LEGISLATIVE, FINANCE, AND ADMINISTRATION COMMITTEE AGENDA

FEBRUARY 9, 2015 - 5:45 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.

AGENDA ADDITIONS/DELETIONS

1. **PROPOSED ORDINANCES**
   - **A. #2015-03 AMENDING CHAPTER 102 - TAXATION, ARTICLE III - REALTY TRANSFER TAX, SECTION 102-71 - DEFINITIONS; ARTICLE IV - ABATEMENT OF REAL ESTATE TAXES, SECTION 102-113 - QUALIFICATIONS; AND ARTICLE V - TAX CREDITS FOR HISTORIC PROPERTIES, SECTION 102-152 - APPLICATION REQUIREMENTS AND SECTION 102-153 - APPLICATION REVIEW AND APPROVAL**
     (SPONSORS: ANDERSON, BONAR, SLAVIN, AND TOWNSHEND)
     (STAFF RECOMMENDS ADOPTION OF THE PROPOSED ORDINANCE AMENDMENTS)
     (DUE TO TIME CONSTRAINTS, THIS ITEM HAS BEEN PLACED ON THE COUNCIL AGENDA FOR THE MEETING BEING HELD LATER IN THE EVENING)
   - **B. #2015-04 AMENDING APPENDIX C - DOWNTOWN REDEVELOPMENT**
     (SPONSORS: ANDERSON, BONAR, SLAVIN, AND TOWNSHEND)
     (STAFF RECOMMENDS ADOPTION OF THE PROPOSED ORDINANCE AMENDMENTS)
     (DUE TO TIME CONSTRAINTS, THIS ITEM HAS BEEN PLACED ON THE COUNCIL AGENDA FOR THE MEETING BEING HELD LATER IN THE EVENING)
   - **C. #2015-05 FISCAL YEAR 2015 SECOND BUDGET AMENDMENT**
     (STAFF RECOMMENDS ADOPTION OF THE PROPOSED BUDGET AMENDMENTS FOR FISCAL YEAR 2015 AND CONSIDERATION OF THE RECOMMENDATION TO REPLENISH THE CONTINGENCY RESERVE $300,000 AND TRANSFER $85,000 TO THE CAPITAL ASSET RESERVE)

2. **COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) FOR THE FISCAL YEAR ENDING JUNE 30, 2014**
   (COMMITTEE ACTION NOT REQUIRED)

3. **REVIEW OF TRAINING, CONFERENCE, AND TRAVEL POLICY (DEFERRED ON JANUARY 12, 2015 DUE TO TIME CONSTRAINTS)**
   (STAFF RECOMMENDS APPROVAL OF THE PROPOSED AMENDMENTS TO THE POLICY)

4. **REVIEW OF EFFECTIVENESS OF THE SAFE COMMUNITIES ORDINANCE** (REQUEST OF COUNCILMAN ANDERSON) **(DEFERRED ON JANUARY 12, 2015 DUE TO TIME CONSTRAINTS)**

5. **AUTOMATIC ESCALATOR FOR BUILDING-RELATED PERMIT FEES (REFERRED TO STAFF DURING THEIR MEETING OF AUGUST 11, 2014)** (REQUEST OF COUNCILMAN ANDERSON)

6. **PROPOSED RESOLUTION NO. 2015-01 - DOVER PROSPERS INITIATIVE (ECONOMIC GREENING)** (REQUEST OF COUNCILMAN ANDERSON)

7. **FREEDOM TO WORSHIP ACT (TO ADDRESS ZONING INEQUITIES FOR PLACES OF ASSEMBLY)** (REQUEST OF COUNCILMAN ANDERSON)

8. **UPDATES**
   (DEFERRED ON JANUARY 12, 2015 DUE TO TIME CONSTRAINTS)
   A. **CERTIFIED LOCAL GOVERNMENT APPLICATION**
      (STAFF RECOMMENDS APPROVAL OF THE APPLICATION AND THAT THE APPLICATION BE FORWARDED TO THE STATE HISTORIC PRESERVATION OFFICE, ACCOMPANIED BY A LETTER FROM THE MAYOR)
   B. **"SAFE WHISTLES" NATIONAL RECREATION AND PARK ASSOCIATION RECOMMENDED GUIDELINES FOR CREDENTIALING VOLUNTEERS (BACKGROUND SCREENING FOR YOUTH COACHES AND SPORTS OFFICIALS FOR ALL CITY RECREATION OFFERINGS)**
      (DURING THEIR MEETING OF NOVEMBER 25, 2013, COUNCIL APPROVED THE COMMITTEE'S RECOMMENDATION THAT BACKGROUND CHECKS BE PERFORMED FOR ALL PARKS AND RECREATION VOLUNTEERS AND CONTRACTORS, INCLUDING OFFICIALS, WHO WILL BE WORKING DIRECTLY WITH YOUTH, EVERY THREE (3) YEARS, AND THAT STAFF IMPLEMENT A STAGGERED APPROACH THAT WOULD REQUIRE COMPLIANCE BY OFFICIALS BY A CERTAIN DATE IN 2014)

9. **ADJOURNMENT BY 7:10 P.M.**

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FIRST READING

CITY OF DOVER PROPOSED ORDINANCE #2015-03

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

That Chapter 102 - Taxation, Article III - Realty Transfer Tax, Section 102-71 - Definitions of the Dover Code be amended by deleting the text indicated in bold, red strikeout and inserting the bold, blue text, as follows:

Sec. 102-71. - Definitions.

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

(1) *Document* means any deed, instrument or writing whereby any real estate within the corporate limits of the city, or any interest therein, shall be quitclaimed, granted, bargained, sold or otherwise conveyed to the grantee, but shall not include the following:

a. Any will;

b. Any lease other than those described or defined in subsection (a)(2) of this section;

c. Any mortgage;

d. Any conveyance between corporations operating housing projects pursuant to 31 Del. C. § 4501 et seq., and the shareholders thereof;

e. Any conveyance between nonprofit industrial development agencies and industrial corporations purchasing from them;

f. Any conveyance to nonprofit industrial development agencies;

g. Any conveyance between a husband and wife;

h. Any conveyance between persons who were previously husband and wife, but who have since been divorced, provided that such conveyance is made after the granting of the final decree in divorce and the real estate or interest therein subject to such conveyance was acquired by the husband and wife, or husband or wife prior to the granting of the final decree in divorce;

i. Any conveyance between parent and child or the spouse of such a child;

j. Any conveyance:

1. To a trustee, nominee or straw party for the grantor as beneficial owner;

2. For the beneficial ownership of a person, other than the grantor, where, if such person were the grantee, no tax would be imposed upon the conveyance pursuant to this chapter; or

3. From a trustee, nominee or straw party to the beneficial owner;

k. Any conveyance between a parent corporation and a wholly owned subsidiary corporation, provided that such conveyance is without actual consideration;

l. Correctional deeds without actual consideration;

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m. Any conveyance to or from the United States, this state or to any of their instrumentalities, agencies or political subdivisions and the University of Delaware;

n. Any conveyance to or from a corporation, or a partnership, where the grantor or grantee owns stock of the corporation or an interest in the partnership in the same proportion as his interest in, or ownership of, the real estate being conveyed; provided, however, that this subsection shall not apply to any distribution in liquidation or other conveyance resulting from the partial or complete liquidation of a corporation, unless the stock of the corporation being liquidated has been held by the grantor or grantee for more than three years; provided, further, this subsection shall not apply to any conveyance from a partnership to its partners, unless the partners' interest in the partnership has been held for more than three years;

o. Any conveyance by the owner or previously occupied residential premises to a builder of new residential premises when such previously occupied residential premises are taken in trade by such builder as a part of the consideration from the purchaser of new, previously unoccupied premises;

p. Any conveyance to the lender holding a bona fide mortgage, which is genuinely in default, either by a sheriff conducting a foreclosure sale, or by the mortgagor in lieu of foreclosure;

q. Any conveyance to a religious organization or other body or person holding title to real estate for a religious organization, if such real estate will not be used following such transfer by the grantee, or by any privy of the grantee, for any commercial purpose; provided, however, that only that portion of the tax which is attributable and payable by the religious organization or other body or person holding title to real estate for a religious organization under 30 Del. C. § 5402 shall be exempt;

r. Any conveyance to or from a volunteer fire company organized under the laws of this state; provided, however, that only that portion of the tax which is attributable to and payable by the volunteer fire company by this article shall be exempt;

s. Any conveyance of a "mobile home," as defined in 25 Del. C. § 7003;

t. Any conveyance without consideration to an organization exempt from tax under section 501(c)(3) of the federal Internal Revenue Code (26 USC 501(c)(3));

u. Any conveyance to a nonprofit conservation organization, when the property is purchased for open space preservation purposes;

v. Any conveyance to or from a nonprofit corporation or organization of real estate acquired for the purpose of rehabilitation and resale without profit.

(2) *Document* includes the following:

a. Any writing purporting to transfer a title interest or possessory interest for a term of more than five years in a condominium unit or any unit properties subject to the Unit Property Act pursuant to 25 Del. C. § 2201 et seq.

b. Any writing purporting to transfer a title interest or possessory interest of any lessee or other person in possession of real estate owned by the state or other political subdivision thereof.

c. Any writing purporting to assign or transfer a leasehold interest or possessory interest in residential property under a lease for a term of more than five years. For this purpose, the term "residential property" means any structure or part of a structure which is intended for

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residential use, and excluding any commercial unit subject to tax under 30 Del. C. § 2301(a)(88) relating to commercial lessors.

(3) *First-time homebuyer* means a natural person who has at no time held an interest in residential real estate, wherever located, and which has been occupied as their principal residence, and who intends to occupy the property being conveyed as his principal residence, within 90 days following recordation of the deed. The first-time homebuyer must file an affidavit certifying to his qualifications before the exemption can be granted. In order to alleviate claims for rebate of the transfer tax paid, no rebate shall be made once the deed for the transaction has been recorded. First-time homebuyers submitting a false affidavit in any respect, which would entitle them to the exemption, shall be subject to payment of the unpaid transfer tax, plus interest at the rate of one and one-half percent per month and, upon direction by the council, referral to the attorney general of the state for criminal prosecution. This subsection shall apply to all real estate settlements held on or after January 2, 2000. First-time homebuyers are exempt from the transfer tax as provided herein. The first-time homebuyer exemption shall apply to the seller of property that qualifies for the first-time buyer exemption but only for property **located within the downtown redevelopment high priority target area defined in Appendix C** ~~**situated in the area from Mary Street to Loockerman Street and Governors Avenue to West Street**~~. Council shall have the right to deny this exemption to any property owner where the sale and purchase appears to be done fraudulently to take advantage of the realty transfer tax exemption ordinance.

(4) *Transaction* means the making, executing, delivering, accepting or presenting for recording of a document.

(5) *Value* means, in the case of any document granting, bargaining, selling or otherwise conveying any real estate or interest or leasehold interest therein, the amount of the actual consideration therefor, including liens or other encumbrances thereon, and ground rents which encumber the interest in real estate and any other interest in real estate conveyed, provided, that, in the case of a transfer for an amount less than the highest appraised full value of said property for local real property tax purposes, the term "value" shall mean the highest such appraised value, unless the parties or one of them can demonstrate that fair market value is less than the highest appraised value, in which case, the term "value" shall mean fair market value, or actual consideration, whichever is greater. A demonstration that the transaction was at arm's length between unrelated parties shall be sufficient to demonstrate that the transaction was at fair market value.

(b) In determining the term of a lease, it shall be presumed for the purpose of computing the lease term, that any rights or options to renew or extend will be exercised.

(c) For the purpose of subsection (a)(5) of this section, in the case of a document described in subsection (a)(2) of this section under which the consideration is based, in whole or in part, on a percentage of the income or receipts to be received in the future, actual consideration shall include the amounts actually received under such percentage of income or receipts provision; provided, however, and notwithstanding any other provisions of this article, that the tax imposed by this article shall be due and payable to the controller/treasurer within 30 days after the date such amounts become due and payable under the agreement.

(d) Transfers through conveyance of interest.

(1) Except as provided in subsections (d)(2) and (3) of this section, where beneficial ownership in real estate is transferred through a conveyance or series of conveyances of intangible interests in a corporation, partnership or trust, such conveyance shall be taxable under this article as if such

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property were conveyed through a duly recorded "document" as defined in subsection (a)(1) of this section, and subject to the exemptions contained therein, except those exemptions contained in subsections (a)(1)j. and (a)(1)n. of this section.

(2) No bona fide pledge of stock or partnership interests as loan collateral, nor any transfer of publicly traded stock or publicly traded partnership interest shall be deemed subject to taxation under this subsection (d).

(3) Where the beneficial owners of real property, prior to the conveyance or series of conveyances referred to in this subsection (d), own 80 percent or more of the beneficial interest in the real estate following said conveyance or series of conveyances, such transfers shall not be subject to tax under this subsection (d). Where the beneficial owners of real property, prior to the conveyance or series of conveyances referred to in this subsection (d), own less than 80 percent of the beneficial interest in the real estate following said conveyance or series of conveyances, such transfers shall not be subject to tax under this subsection (d), unless under regulations promulgated by the city assessor, such transfer or transfers are properly characterized as a sale of real property. Such characterization shall take into account the timing of the transaction, beneficial ownership prior to and subsequent to the conveyance or conveyances, the business purpose of the corporation, partnership or trust, and such other factors as may be relevant.

(Code 1981, § 19.5-19; Ord. of 6-27-1988; Ord. of 4-22-1996; Ord. of 8-10-1998; Ord. of 12-13-1999; Ord. of 8-8-2005(1); Ord. No. 2009-23, 10-26-2009; Ord. No. 2011-17, 8-8-2011)

BE IT FURTHER ORDAINED:

That Chapter 102 - Taxation, Article IV - Abatement of Real Estate Taxes, Section 102-113 - Qualifications of the Dover Code be amended by deleting the text indicated in red strikeout and inserting the bold, blue text, as follows:

Sec. 102-113. - Qualifications.

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

Control with respect to a corporation means ownership, directly or indirectly, of stock possessing 50 percent or more of the total combined voting power of all classes of the stock of such corporation entitled to vote and 50 percent or more of the shares of such corporation entitled to vote and 50 percent or more of the total number of shares of all other classes of such corporation's stock.

Control with respect to a trust means ownership, directly or indirectly, of 50 percent or more of the beneficial interest in the principal or income of such trust. The ownership of stock in a corporation, of a capital of profits interest in a partnership or association, or of a beneficial interest in a trust shall be determined in accordance with the rules for constructive ownership of stock provided in section 267(c) of the Internal Revenue Code (26 USC 267(c)).

Expanded facility means any qualified property that is modified with an improvement or addition (other than a replacement resulting from the acquisition, construction, reconstruction, installation, or erection of improvements or additions resulting from repairing, refurbishing, retooling, recycling, or other similar process or procedure that merely preserves or restores the value of an

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existing facility and not including any improvement or addition that, in the determination of the council, does not constitute an integral part of a qualified activity), if such improvements or additions are placed in service by the taxpayer after January 1, 2001. Abatement will only be to the extent of the taxpayer's qualified investment in such improvements or additions.

Large vacant commercial facility means a building of 20,000 square feet or larger and vacant continuously for 18 months or more.

New facility means any qualified facility (other than an expanded facility or a replacement facility) constructed by the taxpayer after January 1, 2001. For the purposes of this article, the term "constructed" means the issuance of a building permit for $1,000,000.00 or more with regards to subsection (b)(1) of this section, and the issuance of a building permit for $3,000,000.00 or more with regards to subsection (b)(2) of this section.

Placed in service and *original use* have the meanings ascribed to such terms under section 167 of the Internal Revenue Code (26 USC 167) and regulations promulgated thereunder.

Qualified activity means any activity constituting manufacturing (other than any repair, refurbishing, retooling, recycling or other similar process or procedure that merely preserves or restores the value of a product or that does not change the inherent nature of a product or material). Such term includes any activity engaging in business as a wholesaler; the CCBA and any subsequent legislation as enacted by the state; any home offices and operating units of insurance companies; and any combination of activities described herein.

Qualified employee means any person employed within the city/county on a regular and full-time basis.

Qualified facility means any qualified property located in the city that constitutes a new or an expanded facility, located within the industrial park manufacturing district, industrial park manufacturing 2 district, or manufacturing district, and that is used by a taxpayer in or in connection with a qualified activity.

Qualified investment for any taxable year is based on the value of a qualified facility as of the last business day of such taxable year.

Qualified property means any building and its structural components, and any other improvement to real property. Such term includes the land on which such building or other improvements are located, if ownership of said land and structural improvements is identical. If any property is owned or leased by the taxpayer in common with any other person or persons, such property may constitute "qualified property" only to the extent of the taxpayer's proportionate interest.

Related person means a corporation, partnership, association, or trust controlled by the taxpayer; or an individual, corporation, partnership, association, or trust that is in control of the taxpayer; or a corporation, partnership, association, or trust controlled by an individual, corporation, partnership, association, or trust that is in control of the taxpayer.

(b) *Established.* Industries/businesses may qualify for property tax abatement either by meeting the industry function qualifications detailed in the following subsection (b)(1) or the investment qualifications detailed in the following subsection (b)(2) or the occupancy qualifications detailed in the following subsection (b)(3):

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(1) *Qualifying industries/businesses by function.*

a. Manufacturers and financial institutions as defined by the FCDA, CCBAA, and subsequent legislation and home offices and operating units of insurance companies shall be qualifying industries, including, but not be limited to, distributors, transportation (air, rail, barge, truck), printing and publishing, and food processing.

b. *Investment and employees.* The qualifying industry must invest at least $1,000,000.00 in a qualifying new or expanded facility in the city and hire at least 20 qualified employees (including owners/operators), 75 percent of whom shall be city/county residents not employed by the qualifying industry/activity at the time of its relocation/expansion within the city. The council may, at the time of application, reduce the 75 percent requirement to a lesser percentage, but not less than 50 percent. The qualifying industry agrees to supply information verifying compliance with this section in whatever legally acceptable manner the council shall so request.

(2) *Qualifying industry/businesses by investment.* Industries/businesses that do not meet the qualifications as specified in subsection (b)(1) of this section can nevertheless qualify for property tax abatement by investing a minimum of $3,000,000.00 in a new or expanded facility in the city located within the industrial park manufacturing district, industrial park manufacturing 2 district, or the manufacturing district, and hire at least 15 qualified employees (including owners/operators), 75 percent of whom shall be city/county residents not employed by the qualifying industry/activity at the time of its relocation/expansion within the city. The council may, at the time of application, reduce the 75 percent requirement to a lesser percentage, but not to less than 50 percent. The qualifying industry agrees to supply information verifying compliance with this section in whatever legally acceptable manner the council shall so request.

(3) *Qualifying industry/business by occupying a large vacant commercial facility.* Entities that do not qualify for property tax abatement under subsection (b)(1) or (b)(2) can qualify for property tax abatement by (a) purchasing a large vacant commercial facility if the purchase of the large vacant commercial facility will result in the employment of 15 or more full-time employees; or (b) leasing a large vacant commercial facility if the initial lease term is at least ten years, the lease of the large vacant commercial facility will result in the employment of 15 or more full-time employees, and the occupying tenant submits a letter of intent to lease and requests the abatement for either their own benefit when the tax burden is the responsibility of the tenant, or on behalf of the owner when the tax burden is the responsibility of the owner. The demolition of a large vacant building and the construction of a new replacement 20,000 square feet or greater that meets the conditions of [subsection] (b)(3) of section 102-113, Qualifications, shall qualify for abatement.

(c) *Benefits.*

(1) The council may abate city real estate taxes on a ten-year sliding scale as follows, or upon any other scale or method deemed most advantageous by the council for the public welfare:

Fiscal Year Construction Ended	100 percent reduction of taxes
First year of operation	90 percent reduction of taxes
Second year of operation	80 percent reduction of taxes
Third year of operation	70 percent reduction of taxes
Fourth year of operation	60 percent reduction of taxes

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Fifth year of operation	50 percent reduction of taxes
Sixth year of operation	40 percent reduction of taxes
Seventh year of operation	30 percent reduction of taxes
Eighth year of operation	20 percent reduction of taxes
Ninth year of operation	10 percent reduction of taxes
Tenth year of operation	0 percent reduction of taxes

(2) Unless otherwise directed by the council, year one of the abatement period will commence with the first property tax billing following the completion of the qualifying new or expanded facility and the meeting of all requirements as detailed in subsections (b)(1) and (b)(2) of this section. Abatement for expanded facilities will be limited to expansion value only.

(3) All quarterly property taxes for new construction, as defined in section 49A of the city Charter, will likewise be abated for qualifying new or expanded facilities.

(4) The property tax abatement program will have no effect on both citywide revaluations of property values for taxation purposes and the institution of those new values.

(d) Any persons purchasing residential real property in which they will reside within the **downtown redevelopment high priority target area defined in Appendix C** ~~**area defined as Mary Street to Loockerman Street and Governors Avenue to West Street**~~ shall be given tax relief from the payment of real estate taxes in the following manner: first year of ownership, total tax abatement; second year of ownership, 75 percent tax abatement; third year of ownership, 50 percent tax abatement; fourth year of ownership, 25 percent tax abatement; fifth year of ownership, no tax abatement. Provided however that the homeowner is required to occupy the home as their principal place of residence during the entire time that the taxes are abated and if the property ceases to be their principal place of residence at any time during the four-year period of abatement, then they shall lose their right of abatement and shall be required to pay immediately all taxes abated up to the time that the home ceases to be their principal residence. In order to obtain the tax abatement, the homeowner must make application by affidavit submitted to the city clerk showing qualification for the abatement and each year thereafter, submit a similar affidavit showing their continued right to the abatement. If qualification for the abatement ceases within the four-year period of abatement the homeowner is required to notify the city clerk of the lack of qualification for the abatement and within 90 days from the date the qualification ceases, pay all taxes abated in the past.

First year of owner occupancy	100 percent reduction of taxes
Second year of owner occupancy	75 percent reduction of taxes
Third year of owner occupancy	50 percent reduction of taxes
Fourth year of owner occupancy	25 percent reduction of taxes
Fifth year of owner occupancy	0 percent reduction of taxes

(Code 1981, § 19.5-33; Ord. of 12-11-2000; Ord. of 8-8-2005(3); Ord. No. 2011-11, 7-11-2011; Ord. No. 2011-17, 8-8-2011)

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BE IT FURTHER ORDAINED:

That Chapter 102 - Taxation, Article V - Tax Credits for Historic Properties, Section 102-152 - Application Requirements and Section 102-153 - Application Review and Approval of the Dover Code be amended by deleting the text indicated in red strikeout and inserting the bold, blue text, as follows:

Sec. 102-151. - Voluntary tax credits for preservation, restoration, and/or rehabilitation.

Owners of historic properties located in the city historic district zone, as shown on the city zoning map, or properties listed on the National Register of Historic Places may be entitled to tax credits for preservation, restoration, and/or rehabilitation of the exterior architectural facades of their buildings, subject to the following special procedures and requirements:

(1) *Applicability.* Tax credits shall be applicable only for preservation, rehabilitation, and/or restoration of exterior architectural improvements which are not covered by insurance claims due to recent damage of the property.

(2) *Amount.* Tax credits shall be provided at 50 percent of the total cost of the approved preservation, restoration, and/or rehabilitation, up to a maximum credit of $6,000.00 (with a total project cost minimum of $12,000.00). The cost of the project must be at least $1,200.00, resulting in a minimum tax credit for the project of $600.00.

(3) *Run with property.* Tax credits shall run with the property for a ten-year period. However, the credit shall not transfer to any new owners of the property.

(4) *Prorated.* Tax credits shall be prorated over the ten-year period. For example, a $6,000.00 credit shall be applied in $600.00 increments each year toward a property owner's city real estate tax. If the credit is less than the annual tax due on a property, the owner shall pay the difference to the city through the real estate billing process. If the credit is more than the annual tax due on a property, the owner's credit shall be deemed to be equivalent to the annual tax due.

(5) *Total credit.* The owners of a property may apply more than once for tax credits; however, the total credit shall not exceed $600.00 per year in any given year, and a property may not receive a total abatement greater than $12,000.00.

Sec. 102-152. - Application requirements.

(a) *Submissions to* ***city planner*** ~~***historic district commission***~~. Property owners shall submit a historic tax credit application, and, when applicable, a building permit application **and/or application for architectural review certificate** to the **city planner** ~~**historic district commission**~~.

~~**(b) *When submitted.* The application and related information shall be submitted to the city planner at least 30 days prior to the historic district commission meeting at which review or approval is requested.**~~

(~~c~~ **b**) *Plans.* A tax credit request submittal shall include the type and number of plans and specifications required for a building permit and, in addition, elevation plans and specifications, showing the impact of the proposed work on the exterior architectural facade of the building.

(~~d~~ **c**) *Photographs.* A tax credit application submittal shall include current color photographs of the property, showing the present condition of the property, and accurately representing the existing materials and texture. All photographs shall be labeled indicating the direction of view.

(~~e~~ **d**) *Other information.* Other information may be required by the city planner to facilitate review of such tax credit submittal.

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(~~f~~ **e**) *Cost estimate.* An itemized cost estimate shall be submitted, which shall be the basis for the tax credit.

Sec. 102-153. - Application review and approval.

(a) *Factors considered.* The **city planner** ~~**historic district commission**~~ shall first review the submitted applications, plans, photos, and related information to determine if the property is a qualifying historic property. In making this determination, the **city planner** ~~**commission**~~ shall consider the following:

(1) The property's significant value as part of the historical, cultural, artistic, social, ethnic or other heritage of the nation, state or city;

(2) The property's association with an important person or event in national, state, or local history;

(3) Whether the property is representative of the distinguishing characteristics of an architectural type inherently valuable for the study of a period, style, craftsmanship, method of construction or use of an indigenous material;

(4) Whether the property is the notable work of a master builder, designer, architect, or artist whose individual genius has influenced an era.

(b) *Review.* If the **city planner** ~~**historic district commission**~~ determines that the property is a qualifying property, they shall review the submitted application plans, specifications, and related information for compliance with the following:

(1) The proposed application constitutes an exterior preservation project seen readily from a street, sidewalk, or public way, where measures are applied to sustain the existing form, integrity, and material of the building or structure, including stabilization work, where necessary, as part of ordinary maintenance and repair;

(2) The proposed application constitutes an exterior rehabilitation project readily seen from a street, sidewalk or public way, which would return the property to a state of utility through repair or alteration which makes possible an efficient use of the building, while preserving those portions or features of the property which are central to its historic, architectural, and cultural significance;

(3) The proposed application constitutes an exterior restoration project readily seen from a street, sidewalk, or public way, which accurately recovers the form and detail of a property and its setting as it appeared at a particular period of time in the past by means of removal of later work or by the replacement of missing earlier work; or

(4) The proposed application conforms with the recommended practices and treatments of the design standards and guidelines for the city historic district. Practices and treatments designated as not recommended or inappropriate in the guidelines, or determined by the historic district commission to be inappropriate shall not qualify for this tax credit.

(c) ***Referral to historic district commission*. The city planner may refer any application for tax credits under this article to the historic district commission for consultation with the commission. The applicant shall have the right to appeal a tax credit disapproval to city council.** ~~**Vote on approval. The historic district commission, after reviewing whether the proposed project is eligible and conforming with the requirements of these sections, shall, by a majority vote of members present at a publicly held meeting, approve, approve with conditions, or disapprove the tax credit request. The applicant shall have the right to appeal a tax credit disapproval to the city council.**~~

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(d) *Expense report.* Upon the completion of the **qualified** work for which a tax credit has been approved, the property owner or his contractor shall submit to the city planner a written expense report, which verifies the costs associated with the project and shall request an inspection of the completed work by the city planner.

(e) *Tax credits.* The tax assessor shall apply approved tax credits during the fiscal year subsequent to the submittal to the city planner by the applicant of the contractor's final invoice to verify the cost of the repairs to the building and following certification from the city planner that the work has been completed in accordance with the approval of the ~~**historic district commission**~~ **tax credit application, building permit, and/or architectural review certificate**.

Secs. 102-154—102-180. - Reserved.

ADOPTED: *

S:\ORDINANCES\2015\DRAFT\Ordinance #2015-03 - Chp 102 - Taxation 02-09-15 First Reading.wpd

SYNOPSIS

The amendments change the homeownership tax incentives to align with the Downtown Development District boundary and change the City's Historic Property Tax Credit application to be administratively reviewed.

(SPONSORS: ANDERSON, BONAR, SLAVIN, AND TOWNSHEND)

Actions History

02/09/2015 - Scheduled for Introduction at Legislative, Finance, and Administration Committee and First Reading at City Council

01/26/2015 - Scheduled for Introduction at Legislative, Finance, and Administration Committee - Meeting Cancelled Due to Inclement Weather

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FIRST READING

CITY OF DOVER PROPOSED ORDINANCE #2015-04

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

That Appendix C - Downtown Redevelopment of the Dover Code be amended by deleting the text indicated in red strikeout and inserting the bold, blue text, as follows:

ARTICLE I. - INTENT

The city council has deemed it to be in the best interests of the residents of the city and in furtherance of their health, safety and welfare to promote the redevelopment of downtown Dover. In order to promote the redevelopment, [the] council has determined that incentives in the forms of tax abatements, impact fee waivers and building permit caps should be offered.

ARTICLE II. - DEFINITIONS

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

Section 1. - Beneficiary of the incentives.

The *beneficiary of the incentives* shall include the person or artificial entity that receives the incentive and the owner of one-half or greater interest in an artificial entity that receives the incentive.

Section 2. - Downtown Dover Partnership.

The *Downtown Dover Partnership* shall be established for the purpose of fostering redevelopment within the target area.

Section 3. - Eligible project.

Eligible project shall mean a new construction or renovation which:

(a) Is located within the target area; and

(b) The fair market value of the materials to be used in and the labor to be performed on the project exceeds the sum of $15,000.00; and

(c) Is for commercial, office, or a residential use; and

(d) Conforms to the intent of this ordinance.

In order for a residential use to be an eligible project, the object of the construction or renovation must be a dwelling unit as defined in article 12 of the City of Dover zoning ordinance [appendix B]. Construction or renovation of accessory buildings as defined in article 12 of the City of Dover zoning ordinance [appendix B] shall not be eligible for development incentives. Construction or renovation which constitutes ordinary replacement or routine maintenance shall not qualify as an eligible project.

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Section 4. - Target area.

Target area shall mean that part of the city more particularly described as follows:

Beginning at a point at the intersection of the centerlines of Cecil and North State Streets, then continuing on the centerline of North State Street in a southerly direction to the intersection of the centerline of State Street and an extension of the centerline of Delaware Avenue, then continuing on the centerline and an extension of the centerline of Delaware Avenue in an easterly direction to the point of intersection of an extension of the centerline of Delaware Avenue and the St. Jones River, then following the centerline of the St. Jones River in a southerly direction to the point of intersection of the centerline of the St. Jones River and the southerly property line of lands now or formerly of the Catholic Diocese of Wilmington, being the site of Holy Cross Roman Catholic Church, then proceeding in a westerly direction along said property line to the easterly right-of-way line of South State Street (U.S. Route 13-A), then crossing the right-of-way line of South State Street in a westerly direction and joining the centerline of Hope Street and proceeding in a westerly direction to the centerlines of Hope Street and South Governors Avenue, then proceeding in a southerly direction along the centerline of South Governors Avenue to the point of intersection of the centerlines of South Governors Avenue and Dover Street, then proceeding in a westerly direction along the centerline of Dover Street to the point of intersection of the centerlines of Dover Street and Westview Terrace, then continuing in a northerly direction on the centerline of Westview Terrace to the point of intersection of the centerline of Westview Terrace and New Burton Road, then proceeding in a northeasterly direction on the centerline of New Burton Road to the point of intersection of New Burton Road and West Street, then continuing in a northerly direction along the westerly right-of-way line of West Street to the point of intersection of the westerly side of the right-of-way of West Street and the northerly property line of lands now or formerly of Dover Rent-All, Inc., then continuing in a westerly direction along said property line to the point of intersection of said property line and the lands of Conrail Railroad, then proceeding in a northerly direction along the easterly right-of-way line of Conrail Railroad in a northerly direction to the point of intersection of the centerline of West North Street and then westerly along the centerline of West North Street **to Clarence Street and north along the center line of Clarence Street to Slaughter Street, and west along the center line of Slaughter Street to Cherry Street and north along the center line of Cherry Street to the intersection with the center line of Lincoln Street** to a point of intersection with an extension of the westerly property line of lands now or of late of Michael Nash, being the site of the former Diamond Ice Company, then proceeding in a northerly direction along the westerly property line of the Nash property and in a line extending to the intersection of the southerly property line of lands now or of late Paul T. and Aiko Moore, and then northwesterly and then northerly along the southern and western property line of the Moore property and extending north to an intersection with the centerline of Lincoln Street, and then easterly along the centerline of Lincoln Street to a point of intersection of an extension of the westerly property line of lands now or formerly of Frank Moore et al., and then northerly along the western property of Frank Moore et al. and extending to a point of intersection with the centerline of Forest Street, then easterly along the centerline of Forest Street to a point of intersection with an extension of the westerly property of the lands now or formerly of the Salvation Army, and then northerly and easterly along the western and north property line of the Salvation Army property to the point of intersection with lands now or of late Conrail Railroad, then northerly along the westerly property line of Conrail Railroad and extending to a point of intersection with the centerline of West Division Street, and then easterly along the centerline of East Division Street to the intersection of the easterly right-of-way line of Conrail Railroad, and then northerly along the easterly right-of-way line of Conrail Railroad to the intersection of the right-of-way of Conrail Railroad and the northerly property line of lands now or

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of late of Southern States Cooperative, Inc., then proceeding in an easterly direction a distance of 52.76 feet to the northeasterly corner of the lands now or of late of Southern States Cooperative, Inc., then proceeding in a southerly direction along the easterly property line of lands now or of late of Southern States Cooperative, Inc., to the point of intersection of said property and the centerline of ~~Cecil~~ **Mary** Street, then proceeding in an easterly direction along the centerline of ~~Cecil~~ **Mary** Street to the point of beginning, being the point of intersection of the centerline of ~~Cecil~~ **Mary Street** and North ~~State Streets~~ **Governors Avenue, south along the centerline of North Governors Avenue to the intersection of North Governors Avenue and Cecil Street, and west along the center line of Cecil Street through the Wesley College Campus to the point of intersection of Cecil Street and North State Street**.

High Priority Target Area **shall mean that part of the city more particularly described as bounded by the street center lines as follows:**

From the intersection of the centerlines of North Governors Avenue and Mary Street south go the intersection of the centerlines of North Governors Avenue and Fulton Street, east to the intersections of the center lines of Fulton Street and North State Street, south to the northern intersection of the center lines of South State Street and The Green, and along the centerline of The Green east of South State Street to the south intersection of the center lines of South State Street and The Green, south to the intersection of the center lines of South State Street and West Water Street and west to the intersection of the center lines of West Water Street and South Queen Street, south along the center line of South Queen Street 541.11 feet and then west to the center line of South West Street, and north to the intersection of the center lines of West North Street and South West Street, and west to the intersection of the center lines of West North Street and Clarence Street and north to the intersection of the center lines of Clarence Street and Slaughter Street, and west along the center line of Slaughter Street to Cherry Street and north along the center line of Cherry Street to the intersection with the center line of Lincoln Street, and east along the center line of Lincoln Street to the intersection of the center lines of Forest Street and South West Street, and north along the center line of South West Street to the intersection of the center lines of West Street and West Division Street, and west to the east property line of the Norfolk Southern railroad track, and north along this property line to the intersection with the center line of Mary Street, and west to the intersection of the center lines of Mary Street and North Governors Avenue.

ARTICLE III. - ELIGIBILITY

~~**Section 1. - Development incentive eligibility.**~~

~~**In order to be eligible for development incentives, the owner of an eligible project must agree to contribute ten percent of the total value of the incentives received to the Downtown Dover Partnership for reinvestment in downtown Dover.**~~

Section 2. - Development incentive ineligibility.

An otherwise eligible project shall be ineligible for development incentives if:

(a) An application for a building permit for the project was filed prior to the effective date of this ordinance; or

(b) Construction or renovation commenced prior to the effective date of this ordinance; or

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(c) Issuance of the certificate of occupancy and/or the completion and finalization of the building permit occurs before the application for development incentives is received; or

(d) The subject property is exempt from City of Dover real estate taxes; or

(e) The beneficiary of the incentives is delinquent on any of the obligations listed in section 1-13(b).

Section 3. - Revocation of eligibility.

The beneficiary of the incentives provided by this Appendix must remain current on all obligations due the city. If, at any time after the incentives have been granted, the beneficiary of the incentives becomes delinquent on any of the obligations listed in section 1-13(b), the city manager shall revoke the eligibility for any portion of the incentives not yet received by the beneficiary. Notice shall be given to such beneficiary in writing.

ARTICLE IV. - DEVELOPMENT INCENTIVES

Eligible projects within the Target Area shall be eligible for the following development incentives:

Section 1. - [Waiver of permit fees.]

Fees for building, plumbing, mechanical, and fire protection permits shall be waived for eligible projects.

Section 2. - [Waiver of impact fee.]

Eligible projects ~~**that have received conditional approval from the planning commission after January 31, 2008, that involve multiple story new construction or renovation of an existing building, and have a combination of residential, office, retail, or commercial service uses so that at least two of these uses are established**~~ shall qualify for city impact fee waiver of the cost of such fees. ~~**Eligible projects that have received conditional approval from the planning commission on or before January 31, 2008, and that are multiple-story new construction on one lot, and have a combination of residential, office, retail, or commercial service uses so that at least two of these uses are established shall qualify for city impact fee waiver of one half the cost of such fees.**~~

Section 3. - ~~**[Period of tax waiver.]**~~ **Abatement of property taxes on the value of improvement.**

Eligible projects shall receive property tax waivers for a period not to exceed ten years so that improvements to the properties made in accordance with the intent of this ordinance will not be taxed for a period of time not to exceed ten years from the date of the making of the improvements. The said ten-year period will commence with the date of issuance of a building permit.

Eligible projects within the High Priority Target Area shall also be eligible for the following incentives:

- **For properties which have transferred on or after March 1, 2015, the property owner shall be eligible for a rebate of the buyer's portion of the real estate transfer tax upon issuance of**

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a certificate of occupancy, provided that a certificate of occupancy is issued for improvements to the property within five years of the payment of the real estate transfer tax.

- **Businesses that open within or relocate to the high priority target area on or after March 1, 2015, shall be eligible for a waiver of all city business license fees associated with the business for a period of three years. Eligible businesses are still required to obtain the required city business licenses.**

ARTICLE V. - ADMINISTRATION

The city manager and his staff shall develop the administrative procedures necessary to implement this ordinance. The city manager and his staff shall promulgate reasonable standards to be used in determining whether an eligible project shall receive development incentives and, if so, which incentives shall be granted. Administrative staff shall review applications for development incentives and grant incentives to eligible projects. Applicants shall be notified of the action taken on their applications by mail.

ARTICLE VI. - APPEALS

Applicants denied development incentives shall have the right to appeal the decision to the city council within 30 days from the date of mailing of the formal notification. Such appeal shall be in writing, signed by the owner of the property in question, and filed with the city clerk.

ARTICLE VII. - SEVERABILITY AND EFFECTIVE DATE

Section 1. - [Severability.]

Should any section or provision of this ordinance be declared to be unconstitutional or otherwise invalid, such decision shall not affect the validity of the ordinance as a whole or any part thereof other than the parts so declared to be unconstitutional or invalid.

Section 2. - [Effective date.]

This ordinance shall be effective as of January 1, 1991.

ADOPTED: *

S:\ORDINANCES\2015\DRAFT\Ordinance #2015-04 Appendix C - Downtown Redevelopment 02-09-15 - First Reading.wpd

SYNOPSIS

The proposed ordinance modifies the boundary of the Downtown Redevelopment Target Area to ensure that the Downtown Development District falls within the larger target area, and it creates a High Priority Target Area that comprises the Downtown Development District boundary. It removes the 10% donation of the value of redevelopment incentives to the Downtown Dover Partnership, expands the impact fee waiver to remove the applicability to only multi-story mixed use buildings, and it adds two new incentives for the High Priority Target Area: rebate of the buyer's portion of transfer taxes when a Certificate of Occupancy is granted for property improvements, and waiver of City business license fees for new businesses in the area for a period of three years. The proposed ordinance implements the incentives agreed to in the City's Downtown Development District application.

