COUNCIL COMMITTEE OF THE WHOLE
AGENDA

FEBRUARY 14, 2017 - 6:00 P.M.

CITY HALL COUNCIL CHAMBERS
15 LOOCKERMAN PLAZA - DOVER, DELAWARE

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

PARKS, RECREATION, AND COMMUNITY ENHANCEMENT COMMITTEE

AGENDA ADDITIONS/DELETIONS

1. **REVIEW OF SCHUTTE PARK MASTER PLAN**
   (STAFF RECOMMENDS APPROVAL OF THE SCHUTTE PARK MASTER PLAN)

2. **COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM QUARTERLY UPDATE (OCTOBER, NOVEMBER, AND DECEMBER)**
   (COMMITTEE ACTION NOT REQUIRED)

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

UTILITY COMMITTEE

AGENDA ADDITIONS/DELETIONS

1. **DISCUSSION - OVERVIEW OF ELECTRIC RATES**

2. **QUARTERLY REVIEW OF UTILITY RELATED CAPITAL INVESTMENT PLAN (CIP) (ELECTRIC AND WATER/WASTEWATER)**(OCTOBER, NOVEMBER, AND DECEMBER)
   (COMMITTEE ACTION NOT REQUIRED)

3. **UPDATES**
   (COMMITTEE ACTION NOT REQUIRED ON THE BELOW ITEMS)
   A. **GREEN ENERGY FUNDING AND PROGRAMMING**
   B. **NATIONAL POLLUTION DISCHARGE ELIMINATION SYSTEM (NPDES) MUNICIPAL SEPARATE STORM SEWER SYSTEMS (MS4) PERMIT**

4. **ADJOURNMENT OF UTILITY COMMITTEE MEETING**

LEGISLATIVE, FINANCE, AND ADMINISTRATION COMMITTEE

AGENDA ADDITIONS/DELETIONS

1. **PROPOSED AMENDMENTS TO CHAPTER 17, TITLE 22 OF THE DELAWARE CODE RELATING TO MUNICIPAL TAX INCREMENT FINANCING AND CHAPTER 18, TITLE 22 OF THE DELAWARE CODE RELATING TO MUNICIPAL SPECIAL DEVELOPMENT DISTRICTS** (JOHN PARADEE)

2. **EXPIRATION OF DOWNTOWN DOVER PARTNERSHIP (DDP) LOAN GUARANTEE EXTENSION**
   (DURING THEIR MEETING OF JULY 14, 2014, COUNCIL APPROVED THE EXTENSION OF THE DOWNTOWN DOVER PARTNERSHIP (DDP) LOAN GUARANTEE WITH PNC BANK THROUGH MARCH 1, 2017)
   (STAFF RECOMMENDS AN EXTENSION OF THE CITY GUARANTEE OF THE DOWNTOWN DOVER PARTNERSHIP LOANS FOR A PERIOD OF THREE (3) YEARS EFFECTIVE MARCH 1, 2017 ON THE LOANS BETWEEN PNC BANK AND THE PARTNERSHIP)

3. **REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS FOR THE FISCAL YEAR ENDING JUNE 30, 2016**
   (STAFF RECOMMENDS ACCEPTANCE OF THE REPORT)

4. **PRESENTATION - COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)**
   (STAFF RECOMMENDS ACCEPTANCE OF THE REPORT)

5. **STATUS OF OTHER POST-EMPLOYMENT BENEFITS (OPEB) AND PENSION FUNDS**
   (COMMITTEE ACTION NOT REQUIRED)

6. **ADJOURNMENT OF LEGISLATIVE, FINANCE, AND ADMINISTRATION COMMITTEE MEETING**

ADJOURNMENT OF COUNCIL COMMITTEE OF THE WHOLE MEETING

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

ACTION FORM

PROCEEDING: Parks, Recreation and Community Enhancement Committee
DEPARTMENT OF ORIGIN: Planning/Parks and Recreation **DATE SUBMITTED**: February 1, 2017
PREPARED BY: Ann Marie Townshend, AICP, Director of Planning & Community Development
SUBJECT: Review of Schutte Park Master Plan
REFERENCE: N/A
RELATED PROJECT: City of Dover Recreation Needs Assessment
REVIEWED BY: Scott Koenig, P.E., City Manager
EXHIBITS: Schutte Park Master Plan
EXPENDITURE REQUIRED: None with this action **AMOUNT BUDGETED**: $100,000 **FUNDING SOURCE (Dept./Page in CIP & Budget)**: 147-1500-525.40-31
TIME TIMETABLE: Following approval of concept, staff will proceed with getting costs for the stormwater and entrance design and construction cost estimates.
RECOMMENDED ACTION: Staff recommends that the Committee recommend approval of the Schutte Park Master Plan.

BACKGROUND AND ANALYSIS

Following the completion of the Recreation Needs Assessment, the Planning Office, Public Works Department, and Parks and Recreation Department began work on a master plan for Schutte Park. This master plan was to include the development of multi-purpose fields, completion of the loop pathway system, and other amenities that were identified in the Recreation Needs Assessment. Staff developed a conceptual plan, which was shared at a public workshop on July 20, 2016. Following review of the public feedback, staff worked on additional design. The results of this work are attached for the Committee's review.

Once the design is endorsed, staff will work with the Public Works Department to complete the stormwater and entrance design and to develop cost estimates for each phase. This will likely be done by one of the City's engineering consultants.

Schutte Park Master Plan

February 14, 2017

Overview

The *Schutte Park Master Plan* is a product of the *City of Dover Recreation Needs Assessment.* This primary planning document for all of the city parks was approved by City Council on August 10, 2015. Among the implementation strategies named in this plan is a recommendation that master plans be developed for each of Dover's three anchor parks (Schutte Park, Silver Lake Park, and Dover Park). The master plan for Schutte Park is the first of the three to be developed.

The *Needs Assessment* included a public process to determine park users' priorities in the future development of the anchor parks. Many of the specific recommendations of the *Schutte Park Master Plan,* including the finished loop trail, new athletic fields, additional parking, fitness stations and skate park come directly from the *Needs Assessment.* The primary purpose of the master plan is to organize these desired amenities into an attractive and efficient park design that park visitors will enjoy returning to again and again.

Development of the master plan was ongoing throughout 2016, and included a public workshop on July 20, 2016 to gather feedback on a draft design. The public workshop led to several important changes to the design, including a reduction in new parking on the west side of the park and the addition of restrooms and water fountains. Development also included consultation with outside experts, who produced the concepts included in this plan for the skate park and a disc golf course. More detailed design of these two amenities is needed based on the particular needs and desires of their users.

Phasing

The master plan includes four phases, detailed below:

PHASING		
Phase	Description	Anticipated Timeframe
Phase 1	-Finish loop trail; plant additional trees and wooded areas and install benches along paths -Install disc golf course -Pave and stripe existing parking lots; use pervious pavement for parking spaces -Grade and seed west of Former Wyoming Mill Rd; begin using additional field space	2017-2018
Phase 2	-Construct multi-use artificial turf field and entrance plaza -Plant rain garden between pond and softball fields; wooded area east of pond -Add additional storage space	2019-2020
Phase 3	-Construct new parking and event plaza using shared paving near intersection of Wyoming Mill Rd and Hazlettville Rd -Install outdoor exercise equipment along loop trail -Install bathrooms and water fountains adjacent to event plaza -Plant rain garden south of future skate park; wooded area east of new parking lot	2021-2022
Phase 4	-Construct new park shelter adjacent to event plaza -Construct skate park adjacent to event plaza	2023-2024

Estimates of the area to be developed in each phase are as follows:

AREA/QUANTITY ESTIMATES					
	Phase 1	Phase 2	Phase 3	Phase 4	Total
New trails	75,320 S.F. / 7,532 L.F.	5,954 S.F. / 595 L.F.	6,742 S.F. / 674 L.F.	N/A	88,016 S.F. / 8,802 L.F.
New Drive aisles	91,295 S.F.	N/A	26,918 S.F.	N/A	118,213 S.F.
Pervious Parking Spaces	62,991 S.F. / 378 spaces	N/A	16,776 S.F. / 94 spaces	N/A	79,767 S.F. / 472 spaces
Plazas	N/A	1,292 S.F.	10,499 S.F.	N/A	11,791 S.F.
New structures	N/A	437 S.F. (sheds)	558 S.F. (bathroom)	858 S.F. (park shelter)	1,853 S.F.
Artificial Turf Field	N/A	97,275 S.F.	N/A	N/A	97,275 S.F.
Skate Park	N/A	N/A	N/A	8,100 S.F.	8,100 S.F.
New trees	665	116	71	N/A	853
New light poles	65	5	47	N/A	117

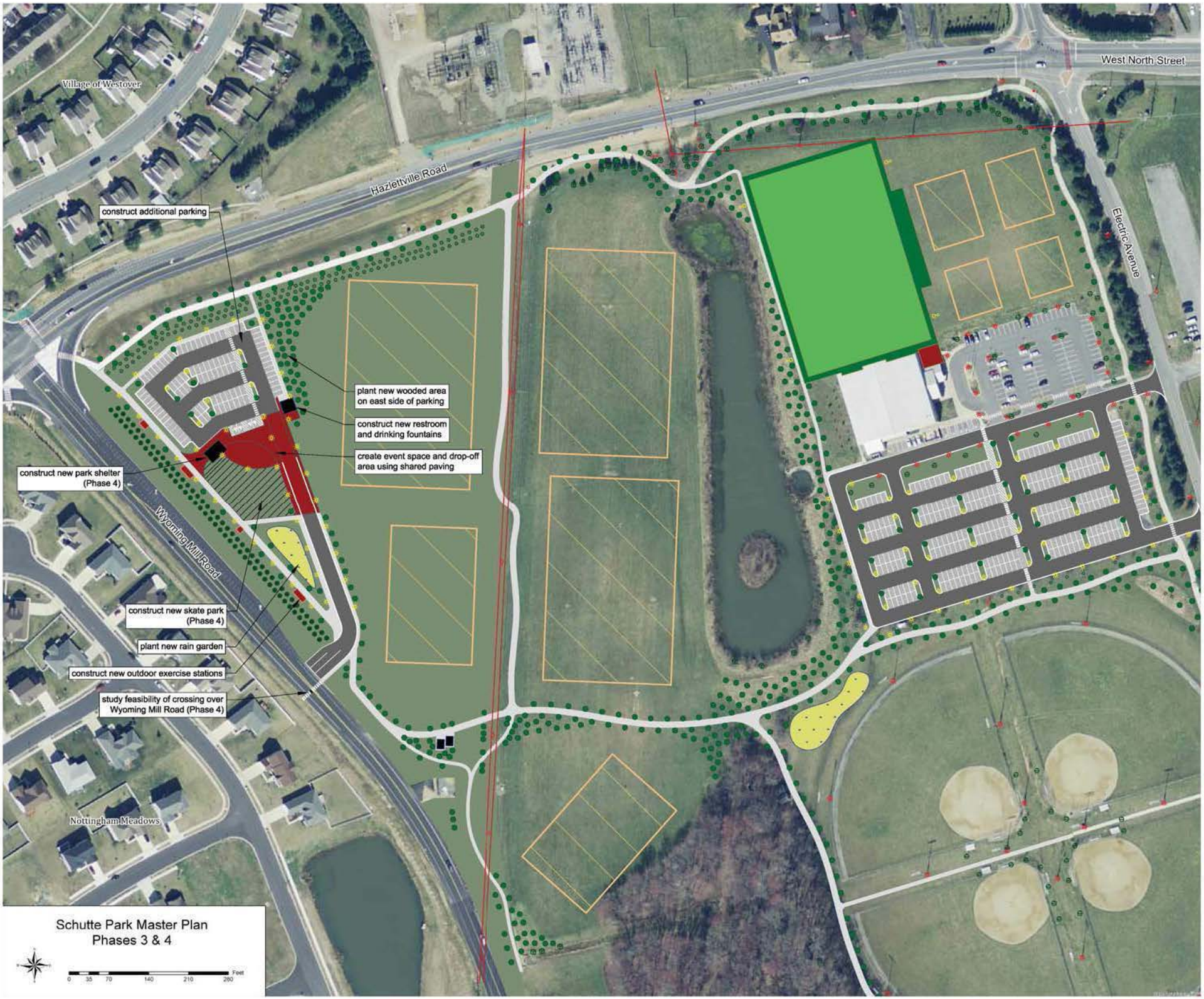
Plan Documents

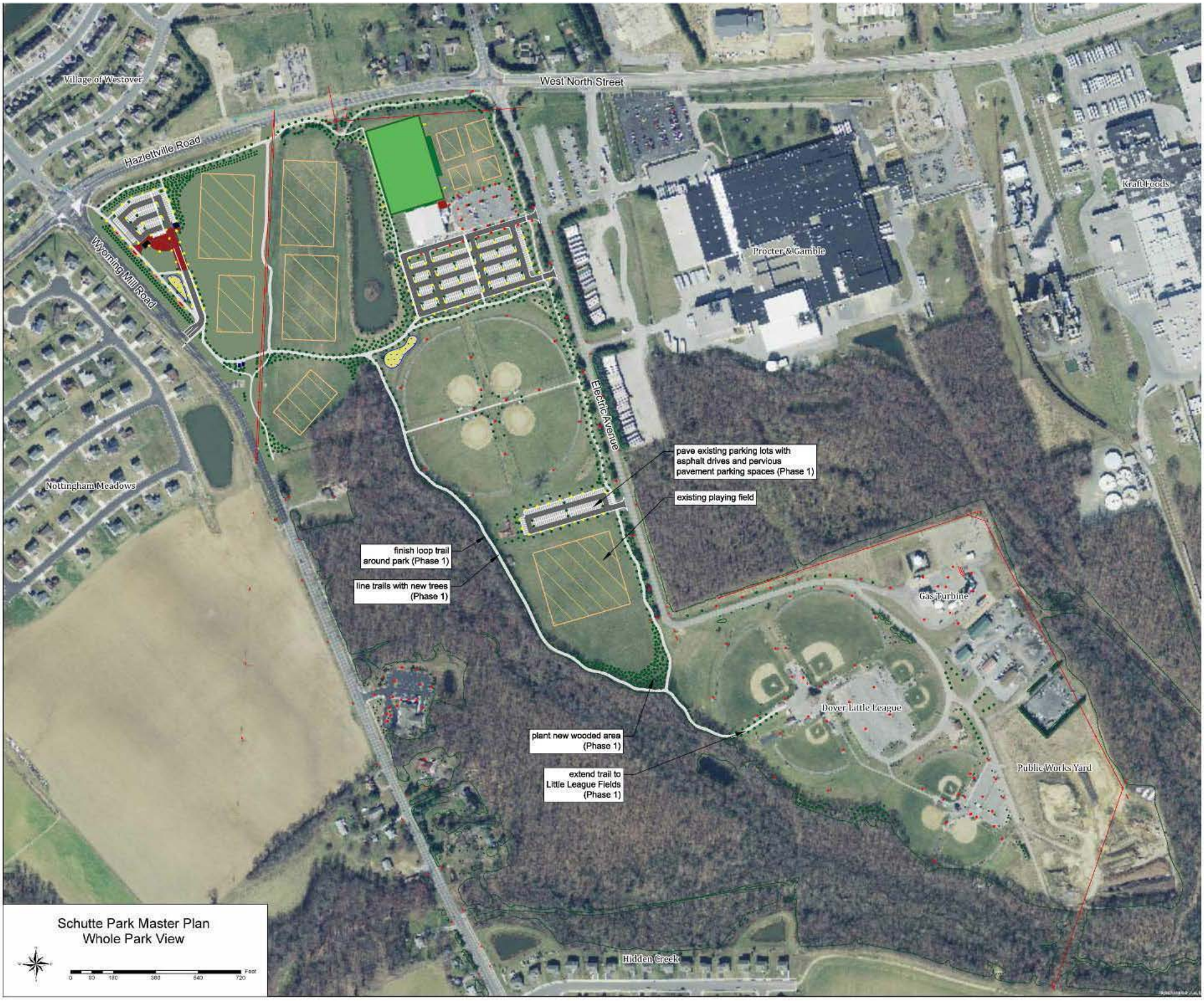
1. Existing Conditions Map
2. Phase 1 Plan
3. Phase 2 Plan
4. Phases 3 & 4 Plan
5. Renderings
6. Skate park concepts
7. Disc golf route
8. Rain garden examples
9. Shared pavement examples
10. Draft plan of 7/20/16 (for comparison purposes only)


Village of Westover
Limits of Stormwater Protection Overlay Zone (2007)
West North Street
Hazlettville Road
Trail Extension (2013)
Electric Avenue
Limits of Stormwater Protection Overlay Zone (2007)
Pitts
Center
(2008)
Nottingham Meadows
Land Donation (2004)
Lake
Wyoming Mill Road (2013)
existing playing
fields
Nottingham Meadows
Softball Fields
Schutte Park: Existing Conditions
0 35 70 140 210 280
Feet


Village of Westover
West North Street
Hazlettville Road
Electric Avenue
Wyoming Mill Road
Grade and seed park extension for field use
Finish loop trail around park
Add new multi-use fields
Line trails with new trees
pave existing parking lots with asphalt drives and pervious pavement parking spaces
Nottingham Meadows
Schutte Park Master Plan
Phase 1
0 35 70 140 210 280
Feet


construct new artificial turf field with lighting
West North Street
Village of Westover
Hazlettville Road
Electric Avenue
construct entrance plaza to recreation center and turf field
Wyoming Mill Road
plant new wooded area on east side of pond
plant new rain garden
add storage as needed for western fields
Nottingham Meadows
Schutte Park Master Plan
Phase 2
0 35 70 140 210 280
Feet


