Items**

Gas Compressor #2 Major Seal Maintnace	\$ 28,200
Soft-start starters for Turbine and Generator fans Unit-1	72,088
Soft-start starters for Turbine and Generator fans Unit-2	72,088
Soft-start starters for SCR blowers for Unit-2	51,730
Unit-2 HMI Upgrade and Net-Sim Simulator both units	159,113
Unit-2 Stage 3-5 Turbine Compressor blades	300,000
Total Capital Budget	<u><u>\$ 683,219</u></u>

If all projects complete balance in Cap Asset Reserve at 12.31.19 projected at \$ 766,006

Digital Records Project New Documents Created – November 29-December 5

Name	# of Documents	# of Pages	Types
Samantha	25	106	Parks and Recreation Documents
Sandy	241	2,980	AP Batch Records/Administration Correspondence/PUBS Daily Cash Receipts/Court Documents
Fred	20	134	Building Plans
Debbie	188	4,730	PUBS Daily Cash Receipts
Ana (PT)	270	1,471	Court Documents
Anita (PT)	12	235	Miscellaneous Current Files
Total	756	9,656	

Digital Records Project Documents Modified\* – November 29-December 5

Name	# of Documents	# of Pages	Types
Samantha	60	146	Building Permits/Parks and Recreation Documents
Sandy	241	2,980	AP Batch Records/Administration Correspondence/PUBS Daily Cash Receipts/Court Documents
Fred	24	533	Building Plans
Debbie	188	4,730	PUBS Daily Cash Receipts
Ana (PT)	271	1,475	Court Documents
Anita (PT)	14	238	Miscellaneous Current Files
Total	798	10,102	

Monthly Year-Over-Year New Document Page Totals

Month	2017	2018	Change +/-
January	45,159	45,288	+129
February	28,898	20,852	-8,046
March	32,952	25,727	-7,225
April	31,188	32,595	+1,407
May	18,988	40,272	+21,284
June	15,578	17,662	+2,084
July	26,106	23,131	-2,975
August	22,939	30,880	+7,941
September	29,779	38,612	+8,833
October	31,314	48,801	+17,487
November	36,662	43,574	+6,912
December	32,295		
Totals	352,488		

Monthly Year-Over-Year Modified Document Page Totals\*

Month	2017	2018	Change +/-
January	0	49,088	+49,088
February	0	72,213	+72,213
March	0	52,137	+52,137
April**	175,492	53,599	-121,893
May	14,718	49,087	+34,369
June	14,906	30,590	+15,684
July	28,804	30,099	+1,295
August	18,646	41,820	+23,174
September	19,716	43,957	+24,241
October	23,730	62,239	+38,509
November	27,776	46,455	+18,679
December	29,452		
Totals	353,240		

\*Includes documents created in other departments, but sent to the Digital Records Division to be scanned as well as ongoing quality control updates.

\*\*Entire database was modified in April 2017.

NEWARK POLICE DEPARTMENT

WEEK 11/25/18-12/01/18

INVESTIGATIONS

CRIMINAL CHARGES

	2017 TO <u>DATE</u>	2018 TO <u>DATE</u>	THIS WEEK 2018	2017 TO <u>DATE</u>	2018 TO <u>DATE</u>	THIS WEEK 2018
<u>PART I OFFENSES</u>						
a)Murder/Manslaughter	1	0	0	0	0	0
b)Attempt	0	0	0	0	0	0
Kidnap	1	1	0	2	0	0
Rape	7	14	0	0	4	0
Unlaw. Sexual Contact	11	5	0	2	6	0
Robbery	28	18	0	15	25	0
- Commercial Robberies	10	8	0	2	9	0
- Robberies with Known Suspects	1	1	0	0	2	0
- Attempted Robberies	2	0	0	5	1	0
- Other Robberies	15	9	0	8	13	0
Assault/Aggravated	25	19	0	21	28	0
Burglary	48	40	0	15	17	0
- Commercial Burglaries	10	11	0	3	2	0
- Residential Burglaries	29	25	0	11	13	0
- Other Burglaries	9	4	0	1	2	0
Theft	526	543	15	197	214	16
Theft/Auto	45	49	1	5	6	0
Arson	1	0	0	0	0	0
All Other	92	97	1	73	95	1
<b>TOTAL PART I</b>	<b>785</b>	<b>786</b>	<b>17</b>	<b>330</b>	<b>395</b>	<b>17</b>
<u>PART II OFFENSES</u>						
Other Assaults	281	238	6	130	167	0
Rec. Stolen Property	2	1	0	18	18	1
Criminal Michief	190	143	1	50	113	0
Weapons	20	12	0	32	37	0
Other Sex Offenses	0	0	0	0	0	0
Alcohol	143	211	1	256	407	3
Drugs	138	139	2	156	185	1
Noise/Disorderly Premise	779	745	10	296	347	4
Disorderly Conduct	144	152	5	146	98	1
Trespass	199	217	3	109	67	2
All Other	405	358	6	352	332	16
<b>TOTAL PART II</b>	<b>2301</b>	<b>2216</b>	<b>34</b>	<b>1545</b>	<b>1771</b>	<b>28</b>
<u>MISCELLANEOUS:</u>						
Alarm	270	156	3	0	0	0
Animal Control	448	452	10	5	2	0
Recovered Property	298	259	9	0	0	0
Service	34387	36417	715	0	0	0
Suspicious Per/Veh	576	455	7	0	0	0
<b>TOTAL MISC.</b>	<b>35979</b>	<b>37739</b>	<b>744</b>	<b>5</b>	<b>2</b>	<b>0</b>

	THIS WEEK	2017 TO <u>DATE</u>	THIS WEEK	2018 TO <u>DATE</u>
TOTAL CALLS	939	44,436	912	47,131





Newark Police Department  
Weekly Traffic Report  
11/25/18-12/01/18



TRAFFIC SUMMONSES	2017 YTD	2018 YTD	THIS WEEK 2017	THIS WEEK 2018
Moving/Non-Moving	8350	9575	257	135
DUI	162	178	5	4
<b>TOTAL</b>	<b>8512</b>	<b>9753</b>	<b>262</b>	<b>139</b>

\*Included in the total collision numbers

TRAFFIC COLLISIONS				
<b>Fatal</b>	1	0	0	0
Personal Injury	237	221	3	9
Property Damage <b>(Reportable)</b>	1060	1049	34	27
*Hit & Run	230	226	6	8
*Private Property	225	265	4	6
<b>TOTAL</b>	<b>1298</b>	<b>1270</b>	<b>37</b>	<b>36</b>

Note: Typically, the YTD numbers are generated by adding the current week statistics to the YTD statistics from the previous reporting period. Periodically, the numbers for this report will be generated from the beginning of the year to capture data that may have otherwise been omitted due to a processing delay or other administrative anomaly, more accurately updating the year-to-date totals.