(SPONSORS: ANDERSON, BONAR, SLAVIN, AND TOWNSHEND)

Actions History

02/09/2015 - Scheduled for Introduction at Legislative, Finance, and Administration Committee and First Reading at City Council

01/26/2015 - Scheduled for Introduction at Legislative, Finance, and Administration Committee - Meeting Cancelled Due to Inclement Weather

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ACTION FORM

PROCEEDING: Legislative, Finance & Administration Committee	
DEPARTMENT OF ORIGIN: Finance	**DATE SUBMITTED: 01/30/2015**
PREPARED BY: Donna Mitchell, Controller/Treasurer	
SUBJECT: Proposed Budget Amendment for Fiscal Year 2015	
APPROVALS: City Council	
EXHIBITS: N/A	
EXPENDITURE REQUIRED:	**Total:**
AMOUNT BUDGETED: N/A **FUNDING SOURCE**:	
TIMETABLE:	
RECOMMENDED ACTION: Staff recommends approval of the proposed Budget Amendment for Fiscal Year 2015 and consideration of the recommendation to replenish the Contingency Reserve $300,000 and transfer $85,000 to the Capital Asset Reserve.	

The proposed budget amendment includes the adjustments to the Beginning Budget Balances for all funds now that the City's audit has been completed. It also includes any adjustments related to Council Actions to date on changes in project budgets or operating items that were not included in the original budget.

Council's policy on transferring savings from prior year personnel expenses to the Pension or OPEB Trust Funds has also been included. The General Fund includes a transfer to the Police Pension Fund of $100,000 and a transfer to the Civilian Pension Fund of $543,000, for a total of $643,000. The Water/Sewer and Electric Fund both did not have any personnel savings due to the change in pension accounting.

Additional adjustments are as follows:

- Increases to Division budgets for vacation sell-back, retirement payout, and education assistance with a corresponding decrease to Other Employment Expenses across all applicable funds.
- Transfer In from the Contingency Reserve for the final payment of the police grievances with a corresponding adjustment to the Police budget.
- Increases in the following revenue items based on greater than planned receipts Kent County Reciprocal Borrowing and Municipal Street Aid.
- A transfer of $80,000 in capital project funds to the Parks and Recreation Reserve to set aside the budgeted funds for the White Oak Park improvements while we are waiting on the final needs assessment.

After the above adjustments the General Fund Budget Balance will be $385,000 over the budgeted amount. It is staff's recommendation that we replenish the Contingency Reserve for the $300,000 used to settle the police grievances; and to transfer the $85,000 to the Capital Asset Reserve in light of potential funding needs of the President's Counsel on Public/Private Partnerships and the future of City Hall, Weyandt Hall, and the former Dover Library. These two items have not been incorporated into the Budget Ordinance to allow for discussion.

CITY OF DOVER ORDINANCE # 2015-05

2014-2015 BUDGET ORDINANCES - SECOND AMENDMENT

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

The amount hereinafter named aggregating Forty Three Million Three Hundred Ninety Nine Thousand dollars ($43,399,000) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

GENERAL FUND
REVENUES AND BUDGET FOR 2014-2015

	2014/15 BUDGET	2014/15 REVISED
BEGINNING BALANCE	$ 3,393,000	$ 4,361,500
REVENUES		
FINES AND POLICE REVENUE	629,300	629,300
INVESTMENT INCOME	40,000	40,000
LIBRARY REVENUES	71,600	71,600
KENT COUNTY BOOK REIMBURSEMENT	450,000	490,000
BUSINESS LICENSES	1,460,000	1,460,000
PERMITS AND OTHER LICENSES	1,354,200	1,354,200
MISCELLANEOUS CHARGES	53,900	53,900
POLICE EXTRA DUTY	659,500	659,500
PROPERTY TAXES	11,049,200	11,049,200
BID REVENUE	50,000	50,000
RECREATION REVENUE	148,800	148,800
FRANCHISE FEE	636,000	636,000
SANITATION FEES	2,595,600	2,595,600
RENT REVENUE - GARRISON FARM	101,400	101,400
COURT OF CHANCERY FEES	1,023,000	1,023,000
REVENUES SUBTOTAL	20,322,500	20,362,500
INTERFUND SERVICE RECEIPTS		
INTRAFUND SERVICE RECEIPTS WATER/WASTEWATER	1,354,900	1,371,100
INTRAFUND SERVICE RECEIPTS ELECTRIC	3,508,100	3,588,200
INTERFUND SERVICE RECEIPTS SUBTOTAL	4,863,000	4,959,300
GRANTS		
POLICE RELATED	124,000	124,000
POLICE PENSION GRANT	500,000	500,000
GREEN ENERGY GRANT	98,500	98,500
MISCELLANEOUS GRANTS	25,000	25,000
GRANTS SUBTOTAL	747,500	747,500
TRANSFERS FROM		
TRANSFER TAX	1,250,000	1,250,000
MUNICIPAL STREET AID	663,900	664,200
CIVIL TRAFFIC PENALTIES	500,000	500,000
WATER/WASTEWATER	500,000	500,000
ELECTRIC	10,000,000	10,000,000
OTHER RESERVES INCLUDING CONTINGENCY	4,000	54,000
TRANSFERS FROM SUBTOTAL	12,917,900	12,968,200
TOTAL REVENUES	38,850,900	39,037,500
TOTALS	**$ 42,243,900**	**$ 43,399,000**

2014-2015 BUDGET ORDINANCES - SECOND AMENDMENT (CONTINUED)

GENERAL FUND - EXPENDITURES AND BUDGET BALANCE

DEPARTMENT EXPENSES	2014/15 BUDGET	2014/15 REVISED
CITY CLERK	$ 383,200	$ 386,700
COUNCIL	106,600	106,600
TAX ASSESSOR	309,500	319,100
FIRE	716,100	716,100
GROUNDS MAINTENANCE	1,123,800	1,130,100
LIBRARY	1,393,100	1,422,000
RECREATION	706,400	710,800
LIFE SAFETY	504,800	535,700
CODE INFORCEMENT	418,400	419,400
PLANNING	444,100	449,400
INSPECTIONS	602,100	614,400
ECONOMIC DEVELOPMENT	223,000	223,000
POLICE	13,986,100	14,332,500
POLICE EXTRA DUTY	712,500	712,500
STREETS	665,100	676,200
SANITATION	2,248,000	2,225,200
CITY MANAGER	592,500	595,900
INFORMATION TECHNOLOGY	728,700	733,800
FINANCE	947,100	966,800
PUBLIC SERVICES - ADMINISTRATION	514,800	517,700
FACILITIES MANAGEMENT	677,800	690,400
PUBLIC WORKS - ENGINEERING	192,600	193,700
PROCUREMENT & INVENTORY	535,600	538,700
FLEET MAINTENANCE	776,700	791,300
CUSTOMER SERVICES	1,040,300	1,044,600
HUMAN RESOURCES	379,700	384,300
MAYOR	74,900	74,900
DEPARTMENT SUBTOTALS	31,003,500	31,511,800
OTHER EXPENSES		
DEBT SERVICE	708,600	708,600
CONTRIBUTION TO DDP	70,000	70,000
MISCELLANEOUS GRANT RELATED EXPENSES	25,000	25,000
INSURANCE	724,800	724,800
RETIREES HEALTH CARE	1,636,500	1,636,500
OTHER EMPLOYMENT EXPENSES	500,000	118,200
POLICE PENSION FUND - STATE GRANT	500,000	500,000
POLICE PENSION FUND - UNFUNDED LIABILITY	655,000	655,000
UNCOLLECTIBLES - TRASH AND OTHER	50,000	50,000
STREET LIGHTS	774,500	774,500
OTHER EXPENSE SUBTOTAL	5,644,400	5,262,600
TRANSFERS		
TRANSFER TO CAPITAL FUND - PROJECTS	2,196,000	2,196,000
APPROPRIATION TO THE POLICE PENSION FUND	-	100,000
APPROPRIATION TO THE GENERAL PENSION FUND	-	543,000
TRANSFERS SUBTOTAL	2,196,000	2,839,000
TOTAL EXPENDITURES	38,843,900	39,613,400
CURRENT YEAR BALANCE	3,400,000	3,785,600
TOTALS	**$ 42,243,900**	**$ 43,399,000**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: *

2014-2015 BUDGET ORDINANCES - SECOND AMENDMENT (CONTINUED)

GOVERNMENTAL CAPITAL PROJECTS FUND
REVENUES AND BUDGET FOR 2014-2015

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

The amount hereinafter named aggregating Eight Million, Seven Hundred Fifty Five Thousand, Nine Hundred Dollars ($8,755,900) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1,2014 and ending June 30, 2015:

REVENUES

	2014/15 BUDGET	2014/15 REVISED
BEGINNING BALANCE	$ 117,100	$ 2,324,100
BEGINNING BALANCE - LIBRARY PROJECT	-	330,500
REVENUES		
STATE GRANTS - OTHER	153,000	208,000
PROPOSED BOND/BANK PROCEEDS - Street	2,661,100	2,675,000
LEASE PURCHASE OF FIRE AND POLICE EQUIPMENT	918,300	918,300
TRANSFER FROM GENERAL FUND FOR PROJECTS	2,196,000	2,196,000
TRANSFER FROM PARKLAND RESERVE	-	104,000
TOTAL REVENUES	5,928,400	6,101,300
TOTAL BEGINNING BALANCE AND REVENUES	**$ 6,045,500**	**$ 8,755,900**

EXPENSE SUMMARY

DEPARTMENT EXPENSES	2014/15 BUDGET	2014/15 REVISED
FIRE	$ 827,300	$ 827,300
GROUNDS MAINTENANCE	68,100	86,700
RECREATION	146,000	284,400
POLICE	499,100	601,700
STREETS	1,370,300	470,300
STREETS - GARRISON FARM INFRASTRUCTURE	2,586,100	5,447,600
SANITATION	256,500	256,500
CENTRAL SERVICES	-	55,000
BOND/LOAN ISSUANCE COST	75,000	61,100
DEPARTMENT SUBTOTAL	5,828,400	8,090,600
TRANSFERS & MISCELLANEOUS EXPENSES		
TRANSFER TO PARKLAND RESERVE	100,000	180,000
TRANSFER TO CAPITAL PROJECT RESERVE	-	330,500
TRANSFERS & MISCELLANEOUS SUBTOTAL	100,000	510,500
TOTAL EXPENSES AND TRANSFERS	5,928,400	8,601,100
CURRENT YEAR BALANCE	117,100	154,800
TOTALS	**$ 6,045,500**	**$ 8,755,900**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED:

2014-2015 BUDGET ORDINANCES - SECOND AMENDMENT (CONTINUED)

GENERAL FUND CONTINGENCY
CASH RECEIPTS/REVENUES AND BUDGET FOR 2014-2015

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

The amount hereinafter named aggregating Four Hundred Sixty Nine Thousand Two Hundred dollars ($469,200) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

CASH RECEIPTS

	2014/15 BUDGET	2014/15 REVISED
BEGINNING BALANCE	$ 466,000	$ 467,300
INTEREST EARNED	1,900	1,900
TOTALS	**$ 467,900**	**$ 469,200**

EXPENSE SUMMARY

	2014/15 BUDGET	2014/15 REVISED
TRANSFER TO OPERATING ACCOUNT	$ -	$ 50,000
CARRY FORWARD TO NEXT YEAR	467,900	419,200
TOTALS	**$ 467,900**	**$ 469,200**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: *

2014-2015 BUDGET ORDINANCES - SECOND AMENDMENT (CONTINUED)

GENERAL CAPITAL ASSET RESERVE
CASH RECEIPTS/REVENUES AND BUDGET FOR 2014-2015

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

The amount hereinafter named aggregating Eight Hundred Fifty Four Thousand dollars ($854,000) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

CASH RECEIPTS

	2014/15 BUDGET	2014/15 REVISED
BEGINNING BALANCE	$ 509,800	$ 521,000
RECEIPTS		
INTEREST EARNINGS	2,500	2,500
TRANSFER FROM GENERAL FUND CAPITAL PROJECT FUND	-	330,500
TOTAL RECEIPTS	2,500	333,000
TOTALS	**$ 512,300**	**$ 854,000**

EXPENSE SUMMARY

	2014/15 BUDGET	2014/15 REVISED
CARRY FORWARD TO NEXT YEAR	$ 512,300	$ 854,000
TOTALS	**$ 512,300**	**$ 854,000**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: *

2014-2015 BUDGET ORDINANCES - SECOND AMENDMENT (CONTINUED)

PARKLAND/RECREATION RESERVE
CASH RECEIPTS/REVENUES AND BUDGET FOR 2014-2015

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

The amount hereinafter named aggregating Three Hundred Ninety Nine Thousand Seven Hundred Dollars ($399,700) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

OPERATING REVENUES

	2014/15 BUDGET	2014/15 REVISED
PRIOR YEAR BALANCE	$ 203,800	$ 218,700
GENERAL FUND APPROPRIATION	100,000	180,000
INTEREST INCOME	1,000	1,000
TOTALS	**$ 304,800**	**$ 399,700**

OPERATING EXPENSES

	2014/15 BUDGET	2014/15 REVISED
CURRENT YEAR BALANCE	304,800	399,700
TOTALS	**$ 304,800**	**$ 399,700**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: *

2014-2015 BUDGET ORDINANCES - SECOND AMENDMENT (CONTINUED)

MUNICIPAL STREET AID FUND
CASH RECEIPTS/REVENUES AND BUDGET FOR 2014-2015

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:
The amount hereinafter named aggregating Six Hundred Sixty Four Thousand Three Hundred dollars ($664,300) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

CASH RECEIPTS

	2014/15 BUDGET	2014/15 REVISED
BEGINNING BALANCE	$ 100	$ 100
STATE GRANT - OPERATIONS	663,900	664,200
TOTALS	**$ 664,000**	**$ 664,300**

BUDGET SUMMARY

	2014/15 BUDGET	2014/15 REVISED
TRANSFER TO GENERAL FUND - OPERATIONS	$ 663,900	$ 664,200
CURRENT YEAR BALANCE	100	100
TOTALS	**$ 664,000**	**$ 664,300**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: *

2014-2015 BUDGET ORDINANCES - SECOND AMENDMENT (CONTINUED)

WATER/WASTEWATER FUND
REVENUES AND BUDGET FOR 2014-2015

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

The amount hereinafter named aggregating Fifteen Million Eight Hundred Four Thousand Nine Hundred dollars ($15,804,900) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

	2014/15 BUDGET	2014/15 REVISED
BEGINNING BALANCE - WATER	$ 658,400	$ 763,600
BEGINNING BALANCE - WASTEWATER	(98,500)	87,500
BEGINNING BALANCE - KCSA	155,000	453,400
TOTAL BEGINNING BALANCES	714,900	1,304,500
BASE REVENUE		
WATER FEES	4,616,400	4,616,400
WASTEWATER FEES	3,706,800	3,706,800
WASTEWATER ADJUSTMENT FEES	2,902,600	2,902,600
GROUNDWATER INFLOW ADJUSTMENT	1,862,500	1,862,500
WATER TANK SPACE LEASING	331,900	331,900
SEWER IMPACT FEES	427,900	427,900
WATER IMPACT FEES	472,700	472,700
INTEREST - WATER	9,000	9,000
INTEREST - WASTEWATER	14,000	14,000
MISCELLANEOUS SERVICE FEE	156,600	156,600
TOTAL REVENUES	14,500,400	14,500,400
TOTAL BEGINNING BALANCES AND REVENUES	**$ 15,215,300**	**$ 15,804,900**

2014-2015 BUDGET ORDINANCES - CONTINUED
WATER/WASTEWATER FUND EXPENSES AND BUDGET BALANCES

	2014/15 BUDGET	2014/15 REVISED
DIRECT EXPENSES		
ENGINEERING & INSPECTION	$ 500,900	$ 502,400
WATER CONSTRUCTION	252,500	253,300
WATER DEPARTMENT	485,300	488,600
WATER TREATMENT PLANT	1,576,900	1,582,200
WASTEWATER DEPARTMENT	974,100	974,700
DIRECT EXPENDITURE SUBTOTAL	3,789,700	3,801,200
OTHER EXPENSES		
DEBT SERVICE - WATER	534,100	534,100
DEBT SERVICE - WASTEWATER	617,900	617,900
RETIREES HEALTH CARE	200,000	200,000
OTHER EMPLOYMENT EXPENSES	17,700	6,200
KENT COUNTY TREATMENT CHARGE	3,655,000	3,655,000
INTRAFUND SERVICE FEES	1,354,900	1,371,100
OTHER EXPENSES SUBTOTAL	6,379,600	6,384,300
TRANSFER TO		
GENERAL FUND FROM WATER	250,000	250,000
GENERAL FUND FROM WASTEWATER	250,000	250,000
WATER IMP AND EXT	1,200,000	1,200,000
WASTEWATER IMP AND EXT	1,800,000	1,800,000
TRANSFER TO SUBTOTAL	3,500,000	3,500,000
TOTAL EXPENSES	13,669,300	13,685,500
CURRENT YEAR BALANCES		
CURRENT YEAR BALANCE WATER	1,020,100	1,113,300
CURRENT YEAR BALANCE WASTEWATER	(739,200)	(557,400)
CURRENT YEAR BALANCE KCSA	1,265,100	1,563,500
CURRENT YEAR BALANCE SUBTOTALS	1,546,000	2,119,400
TOTAL CURRENT YEAR BALANCES AND EXPENSES	**$ 15,215,300**	**$ 15,804,900**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: *

2014-2015 BUDGET ORDINANCES - SECOND AMENDMENT (CONTINUED)

WATER/WASTEWATER IMPROVEMENT & EXTENSION FUND
CASH RECEIPTS/REVENUES AND BUDGET FOR 2014-2015

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

The amount hereinafter named aggregating Seventeen Million, Four Hundred Forty Four Thousand, Eight Hundred dollars ($17,444,800) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

CASH RECEIPTS

	2014/15 BUDGET	2014/15 REVISED
PRIOR YEAR BALANCE - WATER	$ 1,021,200	$ 7,588,800
PRIOR YEAR BALANCE - WASTEWATER	1,060,000	5,500,400
TOTAL BEGINNING BALANCES	2,081,200	13,089,200
RECEIPTS		
TRANS FROM OPERATING FUND FOR WATER	1,200,000	1,200,000
TRANS FROM OPERATING FUND FOR WASTEWATER	1,800,000	1,800,000
TRANSFER FROM WASTEWATER IMPACT FEE RESERVE	1,315,600	1,315,600
INTEREST INCOME	25,000	40,000
TOTAL RECEIPTS	4,340,600	4,355,600
TOTALS	**$ 6,421,800**	**$ 17,444,800**

EXPENSE SUMMARY

EXPENSES	2014/15 BUDGET	2014/15 REVISED
WATER	$ 1,336,900	$ 7,526,500
WASTEWATER	3,277,200	7,757,300
WATER TREATMENT PLANT	38,100	38,100
TOTAL EXPENSES	4,652,200	15,321,900
CURRENT YEAR BALANCE - WATER	858,700	1,244,200
CURRENT YEAR BALANCE - WASTEWATER	910,900	878,700
CURRENT YEAR BALANCE SUBTOTALS	1,769,600	2,122,900
TOTALS	**$ 6,421,800**	**$ 17,444,800**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: *

2014-2015 BUDGET ORDINANCES - SECOND AMENDMENT (CONTINUED)

WATER/WASTEWATER CAPITAL ASSET RESERVE
CASH RECEIPTS/REVENUES AND BUDGET FOR 2014-2015

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

The amount hereinafter named aggregating One Million Forty One Thousand Six Hundred Dollars ($1,041,600) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

CASH RECEIPTS

	2014/15 BUDGET	2014/15 REVISED
BEGINNING BALANCE - WATER	$ 514,000	$ 508,500
BEGINNING BALANCE - WASTEWATER	512,900	507,300
TOTAL BEGINNING BALANCES	1,026,900	1,015,800
RECEIPTS		
INTEREST EARNINGS - WATER	8,700	8,700
INTEREST EARNINGS - WASTEWATER	8,700	8,700
2013 BONDS UNUSED COST OF ISSUANCE FUNDS WATER	-	5,300
2013 BONDS UNUSED COST OF ISSUANCE FUNDS WASTEWATER	-	3,100
TOTAL RECEIPTS	17,400	25,800
TOTALS	**$ 1,044,300**	**$ 1,041,600**

EXPENSE SUMMARY

	2014/15 BUDGET	2014/15 REVISED
CURRENT YEAR BALANCE - WATER	$ 522,700	$ 522,500
CURRENT YEAR BALANCE - WASTEWATER	521,600	519,100
CURRENT YEAR BALANCE SUBTOTALS	1,044,300	1,041,600
TOTALS	**$ 1,044,300**	**$ 1,041,600**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: *

2014-2015 BUDGET ORDINANCES - SECOND AMENDMENT (CONTINUED)

WATER/WASTEWATER IMPACT FEE RESERVE
CASH RECEIPTS/REVENUES AND BUDGET FOR 2014-2015

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

The amount hereinafter named aggregating Three Million Twenty Seven Thousand Nine Hundred Dollars ($3,027,900) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

CASH RECEIPTS

	2014/15 BUDGET	2014/15 REVISED
BEGINNING BALANCE - WATER	$ 200,500	$ 200,200
BEGINNING BALANCE - WASTEWATER	2,820,000	2,776,400
TOTAL BEGINNING BALANCES	3,020,500	2,976,600
RECEIPTS		
INTEREST EARNINGS - WATER	3,400	3,400
INTEREST EARNINGS - WASTEWATER	47,900	47,900
TOTAL RECEIPTS	51,300	51,300
TOTALS	**$ 3,071,800**	**$ 3,027,900**

EXPENSE SUMMARY

	2014/15 BUDGET	2014/15 REVISED
TRANSFER TO I & E FUND FROM WASTEWATER IMPACT FEES	$ 1,315,600	$ 1,315,600
CURRENT YEAR BALANCE - WATER	203,900	203,600
CURRENT YEAR BALANCE - WASTEWATER	1,552,300	1,508,700
CURRENT YEAR BALANCE SUBTOTALS	1,756,200	1,712,300
TOTALS	**$ 3,071,800**	**$ 3,027,900**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: *

2014-2015 BUDGET ORDINANCES - SECOND AMENDMENT (CONTINUED)

WATER/WASTEWATER CONTINGENCY RESERVE
CASH RECEIPTS/REVENUES AND BUDGET FOR 2014-2015

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

The amount hereinafter named aggregating Two Hundred Ninety Nine Thousand two Hundred dollars ($299,200) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

CASH RECEIPTS

	2014/15 BUDGET	2014/15 REVISED
BEGINNING BALANCE - WATER	$ 105,900	$ 104,700
BEGINNING BALANCE - WASTEWATER	191,500	189,400
TOTAL BEGINNING BALANCES	297,400	294,100
RECEIPTS		
INTEREST EARNINGS	5,100	5,100
TOTAL RECEIPTS	5,100	5,100
TOTALS	**$ 302,500**	**$ 299,200**

BUDGET SUMMARY

	2014/15 BUDGET	2014/15 REVISED
CURRENT YEAR BALANCE - WATER	107,700	106,500
CURRENT YEAR BALANCE - WASTEWATER	194,800	192,700
CURRENT YEAR BALANCE SUBTOTALS	302,500	299,200
TOTAL EXPENSES AND CURRENT YEAR BALANCES	**$ 302,500**	**$ 299,200**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: *

2014-2015 BUDGET ORDINANCES - SECOND AMENDMENT (CONTINUED)

ELECTRIC REVENUE FUND
REVENUES AND BUDGET FOR 2014-2015

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

The amount hereinafter named aggregating Eighty Eight Million Nine Hundred Ten Thousand Three Hundred dollars ($88,910,300) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

	2014/15 BUDGET	2014/15 REVISED
BEGINNING BALANCE	$ 9,253,600	$ 6,603,800
BASE REVENUE		
DIRECT SALES TO CUSTOMER	78,043,000	78,043,000
UTILITY TAX	1,296,900	1,296,900
MISCELLANEOUS REVENUE	624,600	624,600
RENT REVENUE	200,000	200,000
GREEN ENERGY	130,000	130,000
INTEREST EARNINGS	12,000	12,000
TRANSFER FROM RATE STABILIZATION	2,000,000	2,000,000
TOTAL REVENUES	82,306,500	82,306,500
TOTALS	**$ 91,560,100**	**$ 88,910,300**

2014-2015 BUDGET ORDINANCES - CONTINUED
ELECTRIC FUND EXPENSES AND BUDGET BALANCE

EXPENSES	2014/15 BUDGET	2014/15 REVISED
POWER SUPPLY	$ 21,823,000	$ 21,823,000
SOLAR ENERGY	2,067,600	2,067,600
SOLAR RENEWAL ENERGY CREDITS	378,600	378,600
POWER SUPPLY MANAGEMENT	996,000	996,000
PJM CHARGES - ENERGY	11,499,800	11,499,800
PJM CHARGES - TRANSMISSION & FEES	7,234,100	7,234,100
CAPACITY CHARGES	9,958,900	9,958,900
SUB-TOTAL POWER SUPPLY	53,958,000	53,958,000
PLANT OPERATIONS	6,141,000	6,141,100
GENERATIONS FUELS	1,611,100	1,611,100
PJM SPOT MARKET ENERGY	(2,232,800)	(2,232,800)
PJM CREDITS	(486,700)	(486,700)
CAPACITY CREDITS	(8,881,500)	(8,881,500)
GENERATION SUBTOTAL	(3,848,800)	(3,848,800)
POWER SUPPLY & GENERATION SUBTOTAL	50,109,200	50,109,200
DIRECT EXPENDITURES		
TRANSMISSION/DISTRIBUTION	4,028,700	4,044,500
ELECTRICAL ENGINEERING	1,370,900	1,374,300
ADMINISTRATION	636,600	637,400
METER READING	267,600	267,600
SYSTEMS OPERATIONS	686,300	696,500
DIRECT EXPENDITURE SUBTOTALS	6,990,100	7,020,300
OTHER EXPENSES:		
UTILITY TAX	1,296,900	1,296,900
ALLOW FOR UNCOLLECTIBLES	200,000	200,000
CONTRACTUAL SERVICES	246,800	246,800
RETIREES HEALTH CARE	513,300	513,300
OTHER EMPLOYMENT EXPENSES	54,200	24,000
OPEB UNFUNDED LIABILITY	1,009,800	1,009,800
GREEN ENERGY PAYMENT TO DEMEC	130,000	130,000
INTRAFUND SERVICE FEES	3,508,100	3,588,200
INTEREST ON DEPOSITS	20,000	20,000
INVENTORY WRITE OFFS	175,000	175,000
DEBT SERVICE	3,297,000	3,297,000
OTHER EXPENSES SUBTOTAL	10,451,100	10,501,000
TRANSFER TO		
IMPROVEMENT & EXTENSION	4,750,000	4,750,000
GENERAL FUND	10,000,000	10,000,000
TRANSFER TO SUBTOTAL	14,750,000	14,750,000
TOTAL EXPENSES	82,300,400	82,380,500
CURRENT YEAR BALANCE	9,259,700	6,529,800
TOTALS	**$ 91,560,100**	**$ 88,910,300**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: *

2014-2015 BUDGET ORDINANCES - SECOND AMENDMENT (CONTINUED)

ELECTRIC UTILITY IMPROVEMENT AND EXTENSION FUND
CASH RECEIPTS/REVENUES AND BUDGET FOR 2014-2015

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

The amount hereinafter named aggregating Ten Million, Nine Hundred Sixty Seven Thousand Three Hundred Dollars ($10,967,300) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

CASH RECEIPTS

	2014/15 BUDGET	2014/15 REVISED
BEGINNING BALANCE	$ 3,362,200	$ 5,942,500
RECEIPTS		
TRANSFER FROM ELECTRIC	4,750,000	4,750,000
GENERAL SERVICE BILLING	250,000	250,000
INTEREST EARNINGS	24,800	24,800
TOTAL RECEIPTS	5,024,800	5,024,800
TOTALS	**$ 8,387,000**	**$ 10,967,300**

EXPENSE SUMMARY

EXPENSES	2014/15 BUDGET	2014/15 REVISED
ELECTRIC GENERATION	$ 2,240,000	$ 2,739,300
TRANSMISSION AND DISTRIBUTION	1,061,700	1,804,200
ELECTRICAL ENGINEERING	1,663,100	2,800,200
TOTAL EXPENSES	4,964,800	7,343,700
CURRENT YEAR BALANCE	3,422,200	3,623,600
TOTALS	**$ 8,387,000**	**$ 10,967,300**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: *

2014-2015 BUDGET ORDINANCES - SECOND AMENDMENT (CONTINUED)

ELECTRIC UTILITY CONTINGENCY RESERVE
CASH RECEIPTS/REVENUES AND BUDGET FOR 2014-2015

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

The amount hereinafter named aggregating Eight Hundred Twenty Five Thousand dollars ($825,000) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

CASH RECEIPTS

	2014/15 BUDGET	2014/15 REVISED
BEGINNING BALANCE	$ 820,100	$ 819,100
RECEIPTS		
INTEREST EARNINGS	5,900	5,900
TOTAL RECEIPTS	5,900	5,900
TOTALS	**$ 826,000**	**$ 825,000**

EXPENSE SUMMARY

	2014/15 BUDGET	2014/15 REVISED
CURRENT YEAR BALANCE	826,000	825,000
TOTALS	**$ 826,000**	**$ 825,000**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: *

2014-2015 BUDGET ORDINANCES - SECOND AMENDMENT (CONTINUED)

ELECTRIC UTILITY DEPRECIATION RESERVE
SOURCES AND USE OF FUNDS FOR 2014-2015

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

The amount hereinafter named aggregating Ten Million Fifteen Thousand Three Hundred dollars ($10,015,300) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

CASH RECEIPTS

	2014/15 BUDGET	2014/15 REVISED
BEGINNING BALANCE	$ 9,898,000	$ 9,915,100
INTEREST EARNINGS	100,200	100,200
TOTALS	**$ 9,998,200**	**$ 10,015,300**

BUDGET SUMMARY

	2014/15 BUDGET	2014/15 REVISED
CURRENT YEAR BALANCE	9,998,200	10,015,300
TOTALS	**$ 9,998,200**	**$ 10,015,300**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: *

2014-2015 BUDGET ORDINANCES - SECOND AMENDMENT (CONTINUED)

ELECTRIC UTILITY FUTURE CAPACITY RESERVE
SOURCES AND USE OF FUNDS FOR 2014-2015

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

The amount hereinafter named aggregating Ten Million One Hundred Thirty Six Thousand Nine Hundred dollars ($10,136,900) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

CASH RECEIPTS

	2014/15 BUDGET	2014/15 REVISED
BEGINNING BALANCE	$ 10,076,200	$ 10,064,400
INTEREST EARNINGS	72,500	72,500
TOTALS	**$ 10,148,700**	**$ 10,136,900**

BUDGET SUMMARY

	2014/15 BUDGET	2014/15 REVISED
CURRENT YEAR BALANCE	10,148,700	10,136,900
TOTALS	**$ 10,148,700**	**$ 10,136,900**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: *

2014-2015 BUDGET ORDINANCES - SECOND AMENDMENT (CONTINUED)

ELECTRIC UTILITY INSURANCE STABILIZATION RESERVE
SOURCES AND USE OF FUNDS FOR 2014-2015

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

The amount hereinafter named aggregating Seven Hundred Forty Two Thousand Eight Hundred dollars ($742,800) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

CASH RECEIPTS

	2014/15 BUDGET	2014/15 REVISED
BEGINNING BALANCE	$ 738,300	$ 737,500
INTEREST EARNINGS	5,300	5,300
TOTALS	**$ 743,600**	**$ 742,800**

BUDGET SUMMARY

	2014/15 BUDGET	2014/15 REVISED
CURRENT YEAR BALANCE	743,600	742,800
TOTALS	**$ 743,600**	**$ 742,800**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: *

2014-2015 BUDGET ORDINANCES - SECOND AMENDMENT (CONTINUED)

ELECTRIC UTILITY RATE STABILIZATION RESERVE
SOURCES AND USE OF FUNDS FOR 2014-2015

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

The amount hereinafter named aggregating Ten Million Five Hundred Forty One Thousand Five Hundred dollars ($10,541,500) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

CASH RECEIPTS

	2014/15 BUDGET	2014/15 REVISED
BEGINNING BALANCE	$ 10,507,300	$ 10,465,800
INTEREST EARNINGS	75,700	75,700
TOTALS	**$ 10,583,000**	**$ 10,541,500**

BUDGET SUMMARY

	2014/15 BUDGET	2014/15 REVISED
TRANSFER TO ELECTRIC FUND	$ 2,000,000	$ 2,000,000
CURRENT YEAR BALANCE	8,583,000	8,541,500
TOTALS	**$ 10,583,000**	**$ 10,541,500**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: *

2014-2015 BUDGET ORDINANCES - SECOND AMENDMENT (CONTINUED)

WORKERS COMPENSATION FUND
CASH RECEIPTS/REVENUES AND BUDGET FOR 2014-2015

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

The amount hereinafter named aggregating One Million Six Hundred Twenty Four Thousand Four Hundred dollars ($1,624,400) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

OPERATING REVENUES

	2014/15 BUDGET	2014/15 REVISED
PRIOR YEAR BALANCE	$ 1,135,000	$ 1,123,300
INTEREST INCOME	10,600	10,600
PREMIUM FROM CITY	490,500	490,500
TOTALS	**$ 1,636,100**	**$ 1,624,400**

OPERATING EXPENSES

	2014/15 BUDGET	2014/15 REVISED
PROGRAM EXPENSES/SUPPLIES - CLAIMS	$ 450,000	$ 450,000
INSURANCE	92,600	92,600
BANK FEES	600	600
STATE OF DEL - SELF INSURANCE TAX	37,000	37,000
CONTRACTUAL SERVICES	57,000	57,000
TOTAL EXPENSES	637,200	637,200
CURRENT YEAR BALANCE	998,900	987,200
TOTALS	**$ 1,636,100**	**$ 1,624,400**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: *

2014-2015 BUDGET ORDINANCES - SECOND AMENDMENT (CONTINUED)

LIBRARY GRANT FUND
CASH RECEIPTS/REVENUES AND BUDGET FOR 2014-2015

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

The amount hereinafter named aggregating Three Hundred Twenty Six Thousand two Hundred dollars ($326,200) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

OPERATING REVENUES

	2014/15 BUDGET	2014/15 REVISED
BEGINNING BALANCE	$ 17,300	$ 44,800
STATE GRANT	274,100	278,900
FEDERAL GRANT	-	2,500
TOTALS	**$ 291,400**	**$ 326,200**

OPERATING EXPENSES

	2014/15 BUDGET	2014/15 REVISED
FURNITURE	$ 2,000	$ 15,100
OFFICE SUPPLIES	24,000	28,000
PRINTING/DUPLICATING	8,900	14,000
AUDIO VISUAL SUPPLIES	74,000	75,100
BOOKS	128,900	132,600
PROGRAM EXPENSES/SUPPLIES	28,000	29,900
POSTAGE	100	100
TRAINING/CONF/FOOD/TRAV	3,500	3,500
CONTRACTUAL SERVICES	-	900
OFFICE EQUIPMENT/REPAIRS & MAINT	2,000	6,000
COMPUTER HARDWARE	2,700	-
OTHER EQUIP - LEASE	-	1,200
SUBTOTAL EXPENSES STATE GRANTS	274,100	306,400
PROGRAM EXPENSES/SUPPLIES	-	2,500
SUBTOTAL EXPENSES FEDERAL GRANTS	-	2,500
CURRENT YEAR BALANCE	17,300	17,300
TOTALS	**$ 291,400**	**$ 326,200**

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: *

2014-2015 BUDGET ORDINANCES - SECOND AMENDMENT (CONTINUED)

POLICE GRANTS FUND
CASH RECEIPTS/REVENUES AND BUDGET FOR 2014-2015

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

The amount hereinafter named aggregating Six Hundred Eight Thousand Five Hundred dollars ($608,500) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

OPERATING REVENUES

	2014/15 BUDGET	2014/15 REVISED
BEGINNING BALANCE	$ 77,200	$ 172,100
STATE AND FEDERAL GRANTS	339,000	436,400
TOTALS	**$ 416,200**	**$ 608,500**

OPERATING EXPENSES

	2014/15 BUDGET	2014/15 REVISED
CADET PROGRAM SALARIES AND BENEFITS	-	17,900
POLICE EQUIPT & PROG SUPP	156,000	317,900
TECHNOLOGY EQUIPMENT	50,000	47,800
CELL PHONE CHARGES	15,000	15,000
TRAINING	32,000	45,000
AUDIT FEES	1,000	1,000
CONTRACTUAL SERVICES	6,000	10,200
SUBTOTAL EXPENSES	260,000	454,800
OPERATING TRANSFERS-OUT	124,000	124,000
SUBTOTAL FINANCING USES	124,000	124,000
CURRENT YEAR BALANCE	32,200	29,700
TOTALS	**$ 416,200**	**$ 608,500**

The above budget represents the combination of all State & Federal Grants.

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: *

2014-2015 BUDGET ORDINANCES - SECOND AMENDMENT (CONTINUED)

CDBG FUND
CASH RECEIPTS/REVENUES AND BUDGET FOR 2014-2015

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:
The amount hereinafter named aggregating Two Hundred Eighty Six Thousand Three Hundred dollars ($286,300) or so much thereof as may be necessary are hereby appropriated from current revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

OPERATING REVENUES

	2014/15 BUDGET	2014/15 REVISED
BEGINNING BALANCE	$ -	$ 2,100
STATE AND FEDERAL GRANTS	235,000	284,200
TOTALS	**$ 235,000**	**$ 286,300**

OPERATING EXPENSES

	2014/15 BUDGET	2014/15 REVISED
Prior year Closing cost/down payment program	-	200
Prior year MHDC home repair	-	2,000
Prior year Elizabeth W Murphey School	-	1,200
Prior year Ncall Research Inc.	-	2,300
Prior year Milford housing H/O rehab	-	3,000
Current year closing cost/down payment program	102,800	102,800
Current year Dover interfaith ministry	27,500	27,500
Current year Elizabeth W Murphey school	50,000	50,000
Current year Ncall Research Inc.	7,700	7,700
Current year salaries	47,000	87,500
TOTAL EXPENDITURES	235,000	284,200
CURRENT YEAR BALANCE	-	2,100
TOTALS	**$ 235,000**	**$ 286,300**

The above budget represents the combination of all State & Federal Grants.

The City Manager is hereby authorized, without further approval of the City Council, to make interdepartmental transfers of up to five percent of the amount hereinafter appropriated to any department with the exception of any transfers prohibited by City Procedure #F306.

ADOPTED: *

City of Dover

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2014



Financial Statements

- Government-wide Statement of Net Position (Page 5) – Includes all capital assets and liabilities. Does not include full-reporting of pension and OPEB liabilities as currently not required by GAAP. Two columns are shown.
  - First column for governmental activities which includes General Fund, Governmental Capital Project Fund, All Special Revenue (Grant) Funds. Worker's Compensation Fund assets & liabilities are included.
  - Second column for business-type activities (Proprietary Funds). This column includes all activities related to the Water/Wastewater Utility and the Electric Utility.
- Government-wide Statement of Activities (Page 6) – All activities (financial transactions) are reported on a GAAP (Generally Accepted Accounting Principles) basis. First column for city-wide expenses by function/program, second column is adjustment for allocation of indirect expenses, next three columns for program revenues and grants, far right three columns represent net program income/(expense) by fund type.
- Governmental Fund Statements (Page 7, 8 & 9) – All General Fund and Grant Fund activities reported on a modified basis of accounting. No capital assets and no long-term liabilities. Considered, spendable resources within a year. Unassigned Fund Balance is adjusted for Unavailable revenue, prepaid items, and inventory.
- Statement of Net Position and Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds (Pages 10 & 11) – All activities of the Water/Wastewater and Electric Funds.
- Statement of Net Position and Changes in Net Position – Fiduciary Funds – All activities of the Pension and OPEB Trust Funds as required by GAAP. Not included in the previous statements mentioned as they have been established as separate Trust for retirement benefits (CAFR Page 48).
- The audit opinion is based on these Financial Statements.