Village of Westover
West North Street
Hazlettville Road
Electric Avenue
Wyoming Mill Road
Nottingham Meadows
construct additional parking
plant new wooded area on east side of parking
construct new restroom and drinking fountains
create event space and drop-off area using shared paving
construct new park shelter (Phase 4)
construct new skate park (Phase 4)
plant new rain garden
construct new outdoor exercise stations
study feasibility of crossing over Wyoming Mill Road (Phase 4)
Schutte Park Master Plan
Phases 3 & 4
0 35 70 140 210 280 Feet


Village of Westover
West North Street
Hazlettville Road
Wyoming Mill Road
Nottingham Meadows
Electric Avenue
Procter & Gamble
Kraft Foods
pave existing parking lots with asphalt drives and pervious pavement parking spaces (Phase 1)
existing playing field
finish loop trail around park (Phase 1)
line trails with new trees (Phase 1)
plant new wooded area (Phase 1)
extend trail to Little League Fields (Phase 1)
Gas Turbine
Dover Little League
Public Works Yard
Hidden Creek
Schutte Park Master Plan
Whole Park View
0
90
180
360
540
720
Feet

Pitts Center and artificial turf field, looking northwest



***Renderings are illustrative, and do not show final site details (furnishings, pavement patterns, etc.)**

Western plaza and park shelter, looking west

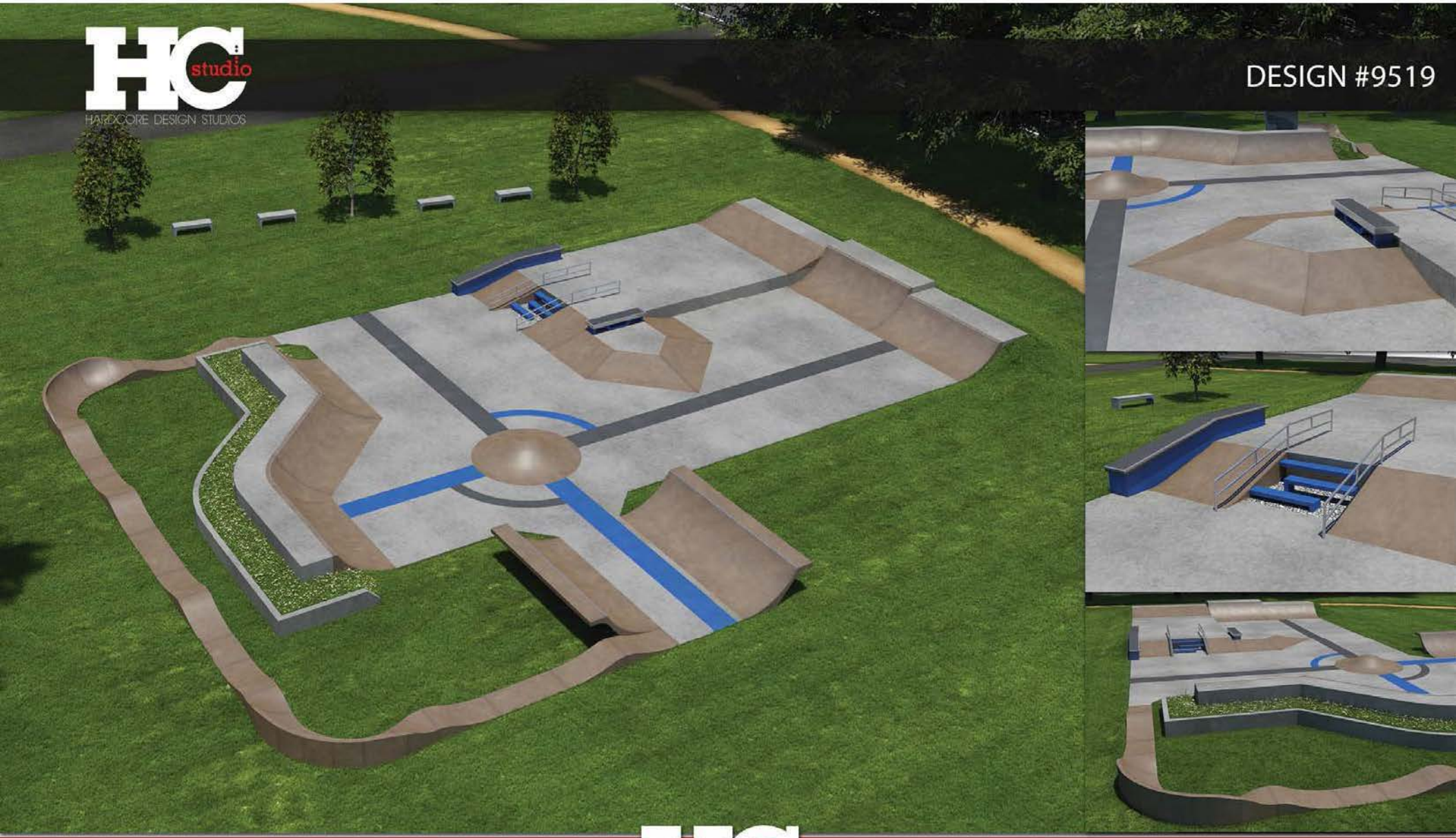


Northwest entrance to park, looking south



HC studio
HARDCORE DESIGN STUDIOS

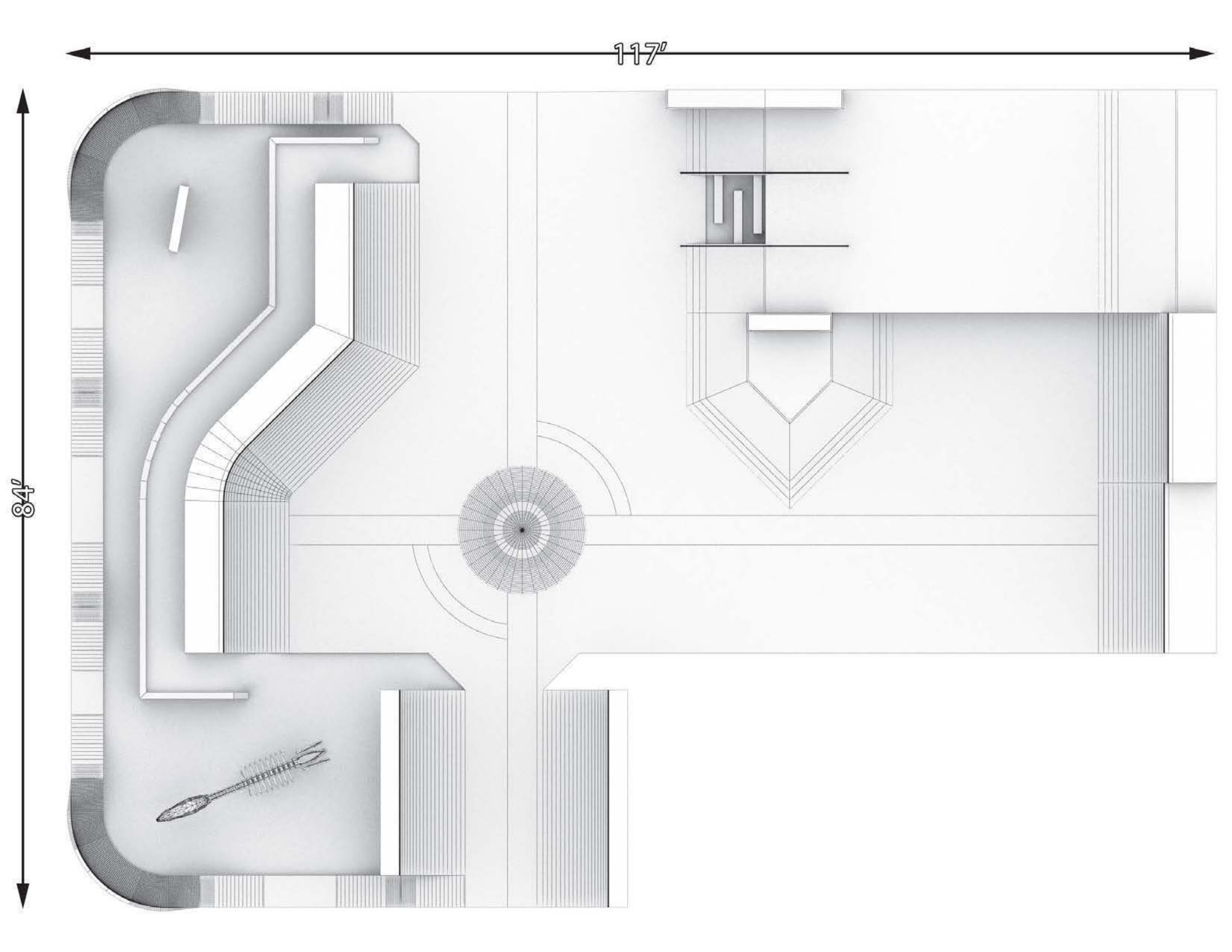
DESIGN #9519



VIDEO FLY-THROUGHS | COMMUNITY ENGAGEMENT | 3D ILLUSTRATIONS | SUSTAINABLE APPROACH

HC studio
HARDCORE DESIGN STUDIOS

WWW.HCSKATEPARKS.COM


117'
84'



SPOHN RANCH
SKATEPARKS

SCHUTTE PARK skatepark

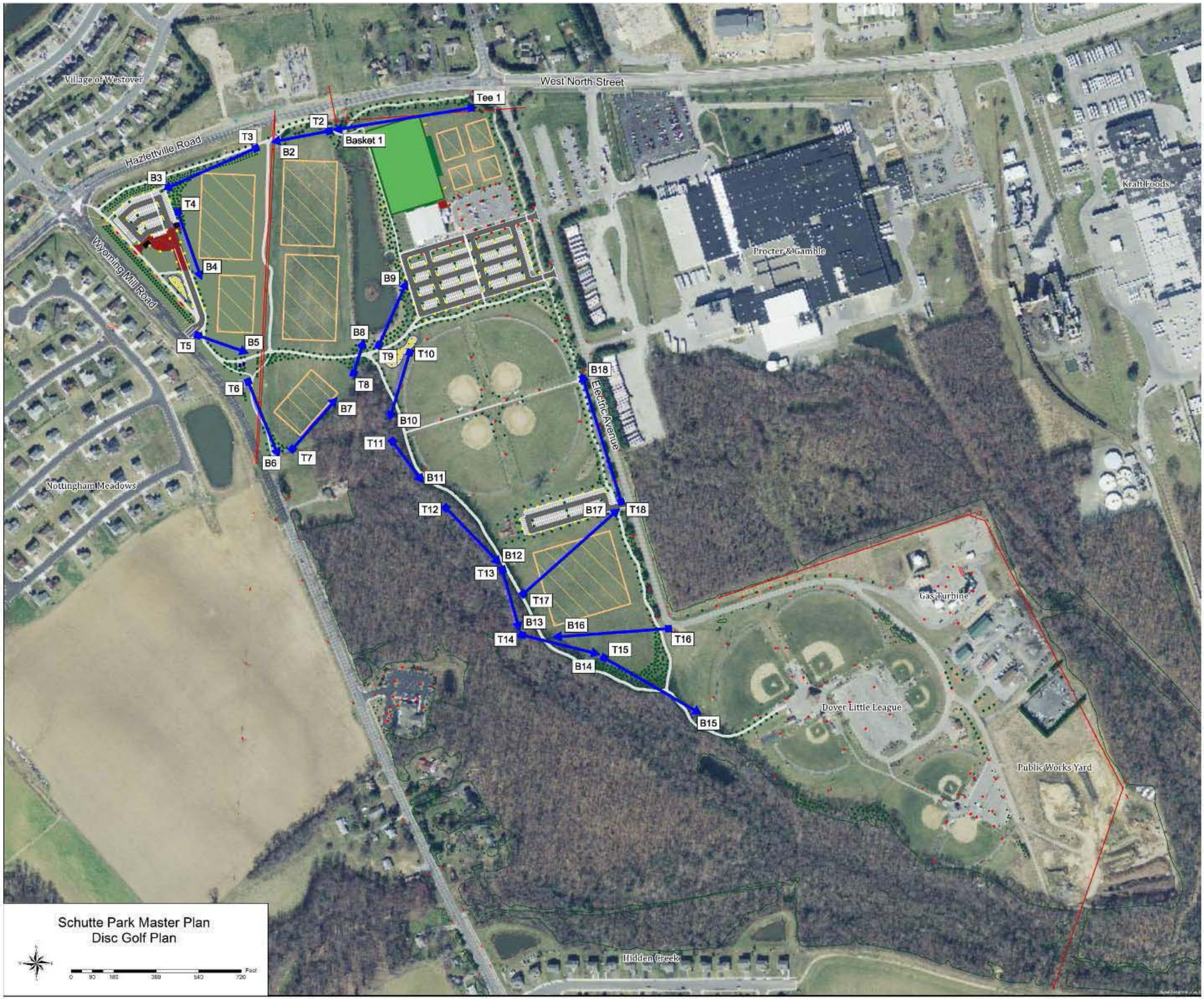
DOVER, DE



SPOHN RANCH
SKATEPARKS

SCHUTTE PARK skatepark

DOVER, DE


Village of Westover
West North Street
Hazlettville Road
Wyoming Mill Road
Nottingham Meadows
Procter & Gamble
Kraft Foods
Electric Avenue
Gas Turbine
Dover Little League
Public Works Yard
Hidden Creek
Tee 1
Basket 1
T2
T3
B2
B3
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B14
T15
B15
T16
B16
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B17
T18
B18
Schutte Park Master Plan
Disc Golf Plan
0
90
180
360
540
720
Feet

Rain Garden examples



Source: http://www.nature.org/ourinitiatives/regions/northamerica/unitedstates/newjersey/explore/rain-gardens-1.xml





Shared pavement examples



Characteristics:

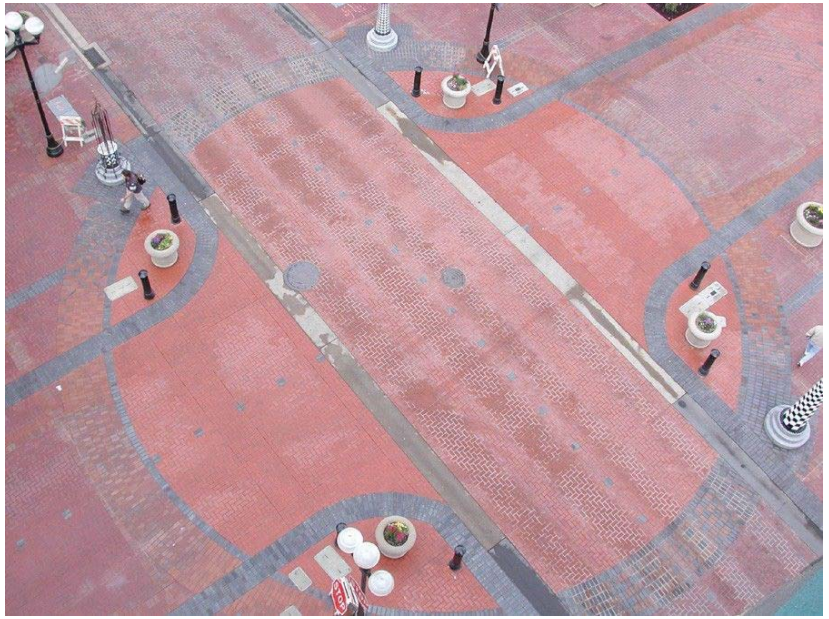
-textured pavements with flush curbing to reinforce priority of pedestrians

-street furniture (bollards, planters, etc.) to delineate car-traveled way and pedestrian-only space

Source: http://nacto.org/publication/urban-street-design-guide/streets/residential-shared-street/



Broad Street, Victoria, BC



West Broadway, Eugene, OR

DRAFT PLAN

7/20/2016



CDBG Quarterly Report
October, November, December 2016

CDBG FY16 Projects
The following projects are underway.

Homeownership Assistance Program
CDBG funds will be used to provide homeownership assistance to first-time homebuyers who purchase affordable housing in the City of Dover. One family has purchased a home, and two families are under contract to purchase homes.

Dover Interfaith Mission for Housing
CDBG funds will be used to provide operations cost for the shelter. Sixty-two 62% of funds have been expended year to date.

Connections Community Support Program
CDBG funds will be used to provide rapid re-housing/rental assistance services for homeless households within the City.

Milford Housing Homeowner Rehabilitation/Emergency Home Repair Programs
CDBG funds will be used to rehabilitate existing owner occupied housing in the City that is in violation of the City's Housing Code and complete emergency home repairs to eliminate housing conditions that threaten the health and safety of low income homeowners. Bids have been advertised for two (2) single family homes to be rehabbed in the city, and emergency home repairs have been completed for three (3) families.

Habitat for Humanity
CDBG funds will be used to rehabilitate a vacant property to sell to a low income family and provide affordable housing in the City of Dover.

Status of FY-16 Program Funds Spent - Fiscal Year 7/1/16- 6/30/17

2016 Grant Projects	Project Details	Total Grant	Funds Expended	Unencumbered Balance
Homeownership Assistance Program	Funds will be utilized for settlement assistance for properties purchased in the City	$50,000	$50,000	$0
Connections	Funds will be utilized for rapid re-housing/rental assistance for low income persons	$7,208	$0	$7,208
Dover Interfaith Mission for Housing	Funds will be used for operation cost	$22,000	$13,774	$8,227
Milford Housing Development Corp	Funds will be utilized for emergency home repairs. Project underway	$55,000	$0	$55,000
Milford Housing Development Corp	Funds will be utilized for rehabbing owner occupied homes. Project underway	$25,000	$7,430	$17,569
Habitat for Humanity	Funds will be utilized to rehab a single family home for a low income family	$30,000	$0	$30,000
Total		$189,208	$71,204	$118,004

City of Dover
Capital Investment Plan
Project Tracking Report
Quarterly Report as of December 31, 2016

Points to Remember -

* Original Project Budget = Original Total Project Budget initially included in approved annual budget.
* Latest Project Budget = Revised Total Project Budget included in most recent approved annual budget or one of the following: bond resolution, revolving fund loan agreement, Council approved budget amendment, or City Manager approved amendment as per the Budget Amendment Procedure.
* Current Fiscal Year - Revised Fiscal Year Budget = Current Year approved project budgets plus carry forward balances of unspent budgets in the prior fiscal year. Project Carry Forward balances will be submitted to City Council for amendment in January 2010. Can also be amended with City Manager approval per the Budget Amendment Procedure.
* Water Quality, Inflow/Infiltration, Distribution Upgrades and New Development projects are budgeted as a blanket project and once individual projects are identified and estimated they are created using an allocation of the overall budgeted amount.
* Status and Comments provided by City Manager.

Current Year Budget Funding Sources	General	Community Transportation	Water & Wastewater	Electric	Total CIP
Budget Balance	$ 1,425,000	$ 5,500	$ 3,437,200	$ 2,707,400	$ 7,575,100
General Billings for Reimbursement of Expense	105,000	-	-	900,000	1,005,000
Debt Financing	-	-	3,284,000	-	3,284,000
State Community Transportation Funds	-	500,000	-	-	500,000
Transfer from WW Impact Fee Reserve	-	-	402,000	-	402,000
Transfer from General Fund	1,859,400	-	-	-	1,859,400
Transfer from Operating Funds	-	-	2,000,000	2,731,200	4,731,200
Transfer from Parkland Reserve	80,000	-	-	-	80,000
Grant Receipt	-	-	-	5,000	5,000
Interest Income	5,000	-	20,000	40,000	65,000
Total Funding Sources (Unaudited)	$ 3,474,400	$ 505,500	$ 9,143,200	$ 6,383,600	$ 19,506,700

City of Dover
General Fund - Major CIP Projects
Quarterly Report as of December 31, 2016

				TOTAL PROJECT - PAST, CURRENT & FUTURE BUDGETS					CURRENT FISCAL YEAR						
	Project Code	Type	Description	Original Project Budget	Latest Project Budget	Project To Date Expenses	Project Budget Balance	% Budget Spent	Original Fiscal Year Budget	Revised Fiscal Year Budget	Fiscal YTD Expenses	Budget Balance	% Budget Spent	Status	Comments
1			**FY 2015**												
2	PR1402	M	Schutte Park Land Improvements	$ 100,000	$ 190,000	$ 49,700	$ 140,300	26.2%	$ 100,000	$ 100,000	$ -	$ 100,000	0.0%		
3	ST1504		Old PW2 Site Improvements	535,000	603,500	573,543	29,957	95.0%	-	106,700	76,695	30,005	71.9%	In Process	Design work ongoing 85% level
4			**Totals - FY 2015**	$ 635,000	$ 793,500	$ 623,243	$ 170,257	78.5%	$ 100,000	$ 206,700	$ 76,695	$ 130,005	37.1%		
5															
6			**FY 2016**												
7	ST1601		FY16 Street and Alley Program	$ 1,000,000	$ 859,400	$ 717,708	$ 141,692	83.5%	$ -	$ 401,700	$ 260,043	$ 141,657	64.7%	Complete	Final invoices to be paid
8	ST1603		Valve Replacement - Silver Lake Dam	60,000	97,600	97,513	87	0.0%	-	93,900	93,862	38	100.0%	Complete	
9	ST1604		Salt Storage Barn (originally proj ST1301)	50,000	135,000	12,562	122,438	9.3%	-	122,400	-	122,400	0.0%	In Process	Project awarded, to begin in Spring
10	CT1669		Persimmon Park Place Drainage Study	24,600	24,600	23,661	940	96.2%	-	10,900	9,916	985	91.0%	In Process	99% complete with project
11			**Totals - FY 2016**	$ 1,134,600	$ 1,116,600	$ 851,444	$ 265,156	76.3%	$ -	$ 628,900	$ 363,820	$ 265,080	57.9%		
12															
13			**FY 2017**												
14	---		Vehicles & Equipment	$ 695,200	$ 854,600	$ 369,404	$ 485,196	43.2%	$ 695,200	$ 854,600	$ 369,404	$ 485,196	43.2%	In Process	
15	---		Library Wall	-	15,000	-	15,000	0.0%	-	15,000	-	15,000	0.0%		
16	CM1701		401 & 415 Water Street Properties	-	485,000	411,362	73,638	84.8%	-	485,000	411,362	73,638	84.8%	In Process	
17	FR1700	R	Annual Contribution for Ladder 1	145,700	145,700	145,614	86	99.9%	145,700	145,700	145,614	86	99.9%	Complete	
18	PR1701		Dover Park - Master Plan	50,000	50,000	-	50,000	0.0%	50,000	50,000	-	50,000	0.0%		
19	PR1704		Small Park Improvements	15,000	15,000	-	15,000	0.0%	15,000	15,000	-	15,000	0.0%		
20	PD1701		Video Storage Array	12,500	12,500	-	12,500	0.0%	12,500	12,500	-	12,500	0.0%		
21	ST1701	R	FY17 Street and Alley Program	900,000	812,000	-	812,000	0.0%	900,000	812,000	-	812,000	0.0%	In Process	Proj awarded, awaiting paperwork
22	ST1702		Misc Emerg Street/Stormwater Repairs	-	123,000	51,172	71,828	41.6%	-	123,000	51,172	71,828	41.6%	In Process	Project open and ongoing
23	ST1703		Silver Lake Dam Improvements	126,000	126,000	-	126,000	0.0%	126,000	126,000	-	126,000	0.0%	In Process	Design to begin by 11/15
24			**Totals - FY 2017**	$ 1,944,400	$ 2,638,800	$ 977,552	$ 1,661,248	37.0%	$ 1,944,400	$ 2,638,800	$ 977,552	$ 1,661,248	37.0%		
25															
26			**Grand Totals**	$ 3,714,000	$ 4,548,900	$ 2,452,239	$ 2,096,662	53.9%	$ 2,044,400	$ 3,474,400	$ 1,418,067	$ 2,056,333	40.8%		

Legend

M = Multi-year project - a project with a specific schedule to occur over multiple years.
R = Recurring project - a project that begins and ends each fiscal year and is re-budgeted to start over each fiscal year.
G = Grant funded project
B/L = To be financed through bonds or commercial loan.

City of Dover
Community Transportation - Major CIP Projects
Quarterly Report as of December 31, 2016

				TOTAL PROJECT - PAST, CURRENT & FUTURE BUDGETS					CURRENT FISCAL YEAR						
	Project Code	Type	Description	Original Project Budget	Latest Project Budget	Project To Date Expenses	Project Budget Balance	% Budget Spent	Original Fiscal Year Budget	Revised Fiscal Year Budget	Fiscal YTD Expenses	Budget Balance	% Budget Spent	Status	Comments
1			**FY 2014 & Prior**												
2	ST0232		Pat Lynn Drive/D.H.S. Storm Drain Pipe	$ 155,200	$ 190,300	$ 184,778	$ 5,522	97.1%	$ -	$ 5,500	$ -	$ 5,500	0.0%		
3	TE0601		Lincoln Park Center	900,000	602,400	523,277	79,123	86.9%	79,100	79,100	-	79,100	0.0%		
4			**Totals - FY 2014 & Prior**	$ 1,055,200	$ 792,700	$ 708,055	$ 84,645	89.3%	$ 79,100	$ 84,600	$ -	$ 84,600	0.0%		
5															
6			**FY 2016**												
7	CT1627		FY16 Paving Projects - Boggs Drive	$ 247,400	$ 247,400	$ 139,762	$ 107,638	56.5%	$ 107,600	$ 107,600	$ -	$ 107,600	0.0%	In Process	Scheduled to begin in Spring
8	CT1681		Pedestrian Enhancement-Mallard Pond Pathway	50,000	100,000	71,093	28,907	71.1%	50,000	100,000	71,093	28,907	71.1%	In Process	Lighting being installed in coming weeks
9			**Totals - FY 2016**	$ 297,400	$ 347,400	$ 210,855	$ 136,545	60.7%	$ 157,600	$ 207,600	$ 71,093	$ 136,507	34.2%		
10															
11			**FY 2017**												
12	CT1714		Paving Project - Paper Alley	$ 15,000	$ 15,000	$ -	$ 15,000	0.0%	$ 15,000	$ 15,000	$ -	$ 15,000	0.0%	In Process	Scheduled to begin in Spring
13	CT1731		E Water Street Brick	85,000	85,000	1,000	84,000	1.2%	85,000	85,000	1,000	84,000	1.2%	Complete	Awaiting final invoice
14	CTxxxx		Unapplied CT Projects (placeholder)	500,000	242,400	-	242,400	0.0%	163,300	113,300	-	113,300	0.0%		
15			**Totals - FY 2017**	$ 600,000	$ 342,400	$ 1,000	$ 341,400	0.3%	$ 263,300	$ 213,300	$ 1,000	$ 212,300	0.5%		
16															
17			**Grand Totals**	$ 1,952,600	$ 1,482,500	$ 919,910	$ 562,590	62.1%	$ 500,000	$ 505,500	$ 72,093	$ 433,407	14.3%		

Legend
M = Multi-year project - a project with a specific schedule to occur over multiple years.
R = Recurring project - a project that begins and ends each fiscal year and is re-budgeted to start over each fiscal year.
C = Project funded by combination of CT Funds and General Fund
B/L = To be financed through bonds or commercial loan.

City of Dover
Electric Improvement & Extension Fund - Major CIP Projects
Quarterly Report as of December 31, 2016

				TOTAL PROJECT - PAST, CURRENT & FUTURE BUDGETS					CURRENT FISCAL YEAR						
	Project Code	Type	Description	Original Project Budget	Latest Project Budget	Project To Date Expenses	Project Budget Balance	% Budget Spent	Current Fiscal Year Budget	Revised Fiscal Year Budget	Fiscal YTD Expenses	Budget Balance	% Budget Spent	Status	Comments
1			**FY 2014**												
2	EG1407		Metering System Upgrades	$ 150,000	$ 90,000	$ 79,636	$ 10,364	88.5%	$ -	$ 90,000	$ 79,636	$ 10,364	88.5%	In Process	Complete, working punch list with contractor
3	EE1415	R	Metering Infrastructure	150,000	150,000	-	150,000	0.0%	-	150,000	-	150,000	0.0%	In Process	
4	EG1416	M	VanSant Capacity Increase	1,500,000	774,100	761,487	12,613	98.4%	-	45,000	32,339	12,661	71.9%	Complete	
5			**Totals - FY 2014**	$ 1,800,000	$ 1,014,100	$ 841,123	$ 172,977	82.9%	$ -	$ 285,000	$ 111,975	$ 173,025	39.3%		
6															
7			**FY 2015**												
8	EE1500		69 kV Rebuild - Horsepond Road	$ 330,500	$ 330,500	$ 142,712	$ 187,788	43.2%	$ -	$ 250,600	$ 62,802	$ 187,798	25.1%	In Process	40% complete; weather hold
9	EE1513	M	Town Point Distribution Feeders	1,650,000	1,650,000	725,857	924,143	44.0%	350,000	350,000	214,379	135,621	61.3%	In Process	Phase 2 about 80% complete
10			**Totals - FY 2015**	$ 1,980,500	$ 1,980,500	$ 868,569	$ 1,111,931	43.9%	$ 350,000	$ 600,600	$ 277,181	$ 323,419	46.2%		
11															
12			**FY 2016**												
13	EG1612		Van Sant Exhaust Plenum Replacement	$ 469,000	$ 469,000	$ 429,958	$ 39,042	91.7%	$ -	$ 46,300	$ 7,299	$ 39,001	15.8%	In Process	Contractor to begin work Spring 2017. Outage begins March 3, 2017
14	EG1613		McKee Unit 3 Stack Repairs	485,000	342,600	304,469	38,131	88.9%	-	340,000	301,845	38,155	88.8%	Complete	Awaiting final report from Contractor
15	EE1605		69 kV Cable Replacement - North Street	565,700	565,700	-	565,700	0.0%	-	135,000	-	135,000	0.0%	In Process	Eng work underway
16	EE1607		Horsepond URD - Distribution Feeders	67,000	67,000	49,450	17,550	73.8%	-	62,500	-	62,500	0.0%	Complete	Additional funds were not needed
17	EE1617		Oak Grove Trailer Park - Dist Upgrade	77,400	77,400	889	76,511	1.1%	-	77,400	889	76,511	1.1%	In Process	On hold; other projects
18	EE1627		Dover East Estates - Dist Upgrade	125,500	125,500	-	125,500	0.0%	-	125,500	-	125,500	0.0%	In Process	On hold; other projects
19	EE1631		North Street OH to UG	170,000	170,000	-	170,000	0.0%	-	170,000	-	170,000	0.0%	In Process	Eng work underway
20			**Totals - FY 2016**	$ 1,959,600	$ 1,817,200	$ 784,766	$ 1,032,434	43.2%	$ -	$ 956,700	$ 310,033	$ 646,667	32.4%		
21															
22			**FY 2017**												
23	---	R	Vehicles & Equipment	$ 165,800	$ 188,800	$ 20,703	$ 168,097	11.0%	$ 165,800	$ 188,800	$ 20,703	$ 168,097	11.0%	In Process	Waiting on contract specifications
24	---		Economic Development Program	-	50,000	-	50,000	0.0%	-	50,000	-	50,000	0.0%		
25	---		Replace Weyandt Hall Door	-	10,000	-	10,000	0.0%	-	10,000	-	10,000	0.0%		
26	---		Compressor Replacement	-	13,000	-	13,000	0.0%	-	13,000	-	13,000	0.0%		
27	---	R	New Developments	1,500,000	1,500,000	620,445	879,555	41.4%	1,500,000	1,500,000	353,251	1,146,749	23.6%	In Process	
28	EE1700		SCADA Master Hardware Replacement	150,000	150,000	35,631	114,369	23.8%	150,000	150,000	35,631	114,369	23.8%	In Process	Coordinating delivery
29	EE1707		LED Lighting Upgrades	17,500	17,500	-	17,500	0.0%	17,500	17,500	-	17,500	0.0%	In Process	
30	EE1708	R	Ampacity Standardization	25,000	25,000	-	25,000	0.0%	25,000	25,000	-	25,000	0.0%	In Process	
31	EE1709		Substation Relay Upgrade	125,000	125,000	4,882	120,118	3.9%	125,000	125,000	4,882	120,118	3.9%	In Process	
32	EE1710		Meeting House Branch Pole Relocation	450,000	450,000	-	450,000	0.0%	450,000	450,000	-	450,000	0.0%	On Hold	
33	EE1711	R	Transmission Line Maintenance Program	75,000	75,000	-	75,000	0.0%	75,000	75,000	-	75,000	0.0%	In Process	
34	EE1712	R	Lighting Project	50,000	50,000	-	50,000	0.0%	50,000	50,000	-	50,000	0.0%	In Process	
35	EE1713	R	Fault Indicators	10,000	10,000	9,935	65	99.4%	10,000	10,000	9,935	65	99.4%	Complete	
36	EE1714		UPS System Replacement	25,000	25,000	-	25,000	0.0%	25,000	25,000	-	25,000	0.0%	In Process	Bid awarded; coordinating install
37	EE1715	R	Distribution Capacitors and Controls	50,000	50,000	2,082	47,918	4.2%	50,000	50,000	2,082	47,918	4.2%	In Process	
38	EG1701		Van Sant Unit 11 Major Inspection	400,000	400,000	5,840	394,160	1.5%	400,000	400,000	5,840	394,160	1.5%	In Process	Awaiting quote from GE. Establish list of parts needed and bid out to other vendors.
39	EG1702	R	McKee Run Unit 3 Boiler Systems	382,000	382,000	-	382,000	0.0%	382,000	382,000		382,000	0.0%	In Process	
40	EG1703	R	McKee Run Bldg Equipment Replacement	59,000	59,000	-	59,000	0.0%	59,000	59,000	-	59,000	0.0%	In Process	Purchase in Feb, install in March
41	EG1704		McKee Run Hydrogen Purity Analyzer	96,000	96,000	-	96,000	0.0%	96,000	96,000	-	96,000	0.0%	In Process	Received quotes; researching suppliers for new equipment
42	EG1707	R	McKee Run Auxiliary System Components	128,000	128,000	30,937	97,063	24.2%	128,000	128,000	30,937	97,063	24.2%	In Process	
43	EG1709		Unit 3 Cooling Water Line Repairs	469,000	469,000	10,867	458,133	2.3%	469,000	469,000	10,867	458,133	2.3%	In Process	Inspection complete. Work done in Fall 2017
44	EG1710	R	Plant Syst Safety & Compl Improvements	112,000	112,000	3,177	108,823	2.8%	112,000	112,000	3,177	108,823	2.8%	In Process	Fencing to be replaced in Spring 2017
45	EG1711	R	Preservation of Structures	131,000	131,000	-	131,000	0.0%	131,000	131,000	-	131,000	0.0%	In Process	
46	EG1712		Remote Start Capability at VanSant	-	25,000	-	25,000	0.0%	-	25,000	-	25,000	0.0%		
47															
48															
49			**Totals - FY 2017**	$ 4,420,300	$ 4,541,300	$ 744,498	$ 3,796,802	16.4%	$ 4,420,300	$ 4,541,300	$ 477,304	$ 4,063,996	10.5%		
50															
51			**Grand Totals**	$ 10,160,400	$ 9,353,100	$ 3,238,956	$ 6,114,144	34.6%	$ 4,770,300	$ 6,383,600	$ 1,176,493	$ 5,207,107	18.4%		