Deferred Outflows/Inflows of Resources

- Government Accounting Standards Board issued Statement 63 – Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position
- Definitions –
  - Net Position – The residual of all other financial statement elements presented in a statement of financial position. (Previously, Net Assets)
  - Deferred Outflows of Resources – the item meets the definition of an outflow of resources, but relates to a future period. An example would be a grant provided to a grantee before the grantee has met the related time requirements. The City had no deferred outflows of resources as of 6/30/14.
  - Deferred Inflows of Resources – Governmental funds defer recognition of revenue until amounts are considered to be available to liquidate the liabilities for the current period. Therefore, any past due revenues from prior periods must be eliminated and reported as unavailable revenue. The City had unavailable revenue (past due receivables over 60 days) of $726,946 as of June 30, 2014, which includes $38,011 of CDBG/NSP grant funds. The General Fund components of receivables are property taxes, demolitions, grass cutting, trash fees, and police extra duty.
  - Unearned Revenue – Resources that are received for a future period prior to meeting eligibility requirements. Examples are property taxes and business licenses received in June for the following fiscal year. The City had unearned revenue as of 6/30/14 of $1,188,022.

Schedules & Combining Statements

- Schedules are budgetary reports prepared on a non-GAAP basis. For example, the City does not budget depreciation expense or compensated absence expense.
  - The General Fund Budget to Actual report for June 30, 2014 is located in Required Supplementary Information section of the CAFR, which follows the Notes to the Financial Statements. All other individual fund Budget to Actual Reports are located in the Supplementary Information section of the CAFR. These schedules are not required and therefore not required to be audited. We include these schedules and the auditor's do review them as they include budgets adopted by City Council.
  - The Supplementary Information section also includes combining statements. These are financial statements that combines the individual fund statements. For example, the Special Revenue Combining Statement of Net Position. This statement combines all the grant funds and the total is reported in the audited Financial Statement Section – Part C of the CAFR.

City of Dover
Statement of Net Position
June 30, 2014

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and Cash Equivalents	$ 3,248,194	$ 7,063,821	$ 10,312,015
Investments	6,677,265	19,155,594	25,832,859
Receivables, Net	2,210,150	7,134,744	9,344,894
Internal Balances	733,520	(733,520)	-
Due from Other Governments	78,580	-	78,580
Inventory, at Cost	143,291	3,932,385	4,075,676
Prepaid Items	59,196	24,578	83,774
Restricted Cash and Cash Equivalents	640,076	13,028,076	13,668,152
Restricted Investments	18,292	28,097,977	28,116,269
Net Pension Asset	337,290	7,601,396	7,938,686
Net OPEB Asset	-	2,068,684	2,068,684
Land and Construction in Progress	5,134,530	5,979,462	11,113,992
Capital Assets, Net of Depreciation	49,653,711	129,041,536	178,695,247
Total Assets	68,934,095	222,394,733	291,328,828
Liabilities:			
Accounts Payable and Accrued Liabilities	2,729,487	5,954,398	8,683,885
Unearned Revenue	914,756	273,266	1,188,022
Customer Deposits	-	2,036,328	2,036,328
Other	169,933	694,490	864,423
Non-Current Liabilities			
Due within One Year	1,405,352	3,271,423	4,676,775
Due in more than One Year	4,838,367	35,785,545	40,623,912
Due in more than One Year - OPEB	14,668,233	485,581	15,153,814
Total Liabilities	24,726,128	48,501,031	73,227,159
Net Position:			
Net investment in capital assets	50,738,483	101,670,949	152,409,432
Restricted for:			
Capital Projects	143,532	36,123,755	36,267,287
Public Safety	247,628	-	247,628
Other Purposes	220,894	-	220,894
Unrestricted	(7,142,570)	36,098,998	28,956,428
Total Net Position	$ 44,207,967	$ 173,893,702	$ 218,101,669

The notes to financial statements are an integral part of this statement.

City of Dover
Statement of Activities
For the Year Ended June 30, 2014

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business Type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental Activities								
General Government	$ 2,098,353	$ (809,376)	$ 2,137,574	$ -	$ -	$ 848,597	$ -	$ 848,597
Public Safety	19,219,986	-	4,676,162	731,767	-	(13,812,057)	-	(13,812,057)
Public Works	7,171,799	(576,970)	2,595,648	663,940	976,284	(2,358,957)	-	(2,358,957)
Library and Recreation	2,942,800	-	699,622	272,418	250,275	(1,720,485)	-	(1,720,485)
Community and Economic Development	841,248	(164,694)	-	490,491	-	(186,063)	-	(186,063)
Central Services	1,398,225	(885,639)	-	-	-	(512,586)	-	(512,586)
Financial Administration	3,577,529	(2,209,481)	-	1,000	-	(1,367,048)	-	(1,367,048)
Other Post Employment Benefits	3,348,267	-	-	-	-	(3,348,267)	-	(3,348,267)
Interest Charges	122,812	-	-	-	-	(122,812)	-	(122,812)
Total Governmental Activities	40,721,019	(4,646,160)	10,109,006	2,159,616	1,226,559	(22,579,678)	-	(22,579,678)
Business Type Activities								-
Water/Wastewater	10,179,140	1,218,852	13,268,213	-	401,947	-	2,272,168	2,272,168
Electric	71,053,740	3,427,308	79,489,192	-	-	-	5,008,144	5,008,144
Total Business Type Activities	81,232,880	4,646,160	92,757,405	-	401,947			
Total Primary Government	$ 121,953,899	$ -	$ 102,866,411	$ 2,159,616	$ 1,628,506	$ (22,579,678)	$ 7,280,312	$ (15,299,366)
General Revenues								
Taxes								
Property Taxes						11,094,479	-	11,094,479
Transfer Taxes						1,543,626	-	1,543,626
Earnings on Investments						142,390	832,919	975,309
Total General Revenues						12,780,495	832,919	13,613,414
Transfers						8,500,000	(8,500,000)	-
Total General Revenues and Transfers						21,280,495	(7,667,081)	13,613,414
Changes in Net Position						(1,299,183)	(386,769)	(1,685,952)
Net Position Beginning						45,507,150	174,280,471	219,787,621
Net Position Ending						$ 44,207,967	$ 173,893,702	$ 218,101,669

The notes to financial statements are an integral part of this statement.

City of Dover
Governmental Fund Balance Sheet
June 30, 2014

	General Fund	Total Nonmajor Funds	Total Governmental Funds
Assets:			
Cash and Cash Equivalents	$ 3,013,820	$ -	$ 3,013,820
Restricted Cash and Cash Equivalents	-	640,076	640,076
Investments	5,305,349	-	5,305,349
Restricted Investments	18,292	-	18,292
Receivables, net			
Accounts	2,007,898	5,780	2,013,678
Taxes	177,638	-	177,638
Due from Other Funds	869,766	-	869,766
Due from Other Governments	-	78,580	78,580
Prepaid Items	42,999	2,447	45,446
Inventory, at Cost	143,291	-	143,291
Total Assets	$ 11,579,053	$ 726,883	$ 12,305,936
Liabilities:			
Accounts Payable	$ 2,127,495	$ 86,365	$ 2,213,860
Unearned Revenue	914,756	-	914,756
Due to Other Funds	18,764	117,482	136,246
Other	169,933	-	169,933
Total Liabilities	3,230,948	203,847	3,434,795
Deferred Inflows of Resources:			
Unavailable revenue	688,935	38,011	726,946
Total Deferred Inflows of Resources	688,935	38,011	726,946
Fund Balances:			
Non-Spendable	207,884	2,447	210,331
Restricted	129,476	482,578	612,054
Committed	723,300	-	723,300
Assigned	3,163,431	-	3,163,431
Unassigned	3,435,079	-	3,435,079
Total Fund Balances	7,659,170	485,025	8,144,195
Total Liabilities, Deferred Inflows and Fund Balances	$ 11,579,053	$ 726,883	$ 12,305,936

The notes to financial statements are an integral part of this statement.

Fund Balances (Note 7) – June 30, 2014

	General Fund	Other Governmental Funds	Total
Fund balances:			
Nonspendable:			
Inventory & Prepaids	$ 186,290	$ 2,447	$ 188,737
Patronage Stock	16,594	-	16,594
Library Endowment	5,000	-	5,000
Subtotal Nonspendable:	207,884	2,447	210,331
Restricted for:			
Library Endowment Interest	1,698	-	1,698
Verizon cable franchise	127,778	-	127,778
Highway resurfacing	-	143,532	143,532
ERLSP	-	100	100
CDBG	-	44,494	44,494
CDBG- State for ADA Improvements	-	2,014	2,014
Substance Abuse Prevention	-	75,466	75,466
Municiple Street Aid	-	100	100
Library Grants	-	44,810	44,810
Police Grants	-	172,062	172,062
Subtotal Restricted for:	129,476	482,578	612,054
Committed to:			
Contingency	467,269	-	467,269
Encumbrances	37,377	-	37,377
Parkland	218,654	-	218,654
Subtotal Committed to:	723,300	-	723,300
Assigned to:			
Capital Assets	3,151,840	-	3,151,840
Police Investigations	11,591	-	11,591
Subtotal Assigned to:	3,163,431	-	3,163,431
Unassigned	3,435,079	-	3,435,079
Total fund balances	$ 7,659,170	$ 485,025	$ 8,144,195

City of Dover
Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds
For the Year Ended June 30, 2014

	General Fund	Total Nonmajor Funds	Total Governmental Funds
Revenues			
Fines	$ 653,625	$ 357,531	$ 1,011,156
Library Revenue- General	68,190	-	68,190
Library Revenue County Reimbursement	430,363	-	430,363
Licenses and Permits	2,952,015	-	2,952,015
Sanitation Fees and Rebates	2,595,648	-	2,595,648
Recreation	-	49,144	49,144
Miscellaneous Services	1,831,683	-	1,831,683
Property Taxes	11,111,409	-	11,111,409
Transfer Taxes	-	1,543,626	1,543,626
Grants Received	722,736	2,693,583	3,416,319
Court of Chancery Fees	1,034,460	-	1,034,460
Investment Income	120,295	2,195	122,490
Total Revenues	21,520,424	4,646,079	26,166,503
Expenditures			
Current:			
General Government	1,271,523	-	1,271,523
Library Services	1,434,616	263,366	1,697,982
Public Safety and Law Enforcement	18,946,771	184,061	19,130,832
Public Works	1,568,948	1,004,017	2,572,965
Recreational Services	683,363	-	683,363
Streets and Sanitation Services	4,634,091	-	4,634,091
Financial Administration	1,002,539	-	1,002,539
Garage and Stores	415,593	-	415,593
Insurance	272,895	-	272,895
Retiree Health Care	1,636,500	-	1,636,500
Employee Pension	121,000	-	121,000
Community and Economic Development	211,595	464,959	676,554
Street Lights	774,533	-	774,533
Debt Service:			
Principal Retirement	429,239	-	429,239
Interest and Fiscal Charges	122,812	-	122,812
Total Expenditures	33,526,018	1,916,403	35,442,421
Excess (deficiency) of Revenues over Expenditures	(12,005,594)	2,729,676	(9,275,918)
Other financing Sources (Uses)			
Transfers in	11,458,445	-	11,458,445
Transfers out	-	(2,958,445)	(2,958,445)
Total other Financing Sources (Uses)	11,458,445	(2,958,445)	8,500,000
Net Change in Fund Balances	(547,149)	(228,769)	(775,918)
Fund Balances at Beginning of Year	8,206,319	713,794	8,920,113
Fund Balances at End of Year	$ 7,659,170	$ 485,025	$ 8,144,195

The notes to financial statements are an integral part of this statement.

City of Dover
Statement of Net Position - Proprietary Funds
June 30, 2014

	Business-type Activities			Governmental Activities
	Water/ Wastewater Fund	Electric Revenue Fund	Total Enterprise Funds	Internal Service Fund
Assets				
Current Assets:				
Cash and Cash Equivalents	$ 3,573,198	$ 3,490,623	$ 7,063,821	$ 234,374
Investments	7,852,645	11,302,949	19,155,594	1,371,916
Receivables, Net	979,138	6,155,606	7,134,744	18,834
Due from Other Funds-Charges	17,540	37,852	55,392	-
Inventory	62,751	3,869,634	3,932,385	-
Prepaid Items	100	24,478	24,578	13,750
Total Current Assets	12,485,372	24,881,142	37,366,514	1,638,874
Non-Current Assets:				
Restricted Assets				
Cash	4,952,156	8,075,920	13,028,076	-
Investments	3,005,802	25,092,175	28,097,977	-
Net Pension Asset	604,886	6,996,510	7,601,396	-
Net OPEB Asset	-	2,068,684	2,068,684	-
Land and Construction in Progress	2,830,934	3,148,528	5,979,462	-
Capital Assets, Net of Depreciation	44,877,818	84,163,718	129,041,536	-
Total Non-Current Assets	56,271,596	129,545,535	185,817,131	-
Total Assets	68,756,968	154,426,677	223,183,645	1,638,874
Liabilities				
Current Liabilities:				
Accounts Payable and Accrued Expenses	984,041	4,970,357	5,954,398	515,627
Due to Other Funds - Charges	238,942	549,970	788,912	-
Deferred Revenue	-	273,266	273,266	-
Accrued Interest Payable	128,563	565,927	694,490	-
Customer Deposits	-	2,036,328	2,036,328	-
Revenue Bonds Payable	761,560	2,260,000	3,021,560	-
Liability for Compensated Absences	75,698	174,165	249,863	-
Total Current Liabilities	2,188,804	10,830,013	13,018,817	515,627
Non-Current Liabilities:				
Net OPEB Obligation	485,581	-	485,581	-
Revenue Bonds Payable	13,650,787	21,680,000	35,330,787	-
Liability for Compensated Absences	93,009	361,749	454,758	-
Total Non-Current Liabilities	14,229,377	22,041,749	36,271,126	-
Total Liabilities	16,418,181	32,871,762	49,289,943	515,627
Net Position				
Net investment in capital assets	38,298,703	63,372,246	101,670,949	-
Restricted for Capital Construction	2,955,660	33,168,095	36,123,755	-
Unrestricted	11,084,424	25,014,574	36,098,998	1,123,247
Total Net Position	$ 52,338,787	$ 121,554,915	$ 173,893,702	$ 1,123,247

The notes to financial statements are an integral part of this statement.

City of Dover
Statement of Revenues, Expenses and
Changes in Fund Net Position - Proprietary Funds
For the Year Ended June 30, 2014

	Business-type Activities			Governmental Activities
	Water/ Wastewater Fund	Electric Revenue Fund	Total Enterprise Funds	Internal Service Fund
Operating Revenues				
Charges for Services	$ 10,952,541	$ 78,187,252	$ 89,139,793	$ -
Miscellaneous Services/Income	2,311,329	1,287,501	3,598,830	502,977
Total Operating Revenues	13,263,870	79,474,753	92,738,623	502,977
Operating Expenses				
Water/Wastewater Services	7,868,499	-	7,868,499	-
General Administrative	1,221,341	2,450,884	3,672,225	524,211
Power Supply	-	57,233,726	57,233,726	-
Transmission/Distribution	-	3,806,078	3,806,078	-
Engineering	-	1,331,909	1,331,909	-
Metering	-	284,229	284,229	-
Systems Operations	-	739,406	739,406	-
Utility Tax	-	1,258,957	1,258,957	-
Depreciation	1,755,925	4,748,120	6,504,045	-
Contractual Services	-	-	-	20,000
Taxes	-	-	-	33,774
Retirees Health Care	236,565	1,489,000	1,725,565	-
Self Insurance-Workers' Compensation	-	-	-	89,487
Total Operating Expenses	11,082,330	73,342,309	84,424,639	667,472
Operating Income/Loss	2,181,540	6,132,444	8,313,984	(164,495)
Non-Operating Revenues (Expenses)				
Interest Earned:				
Operating Funds	43,383	2,112	45,495	-
Reserve Funds	31,730	216,010	247,740	7,782
Net Decrease in Fair Value of Investments	113,285	426,399	539,684	12,118
Interest and Fiscal Charges	(315,662)	(1,138,739)	(1,454,401)	-
Gain on Sale of Assets	4,343	14,439	18,782	-
Total Non-Operating Revenue (expenses)	(122,921)	(479,779)	(602,700)	19,900
Income/Loss before Contributions and Transfers	2,058,619	5,652,665	7,711,284	(144,595)
Contractor Contributions - Infrastructure	401,947	-	401,947	-
Transfers Out	(500,000)	(8,000,000)	(8,500,000)	-
Total transfers	(500,000)	(8,000,000)	(8,500,000)	-
Change in Net Position	1,960,566	(2,347,335)	(386,769)	(144,595)
Total Net Position--Beginning	50,378,221	123,902,250	174,280,471	1,267,842
Total Net Position--Ending	$ 52,338,787	$ 121,554,915	$ 173,893,702	$ 1,123,247

The notes to financial statements are an integral part of this statement.

Changes in Net Assets
Governmental Activities
June 30, 2014



Governmental Activities

Governmental net position decreased by $1.3 million.

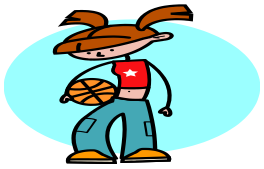
Net revenues of $26.3 million were less than the prior year by $1.0 million. Operating and Capital Grants decreased $1.6 million from the prior year mainly due to less federal highway projects requiring police staffing and the completion of the Library. This decrease was mainly offset by increases in building permits and transfer taxes.

Expenses of $36.1 million reflects an overall increase of $0.5 million from the prior year. The increases were attributed to operating cost for police personnel $0.2 million, an increase in the appropriation to the Police Pension Fund of $0.3 million, and $0.2 million of increases in insurance premiums and legal fees. These increases were offset by $0.2 million of reduced cost across several other programs. A change in accounting for pension contributions towards the unfunded liabilities resulted in increases to several programs with a corresponding decrease in the item “Appropriation to Pension Fund” of $1.0 million and an increase in indirect service expenses of $0.4 million.

Transfers to the Governmental Funds from the Proprietary Funds decreased $2.0 million which represents a prior year contribution towards street and storm water infrastructure at the Garrison Oak Technical Park. These improvements are necessary for the construction of the Calpine 305 megawatt electric generating facility.









Changes in Net Assets
Business Type Activities
June 30, 2014

Business-Type Activities

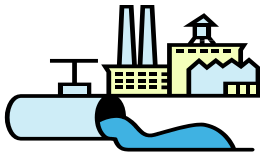
The business-type activities saw a negative change in net position of $0.4 million. Both utilities experienced a decrease in revenues which resulted in a combined net decrease of $10.2 million. The utilities expenses when combined increased in total by $0.4 million.

The water/wastewater utility had a positive change in net position of $2.0 million. The utility experienced a decrease in operating income of $0.1 million from the previous year related to impact fees, an increase of $0.4 million of capital grants and developer contributions and an increase $0.1 million of investment earnings. The utility experienced an increase in operating expenses of $0.3 million attributed to debt service $0.2 million and Kent County Treatment Fees $0.1 million.

The electric utility realized a negative change in net position of $2.3 million. The utility experienced a decrease in operating income of $11.2 million from the previous year as a result of a reduction in electric rates and lower consumption. The electric utility also experienced a significant increase over budget in power supply and generation cost ($6.7 million) due to extreme winter weather conditions and its impact on the availability of fuel to run the power plant along with the effects on pricing in the PJM ISO region. As a result an additional $3.0 million over the budgeted $4.0 million was transferred from the rate stabilization reserve to cover the unplanned increase in power supply cost. Operating expenses decreased as well in total by $0.3 million. An increase of $0.8 million for OPEB contributions was offset by $1.1 million decrease in personnel cost attributed to retirements and vacant positions. Interest and fiscal charges decreased by $0.3 million.

A change in accounting for pension contributions for the unfunded liabilities resulted in increases to several programs with a corresponding decrease in the item “Pension Unfunded Liability” of $0.3 million for the water/wastewater utility and $1.3 million for the electric utility and an increase in the indirect expense allocations of $0.4 million.





General Fund Budget Highlights – Fiscal Year 2014

- The Final General Fund Budget incorporated the following changes to the Original Budget –
  - The Budget Balance carried forward from the prior fiscal year was higher by $0.8 million than was projected. Receipts had a net increase of approximately $0.8 million. The most significant increases were related to intrafund service receipts related to the accounting change for pensions, transfer taxes, court of chancery fees, and building permits. The most significant reductions were police extra duty fees and civil traffic penalties. (See CAFR pages 91 & 92 for more details)
  - Expenditures were revised to reflect an aggregate increase of $1.1 million. Increased employer contributions to the Police and Employee Pension funds accounted for most of the increased budget expense with a slight increased in the transfer to the capital project fund. The increases were offset by decreases in street lights, insurance, police pension grants and fire services. The net result of these changes was a $0.5 million increase in the revised budget balance over the Original Budget Balance (on a non-GAAP basis).
- General Fund actual revenues and other financing sources matched the final total revenues with a $23,000 positive variance.
  - The more significant positive variances were attributed to construction permits and transfer taxes. The most significant negative variances in actual revenue were intrafund service fees and police extra duty fees.
  - Expenditures were approximately $0.9 million under budget as a result of several operating departments experiencing personnel savings through attrition. An increase in legal fees for collective bargaining negotiations was absorbed with favorable personnel results. The General Fund budget balance carry forward was $0.9 million higher than budgeted as a result of the above variances.

Other Post Employment Benefits (OPEB)



Annual OPEB Cost and Net OPEB Obligation

	Total	Governmental Activities	Water/ Wastewater Fund Activities	Electric Fund Activities
Annual Required contribution	$ 5,948,442	$ 4,842,572	$ 346,789	$ 759,081
Interest on OPEB obligation	698,365	735,416	26,049	(63,100)
Adjustment to annual required contribution	(867,558)	(913,585)	(32,360)	78,387
Annual OPEB Cost	5,779,249	4,664,403	340,478	774,368
Employer Contributions	(5,086,180)	(3,108,484)	(303,913)	(1,673,783)
Increase/(decrease) in net OPEB obligation	693,069	1,555,919	36,565	(899,415)
Net OPEB obligation (asset) at beginning of year	12,392,061	13,112,314	449,016	(1,169,269)
Net OPEB obligation (asset) at end of year	$ 13,085,130	$ 14,668,233	$ 485,581	$ (2,068,684)

The City is following a 10 year funding plan to phase in the full required contributions. The City has completed its 6th year of the 10 year plan, therefore the funding level is 60% of the required level. The Electric Fund is being funded at its full required funding level.

Pension Plans – Defined Benefit



Employee Pension

	Total	Governmental Activities	Water/ Wastewater Fund Activities	Electric Fund Activities
Actuarially determined contribution	$ 2,628,694	$ 1,746,129	$ 243,216	$ 639,349
Employer contributions	(3,472,736)	(1,711,281)	(368,565)	(1,392,890)
Contribution deficiency/(excess)	(844,042)	34,848	(125,349)	(753,541)
Net pension (asset) at beginning of year	(6,914,326)	(191,820)	(479,537)	(6,242,969)
Net pension (asset) at end of year	$ (7,758,368)	$ (156,972)	$ (604,886)	$ (6,996,510)

Police

	Governmental Activities
Actuarially determined contribution	$ 1,155,110
Employer contributions	(1,229,363)
Contribution deficiency/(excess)	(74,253)
Net pension (asset) at beginning of year	(106,065)
Net pension (asset) at end of year	$ (180,318)

GASB 67 has been implemented in FY14. GASB 68 Pension standards will be implemented in FY15 and will cause significant changes in the unfunded liabilities and how we report the pension fund activity. See Presentation to City Council on January 7, 2013.

GASB 68 effective FYE 2015

GASB will be following up with the similar changes for OPEB Liabilities

Material Commitments & Subsequent Events

Material Commitments – Note 11

- Commitments for payments on fire apparatus currently for Ladder 1 - $145,614 and Ladder 2 - $92,910 (Ladder 2 paid in full in FY15)
- Five year contract with The Energy Authority (TEA)
- Extended contract with North American Energy Services (NAES)
- Guarantee on $1.3 million loan held by Downtown Dover Partnership.

Forward Contracts – Note 12

- Third party contracts for power supply
- Maximum amount of loss due to credit risk w/o respect to Collateral dollars – $13.8 million

Subsequent Events – Note 13

- Series 2014 General Obligation Debt with PNC – $4,135,000

Financial Statements

- Government-wide Statement of Net Position (Page 5) – Includes all capital assets and liabilities. Does not include full-reporting of pension and OPEB liabilities as currently not required by GAAP. Two columns are shown.
  - First column for governmental activities which includes General Fund, Governmental Capital Project Fund, All Special Revenue (Grant) Funds. Worker's Compensation Fund assets & liabilities are included.
  - Second column for business-type activities (Proprietary Funds). This column includes all activities related to the Water/Wastewater Utility and the Electric Utility.
- Government-wide Statement of Activities (Page 6) – All activities (financial transactions) are reported on a GAAP (Generally Accepted Accounting Principles) basis. First column for city-wide expenses by function/program, second column is adjustment for allocation of indirect expenses, next three columns for program revenues and grants, far right three columns represent net program income/(expense) by fund type.
- Governmental Fund Statements (Page 7, 8 & 9) – All General Fund and Grant Fund activities reported on a modified basis of accounting. No capital assets and no long-term liabilities. Considered, spendable resources within a year. Unassigned Fund Balance is adjusted for Unavailable revenue, prepaid items, and inventory.
- Statement of Net Position and Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds (Pages 10 & 11) – All activities of the Water/Wastewater and Electric Funds.
- Statement of Net Position and Changes in Net Position – Fiduciary Funds – All activities of the Pension and OPEB Trust Funds as required by GAAP. Not included in the previous statements mentioned as they have been established as separate Trust for retirement benefits (CAFR Page 48).
- The audit opinion is based on these Financial Statements.

Deferred Outflows/Inflows of Resources

- Government Accounting Standards Board issued Statement 63 – Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position
- Definitions –
  - Net Position – The residual of all other financial statement elements presented in a statement of financial position. (Previously, Net Assets)
  - Deferred Outflows of Resources – the item meets the definition of an outflow of resources, but relates to a future period. An example would be a grant provided to a grantee before the grantee has met the related time requirements. The City had no deferred outflows of resources as of 6/30/14.
  - Deferred Inflows of Resources – Governmental funds defer recognition of revenue until amounts are considered to be available to liquidate the liabilities for the current period. Therefore, any past due revenues from prior periods must be eliminated and reported as unavailable revenue. The City had unavailable revenue (past due receivables over 60 days) of $726,946 as of June 30, 2014, which includes $38,011 of CDBG/NSP grant funds. The General Fund components of receivables are property taxes, demolitions, grass cutting, trash fees, and police extra duty.
  - Unearned Revenue – Resources that are received for a future period prior to meeting eligibility requirements. Examples are property taxes and business licenses received in June for the following fiscal year. The City had unearned revenue as of 6/30/14 of $1,188,022.

Schedules & Combining Statements

- Schedules are budgetary reports prepared on a non-GAAP basis. For example, the City does not budget depreciation expense or compensated absence expense.
  - The General Fund Budget to Actual report for June 30, 2014 is located in Required Supplementary Information section of the CAFR, which follows the Notes to the Financial Statements. All other individual fund Budget to Actual Reports are located in the Supplementary Information section of the CAFR. These schedules are not required and therefore not required to be audited. We include these schedules and the auditor's do review them as they include budgets adopted by City Council.
  - The Supplementary Information section also includes combining statements. These are financial statements that combines the individual fund statements. For example, the Special Revenue Combining Statement of Net Position. This statement combines all the grant funds and the total is reported in the audited Financial Statement Section – Part C of the CAFR.

City of Dover
Statement of Net Position
June 30, 2014

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and Cash Equivalents	$ 3,248,194	$ 7,063,821	$ 10,312,015
Investments	6,677,265	19,155,594	25,832,859
Receivables, Net	2,210,150	7,134,744	9,344,894
Internal Balances	733,520	(733,520)	-
Due from Other Governments	78,580	-	78,580
Inventory, at Cost	143,291	3,932,385	4,075,676
Prepaid Items	59,196	24,578	83,774
Restricted Cash and Cash Equivalents	640,076	13,028,076	13,668,152
Restricted Investments	18,292	28,097,977	28,116,269
Net Pension Asset	337,290	7,601,396	7,938,686
Net OPEB Asset	-	2,068,684	2,068,684
Land and Construction in Progress	5,134,530	5,979,462	11,113,992
Capital Assets, Net of Depreciation	49,653,711	129,041,536	178,695,247
Total Assets	68,934,095	222,394,733	291,328,828
Liabilities:			
Accounts Payable and Accrued Liabilities	2,729,487	5,954,398	8,683,885
Unearned Revenue	914,756	273,266	1,188,022
Customer Deposits	-	2,036,328	2,036,328
Other	169,933	694,490	864,423
Non-Current Liabilities			
Due within One Year	1,405,352	3,271,423	4,676,775
Due in more than One Year	4,838,367	35,785,545	40,623,912
Due in more than One Year - OPEB	14,668,233	485,581	15,153,814
Total Liabilities	24,726,128	48,501,031	73,227,159
Net Position:			
Net investment in capital assets	50,738,483	101,670,949	152,409,432
Restricted for:			
Capital Projects	143,532	36,123,755	36,267,287
Public Safety	247,628	-	247,628
Other Purposes	220,894	-	220,894
Unrestricted	(7,142,570)	36,098,998	28,956,428
Total Net Position	$ 44,207,967	$ 173,893,702	$ 218,101,669

The notes to financial statements are an integral part of this statement.

City of Dover
Statement of Activities
For the Year Ended June 30, 2014

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business Type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental Activities								
General Government	$ 2,098,353	$ (809,376)	$ 2,137,574	$ -	$ -	$ 848,597	$ -	$ 848,597
Public Safety	19,219,986	-	4,676,162	731,767	-	(13,812,057)	-	(13,812,057)
Public Works	7,171,799	(576,970)	2,595,648	663,940	976,284	(2,358,957)	-	(2,358,957)
Library and Recreation	2,942,800	-	699,622	272,418	250,275	(1,720,485)	-	(1,720,485)
Community and Economic Development	841,248	(164,694)	-	490,491	-	(186,063)	-	(186,063)
Central Services	1,398,225	(885,639)	-	-	-	(512,586)	-	(512,586)
Financial Administration	3,577,529	(2,209,481)	-	1,000	-	(1,367,048)	-	(1,367,048)
Other Post Employment Benefits	3,348,267	-	-	-	-	(3,348,267)	-	(3,348,267)
Interest Charges	122,812	-	-	-	-	(122,812)	-	(122,812)
Total Governmental Activities	40,721,019	(4,646,160)	10,109,006	2,159,616	1,226,559	(22,579,678)	-	(22,579,678)
Business Type Activities								-
Water/Wastewater	10,179,140	1,218,852	13,268,213	-	401,947	-	2,272,168	2,272,168
Electric	71,053,740	3,427,308	79,489,192	-	-	-	5,008,144	5,008,144
Total Business Type Activities	81,232,880	4,646,160	92,757,405	-	401,947			
Total Primary Government	$ 121,953,899	$ -	$ 102,866,411	$ 2,159,616	$ 1,628,506	$ (22,579,678)	$ 7,280,312	$ (15,299,366)
General Revenues								
Taxes								
Property Taxes						11,094,479	-	11,094,479
Transfer Taxes						1,543,626	-	1,543,626
Earnings on Investments						142,390	832,919	975,309
Total General Revenues						12,780,495	832,919	13,613,414
Transfers						8,500,000	(8,500,000)	-
Total General Revenues and Transfers						21,280,495	(7,667,081)	13,613,414
Changes in Net Position						(1,299,183)	(386,769)	(1,685,952)
Net Position Beginning						45,507,150	174,280,471	219,787,621
Net Position Ending						$ 44,207,967	$ 173,893,702	$ 218,101,669

The notes to financial statements are an integral part of this statement.

City of Dover
Governmental Fund Balance Sheet
June 30, 2014

	General Fund	Total Nonmajor Funds	Total Governmental Funds
Assets:			
Cash and Cash Equivalents	$ 3,013,820	$ -	$ 3,013,820
Restricted Cash and Cash Equivalents	-	640,076	640,076
Investments	5,305,349	-	5,305,349
Restricted Investments	18,292	-	18,292
Receivables, net			
Accounts	2,007,898	5,780	2,013,678
Taxes	177,638	-	177,638
Due from Other Funds	869,766	-	869,766
Due from Other Governments	-	78,580	78,580
Prepaid Items	42,999	2,447	45,446
Inventory, at Cost	143,291	-	143,291
Total Assets	$ 11,579,053	$ 726,883	$ 12,305,936
Liabilities:			
Accounts Payable	$ 2,127,495	$ 86,365	$ 2,213,860
Unearned Revenue	914,756	-	914,756
Due to Other Funds	18,764	117,482	136,246
Other	169,933	-	169,933
Total Liabilities	3,230,948	203,847	3,434,795
Deferred Inflows of Resources:			
Unavailable revenue	688,935	38,011	726,946
Total Deferred Inflows of Resources	688,935	38,011	726,946
Fund Balances:			
Non-Spendable	207,884	2,447	210,331
Restricted	129,476	482,578	612,054
Committed	723,300	-	723,300
Assigned	3,163,431	-	3,163,431
Unassigned	3,435,079	-	3,435,079
Total Fund Balances	7,659,170	485,025	8,144,195
Total Liabilities, Deferred Inflows and Fund Balances	$ 11,579,053	$ 726,883	$ 12,305,936

The notes to financial statements are an integral part of this statement.

Fund Balances (Note 7) – June 30, 2014

	General Fund	Other Governmental Funds	Total
Fund balances:			
Nonspendable:			
Inventory & Prepaids	$ 186,290	$ 2,447	$ 188,737
Patronage Stock	16,594	-	16,594
Library Endowment	5,000	-	5,000
Subtotal Nonspendable:	207,884	2,447	210,331
Restricted for:			
Library Endowment Interest	1,698	-	1,698
Verizon cable franchise	127,778	-	127,778
Highway resurfacing	-	143,532	143,532
ERLSP	-	100	100
CDBG	-	44,494	44,494
CDBG- State for ADA Improvements	-	2,014	2,014
Substance Abuse Prevention	-	75,466	75,466
Municiple Street Aid	-	100	100
Library Grants	-	44,810	44,810
Police Grants	-	172,062	172,062
Subtotal Restricted for:	129,476	482,578	612,054
Committed to:			
Contingency	467,269	-	467,269
Encumbrances	37,377	-	37,377
Parkland	218,654	-	218,654
Subtotal Committed to:	723,300	-	723,300
Assigned to:			
Capital Assets	3,151,840	-	3,151,840
Police Investigations	11,591	-	11,591
Subtotal Assigned to:	3,163,431	-	3,163,431
Unassigned	3,435,079	-	3,435,079
Total fund balances	$ 7,659,170	$ 485,025	$ 8,144,195

City of Dover
Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds
For the Year Ended June 30, 2014

	General Fund	Total Nonmajor Funds	Total Governmental Funds
Revenues			
Fines	$ 653,625	$ 357,531	$ 1,011,156
Library Revenue- General	68,190	-	68,190
Library Revenue County Reimbursement	430,363	-	430,363
Licenses and Permits	2,952,015	-	2,952,015
Sanitation Fees and Rebates	2,595,648	-	2,595,648
Recreation	-	49,144	49,144
Miscellaneous Services	1,831,683	-	1,831,683
Property Taxes	11,111,409	-	11,111,409
Transfer Taxes	-	1,543,626	1,543,626
Grants Received	722,736	2,693,583	3,416,319
Court of Chancery Fees	1,034,460	-	1,034,460
Investment Income	120,295	2,195	122,490
Total Revenues	21,520,424	4,646,079	26,166,503
Expenditures			
Current:			
General Government	1,271,523	-	1,271,523
Library Services	1,434,616	263,366	1,697,982
Public Safety and Law Enforcement	18,946,771	184,061	19,130,832
Public Works	1,568,948	1,004,017	2,572,965
Recreational Services	683,363	-	683,363
Streets and Sanitation Services	4,634,091	-	4,634,091
Financial Administration	1,002,539	-	1,002,539
Garage and Stores	415,593	-	415,593
Insurance	272,895	-	272,895
Retiree Health Care	1,636,500	-	1,636,500
Employee Pension	121,000	-	121,000
Community and Economic Development	211,595	464,959	676,554
Street Lights	774,533	-	774,533
Debt Service:			
Principal Retirement	429,239	-	429,239
Interest and Fiscal Charges	122,812	-	122,812
Total Expenditures	33,526,018	1,916,403	35,442,421
Excess (deficiency) of Revenues over Expenditures	(12,005,594)	2,729,676	(9,275,918)
Other financing Sources (Uses)			
Transfers in	11,458,445	-	11,458,445
Transfers out	-	(2,958,445)	(2,958,445)
Total other Financing Sources (Uses)	11,458,445	(2,958,445)	8,500,000
Net Change in Fund Balances	(547,149)	(228,769)	(775,918)
Fund Balances at Beginning of Year	8,206,319	713,794	8,920,113
Fund Balances at End of Year	$ 7,659,170	$ 485,025	$ 8,144,195

The notes to financial statements are an integral part of this statement.

City of Dover
Statement of Net Position - Proprietary Funds
June 30, 2014

	Business-type Activities			Governmental Activities
	Water/ Wastewater Fund	Electric Revenue Fund	Total Enterprise Funds	Internal Service Fund
Assets				
Current Assets:				
Cash and Cash Equivalents	$ 3,573,198	$ 3,490,623	$ 7,063,821	$ 234,374
Investments	7,852,645	11,302,949	19,155,594	1,371,916
Receivables, Net	979,138	6,155,606	7,134,744	18,834
Due from Other Funds-Charges	17,540	37,852	55,392	-
Inventory	62,751	3,869,634	3,932,385	-
Prepaid Items	100	24,478	24,578	13,750
Total Current Assets	12,485,372	24,881,142	37,366,514	1,638,874
Non-Current Assets:				
Restricted Assets				
Cash	4,952,156	8,075,920	13,028,076	-
Investments	3,005,802	25,092,175	28,097,977	-
Net Pension Asset	604,886	6,996,510	7,601,396	-
Net OPEB Asset	-	2,068,684	2,068,684	-
Land and Construction in Progress	2,830,934	3,148,528	5,979,462	-
Capital Assets, Net of Depreciation	44,877,818	84,163,718	129,041,536	-
Total Non-Current Assets	56,271,596	129,545,535	185,817,131	-
Total Assets	68,756,968	154,426,677	223,183,645	1,638,874
Liabilities				
Current Liabilities:				
Accounts Payable and Accrued Expenses	984,041	4,970,357	5,954,398	515,627
Due to Other Funds - Charges	238,942	549,970	788,912	-
Deferred Revenue	-	273,266	273,266	-
Accrued Interest Payable	128,563	565,927	694,490	-
Customer Deposits	-	2,036,328	2,036,328	-
Revenue Bonds Payable	761,560	2,260,000	3,021,560	-
Liability for Compensated Absences	75,698	174,165	249,863	-
Total Current Liabilities	2,188,804	10,830,013	13,018,817	515,627
Non-Current Liabilities:				
Net OPEB Obligation	485,581	-	485,581	-
Revenue Bonds Payable	13,650,787	21,680,000	35,330,787	-
Liability for Compensated Absences	93,009	361,749	454,758	-
Total Non-Current Liabilities	14,229,377	22,041,749	36,271,126	-
Total Liabilities	16,418,181	32,871,762	49,289,943	515,627
Net Position				
Net investment in capital assets	38,298,703	63,372,246	101,670,949	-
Restricted for Capital Construction	2,955,660	33,168,095	36,123,755	-
Unrestricted	11,084,424	25,014,574	36,098,998	1,123,247
Total Net Position	$ 52,338,787	$ 121,554,915	$ 173,893,702	$ 1,123,247

The notes to financial statements are an integral part of this statement.

City of Dover
Statement of Revenues, Expenses and
Changes in Fund Net Position - Proprietary Funds
For the Year Ended June 30, 2014

	Business-type Activities			Governmental Activities
	Water/ Wastewater Fund	Electric Revenue Fund	Total Enterprise Funds	Internal Service Fund
Operating Revenues				
Charges for Services	$ 10,952,541	$ 78,187,252	$ 89,139,793	$ -
Miscellaneous Services/Income	2,311,329	1,287,501	3,598,830	502,977
Total Operating Revenues	13,263,870	79,474,753	92,738,623	502,977
Operating Expenses				
Water/Wastewater Services	7,868,499	-	7,868,499	-
General Administrative	1,221,341	2,450,884	3,672,225	524,211
Power Supply	-	57,233,726	57,233,726	-
Transmission/Distribution	-	3,806,078	3,806,078	-
Engineering	-	1,331,909	1,331,909	-
Metering	-	284,229	284,229	-
Systems Operations	-	739,406	739,406	-
Utility Tax	-	1,258,957	1,258,957	-
Depreciation	1,755,925	4,748,120	6,504,045	-
Contractual Services	-	-	-	20,000
Taxes	-	-	-	33,774
Retirees Health Care	236,565	1,489,000	1,725,565	-
Self Insurance-Workers' Compensation	-	-	-	89,487
Total Operating Expenses	11,082,330	73,342,309	84,424,639	667,472
Operating Income/Loss	2,181,540	6,132,444	8,313,984	(164,495)
Non-Operating Revenues (Expenses)				
Interest Earned:				
Operating Funds	43,383	2,112	45,495	-
Reserve Funds	31,730	216,010	247,740	7,782
Net Decrease in Fair Value of Investments	113,285	426,399	539,684	12,118
Interest and Fiscal Charges	(315,662)	(1,138,739)	(1,454,401)	-
Gain on Sale of Assets	4,343	14,439	18,782	-
Total Non-Operating Revenue (expenses)	(122,921)	(479,779)	(602,700)	19,900
Income/Loss before Contributions and Transfers	2,058,619	5,652,665	7,711,284	(144,595)
Contractor Contributions - Infrastructure	401,947	-	401,947	-
Transfers Out	(500,000)	(8,000,000)	(8,500,000)	-
Total transfers	(500,000)	(8,000,000)	(8,500,000)	-
Change in Net Position	1,960,566	(2,347,335)	(386,769)	(144,595)
Total Net Position--Beginning	50,378,221	123,902,250	174,280,471	1,267,842
Total Net Position--Ending	$ 52,338,787	$ 121,554,915	$ 173,893,702	$ 1,123,247

The notes to financial statements are an integral part of this statement.

Changes in Net Assets
Governmental Activities
June 30, 2014



Governmental Activities

Governmental net position decreased by $1.3 million.

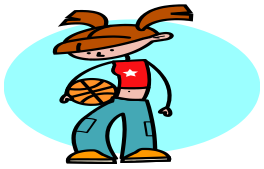
Net revenues of $26.3 million were less than the prior year by $1.0 million. Operating and Capital Grants decreased $1.6 million from the prior year mainly due to less federal highway projects requiring police staffing and the completion of the Library. This decrease was mainly offset by increases in building permits and transfer taxes.

Expenses of $36.1 million reflects an overall increase of $0.5 million from the prior year. The increases were attributed to operating cost for police personnel $0.2 million, an increase in the appropriation to the Police Pension Fund of $0.3 million, and $0.2 million of increases in insurance premiums and legal fees. These increases were offset by $0.2 million of reduced cost across several other programs. A change in accounting for pension contributions towards the unfunded liabilities resulted in increases to several programs with a corresponding decrease in the item “Appropriation to Pension Fund” of $1.0 million and an increase in indirect service expenses of $0.4 million.

Transfers to the Governmental Funds from the Proprietary Funds decreased $2.0 million which represents a prior year contribution towards street and storm water infrastructure at the Garrison Oak Technical Park. These improvements are necessary for the construction of the Calpine 305 megawatt electric generating facility.









Changes in Net Assets
Business Type Activities
June 30, 2014

Business-Type Activities

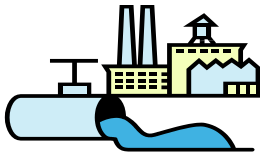
The business-type activities saw a negative change in net position of $0.4 million. Both utilities experienced a decrease in revenues which resulted in a combined net decrease of $10.2 million. The utilities expenses when combined increased in total by $0.4 million.

The water/wastewater utility had a positive change in net position of $2.0 million. The utility experienced a decrease in operating income of $0.1 million from the previous year related to impact fees, an increase of $0.4 million of capital grants and developer contributions and an increase $0.1 million of investment earnings. The utility experienced an increase in operating expenses of $0.3 million attributed to debt service $0.2 million and Kent County Treatment Fees $0.1 million.

The electric utility realized a negative change in net position of $2.3 million. The utility experienced a decrease in operating income of $11.2 million from the previous year as a result of a reduction in electric rates and lower consumption. The electric utility also experienced a significant increase over budget in power supply and generation cost ($6.7 million) due to extreme winter weather conditions and its impact on the availability of fuel to run the power plant along with the effects on pricing in the PJM ISO region. As a result an additional $3.0 million over the budgeted $4.0 million was transferred from the rate stabilization reserve to cover the unplanned increase in power supply cost. Operating expenses decreased as well in total by $0.3 million. An increase of $0.8 million for OPEB contributions was offset by $1.1 million decrease in personnel cost attributed to retirements and vacant positions. Interest and fiscal charges decreased by $0.3 million.

A change in accounting for pension contributions for the unfunded liabilities resulted in increases to several programs with a corresponding decrease in the item “Pension Unfunded Liability” of $0.3 million for the water/wastewater utility and $1.3 million for the electric utility and an increase in the indirect expense allocations of $0.4 million.





General Fund Budget Highlights – Fiscal Year 2014

- The Final General Fund Budget incorporated the following changes to the Original Budget –
  - The Budget Balance carried forward from the prior fiscal year was higher by $0.8 million than was projected. Receipts had a net increase of approximately $0.8 million. The most significant increases were related to intrafund service receipts related to the accounting change for pensions, transfer taxes, court of chancery fees, and building permits. The most significant reductions were police extra duty fees and civil traffic penalties. (See CAFR pages 91 & 92 for more details)
  - Expenditures were revised to reflect an aggregate increase of $1.1 million. Increased employer contributions to the Police and Employee Pension funds accounted for most of the increased budget expense with a slight increased in the transfer to the capital project fund. The increases were offset by decreases in street lights, insurance, police pension grants and fire services. The net result of these changes was a $0.5 million increase in the revised budget balance over the Original Budget Balance (on a non-GAAP basis).
- General Fund actual revenues and other financing sources matched the final total revenues with a $23,000 positive variance.
  - The more significant positive variances were attributed to construction permits and transfer taxes. The most significant negative variances in actual revenue were intrafund service fees and police extra duty fees.
  - Expenditures were approximately $0.9 million under budget as a result of several operating departments experiencing personnel savings through attrition. An increase in legal fees for collective bargaining negotiations was absorbed with favorable personnel results. The General Fund budget balance carry forward was $0.9 million higher than budgeted as a result of the above variances.

Other Post Employment Benefits (OPEB)



Annual OPEB Cost and Net OPEB Obligation

	Total	Governmental Activities	Water/ Wastewater Fund Activities	Electric Fund Activities
Annual Required contribution	$ 5,948,442	$ 4,842,572	$ 346,789	$ 759,081
Interest on OPEB obligation	698,365	735,416	26,049	(63,100)
Adjustment to annual required contribution	(867,558)	(913,585)	(32,360)	78,387
Annual OPEB Cost	5,779,249	4,664,403	340,478	774,368
Employer Contributions	(5,086,180)	(3,108,484)	(303,913)	(1,673,783)
Increase/(decrease) in net OPEB obligation	693,069	1,555,919	36,565	(899,415)
Net OPEB obligation (asset) at beginning of year	12,392,061	13,112,314	449,016	(1,169,269)
Net OPEB obligation (asset) at end of year	$ 13,085,130	$ 14,668,233	$ 485,581	$ (2,068,684)

The City is following a 10 year funding plan to phase in the full required contributions. The City has completed its 6th year of the 10 year plan, therefore the funding level is 60% of the required level. The Electric Fund is being funded at its full required funding level.

Pension Plans – Defined Benefit



Employee Pension

	Total	Governmental Activities	Water/ Wastewater Fund Activities	Electric Fund Activities
Actuarially determined contribution	$ 2,628,694	$ 1,746,129	$ 243,216	$ 639,349
Employer contributions	(3,472,736)	(1,711,281)	(368,565)	(1,392,890)
Contribution deficiency/(excess)	(844,042)	34,848	(125,349)	(753,541)
Net pension (asset) at beginning of year	(6,914,326)	(191,820)	(479,537)	(6,242,969)
Net pension (asset) at end of year	$ (7,758,368)	$ (156,972)	$ (604,886)	$ (6,996,510)

Police

	Governmental Activities
Actuarially determined contribution	$ 1,155,110
Employer contributions	(1,229,363)
Contribution deficiency/(excess)	(74,253)
Net pension (asset) at beginning of year	(106,065)
Net pension (asset) at end of year	$ (180,318)

GASB 67 has been implemented in FY14. GASB 68 Pension standards will be implemented in FY15 and will cause significant changes in the unfunded liabilities and how we report the pension fund activity. See Presentation to City Council on January 7, 2013.

GASB 68 effective FYE 2015

GASB will be following up with the similar changes for OPEB Liabilities

Material Commitments & Subsequent Events

Material Commitments – Note 11

- Commitments for payments on fire apparatus currently for Ladder 1 - $145,614 and Ladder 2 - $92,910 (Ladder 2 paid in full in FY15)
- Five year contract with The Energy Authority (TEA)
- Extended contract with North American Energy Services (NAES)
- Guarantee on $1.3 million loan held by Downtown Dover Partnership.

Forward Contracts – Note 12

- Third party contracts for power supply
- Maximum amount of loss due to credit risk w/o respect to Collateral dollars – $13.8 million

Subsequent Events – Note 13

- Series 2014 General Obligation Debt with PNC – $4,135,000

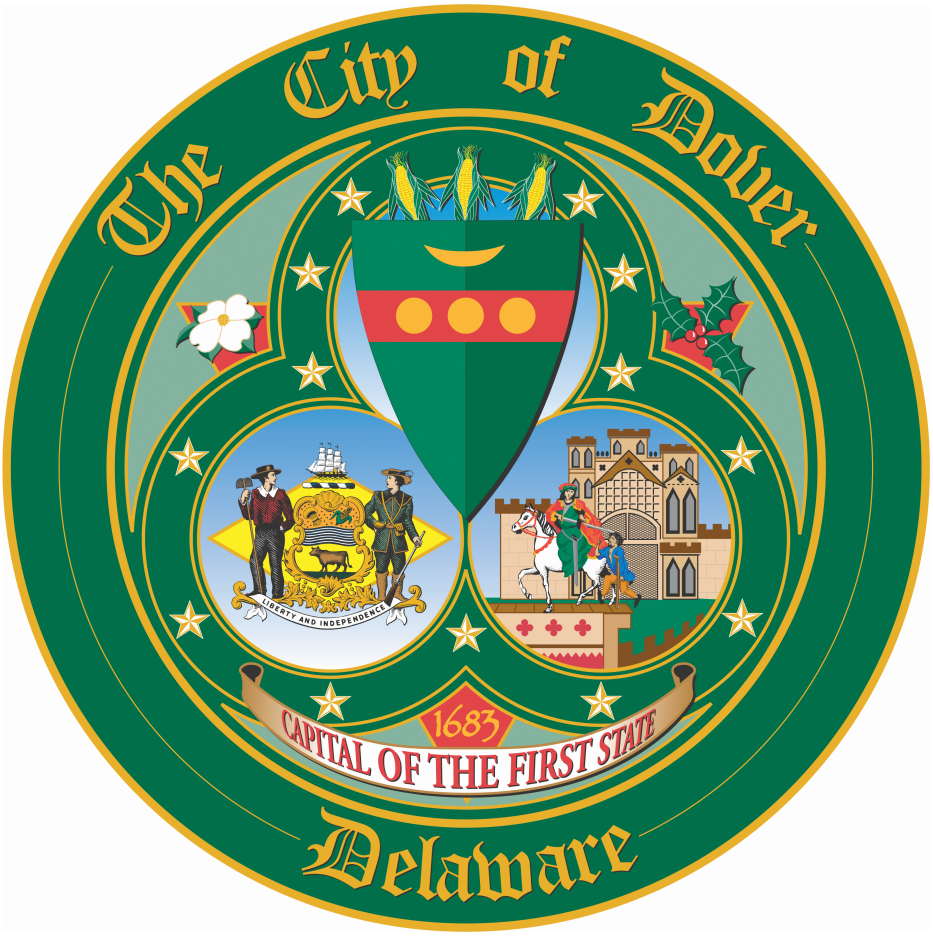


COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2014

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2014



Prepared by the Finance Department
Donna S. Mitchell, Controller/Treasurer

ACKNOWLEDGEMENTS

The City of Dover's Comprehensive Annual Financial Report was prepared by the Finance Department.

Tracey Lisiecki,
Financial Reporting & Accounting Manager

Lori Peddicord
Assistant Finance Director

Jeffrey Dill
Accountant II

Jennifer Helms
Accountant II

Sharon Daniel
Account Clerk II

Katie Heffington
Payroll Specialist

Hollie Ford
Human Resources – Administrative Assistant

Special appreciation to:

Special appreciation is extended to Mr. Scott Koenig, City Manager and all personnel throughout the City for their continued support of the Finance Department.

CITY OF DOVER, DELAWARE

Comprehensive Annual Financial Report
For the Year Fiscal Ended June 30, 2014

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INTRODUCTORY SECTION

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LETTER OF TRANSMITTAL

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

LIST OF ELECTED OFFICIALS

LIST OF APPOINTED OFFICIALS

LIST OF COMMISSIONS & COMMITTEES

ORGANIZATION CHART

VISION

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City of Dover

December 16, 2014

The Honorable Mayor,
Honorable Council President,
Members of the City Council
and Citizens of the City of Dover
Dover, Delaware 19901

Ladies and Gentlemen:

I am pleased to submit the Comprehensive Annual Financial Report of the City of Dover for the fiscal year ended June 30, 2014. This report is published to comply with the provisions of Article IV, Section 46 of the City Charter. It is also intended to provide financial data to the tax and ratepayers, bondholders, trustees, banks, federal and state agencies and the financial community at large.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The financial statements in this report have been audited by SB & Company, LLC, an independent firm of certified public accountants as required by Section 46 of the City Charter. SB & Company, LLC has provided an unmodified opinion on the City of Dover financial statements for the year ended June 30, 2014. The independent public accountant's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it. Our MD&A can be found immediately following the report of our independent auditors.

THE REPORTING ENTITY AND ITS SERVICES

The City of Dover was incorporated in 1829 under a Charter granted by the General Assembly. Dover is the Capital of the State of Delaware and is located in the central part of the state. It is home to the State Governor's office, legislative offices, and is the County seat for Kent County.

The City currently occupies a land area of 23.3 square miles and serves a population of approximately 37,540. Dover's governing body is composed of a Mayor and nine Council Members, with one Council Member elected by Council to serve as Council President. Two members of City Council are elected from each of the four districts; the ninth Council member of Council and the Mayor are elected at-large The Council is responsible for all matters of policy and is the authority for levying taxes, securing revenues, authorizing expenditures of City funds and incurring City debts. The City of Dover operates under a Council – Manager Form of government.

The City provides a full range of services as mandated by the Charter or adopted by the City Council. They include police protection, street and sanitation maintenance, recreation, library, community development, economic development, public improvements, planning and zoning, safety inspections, electric power generation and distribution, water and wastewater services, legislative services and general administration.

Within the City is a volunteer fire company that is autonomous. Under established criteria, the operations of the Robbins Hose Fire Company are not a part of this report. However, the City provides financing for dispatching personnel costs, most of the building and equipment maintenance, supplies and contractual services. The City also provides funding to Robbins Hose for payments on several pieces of firefighting apparatus. These payments are grouped under the Fire Department and are included in the General Fund.

The Fire Chief is elected by the volunteer members of the Fire Company. The City Council traditionally adopts the election and the City Council officially appoints the Fire Chief for a one-year term. Therefore, the position of Fire Chief is included in the City organization chart.

The Capital School District does not meet the established criteria for inclusion in the reporting entity and, accordingly, is excluded from this report.

The City Council shall, on or before the second Monday of June in each year, adopt a budget for the succeeding fiscal year. This annual budget serves as the foundation for the City of Dover's financial planning and control. The budget is prepared by fund and department. With approval of the City Manager and Controller/Treasurer, Department Heads may transfer resources within or between departments, with the exception of capital project budgets. Transfers between funds and transfers of capital project budgets, however, need special approval from the City Council.

ECONOMIC CONDITION AND FUTURE GROWTH

The City of Dover is distinguished as the dominant center of employment, commerce, educational opportunity, and cultural activity in central Delaware. Development activity in the Capital City continued to be slow during Fiscal Year 2014, consistent with the economic trends seen nationwide and recent prior years; however there have been some signs of modest economic growth.

Residential growth continues to occur at a slow pace, and major institutions and government agencies continue to expand to meet the demands of a growing regional population and economy. Commercial corridor areas of U.S. Routes 13 and 113 and DE Route 8 have continued to be the center of commerce in Dover, and in the past year progress has been made in expanding commercial services in this area. Efforts to revitalize the traditional urban core of downtown Dover have continued, and the passage of the State's Downtown Development District program offers promise for economic growth in downtown Dover looking ahead.

Total value of construction was estimated at $92.8 million during Fiscal Year 2014. This nearly doubled the $51.7 million in construction value during Fiscal Year 2013. The City of Dover issued 4,282 business licenses in Fiscal Year 2014, an increase over the prior year. Building permits issued during this period totaled 978 which only one permit different than the previous year. The City of Dover Planning Office

processed 39 new development applications (site plans, subdivisions and conditional uses) and five rezoning applications during the reporting period, which is a slight increase from the prior fiscal year. The City also processed two annexation requests during Fiscal Year 2014, which is consistent with the number in the prior fiscal year.

Growth and development trends during Fiscal Year 2014 are further discussed and summarized below:

POPULATION GROWTH
The 2010 U.S. Decennial Census, which was conducted in April 2010, found that 36,054 people reside in Dover. The Delaware Population Consortium estimates, the City of Dover's population as of July 1, 2014 was 37,540. This change represents a 4.1% population increase over the decennial Census.

RESIDENTIAL DEVELOPMENT
A total of 40 new residential housing starts were recorded during Fiscal Year 2014, which represents an increase of seven from the prior fiscal year. Construction activity resumed in Nottingham Meadows and continued in Senators Lake, Clearview Meadows, and Patriot Village. By the end of the fiscal year, bids were sought for the completion of infrastructure in the Village of Cannon Mill, with plans for the City to complete the infrastructure in Fiscal Year 2015.

The apartment market continued to be strong in Fiscal Year 2014, with progress made on completing plans for Leander Lakes and the third building at The Grande being completed.

DOWNTOWN DOVER REDEVELOPMENT
Efforts to revitalize Downtown Dover remained strong, with the completion of the renovations to 22-24 West Loockerman Street for the new EZ Pass Customer Service Center. The pocket park constructed at the corner of North Street and Governors Avenue, in the location of a former vacant building, was underway as the fiscal year closed. Other new tenants continued to move into downtown tenant spaces. City staff worked closely with the Governor's Office in spring and summer 2014 to support the Governor's Downtown Development District legislation, which has the potential to provide additional private and public investment in downtown revitalization. The spirit of downtown remained strong, with First Friday festivities, and a number of other special events, celebrations and parades held throughout the year.

The Planning Office, Economic Development Office, and Police Department worked with a steering committee convened by NCALL on Restoring Central Dover: Our Vision for Vitality. This is a planning process funded largely through the Wells Fargo Regional Foundation that has involved a broad cross section of stakeholders in plans to restore central Dover to its former vibrant city center. The plan document would be completed in fall 2014 and would serve as the centerpiece of the City's Downtown Development District application.

INSTITUTIONAL DEVELOPMENT
Institutional development has continued during fiscal year 2014. Wesley College completed renovations to the former Frear Federal Building and opened the building as its Health Sciences campus. Dover High School neared completion for the 2014-15 school year. Delaware State University began construction of its Optics building and proceeded with other campus improvements. Delaware State University also opened the former Sheraton Hotel and Conference Center as a dormitory and was in the process of completing renovations to the building for the Early College High School in anticipation of the 2014-15 school year.

RETAIL/COMMERCIAL DEVELOPMENT
The retail sector remained slow during Fiscal Year 2014, as is consistent with the national economic slowdown and the trend of recent years. However, Dick's Sporting Goods, the Greene Turtle, and Redner's Supermarket opened during the fiscal year. While permit activity was slow in this sector, site plans are moving forward to redevelop the former Playtex site at the corner of Division Street and North DuPont Highway. Progress on this project was made in FY 2014.

INDUSTRIAL DEVELOPMENT
The Dover economy derives considerable benefits from a variety of large industrial and manufacturing companies including Kraft Foods, Procter and Gamble, Energizer (Playtex Family Products), and Berry Van Lines, as well as numerous small to mid-sized industrial entities. Construction continued on the Garrison Energy Center, and the infrastructure associated with the Garrison Oak Technical Park began during FY2014, as did construction on the Uzin Utz Manufacturing facility in Garrison Oak.

OFFICE DEVELOPMENT
Dover's dominance as the place for business office locations downstate has continued; however, the market appears to be saturated with office space at this point in time. The recently completed State Street Commons remains vacant, but that vacancy relates to issues beyond simply the market for office space.

INFRASTRUCTURE
The City has several large water and sewer projects underway to upgrade pump stations, distribution and transmission mains. These projects will improve water quality and reduce the inflow/infiltration in our sewer system. The City continues to upgrade the electric transmission and distribution system with systematic upgrades to substations and the transfer of overhead distribution lines to underground lines in the electric territory subdivisions. The City and the State has several transportation projects underway.

Summary
Dover continues to be affected by the nation's economic downturn; however, small signs of modest growth are evident. The large institutional presence of Bayhealth, the State, and the colleges and universities helps to strengthen the City's economy. The development of the Garrison Oak Technical Park is also a benefit to the local economy. Dover remains a center for commerce, services and residential communities. As the economy rebounds, Dover is well positioned to support continued growth, and the promise associated with the State's Downtown Development District program creates an optimistic future for the City of Dover.

LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

The City is in its second year of the infrastructure build out of the Garrison Oak Technology Park "GOTP" which will service as a technology and industrial park. The design of the GOTP subdivision includes fifteen parcels of which two are leased and one was sold this past year to Uzin Utz a German manufacturer of flooring compounds. The Dover Sun Park has occupied one of the parcels since 2010 and the Calpine 305 megawatt electric generating station has been under construction since fiscal year 2013 with an expected completion date of May 2015.

The City Council continues its focus on replacing or upgrading old infrastructure in order to improve the quality and reliability of our utility systems. In fiscal year 2014, $1.9 million of water and wastewater capital improvements were completed. This included the completion of the Route 13 water main three pump station upgrades, and two well head replacements.

The electric utility completed capital improvements of $3.2 million in fiscal year 2014. The major initiatives completed by our Transmission and Distribution crews were the completion of substation upgrades to the McKee Run and Lebanon stations, system upgrades to capacitors, lighting, and upgrades to 69kv switches. Several new services were also completed. The City's plant operator, North American Energy Services, completed the replacement of the industrial water wastewater system at the McKee Run generating plant. The Unit 3 turbine inspection was completed.

The City maintains a five-year Capital Investment Plan which serves as its planning and budgeting tool to program upgrades and replacements to its equipment, facilities, and infrastructure. As part of this process, operating expenses are identified and funding sources are determined. Managers are required

to rank capital expenditures by criticality based on the impacts on customer service and revenue losses. The fiscal year 2014/2015 Capital Investment Plan includes $1.7 million for vehicles and equipment and $13.5 million of infrastructure and utility improvement projects. The Capital Investment Plan is presented to City Council each year during the budget workshops and the final plan is approved by City Council along with the annual budget.

FINANCIAL POLICIES AND FINANCIAL PLANNING

Unassigned fund balances in the General Fund (11.7%) fall within the policy guidelines of a minimum of 8% and maximum of 12% of budgetary revenues as approved by City Council in the City of Dover Financial policies. The water, wastewater, and electric utilities have the same policy requirement for their budget balances. If the balances fall below 8%, the City Manager is required to submit budgets to bring the balances up to minimum within three years. The current budget balances as of June 30, 2014 for the utilities are water (13.1%) and wastewater (6.4%). The water and wastewater utilities are accounted for in the same fund and have a combined budget balance of 9.1%. The electric utility ended the year with a budget balance less than the 8.0% at 7.6%. This was attributed to higher than projected power supply and generation cost attributed to the unusual cold weather in January and February. The fiscal year 2015 budget will be adjusted to address the shortfall.

The City policies also require non-recurring revenues to be set aside for capital improvements as designated by City Council (reserve accounts) and a 2% contingency reserve in the General Fund, Water/Wastewater Fund and 1% contingency in the Electric Revenue Fund to address unforeseeable natural disasters and insurance losses. All major funds meet the contingency reserve requirement.

The water and wastewater utilities impose impact fees, which are reserved by ordinance, on new developments or facilities to assist with financing future expansion projects. The electric utility maintains depreciation and future capacity reserves to assist with asset replacements and system expansions. Financial policies require the electric utility to maintain a minimum of $10.0 million in each of these reserves, with replenishment over seven years when used to finance projects.

The City's Financial Policies also include an Electric Rate Stabilization Reserve account. The purpose of this reserve is to enable the City to absorb month-to-month power supply cost increases while adjusting budgets and implementing potential rate increases. If the cost of power supply decreases, the reserve can also be used to provide a power cost adjustment decrease to maintain competitive rates. The goal is to maintain a reserve balance equivalent to 10% of the power supply cost.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Dover, Delaware for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2013. This was the twenty-ninth (29) consecutive year that the City of Dover has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Finance Department extends our thanks to you for your continued interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner. I also express my appreciation to the many City employees for their assistance and cooperation during the year in preparation of this report. My appreciation is extended to Mrs. Ann Marie Townshend, City Planner for her assistance with the preparation of the local economy section and Ms. Hollie Ford for her support in the preparation of the annual report. Special appreciation is extended to the employees of the Finance Department, whose pride and dedicated service continues to make this report and each year a success.

Respectfully submitted,



Donna S. Mitchell, CPA
Controller/Treasurer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Dover

Delaware

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

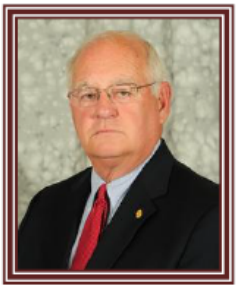
June 30, 2013

Executive Director/CEO



Mayor Robin R. Christiansen











City Council Members

1st Row:
Councilman at Large Timothy A. Slavin, First District: Beverly Williams and James L. Hutchison

2nd Row:
Second District: William F. Hare and Adam M. Perza. Third District: Council President David L. Bonar and Sean M. Lynn

3rd Row:
Fourth District: David L. Anderson and Wallace R. Dixon

CITY OF DOVER, DELAWARE

List of Elected Officials
June 30, 2014

	Length of Services	Term Expires
Mayor		
Robin R. Christiansen	5 Days	May 2015
City Council		
At-Large		
Timothy A. Slavin	1 Year	May 2017
First District		
Beverly C. Williams	12 Years	May 2015
James L. Hutchison, Sr.	3 Years	May 2017
Second District		
William F. Hare	3 Years	May 2017
Adam M. Perza	2 Years	May 2015
Third District		
David L. Bonar*	4 Years	May 2015
Sean M. Lynn	3 Years	May 2017
Fourth District		
Wallace R. Dixon	1 Year	May 2015
David L. Anderson	3 Years	May 2017

* Council President

CITY OF DOVER, DELAWARE

List of Appointed Officials
June 30, 2014

	Length of Time in Position	Length of Time with the City
City Clerk/Assistant Treasurer – Traci A. McDowell	9 Years	28 Years
City Manager/Civil Defense Director – Scott D. Koenig	3 Years	24 Years
City Solicitor – Nicholas H. Rodriquez	46 Years	46 Years
Deputy City Solicitor – William W. Pepper	25 Years	25 Years
Council President – David L. Bonar	1 Year	4 Years
City Assessor – Cheryl A. Russell	5 Years	22 Years
City Building Inspector - Ann Marie Townshend	2 Years	8 Years
City Planner – Ann Marie Townshend	8 Years	8 Years
Controller/Treasurer – Donna S. Mitchell	14 Years	14 Years
Fire Chief – Matthew E. Carey	6 Months	6 Years
Interim Fire Marshal – Timothy P. Mullaney, Jr.	1 Month	8 Years
Police Chief – Paul M. Bernat	1 Month	24 Years

CITY OF DOVER, DELAWARE

List of Commissions & Committees

June 30, 2014

Board of Adjustment
Kishor C. Sheth, Chairman
Arthur G. Ericson, Vice Chairman
William Hufnal
James N. Keller
Richard Senato

Board of Assessment Appeals
William Garfinkel, Chairman
Thomas Burns
James Galvin
John Kelly
Todd Stonesifer
James Welsh

Construction Code Board of Appeals
Adam M. Perza, Chairman
Sean M. Lynn, Councilman
Scott D. Koenig, City Manager

Election Board
William T. Garfinkel, Chairman
Lillie Mae Johnson
Cherrita Matthews
Anita L. McDowell Boyer
Traci McDowell, City Clerk
Vacancy

Ethics Commission
Thomas C. Jackson, Chairman
Robin Case
Gary Coy
Andrew S. Moreland
Nancy J. Shevock
Traci McDowell, City Clerk
Nicholas H. Rodriguez, City Solicitor

Historic District
Richard Scrafford, Chairman
Charles A. Salkin, Vice Chairman
Ann Baker Horsey
C. Terry Jackson
Joseph McDaniel

Human Relations Commission
Cecil C. Wilson, Chairman
James G. McGiffin, Jr., Vice Chairman
Theodore Henderson
Jane F. Hicks
Kenneth Roach
Eugene Ruane
Lynne Sadusky
S. Renee Smith
Courtney Stewart

Legislative, Finance & Administration
Timothy A. Slavin, Chairman
David L. Anderson, Councilman
William F. Hare, Councilman
Daniel T. Shevock
Roy Sudler, Jr.

OPEB Board
Donna S. Mitchell, Chair
William F. Hare, Councilman
Beverly C. Williams, Councilwoman
Kimberly Hawkins, Human Resources Director
Scott D. Koenig, City Manager

Parks, Recreation & Community Enhancement
Wallace R. Dixon, Chairman
David L. Anderson, Councilman
Adam M. Perza, Councilman
M. Milford Caldwell, Jr.
Ann Baker Horsey

Pension – Civilian
Sean M. Lynn, Chairman
David L. Anderson, Councilman
Scott D. Koenig, City Manager
Donna S. Mitchell, Controller/Treasurer
Lester L. Blakeman
Kenneth Clendaniel
Teresa Tieman

Pension – Police
Timothy Mullaney, Sr.,Chairman
David L. Anderson, Councilman
Sean M. Lynn, Councilman
Scott D. Koenig, City Manager
Paul M. Bernat, Chief of Police
Martin Stallings
Jay Unterkofler

Planning Commission
Col. Robert D. Welsh, Chairman
Fred Tolbert, Vice Chairman
Michael J. Ambruso, Sr.
John H. Baldwin, Sr.
Edgar C. Cregar, Jr.
Dean Holden
Thomas Holt
Bobby Jones
Kathleen Still

Property Maintenance Code
Board of Appeals
Scott D. Koenig, City Manager
Charles Martin
Vacancy

Public Library Advisory Commission
Dorothy Snyder, President
Sean M. Lynn, Councilman
Zachery Carter
Lois J. Dunning
Gertrude Jackson
Beth Petit De Mange

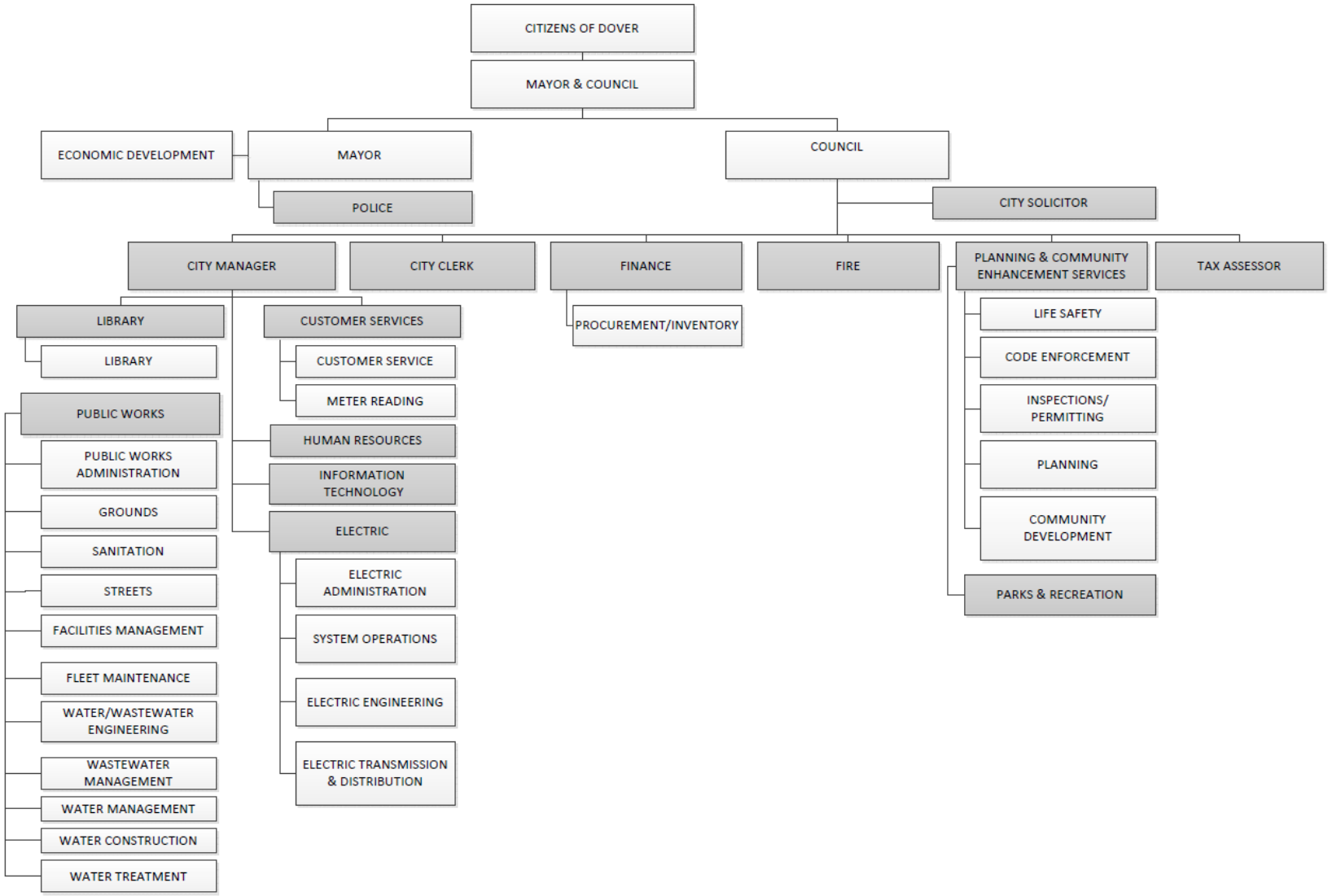
Safety Advisory & Transportation
James L. Hutchison, Chairman
Wallace R. Dixon, Councilman
Adam M. Perza, Councilman
Thomas J. Keller, Jr.
David J. Truax

Silver Lake Commission
Dean Holden, Chairman
James Burcham
Zachery Carter
David L. Edgell
Lyle Allen Jones
Melanie Tymes
Ann Marie Townshend, Director of Planning and Community Development

Utility
Beverly C. Williams, Chairwoman
Adam M. Perza, Councilman
Timothy A. Slavin, Councilman
Lester L. Blakeman
Richard Snaman

CITY OF DOVER, DELAWARE

Organization Chart
June 30, 2014



THE CITY OF DOVER, DELAWARE

VISION

The City of Dover is a place where people want to live! Through the team effort of its elected officials, employees, and citizens, Dover is a clean and safe community, with a future of balanced growth and opportunity where all citizens are heard, enjoy a high quality of life, and diversity is valued.

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FINANCIAL SECTION

THIS SECTION INCLUDES THE FOLLOWING:

PART A
REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

PART B
MANAGEMENT'S DISCUSSION AND ANALYSIS

PART C
BASIC FINANCIAL STATEMENTS
Government-wide Financial Statements
Fund Financial Statements
Notes to Financial Statements

PART D
REQUIRED SUPPLEMENTARY INFORMATION

PART E
SUPPLEMENTARY INFORMATION
Combined Fund Statements
Budgetary Schedules

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FINANCIAL SECTION

PART A

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

SB & COMPANY, LLC
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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

The Honorable Mayor and Members of the
City Council of Dover, Delaware
Dover, Delaware

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dover (the City), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis; the general fund – schedule of revenues, expenditures, and changes in fund balances – budget and actual; schedules of change in net pension liability, related ratios, and investment returns, and the schedules of employer contributions for the general pension plans funds and police pension fund; and the schedule of funding status and progress for other postemployment plan; be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying introductory section, combining and individual fund statements, budgetary comparison schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements.

SB & COMPANY, LLC
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The accompanying combining and individual fund statements and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Hunt Valley, Maryland
December 16, 2014

SB & Company, LLC

FINANCIAL SECTION

PART B

MANAGEMENT'S DISCUSSION AND ANALYSIS

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The City of Dover
Management's Discussion and Analysis
For the Year Ended June 30, 2014

The City of Dover management offers readers of the City of Dover financial statements this narrative overview and analysis of the financial activities of the City of Dover for the fiscal year ended June 30, 2014. Readers are encouraged to consider the information included in Management's Discussion and Analysis along with additional information that we have presented in our letter of transmittal, which can be found on pages 1-6 of this report.

Financial Highlights

Total assets of the City exceeded its liabilities by $218.1 million (net position). Of this amount, $29.0 million was reported as "unrestricted net position" which represents the amount available to meet the City's ongoing obligations to citizens and creditors. The general government reported a deficit of $7.1 million and the business type activities, Water/Wastewater and Electric funds, reported $36.1 million of positive unrestricted net position. The governmental activities have been negatively impacted by the net obligation for other post-employment benefits. The difference between the unrestricted amounts and the total net position is $189.1 million, $36.7 million is restricted primarily for debt and capital construction purposes and $152.4 million is invested in capital assets net of related debt.

- The governmental activities experienced an increase of $1.1 million invested in capital assets, a decrease in restricted net assets of $.1 million, as well as a decrease of $2.3 million in unrestricted net position resulting in a negative net change of $1.3 million.

- The business-type activities experienced a $1.6 million increase in investments in capital assets. An increase in restricted net position of $1.4 million as well as a decrease in unrestricted net position of $3.4 million, resulting in a negative change in net position of $0.4 million.

Overview of the Financial Statements

This Comprehensive Annual Financial Report (CAFR) consists primarily of three *required* parts - management's discussion and analysis (this section), the basic financial statements and required supplementary information. The CAFR also includes *optional* supplementary information that provides summary information and detail, and a statistical section.

The basic financial statements are of two kinds that present different views of the City:

- The first two statements are *government-wide financial statements* (pages 39-40) that provide both long-term and short-term information about the City's overall financial status.

- The remaining statements (pages 40-49) are *fund financial statements* that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.

  - The governmental fund statements (pages 39-44) tell how general government services, like community services, planning, public safety, and public works, were financed in the short term as well as what remains for future spending.

- Proprietary fund statements (pages 45-47) offer short and long-term financial information about the activities the government operates like businesses, which for the City of Dover are the Electric Revenue and Water/Wastewater Funds.

- The Fiduciary fund statements (pages 48-49) provide information about the financial relationships in which the City acts solely as a trustee or agent for the benefit of others, to whom the resources belong. The City is the trustee, or fiduciary, for its Employee Pension plans and Other Postemployment Benefits plan and acts in an agency capacity for the Dover Downtown Partnership and Fourth of July Celebration Committee, none of which are considered to be component units of the City. All of the City's Fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. We exclude these activities from the City's other financial statements because the City may not use these assets to finance its operations. The City is responsible for insuring that the assets reported in these funds are used for their intended purposes.

The financial statements also include notes (pages 51-88) that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information (pages 91-97) that further explains and supports the information in the financial statements. Other supplementary information includes details on non-major funds and other information that can be found on pages 101 through 122.