Legend
M = Multi-year project - a project with a specific schedule to occur over multiple years.
R = Recurring project - a project that begins and ends each fiscal year and is re-budgeted to start over each fiscal year.
B = Bonded Project
S = State fully or partially reimbursed project
T = Transfer from blanket New Development original budget
G = Grant funded project

City of Dover
Water/Wastewater Improvement & Extension Fund - Major CIP Projects
Quarterly Report as of December 31, 2016

				TOTAL PROJECT - PAST, CURRENT & FUTURE BUDGETS					CURRENT FISCAL YEAR						
	Project Code	Type	Description	Original Project Budget	Latest Project Budget	Project To Date Expenses	Project Budget Balance	% Budget Spent	Original Fiscal Year Budget	Revised Fiscal Year Budget	Fiscal YTD Expenses	Budget Balance	% Budget Spent	Status	Comments
1			**FY 2008**												
2	WD0804	M	1.0 MG Elevated Water Storage	$ 4,196,600	$ 2,556,000	$ 87,827	$ 2,468,173	3.4%	$ -	$ 2,468,200	$ -	$ 2,468,200	0.0%	In Process	Awaiting approval of proposed Memorandum of Understanding from owner
3			**Totals - FY 2008**	$ 4,196,600	$ 2,556,000	$ 87,827	$ 2,468,173	3.4%	$ -	$ 2,468,200	$ -	$ 2,468,200	0.0%		
4															
5			**FY 2013**												
6	WW1303		Westover PS	$ 768,800	$ 1,403,900	$ 859,327	$ 544,573	61.2%	$ -	$ 593,000	$ 48,437	$ 544,563	8.2%	In Process	Construction to restart in April
7			**Totals - FY 2014**	$ 768,800	$ 1,403,900	$ 859,327	$ 544,573	61.2%	$ -	$ 593,000	$ 48,437	$ 544,563	8.2%		
8															
9			**FY 2015**												
10	WW1503		Hazlettville Road Interceptor	$ 755,000	$ 774,100	$ 659,432	$ 114,668	85.2%	$ -	$ 618,900	$ 504,221	$ 114,680	81.5%	In Process	Awaiting final punch list items
11	WW1507		Retreat Pump Station Replacement	412,500	483,900	343,231	140,669	70.9%	-	447,500	306,900	140,600	68.6%	In Process	95% complete construction
12			**Totals - FY 2015**	$ 1,167,500	$ 1,258,000	$ 1,002,663	$ 255,337	79.7%	$ -	$ 1,066,400	$ 811,121	$ 255,280	76.1%		
13															
14			**FY 2016**												
15	WD1609	M	WTP Process Improvements	$ 1,050,000	$ 1,375,000	$ 324,095	$ 1,050,905	23.6%	$ 1,200,000	$ 1,200,000	$ 78,043	$ 1,121,957	6.5%	In Process	Design work continuing
16	WW1603		Rolling Acres PS Replacement	424,000	424,000	39,173	384,827	9.2%	372,000	396,100	11,279	384,821	2.8%	In Process	Project awarded 1/23/17, contract pending
17	WW1605		Delaware Avenue Sanitary Sewer Ext	25,000	33,000	-	33,000	0.0%	-	33,000	-	33,000	0.0%	In Process	Project to begin in mid February
18			**Totals - FY 2016**	$ 1,499,000	$ 1,832,000	$ 363,268	$ 1,468,732	19.8%	$ 1,572,000	$ 1,629,100	$ 89,322	$ 1,539,778	5.5%		
19															
20			**FY 2017**												
21	---	R	Vehicles & Equipment	$ 222,600	$ 268,700	$ 46,055	$ 222,645	17.1%	$ 222,600	$ 268,700	$ 46,055	$ 222,645	17.1%	In Process	
22	---		Economic Development Program	-	100,000	-	100,000	0.0%	-	100,000	-	100,000	0.0%		
23	WD1700/ WW1700	R	Meter Replacement Project	400,000	400,000	59,564	340,436	14.9%	400,000	400,000	59,564	340,436	14.9%	In Process	Meters have been ordered. Staff replacing large meters as time allows
24	WD1701	R	Wellhead Redevelopment	85,000	85,000	-	85,000	0.0%	85,000	85,000	-	85,000	0.0%	In Process	Wells currently being evaluated
25	WD1704		New Fence - Well #6	-	40,000	-	40,000	0.0%	-	40,000	-	40,000	0.0%	Complete	Awaiting invoice processing
26	WD1705	R	Future Well Installation	100,000	100,000	14,907	85,093	14.9%	100,000	100,000	14,907	85,093	14.9%	In Process	Design is underway for new well
27	WD1706	R	SCADA Equipment Tech Upgrade	88,000	88,000	-	88,000	0.0%	88,000	88,000	-	88,000	0.0%	In Process	Materials scheduled to be ordered soon.
28	WQ1702	R	Water Quality Improvements	720,800	330,800	-	330,800	0.0%	720,800	330,800	-	330,800	0.0%	In Process	
29	WQ1701		Bradford Street Survey	-	28,000	-	28,000	0.0%	-	28,000	-	28,000	0.0%	Complete	
30	WQ1703		Misc Emerg Water Repairs	-	80,000	13,193	66,807	16.5%	-	80,000	13,193	66,807	16.5%	In Process	Project open and ongoing
31	WQ1704		S New Street Water Main Rplcmnt	-	247,000	-	247,000	0.0%	-	247,000	-	247,000	0.0%	In Process	Work began in mid December, 25% complete
32	WW1702		Misc Emerg Sanitary Sewer Repairs	75,000	300,000	73,719	226,281	24.6%	75,000	300,000	73,719	226,281	24.6%	In Process	Project open and ongoing
33	WW1703		Lepore Road Sanitary Sewer Upgrade	50,000	50,000	16,905	33,095	33.8%	50,000	50,000	16,905	33,095	33.8%	In Process	Design is underway, awaiting 75% design submittal
34	WW1704		Delaware Tech PS Replacement	52,000	52,000	-	52,000	0.0%	52,000	52,000	-	52,000	0.0%	In Process	Design is underway, 50% design complete
35	WW1705		Silver Lake PS Replacement	52,000	52,000	-	52,000	0.0%	52,000	52,000	-	52,000	0.0%	In Process	Design is underway, design to follow Del Tech
36	WW1706		Walker Woods PS Replacement	52,000	52,000	-	52,000	0.0%	52,000	52,000	-	52,000	0.0%	In Process	Design is underway, 50% design complete
37	II1700	R	Inflow/Infiltration Removal	1,121,000	777,500	-	777,500	0.0%	1,121,000	777,500	-	777,500	0.0%	In Process	Other projects under review by DelDOT
38	II1701		North Street Gravity Sewer Repair	-	335,500	203,130	132,370	60.5%	-	335,500	203,130	132,370	60.5%	In Process	Awaiting final pavement patch
39			**Totals - FY 2017**	$ 3,018,400	$ 3,386,500	$ 427,473	$ 2,959,027	12.6%	$ 3,018,400	$ 3,386,500	$ 427,473	$ 2,959,027	12.6%		
40															
41			**Grand Totals**	$ 10,650,300	$ 10,436,400	$ 2,740,559	$ 7,695,841	26.3%	$ 4,590,400	$ 9,143,200	$ 1,376,353	$ 7,766,847	15.1%		

Legend
M = Multi-year project - a project with a specific schedule to occur over multiple years.
R = Recurring project - a project that begins and ends each fiscal year and is budgeted to start over each fiscal year. No carry forward.
SL = State Loan Project - construction phase is financed
I = Impact Fee (partially) financed project
T = Transfer from blanket WQ or I&I original budget

Dover GREEN ENERGY SUMMARY AS OF		1/27/2017
Total Collected Green Energy Funds Ever	$	1,372,599.15
DEMEC Admin Fee Paid	$	90,453.80
State Annual Admin Fee Total Paid	$	26,675.07
Grants Paid	$	546,163.25
*Grants/Fees Reserved and Amounts Owed	$	858.75
Dover Library Green Building Improvements Cost	$	1,500,000.00
Dover Library Reimbursements paid to Dover to date	$	495,908.32
Energy Depot Program Costs Paid	$	68,746.68
Efficiency Program Incentives Paid	$	37,268.34
Solar Electric Power Association (SEPA) Dues Paid	$	6,476.41
Dover GEF Account Balance minus Grants/Fees Owed	**$**	**100,048.54**
Funds Necessary for Dov. Lib. Payment due June 1	$	98,500.00
Funds Necessary for Library June 1 Payment	$	(1,548.54)

*Grants are paid in a manner to ensure sufficient funds for the June 1 Lib. payment are collected
When "Funds Necessary for Library June 1 Payment" line is negative then sufficient funds have
been collected to satisfy the June 1 Payment. Completed projects and fees can be paid with the surplus.

Dover Green Energy Funds As January 27, 2017 Monthly Deposits and Payments		
Starting Balance	$	74,256.80
Deposit*	$	30,537.63
Outgoing Payments		
DEMEC Admin Fee*	$	3,053.76
State 2016 Admin Fee	$	-
New Reservations/Fees	$	-
Energy Depot	$	1,692.13
Library Reimbursement	$	-
SEPA Dues	$	-
Dover GEF Account Balance	**$**	**100,048.54**

*Deposits during this period represent through December 2016

COMPLETED PROJECTS ONLY DNREC FEE OWED

Status	Applicant	Type	Grant Reservation Request	Review Fee
COMPLETED PROJECTS ONLY DNREC FEE OWED	Michael J Kopp	Geo-Res	Paid	$ 37.50
COMPLETED PROJECTS ONLY DNREC FEE OWED	Frank Daniels	Geo-Res	Paid	$ 26.25
COMPLETED PROJECTS ONLY DNREC FEE OWED	Perrry T. Boulter	Geo-Res	Paid	$ 225.00
COMPLETED PROJECTS ONLY DNREC FEE OWED	Ms. Lee Herrera	Res-Geo	Paid	$ 172.50
COMPLETED PROJECTS ONLY DNREC FEE OWED	John Crowley	Res-Geo	Paid	$ 225.00
COMPLETED PROJECTS ONLY DNREC FEE OWED	Lloyd Schmid	Res-Geo	Paid	$ 172.50
		Total		**$ 858.75**

RESERVED BUT INCOMPLETE PROJECTS

Status	Applicant	Type	Grant Reservation Request	Review Fee
		Total	**$ -**	**$ -**

ENERGY DEPOT FEES - (quarterly)

Paid	Fee Period	Amount
3/3/2008	Start-up Fees	$ 5,872.50
4/15/2008	Start-up Fees	$ 1,957.50
4/15/2008	Mar, Apr, May 2008	$ 1,692.13
7/22/2008	June, July, Aug 2008	$ 1,692.13
10/10/2008	Sept, Oct, Nov 2008	$ 1,692.13
1/2/2009	Dec 08, Jan, Feb 2009	$ 1,692.13
4/3/2008	Mar, Apr, May 2009	$ 1,692.13
7/1/2009	June, July, Aug 2009	$ 1,692.13
9/11/2009	Sept, Oct, Nov 2009	$ 1,692.13
1/4/2010	Dec 09, Jan, Feb 2010	$ 1,692.13
3/29/2010	Mar, Apr, May 2010	$ 1,692.13

6/30/2010	June, July, Aug 2010	$	1,692.13
10/4/2010	Sept, Oct, Nov 2010	$	1,692.13
1/3/2011	Dec 2010, Jan, Feb 2011	$	1,692.13
4/5/2011	Mar, Apr, May 2011	$	1,692.13
7/8/2011	June, July, Aug 2011	$	1,692.13
10/4/2011	Sept, Oct, Nov 2011	$	1,692.13
1/3/2012	Dec 2011; Jan, Feb 2012	$	1,692.13
4/5/2012	Mar, Apr, May 2012	$	1,692.13
7/2/2012	June, July, Aug 2012	$	1,692.13
9/25/2012	Sept, Oct, Nov 2012	$	1,692.13
11/30/2012	Dec 12, Jan, Feb 2013	$	1,692.13
2/25/2013	Mar, Apr, May 2013	$	1,692.13
7/22/2013	June, July, Aug 2013	$	1,692.13
8/26/2013	Sept, Oct, Nov 2013	$	1,692.13
12/3/2013	Dec 13. Jan, Feb 2014	$	1,692.13
3/4/2014	Mar, Apr, May 2014	$	1,692.13
6/4/2014	June, July, Aug 2014	$	1,692.13
9/4/2014	Sept, Oct, Nov 2014	$	1,692.13
12/1/2014	Dec 14, Jan, Feb 2015	$	1,692.13
3/9/2015	Mar, Apr, May 2014	$	1,692.13
6/11/2015	June, July, Aug 2015	$	1,692.13
9/1/2015	Sept, Oct, Nov 2015	$	1,692.13
12/11/2015	Dec 15. Jan, Feb 2016	$	1,692.13
3/1/2016	Mar, Apr, May 2016	$	1,692.13
6/1/2016	June, July, Aug 2016	$	1,692.13
9/1/2016	Sept, Oct, Nov 2016	$	1,692.13
12/28/2016	Dec 15. Jan, Feb 2017	$	1,692.13
	Total	**$**	**68,746.68**

Solar Energy Professionals Association (SEPA) - (2015 and Forward participation is through AMP at no additional charge)

Paid	Membership Fee	Amount	
3/19/2012	2012 Annual Membership	$	2,158.81
1/31/2013	2013 Annual Membership	$	2,158.80
1/27/2014	2014 Annual Membership	$	2,158.80
	Total	**$**	**6,476.41**

COLLECTOR-DISTRIBUTOR ROAD MODIFICATION
TO
THE SCARBOROUGH ROAD INTERCHANGE

I. Background/History

-DelDOT's 2007 U.S. Route 13 Corridor Study

-Continuing Growth & Development in the U.S. Route 13 Corridor is Straining the Existing Roadway Infrastructure

-The Delaware General Assembly's 2015 Bond Bill Directives

II. DelDOT's 2016 Feasibility Study

-The CD Road Modification is Feasible

-The CD Road Modification Will Relieve Congestion, Improve Circulation, and Enhance Traffic Safety

-The CD Road Modification Will Foster and Accommodate Continued Economic Growth and Development

III. Next Steps/Costs & Funding

-Wetlands Delineation Performed

-Toll Study Conducted

-Public-Private Initiative (Chapter 20, Title 2 of the Delaware Code)

-$31,200,000 Estimated Project Cost is Self-Funded

-Tax Increment Financing (TIF) and Special Development District (SDD) Legislation

IV. Project Has Broad Support/Need to Maintain Momentum

-City of Dover
-Kent Economic Partnership
-Central Delaware Chamber of Commerce
-Dover/Kent County MPO Prioritization Process

-Continued Support from the Community is Critical

SPONSOR:

DELAWARE HOUSE OF REPRESENTATIVES
149th GENERAL ASSEMBLY

HOUSE BILL NO. ___

AN ACT TO AMEND CHAPTER 17, TITLE 22 OF THE DELAWARE CODE RELATING TO MUNICIPAL TAX INCREMENT FINANCING.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

Section 1. AMEND Section 1702(k), Chapter 17, Title 22 of the Delaware Code by striking the figure "50,000" and substituting in lieu thereof the figure "35,000".

Section 2. This Act shall become effective upon its enactment into law.

SYNOPSIS

This amendment to the definition of "municipality" in the Municipal Tax Increment Financing Act would allow the City of Dover to take advantage of the economic development opportunities afforded by the Act.

SPONSOR:

DELAWARE HOUSE OF REPRESENTATIVES
149th GENERAL ASSEMBLY

HOUSE BILL NO. ___

AN ACT TO AMEND CHAPTER 18, TITLE 22 OF THE DELAWARE CODE RELATING TO MUNICIPAL SPECIAL DEVELOPMENT DISTRICTS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

Section 1. AMEND Section 1801(4), Chapter 18, Title 22 of the Delaware Code by striking the figure “50,000” and substituting in lieu thereof the figure “35,000”.

Section 2. This Act shall become effective upon its enactment into law.

Ssynopsis

This amendment to the definition of “municipality” in 22 Del. C. § 1801(4) would allow the City of Dover to take advantage of the economic development opportunities afforded by Municipal Special Development Districts.

ACTION FORM

PROCEEDING: Legislative, Finance & Administration Committee **AGENDA ITEM NO.:**
DEPARTMENT OF ORIGIN: Finance **DATE SUBMITTED**: 02/14/17
PREPARED BY: Donna Mitchell, Controller/Treasurer
SUBJECT: Downtown Dover Partnership – Loan Guarantee, City of Dover
APPROVALS: Council Committee of the Whole and City Council
EXHIBITS:
EXPENDITURE REQUIRED: N/A **AMOUNT BUDGETED**: N/A
FUNDING SOURCE (Dept./Page in CIP & Budget): Loan Payments to be paid from DDP's tenant lease payments.
TIMETABLE: Upon approval
RECOMMENDED ACTION: Staff recommends an extension of the City guarantee of the Downtown Dover Partnership loans for a period of three years effective 3/1/17 on the loans between PNC Bank and the Partnership.

BACKGROUND AND ANALYSIS

The Downtown Dover Partnership has two PNC loans with a City loan guarantee. These loans are collateralized by the Partnerships property holdings and payments are covered through the rents on the properties. The City provides the guarantee as the loan to asset value is not greater than 80%. The balances and interest rate on these loans are as follows.

	Original Loan	Loan Balance
120 & 144 So. Governors Ave.	$1.3 Million	$1.2 Million
Loockerman St. (EZ Pass)	$1.3 Million	$1.2 Million

As provided above, staff is recommending extending the guarantee on the PNC loans.

SB & COMPANY, LLC

Knowledge • Quality • Client Service





Presentation to the City Council

February 14, 2017

Engagement Team Leadership

SB & Company, LLC

- William Seymour, Engagement Partner
- Sisilia Mo, Audit Partner



Scope of Services

- Audit of June 30, 2016, Comprehensive Annual Financial Report
- Available for year-round consultation

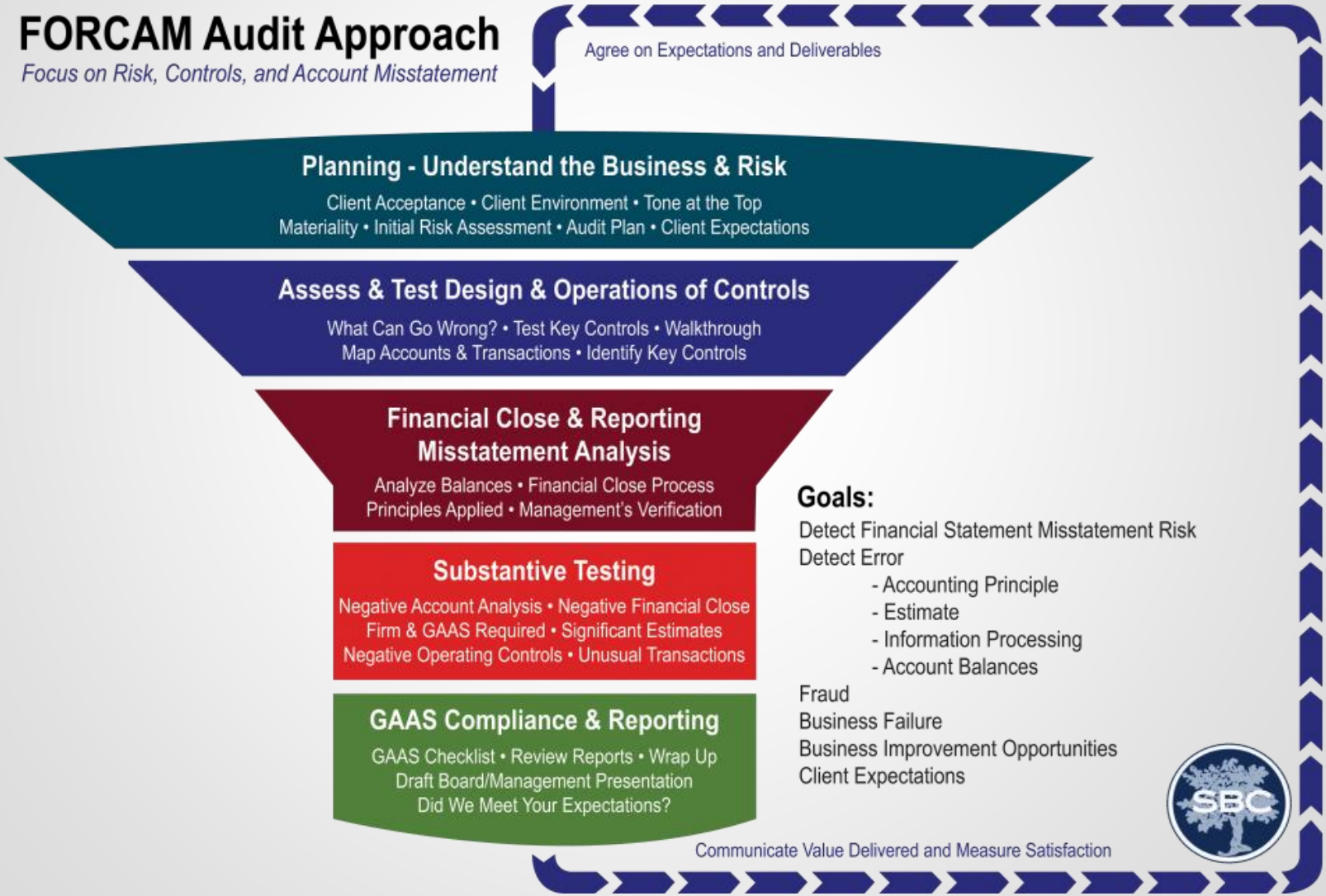
Summary of the Results

- Issued an unmodified opinion on the financial statements
- We did not discover any instances of fraud
- Discovered no material weakness in internal controls
- Received full cooperation from management

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FORCAM Audit Approach

"Focus on Risk, Controls and Misstatement"



Significant Risk Areas

Significant Risk Areas

- Cash reconciliations
- Investment valuation
- Collectability of receivables
- Accounts payable
- Pension Liabilities
- OPEB Liabilities
- Revenue recognition
- Expenditures control

Assessment of Control Environment

Area	Points to Consider	Our Assessment
Control Environment	▪ Key executive integrity, ethical, and behavior ▪ Control consciousness and operating style ▪ Commitment to competence ▪ Board's participation in governance and oversight ▪ Organizational structure, responsibility, and authority ▪ HR policies and procedures	
Risk Assessment	▪ Mechanisms to anticipate, identify, and react to significant events ▪ Processes and procedures to identify changes in GAAP, business practices, and internal control	
Control Activities	▪ Existence of necessary policies and procedures ▪ Clear financial objectives with active monitoring ▪ Logical segregation of duties ▪ Adequate safeguards of documents, records, and assets ▪ Assess controls in place	



Not effective

Suggested improvements

Effective

CLIENT SERVICE QUALITY KNOWLEDGE

Assessment of Control Environment
(continued)

Area	Points to Consider	Our Assessment
Information and Communication	▪ Adequate performance reports produced from information systems ▪ Information systems are connected with business strategy ▪ Commitment of HR and finance to develop, test, and monitor IT systems and programs ▪ Business continuity and disaster plan for IT ▪ Established communication channels for employees to fulfill responsibilities ▪ Adequate communication across organization	
Monitoring	▪ Periodic evaluations of internal controls ▪ Implementation of improvement recommendations	



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Evaluation of Key Processes

Process	Function	Our Assessment
Treasury	▪ Cash Management ▪ Investment Accounting ▪ Investment Monitoring ▪ Investment Valuation ▪ Investment Policy ▪ Reconciliation	
Estimation	▪ Methodology ▪ Information ▪ Calculation	
Financial Reporting	▪ Accounting Principles and Disclosure ▪ Closing the Books ▪ Report Preparation ▪ General Ledger and Journal Entry Processing ▪ Verification and Review of Results	
Expenditures	▪ Purchasing ▪ Receiving ▪ Accounts Payable and Cash Disbursement	

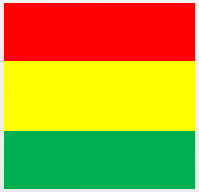
Not effective

Suggested improvements

Effective

Evaluation of Key Processes (continued)

Process	Function	Our Assessment
Payroll	▪ Hiring ▪ Attendance Reporting ▪ Payroll Accounting and Processing ▪ Payroll Disbursements ▪ Separation	
Revenue	▪ Billing ▪ Cash Receipts ▪ Revenue Recognition ▪ Cutoff	
Fixed Assets	▪ Physical Custody ▪ Asset and Construction in Process Accounting ▪ Depreciation	



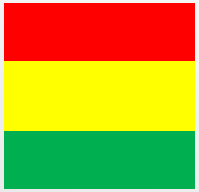
Not effective

Suggested improvements

Effective

Evaluation of Key Processes (continued)

Process	Function	Our Assessment
Compliance	▪ Assess Internal and External Risk ▪ Regulatory Compliance ▪ Monitor Compliance ▪ Grant Compliance	
Information Technology	▪ Computer Operations ▪ Segregation of Duties and Management Oversight ▪ Information Security and Transaction Authorization ▪ Program Integrity and Change Management	



Not effective

Suggested improvements

Effective

Observations

- Consideration of hiring of internal auditor to perform periodical performance and compliance audits
- Finalization of contracts prior to execution of actions

Accounting Update

- GASB 72, Fair Value Measurement and Application
  - Adopted in current year
  - Additional disclosure on investments valuation methodology
- GASB 77, Tax Abatement Disclosure
  - Effective FY 2017
  - New disclosure about tax abatement agreements
- GASG 74 and 75, Other Postemployment Benefits
  - GASB 74 effective FY 2017 and GASB 75 effective FY18
  - Reporting net OPEB liabilities on government-wide financial statements
  - Additional footnote and required supplemental information similar to pension accounting
  - Additional disclosure on effect on net OPEB liability would include both a discount rate +/- 1 percent and a healthcare cost trend rate +/- 1 percent

REQUIRED COMMUNICATIONS

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Required Communications

1. **Auditor's Responsibilities Under Generally Accepted Auditing Standards (GAAS)**

   The financial statements are the responsibility of management. Our audit was designed in accordance with auditing standards generally accepted in the United States of America, and provide for reasonable, rather than absolute, assurance that the financial statements are free of material misstatement.

2. **Significant Accounting Policies**

   Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application.

   The significant accounting policies used by management are described in the notes to the financial statements.

3. **Auditor's Judgments About the Quality of Accounting Policies**

   We discuss our judgments about the quality, not just the acceptability, of accounting policies selected by management, the consistency of their application, and the clarity and completeness of the financial statements, which include related disclosures.

   We have reviewed the significant accounting policies adopted by the City of Dover, Delaware (the City) and have determined that these policies are acceptable accounting policies.

Required Communications (continued)

4. **Audit Adjustments**

   We are required to inform the City's oversight body about adjustments arising from the audit (whether recorded or not) that could in our judgment either individually or in the aggregate have a significant effect on the entity's financial reporting process. We also are required to inform the City's oversight body about unadjusted audit differences that were determined by management to be individually and in the aggregate, immaterial.

   There were no passed adjustments identified during the audit process.

5. **Fraud and Illegal Acts**

   We are required to report to the City's oversight body any fraud and illegal acts involving senior management and fraud and illegal acts (whether caused by senior management or other employees) that cause a material misstatement of the financial statements.

   Our procedures identified no instances of fraud or illegal acts.

6. **Material Weaknesses in Internal Control**

   We are required to communicate all significant deficiencies in the City's systems of internal controls, whether or not they are also material weaknesses.

   There were no material weaknesses noted during the audit.

Required Communications (continued)

7. **Other Information in Documents Containing Audited Financial Statements**
   None.

8. **Disagreements with Management on Financial Accounting and Reporting Matters**
   None.

9. **Serious Difficulties Encountered in Performing the Audit**
   None.

10. **Major Issues Discussed with Management Prior to Acceptance**
    None.

11. **Management Representations**
    We received certain written representations from management as part of the completion of the audit.

12. **Consultation with Other Accountants**

    To our knowledge, there were no consultations with other accountants since our appointment as the City's independent public accountants.

13. **Independence**

    As part of our client acceptance process, we go through a process to ensure we are independent of the City. We are independent of the City.

14. **Non-attest Service**

    We did not perform any non-attest service for the City.

CLIENT SERVICE QUALITY KNOWLEDGE

Required Communications (continued)

15. Our Responsibility Related to Fraud

- Plan and perform the audit to obtain reasonable assurance that there is no material misstatement caused by error or fraud;
- Comply with AU-C Section 240: Consideration of Fraud in a Financial Statement Audit
- Approach all audits with an understanding that fraud could occur in any entity, at any time, by anyone; and
- Perform mandatory procedures required by GAAS and our firm policies**.**

Examples of Procedures Performed

- Discuss thoughts and ideas on where the financial statements might be susceptible to material misstatement due to fraud;
- Understand pressures on the financial statement results;
- Understand the tone and culture of the organization;
- Look for unusual or unexpected transactions, relationships, or procedures;
- Discussions with individuals outside of finance;
- Evaluate key processes and controls; and
- Consider information gathered throughout the audit.

Responsibility for Mitigating Fraud



External Auditor

- Evaluate management programs and controls to deter and detect fraud for identified risks
- Reasonable assurance that financial statements are free of material misstatement due to fraudulent financial reporting or misappropriation of assets
- Compliance with fraud standard (SAS 99)
  - Conversations with finance and operations personnel
  - Disaggregated analytics
  - Surprise audit procedures
  - Journal entry testing

Management:

- CFO/Controller: controls to deter and detect fraud
- General Counsel/Compliance: monitoring

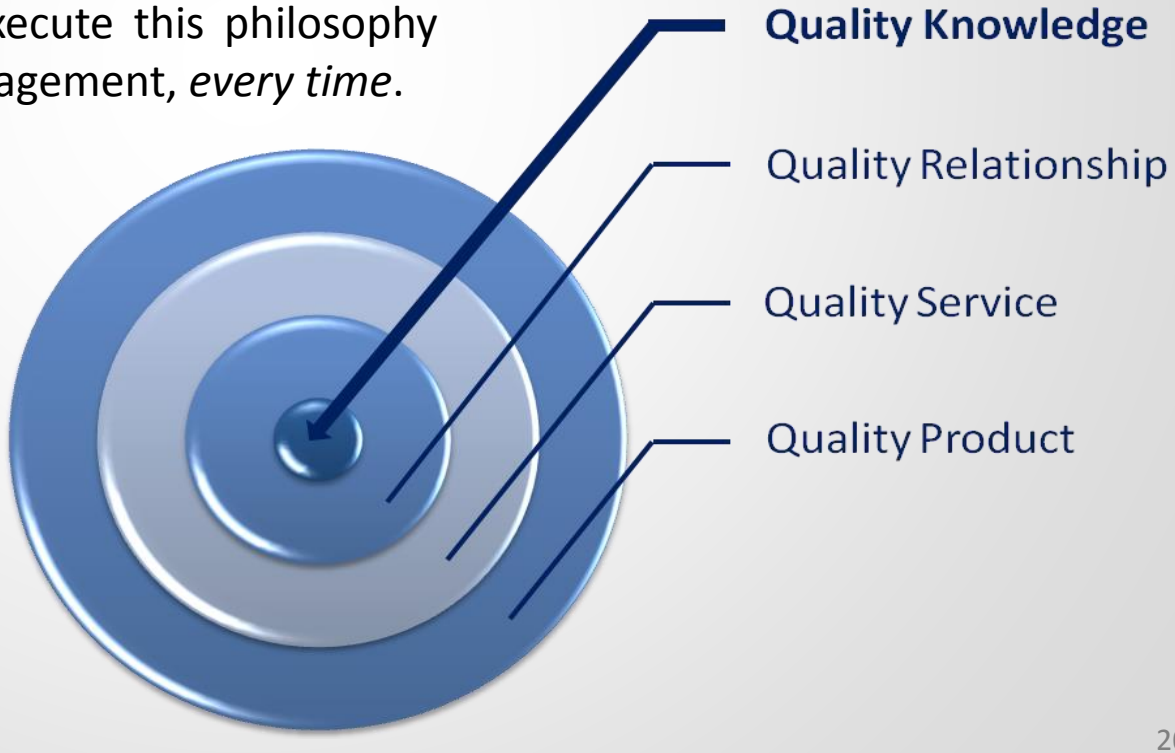
Audit Committee:

- Evaluate management identification of fraud risk
- Evaluate implementation of fraud controls
- Reinforce “tone at the top”
- Conduct special investigations

SBC's Service Pledge to You

We will consistently deliver a **Quality Product** and **Quality Service** so that we have the opportunity to establish a **Quality Relationship** with you, allowing us to provide you with **Quality Knowledge** for your continual success. Only after we have provided you with the knowledge that enables your business to grow and prosper, we have ***hit the bullseye!***

Our commitment to you is the execution of our **Bullseye Philosophy.** We execute this philosophy for every client, on every engagement, *every time*.



Engagement Team Contact Information



William Seymour, CPA – Engagement Partner

- Over 18 years of experience
- Former member of Arthur Andersen, LLP Experience serving many government entities
- Reviewer for GFOA Certificate of Achievement for Excellence in Financial Reporting Program
- Member of AICPA Government Quality Center

Office: 410-584-1404 Cell: 443-220-4401 Fax: 410-584-0061
Email: wseymour@sbandcompany.com

Executive Assistant: April Campagna
Office: 410-584-9303
Email: acampagna@sbandcompany.com



Sisilia Mo, CPA – Audit Partner

- Extensive experience performing financial statement audits for various entities, especially for government entities
- Develops training programs and performs trainings on audit performance skills and industry-specific issues
- Reviewer for GFOA Certificate of Achievement for Excellence in Financial Reporting Program

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CLIENT SERVICE QUALITY KNOWLEDGE



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CITY OF DOVER

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2016

FY 2016 Financial Highlights

The Government-wide change in Net position is inclusive of Pension & OPEB expense, actuarial adjustments, cost vs. market differences on investments and depreciation.