The following page summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and content of each of the statements:

Major Features of City's Government-wide and Fund Financial Statements

	Government-wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	***Entire City government (except fiduciary funds)***	***The activities of the City that are not proprietary or fiduciary, such as public safety and public works***	***Activities the City operates similar to private businesses, such as electric, water and wastewater funds***	***Instances in which the City is the trustee or agent for someone else's resources***
Required financial statements	• **Statement of net position** • **Statement of activities**	• **Balance sheet** • **Statement of revenues, expenditures, and changes in fund balances**	• **Statement of net position** • **Statement of revenues, expenses and changes in net position** • **Statement of cash flows**	• **Statement of fiduciary net position** • **Statement of changes in fiduciary net position**
Accounting basis and measurement focus	***Accrual accounting and economic resources focus***	***Modified accrual accounting and current financial resources focus***	***Accrual accounting and economic resources focus***	***Accrual accounting and economic resources focus***
Type of asset/liability information	**All assets and liabilities, both financial and capital, and short-term and long-term**	**Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included**	**All assets and liabilities, both financial and capital, and short-term and long-term**	**All assets and liabilities, both short-term and long-term**
Type of inflow/outflow information	***All revenues and expenses during the year, regardless of when cash is received or paid***	***Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter***	***All revenues and expenses during the year, regardless of when cash is received or paid***	***All revenues and expenses during the year, regardless of when cash is received or paid***

Government-wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the City of Dover's assets, liabilities, and deferred inflows/outflows of resources with the difference reported as net position. Net position is one way to measure the City's financial health or position. Over time, increases or decreases in the City's net position is an indicator of whether its financial health is improving or deteriorating, respectively. To assess the overall health of the City, one needs to consider additional non-financial factors such as changes in the City's property tax base and the condition of the City's physical assets and infrastructure. The government-wide financial statements of the City are divided into two categories:

- *Governmental activities*—Most of the City's basic services are included here, such as general government, public safety, planning and code enforcement, public works, library and recreation, community and economic development, central services and financial administration. Property taxes, business licenses, permits, sanitation fees, fines, utility transfers and state and federal grants finance most of these activities.

- *Business-type activities*—The City charges fees to customers to help it cover the costs of certain services it provides. The City's electric, water, and wastewater services are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds—not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by State law and by covenants. The City Council may also establish other funds to control and manage money for particular purposes.

The City has three kinds of funds:

- *Governmental Funds* - Most of the City's basic services are included in governmental funds, which focus on (1) how cash, and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Since this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on a separate page, which explains the relationship (or differences) between them.

  - Governmental Fund Balance classifications are reported to the extent to which they are constrained as promulgated by Governmental Accounting Standards Board Statement No. 54.

  - The City's general fund is the only governmental fund considered to be a major fund under the requirements of Governmental Accounting Standards Board Statement No. 34.

- *Proprietary Funds* - Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short-term financial information.

  - The City's enterprise funds (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.

- The City's two enterprise funds are both considered major funds under the requirements of GASB Statement No. 34.

- *Fiduciary Funds* – The City is responsible for assets that because of a trust arrangement can be used only for the trust beneficiaries. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the City's government-wide financial statements because the City cannot use these assets to finance its operation.

Financial Analysis of the City as a Whole

The City produces government-wide financial statements using the full accrual basis of accounting and economic resource management focus. As year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the City as a whole.

The Net Position, of the City of Dover, as of June 30, 2013 and 2014 are as follows (presented in millions of dollars):

	Governmental Activities		Business-Type Activities		Total	
	2013	2014	2013	2014	2013	2014
Assets						
Non-Capital Assets	$ 14.1	$ 14.1	$ 86.7	$ 87.4	$ 100.8	$ 101.5
Capital Assets	54.1	54.8	135.7	135.0	189.8	189.8
Total Assets	68.2	68.9	222.4	222.4	290.6	291.3
Liabilities						
Current Liabilities	3.0	3.8	9.8	9.0	12.8	12.8
Non-Current Liabilities	19.7	20.9	38.3	39.5	58.0	60.4
Total Liabilities	22.7	24.7	48.1	48.5	70.8	73.2
Net Position						
Net investment in Capital Assets	49.6	50.7	100.1	101.7	149.7	152.4
Restricted	0.7	0.6	34.7	36.1	35.4	36.7
Unrestricted	(4.8)	(7.1)	39.5	36.1	34.7	29.0
Total Net Position	$ 45.5	$ 44.2	$ 174.3	$ 173.9	$ 219.8	$ 218.1

The Changes in Net Position, for the City of Dover, as of June 30, 2013 and 2014 are as follows (presented in millions of dollars):

	Governmental Activities		Business-Type Activities		Total	
	2013	2014	2013	2014	2013	2014
Revenues:						
Program Revenues						
Charges for Services	$ 10.0	$ 10.1	$ -	$ -	$ 10.0	$ 10.1
Water/Wastewater Charges for Services	-	-	13.4	13.3	13.4	13.3
Electric Charges for Services	-	-	90.7	79.5	90.7	79.5
Operating Grants and Contributions	2.9	2.2	-	-	2.9	2.2
Capital Grants and Contributions	2.1	1.2	-	0.4	2.1	1.6
General Revenues						
Property Taxes	11.1	11.1	-	-	11.1	11.1
Transfer Taxes	1.1	1.6	-	-	1.1	1.6
Earnings on Investments-Other	0.1	0.1	0.1	0.8	0.2	0.9
Total Revenues	27.3	26.3	104.2	94.0	131.5	120.3
Expenses						
General Government	2.3	2.1	-	-	2.3	2.1
Public Safety	18.0	19.2	-	-	18.0	19.2
Public Works	6.7	7.2	-	-	6.7	7.2
Library and Recreation	2.3	2.9	-	-	2.3	2.9
Community and Economic Development	1.1	0.8	-	-	1.1	0.8
Central Services	1.2	1.4	-	-	1.2	1.4
Financial Administration	3.0	3.6	-	-	3.0	3.6
Other Post-Employment Benefits	5.1	3.4	-	-	5.1	3.4
Interest Charges	0.1	0.1	-	-	0.1	0.1
Plus (less) Indirect Expense Allocation	(4.2)	(4.6)	4.2	4.6	-	-
Water/Wastewater	-	-	9.9	10.2	9.9	10.2
Electric	-	-	71.4	71.1	71.4	71.1
Total Expenses	35.6	36.1	85.5	85.9	121.1	122.0
Change in Net Position before Transfers	(8.3)	(9.8)	18.7	8.1	10.4	(1.7)
Transfers	10.5	8.5	(10.5)	(8.5)	-	-
Change in Net Position	2.2	(1.3)	8.2	(0.4)	10.4	(1.7)
Net Position, Beginning of Year	43.3	45.5	166.1	174.3	209.4	219.8
Net Position, End of Year	$ 45.5	$ 44.2	$ 174.3	$ 173.9	$ 219.8	$ 218.1

Governmental Activities

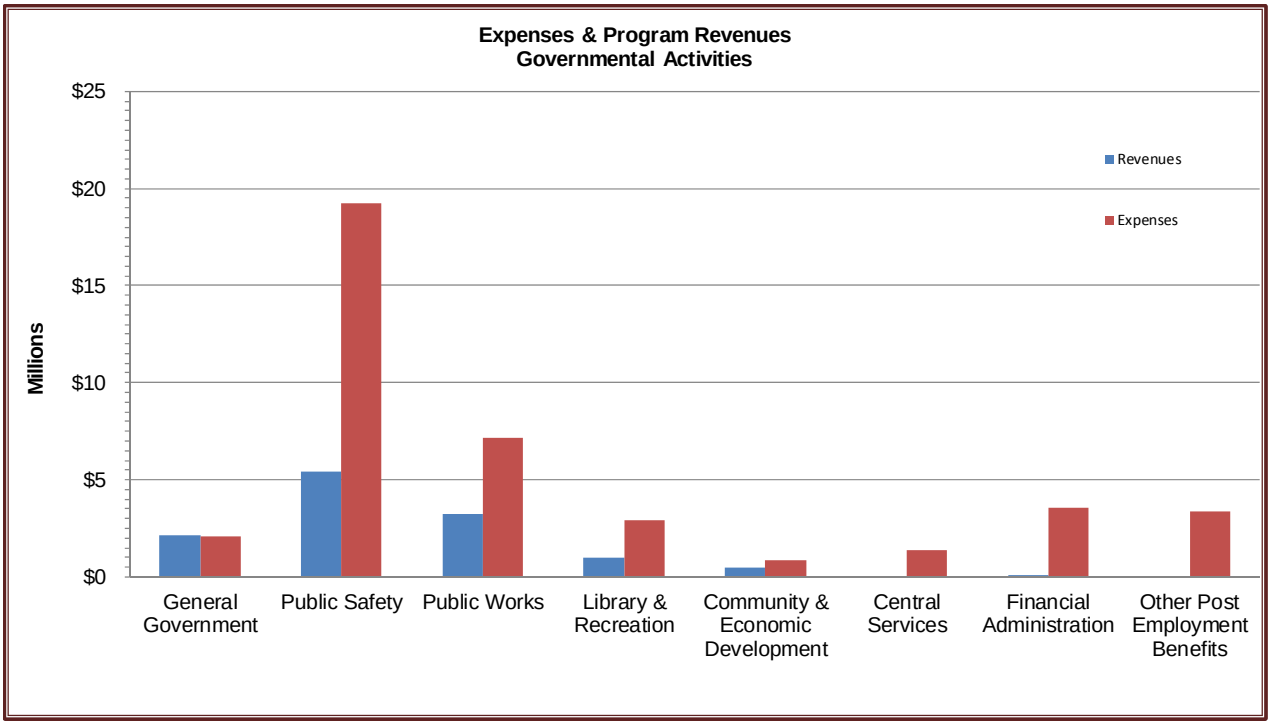
Governmental net position decreased by $1.3 million. Net revenues of $26.3 million were less than the prior year by $1.0 million. Public Safety Operating Grants experienced a decrease of $0.5 million from the prior year due to less federal highway projects requiring police staffing and the timing of State Grant receipts for Police Pensions. The Community Development Block Grant receipts decreased $0.2 million attributed to program reductions and timing of draws on grant expenditures. Capital Grants decreased $.9 million in State Grant funds as a result of the completion of the new Library. These decreases were mainly offset by increases in building permits, and transfer taxes totaling $0.6 million.

Expenses of $36.1 million reflect an overall increase of $0.5 million from the prior year. Public safety cost increased as a result of increased police personnel wages and benefit costs $0.2 million, an increase in the appropriation to the Police Pension Fund of $0.3 million, other increases of $0.2 in insurance premiums and legal fees were offset by decreases in other program expenses.

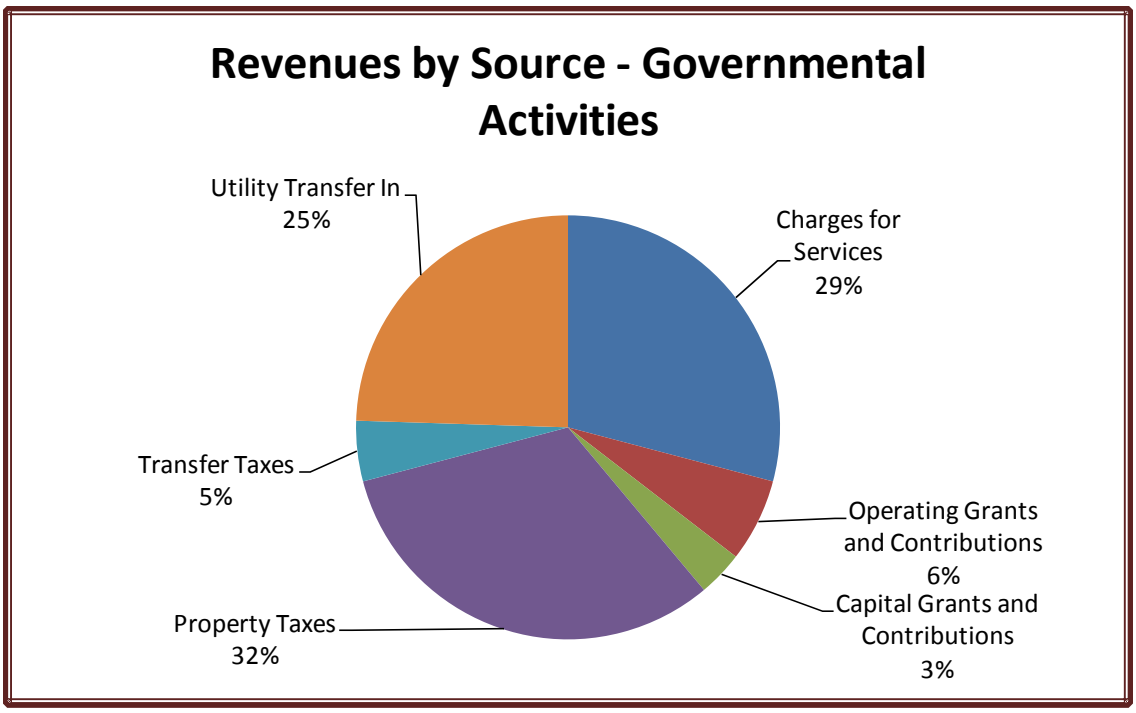
Transfers to the Governmental Funds from the Proprietary Funds decreased $2.0 million, which was related to a one-time transfer in the prior fiscal year towards infrastructure improvements at the Garrison Oak Technical Park.

The City changed accounting for the amortization of the unfunded liability for the General Employee Pension Plan in fiscal year 2014. Previously the City reported the employer contributions towards the unfunded liability as a lump sum appropriation to the General Employee Pension Plan and normal cost as a program expense included in personnel benefits. The accounting change resulted in a reduction to the item Appropriation to Pension Fund of $1.0 million, with the offsetting increase in program expenses and an increase in the receipt for indirect expense allocations of $.4 million. (See Budgetary Schedule in Required Supplementary Information for additional details.)

The chart that follows allocates revenues to program costs as applicable. It shows that some City functions are in part self-supporting.



The following chart shows the sources of funding for program costs for the last fiscal year. As can be seen, a substantial portion of funding for governmental operations is provided by property taxes, charges for services and transfers from the utilities.



Business-Type Activities

As noted earlier, the business-type activities saw a negative change in net position of $0.4 million. Both the water/wastewater and electric utilities experienced a decrease in revenues which resulted in a combined net decrease of $10.2 million. The utilities expenses when combined also increased in total by $0.4 million.

As with the Governmental activities, the change in the accounting for the amortization of the unfunded liability for the General Employee Pension Plan in fiscal year 2014 had an impact on the program variances from the prior fiscal year. Previously the City reported the employer contributions for the unfunded liability as a lump sum contribution and normal cost as a program expense related to personnel benefits. This accounting change resulted in a reduction to the item Pension Unfunded Liability $0.3 million for the water/wastewater utility and $1.3 million for the electric utility with offsetting increases in program expenses and an increase in the indirect expense allocations of $0.4 million.

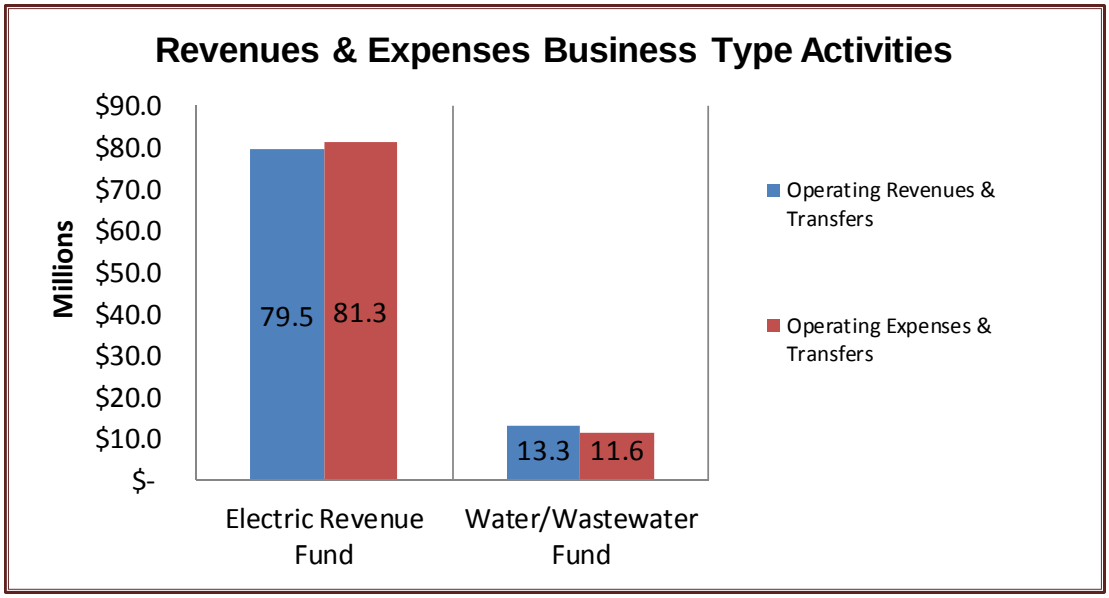
The water/wastewater utility had a positive change in net position of $2.0 million. The utility experienced a decrease in operating income of $0.1 million from the previous year. The decrease in operating income was primarily due to a decrease in water, sewer and impact fees. An increase in capital grants and contributions of $0.4 million was related to the dedication of infrastructure in new developments. The utility experienced an increase in expenses of $0.3 million attributed to debt service of $0.2 million and Kent County Treatment Fees of $0.1 million. Earnings on investments increased $0.1 million.

The electric utility realized a negative change in net position of $2.3 million. The revenues decreased $11.2 million attributed to lower rates coupled with a decrease in consumption.

City Council approved decreased electric rates in fiscal year 2013 and fiscal year 2014 as a result of lower power supply cost and to encourage economic development among the business sector. The City's five year forecast projected using the rate stabilization reserve to offset the reduction in electric rates over the forecast periods, with another rate analysis to be performed in Fiscal Year 2016. At the beginning of fiscal year 2014, the City had a rate stabilization reserve balance of $17.4 million in planning for the rate reductions.

The electric utility experienced a significant increase over budget in power supply and generation cost ($6.7 million) due to the extreme winter weather and its impact on the availability of fuel to run the power plant along with the effects on pricing in PJM ISO region. As a result an additional $3.0 million over the budgeted $4.0 million was transferred from the rate stabilization reserve to cover the unplanned increase in power supply cost. Earnings on investments increased $0.6 million due to higher reserve levels. The City maintains a competitive rate among all other public and private power companies in the State.

Operating expenses decreased as well in total by $0.3 million. An increase of $0.8 million for OPEB contributions was partially offset by a $1.1 million decrease to personnel cost attributed to retirements and vacant positions. Interest and fiscal charges have decreased by $0.3 million.



Financial Analysis of the City's Funds

Governmental Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Government funds focus on expendable resources and near term inflows and outflows of those resources. As such, fund balance is generally a good indicator of net resources available for spending at the end of the fiscal year, subject to any stated restrictions on its use.

The combined fund balances of the City's governmental funds as of June 30, 2014, were $8.1 million. This represented a decrease of $.8 million during the year. Approximately 42% of the combined fund balances, $3.4 million, constitutes unassigned fund balance, which is available to meet the City's current and future needs. The remainder of fund balance is non-spendable, restricted, committed or assigned to indicate that it is not available for operational spending because it is constrained by legally enforceable contracts, other governmental agreements and legislation, City Council resolution or it is not convertible to cash within a reasonable period of time. Further detail of fund balances is presented in the Notes to the Basic Financial Statements in Note 7.

The General Fund is the primary operating fund of the City, accounting for such activities as general government, public safety, public works, library, recreation, planning, community and economic development, central services and financial administration. The General Fund balance as of June 30, 2014, was $7.7 million, which represents a decrease of $0.5 million from the previous fiscal year. Both revenue ($2.0 million) and expenditures decreased ($3.8 million) due to completion of the new Library. The decrease in revenue was offset slightly by increases in revenues from Court of Chancery fees and building permits. The street program experienced an increase of $1.3 million related to capital improvements and the sanitation programs had an increase of $0.3 for replacement vehicles. Debt service increased $0.2 million as a result of the 2013 bond issuance. Personnel increases attributed to collective bargaining agreements and other non-union employees resulted in a net increase in program expenses of $0.2 million. Public Works and general governmental services experienced a high rate of retirements and turnover reducing the impact of the above pay and benefit increases related to collective bargaining agreements.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government- wide Financial Statements, but in more detail.

As of June 30, 2014, the Water/Wastewater Fund has a net position of $52.3 million, of which $11.1 million is unrestricted. The fund's net position increased $2.0 million during the year as explained on page 29. As of June 30, 2014, the Electric Revenue Fund has a net position of $121.6 million, of which $25.0 million is unrestricted. This fund experienced a decrease in net position of $2.3 million during the year as explained on page 31.

General Fund Budgetary Highlights

During this fiscal year, the City Council amended the budget three times. These budget amendments or supplemental appropriation ordinances were primarily for the following purposes:

1. To amend the grant budgets, reserve accounts for the actual results of the prior fiscal year and to re-appropriate budget balances for ongoing capital projects.

2. To amend all carried forward budget balances for the major operating funds from the prior fiscal year, as well as program revenues and expenses based on the analyses provided by a mid-year review.

3. To amend significant changes in program revenues, expenses and ending fund balances based on actual amounts.

The General Fund financials in the Governmental Funds Balance Sheet (page 41) and Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds (page 43) include both the General Fund operating activities and the Governmental Capital Project Fund activities.

The General Fund – Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget & Actual is included in Part D – Required Supplementary Information (page 91-92).

The Governmental Capital Projects Fund – Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual is included in Part E – Supplementary Information (Page 104).

The Combining Statements – Combining General Fund Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balances of the General Fund is included in Part E – Supplementary Information (page 103).

The Final General Fund Budget incorporated the following changes to the Original Budget. The Budget Balance carried forward from the prior fiscal year was higher by $0.8 million than was projected. Receipts had a net increase of approximately $0.8 million. The most significant increases were attributed to intrafund service receipts related to the accounting change for pensions, transfer taxes, Court of Chancery fees, and building permits. The most significant reductions of revenue were Police extra duty fees and civil traffic penalties.

Expenditures were revised to reflect an aggregate increase of $1.1 million. Increased employer contributions to the Police and Employee Pension funds accounted for most of the increased budget expense with a slight increase in transfers to the capital project fund. The increases were offset by decreases in street lights, insurance and police pension grants, and fire services. The net result of these changes was a $0.5 million increase in the revised budget balance over the Original Budget Balance (on a non-GAAP basis).

Actual revenues and other financing sources matched the final budgeted amounts in the General Fund for the current fiscal year. The more significant positive variances were in permits and other licenses, police revenues, and Court of Chancery fees and Transfer Taxes. These revenue increases were completely offset with lower revenues for police extra duty fees, library grants, intrafund service fees, and other public safety grants. Expenditures were approximately $0.9 million under budget as a result of several operating departments experiencing personnel savings through attrition. An increase in legal fees for collective bargaining negotiations was absorbed with the favorable personnel results. The General Fund budget balance carry forward was $0.9 million higher than budgeted as a result of the above variances.

Capital Asset and Debt Administration

At the end of the current fiscal year, the City's governmental and proprietary funds had invested $54.8 million and $135.0 million, respectively, in a variety of capital assets and infrastructure, as reflected in the following schedule, which represents a net increase of $0.7 million for governmental activities and the proprietary funds decreased by $0.7 million. The decrease in the proprietary funds was attributed to increased depreciation rates for capital improvements on electric generating Units 1 & 2 (presented in millions of dollars). Additional detailed data for all capital assets of the City is presented in the Notes to the Basic Financial Statements in Note 4.

	Governmental Activities		Business-Type Activities		Total	
	2013	2014	2013	2014	2013	2014
Depreciable Assets, Net						
Buildings	$ 26.3	$ 25.7	$ -	$ -	$ 26.3	$ 25.7
Equipment	2.2	2.3	-	-	2.2	2.3
Vehicles	1.1	1.3	-	-	1.1	1.3
General Infrastructure	19.6	19.6	-	-	19.6	19.6
Utility, Plant, Buildings, and Infrastructure	-	-	131.7	129.0	131.7	129.0
Other	0.8	0.7	-	-	0.8	0.7
Non-depreciable Assets						
Land	4.0	4.0	1.6	1.6	5.6	5.6
Construction in Progress	0.1	1.2	2.4	4.4	2.5	5.6
	$ 54.1	$ 54.8	$ 135.7	$ 135.0	$ 189.8	$ 189.8

A summary of debt outstanding at June 30, 2013 and 2014 is as follows which represents an increase of $1.2 million for the governmental funds and a decrease of $1.3 million for the proprietary funds, since the end of last year (presented in millions of dollars):

	Governmental Activities		Business-Type Activities		Total	
	2013	2014	2013	2014	2013	2014
Non-current liabilities						
Liability for Compensated Absences	$ 2.1	$ 2.2	$ 0.8	$ 0.7	$ 2.9	$ 2.9
Bonds (Net of Discount/Issuance Cost)	4.5	4.0	37.0	38.4	41.5	42.4
OPEB Obligation	13.1	14.7	0.5	0.5	13.6	15.2
	$ 19.7	$ 20.9	$ 38.3	$ 39.6	$ 58.0	$ 60.5

Additional detailed data for all debt of the City is presented in the Notes to the Basic Financial Statements in Note 5.

The City Charter limits the amount of general obligation debt the City can issue in any one year to .25% of the taxable assessed value of real property within the City. The aggregate of amounts borrowed for which the full faith and credit of the City is pledged cannot exceed 5% of assessed value of real property within the City boundaries. The City has used 2.6% of its debt limit.

Economic Factors and Next Year's Budgets and Rates

In Fiscal 2014 the City continued to see an uptick in residential housing and commercial development. The City developed the fiscal year 2015 budget in accordance with the City's financial policies ensuring all budgets are balanced and reserve requirements were adhered to. The following changes over fiscal year 2014 were incorporated into the fiscal year 2015 budget.

- All vacant positions from 2014 were reviewed. The City maintained the current previous headcount, along with one addition of an Assistant City Manager position resulting in an overall personnel budget increase of $16,000. The low personnel budget increase was a result of filling vacant positions at entry level wages as compared to the prior employee and no increase in health insurance premiums.
- Increases in wages based on collective bargaining agreements. For those collective bargaining

agreements that were being negotiation, no increases were included
- A 3% raise was included for non-bargaining employees
- Benefit rate changes were included for pension, OPEB and worker's compensation
- No discretionary increases in operating expenses
- Funded the capital investment plan with a commitment to providing dollars for necessary infrastructure an utility improvements

The General Fund revenues are projected to increase by 7.1% and expenditures increasing by 5.5%. The net increase was made up of an increase in the Electric Fund transfer of $2.0 million, building permit increases of $0.2 million and intrafund service fees of $0.4 million. All current rates and fees will be maintained in fiscal year 2015. The capital investment plan for fiscal year 2015 will be financed with $2.2 million of operating funds, debt proceeds of $3.6 million and $0.2 million from capital grants.

The Water/Wastewater Fund overall revenues increased 5.1% and expenses increased 3.0%. The revenue increase is related to an increase in the groundwater inflow adjustment rate ($0.5 million) to help finance the cost of capital improvements for sewer mains and increased impact fees ($0.2 million) due to a pickup in construction activity. Also, increased was the customer service charge of $2.50 per customer bill to $5.00. The expense increase of $0.4 million is a result of the capital project financing for sewer as mentioned above. All other water rates and wastewater rates will remain the same as the prior fiscal year. The City continues to maintain competitive water and wastewater rates within the State of Delaware. The capital investment plan for fiscal year 2015 will be financed with $3.0 million of operating income and $1.3 million from impact fee reserves.

The Electric Fund overall revenues decreased 0.8% and expenses increased by 1.4%. The Electric Fund will also be utilizing a $2.0 million transfer from the rate stabilization reserve in order to maintain operating cash requirements. The City anticipates a negative 1.2% growth rate attributed to demand response programs being implemented by large customers and conservation measures on the part of other commercial and residential customers. The expense increase of $1.1 million is related to the General Fund transfer increase of $2.0 million. Capital projects are budgeted to be financed with a $4.8 million transfer from operating income, a $0.7 million decrease over prior year.

The City continues to closely monitor the local economy and its impact on growth and revenues. Revenue enhancements, rate increases, and potential cost reductions will continue to be reviewed in order to maintain the City's financial policies.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Ms. Donna Mitchell, Controller/Treasurer at 302-736-7018 (TTY/TDD Operator 1-800-855-1155).

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FINANCIAL SECTION

PART C

BASIC FINANCIAL STATEMENTS

- **Government-Wide Financial Statements**
- **Fund Financial Statements**
- **Notes to Financial Statements**

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City of Dover
Statement of Net Position
June 30, 2014

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and Cash Equivalents	$ 3,248,194	$ 7,063,821	$ 10,312,015
Investments	6,677,265	19,155,594	25,832,859
Receivables, Net	2,210,150	7,134,744	9,344,894
Internal Balances	733,520	(733,520)	-
Due from Other Governments	78,580	-	78,580
Inventory, at Cost	143,291	3,932,385	4,075,676
Prepaid Items	59,196	24,578	83,774
Restricted Cash and Cash Equivalents	640,076	13,028,076	13,668,152
Restricted Investments	18,292	28,097,977	28,116,269
Net Pension Asset	337,290	7,601,396	7,938,686
Net OPEB Asset	-	2,068,684	2,068,684
Land and Construction in Progress	5,134,530	5,979,462	11,113,992
Capital Assets, Net of Depreciation	49,653,711	129,041,536	178,695,247
Total Assets	68,934,095	222,394,733	291,328,828
Liabilities:			
Accounts Payable and Accrued Liabilities	2,729,487	5,954,398	8,683,885
Unearned Revenue	914,756	273,266	1,188,022
Customer Deposits	-	2,036,328	2,036,328
Other	169,933	694,490	864,423
Non-Current Liabilities			
Due within One Year	1,405,352	3,271,423	4,676,775
Due in more than One Year	4,838,367	35,785,545	40,623,912
Due in more than One Year - OPEB	14,668,233	485,581	15,153,814
Total Liabilities	24,726,128	48,501,031	73,227,159
Net Position:			
Net investment in capital assets	50,738,483	101,670,949	152,409,432
Restricted for:			
Capital Projects	143,532	36,123,755	36,267,287
Public Safety	247,628	-	247,628
Other Purposes	220,894	-	220,894
Unrestricted	(7,142,570)	36,098,998	28,956,428
Total Net Position	$ 44,207,967	$ 173,893,702	$ 218,101,669

The notes to financial statements are an integral part of this statement.

City of Dover
Statement of Activities
For the Year Ended June 30, 2014

			Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	**Expenses**	**Indirect Expenses Allocation**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business Type Activities**	**Total**
Governmental Activities								
General Government	$ 2,098,353	$ (809,376)	$ 2,137,574	$ -	$ -	$ 848,597	$ -	$ 848,597
Public Safety	19,219,986	-	4,676,162	731,767	-	(13,812,057)	-	(13,812,057)
Public Works	7,171,799	(576,970)	2,595,648	663,940	976,284	(2,358,957)	-	(2,358,957)
Library and Recreation	2,942,800	-	699,622	272,418	250,275	(1,720,485)	-	(1,720,485)
Community and Economic Development	841,248	(164,694)	-	490,491	-	(186,063)	-	(186,063)
Central Services	1,398,225	(885,639)	-	-	-	(512,586)	-	(512,586)
Financial Administration	3,577,529	(2,209,481)	-	1,000	-	(1,367,048)	-	(1,367,048)
Other Post Employment Benefits	3,348,267	-	-	-	-	(3,348,267)	-	(3,348,267)
Interest Charges	122,812	-	-	-	-	(122,812)	-	(122,812)
Total Governmental Activities	40,721,019	(4,646,160)	10,109,006	2,159,616	1,226,559	(22,579,678)	-	(22,579,678)
Business Type Activities								-
Water/Wastewater	10,179,140	1,218,852	13,268,213	-	401,947	-	2,272,168	2,272,168
Electric	71,053,740	3,427,308	79,489,192	-	-	-	5,008,144	5,008,144
Total Business Type Activities	81,232,880	4,646,160	92,757,405	-	401,947			
Total Primary Government	$ 121,953,899	$ -	$ 102,866,411	$ 2,159,616	$ 1,628,506	$ (22,579,678)	$ 7,280,312	$ (15,299,366)
General Revenues								
Taxes								
Property Taxes						11,094,479	-	11,094,479
Transfer Taxes						1,543,626	-	1,543,626
Earnings on Investments						142,390	832,919	975,309
Total General Revenues						12,780,495	832,919	13,613,414
Transfers						8,500,000	(8,500,000)	-
Total General Revenues and Transfers						21,280,495	(7,667,081)	13,613,414
Changes in Net Position						(1,299,183)	(386,769)	(1,685,952)
Net Position Beginning						45,507,150	174,280,471	219,787,621
Net Position Ending						$ 44,207,967	$ 173,893,702	$ 218,101,669

The notes to financial statements are an integral part of this statement.

City of Dover
Governmental Fund Balance Sheet
June 30, 2014

	General Fund	Total Nonmajor Funds	Total Governmental Funds
Assets:			
Cash and Cash Equivalents	$ 3,013,820	$ -	$ 3,013,820
Restricted Cash and Cash Equivalents	-	640,076	640,076
Investments	5,305,349	-	5,305,349
Restricted Investments	18,292	-	18,292
Receivables, net			
Accounts	2,007,898	5,780	2,013,678
Taxes	177,638	-	177,638
Due from Other Funds	869,766	-	869,766
Due from Other Governments	-	78,580	78,580
Prepaid Items	42,999	2,447	45,446
Inventory, at Cost	143,291	-	143,291
Total Assets	$ 11,579,053	$ 726,883	$ 12,305,936
Liabilities:			
Accounts Payable	$ 2,127,495	$ 86,365	$ 2,213,860
Unearned Revenue	914,756	-	914,756
Due to Other Funds	18,764	117,482	136,246
Other	169,933	-	169,933
Total Liabilities	3,230,948	203,847	3,434,795
Deferred Inflows of Resources:			
Unavailable revenue	688,935	38,011	726,946
Total Deferred Inflows of Resources	688,935	38,011	726,946
Fund Balances:			
Non-Spendable	207,884	2,447	210,331
Restricted	129,476	482,578	612,054
Committed	723,300	-	723,300
Assigned	3,163,431	-	3,163,431
Unassigned	3,435,079	-	3,435,079
Total Fund Balances	7,659,170	485,025	8,144,195
Total Liabilities, Deferred Inflows and Fund Balances	$ 11,579,053	$ 726,883	$ 12,305,936

The notes to financial statements are an integral part of this statement.

City of Dover
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
June 30, 2014

Amounts reported for governmental activities in the statement of net position (page 39) are different because:

Total fund balances for governmental funds (Page 41)		$ 8,144,195
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		54,788,241
Other assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		726,946
The net pension asset resulting from contributions in excess of the annual required contribution (police and employee) is not a current financial resource, and, therefore, is not reported in the governmental funds.		
Police Pension Plan	180,318	
General Pension Plan	156,972	337,290
An internal service fund (page 43) is used by the City to charge the cost of the workers' compensation fund. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		1,123,247
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities--both current and long-term--are reported in the statement of net position.		
Compensated absences represent amounts accrued for sick leave for those employees who are vested and accrued vacation for all employees.		
The net OPEB obligation resulting from contributions less than the annual required contribution (general) is not a use of current financial resources, and therefore, is not reported in the governmental funds.		
Current-		
General Obligation Bonds	(358,650)	
Compensated Absences	(1,046,702)	
	(1,405,352)	
Long-Term-		
General Obligation Bonds, net of discount	(3,691,108)	
Compensated Absences	(1,147,259)	
Net OPEB Obligation	(14,668,233)	
	(19,506,600)	(20,911,952)
Total net position of governmental activities (Page 39)		$ 44,207,967

The notes to financial statements are an integral part of this statement.

City of Dover
Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds
For the Year Ended June 30, 2014

	General Fund	Total Nonmajor Funds	Total Governmental Funds
Revenues			
Fines	$ 653,625	$ 357,531	$ 1,011,156
Library Revenue- General	68,190	-	68,190
Library Revenue County Reimbursement	430,363	-	430,363
Licenses and Permits	2,952,015	-	2,952,015
Sanitation Fees and Rebates	2,595,648	-	2,595,648
Recreation	-	49,144	49,144
Miscellaneous Services	1,831,683	-	1,831,683
Property Taxes	11,111,409	-	11,111,409
Transfer Taxes	-	1,543,626	1,543,626
Grants Received	722,736	2,693,583	3,416,319
Court of Chancery Fees	1,034,460	-	1,034,460
Investment Income	120,295	2,195	122,490
Total Revenues	21,520,424	4,646,079	26,166,503
Expenditures			
Current:			
General Government	1,271,523	-	1,271,523
Library Services	1,434,616	263,366	1,697,982
Public Safety and Law Enforcement	18,946,771	184,061	19,130,832
Public Works	1,568,948	1,004,017	2,572,965
Recreational Services	683,363	-	683,363
Streets and Sanitation Services	4,634,091	-	4,634,091
Financial Administration	1,002,539	-	1,002,539
Garage and Stores	415,593	-	415,593
Insurance	272,895	-	272,895
Retiree Health Care	1,636,500	-	1,636,500
Employee Pension	121,000	-	121,000
Community and Economic Development	211,595	464,959	676,554
Street Lights	774,533	-	774,533
Debt Service:			
Principal Retirement	429,239	-	429,239
Interest and Fiscal Charges	122,812	-	122,812
Total Expenditures	33,526,018	1,916,403	35,442,421
Excess (deficiency) of Revenues over Expenditures	(12,005,594)	2,729,676	(9,275,918)
Other financing Sources (Uses)			
Transfers in	11,458,445	-	11,458,445
Transfers out	-	(2,958,445)	(2,958,445)
Total other Financing Sources (Uses)	11,458,445	(2,958,445)	8,500,000
Net Change in Fund Balances	(547,149)	(228,769)	(775,918)
Fund Balances at Beginning of Year	8,206,319	713,794	8,920,113
Fund Balances at End of Year	$ 7,659,170	$ 485,025	$ 8,144,195

The notes to financial statements are an integral part of this statement.

City of Dover
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2014

Amounts reported for governmental activities in the statement of activities (page 40) are different because:		
Net change in fund balances--total governmental funds (Page 43)		$ (775,918)
Governmental fund reports capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capitalization of net capital asset expenditures including CIP	3,777,578	
Loss on assets transferred in and not fully depreciated	(83,369)	
Current Year depreciation and amortization	(2,961,986)	732,223
Governmental funds report the repayment of principal of general long-term debt as an expenditure but the repayment reduces the liability in the statement of net position.		429,239
Changes in other assets are not available to pay for current period expenditures and therefore are not reported as revenues in the funds.		89,273
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for the transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, assets are not recognized in governmental funds unless they represent current financial resources but are recognized in the statement of activities as they accrue. The following differences, therefore, occur between the statement of activities and the governmental funds.		
Increase in compensated absences	(112,891)	
Increase in net pension asset - Police Plan	74,253	
Decrease in net pension asset - General Pension Plan	(34,848)	
Increase in net OPEB obligation - General Fund	(1,555,919)	(1,629,405)
An internal service fund is used by the City to charge the costs of workers' compensation insurance to individual funds. The change in net position of the internal service fund is transferred to the governmental funds and amounts attributable to internal charges are then allocated to functional expenditures. Net revenue is allocated back to respective functions and business type activities, as appropriate.		(144,595)
Change in net position of governmental activities (Page 40)		$ (1,299,183)

The notes to financial statements are an integral part of this statement.