	Governmental Activities	Business Type Activities	Total
Changes in Net Position	$ 8,949,366	$ 7,500,153	$ 16,449,519
Net Position Beginning	24,094,252	167,049,585	191,143,837
Net Position Ending	$ 33,043,618	$ 174,549,738	$ 207,593,356

The most significant activities that affected the positive changes in Net Position were:

- The transfer of Net Pension Liability of $5.4 million for indirect interdepartmental allocation of expense from the Governmental activities to the Business-type activities
- Electric Revenue Fund experienced a decrease of $7,353,700 due to declining supply prices as compared to the prior year

Capital Assets

Capital Asset Summary information

	General Fund	Water/Wastewater Fund	Electric Fund	Total
Asset Beginning Balance	$ 97,006,951	$ 86,892,622	$ 189,703,140	$ 373,602,713
New Assets	5,702,654	4,982,587	4,987,819	15,673,060
Disposed Assets	(602,824)	(774,516)	(2,646,854)	(4,024,194)
Asset Ending Balance	102,106,781	91,100,693	192,044,105	385,251,579
Net Accumulated Depreciation	(40,998,742)	(33,496,540)	(108,366,795)	(182,862,077)
Net Capital Assets	$ 61,108,039	$ 57,604,153	$ 83,677,310	$ 202,389,502
Current Year Depreciation	$ 3,284,341	$ 1,998,040	$ 5,713,104	$ 10,995,485

Major Assets added this fiscal year:

- General Fund
  - Garrison Oak Tech Park street and storm sewer infrastructure $4.6 million
  - Other street paving and curb work $1.8 million
  - Vehicles and equipment totaling $1.0 million
  - Additions to CIP of $3.1 million
- Water/Wastewater Fund
  - Garrison Oak Tech Park water and sewer infrastructure $8.6 million
  - Two pump station replacements $0.8 million
  - Vehicles and equipment totaling $0.5 million
- Electric Fund
  - General Scott Switchgear $0.8 million
  - Units 1, 2 & 3 upgrades and modifications at McKee Run $1.9 million
  - Additions to CIP of $2.5 million
  - Vehicles and equipment totaling $0.5 million

Long-Term Debt

Long-Term Debt is inclusive of Compensated absences, Bonds, OPEB Obligation and Net Pension Liability.

	General Fund	Water/Wastewater Fund	Electric Fund	Total
LT Debt Beginning Balance	$ 48,232,958	$ 16,263,624	$ 27,401,361	$ 91,897,943
New Debt	2,327,952	2,387,563	3,559,978	8,275,493
Reduction of Debt	(8,408,960)	(911,426)	(2,724,621)	(12,045,007)
LT Debt Ending Balance	$ 42,151,950	$ 17,739,761	$ 28,236,718	$ 88,128,429

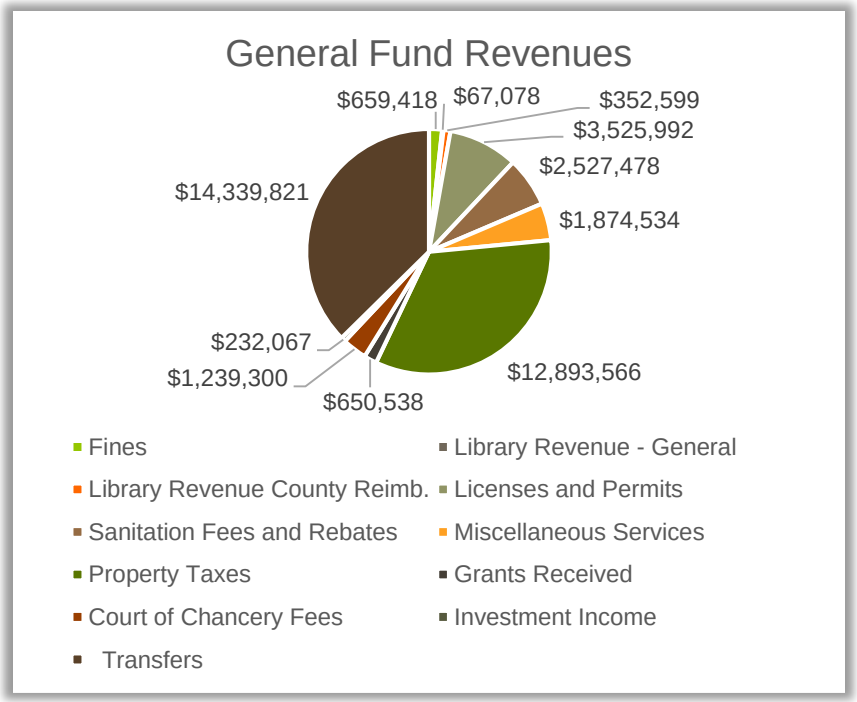
No new bonds were issued in FY 2016

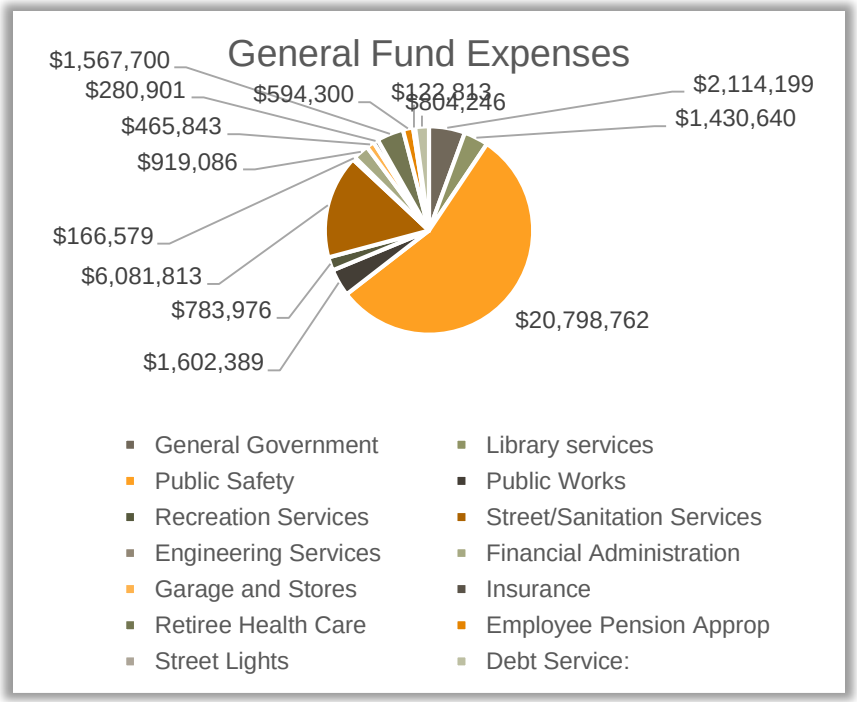
- General Fund change in long-term debt is due to:
  - $1.3 million increase offset by $1.4 million decrease in compensated absences
  - $1.0 million increase in OPEB Obligation
  - $6.5 million decrease in Net Pension Liability
  - Final payment was made on the 2014 G.O. refunding bonds (refunded 2003 G.O. Bonds)
- Water/Wastewater Fund change in long-term debt is due to:
  - Increases to compensated absences and OPEB Obligation of $121,166 & $83,077 respectively
  - $2.2 million increase for Net Pension Liability
  - Normal decrease for principal payments
- Electric Fund change in long-term debt is due to:
  - $3.3 million increase for Net Pension Liability
  - $297,795 increase in compensated absences
  - Normal decrease for principal payments
  - Final payment was made on the 2010 refunding bonds (refunded 2004 revenue bonds)

Governmental Statement of Revenues, Expenses and Transfers

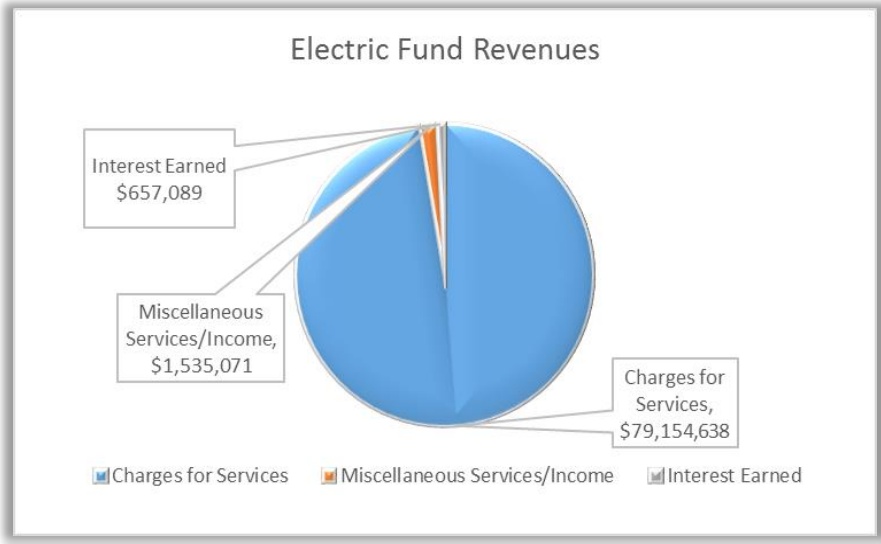
Total net change across all funds:

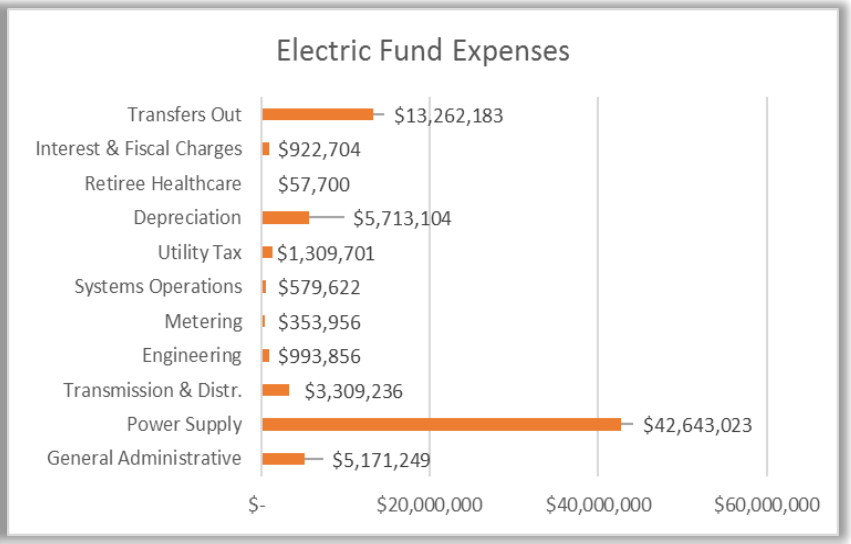
	General Fund	Water/Wastewater Fund	Electric Fund	Total
Revenues	$ 24,022,570	$ 15,229,776	$ 81,545,330	$ 120,797,676
Expenses	(38,405,636)	(11,925,299)	(61,054,151)	(111,385,086)
Transfers- Operating	14,339,821	(850,000)	(10,000,000)	3,489,821
Transfers - Pension	-	(2,183,320)	(3,262,183)	(5,445,503)
Net changes	$ (43,245)	$ 271,157	$ 7,228,996	$ 7,456,908

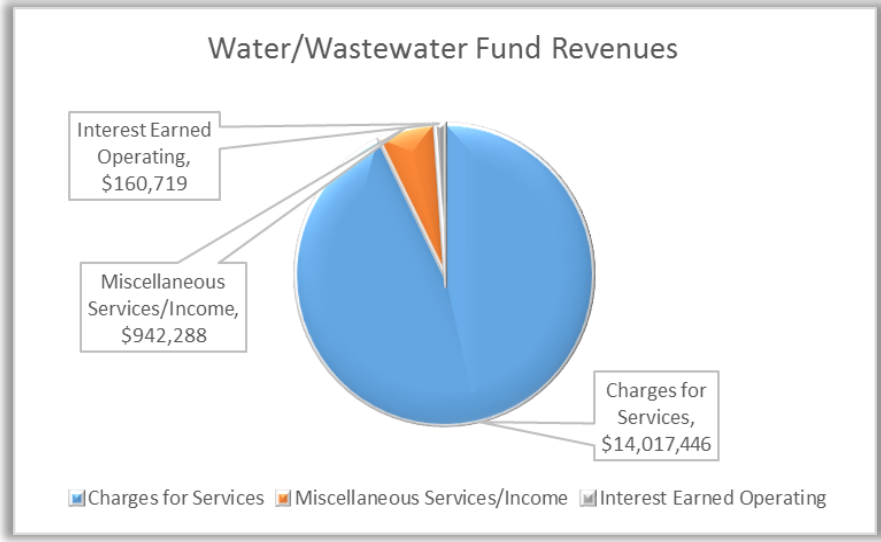


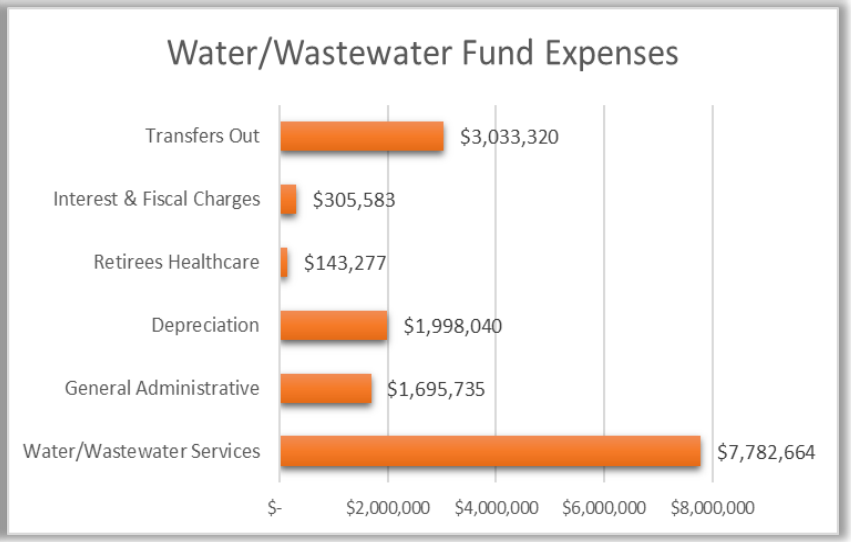


Business-type Statement of Revenues, Expenses and Transfers









Original vs. Final Budgets – Major Operating Funds

	General Fund	
	Original Budget	Final Budget
Revenues	$ 41,327,100	$ 41,936,100
Expenditures/Expenses	(41,201,300)	(42,262,600)
Net Change	$ 125,800	$ (326,500)
Beginning Fund Balance	3,977,500	4,820,400
Ending Fund Balance	$ 4,103,300	$ 4,493,900

	Water Fund	
	Original Budget	Final Budget
Revenues	$ 6,824,900	$ 5,995,000
Expenses	(6,637,900)	(6,501,400)
Net Change	$ 187,000	$ (506,400)
Beginning Fund Balance	861,600	1,072,900
Ending Fund Balance	$ 1,048,600	$ 566,500

	Wastewater Fund	
	Original Budget	Final Budget
Revenues	$ 8,902,800	$ 9,042,500
Expenses	(8,613,100)	(8,586,200)
Net Change	$ 289,700	$ 456,300
Beginning Fund Balance	293,400	206,900
Ending Fund Balance	$ 583,100	$ 663,200

	Electric Fund	
	Original Budget	Final Budget
Revenues	83,536,000	81,830,400
Expenses	(80,568,700)	(76,865,700)
Net Change	$ 2,967,300	$ 4,964,700
Beginning Fund Balance	6,177,600	8,337,500
Ending Fund Balance	$ 9,144,900	$ 13,302,200

All Funds

- Beginning Fund Balance adjusted to audited balance
- Revenues adjusted to actual/trending amounts
- Expenses adjusted for unanticipated expenses/project carryforwards

General Fund

- Interest earned adjusted up from $35K to $140K (actual $172K)
- Transfer taxes adjusted up from $1.3M to $2.1M (actual $2.2M)
- Library – County adjusted down from $450K to $313K (actual $353K)
- Electric Inter-fund Service adj. down from $3.7M to $3.6M (actual $3.6M)
- Added transfer to Capital Asset Reserve $229,600
- Police Pension Appropriation adjusted up from $570K to $676.5K
- Added $594,300 General Pension Appropriation
- Added $240,000 for New Street Property Acquisitions

Water & Wastewater Fund

- Water fees adjusted down from $6.2M to $5.4M (actual $5.5M)
- Wastewater fees adjusted down from $969K to $841K (actual $774K)
- Wastewater Treatment expense adjusted down approx. $30K
- Groundwater Adjustment exp. adjusted down $101K
- WTP expenses adjusted down from $1.9M to $1.7M (actual was $1.6M)
- Retiree H/C adjusted down from $179K to $60K
- Inter-fund Service Fees adjusted down by $72,500
- Bank fees and credit card expense adjusted down by $21,200
- Added Appropriation to Pension Fund $248,400

Electric Fund

- Transfer from Rate Stabilization Fund decreased from $3.0M to $750K
- Direct Base Sales adjusted up from $78.3M to $78.5M (actual $77.9M)
- Miscellaneous Services adjusted up from $597K to $911K (actual $842K)
- OPEB Trust Contribution of $1,030,000 removed from budget
- Retirees H/C adjusted down from $538K to $58K
- T&D expense adjusted down from $4.1M to $3.4M (actual $3.3M)
- Added transfer to Rate Stabilization Fund $394,800

General Fund Budget

	General Fund Final Budget	General Fund Actual
Revenues	$ 41,936,100	$ 42,674,501
Expenditures/Expenses	(42,262,600)	(42,070,164)
Net Change	$ (326,500)	$ 604,337
Beginning Fund Balance	4,820,400	4,820,414
Ending Fund Balance	$ 4,493,900	$ 5,424,751

General Fund fund balance increased by $604,337 to an ending balance of $5,424,751

- The General Fund is the primary operating fund and the largest source of day-to-day service delivery.
- The budget balance in the fund is $5,424,751, and is 12.7% of 2016 general fund revenues.
- The overage will be allocated to unfunded retirement liabilities or as otherwise designated.

Significant favorable variances are as follows:

- $320,549 Permits & Other License fees
- $148,900 Court of Chancery fees
- $98,429 Police extra duty fees

Significant unfavorable variances are as follows:

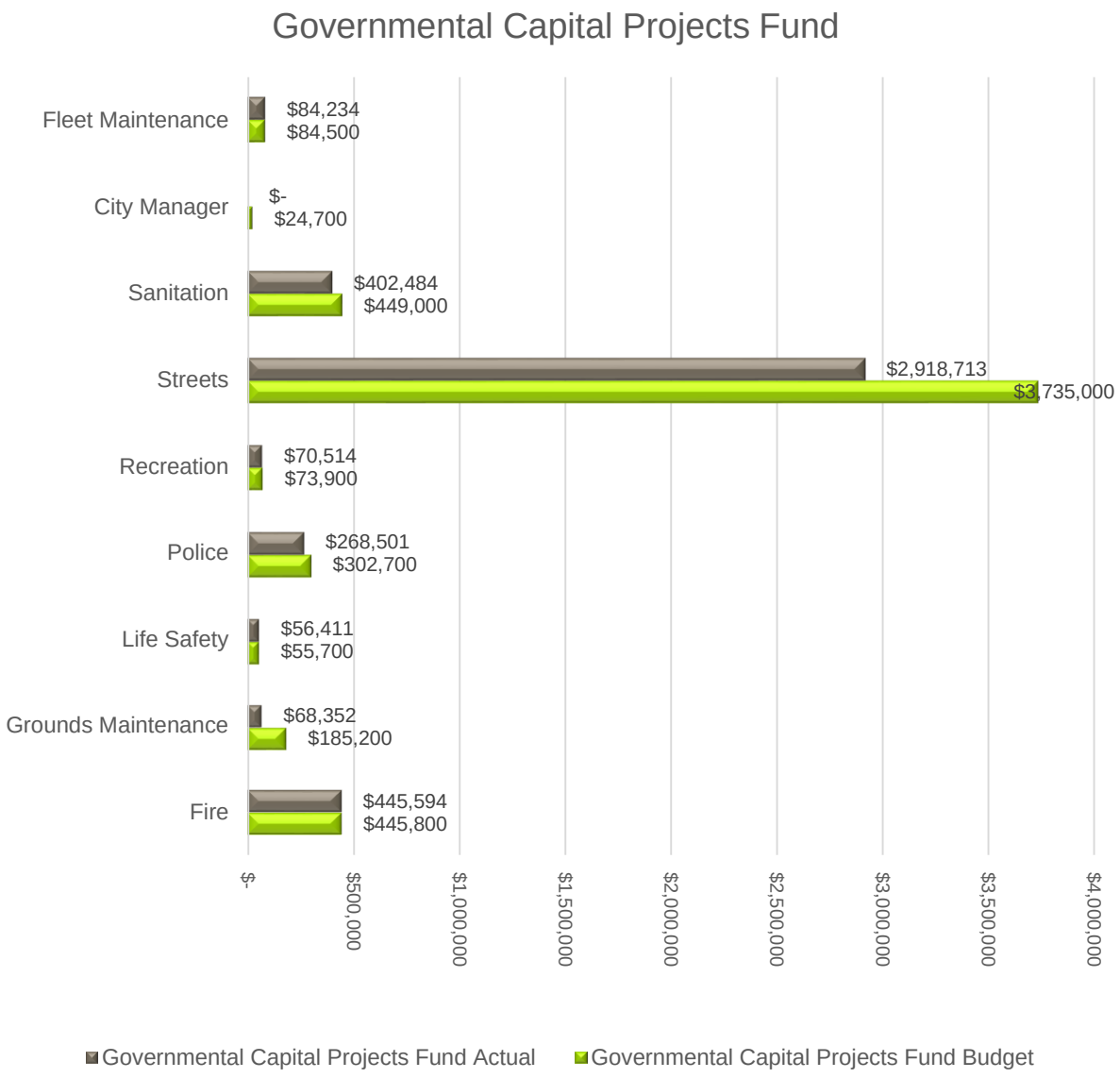
- $300,000 Transfer to Uncollectible reserve
- $78,020 Police Department expense
  - Medical supplies, uniforms, Insurance, Training, Contractual Services & Auto repairs

Governmental Capital Projects Fund

Ending fund balance was favorable by $1,088,116. Of this amount, $882,000 will be carried forward to the next year.

Projects that will be carried forward include:

- Grounds - 2 Dump trucks
- Streets – truck w/ dump
- Salt Storage barn
- Street Program
- Persimmon Park Place drainage
- City Manager vehicle



Proprietary Funds – Water/Wastewater Budget

Water Fund balance decreased by $191,618

Wastewater Fund balance increased by $512,238

	Water Fund Final Budget	Water Fund Actual	Wastewater Fund Final Budget	Wastewater Fund Actual
Revenues	$ 5,995,000	$ 6,070,159	$ 9,042,500	$ 8,804,718
Expenses	(6,501,400)	(6,261,777)	(8,586,200)	(8,292,480)
Net Change	$ (506,400)	$ (191,618)	$ 456,300	$ 512,238
Beginning Fund Balance	1,072,900	1,072,915	206,900	206,896
Ending Fund Balance	$ 566,500	$ 881,297	$ 663,200	$ 719,134

Fund balance for the Water Utility at the end of the year is $881,297 which is a favorable variance of $314,797:

- Water fees came in over budget by $90,461
- Miscellaneous service fees came in under budget by approx. $6,700
- Water impact fees came in under budget by $15,370

Offset by:

- Water department expenses came in under budget by $32,024
- Water Treatment Plant expenses came in under budget by $95,847

Fund balance for the Wastewater Utility at the end of the year is $719,132, which is a favorable variance of $55,932

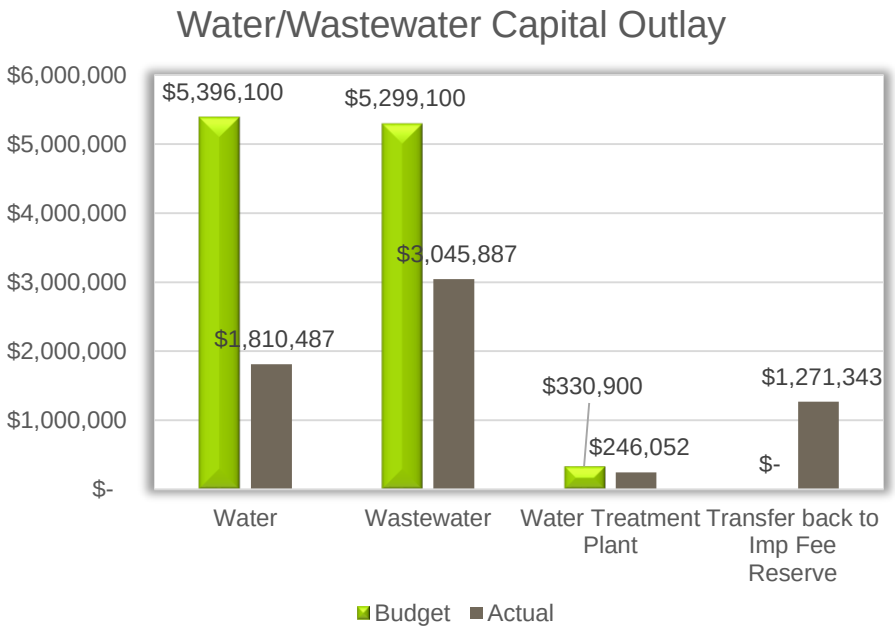
- Wastewater fees came in under budget by $78,303
- Water Treatment Fees came in under budget by $60,769

Offset by:

- Transfer to impact fee reserve of $54,389

Proprietary Funds – Water/Wastewater I & E Fund

- Both the Water and Wastewater fund balances have reduced from the prior year from $9,542,032 in 2015 to $6,714,183 in 2016 since Garrison Oak Tech Park a Multi-year project is now completed
- Some projects in this fund have been modified from previous plans which resulted in a transfer of $1,271,343 back to the impact fee reserve since the money was no longer needed
- Some projects in this fund were not completed and the balances are being carried forward to FY 2017 in the amount of $4,222,800, some of the larger projects are as follows:
  - $2,468,200 1.0 MG Storage Tank – Denny's Road
  - $593,000 Westover Pump-station upgrade
  - $618,900 Hazlettville Road interceptor
  - $447,500 Retreat Pump-station upgrade
- There continues to be large budget balances due to delay of projects and various other issues like:
  - Land acquisition
  - Bid prices over budget – going out to re-bid
  - Awaiting final invoices on completed projects
  - Awaiting delivery of materials
  - Project Engineering & Design not ready
  - Emergency repairs taking precedence



Proprietary Funds – Electric Fund Budget

	Electric Fund Final Budget	Electric Fund Actual
Revenues	$ 81,830,400	$ 81,176,596
Expenses	(76,865,700)	(69,617,696)
Net Change	$ 4,964,700	$ 11,558,900
Beginning Fund Balance	8,337,500	8,337,466
Ending Fund Balance	$ 13,302,200	$ 19,896,366

The Electric Fund fund balance has a favorable variance of $6,594,166

Fund balance for the Electric Utility at the end of the year is $19,986,366 which is a favorable variance of $6,594,166 primarily due to the following favorable variances:

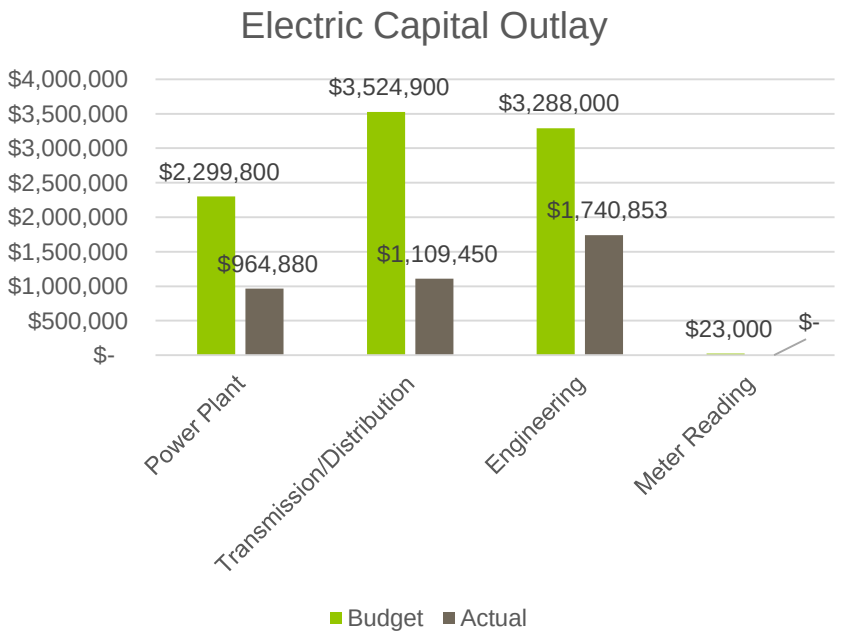
- Power Supply and Generation $6,765,549
- Administration $122,903, attributed mainly to lower costs for legal expense and contractual services
- Transmission and Distribution $157,615, resulting from lower labor costs, contractual services and materials & supplies
- Other Employment Expenses $353,400

Offset by unfavorable variances as follows:

- Direct Base Sales $648,863
- Interfund service fees $54,269

Proprietary Funds – Electric I & E Fund

- Electric I & E Fund balance has increased by $2,219,081. New Development budgeted expense of $2,500,000 had actual expense of $608,609. This expense is dependent on developers. New Development revenue billed and collected amounted to $327,453
- Some of the projects in this fund have not been completed and the balances are being carried forward to FY 2017 in the amount of $1,561,200, some of the larger projects are as follows:
  - $270,900 VanSant Capacity Increase
  - $340,000 Unit 3 Stack Repair
  - $150,000 Metering Infrastructure
  - $250,600 69 KV Rebuild – Horsepond Rd
  - $135,000 69 KV North St Cable Replacement



Worker's Compensation and Grants

Worker's Compensation Fund balance increased by $8,792

Grants ending fund balances increased by $330,281

Summary Revenue, Expense and Net Change of Worker's compensation and Grants

	Worker's Compensation	Grants
Revenues	$ 717,335	$ 5,527,371
Expenses	(708,543)	(1,707,269)
Transfers out	-	(3,489,821)
Net Change	$ 8,792	$ 330,281
Beginning Fund Balance	1,248,164	429,028
Ending Fund Balance	$ 1,256,956	$ 759,309

Workers Compensation

- Claims payable increased by $261,532 from prior year
- Claims paid decreased by $62,988 from prior year

Grants

- Includes Police, Library, Municipal Street Aid, CDBG, State DOT, Substance abuse, ERLSP & Realty Transfer grants
- Grants revenue increased $1,552,377 from prior year in all of the Grant funds except the following:
  - CDBG Grant Fund
  - Substance Abuse Fund
  - ERLSP Fund

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MANAGEMENT SUMMARY

City of Dover, Delaware

Retiree Health Benefits

January 24, 2017

Certification

This report was prepared for the City of Dover to summarize the results of the GASB 45 accounting reports as of June 30, 2016, and may not be appropriate for other uses. Please contact Nyhart prior to disclosing this report to any other party or relying on its content for any purpose other than the intended use.

Accounting results are based on the same data, assumptions, methods and plan provisions as described in the 6/30/2015 GASB 45 report prepared by the City's prior actuary except as noted in the Nyhart 6/30/2016 GASB 45 report and further described in this report.

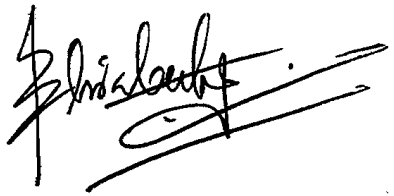
The discount rate and other economic assumptions have been selected by the Plan Sponsor. To our knowledge, there have been no significant events prior to the current year's measurement date or as of the date of this report that could materially affect the results contained herein.

This report has been prepared in accordance with generally accepted actuarial principles and practice. Neither Nyhart nor any of its employees has any relationship with the plan or its sponsor that could impair or appear to impair the objectivity of this report.

The undersigned are compliant with the continuing education requirements of the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States.



Randy Gomez, FSA, FCA, MAAA



Evi Laksana, ASA, MAAA

A lot of changes



New actuary



Interim valuation changes and results



Fresh look at where things are and where they are going

Transition to Nyhart

Key Figures

Measurements as of 7/1/2014	Prior Actuary 6/30/2015 Full Valuation	Nyhart 6/30/2016 Limited Update	Difference
Actuarial Accrued Liability	$51,224,524	$66,600,509	$15,373,985
Actuarial Value of Assets	($18,752,196)	($22,448,290)	$3,696,094
Funded Ratio	36.6%	33.7%	(2.9%)
Actuarially Required Contribution	$3,809,600	$5,125,687	$1,316,087

- For the transition from the prior actuary, Nyhart reviewed data, plan provisions, & assumptions summarized by the prior actuary in the 7/1/2014 valuation report.
- Significant change made by Nyhart was to include the value of implicit subsidy for pre-Medicare benefits required by actuarial standards of practice.
- Healthcare trend rates were modified to reflect actual plan experience from 7/1/2014 to 7/1/2015.

Liability Increase Sources



Key Factors

	Actuarial Accrued Liability Impact	Description
Impact of Premium Rate Experience	+$4,083,000	Based on actual premium rate increases from 2014/15 to 2016/17
Impact of Implicit Subsidy	+$8,823,000	Required by Actuarial Standards of Practice (ASOP) #6
Net Impact	+$12,906,000	

ACTUARY'S COMMENT

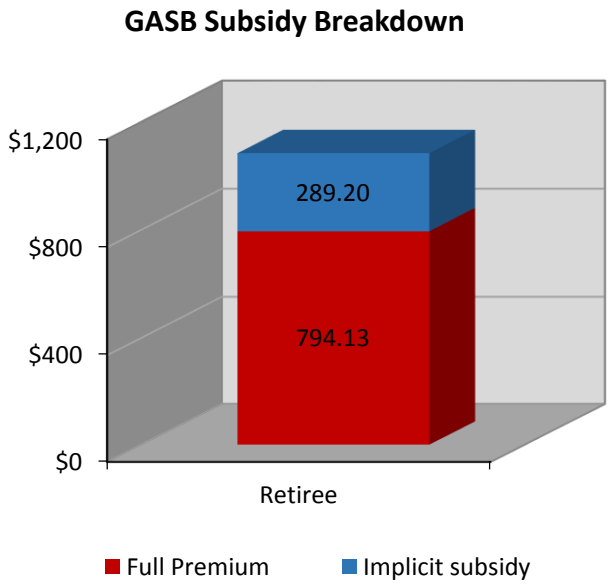
The City is a participating entity in the State of Delaware community-rated health plans. Active and pre-Medicare retiree experience is blended together for these plans and premium rates do not vary by age. This triggers the application of ASOP #6 in the valuation.