City of Dover
Statement of Net Position - Proprietary Funds
June 30, 2014

	Business-type Activities			Governmental Activities
	Water/ Wastewater Fund	Electric Revenue Fund	Total Enterprise Funds	Internal Service Fund
Assets				
Current Assets:				
Cash and Cash Equivalents	$ 3,573,198	$ 3,490,623	$ 7,063,821	$ 234,374
Investments	7,852,645	11,302,949	19,155,594	1,371,916
Receivables, Net	979,138	6,155,606	7,134,744	18,834
Due from Other Funds-Charges	17,540	37,852	55,392	-
Inventory	62,751	3,869,634	3,932,385	-
Prepaid Items	100	24,478	24,578	13,750
Total Current Assets	12,485,372	24,881,142	37,366,514	1,638,874
Non-Current Assets:				
Restricted Assets				
Cash	4,952,156	8,075,920	13,028,076	-
Investments	3,005,802	25,092,175	28,097,977	-
Net Pension Asset	604,886	6,996,510	7,601,396	-
Net OPEB Asset	-	2,068,684	2,068,684	-
Land and Construction in Progress	2,830,934	3,148,528	5,979,462	-
Capital Assets, Net of Depreciation	44,877,818	84,163,718	129,041,536	-
Total Non-Current Assets	56,271,596	129,545,535	185,817,131	-
Total Assets	68,756,968	154,426,677	223,183,645	1,638,874
Liabilities				
Current Liabilities:				
Accounts Payable and Accrued Expenses	984,041	4,970,357	5,954,398	515,627
Due to Other Funds - Charges	238,942	549,970	788,912	-
Deferred Revenue	-	273,266	273,266	-
Accrued Interest Payable	128,563	565,927	694,490	-
Customer Deposits	-	2,036,328	2,036,328	-
Revenue Bonds Payable	761,560	2,260,000	3,021,560	-
Liability for Compensated Absences	75,698	174,165	249,863	-
Total Current Liabilities	2,188,804	10,830,013	13,018,817	515,627
Non-Current Liabilities:				
Net OPEB Obligation	485,581	-	485,581	-
Revenue Bonds Payable	13,650,787	21,680,000	35,330,787	-
Liability for Compensated Absences	93,009	361,749	454,758	-
Total Non-Current Liabilities	14,229,377	22,041,749	36,271,126	-
Total Liabilities	16,418,181	32,871,762	49,289,943	515,627
Net Position				
Net investment in capital assets	38,298,703	63,372,246	101,670,949	-
Restricted for Capital Construction	2,955,660	33,168,095	36,123,755	-
Unrestricted	11,084,424	25,014,574	36,098,998	1,123,247
Total Net Position	$ 52,338,787	$ 121,554,915	$ 173,893,702	$ 1,123,247

The notes to financial statements are an integral part of this statement.

City of Dover
Statement of Revenues, Expenses and
Changes in Fund Net Position - Proprietary Funds
For the Year Ended June 30, 2014

	Business-type Activities			Governmental Activities
	Water/ Wastewater Fund	Electric Revenue Fund	Total Enterprise Funds	Internal Service Fund
Operating Revenues				
Charges for Services	$ 10,952,541	$ 78,187,252	$ 89,139,793	$ -
Miscellaneous Services/Income	2,311,329	1,287,501	3,598,830	502,977
Total Operating Revenues	13,263,870	79,474,753	92,738,623	502,977
Operating Expenses				
Water/Wastewater Services	7,868,499	-	7,868,499	-
General Administrative	1,221,341	2,450,884	3,672,225	524,211
Power Supply	-	57,233,726	57,233,726	-
Transmission/Distribution	-	3,806,078	3,806,078	-
Engineering	-	1,331,909	1,331,909	-
Metering	-	284,229	284,229	-
Systems Operations	-	739,406	739,406	-
Utility Tax	-	1,258,957	1,258,957	-
Depreciation	1,755,925	4,748,120	6,504,045	-
Contractual Services	-	-	-	20,000
Taxes	-	-	-	33,774
Retirees Health Care	236,565	1,489,000	1,725,565	-
Self Insurance-Workers' Compensation	-	-	-	89,487
Total Operating Expenses	11,082,330	73,342,309	84,424,639	667,472
Operating Income/Loss	2,181,540	6,132,444	8,313,984	(164,495)
Non-Operating Revenues (Expenses)				
Interest Earned:				
Operating Funds	43,383	2,112	45,495	-
Reserve Funds	31,730	216,010	247,740	7,782
Net Decrease in Fair Value of Investments	113,285	426,399	539,684	12,118
Interest and Fiscal Charges	(315,662)	(1,138,739)	(1,454,401)	-
Gain on Sale of Assets	4,343	14,439	18,782	-
Total Non-Operating Revenue (expenses)	(122,921)	(479,779)	(602,700)	19,900
Income/Loss before Contributions and Transfers	2,058,619	5,652,665	7,711,284	(144,595)
Contractor Contributions - Infrastructure	401,947	-	401,947	-
Transfers Out	(500,000)	(8,000,000)	(8,500,000)	-
Total transfers	(500,000)	(8,000,000)	(8,500,000)	-
Change in Net Position	1,960,566	(2,347,335)	(386,769)	(144,595)
Total Net Position--Beginning	50,378,221	123,902,250	174,280,471	1,267,842
Total Net Position--Ending	$ 52,338,787	$ 121,554,915	$ 173,893,702	$ 1,123,247

The notes to financial statements are an integral part of this statement.

City of Dover
Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2014

	Business-type Activities			Governmental Activities
	Water Wastewater Fund	Electric Revenue Fund	Total Enterprise Funds	Internal Service Fund
Cash Flows from Operating Activities				
Receipts from Customers	$ 13,236,609	$ 80,942,401	$ 94,179,010	$ -
Payments to Suppliers (including Purchased Power)	(6,452,188)	(61,578,670)	(68,030,858)	(163,761)
Payments to Employees	(1,762,010)	(4,123,087)	(5,885,097)	-
Payments of Personnel Related Costs	(1,195,624)	(3,198,244)	(4,393,868)	502,143
Internal Activity--Payments from (to) Other Funds	122,090	-	122,090	-
Other Receipts (Payments) including Claims Paid	(88,804)	(2,032,780)	(2,121,584)	(486,730)
Net Cash Provided by (used for) Operating Activities	3,860,073	10,009,620	13,869,693	(148,348)
Cash Flows from Noncapital Financing Activities				
Transfers Out	(500,000)	(8,000,000)	(8,500,000)	-
Net Cash Used for Noncapital Financing Activities	(500,000)	(8,000,000)	(8,500,000)	-
Cash Flows from Capital and Related Financing Activities				
Acquisition and Construction of Capital Assets	(2,159,900)	(3,102,397)	(5,262,297)	-
Proceeds from Capital Debt	6,304,518	-	6,304,518	-
Bond Issuance Costs	(144,726)	-	(144,726)	-
Principal Paid on Revenue Bond Maturities	(2,701,370)	(2,170,000)	(4,871,370)	-
Interest Paid on Capital Debt	(397,471)	(1,138,739)	(1,536,210)	-
Net Cash Provided by (used for) Capital and Related Financing Activities	901,051	(6,411,136)	(5,510,085)	-
Cash Flows from Investing Activities				
Interest on Investments	43,383	2,112	45,495	-
Redemption of Investment Securities	1,125,000	7,000,000	8,125,000	(20,469)
Purchase of Investment Securities	(121,487)	(954,572)	(1,076,059)	20,077
Interest on Restricted Cash	31,730	216,010	247,740	-
Net Cash Provided by (used for) Investing Activities	1,078,626	6,263,550	7,342,176	(392)
Net Increase/(Decrease) in Cash and Cash Equivalents	5,339,750	1,862,034	7,201,784	(148,740)
Balances--Beginning of the Year	3,185,604	9,704,509	12,890,113	383,114
Balances--End of the Year	$ 8,525,354	$ 11,566,543	$ 20,091,897	$ 234,374
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:				
Operating Income	$ 2,181,540	$ 6,132,444	$ 8,313,984	$ (164,495)
Adjustments to Reconcile Operating Income to Net Cash provided by (Used for) Operating Activities:				
Depreciation Expense	1,755,925	4,748,120	6,504,045	-
Changes in Assets and Liabilities				
(Increase)/Decrease in Receivables	(60,710)	1,319,487	1,258,777	(14,834)
(Increase)/Decrease in Due from Other Funds	33,449	93,153	126,602	-
(Increase)/Decrease in Inventory	18,520	(27,416)	(8,896)	-
(Increase)/Decrease in Prepaid Items	(100)	26,801	26,701	(2,500)
Increase/(Decrease) in Accounts Payable and Accrued Expenses	(125,349)	(899,415)	(1,024,764)	33,481
Increase/(Decrease) in Deferred Revenue	(98,909)	(870,536)	(969,445)	-
Increase/(Decrease) in Due to Other Funds	-	40,839	40,839	-
Increase/(Decrease) in Customer Deposits	122,090	277,318	399,408	-
Increase/(Decrease) in Liability for Compensated Absences	-	14,169	14,169	-
Increase/(Decrease) in NPO/NPA for Pension	(2,948)	(91,802)	(94,750)	-
Increase/(Decrease) in NPO/NPA for OPEB	36,565	(753,542)	(716,977)	-
Net Cash Provided by Operating Activities	$ 3,860,073	$ 10,009,620	$ 13,869,693	$ (148,348)
Non-Cash Investing, Capital and Financing Activities:				
Change in Fair Value of Investments	$ 113,285	$ 426,399	$ 539,684	$ (20,864)

The notes to financial statements are an integral part of this statement.

City of Dover
Statement of Net Position
Fiduciary Funds
June 30, 2014

	Pension Trust Funds	OPEB Trust Fund	Agency Funds
Assets			
Cash and Cash Equivalents	$ 2,149,308	$ 792,984	$ 499,406
Investments at Fair Value - Mutual Funds	44,538,782	17,965,795	-
Receivables	20,200	-	53,530
Total Assets	46,708,290	18,758,779	552,936
Liabilities			
Accounts Payable	3,334	6,583	76,079
Due to Agencies	-	-	476,857
Total Liabilities	3,334	6,583	$ 552,936
Net Position			
Net Position Held in Trust for Retirement Benefits	$ 46,704,956	$ 18,752,196	

The notes to financial statements are an integral part of this statement.

City of Dover
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended June 30, 2014

	Pension Trust Funds	OPEB Trust Fund
Additions:		
Net Investment Income	$ 5,717,136	$ 2,169,596
City's Contribution-Payroll Based	278,036	1,715,327
City's Contribution-Lump Sum	3,884,100	3,325,500
Employee Contribution	211,550	-
State Insurance Premium Tax Proceeds	471,461	-
Other	68,502	45,353
Total Additions	10,630,785	7,255,776
Deductions:		
Benefit Payments	5,181,969	2,113,303
General Administration	21,543	17,500
Refund of Pension Contribution	20,376	-
Total Deductions	5,223,888	2,130,803
Change in Net Position	5,406,897	5,124,973
Net Position - Beginning	41,298,059	13,627,223
Net Position - Ending	$ 46,704,956	$ 18,752,196

The notes to financial statements are an integral part of this statement.

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YEAR ENDED JUNE 30, 2014
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NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

1. FINANCIAL REPORTING ENTITY

A. The City

The City of Dover was incorporated in 1829 and is a municipal corporation governed by an elected mayor and a nine-member council. The accompanying financial statements present the financial position and operating results for fiscal year ended June 30, 2014.

B. Reporting Entity

In evaluating how to define the reporting entity, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit was made by applying the criteria set forth in Accounting Principles Generally Accepted in the United States of America (GAAP). The criterion used is that set forth by Statement of Governmental Accounting Standards (GASB) number 14 and as updated by GASB 61 which defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board and either (a) the ability to impose will by the primary government, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Based upon this criterion, the following is a brief review of each potential component unit addressed in defining the government's reporting entity.

Included within the reporting entity:
The City provides many services as follows - police protection, street maintenance, sanitation, recreation, library, community development, public improvements, planning, safety inspections, electric generation and distribution, water and wastewater services, legislative services and general administration, including employee benefits. These functions are part of the City's daily operations and therefore are not legally separate component units.

Not included within the reporting entity:
The City has joined the State of Delaware Police Pension Plan for uniformed police officers employed by the City after September 1, 1982. The plan is completely managed by the State of Delaware and, therefore, is not included in the financial statements.

The Robbins Hose Volunteer Fire Company and the Capital School District are not included within the financial reporting entity because they do not meet the criteria for inclusion set forth by GAAP.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City conform to generally accepted accounting principles as applicable to governments. A summary of the more significant policies follows:

A. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Individual funds are not displayed but the statements distinguish governmental activities, generally funded by taxes and

other City revenue, from business-type activities (BTAs), generally funded in whole or in part with fees charged to external users. Eliminations have been made for the doubling-up effect of certain internal activities.

The government-wide statement of activities presents a comparison between direct program expenses and program revenues for each function of the City's governmental activities and for each of the City's identifiable business-type activities. Direct expenses are those that are specifically associated with a program, function or activity. Program revenues include (a) charges paid by the recipients or beneficiaries of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

The City allocates the costs of certain governmental services to the costs of business-type activities (indirect expense allocation). These costs include allocated amounts of city management, centralized budgetary formulation and oversight, accounting, financial reporting, payroll, procurement contracting and oversight, investing and cash management, personnel services, etc. The allocations are charged to the BTAs based on the use of these services. As a matter of policy, the costs of certain governmental functions are not allocated to the business-type activities such as public safety, library and recreation and community services.

Fund Financial Statements: The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The fund financial statements provide information about the City's funds, including fiduciary funds. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The City reports the following major governmental fund:

General Fund
The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

The City reports the following major proprietary funds:

Water/Wastewater Fund
This fund accounts for transactions related to water and wastewater services, including the payment of fees to Kent County for the treatment of sewage. The City also holds lease agreements with cell phone companies for equipment placed on City water towers.

Electric Revenue Fund
This fund incorporates all transactions related to the generation, transmission and distribution of electricity. The City has contracted with both The Energy Authority and North American Energy Services to manage the City's power supply and generation assets.

The City reports the following non-major funds:

Internal Service Fund
The City has created one internal service fund to account for the activities related to self-insured

Workers' Compensation. Receipts are provided from contributions by the City's three major funds. Expenses are related to payment of claims, premiums, and administration costs. Actuarial analyses are completed every three years to insure sufficient reserves for claims for the Workers' Compensation Fund.

Special Revenue Funds
The City has ten Special Revenue Funds to account for proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Fiduciary Funds
Fiduciary funds consist of trust and agency funds and are used to report assets held by the City in a trustee or agency capacity for other purposes. These funds are, therefore, not available to support City programs.

The City is the trustee for the City's two pension plans, the Police Pension Fund and the Employee Pension Fund, as well as, the Other Post Employment Benefit Trust. The activity of these plans is accounted for in the Basic Financial Statements.

Agency funds are used to account for assets held by the City as an agent for individuals, private organizations or other governments. The City has three agency funds.

The City acts as the receiving and paying agent for the Downtown Dover Partnership and the Fourth of July Celebration Committee.

B. Basis of Accounting and Measurement Focus

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All Governmental Funds are accounted for using the modified accrual basis of accounting

and the current financial resources measurement focus. Their revenues are recognized when they become measurable and available as net current assets.

Revenues that are susceptible to accrual include property taxes, grants and billable service charges. All other revenues are accounted for when they are received.

Property taxes are recognized in the fiscal period for which they are levied provided they are "available"- i.e., they are collected in the current period or are expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty-days after year-end, except for trash collection, which has a thirty-day collection period.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. The exception to this general rule is principal and interest on general long-term debt which is recognized when due. Also, claims and judgments and compensated absences are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The government-wide financial statements as well as all proprietary and fiduciary trust funds are accounted for using the accrual basis of accounting and the economic resources measurement

focus. Agency funds have no measurement focus.

A reconciliation of the governmental fund financial statements prepared on the modified accrual basis of accounting to the government-wide financial statements prepared on the accrual basis of accounting is also provided. The types of transactions included in program revenues in the government-wide statement of activities include charges for services, operating grants and capital grants.

Operating income reported in the proprietary fund financial statements includes revenue and expenses related to the continuing operations of the fund. Principal operating revenue for proprietary funds is charges to customers for sales and services.

Principal operating expenses are the costs of providing goods and services, which include purchased power, administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

C. New Pronouncements

GASB Statement No. 67, "Financial Reporting for Pension Plans: an amendment of GASB Statement No. 25", effective for periods beginning after June 15, 2013, replaces the requirements of Statements No. 25 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The implementation of this pronouncement is included in the current year financial statements, note disclosures and required supplementary information.

The above GASB statements have no material effect on the financial position of the City.

GASB Statement No. 68, "Accounting and Financial Reporting for Pensions: an amendment of GASB Statement No. 27", effective for periods beginning after June 15, 2014, replaces the requirements of Statements No. 27 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements.

The above GASB statement will have a material effect on the financial position of the City. The current estimated net pension liability for the City's single employer pension plans is $29.3 million. Any liability for the State of Delaware cost-sharing plan is unknown at this time.

GASB Statement No. 69, "Government Combinations and Disposals of Government Operations", effective for periods beginning after December 15, 2013, requires disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions. At the current time, the City has no government combinations or disposals of government operations.

GASB Statement No. 70, "Accounting and Financial Reporting for Nonexchange Financial Guarantees", effective for periods beginning after June 15, 2013, requires recognition of a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The statement also requires the government to recognize revenue to the extent of the reduction in its guaranteed liabilities and specific note disclosures for nonexchange financial guarantees. At the current time, the City has no nonexchange financial guarantees with qualitative or historical factors that would suggest the inability of the obligor to pay the obligation. See Note 11(D) – Material Commitments – Downtown Dover Partnership.

GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68", to be applied simultaneously with the provisions of GASB 68 in the period after June 15, 2014, amends paragraph 137 of GASB 68.

D. Capital Assets and Long-Term Liabilities

Capital assets used in Governmental Fund type operations (general capital assets) are accounted for in the government-wide financial statements rather than in the funds. Public domain ("infrastructure") general capital assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, are capitalized in the government-wide financial statements along with other general capital assets. The capitalization threshold for the City's assets is $5,000. Personal computers and related hardware valued under $5,000 are manually controlled by the Information Technology Department. All capital assets are valued at historical cost and donated assets are shown at a fair market value as of the date of donation. Depreciation has been provided on general capital assets and is shown in Note 4. Depreciation has been provided over the estimated useful lives using the straight-line method. Estimated useful lives are as follows:

Buildings	20	-	50	years
Infrastructure	20	-	50	years
Vehicles	4	-	7	years
Equipment, Furniture & Fixtures	5	-	15	years

Long-term liabilities expected to be financed from governmental funds and the long-term estimated liabilities for compensated absences are accounted for in the government-wide financial statements, but not in the Governmental Funds.

Depreciation of all exhaustible capital assets used by Proprietary Funds is charged as an expense against their operations. Accumulated depreciation is shown in Note 4 of this section. Depreciation in the proprietary funds has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are presented below:

Buildings, Mains & Plant	25	-	90	years
Improvements	10	-	20	years
Equipment	5	-	15	years
Vehicles	4	-	7	years

E. Budget Procedures

Legally adopted budgets are prepared for the General Fund, Water/Wastewater Fund, Electric Revenue Fund, the Internal Service Fund and the following non-major special revenue funds: Municipal Street Aid Fund, Community Development Block Grant Fund (Federal), State Department of Transportation Grants Fund (Community Transportation), Police Grant Funds, and Library Grants Fund.

The General Governmental Capital Projects Fund provides for separate budgets to cover the planning and control of capital items for the governmental programs. The financial transactions of this fund are included in the financial statements of the General Fund. The Electric Improvement and Extension Fund and the Water/Wastewater Improvement and Extension Fund are sections of each utility enterprise. These sections are required by bond resolutions. Separate budgets for these funds cover the planning and control of only the capital items of the utilities. The financial transactions of these funds are included in the financial statements of the Electric Revenue Fund and the Water/Wastewater Fund.

The City prepares the budget for the General Fund revenues on a modified accrual basis. The expenditures are accounted for when the purchase orders are issued. The budget and actual

schedule (in the legal budget format (non-GAAP), adopted by the City) for the General Fund, the City's major governmental fund, is presented in the required supplementary information section of this report.

Budgets for the Electric Revenue Fund, Water/Wastewater Fund and Internal Service Fund are prepared on an accrual basis. Budgets are prepared under the assumption that the principal redemption of long-term debt must be assumed by Enterprise Fund activity in conformity with the bond ordinance.

The Combining General Fund Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balances of the General Fund as well as the budget and actual schedules of the other funds are also presented in the supplementary information section of this report because they are "not required."

According to the City's procedures, the preceding year's ending net budgetary balances are considered as resources for the following year. The beginning balances become operating items of revenues in the budgets. Estimated ending budgetary balances provide the balancing amount for each budget. In accordance with the City's financial policies, adopted by City Council, the major operating funds of the City are required to maintain an 8% minimum ending budget balance expressed as a percentage of operating revenues excluding the beginning budget balance.

F. Major Transfers

The Electric Revenue Fund and Water/Wastewater Fund annually transfer a budgeted portion of their revenues to the General Fund. In this fiscal year transfers were also made from the Realty Transfer Tax Fund, Municipal Street Aid Fund, Electronic Red Light Safety Program (ERLSP) Fund, State Department of Transportation (D.O.T.) Fund, and Police Grant Fund to the General Fund. The purpose of these transfers is to provide routine subsidies to the General Fund for operating functions, capital project expenditures and debt service requirements.

All transfers between the General Fund and the non-major governmental funds are netted in the government-wide financial statements.

G. Inventories and Prepaid Items

Both inventories and prepaid items are accounted for using the consumption method. Inventories are treated as operational expenditures at the time of use rather than at the time of purchase for both the governmental and proprietary funds. Prepaid expenses are reflective of insurance policies and commitments due on July 1 for the following fiscal year.

The warehouse inventories, consisting mostly of parts and supplies, are maintained on a perpetual inventory basis. Inventories of all funds are valued at cost and net of reserves, utilizing a weighted moving average method of valuation. The City maintains inventory reserves to charge off any damaged or obsolete items.

The Electric Revenue Fund maintains fuel inventory for the generating assets on a perpetual basis and utilizes the weighted moving average method of valuation.

H. Cash and Investments

The City's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Investments consist of United States Government and its agencies notes and bonds, corporate bonds and common stocks and open-end mutual funds. The fair value of investments is

determined by current market value.

I. Accounts Receivable

Allowances for uncollectible accounts are maintained and uncollectible accounts are charged off against these allowances. The authority to write off accounts is vested with the City Council. Current balances of allowances are as follows:

General Fund	$164,086
Water/Wastewater Fund	108,234
Electric Revenue Fund	586,346

J. Restricted Assets

Certain assets are restricted because their use is limited by bond covenants, endowments, or other similar third party restrictions.

Restricted assets as of June 30, 2014 total $41,784,421 including cash and cash equivalents of $13,668,152 and $28,116,269 in investments. Of this amount, $658,368 is attributed to governmental activities and $41,126,053 is attributable to business-type activities.

K. Unbilled Service Receivables

The City follows a policy of billing for services in accordance with billing cycle procedures. All known services rendered are billed and incorporated in the books at the end of the fiscal year. Billing information which is unreported by June 30, 2014, by the operating departments is billed and accounted for in the month the information is received.

L. Bond Accounts/Issuance Costs

The City has elected to recognize bond discounts and issuance cost in governmental funds, as well as the proprietary funds, as a current period expense in accordance with GASB 65. All unamortized bond discounts and issuance costs held by the General fund and the Proprietary funds have been expensed.

M. Deferred inflows of resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, demolitions, general billings, grass cutting, police extra-duty, and State grants.

N. Fund Balances and Net Position

Governmental fund balances are reported based on a hierarchy of constraints on the nature or specific purpose to which the funds can be spent. The classifications of fund balance are as follows:

- The Non-spendable fund balance classification includes amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually

required to be maintained intact.

- The Restricted fund balance classification includes amounts that can be spent only for specific purposes because of the City Charter, the City Code, state or federal laws, or externally imposed conditions by grantors or creditors.
- The Committed fund balance classification includes amounts that can be used only for specific purposes determined by the formal action of a City ordinance which is approved by City Council majority vote the highest level of decision-making authority.
- The Assigned fund balance classification includes amounts authorized and established by City Council. The City's Financial Policies as adopted by City Council includes the purpose and description of all classes of fund balance. Modifications require City Council approval.
- The Unassigned fund balance classification includes amounts that have not met the criteria of the aforementioned fund balance classifications. The unassigned fund balance is available for expenditures as they are incurred. The General fund is the only fund that reports a positive unassigned fund balance amount.

The city considers restricted, committed, or assigned amounts to have been spent when a related expenditure is incurred. Proprietary funds report net position in three categories:

1) Invested in capital assets net of related debt;
2) Restricted
3) Unrestricted

Fund balances and net position are further explained in Note 7.

O. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. DEPOSITS AND INVESTMENTS

A. Cash in Bank and Cash Equivalents

Custodial credit risk – deposits. The bank collateralizes the City of Dover's deposits over and above those covered by the $250,000 FDIC Insurance limit with specific securities, which are 'marked to market' daily against the aggregate balances. The market value of the collateral is at a minimum of or equal to 102% of the amount of applicable deposits. Collateral consists solely of either full faith and credit obligations of the United States

Government or fixed rate obligations of agencies or instruments of the United States Government.

On June 30, 2014, the carrying amount of unrestricted cash totaled $10,312,015 and the bank cash balances totaled $10,266,399. The carrying amount of restricted cash totaled $13,668,152 and the bank cash balances on restricted accounts totaled $13,661,351. The restricted deposits are held by the City for bond related transactions, special purpose operating and capital grants. Fiduciary fund deposits of $3,441,698 are excluded.

B. Investments

The City Council has adopted an investment policy which is reviewed every two years and updated

as needed for best practices. The Pension Boards have their own distinct investment policy over the Pension Trust funds since the objectives differ from those of the City. The City investments are segregated from the Pension Trust investments for clarity. As of June 30, 2014, the City had the following investments:

i. Investments Held by Third Party Custodian

Investment Type	Fair Value	(Years)
Government-Wide:		
Fixed income securities:		
U.S. Government Treasuries	$13,730,634	1.83
U. S. Government Agencies	13,723,905	2.38
Municipal Obligations	3,187,877	1.80
Corporate Bonds	17,209,042	2.76
Certificate of Deposit	5,270,571	1.49
Fair Value of fixed income securities	53,122,029	
Portfolio weighted average maturity		2.24
Other investments:		
Money Market Mutual Funds & Certificate of Deposit	803,941	
Equity Stock and Other	23,158	
Total Other Investments	827,099	
Total Government-Wide Investments	$53,949,128	

Interest rate risk: As a means of limiting its exposure to fair value losses arising from rising interest rates the City's investment policy limits U.S. Government securities to a maximum maturity of 10 years from the date of purchase. For most other securities, the maximum maturity is five years from the date of purchase. Short-term cash flow balances are invested up to one year. The portfolio's weighted average maturity is 2.24 years.

The investments are held in the City's name at a third party custodian.

Credit risk: The City's investment policy is to apply the prudent-person rule. Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital and, in general, avoid speculative investments. As of June 30, 2014, the City's fixed income and short-term investments had the following risk characteristics as compared to the Standard's & Poor's:

Authorized Investments	Policy Minimum Rating Category	Portfolio Ratings	Percent Allocation
U.S. Government	N/A	AA+	25.80%
U.S. Government Agency	N/A	AA+	24.40%
Certificates of Deposit and	Short-Term A-1	Short-Term A-1+	9.90%
Time Deposits	Long-Term AA	Long-Term AA-	
Corporate Debt	Issued by a US Corporation		
Commercial Paper	A-1	N/A	
Corporate Notes/Bonds	AA	AA- to AAA	32.40%
Repurchase Agreements	Short-Term A-1 Long-Term AA	N/A	
Registered Investment Companies (money market funds)	AAAm	AAAm	
Municipal Obligations	A	AA to AA+	6.00%

Concentration of credit risk: The City has sector and issuer limitations on its investment portfolio as follows:

Authorized Investments	Sector and Issuer Restrictions
U.S. Government	Up to 100% per sector
U.S. Government Agency	Up to 100% per sector
Certificates of Deposits and Time Deposits	Up to 25% per sector; 5% per issuer
Corporate Debt	
Commercial Paper	Up to 25% per sector; 5% per issuer
Corporate Notes/Bonds	Up to 50% per sector; 5% per issuer
Delaware Domiciled Institutions	Up to 20% per sector; 5% per issuer
Repurchase Agreements	Up to 25% per issuer
Registered Investment Companies (money market funds)	Up to 25% per issuer
Mortgage-Backed Securities	Up to 50% per sector
Municipal Obligations	Up to 30% per sector; 5% per issuer

ii. Investments Held by Trustee for Post-Employment Benefits & Pensions

Investment Type	Fair Value	(Years)
Other Postemployment Benefits (OPEB) & Pension Funds (Trustee held):		
Corporate Bonds - OPEB Trust	$ 6,962,485	1.14
Short-term corporate bond open-end mutual funds	2,560,899	0.42
Intermediate-term corporate bond open-end mutual funds	9,453,956	1.40
Long-term corporate bond open-end mutual funds	4,206,580	1.79
Fair value of fixed income investments	23,183,920	
Portfolio weighted average maturity		1.19
Other investments:		
Domestic equity open-end mutual funds	26,303,052	
International equity open-end mutual funds	13,017,605	
Fair value of other investments	39,320,657	
Total fair value OPEB and pension funds	$62,504,577	

The Pension Trust and OPEB Trust have their investments exclusively in open-end mutual funds, with limits on its investments as follows:

Pension Trusts	
Category Allocation	Target Percentage
Money Market	4.50%
Short Term Bonds	5.50%
Inflation Protected Bonds	6.00%
Intermediate Term Bonds	8.00%
Long Term Bonds	9.00%
High Yield Bond	6.00%
Large Cap Value	10.00%
Large Cap Growth	11.00%
Mid Cap	5.00%
Small Cap	7.00%
Real Estate Investment	8.00%
Foreign Equity	10.00%
Emerging Markets	10.00%
	100.00%

OPEB Trust	
Category Allocation	Target Percentage
Money Market	2.00%
Short Term Bonds	8.00%
Inflation Protected Bonds	2.00%
Intermediate Term Bonds	10.00%
Long Term Bonds	10.00%
High Yield Bond	8.00%
Large Cap Value	11.00%
Large Cap Growth	10.00%
Mid Cap	5.00%
Small Cap	8.00%
Real Estate Investment	6.00%
Foreign Equity	10.00%
Emerging Markets	10.00%
	100.00%

Custodial credit risk-investments: For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. To avoid custodial credit risk, it is the City's policy to have its investments held at a third party custodian in the City's name.

4. CAPITAL ASSETS

A summary of the Capital asset activity for the year ended June 30, 2014 is presented on the following page:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	$ 3,958,887	$ -	$ 55,004	$ 3,903,883
Construction in progress	117,155	1,339,439	225,947	1,230,647
Total capital assets, not being depreciated	4,076,042	1,339,439	280,951	5,134,530
Capital assets, being depreciated:				
Buildings	30,553,526	78,136	-	30,631,662
Furniture and fixtures	833,722	-	-	833,722
Equipment	7,716,290	485,364	376,866	7,824,788
Vehicles	4,658,460	640,765	84,301	5,214,924
Lights	614,531	18,832	-	633,363
Improvements other than buildings	40,001,940	1,440,989	2,400	41,440,529
Books and audio visuals	8,115	-	8,115	-
Total capital assets, being depreciated	84,386,584	2,664,086	471,682	86,578,988
Less accumulated depreciation for:				
Buildings	(4,209,411)	(653,814)	-	(4,863,225)
Furniture and fixtures	(214,375)	(71,634)	-	(286,009)
Equipment	(5,522,106)	(371,449)	366,887	(5,526,668)
Vehicles	(3,541,605)	(462,351)	78,349	(3,925,607)
Lights	(465,134)	(10,454)	-	(475,588)
Improvements other than buildings	(20,445,841)	(1,392,284)	(10,055)	(21,848,180)
Books and audio visuals	(8,136)	-	8,136	-
Total accumulated depreciation	(34,406,608)	(2,961,986)	443,317	(36,925,277)
Total capital assets, being depreciated, net	49,979,976	(297,900)	28,365	49,653,711
Governmental activities capital assets, net	$ 54,056,018	$ 1,041,539	$ 309,316	$ 54,788,241

(continued)

(continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Electric Revenue Fund				
Capital assets, not being depreciated				
Land	$ 1,458,066	$ -	$ -	$ 1,458,066
Construction in progress	1,338,909	2,206,440	1,854,887	1,690,462
Total capital assets, not being depreciated	2,796,975	2,206,440	1,854,887	3,148,528
Capital assets, being depreciated				
Buildings	17,619,349	46,920	-	17,666,269
Production	65,040,049	873,235	-	65,913,284
Transmission	34,010,686	1,073,401	-	35,084,087
Distribution	61,752,469	736,743	100,265	62,388,947
Administration	1,743,754	-	-	1,743,754
Vehicles	625,876	34,985	15,114	645,747
Total capital assets, being depreciated	180,792,183	2,765,284	115,379	183,442,088
Less accumulated depreciation for:				
Buildings	(11,795,879)	(376,201)	-	(12,172,080)
Production	(42,682,428)	(1,320,366)	-	(44,002,794)
Transmission	(11,537,017)	(1,239,173)	-	(12,776,190)
Distribution	(26,832,246)	(1,650,692)	100,265	(28,382,673)
Administration	(1,316,532)	(110,673)	-	(1,427,205)
Vehicles	(481,527)	(51,015)	15,114	(517,428)
Total accumulated depreciation	(94,645,629)	(4,748,120)	115,379	(99,278,370)
Total capital assets, being depreciated, net	86,146,554	(1,982,836)	-	84,163,718
Total electric revenue fund capital assets, net	88,943,529	223,604	1,854,887	87,312,246
Water/Wastewater Fund				
Capital assets, not being depreciated				
Land	163,240	-	-	163,240
Construction in progress	1,089,187	1,605,698	27,191	2,667,694
Total capital assets, not being depreciated	1,252,427	1,605,698	27,191	2,830,934
Capital assets, being depreciated				
Plant, wells, pumping stations, and storage	16,169,666	103,095	-	16,272,761
Distribution mains, hydrants, and accessories	20,065,638	569,407	-	20,635,045
Sewage plant mains, and pumping stations	32,915,071	222,170	-	33,137,241
Vehicles and equipment	5,020,364	202,028	27,770	5,194,622
Total capital assets, being depreciated	74,170,739	1,096,700	27,770	75,239,669
Less accumulated depreciation for:				
Plant, wells, pumping stations, and storage	(7,041,676)	(343,292)	-	(7,384,968)
Distribution mains, hydrant, and accessories	(6,182,500)	(390,187)	-	(6,572,687)
Sewage plant mains, and pumping stations	(11,870,361)	(730,228)	-	(12,600,589)
Vehicles and equipment	(3,539,159)	(292,218)	27,770	(3,803,607)
Total accumulated depreciation	(28,633,696)	(1,755,925)	27,770	(30,361,851)
Total capital assets, being depreciated, net	45,537,043	(659,225)	-	44,877,818
Total water/wastewater fund capital assets, net	46,789,470	946,473	27,191	47,708,752
Business-type activities capital assets, net	$ 135,732,999	$ 1,170,077	$ 1,882,078	$ 135,020,998

Depreciation expense was charged to functions/ programs of the primary government as follows:

Governmental activities:	
General government	$ 9,151
Central services	91,525
Public safety	419,499
Public works	1,733,310
Library and recreation	644,896
Financial administration	63,605
Total depreciation expense - governmental activities	$ 2,961,986

5. LONG -TERM OBLIGATIONS

A. Summary of Bonded Indebtedness by Issue

	Original	Remaining	Interest	Maturity	Arbitrage	Purpose
Governmental Activities						
2003 General Obligation Bonds	$ 3,430,000	$ 695,000	3.87%	7/1/04 - 7/1/16	No	Refunding of '92 &'95 issues
2012 General Obligation Bonds	$ 3,500,000	$ 3,354,758	2.60%	6/25/13 - 5/25/19	No	Construction of New Library, Street Paving Program
Business Type Activities						
Water/Wastewater Bonds						
2000 State of Delaware - Revolving Loan Fund - Municipal Revenue	$ 750,000	$ 283,337	3.60%	10/1/00 - 4/1/20	No	Wastewater Pump Station # 7 - Leipsic
2009 State of Delaware - Revolving Loan Fund - Municipal Revenue	$ 5,581,059	$ 5,103,095	2.00%	12/1/12 - 12/1/31	No	Pump station replacements/upgrades and sanitary sewer main relining
2010 State of Delaware - Revolving Loan Fund - Municipal Revenue	$ 2,404,017	$ 2,151,142	2.47%	4/1/12 - 10/1/30	No	Water quality improvements and main replacements
2011 State of Delaware - Revolving Loan Fund - Municipal Revenue	$ 765,060	$ 749,773	2.00%	6/1/12 - 12/1/31	No	Pump station replacements/upgrades and sanitary sewer main relining
2013 Revenue Bonds	$ 6,125,000	$ 6,125,000	3.58%	7/1/14 - 7/1/33	Yes	Water and Wastewater capital project financing, refund 2003 Series WWW bonds
(Coverage ratio on Water/Wastewater Bonds requires net revenues to be at least 1.2 times the maximum annual debt service)						
Electric Revenue Bonds						
2008 Revenue Bonds	$ 22,200,000	$ 20,240,000	4.81%	7/1/09 - 7/1/33	Yes	Expansion and upgrades of electric system
2010 Revenue Bonds	$ 8,810,000	$ 3,700,000	1.78%	7/1/11 - 7/1/15	Yes	Complete refund 2004 Series
(Coverage ratio on Electric Bonds requires net revenues to be at least 1.25 times the maximum annual debt service)						

B. Status as of June 30, 2014 – General Obligation Bonds

Long-term indebtedness of the City of Dover consists of the following general purpose General Obligation Bonds:

2003 Series	$ 695,000
2012 Series	3,354,758
	$ 4,049,758

The total General Obligation Bonds outstanding amount includes $358,650 payable within one year.

C. Change in Long-Term Debt

The following tables summarize the debt transactions for the year ended June 30, 2014:

i. General Long-Term Debt

Item	Balance 7/01/13	Additions	Reductions	Balance 6/30/14	Payable within one Year
Compensated Absences	$ 2,081,070	$ 1,274,860	$ 1,161,969	$ 2,193,961	$ 1,046,702
General Obligation Bonds	4,478,997	-	429,239	4,049,758	358,650
OPEB Obligation	13,112,314	1,555,919	-	14,668,233	-
Sub-total of General Long-Term Debt	$ 19,672,381	$ 2,830,779	$ 1,591,208	$ 20,911,952	$ 1,405,352

ii. Enterprise Funds Debt
Water/Wastewater Fund

Item	Balance 7/01/13	Additions	Reductions	Balance 6/30/14	Payable within one Year
Compensated Absences	$ 171,655	$ 94,313	$ 97,261	$ 168,707	$ 75,698
Revenue Bonds-Water and Wastewater (a)	2,300,000	6,125,000	2,300,000	6,125,000	335,000
State of Delaware Municipal Revenue Bond - Wastewater	6,372,454	62,000	298,249	6,136,205	320,729
State of Delaware Municipal Revenue Bond - Water	2,254,263	-	103,121	2,151,142	105,831
OPEB Obligation	449,016	36,565	-	485,581	-
Sub-total of Water/ Wastewater Fund	11,547,388	6,317,878	2,798,631	15,066,635	837,258

(a) During fiscal year 2014, the Water/Wastewater fund issued Series 2013 Revenue bonds. The proceeds are to be used to: (1) finance sewer infrastructure and a water tower at the Garrison Oak technical park, (2) refund, on a current refunding basis, the Series 2003 water and sewer bonds, (3) fund required reserves, and (4) pay the costs of issuance of the Series 2013 Bonds.

iii. Enterprise Funds Debt
Electric Revenue Fund

Item	Balance 7/01/13	Additions	Reductions	Balance 6/30/14	Payable within one Year
Compensated Absences	$ 627,716	$ 236,629	$ 328,431	$ 535,914	$ 174,165
Revenue Bonds	26,110,000	-	2,170,000	23,940,000	2,260,000
Sub-total of Electric Revenue Fund	26,737,716	236,629	2,498,431	24,475,914	2,434,165
Sub-total of Enterprise Fund Debt	38,285,104	6,554,507	5,297,062	39,542,549	3,271,423
Grand Totals of Long-Term Debt	$ 57,957,485	$ 9,385,286	$ 6,888,270	$ 60,454,501	$ 4,676,775

The City does not receive reimbursement for debt service from any other governmental units. The City does not have any special assessment debt or defeased bonds as of June 30, 2014.

D. Debt Service Requirements

The following are the debt service requirements to maturity on the City's general obligation bonds and revenue bonds.

i. Governmental Activities:

Fiscal	2003 General Obligation Bonds		2012 General Obligation Bonds		
Year	Principal	Interest	Principal	Interest	Total
2015	$ 220,000	$ 22,950	$ 138,650	$ 86,753	$ 468,353
2016	230,000	14,285	142,123	83,280	469,688
2017	245,000	4,900	146,142	79,261	475,303
2018	-	-	150,041	75,362	225,403
2019	-	-	2,777,802	65,457	2,843,259
Total	$ 695,000	$ 42,135	$ 3,354,758	$ 390,113	$ 4,482,006

ii. Business-type Activities

a. Water/Wastewater Fund

Fiscal Year	2013 Revenue Bonds Principal	2013 Revenue Bonds Interest	2000 Municipal Revenue Bonds (Wastewater) Principal	2000 Municipal Revenue Bonds (Wastewater) Interest
2015	$ 335,000	$ 197,419	$ 43,113	$ 9,816
2016	325,000	187,518	44,679	8,250
2017	330,000	177,694	46,302	6,627
2018	340,000	167,643	47,984	4,945
2019	355,000	157,219	49,727	3,202
2020	360,000	146,493	51,532	1,396
2021	375,000	135,469	-	-
2022	385,000	124,069	-	-
2023	395,000	112,369	-	-
2024	410,000	100,294	-	-
2025	215,000	90,919	-	-
2026	220,000	84,256	-	-
2027	225,000	77,106	-	-
2028	235,000	69,281	-	-
2029	245,000	60,269	-	-
2030	255,000	50,269	-	-
2031	265,000	39,869	-	-
2032	275,000	29,069	-	-
2033	285,000	17,869	-	-
2034	295,000	6,084	-	-
Total	$ 6,125,000	$ 2,031,178	$ 283,337	$ 34,236

Fiscal Year	2009 Municipal Revenue Bonds (Wastewater) Principal	2009 Municipal Revenue Bonds (Wastewater) Interest	2010 Municipal Revenue Bonds (Water) Principal	2010 Municipal Revenue Bonds (Water) Interest	2011 Municipal Revenue Bonds (Wastewater) Principal	2011 Municipal Revenue Bonds (Wastewater) Interest
2015	$ 246,211	$ 100,837	$ 105,831	$ 55,459	$ 31,405	$ 26,719
2016	251,160	95,888	108,611	52,679	32,546	25,578
2017	256,208	90,840	111,464	49,825	33,729	24,395
2018	261,358	85,690	114,392	46,897	34,955	23,170
2019	266,611	80,437	117,397	43,892	36,225	21,900
2020	271,970	75,078	120,481	40,808	37,541	20,584
2021	277,437	69,611	123,646	37,643	38,905	19,219
2022	283,013	64,035	126,895	34,395	40,318	17,806
2023	288,702	58,346	130,228	31,061	41,783	16,341
2024	294,505	52,543	133,649	27,640	43,302	14,823
2025	300,424	46,624	137,160	24,129	44,875	13,250
2026	306,463	40,585	140,764	20,526	46,505	11,619
2027	312,623	34,425	144,461	16,828	48,195	9,930
2028	318,906	28,142	148,257	13,033	49,946	8,178
2029	325,316	21,732	152,151	9,138	51,761	6,364
2030	331,855	15,193	156,148	5,141	53,642	4,483
2031	338,526	8,522	79,607	1,039	55,592	2,534
2032	171,807	1,718	-	-	28,548	514
Total	$ 5,103,095	$ 970,246	$ 2,151,142	$ 510,133	$ 749,773	$ 267,407

b. Electric Fund

Fiscal	2008 Revenue Bonds		2010 Revenue Bonds		Business-type
Year	Principal	Interest	Principal	Interest	Activities
2015	$ 450,000	$ 953,704	$ 1,810,000	$ 130,700	$ 4,496,214
2016	475,000	930,579	1,890,000	47,250	4,474,738
2017	695,000	901,329	-	-	2,723,413
2018	730,000	865,704	-	-	2,722,738
2019	765,000	831,580	-	-	2,728,190
2020	800,000	798,706	-	-	2,724,589
2021	840,000	763,856	-	-	2,363,213
2022	880,000	726,756	-	-	2,682,287
2023	925,000	686,694	-	-	2,685,524
2024	970,000	644,056	-	-	2,690,812
2025	1,015,000	599,394	-	-	2,486,775
2026	1,065,000	551,928	-	-	2,487,646
2027	1,120,000	501,400	-	-	2,489,968
2028	1,175,000	446,125	-	-	2,491,868
2029	1,230,000	386,000	-	-	2,487,731
2030	1,290,000	323,000	-	-	2,484,731
2031	1,355,000	256,875	-	-	2,402,564
2032	1,420,000	187,500	-	-	2,114,156
2033	1,485,000	114,875	-	-	1,902,744
2034	1,555,000	38,875	-	-	1,894,959
Total	$ 20,240,000	$ 11,508,936	$ 3,700,000	$ 177,950	$ 53,534,860

The preceding tables do not include compensated absences.

6. RESTRICTED NET POSITION

In the government-wide financial statements the restricted net position of the governmental activities and business type activities are as follows:

Governmental Activities		
Grants-capital projects	This represents the State DOT grant reported in the non-major special revenue funds.	$ 143,532
Grants-public safety	These represent the Police grants, ERLSP grant and Substance Abuse Prevention grant in the special revenue type funds.	247,628
Other Purposes	These represent all other funds reported in the special revenue type, except the grants reserved for capital construction and public safety. Also included is an endowment from Mary Elizabeth Paton and patronage stocks.	220,894
Total Restricted Net Position		$ 612,054
Business Type Activities		
Net restricted position for construction purposes - expendable		
Water/Wastewater	Restrictions on investments imposed by bond covenants	$ 2,955,660
Electric	Restrictions on investments imposed by bond covenants	33,168,095
Total Restricted Net Position		$ 36,123,755

7. FUND BALANCES & NET POSITION

In the governmental fund financial statements, fund balances are reported based on a hierarchy of constraints on the specific purposes for which the funds can be spent. Non-spendable fund balances represent items that are not in spendable form and not expected to be converted to cash. This criterion also applies to the corpus of permanent funds, which would include the Mary Paton library endowment.

Restricted fund balances represent amounts that have externally imposed restrictions by creditors, grantors, enabling legislation or laws and regulations of other governments. The fund balances of the City's grant funds fall into this category, as well as a couple of accounts that have contractual restrictions imposed by a third party.

Committed fund balances represent amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action to which it previously committed the amount.

Assigned fund balances represent amounts constrained by the City's intent to be used for specific purposes. These amounts represent the City's capital asset appropriations and the City's matching funds for grant related projects. Also, included are donated assets to be used for law enforcement purposes. The constraints placed on assigned fund balances are implemented through internal processes such as a budget ordinance or motion of City Council. Therefore, assigned fund balances do not have the same restrictive nature as a restricted fund balance.

Unassigned fund balance is the residual amount that has not met the criteria for the aforementioned classifications. The unassigned fund balance is available for expenditures as they are incurred.

The composition of the City fund balances is as follows:

	General Fund	Other Governmental Funds	Total
Fund balances:			
Nonspendable:			
Inventory & Prepaids	$ 186,290	$ 2,447	$ 188,737
Patronage Stock	16,594	-	16,594
Library Endowment	5,000	-	5,000
Subtotal Nonspendable:	207,884	2,447	210,331
Restricted for:			
Library Endowment Interest	1,698	-	1,698
Verizon cable franchise	127,778	-	127,778
Highway resurfacing	-	143,532	143,532
ERLSP	-	100	100
CDBG	-	44,494	44,494
CDBG- State for ADA Improvements	-	2,014	2,014
Substance Abuse Prevention	-	75,466	75,466
Municiple Street Aid	-	100	100
Library Grants	-	44,810	44,810
Police Grants	-	172,062	172,062
Subtotal Restricted for:	129,476	482,578	612,054
Committed to:			
Contingency	467,269	-	467,269
Encumbrances	37,377	-	37,377
Parkland	218,654	-	218,654
Subtotal Committed to:	723,300	-	723,300
Assigned to:			
Capital Assets	3,151,840	-	3,151,840
Police Investigations	11,591	-	11,591
Subtotal Assigned to:	3,163,431	-	3,163,431
Unassigned	3,435,079	-	3,435,079
Total fund balances	$ 7,659,170	$ 485,025	$ 8,144,195

8. PROPERTY TAXES

Property taxes are levied under the authority of the City Charter on all real property located within the City limits. The City assessor is in charge of the property assessments and the City Council levies the property tax rate. The following table provides important dates with reference to property taxes.

Beginning of fiscal year for taxes	July 1
Tax rate levied	June 25
Taxes billed	July 1
Taxes due and payable at par	July 31
Penalty of one and one half percent starts	August 1
Lien established on property for property taxes	July 1
Tax sales of property with unpaid taxes	2 years from date of billing

There are no material delinquent property taxes as of June 30, 2014.

9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2014 is as follows:

A. Due to/from other funds – Charges and Allocations

Receivable Fund	Payable Fund	Amount
General Fund	Non-Major Governmental Funds	$ 117,482
	Water/ Wastewater Fund	202,314
	Electric Revenue Fund	549,970
Water/ Wastewater Fund	General Fund	17,540
Electric Fund	General Fund	1,224
	Water/Wastewater Fund	36,628
Total		$ 925,158

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

B. Interfund Transfers

Transfers Out	Transfers In - General Fund
Non-Major Governmental Funds	$ 2,958,445
Water/ Wastewater Fund	500,000
Electric Revenue Fund	8,000,000
Total	$ 11,458,445

Transfers are generally made for the purpose of providing operating capital or debt service subsidies to the receiving fund in accordance with City policy.

10. RENTAL INCOME

The City currently has two lease agreements at the Garrison Oak Technical Park (GOTP) that are included in miscellaneous revenue in the General Fund. The first lease is with LS Power – White Oak Solar Energy LLC, which generated $58,506 in rental income and the second lease is with Garrison Energy Center which generated $34,450 in rental income.

The City's Electric Revenue Fund owns a professional office building which houses the City's Customer Service, Finance and Information Technology Departments. At June 30, 2014, the City had leases with three tenants for the remaining space available. Lease revenue is $159,109 in the Electric Revenue Fund consisting of office space rental of $140,531 and pole attachment rentals of $18,578.

The City maintains several water tower leases for a group of telecommunications companies. These are recorded as revenue of the Water/Wastewater Fund and total $360,307 in the current fiscal year.

11. MATERIAL COMMITMENTS

A. The City budgets monies to assist the volunteer fire company with payments on two pieces of firefighting equipment. The apparatus payments are budgeted as expenditures in the Governmental Capital Projects Fund budget.

The payments are as follows:

Ladder #2	$ 92,901
Ladder #1	$145,614

B. The City entered into a five-year management contract with The Energy Authority effective July 1, 2011 to provide a market-based approach for power supply management. The Energy Authority manages energy purchases and utilizes the City's generating assets to provide a level of rate stability as necessary to mitigate the effects of rising and volatile energy prices. The Energy Authority also provides oversight of the plant operator contract and monitors their performance.

C. The City also entered into a management contract with North American Energy Services (NAES) to operate and maintain the generating assets of the electric utility in May 2006. The City extended the contract with NAES through June 30, 2015. The City has incorporated the budgets and financial activity of the plant into its procedures used for all other divisions of the electric utility. These procedures include a line item budget and adherence to City policies. All personnel are employed by NAES and personnel costs are billed to the City bi-weekly. Any capital improvements are included in the City's capital improvement plan. The contract also provides for a monthly management fee and a performance incentive based on budget and plant performance. The fiscal year 2014 annual cost for management and the incentive is $368,536 and is included in the plant-operating budget.

D. The City is the guarantor on two $1.3 million loans held by the Downtown Dover Partnership. The loans are secured by two parcels in the downtown business district that the Downtown Dover Partnership is marketing for its redevelopment initiative. The interest on both of the loans is paid monthly from rental receipts the Partnership receives from its current tenants on the properties. Downtown Dover Partnership has refinanced one of the original notes that had a balloon payment due and now pays monthly payments including principal and interest for both loans.

12. FORWARD CONTRACTS

Pursuant to the July 1, 2011 Energy Management Agreement between the City and The Energy Authority (TEA), the City has formed an Executive Risk Management Committee (ERMC). The ERMC has adopted a Governing Policy for Energy Commodity Risk Management (Policy) aimed at addressing the energy commodity risks and the Procedures and Controls Manual for Energy Commodity Risk Management ("Procedures Manual"). The Procedures Manual further describes the risk management philosophy under which TEA, the City's designated provider of energy risk management services conducts its activities.

The Procedures Manual authorizes TEA to enter into physical forward transactions which shall be governed by Edison Electric Institute (EEI), North American Energy Standards Board (NAESB), or similar agreements with counterparties approved by the City.

These agreements will enable the City to hedge the forward price of purchased power, natural gas or fuel oil for delivery as needed to meet its load requirements. No speculative transactions for volumes in excess of forecasted power and fuel needs are permitted. TEA also provides advisory services to the City for financial hedges in determining if they would be beneficial to mitigate

market and credit risk.

Under the Procedures manual the City will not extend credit to any potential counterparty that has a credit rating below investment grade (defined as BBB as rated by Standard & Poor's or Baa2 as rated by Moody's). Any counterparty that is unrated by either S & P or Moody's must be approved by the ERMC prior to the execution of any trading activities.

Credit risk is mitigated through the use of collateral thresholds, credit limits, maximum nominal exposure and term limitations. A collateral threshold is the amount of unsecured credit granted to the counterparty. Unsecured credit exposure includes amounts owed by the counterparty, whether billed or not, and the market-to-market differences in value of any collateral held. Any net exposure above the collateral threshold will require the posting of collateral by the counterparty. Collateral thresholds, term limitations and credit exposure limits are subject to maximums as established by the ERMC.

Counterparty Credit Risk ($000's)

Counterparty	Counterparty or Guarantor Credit Rating	Counterparty Threshold	Line Availability	Maximum Amount of Loss due to Credit Risk w/o Respect to Collateral ($)	Collateral Description
Barclays Bank, PLC	A-	$15,000	$13,856	$1,144	No Collateral if exposure under specified threshold
BP Energy Company	BBB+	$15,000	$15,000	$0	No Collateral if exposure under specified threshold
Coectiv Energy Supply, Inc	BBB-	$3,000	$3,000	$0	No Collateral if exposure under specified threshold
DB Energy Trading, LLC	A	$15,000	$13,648	$1,352	Up to $15,000 is guaranteed buy Deutsche Bank AG
EDF Trading North America, LLC	A-	$18,000	$17,628	$372	No Collateral if exposure under specified threshold
Exelon Generation Company, LLC	BBB	$30,000	$24,951	$5,049	No Collateral if exposure under specified threshold
Integrys Energy Services, Inc	BBB+	$10,000	$9,216	$784	No Collateral if exposure under specified threshold in the event of potential default, performance from counter party is required
Macquarie Energy, LLC	A	$15,000	$14,023	$977	No Collateral if exposure under specified threshold
Morgan Stanley Capital Group, Inc	BBB+	$10,000	$8,974	$1,026	Unlimited dollars are guaranteed by Morgan Stanley
NextEra Energy Power Marketing, LLC	BBB+	$10,000	$6,884	$3,116	Up to $10,000 is guaranteed by NextEra Energy Capital Holdings
Public Service Electric and Gas Company	BBB+	$12,000	$12,000	$0	No Collateral if exposure under specified threshold
Sempra Energy Trading	BBB+	$15,000	$15,000	$0	No Collateral if exposure under specified threshold

13. SUBSEQUENT EVENTS

On November 14, 2014 the City closed on a $4,135,000 PNC Bank Qualified Loan (General Obligation) to finance capital improvements (Series A - $3,660,000) as well as refund the 2003 G.O. Bonds (Series B - $475,000) for the last two outstanding cusips.

14. INSURANCE

A. Health Insurance – State of Delaware

The City participates in the State of Delaware Health Insurance Program. The State offers four health plan options. The administration of benefits is coordinated with Aetna and Blue Cross Blue Shield of Delaware. Pre-determined premiums consisting of the City and

employee contributions are subsequently paid out to the State of Delaware.

B. Workers' Compensation Fund – Self-Insurance

On July 1, 1990, the City began self-insuring its Workers' Compensation insurance. For this purpose, the City has established a separate fund. Claims are processed and administered by a third party administrator. The City manages the revenue and expenditures in this fund and maintains all the records. The City maintains a fund balance to cover any incurred but not reported claims.

AMI Risk Consultants completed an updated valuation in fiscal year 2013. As of June 30, 2014, there is $515,432 reserved for open claims in this fund. An appropriate umbrella policy for the excess coverage has been purchased and is in effect as of June 30, 2014.

Workers' Compensation activity is as follows:

	2014	2013
Claims payable beginning of year	$ 481,951	$ 474,281
Claims incurred	529,020	433,214
Payment of claims	(495,539)	(425,544)
Claims payable end of year	$ 515,432	$ 481,951

C. Other than Health or Workers' Compensation Insurance

The City purchases commercial insurance policies to cover risks not insured through self-insurance funds. The City has designated a contingency account to provide for uninsured capital losses (See Note 7). There have been no significant reductions or settlements exceeding coverage in the past five fiscal years.

15. COMPENSATED ABSENCES

The City grants a specific number of vacation days with pay to its employees. Upon termination or retirement, an employee is paid for accumulated vacation days. The City also grants one paid sick day per month to all employees with the exception of employees covered by the International Brotherhood of Electric Workers (IBEW) contract. The IBEW employees are granted eleven sick days per year.

The City of Dover follows a terminal leave policy which varies with each of the four unions as well as the non-bargaining group. The maximum accumulated sick days paid upon retirement is 150 days for 25 years of service. No accrued sick leave is paid when an employee is terminated.

In the government-wide and proprietary fund financial statements, unpaid compensated absences are recorded as a liability as the vested employees' benefits accrue, to the extent it is probable that the employee will be paid for sick benefits at retirement.

In governmental funds, compensated absences are recorded as expenditures as payments become due; accordingly, no liability is recorded in the Governmental Funds statement. Typically the General Fund has been used in prior years to liquidate the liability for compensated absences recorded in governmental activities.

16. OTHER POST EMPLOYMENT BENEFITS

Plan Description
On May 11, 2009 the City of Dover Other Post-Employment Benefits Trust (OPEB Trust) was established pursuant to Section 115 of the Internal Revenue Code. Policy for and management of the OPEB benefits provided to retirees are the responsibility of the City of Dover. No stand-alone financial report is issued for the OPEB Trust.

The OPEB Trust is a single-employer defined benefit plan. The OPEB Trust provides retirement medical coverage to pensioners and their eligible dependents in the City of Dover defined benefit and defined contribution pension plans.

Plan Administration
Management of the plan investments are fully vested with the City of Dover Employees" Police Pension Board as established in the City Code, which consists of three elected by plan members, two Council members appointed by the Council President, the City Controller/Treasurer, and the City Manager. The City Controller/Treasurer serves as an ex-officio member. Milliman of Albany, New York provides asset management advisory and consulting services to the Board.

The City purchases health insurance from the State of Delaware through a cooperative purchasing arrangement permitted by State code. The State Office of Benefits provides the City with the medical insurance premiums by type of coverage and carrier during the budget cycle each year. The City also pays a five percent risk premium and contract administration fee for each contract in addition to the premium. Any premiums paid over or under the benefits paid out for City employees revert to the State.

Membership of the plan consisted of the following at June 30, 2014:

Retirees and beneficiaries receiving benefits	265
Terminated plan members entitled to but not yet receiving the benefits	15
Active eligible plan members	316
Total	596

Substantially all City employees become eligible for post-retirement benefits if they reach retirement age while working for the City. The costs of providing these benefits are shared between the City and the retired employee. The Dover Organization of Employees (DOE) union employees hired after July 1, 1994 are not eligible for post-retirement medical benefits if they elect early retirement. The eligibility provisions for early retirement are as follows:

- Age 55 with 10 years of continuing service, or
- If hired before May 1, 1994, 25 years of continuous service, or has attained the age of 50 years and completed 20 years of continuous service, or
- If hired May 1, 1994 or later, Age 55, and whose attained age plus years of continuous service is equal to or greater than 80

Spouse and Survivor Coverage:
Spouse and survivor coverage are both available under any of the plan options with similar retiree contributions with one exception. The International Brotherhood of Electrical Workers (IBEW) collective bargaining agreement does not include spouse and survivor coverage.

Employer and Employee Contributions:

The City maintains contracts with each of its collective bargaining units. The Fraternal Order of Police Lodge #15 (FOP) and the Dover Organization of Employees (DOE) union contracts renewed effective July 1, 2012 and are up for review prior to contract end date of June 30, 2015. The International Brotherhood of Electric Workers (IBEW) contract period is July 1, 2013 through June 30, 2017. Each of these contracts includes a provision, for 15% employee contributions for all health care plans regardless of coverage for those employees hired prior to July 1, 2014. This same provision is implemented for non-bargaining (management) employees as well as the FOP and DOE members. The IBEW union contract provides that for those employees hired after July 1, 2014 the employee contributions will increase to 20% for all health plans regardless of coverage.

On July 27, 2012 a group of non-bargaining employees petitioned the Public Employment Relations Board for union representation by the American Federation of State, County, and Municipal Employees, Council 81. The petition was granted and a majority vote of the applicable employees approved the union affiliation. Contract negotiations began on July 11, 2013 and continued throughout fiscal year 2014.

The City of Dover funds the other postemployment benefits for current retirees on a pay-as-you-go basis along with funding for future benefits at a rate that is approved in the annual budget, but not actuarially determined. Additional funding has also been provided on an ad hoc basis. The employer contributions towards retiree health care premiums this fiscal year are as follows:

General Government	$ 3,108,484
Water/Wastewater Fund	303,913
Electric Revenue Fund	1,673,783
Total Benefit Provided	$ 5,086,180

Transactions are recorded in the OPEB Trust for the payment of administrative and investment expenses and financed through investment earnings. City appropriations and other employer contributions for health care are recorded in the OPEB Trust. The OPEB Board of Trustees is responsible for the management of the trust investments.

Contributions

The contribution rates for the employer are established annually by the budgeting process of the City. Those rates include an employer contribution based on projected pay-as-you-go financing requirements as a percent of premiums, with an additional amount to prefund benefits, which is not actuarially determined.

Annual OPEB Cost and Net OPEB Obligation/ (Asset)

The City's annual OPEB cost is calculated based on the Annual Required Contribution (ARC) of the employer, an amount actuarially determined in accordance with GAAP. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period of thirty years. Amounts "required" but not actually set aside to pay for these benefits are accumulated as part of the net OPEB obligations. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and the City's net OPEB obligation:

	Total	Governmental Activities	Water/ Wastewater Fund Activities	Electric Fund Activities
Annual Required contribution	$ 5,948,442	$ 4,842,572	$ 346,789	$ 759,081
Interest on OPEB obligation	698,365	735,416	26,049	(63,100)
Adjustment to annual required contribution	(867,558)	(913,585)	(32,360)	78,387
Annual OPEB Cost	5,779,249	4,664,403	340,478	774,368
Employer Contributions	(5,086,180)	(3,108,484)	(303,913)	(1,673,783)
Increase/(decrease) in net OPEB obligation	693,069	1,555,919	36,565	(899,415)
Net OPEB obligation (asset) at beginning of year	12,392,061	13,112,314	449,016	(1,169,269)
Net OPEB obligation (asset) at end of year	$ 13,085,130	$ 14,668,233	$ 485,581	$ (2,068,684)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation thru fiscal year 2014 are as follows:

Fiscal Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2012	$ 7,528,602	75.0%	$ 10,463,722
2013	$ 5,948,117	67.6%	$ 12,392,061
2014	$ 5,779,249	61.1%	$ 13,085,130

The City did not meet its funding obligation for Fiscal Year 2014. In 2009 the City elected a ten-year phase-in plan to achieve the appropriate funding level. Fiscal Year ending June 30, 2014 was the sixth year of the phase-in to full funding of the ARC. The City continues to work with its collective bargaining units for alternative benefit plan options to reduce the Actuarial Accrued Liability (AAL) and its ARC.

Funded Status and Funding Progress

As of June 30, 2014, the most recent GASB 45 Actuarial Valuation date, the plan was 19.4% funded. The actuarial accrued liability for benefits was $70.4 million, and the actuarial value of assets was $13.6 million, resulting in an unfunded actuarial accrued liability (UAAL) of $56.8 million for the primary government. The covered payroll (annual payroll of active employees covered by the plan) was $17.5 million, and the ratio of the UAAL to the covered payroll was 324%.

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information regarding whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the actuarially determined contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the OPEB plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit

costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The Projected Unit Credit Cost Method was used to determine the Annual Required Contribution for the June 30, 2014 actuarial valuation. Investments are valued at market rates. The actuarial assumptions included a 5.6% phase-in investment rate of return, which is a blended rate of the full funding return on plan assets of 7% and a unfunded discount rate of 3.5%. The discount rate of 5.6% is representative of the ten-year phase-in plan. The UAAL is being amortized as a level dollar amount over 30 years based on an open group. The inflation assumption is 7.80% for those less than age 65 and 7.20% for those who are greater than or equal to age 65.

17. DEFERRED COMPENSATION PLAN

Effective November 14, 1983, the City added a self-directed 457 Deferred Compensation Plan to its employee benefit options. The plan is administered by the International City Management Retirement Corporation (RC). The assets are held in the name of each participant with the ICMA (International City/County Management Associations) Retirement Trust. Employees are eligible to make contributions to the plan not to exceed the ceiling set by federal regulations. The City later added an alternative investment firm for the Deferred Compensation Plan with Nationwide Retirement Solutions.

In May 1994, the City offered to employees the 457 Deferred Compensation Plan as their pension plan in lieu of participation in the General Employee Pension Plan. At that time 41 employees opted out of the Defined Benefit Pension Plan and enrolled in the Deferred Compensation Plan. The ICMA 457 Deferred Compensation Plan has assets of $7,427,375 (market value) as of June 30, 2014, with 133 contributing employees. The Nationwide plan has assets of $3,281,713 (market value) as of June 30, 2014 with 23 contributing employees. Quarterly statements are mailed to each participant by the plan administrators. All administration fees are borne by the participants. All contributions are 100% vested upon election of the plan. Employees are eligible to withdraw or rollover to another plan the employer and employee benefits upon separation of service. Withdrawals prior to age 59½ could be subject to penalty.

Employees who select the defined benefit plan are also eligible for the 457 Deferred Compensation Plan. No matching employer contribution is made to the 457 Deferred Compensation Plan. As of June 30, 2014, there are 324 employees eligible to enroll in the 457 Deferred Compensation Plan.

18. RETIREMENT PLANS

The City participates and/or manages four retirement plans on behalf of its employees. Three of the pension plans are defined benefit plans and one is a defined contribution plan. Two of the defined benefit plans are closed to new hires. All full-time employees are required to enroll in a pension plan. During fiscal year 2014 the total wages were $19.1 and the total pensionable wages were $17.5 for all full-time employees. The number of employees eligible for pension benefits as of June 30, 2014 is 324.

A. Defined Contribution Plan

Effective July 1, 2000, the City implemented an IRC 401a Money Purchase Plan “401a Plan,” a self-directed defined contribution plan, as an alternative choice for pension benefits. The contribution and funding requirements of the plan are established by the City and may be amended

by the City. The plan is administered by the International City Management Retirement Corporation (RC). The assets are held in the name of each participant with the ICMA (International City/County Management Associations) Retirement Trust. Quarterly statements are mailed to each participant by RC. All administration fees are borne by the participants.

The City provides a 3% match of the employees required contribution to the 401a Plan, and up to an additional 3% to the 401a Plan for a potential total contribution of 6%, if the employee contributes up to an additional 3% to their 457 Plan (see note 17 – Deferred Compensation Plan). The 401a Plan and 457 Plan contributions are calculated on base wages plus on-call pay, pay adjustments, and scheduled overtime. All full-time regular employees are eligible, excluding law enforcement personnel. Personnel that elect the defined contribution plan are not eligible for the defined benefit plan. All contributions are 100% vested upon election of the plan. To be eligible for benefit payments, the participant must meet the same eligibility requirements as the participants in the defined benefit plan. Employees are eligible to withdraw or rollover to another plan the employer and employee benefits upon separation of service. Withdrawals prior to age 59 ½ could be subject to penalty.

As of June 30, 2014, there were 112 full-time employees enrolled in the 401a plan. The City contributed a total of $247,841 on wages of approximately $4.7 million. Employees contributed $140,602 to the 401a Money Purchase Plan and $487,332 to the 457 Deferred Compensation Plans (see also Note 17). The market value of the 401a plan assets totaled $4,477,709 as of June 30, 2014.

B. Defined Benefit Plans

The City participates in three defined benefit pension plans: City of Dover Police Pension Plan (closed), City of Dover General Employee Pension Plan (closed), and State of Delaware County and Municipal Police Pension Plan. The City of Dover Police Pension Plan, a single employee defined benefit plan, covers all uniformed police officers hired prior to September 1, 1982. The City of Dover General Employee Pension Plan, a single employer defined benefit plan, covers all full-time permanent employees, other than police officers. The State of Delaware County and Municipal Police Pension Plan, a multi-employer cost sharing defined benefit plan, covers all uniformed police officers hired on or after September 1, 1982. The City makes employer contributions to all three plans.

The City holds on behalf of the Pension Boards of Trustees the assets of the two single-employer defined benefit plans and, accordingly, is required to prepare pension trust fund financial statements using the accrual basis of accounting. Investments are reported at fair value based on quoted market prices. Receivables and payables represent year end accruals of short-term receipts or charges. The administration of plan assets for both the Police Pension Plan and the General Employee Pension Plan is conducted by the Pension Boards as described in the subsequent disclosures.

Separate pension fund financial statements for each plan have not been issued; accordingly, they are presented as required by GASB Statement No. 34, as follows:

The City of Dover, Delaware
Combining Statement of Pension Trust Fund Net Position
June 30, 2014

	Police Pension	General Pension	Totals
ASSETS:			
Cash and cash equivalents	$ 559,525	$ 1,589,783	$ 2,149,308
Investments at fair value - Mutual Funds	11,699,622	32,839,160	44,538,782
Receivables	20,200	-	20,200
Total Assets	12,279,347	34,428,943	46,708,290
LIABILITIES:			
Accounts Payable	-	(3,334)	(3,334)
Net position held in trust for pension benefits	$ 12,279,347	$ 34,425,609	$ 46,704,956

Investment Policy Statements are adopted by the Board of Trustees for each pension plan. At the current time, both plans have the same category allocations as follows:

Category Allocation	Target Percentage
Money Market	4.50%
Short Term Bonds	5.50%
Inflation Protected Bonds	6.00%
Intermediate Term Bonds	8.00%
Long Term Bonds	9.00%
High Yield Bond	6.00%
Large Cap Value	10.00%
Large Cap Growth	11.00%
Mid Cap	5.00%
Small Cap	7.00%
Real Estate Investment	8.00%
Foreign Equity	10.00%
Emerging Markets	10.00%
	100.00%

The City of Dover, Delaware
Combining Statement of Changes in Pension Trust Fund Net Pension
For the Year Ended June 30, 2014

	Police Pension	General Pension	Totals
Additions			
Net investment income	$ 1,568,176	$ 4,148,960	$ 5,717,136
City's contribution - payroll based	-	278,036	278,036
City's contribution - lump sum	689,400	3,194,700	3,884,100
Employee contribution	-	211,550	211,550
State contributions	471,461	-	471,461
Other	68,502	-	68,502
Total Additions to Net Position	2,797,539	7,833,246	10,630,785
Deductions			
Benefit payments	1,548,151	3,633,818	5,181,969
General administration	5,247	16,296	21,543
Refund of pension contribution	-	20,376	20,376
Total Deductions From Net Position	1,553,398	3,670,490	5,223,888
Change in net position	1,244,141	4,162,756	5,406,897
Net Position - Beginning	11,035,206	30,262,853	41,298,059
Net Position - Ending	$ 12,279,347	$ 34,425,609	$ 46,704,956

Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due, pursuant to formal commitments, to provide contributions. Benefits or refunds are recognized when due and payable in accordance with the terms of each plan. Investment management and consultant fees are paid from the Pension Trusts Funds. All actuarial costs are paid from other City funds.

The State contributes to the City of Dover certain grants on behalf of law enforcement programs. The State assesses a .25% surcharge on insurance policies issued in the State. Each year this amount is allocated to the municipalities in Delaware in direct ratio to the number of officers employed. The State also provides 75% for the annual cost of living increase (COLA) granted to police retirees on January 1 each year. The Police Pension Ordinance provides for these grants to be transferred to the Police Pension Trust. These amounts are included as grants received revenue and Public Safety and Law Enforcement expenditures in the General Fund.

Total eligible full-time employee wages covered by the two active defined benefit pension plans were $13.4 million this fiscal year.

i. City of Dover Police Pension Plan

Plan Description

This contributory pension plan began on January 1, 1970 under the authority of the City Code, Chapter 62, Article III, Pension Plan, Section 62-71 through 62-84. The contribution and funding requirements of the plan are established by the City and may be amended by the City Council. It is a closed plan. The last active employee retired June 29, 2006. An officer's pension right is vested upon the completion of 15 years of continuous service. As of June 30, 2014, there are 48

retirees and beneficiaries receiving benefits.

Fully vested employees who have completed 20 to 25 years of continuous service are entitled to annual benefits equal to 2 ½% of their average earnings for each year of continuous service. The maximum benefit is 62 ½% of average earnings. If a participant terminates after completing 15 years of service, the participant will be eligible for a deferred benefit commencing at age 60 with a benefit accrued at the date of termination. In place of this vesting, participants may elect to receive their accumulated contributions.

Disability benefits are paid to a participant who is totally or partially disabled in the performance of his or her duties. The total duty-connected disability benefit is payable monthly and equal to 75% of the monthly rate of earning at the time of disability. The partial duty-connected disability benefit is the accrued benefit at the date of disability if not less than 50% of average earnings. Disability benefits cease if the participant recovers or dies. If the disabled participant reaches his normal retirement date, the benefit is reduced by one-third.

Survivor's benefits are payable monthly in an amount equal to 75% of the participant's rate of earnings, for a duty related death. Survivor's benefits are payable monthly in an amount not to exceed 25% of the participant's rate of earnings, for a non-duty related death, if the participant has completed 10 years of service. If a retired participant dies, his or her spouse receives 50% of the benefit. All benefits under the plan, including survivor's benefits, are increased 2% per annum.

There have been no changes in benefits during the valuation period by City Council.

Plan Administration

Management of the plan investments are fully vested with the City of Dover Police Pension Board as established in the City Code, which consists of three elected by plan members, two Council members appointed by the Council President, the Chief of Police, and the City Manager. The City Controller/Treasurer serves as an ex-officio member. Milliman of Albany, New York provides asset management advisory and consulting services to the Board.

Funding Policy

The City intends to continue to fund the actuarial determined contributions (ADC) as provided for in the actuarial valuation. The current year contributions are based on the parameters set forth in the actuarial valuation report as of June 30, 2014 in accordance with GASB Statement 67. The funding may be impacted by differences in actual experience and the actuarial assumptions. The employer contributions are considered by the actuaries in their determination of the actuarial determined contribution. In addition, the City has adopted in its financial policies to have any surplus in the budget balances of the prior year be transferred to the retirement benefit plans to further reduce the net pension obligation.

The ADC conforms to the entry age normal cost method as defined in GASB Statement 67. The City has interim valuations completed each year between the required biennial valuations to monitor the progress of the net pension obligation. The City's actuary is Milliman of Wayne, Pennsylvania. The calculation of the net pension asset for June 30, 2014 is presented below.

	Governmental Activities
Actuarially determined contribution	$ 1,155,110
Employer contributions	(1,229,363)
Contribution deficiency/(excess)	(74,253)
Net pension (asset) at beginning of year	(106,065)
Net pension (asset) at end of year	$ (180,318)

Net Pension Liability

As of June 30, 2014, the most recent measurement date for the actuarial valuation, the plan was 62.97% funded. The total pension liability for benefits was $19.5 million, and the fiduciary net position was $12.3 million, resulting in a net pension liability (NPL) of $7.2 million for the primary government. There are no active officers, therefore there is no covered payroll or ratio of the net pension liability to cover payroll. There have been no changes in actuarial assumptions or methods since the prior valuation.

The following presents the net pension liability of the City of Dover Police Pension Plan, calculated using the discount rate of 7.00%, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate 7.00%	1% Increase (8.00%)
Net pension liability	$ 9,203,000	$ 7,220,000	$ 5,539,000

The schedule of changes in the net pension liability, schedule of City contributions, and a schedule of investment returns are presented as Required Supplementary Information (RSI) following the notes to the financial statements.

For the year ended June 30, 2014, the annual money weighted rate of return on the general employee pension plan investments, net of investment expense was 14.76%. The money weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by proportion of time they are available to earn a return during that period.

Actuarial Methods and Significant Assumptions

Valuation date	July 1, 2012
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar of projected payroll
Remaining amortization period	11 years
Amortization period	Closed
Asset valuation method	Current market value
Actuarial assumptions:	
Investment rate of return	7.0% (See supplementary schedule in RSI)
Discount rate	7.0%
Projected salary increases	none, no remaining active participants
Includes inflation at	none, no remaining active participants
Automatic Cost of Living (retirees)	2.0%
Mortality	RP-2000 Healthy Annuitant Mortality Table

The July 1, 2012 valuation date determines the June 30, 2013 and June 30, 2014 fiscal year end contributions.

ii. City of Dover General Employee Pension Plan

Plan Description

The City of Dover General Employee Pension Plan started on July 1, 1967, under the authority of the City Council, Municipal Code, Chapter 2, Article IV, Division 7, General Employee Pension Plan, Sections 2-321 through 2-370, and was made contributory on July 1, 1983. Employees contribute 3.5% of gross salary, exclusive of unscheduled overtime. An employee's pension right is vested upon completion of 10 years of continuous service. At the present time, 120 employees and 205 retirees participate in the plan, while 112 employees are enrolled in the defined contribution plan, which began July 1, 2000. Current membership in the General Employee Pension Plan as of June 30, 2014, is comprised of the following:

Retired and beneficiaries currently receiving benefits		205
Active employees	Fully Vested	80
	Non-Vested	40
Deferred vested		15

The percentage of covered payroll which employees contribute is stated in the City Code, and is considered by the actuaries in their determination of the actuarial determined contribution for service cost. For the year ended June 30, 2014, gross payroll earnings of $6.0 million were reported to and covered by this plan.

An employee hired before May 1, 1994 is eligible for normal retirement benefits under this plan: when he/she attains the age of 65 with 10 years of continuous service. This same employee is eligible for early retirement when he/she attains the age of 50 with 20 years of continuous service or has completed 25 years of service.

Employees hired on or after May 1, 1994 who attained age 55 and whose attained age plus years of continuous service is equal to or greater than 80 are eligible for early-unreduced retirement benefits under this plan. The monthly benefits are 1/50 of the average actual monthly earnings multiplied by years and months of credited service upon retirement (highest 36 consecutive months in his/her final 10 years of continuous service). The monthly benefit shall not be less than $200 per month. Benefits are paid for the lifetime of the participant. Upon the death of the participant, 50% of the payments to which the participant was or would have been entitled shall be made to his eligible survivor.

An employee may also take an early-reduced retirement on any date following the attainment of age 55 and the completion of 10 years of continuous service. However, the early retirement benefit is calculated in the same manner as the normal retirement benefit, at a reduced rate of one-half percent for each month computed from the date of early retirement to age 65 years.

Survivor's benefits are payable to eligible survivors of a participant who dies after completing 10 years of continuous service. The amount of the death benefit is equal to 50% of the retirement benefit the participant would have received had he retired the day before he died. A participant is vested in the pension plan after completing 10 years of continuous service, with survivor benefits commencing when the employee would have attained the age of 65.

The benefit is calculated using the normal retirement benefit formula and service at date of termination. If an employee terminated before becoming vested in the plan, they are eligible to withdraw this total contribution with interest compounded annually.

On May 1, 1994, a deferred compensation option was offered to employees in lieu of participation in the General Employee Pension Plan, and at that time 41 employees elected to switch to the deferred compensation plan. (See Note 17 – Deferred Compensation Plan)

Effective September 29, 2009 the City Council voted to close the General Employee's Pension plan to new hires.