Premium rates on average increased close to 25% since the prior valuation. The rate of increase was greater than expected based on the trend assumption from the prior actuary's report.

Subsidy Illustration

Implicit Subsidy

PPO	Per Capita Cost (A)	Premium Rate (B)	Implicit Subsidy (C) = (A) – (B)
Retiree Only Coverage	$1,083.33	$794.13	$289.20

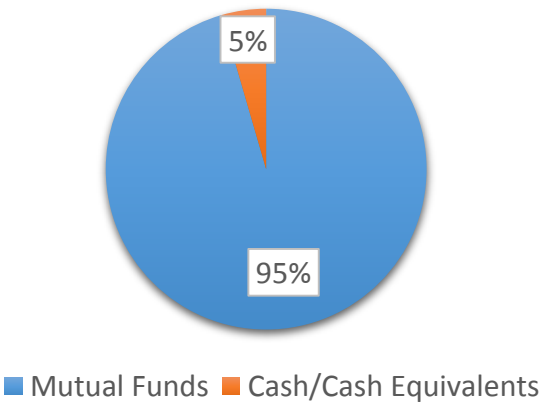


- Example of a retiree, age 60, on the Comprehensive PPO plan.
- Per Capita Costs represent estimated cost of coverage for a retiree age 60. Implicit Subsidy is the additional employer liability when the inherently higher health care cost for retired employees is not directly reflected in the determination of the premium rates.
- Actuarial Standards of Practice (ASOP) 6 state an implicit subsidy exists for health plans that comingle claims experience of active employees and retirees in setting of a blended premium rate for all plan participants.

OPEB Trust Assets

Trust Summary

Market Value Summary	6/30/2015	6/30/2016
Net OPEB Assets	$22,448,290	$24,043,162
% Mutual Funds	97.6%	95.5%
% Cash/Equivalents	2.4%	4.5%
Asset Rate of Return	2.5%	2.1%

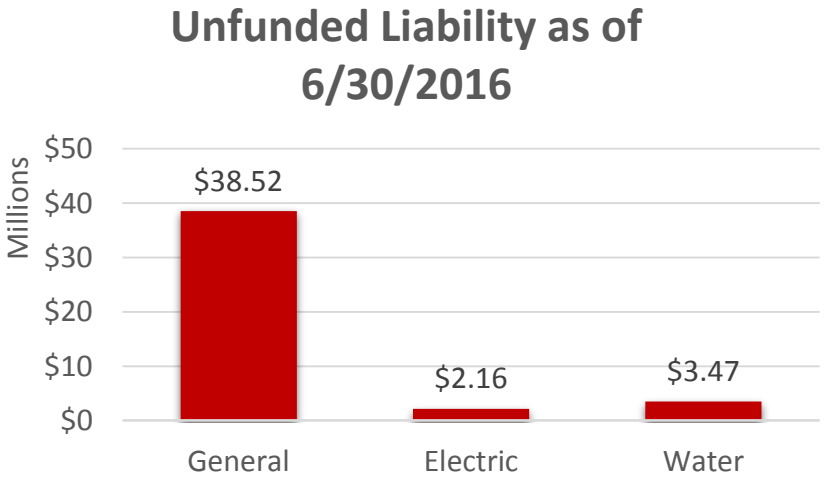


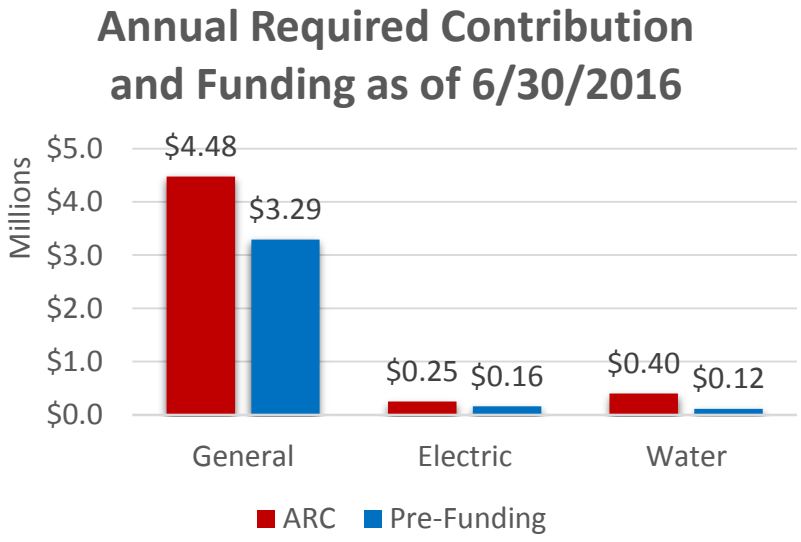
ACTUARY'S COMMENT

Trust asset return for FY 2016 was 2.1% versus expected 6.5% (net of trust expenses). Consistent underperformance of trust investments over an extended period of time can cause under funding of future retiree health benefits. Nyhart recommends an experience study using forward looking simulations be completed prior to GASB 74/75 implementation.

GASB 45 Accounting Results by Group

Group	General	Water	Electric
Actuarial Accrued Liability	$50,159,093	$3,990,734	$12,450,682
Actuarial Value of Assets	($11,635,925)	($1,830,545)	($8,981,820)
Unfunded Actuarial Accrued Liability	$38,523,168	$2,160,189	$3,468,862
Annual Required Contribution	$4,476,281	$248,111	$401,2955
Employer Contribution for Pre-Funding	$3,295,855	$300,009	$1,709,143
Benefit Payments	($1,419,406)	($165,748)	($539,435)





Looking ahead



Full Actuarial Update for FY 2016/17



Review of Assumptions and GASB 74/75 Implementation



Long-term Projections and Planning

nyhart

MANAGEMENT SUMMARY

City of Dover, Delaware

General Employee and Police Pension Plans

January 24, 2017

Certification

This report was prepared for the City of Dover to summarize the results of the 7/1/2016 funding valuations and the GASB 67 & 68 accounting reports as of June 30, 2016, and may not be appropriate for other uses. Please contact Nyhart prior to disclosing this report to any other party or relying on its content for any purpose other than the intended use.

Except where indicated otherwise, the funding results included in this report are based on the same data, assumptions, methods, and plan provisions as the 7/1/2016 funding valuations. As a result, these sections of the 2016 funding reports dated 12/30/2016 should be considered part of this report.

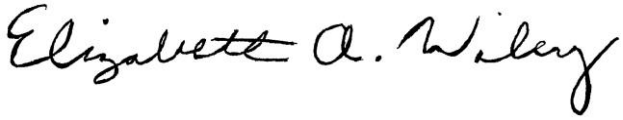
Accounting results are based on the same data, assumptions, methods and plan provisions as described in the 6/30/2016 GASB 67 & 68 reports. As a result, these sections of the GASB 67 & 68 report dated 10/4/2016 and 9/23/2016 should be considered part of this report.

This report has been prepared in accordance with generally accepted actuarial principles and practice.

The undersigned are compliant with the continuing education requirements of the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States.



Carter M. Angell, FSA, EA, MAAA



Elizabeth A. Wiley, ASA

A lot of changes



New actuary



Audit of previous results for funding and accounting



Fresh look at where things are and where they are going

Transition to Nyhart

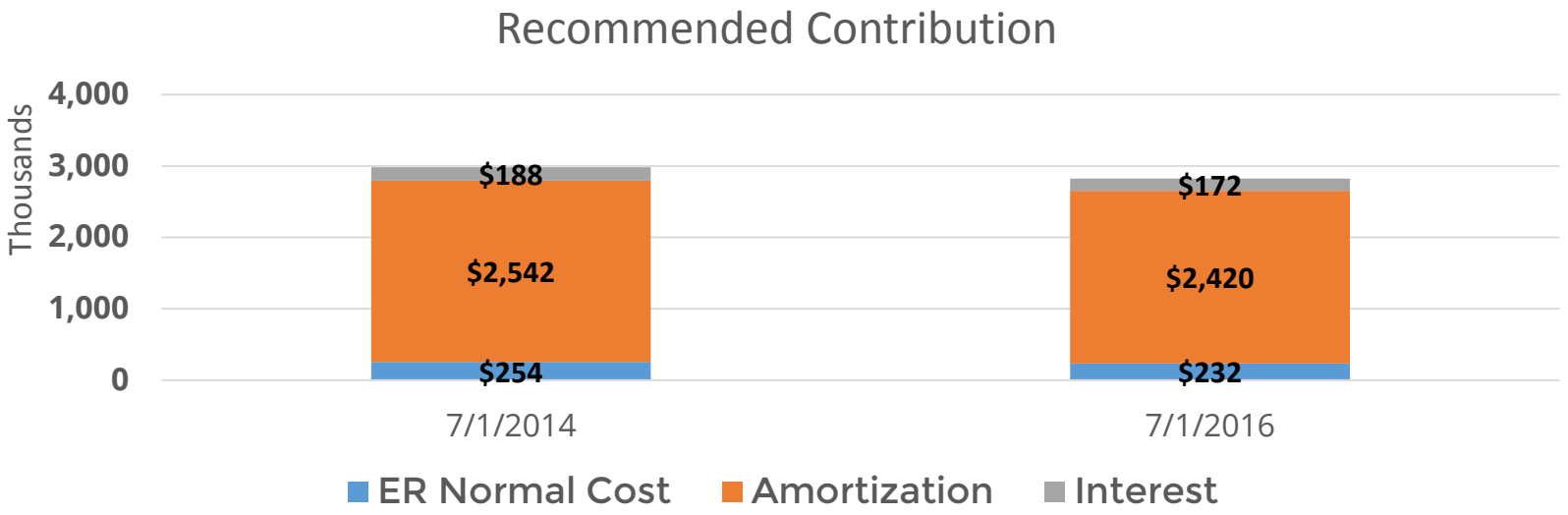
General Employees

Measurements as of 7/1/2014	Prior Actuary	Nyhart	$ Difference	% Difference
Actuarial Accrued Liability	$58,278,646	$57,854,095	($424,551)	(0.7%)
Employer Normal Cost	$253,709	$237,390	($16,319)	(6.4%)
Employee Normal Cost	$199,958	$203,725	$3,767	1.9%
PYE 2016 Contribution	$2,983,776	$2,914,643	($69,133)	(2.3%)

- Nyhart was able to match key measurements within a reasonable range, and did not identify any pension plan provisions which were not captured or were valued inappropriately.
- For the conversion, Nyhart reviewed data, plan provisions, & assumptions summarized by the prior actuary in the 7/1/2014 valuation report.

Valuation Results

General Employees



Valuation Date	7/1/2014	7/1/2016
Accrued Liability	$58,278,646	$58,851,782
Actuarial Value of Assets	32,825,853	36,791,391
Unfunded Liability	25,452,793	22,060,391
Funded Percentage	56.3%	62.5%
Recommended Contribution	$2,983,776	$2,824,098

GASB 67, 68 Accounting Results – General Employees

Measurement Date	6/30/2015	6/30/2016
Total pension liability (TPL)	58,673,000	58,807,821
Plan fiduciary net position	(35,290,922)	(35,698,537)
Net pension liability	23,382,078	23,109,284
Ratio of plan fiduciary net position to TPL	60.15%	60.70%

- The net pension liability decreased from 2015 to 2016.
- $1,435,000 expected decrease
- $267,000 decrease due to demographic gains
- $1,429,000 increase due to asset underperformance (i.e. return of 2.4% vs. expectation of 6.50%)

GASB 67, 68 Accounting Results – General Employees

Measurement Date	6/30/2015	6/30/2016
Service Cost	$458,969	$401,218
Interest on TPL	3,861,154	3,718,982
Projected earnings on investments	(2,406,707)	(2,279,528)
Employee contributions	(209,446)	(202,340)
Administrative expense	18,792	16,040
Recognition of deferred outflows/(inflows)*	$716,377	935,467
Pension Expense	$2,439,139	$2,589,839

ACTUARY'S COMMENT

The expense was $219,000 higher than anticipated. The increase was largely due to the $1.4 million loss on asset performance, which caused a $286,000 increase in expense (as the loss is amortized over 5 years). This loss was offset by demographic gains which lowered expense by $67,000.

* The recognition of deferred outflows/(inflows) includes charges due to differences between expected and actual experience in measurement of the TPL, changes of assumptions, and differences between projected and actual earnings on pension plan investments

Transition to Nyhart

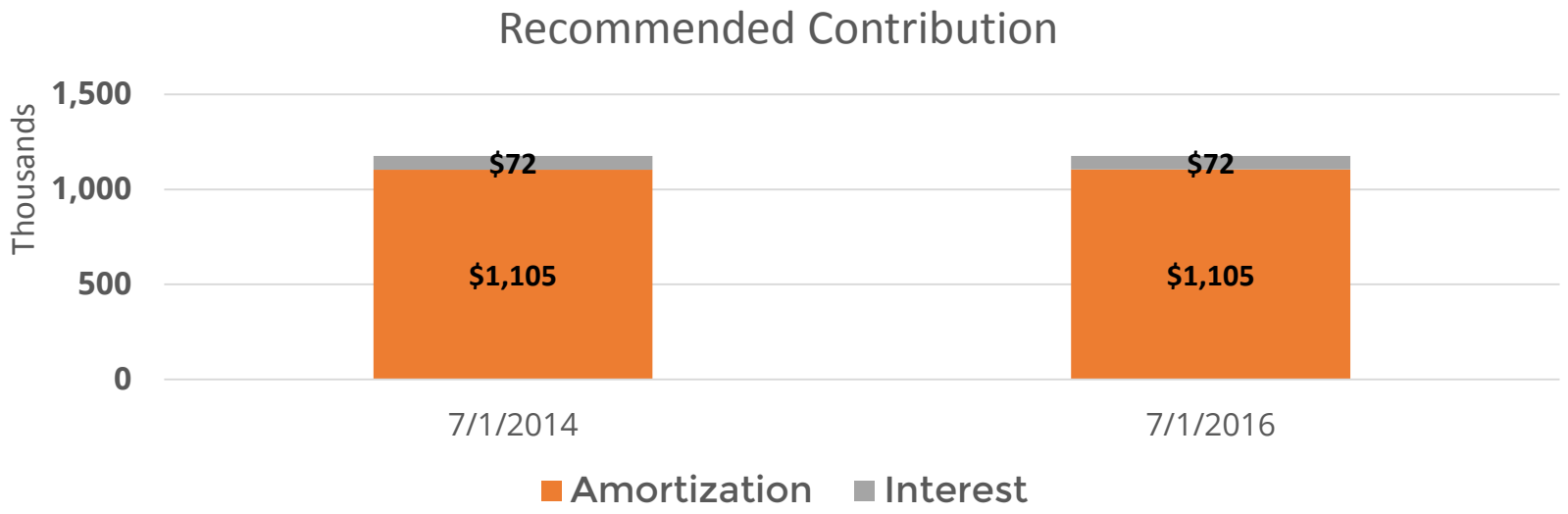
Police

Measurements as of 7/1/2014	Prior Actuary	Nyhart	$ Difference	% Difference
Actuarial Accrued Liability	$20,736,450	$20,747,874	$11,424	0.1%
PYE 2016 Contribution	$1,176,422	$1,178,011	$1,589	0.1%

- Nyhart was able to match key measurements within a reasonable range, and did not identify any pension plan provisions which were not captured or were valued inappropriately.
- For the conversion, Nyhart reviewed the data, plan provisions, & assumptions summarized by the prior actuary in the 7/1/2014 valuation report.

Valuation Results

Police



Valuation Date	7/1/2014	7/1/2016
Accrued Liability	$20,736,450	$19,387,871
Actuarial Value of Assets	12,279,347	12,224,685
Unfunded Liability	8,457,103	7,163,186
Funded Percentage	59.2%	63.1%
Recommended Contribution	$1,176,422	$1,176,462

GASB 67, 68 Accounting Results – Police

Measurement Date	6/30/2015	6/30/2016
Total pension liability (TPL)	20,471,000	19,387,871
Plan fiduciary net position	(12,384,845)	(12,224,685)
Net pension liability	8,086,155	7,163,186
Ratio of plan fiduciary net position to TPL	60.50%	63.05%

- The net pension liability decreased from 2015 to 2016.
- $598,000 expected decrease
- $836,000 decrease due to demographic gains
- $511,000 increase due to asset underperformance (i.e. return of 2.3% vs. expectation of 6.50%)

GASB 67, 68 Accounting Results – Police

Measurement Date	6/30/2015	6/30/2016
Service Cost	$0	$0
Interest on TPL	1,311,335	1,280,958
Projected earnings on investments	(853,442)	(790,732)
Employee contributions	0	0
Administrative expense	5,794	4,831
Recognition of deferred outflows/(inflows)*	$1,332,366	(619,831)
Pension Expense/(Income)	$1,796,053	($124,774)

ACTUARY'S COMMENT

The expense was $734,000 lower than anticipated. The decrease was largely due to the $836,000 demographic gains which were immediately recognized. The gain was offset by a $511,000 asset loss which will be recognized over 5 years. The asset loss increased expense by $102,000.

* The recognition of deferred outflows/(inflows) includes charges due to differences between expected and actual experience in measurement of the TPL, changes of assumptions, and differences between projected and actual earnings on pension plan investments

Looking ahead



Mortality Update



Review of Assumptions



Long-term Projections and Planning