There have been no changes in benefits during the valuation period by City Council.

Plan Administration

Management of the plan investments are fully vested with the City of Dover Employees" Police Pension Board as established in the City Code, which consists of three elected by plan members, two Council members appointed by the Council President, the City Controller/Treasurer, and the City Manager. The City Controller/Treasurer serves as an ex-officio member. Milliman of Albany, New York provides asset management advisory and consulting services to the Board.

Funding Policy

The City intends to fund the actuarial determined contributions (ADC) as provided for in the actuarial valuation. The City uses the percentage of payroll determined by the actuary for its contributions. The current year contributions are based on the parameters set forth in the actuarial valuation report as of June 30, 2014 in accordance with GASB Statement 67. The funding may be impacted by differences in actual experience and the actuarial assumptions. The employer contributions are considered by the actuaries in their determination of the actuarial determined contribution. In addition, the City has adopted in its financial policies to have any surplus in the budget balances of the prior year be transferred to the retirement benefit plans to further reduce the net pension obligation.

The ADC conforms to the entry age normal cost method as defined in GASB Statement 67. The City has interim valuations completed each year between the required biennial valuations to monitor the progress of the net pension obligation. The City's actuary is Milliman of Wayne, Pennsylvania. The calculation of the net pension asset for June 30, 2014 is presented below.

	Total	Governmental Activities	Water/ Wastewater Fund Activities	Electric Fund Activities
Actuarially determined contribution	$ 2,628,694	$ 1,746,129	$ 243,216	$ 639,349
Employer contributions	(3,472,736)	(1,711,281)	(368,565)	(1,392,890)
Contribution deficiency/(excess)	(844,042)	34,848	(125,349)	(753,541)
Net pension (asset) at beginning of year	(6,914,326)	(191,820)	(479,537)	(6,242,969)
Net pension (asset) at end of year	$ (7,758,368)	$ (156,972)	$ (604,886)	$ (6,996,510)

Net Pension Liability

As of June 30, 2014, the most recent measurement date for the actuarial valuation, the plan was 60.91% funded. The total pension liability for benefits was $56.5 million, and the fiduciary net position was $34.4 million, resulting in a net pension liability (NPL) of $22.1 million for the primary government. The covered payroll (annual payroll of active employees covered by the plan) was $6 million, and the ratio of the NPL to the covered payroll was 370.03%. There have been no changes in actuarial assumptions or methods since the prior valuation.

The following presents the net pension liability of the City of Dover General Employee Pension Plan, calculated using the discount rate of 7.00%, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate 7.00%	1% Increase (8.00%)
Net pension liability	$ 29,114,000	$ 22,093,000	$ 16,260,000

The City's amortization period for fiscal year 2014 was 21 years of a 30 year amortization period. Due to the additional City contributions over the past three years, the actuaries have changed the amortization period to 15 years effective fiscal year 2015. The schedule of changes in the net pension liability, schedule of City contributions, and a schedule of investment returns are presented as Required Supplementary Information (RSI) following the notes to the financial statements.

For the year ended June 30, 2014, the annual money weighted rate of return on the general employee pension plan investments, net of investment expense was 13.84%. The money weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by proportion of time they are available to earn a return during that period.

Actuarial Methods and Significant Assumptions

Valuation date	July 1, 2012
Actuarial cost method	Aggregate entry age normal
Amortization method	Level dollar of projected payroll
Remaining amortization period	15 years
Amortization period	Closed
Asset valuation method	Smoothes gains and losses over a 5-year period
Actuarial Assumptions:	
Investment rate of return	7.0% (See supplementary schedule in RSI)
Discount rate	7.0%
Projected salary increases	4.0%
Includes inflation at	3.5%
Mortality	RP-2000 Healthy Annuitant Mortality Table

The July 1, 2012 valuation date determines the June 30, 2013 and June 30, 2014 fiscal year end contributions.

iii. State of Delaware Police Pension Plan

The City participates in the State of Delaware "County and Municipal Police Pension Plan" for uniformed police officers whose employment with the City started on or after September 1, 1982 under the authority of the City Code, Chapter 62, Article III, Pension Plan, Section 62-71. This is a cost–sharing multiple-employer defined benefit pension plan. The State of Delaware enacted legislation to provide for the plan and is responsible for setting benefits, contributions and amending plan provisions. This is a contributory plan with the employee contributing 7% of gross salary, exclusive of overtime. For the year ended June 30, 2014, $6.4 million in payroll earnings were reported to and covered by this plan.

The City's contribution percentages were 14.53%, 14.75% and 15.52% for the fiscal years ended June 30, 2012, 2013 and 2014, respectively. The City's contributions to the plan for years ended June 30, 2012, 2013 and 2014 were $940,562, $936,894 and $990,588 respectively and were equal to the required contributions for each year. These contributions cover the City's total liability for funding, as determined by the State of Delaware's actuary.

The pension plan is managed by the State of Delaware Board of Pension Trustees. The Comprehensive Annual Financial Report of the Delaware Public Employees Retirement System can be obtained from the Office of Pensions, 680 Silver Lake Boulevard, Dover, Delaware, 19904-2402 or at www.delawarepensions.com.

As of June 30, 2014 city membership in this plan is comprised of the following:

Retired and beneficiaries currently receiving benefits		40
Active employees:	Fully Vested 5 years	73
	Non-Vested	19

The State of Delaware County and Municipal Police Pension Plan provides benefits equal to 2.5% of final average compensation multiplied by years of service up to 20 years inclusive, plus 3.5% of final average compensation multiplied by years of service above 20 years. Vesting occurs after five years of credited service. Retirement is at age 62 with five years of service; age plus credited service (but not less than 10 years) equals 75; or 20 years of credited service.

Disability benefits paid to a participant who is totally disabled in the performance of duty are 75% of final average compensation plus 10% for each dependent not to exceed 25% for all dependents. Partial disability benefits for duty-related or ordinary disability are calculated the same as a service pension (subject to maximum and minimum limitations).

If a retired participant dies, the eligible survivor receives 50% of the monthly benefit. If an active employee dies, the survivor receives 50% of the monthly benefit that the employee would have received at age 62.

Assets of the plan are managed by investment firms approved by the State Pension Board. Details are available from the State Pension Office, Dover, Delaware at: www.delawarepensions.com.

FINANCIAL SECTION

PART D

REQUIRED SUPPLEMENTARY INFORMATION

Services to Our Residents and Customers

Animal Control Enforcement
Beautification Building
Bulk Trash Collection
Elections
Community Development/Housing
Community Policing
Economic Development
Electricity
Emergency Preparedness
Fire Protection
Inspections & Code Enforcement
Leaf Collection
Library
Parks
Planning & Zoning
Police Protection
Recreation
Snow Removal
Street Maintenance/Cleaning
Trash Collection
Tree Maintenance & Management
Water/Sewage Service

CITY OF DOVER
GENERAL FUND

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)

For the Year Ended June 30, 2014

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Beginning Balance - Working Capital	$ 3,455,200	$ 4,219,800	$ 4,219,831	$ 31
REVENUES:				
Fines & Police Revenue	606,000	510,600	590,287	79,687
911 Fee	60,000	63,300	63,337	37
Interest Earnings	75,000	40,000	28,950	(11,050)
Library Revenues - General	66,600	70,500	68,190	(2,310)
Library Revenues - County Reimbursement	400,000	460,000	430,363	(29,637)
Business Licenses	1,460,000	1,460,000	1,494,315	34,315
Permits & Other Licenses	1,167,500	1,332,500	1,597,262	264,762
Miscellaneous Revenues	63,300	53,100	57,041	3,941
Police Extra Duty Fees	650,000	650,000	562,854	(87,146)
Property Taxes	11,120,000	11,046,000	11,044,429	(1,571)
Bid Revenue	49,500	49,500	50,050	550
Recreations Revenue	133,000	148,800	151,925	3,125
Franchise Fees	606,200	636,000	648,345	12,345
Transfer Tax	1,315,500	1,393,000	1,544,084	151,084
Trash Fees	2,676,500	2,595,600	2,595,648	48
Garrison Farm Rent	118,500	118,500	92,956	(25,544)
Court of Chancery Fees	863,200	1,002,200	1,034,460	32,260
Intrafund Service Receipts Water/Wastewater	1,134,900	1,360,300	1,218,851	(141,449)
Intrafund Service Receipts Electric	3,319,400	3,572,700	3,427,308	(145,392)
Grants:				
Green Energy Grant	98,500	98,500	98,500	-
Miscellaneous Grants	25,000	25,000	1,000	(24,000)
Police Pension Grant	500,000	500,000	471,461	(28,539)
Transfer from Police Grant Funds	110,000	126,800	80,212	(46,588)
Transfer from Municipal Street Aid	527,400	663,900	664,866	966
Transfer from Civil Traffic Penalties	600,000	368,400	357,531	(10,869)
Transfer from Verizon, Contingency and CI Reserves	32,000	282,000	275,968	(6,032)
Transfer from Water/Wastewater Fund	500,000	500,000	500,000	-
Transfer from Electric Fund	8,000,000	8,000,000	8,000,000	-
Total Revenues	36,278,000	37,127,200	37,150,193	22,993
TOTAL BEGINNING BALANCE & REVENUES	$ 39,733,200	$ 41,347,000	$ 41,370,024	$ 23,024

(continued)

(continued)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
EXPENDITURES:				
Tax Assessor	$ 198,300	$ 208,400	$ 209,395	$ (995)
Fire	692,100	741,600	673,464	68,136
Library	1,330,400	1,336,900	1,324,178	12,722
Recreation	708,200	717,200	677,534	39,666
Planning Commission	444,800	422,600	422,085	515
Public Inspections	540,300	695,200	660,580	34,620
Life Safety	468,200	491,400	519,875	(28,475)
Code Enforcement	377,100	443,000	412,830	30,170
Economic Development	215,200	215,200	213,889	1,311
Police	14,331,800	15,123,600	14,907,683	215,917
Streets	603,700	660,300	641,167	19,133
Sanitation	2,153,800	2,253,500	2,156,228	97,272
Allocated Expenditures:				
Human Resources	334,300	393,100	363,064	30,036
Customer Services	1,109,400	1,232,200	1,201,976	30,224
City Manager	457,300	460,000	533,336	(73,336)
Information Technology	660,500	740,000	716,217	23,783
Finance	906,500	980,000	910,724	69,276
Public Services-Administration	425,800	513,100	432,425	80,675
Facilities Management	632,600	689,100	634,315	54,785
Central Services	517,600	559,400	521,148	38,252
Vehicle Maintenance	720,700	770,900	780,084	(9,184)
City Clerk	334,400	371,700	367,809	3,891
Mayor	83,300	83,300	75,380	7,920
Council	107,800	107,800	99,829	7,971
Grounds Maintenance	948,500	1,160,700	1,031,134	129,566
Insurance	658,900	658,900	655,998	2,902
Contribution to Downtown Dover Partnership	162,400	162,400	162,400	-
Tree Grant Expense	25,000	25,000	-	25,000
Other Employment Expenses	400,000	-	-	-
Retiree Benefits	1,636,500	1,636,500	1,636,500	-
Subtotal	32,185,400	33,853,000	32,941,247	911,753
Debt Service - Principal and Interest	557,300	557,300	552,051	5,249
Transfer to Capital Fund for Projects	1,278,300	1,448,800	1,448,800	-
Transfer to Police Pension Fund	500,000	500,000	471,461	28,539
Transfer to Uncollectibles Trash and Other	10,000	10,000	10,000	-
Appropriation to Police Pension Fund	307,400	689,400	689,400	-
Appropriation to Pension Fund	1,159,100	121,000	121,000	-
Street Lights	836,000	774,500	774,533	(33)
Total Expenditures	36,833,500	37,954,000	37,008,492	945,508
Budget Balance - Working Capital	2,899,700	3,393,000	4,361,532	(968,532)
Total Budget Balance & Expenditures	$ 39,733,200	$ 41,347,000	$ 41,370,024	$ (23,024)

Budget Balance - Working Capital	$ 4,361,532
Perspective and GAAP (Non-GAAP) Differences:	
Reserve for Encumbrances	(37,377)
Fair value of investment adjustment	(13,851)
Deferred Revenues - Non-spendable	(688,935)
Inventory & Prepaids - Non-spendable	(186,290)
Unassigned Fund Balance	$ 3,435,079

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

1. GOVERNMENTAL BUDGETS

A. Budgetary Basis of Accounting

The City prepares its budget for the General Fund revenue on a modified accrual basis. The expenditures are accounted for when the purchase orders are issued. Encumbrances are established when purchase orders are issued and accounted for as a reservation of fund balance at year-end. The budget is amended in the subsequent year for the outstanding encumbrances of the prior year. The modified accrual basis of accounting is used for the fund financial statements. The City considers the beginning fund balance an item of revenue for budgetary purposes.

General Fund actual revenues were higher than the final budget by $22,993 with increases in police fines, building permits, business licenses, transfer taxes and Court of Chancery fees. The major source of decrease in revenues was attributed to the intrafund service fees related to attrition and retirements thus reducing personnel cost in the proprietary funds. Additional decreases were attributed to police extra duty fees, grant receipts, and transfers from special revenue funds. Expenditures were lower than budget by $945,508 across several functions as a result of personnel reductions through attrition and retirements. The City Manager expenditures exceeded their budget as a result of increased legal fees attributed to collective bargaining negotiations and the formation of an additional collective bargaining unit. The net result is an increase of $968,532 to the General Fund ending fund balance.

B. Budget Amendments

During this fiscal year, the City Council amended the budget three times. These budget amendments or supplemental appropriation ordinances were primarily for the following purposes:

1. To amend the grant budgets, reserve accounts for the actual results of the prior fiscal year and to re-appropriate budget balances for ongoing capital projects.
2. To amend all carried forward budget balances for the major operating funds from the prior fiscal year, as well as program revenues and expenses based on the analyses provided by a mid-year review.
3. To amend significant changes in program revenues, expenses and ending fund balances based on actual amounts.

2. PENSION PLANS

A. Police Pension Plan

The net pension liability for this plan is being amortized over 30 years beginning July 1, 1994, 11 of which remain as of July 30, 2014 with payments increased at 3 ½% per year. The amortization period is closed.

Schedule of Changes in Net Pension Liability, Related Ratios and Investment Returns
POLICE PENSION
Fiscal Year Ended June 30, 2014

Total Pension Liability	
Interest on total pension liability	$ 1,324,605
Effect of economic/demographic (gains) or losses	25,546
Benefit payments	(1,548,151)
Net change in total pension liability	(198,000)
Total pension liability, beginning	19,697,000
Total pension liability, ending (a)	$ 19,499,000
Fiduciary Net Position	
Employer contributions	$ 1,229,363
Investment income net of investment expenses	1,583,346
Benefit payments	(1,548,151)
Administrative expenses	(20,417)
Net change in plan fiduciary net position	1,244,141
Fiduciary net position, beginning	11,035,206
Fiduciary net position, ending (b)	$ 12,279,347
Net pension liability, ending = (a) - (b)	$ 7,219,653
Fiduciary net position as a % of total pension liability	62.97%
Covered payroll	$ -
Net pension liability as a % of covered payroll	N/A
Annual money-weighted rate of return, net of investment expense	14.76%

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

Police Pension Fund
Required Supplementary Information
Schedule of Employer Contributions

Fiscal Year Ended June 30	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2005	$ 533,486	$ 852,135	$ (318,649)	$ -	N/A
2006	560,638	717,617	(156,979)	-	N/A
2007	485,055	746,985	(261,930)	-	N/A
2008	358,807	721,202	(362,395)	-	N/A
2009	520,505	725,492	(204,987)	-	N/A
2010	786,436	496,587	289,849	-	N/A
2011	1,082,956	633,636	449,320	-	N/A
2012	979,132	668,274	310,858	-	N/A
2013	1,155,796	1,074,599	81,197	-	N/A
2014	1,155,110	1,229,363	(74,253)	-	N/A

Actuarial Methods and Significant Assumptions

Valuation date	July 1, 2012
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar of projected payroll
Remaining amortization period	11 years
Amortization period	Closed
Asset valuation method	Current market value
Actuarial assumptions:	
Investment rate of return	7.0% (See supplementary schedule in RSI)
Discount rate	7.0%
Projected salary increases	none, no remaining active participants
Includes inflation at	none, no remaining active participants
Automatic Cost of Living (retirees)	2.0%
Mortality	RP-2000 Healthy Annuitant Mortality Table

The July 1, 2012 valuation date determines the June 30, 2013 and June 30, 2014 fiscal year end contributions.

B. Employee Pension Plan

The net pension liability for this plan was being amortized over 25 years beginning July 1, 2010, 21 of which remained as of July 30, 2014 with payments increased at 3 ½% per year. Investment gains and losses are spread over five years. Upon completion of the GASB 67 Disclosure report, the actuary is recommending a 15 year amortization schedule effective fiscal year 2015. The amortization period is closed.

Schedule of Changes in Net Pension Liability, Related Ratios and Investment Returns
GENERAL PENSION
Fiscal Year Ended June 30, 2014

Total Pension Liability		
Service cost	$	484,166
Interest on total pension liability		3,809,755
Effect of economic/demographic (gains) or losses		111,273
Benefit payments		(3,654,194)
Net change in total pension liability		751,000
Total pension liability, beginning		55,768,000
Total pension liability, ending (a)	$	56,519,000
Fiduciary Net Position		
Employer contributions	$	3,472,736
Member contributions		211,550
Investment income net of investment expenses		4,153,081
Benefit payments		(3,654,194)
Administrative expenses		(20,417)
Net change in plan fiduciary net position		4,162,756
Fiduciary net position, beginning		30,262,853
Fiduciary net position, ending (b)	$	34,425,609
Net pension liability, ending = (a) - (b)	$	22,093,391
Fiduciary net position as a % of total pension liability		60.91%
Covered payroll	$	5,970,703
Net pension liability as a % of covered payroll		370.03%
Annual money-weighted rate of return, net of investment expense		13.84%

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

General Employee Pension Plan
Required Supplementary Information
Schedule of Employer Contributions

Fiscal Year Ended June 30	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2005	$ 1,726,989	$ 1,566,845	$ 160,144	$ 7,320,938	21.40%
2006	2,022,614	1,739,448	283,166	7,380,629	23.57%
2007	2,231,594	2,767,177	(535,583)	7,612,121	36.35%
2008	2,269,802	2,908,080	(638,278)	8,006,103	36.32%
2009	2,356,529	2,491,393	(134,864)	8,716,361	28.58%
2010	2,564,767	2,270,623	294,144	8,786,981	25.84%
2011	3,149,493	3,347,728	(198,235)	8,256,751	40.55%
2012	3,130,022	3,142,951	(12,929)	7,974,057	39.41%
2013	3,217,964	9,788,571	(6,570,607)	7,076,322	138.33%
2014	2,628,694	3,472,736	(844,042)	5,970,703	58.16%

Actuarial Methods and Significant Assumptions

Valuation date	July 1, 2012
Actuarial cost method	Aggregate entry age normal
Amortization method	Level dollar of projected payroll
Remaining amortization period	15 years
Amortization period	Closed
Asset valuation method	Smooth gains and losses over a 5-year period
Actuarial Assumptions:	
Investment rate of return	7.0% (See supplementary schedule in RSI)
Discount rate	7.0%
Projected salary increases	4.0%
Includes inflation at	3.5%
Mortality	RP-2000 Healthy Annuitant Mortality Table

The July 1, 2012 valuation date determines the June 30, 2013 and June 30, 2014 fiscal year end contributions.

3. OTHER POSTEMPLOYMENT PLAN

The following information presents additional information related to funding status and progress of Other Postemployment Benefits. It is intended to help readers assess the individual plans' funding status on a going-concern basis and assess progress made in accumulating sufficient assets to pay benefits when due.

The amount shown below as actuarial accrued liability is a measure of the difference between the actuarial present value of future plan benefits, and the actuarial present value of future normal cost.

OPEB Trust
Schedule of Funding Status and Progress

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded Actuarial Accrued Liabilities (UAAL) (2) – (1)	(4) Funded Ratio (1)/(2)	(5) Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
7/1/2008	$ -	$ 64,297,063	$ 64,297,063	0.0%	$ 18,162,177	354%
7/1/2009	4,761,141	64,812,543	60,051,402	7.3%	18,797,853	319%
7/1/2010	4,882,375	83,518,121	78,635,746	5.8%	18,292,104	430%
7/1/2011	7,047,987	83,441,000	76,393,013	8.4%	18,454,162	414%
7/1/2012	10,913,172	71,021,484	60,108,312	15.4%	17,335,618	347%
7/2/2012	13,627,223	70,414,000	56,786,777	19.4%	17,521,727	324%

Valuation Date	July 1, 2012
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Dollar Amount Open
Remaining Amortization Period	30 years (open)
Asset Valuation Method	Current Market Value
Actuarial Assumptions:	
Investment Rate of Return	7.00%
Discount Rate	5.60%
Ultimate Rate of Medical inflation	Varies between 5.00% and 5.70%
Initial Rate of Medical Inflation	7.00%< 65 and 6.60% >=65
Health Care Cost Trend	Getzen Model version 12.2 with real GDP growth assumption 1.8%
Mortality	RP-2000 Healthy Annuitant Mortality Table projected on a generational basis using Scale AA

FINANCIAL SECTION

PART E

SUPPLEMENTARY INFORMATION

- **Combined Fund Statements**
- **Budgetary Schedules**

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FINANCIAL STATEMENTS
GENERAL FUND COMBINING STATEMENTS

The Governmental Capital Projects Fund is combined with the General Fund in the Basic Financial Statements. The combining statements are presented in the supplementary information.

The budgetary comparison for the Governmental Capital Projects Fund has its own separate budget and is presented in this section to show legal compliance. The perspective difference between the basis of budgeting and GAAP is explained in the reconciliation of the basis of budgeting to GAAP.

The City of Dover
Combining General Fund Balance Sheet
June 30, 2014

	General Fund	General Capital Projects Fund	Total General Funds
Assets:			
Cash and Cash Equivalents	$ 2,708,632	$ 305,148	$ 3,013,780
Restricted Cash and Cash Equivalents	40	-	40
Investments	1,952,150	3,353,199	5,305,349
Restricted Investments	18,292	-	18,292
Receivables, net			
Accounts	2,007,898	-	2,007,898
Taxes	177,638	-	177,638
Due from Other Funds	794,727	75,039	869,766
Prepaid Items	42,999	-	42,999
Inventory, at Cost	143,291	-	143,291
Total Assets	$ 7,845,667	$ 3,733,386	$ 11,579,053
Liabilities:			
Accounts Payable	$ 970,852	$ 305,067	$ 1,275,919
Deferred Revenue	856,931	57,825	914,756
Due to Other Funds	870,340	-	870,340
Other	169,933	-	169,933
Total Liabilities	2,868,056	362,892	3,230,948
Deferred Inflows of Resources:			
Unavailable revenue	688,935	-	688,935
Total Deferred Inflows of Resources	688,935	-	688,935
Fund Balances:			
Non-Spendable			
Inventory and Prepaids	186,290	-	186,290
Library Endowment	5,000	-	5,000
Patronage Stock	16,594	-	16,594
Restricted			
Library Endowment	1,698	-	1,698
Verizon Cable Franchise	127,778	-	127,778
Committed			
Contingency	467,269	-	467,269
Parkland Reserve	-	218,654	218,654
Encumbrances	37,377	-	37,377
Assigned			
Police Investigations	11,591	-	11,591
Capital Assets	-	3,151,840	3,151,840
Unassigned	3,435,079	-	3,435,079
Total Fund Balances	4,288,676	3,370,494	7,659,170
Total Liabilities and Fund Balances	$ 7,845,667	$ 3,733,386	$ 11,579,053

The City of Dover
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances of the General Fund
For the Year Ended June 30, 2014

	General Fund	General Capital Projects Fund	Total General Funds
Revenues			
Fines	$ 653,625	$ -	$ 653,625
Library Revenue- General	68,190	-	68,190
Library Revenue County Reimbursement	430,363	-	430,363
Licenses and Permits	3,091,577	-	3,091,577
Sanitation Fees and Rebates	2,595,648	-	2,595,648
Miscellaneous Services	1,789,085	315,347	2,104,432
Property Taxes	11,094,479	-	11,094,479
Grants Received	570,961	143,856	714,817
Court of Chancery Fees	1,034,460	-	1,034,460
Investment Income	28,950	14,245	43,195
Total Revenues	21,357,338	473,448	21,830,786
Expenditures			
Current:			
General Government	1,271,521	-	1,271,521
Library Services	1,324,178	110,438	1,434,616
Public Safety and Law Enforcement	18,335,293	611,480	18,946,773
Public Works	1,520,904	48,044	1,568,948
Recreational Services	677,534	5,829	683,363
Streets and Sanitation Services	2,797,395	1,836,697	4,634,092
Financial Administration	1,002,539		1,002,539
Garage and Stores	415,593	-	415,593
Insurance	272,895	-	272,895
Retiree Health Care	1,636,500	-	1,636,500
Employee Pension	121,000	-	121,000
Community and Economic Development	211,595	-	211,595
Street Lights	774,533	-	774,533
Debt Service:			
Principal Retirement	429,238	-	429,238
Interest and Fiscal Charges	122,812	-	122,812
Total Expenditures	30,913,530	2,612,488	33,526,018
Excess (deficiency) of Revenues over Expenditures	(9,556,192)	(2,139,040)	(11,695,232)
Other Financing Sources and Uses			
Reserve Transfers		(25,140)	(25,140)
Interfund Transfers	9,697,893	1,760,552	11,458,445
Total other Financing Sources and Uses	9,697,893	1,735,412	11,433,305
Net Change in Fund Balances	141,701	(403,628)	(261,927)
Fund Balances at Beginning of Year	4,219,831	3,058,253	7,278,084
Fund Balances at End of Year	$ 4,361,532	$ 2,654,625	$ 7,016,157
Perspective and GAAP (Non-GAAP) Differences:			
Fair Value of Investment Adjustment	$ (13,851)	$ (23,771)	$ (37,622)
Deferred Revenues - Non-spendable	(688,935)	-	(688,935)
Inventory & Prepaids - Non-spendable	(186,290)	-	(186,290)
Encumbrance Reserve	(37,377)	-	(37,377)
Capital Asset - Assigned	-	(2,630,854)	(2,630,854)
Unassigned Fund Balance	$ 3,435,079	$ -	$ 3,435,079

CITY OF DOVER
GOVERNMENTAL CAPITAL PROJECTS FUND

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget & Actual (Non-GAAP Basis)
For the Year Ended June 30, 2014

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Beginning Balance - Working Capital	$ 241,200	$2,801,800	$ 2,801,727	$ (73)
Beginning Balance - Library Project	(74,700)	256,500	256,526	26
REVENUES:				
Interest Earnings	-	-	14,245	14,245
State Grant for Library Project	-	150,000	143,856	(6,144)
Library Foundation Donations	-	5,000	8,250	3,250
State Grant - Recreation	15,000	15,000	-	(15,000)
Income from Sale of Assets	-	-	27,815	27,815
Transfer from General Fund for Projects	1,278,300	1,448,800	1,448,800	-
Transfer from Parkland Reserve	95,000	80,000	-	(80,000)
Transfer from Community Transportation Fund	-	60,500	60,500	-
MSA Capital Contribution	-	251,200	251,252	52
Miscellaneous Receipts	-	264,800	279,282	14,482
Total Revenues	1,388,300	2,275,300	2,234,000	(41,300)
TOTAL BEGINNING BALANCE & REVENUES	**$ 1,554,800**	**$ 5,333,600**	**$ 5,292,253**	**$ (41,347)**
EXPENDITURES:				
Fire	$ 238,500	$ 238,500	$ 238,515	$ (15)
Grounds Maintenance	50,100	50,100	30,249	19,851
Library	-	446,500	110,438	336,062
Police	257,300	342,400	342,125	275
Procurement & Inventory	55,000	55,000	-	55,000
Public Inspections	30,000	30,900	30,840	60
Recreation	95,000	172,000	5,829	166,171
Streets	251,500	3,460,700	1,449,193	2,011,507
Sanitation	402,100	395,600	387,504	8,096
Information Technology	7,000	7,000	-	7,000
Facilities Management	17,800	17,800	17,795	5
Subtotal	1,404,300	5,216,500	2,612,488	2,604,012
Net Loss on Sale of Assets & Garrison Tract Land	-	-		-
Transfer to Parkland Reserve	-	-	14,517	(14,517)
Transfer to Capital Asset Reserve	-	-	10,623	(10,623)
Total Expenditures	1,404,300	5,216,500	2,637,628	2,578,872
Budget Balance - Working Capital	150,500	117,100	2,324,129	(2,207,029)
Budget Balance - Library Project	-	-	330,496	(330,496)
Budget Balance & Expenditures	**$ 1,554,800**	**$ 5,333,600**	**$ 5,292,253**	**$ 41,347**
Budget Balance - Working Capital			$ 2,654,625	
Perspective and GAAP (Non-GAAP) Differences:				
Deferred Revenue - non-spendable				
Fair value of investment adjustment			(23,771)	
Assigned to Capital assets			520,986	
Committed to Parks & Recreation improvements			218,654	
Total Fund Balances			**$ 3,370,494**	

FINANCIAL STATEMENTS SPECIAL REVENUE FUNDS

Special Revenue Funds include the group of funds classified as grant funds and a Realty Transfer Tax Fund. The proceeds from specific revenue sources are restricted to specified expenditure purposes. The City adopts budgets for selected Special Revenue Funds. Combining and individual statements appear in this section.

POLICE GRANTS

The City of Dover Police Department receives various grants from the State of Delaware for public and highway safety and the U.S. Department of Justice for local law enforcement. All grant transactions are recorded in this fund.

LIBRARY GRANTS

The City of Dover Public Library receives various grants from the State of Delaware, Kent County, and the Federal Government. Activities associated with these grants are recorded in this fund.

MUNICIPAL STREET AID

The State of Delaware has passed legislation to share a portion of Delaware's motor fuel tax revenue with local municipalities through grants. The amount of the grant the City receives depends on its population and miles of streets maintained. The grant is used for street light expense within the City.

CDBG HOUSING GRANTS & NEIGHBORHOOD STABILIZATION PROGRAM

The City receives a U.S. Department of Housing and Urban Development Entitlement Grant for the Community Development Block Grant Program. This provides housing to low or moderate-income persons as well as public housing rehabilitation and community policing. Combined with the CDBG Fund is the Neighborhood Stabilization Program (NSP) that provides low interest loans for low to moderate-income families.

FINANCIAL STATEMENTS SPECIAL REVENUE FUNDS
(Continued)

GAMES AND HOT SHOT GRANT

The City of Dover, in coordination with Aid in Dover, received two grants from the Criminal Justice Council for programs called GAMES and HOT SHOT. These programs provide youth programming for at-risk girls and boys.

STATE OF DELAWARE DEPARTMENT OF TRANSPORTATION GRANTS

The State of Delaware Department of Transportation grants provide funds for specific street projects in the City. State law provides funds to the State's elected officials for suburban street aid, which officials can then provide to their districts. The City receives these funds for designated street projects and records all transactions for this fund.

SUBSTANCE ABUSE PREVENTION GRANT

The State of Delaware General Assembly Grant-In-Aid Program provides funds to implement a substance abuse prevention program for at-risk and/or disadvantaged youths in the City of Dover.

ELECTRONIC RED LIGHT SAFETY PROGRAM (ERLSP)

The State of Delaware Department of Transportation provides a grant to municipalities that implement the Electronic Red Light Safety Program. Under this program, the City is granted a portion of the fines collected from drivers who are ticketed for running red lights installed with electronic photo identification equipment within the City limits.

GARRISON OAK TECHNOLOGY PARK

The State of Delaware Economic Development office appropriated funds to the City for infrastructure improvement to the Garrison Oak property.

REALTY TRANSFER TAX

Delaware Code states that realty transfer tax realized by the City shall be segregated from the general fund and the funds shall be expended solely for the capital and operating costs of public safety services, economic development programs, public works services, capital projects and improvements, infrastructure projects and improvements and debt reduction.

CITY OF DOVER
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2014

	POLICE GRANTS	LIBRARY GRANTS	MUNICIPAL STREET AID	CDBG/NSP HOUSING GRANTS	HOT SHOT AND GAMES GRANT	STATE D.O.T. GRANTS	SUBSTANCE ABUSE PREV. GRANT	ERLSP	REALTY TRANSFER TAX	TOTALS
ASSETS:										
Cash	$ 181,106	$ 73,252	$ 75,389	$ 84,563	$ -	$ 143,532	$ 82,124	$ 100	$ 10	$ 640,076
Receivables	1,445	-	-	-	4,335	-	-	-	-	5,780
Prepaid items	-	-	-	-	-	-	2,447	-	-	2,447
Due from other governments	4,210	-	-	37,298	-	-	-	37,072	-	78,580
TOTAL ASSETS	186,761	73,252	75,389	121,861	4,335	143,532	84,571	37,172	10	726,883
LIABILITIES AND FUND BALANCE:										
Liabilities:										
Vouchers Payable	11,052	28,442	-	35,878	4,335	-	6,658	-	-	86,365
Deferred Revenue	-	-	-	38,011	-	-	-	-	-	38,011
Due to other funds-charges	3,647	-	75,289	1,464	-	-	-	37,072	10	117,482
Total Liabilities	14,699	28,442	75,289	75,353	4,335	-	6,658	37,072	10	241,858
Fund Balances:										
Nonspendable	-	-	-	-	-	-	2,447	-	-	2,447
Restricted	172,062	44,810	100	46,508	-	143,532	75,466	100	-	482,578
Total Fund Balances	172,062	44,810	100	46,508	-	143,532	77,913	100	-	485,025
TOTAL LIABILITIES AND FUND BALANCES	$ 186,761	$ 73,252	$ 75,389	$ 121,861	$ 4,335	$ 143,532	$ 84,571	$ 37,172	$ 10	$ 726,883

CITY OF DOVER
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN UNRESERVED FUND BALANCES
YEAR ENDED JUNE 30, 2014

	POLICE GRANTS	LIBRARY GRANTS	MUNICIPAL STREET AID	CDBG/NSP HOUSING GRANTS	HOT SHOT AND GAMES GRANT	STATE D.O.T. GRANTS	SUBSTANCE ABUSE PREV. GRANT	ERLSP	REALTY TRANSFER TAX	TOTALS
REVENUES:										
Grants received	$ 260,306	$ 280,337	$ 663,940	$ 429,834	$ 23,490	$ 998,509	$ 37,167	$ -	$ -	$ 2,693,583
Recreation revenue	-	-	-	-	-	-	49,144	-	-	49,144
Police fines	-	-	-	-	-	-	-	357,531	-	357,531
Transfer taxes	-	-	-	-	-	-	-	-	1,543,626	1,543,626
Investment income (loss)	793	-	720	-	-	324	-	-	358	2,195
TOTAL REVENUES	261,099	280,337	664,660	429,834	23,490	998,833	86,311	357,531	1,543,984	4,646,079
EXPENDITURES:										
Program expenditures	184,061	263,366	-	392,063	23,490	1,004,017	49,406	-	-	1,916,403
TOTAL EXPENDITURES	184,061	263,366	-	392,063	23,490	1,004,017	49,406	-	-	1,916,403
Excess (deficiency) of revenues over (under) expenditures	77,038	16,971	664,660	37,771	-	(5,184)	36,905	357,531	1,543,984	2,729,676
OTHER FINANCING SOURCES (USES):										
Operating transfers-out	(80,212)	-	(916,118)	-	-	(60,500)	-	(357,531)	(1,544,084)	(2,958,445)
Net Change in fund balances	(3,174)	16,971	(251,458)	37,771	-	(65,684)	36,905	-	(100)	(228,769)
FUND BALANCE AT BEGINNING OF YEAR	175,236	27,839	251,558	8,737	-	209,216	41,008	100	100	713,794
FUND BALANCE AT END OF YEAR	$ 172,062	$ 44,810	$ 100	$ 46,508	$ -	$ 143,532	$ 77,913	$ 100	$ -	$ 485,025

CITY OF DOVER
POLICE GRANTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
UNRESERVED FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Beginning balance	$ 100	$ 175,200	$ 175,236	$ 36
Interest earned	-	-	793	793
Grants received	413,000	390,500	260,306	(130,194)
TOTAL REVENUES & BEGINNING BALANCE	413,100	565,700	436,335	(129,365)
EXPENDITURES:				
Program expenses/supplies	191,000	224,700	125,636	(99,064)
Furniture and fixtures	-	-	2,322	2,322
Telephone/fax	15,000	15,000	16,508	1,508
Training/Conference/Food/Travel	36,000	36,000	17,000	(19,000)
Consulting/audit fees	1,000	1,000	833	(167)
Contractual services	-	-	3,887	3,887
Technology equipment	60,000	60,000	17,875	(42,125)
TOTAL EXPENDITURES	303,000	336,700	184,061	(152,639)
Other financing uses:				
Operating transfers - out	(110,000)	(151,800)	(80,212)	71,588
BALANCE CARRIED TO NEXT YEAR	$ 100	$ 77,200	$ 172,062	$ 94,862

CITY OF DOVER
LIBRARY GRANTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
UNRESERVED FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Beginning balance	$ -	$ 17,300	$ 27,838	$ 10,538
Grants received: State	270,100	274,100	274,108	8
Grants received: Other	-	-	4,100	4,100
Grants received: Federal	-	-	2,130	2,130
TOTAL REVENUES & BEGINNING BALANCE	270,100	291,400	308,176	16,776
EXPENDITURES:				
Program expenditures/supplies	28,000	28,000	24,165	(3,835)
Office Supplies	24,000	24,000	24,000	-
Printing/duplicating	8,900	8,900	8,900	-
Postage	100	100	42	(58)
Books	124,900	128,900	125,323	(3,577)
Furniture/Fixtures	2,000	2,000	7,297	5,297
Audio visual supplies	74,000	74,000	67,594	(6,406)
Training/conference/food/travel	3,500	3,500	2,832	(668)
Office equipment repairs	2,000	2,000	3,213	1,213
Computer hardware	2,700	2,700		(2,700)
TOTAL EXPENDITURES	270,100	274,100	263,366	10,734
BALANCE CARRIED TO NEXT YEAR	$ -	$ 17,300	$ 44,810	$ 27,510

CITY OF DOVER
MUNICIPAL STREET AID FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
UNRESERVED FUND BALANCE-BUDGET (NON-GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Beginning balance	$ 100	$ 251,500	$ 251,558	$ 58
State Grant - Operations	527,400	663,900	663,940	40
Interest Earned	-	-	720	720
TOTAL REVENUES & BEGINNING BALANCE	527,500	915,400	916,218	818
Other financing uses:				
Operating transfers-out	(527,400)	(915,300)	(916,118)	(818)
BALANCE CARRIED TO NEXT YEAR	$ 100	$ 100	$ 100	$ -

CITY OF DOVER
HOUSING PROGRAMS - CDBG & NSP
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
UNRESERVED FUND BALANCE-BUDGET (NON-GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Beginning balance CDBG	$ -	$ 2,000	$ 2,013	$ 13
Beginning balance NSP	-	2,800	2,793	(7)
Federal grant received	223,600	244,800	311,514	66,714
Revenue from NSP	-	-	155,617	155,617
TOTAL REVENUES & BEGINNING BALANCE	223,600	249,600	471,937	222,337
EXPENDITURES:				
Prior year Closing cost/down payment program	-	-	10,193	(10,193)
Prior year MHDC home repair	-	-	14,000	(14,000)
Prior year Ncall Research Inc.	-	-	2,803	(2,803)
Prior year Dover interfaith ministry	-	-	13,478	(13,478)
Prior year Homeowner rehab assistance	-	-	796	(796)
Prior year Milford housing H/O rehab	-	-	52,782	(52,782)
Current year closing cost/down payment program	40,000	40,000	39,807	193
Current year Dover interfaith ministry	27,500	27,500	27,500	-
Current year MHDC emergency home repair	40,000	40,000	38,146	1,854
Current year Elizabeth W Murphey school	32,700	39,700	38,574	1,126
Current year Ncall Research Inc.	6,000	8,900	6,697	2,203
Current year Milford housing H/O rehab	32,700	39,700	36,776	2,924
Current year salaries	44,700	49,000	29,962	19,038
NSP expense	-	-	80,550	(80,550)
TOTAL EXPENDITURES	223,600	244,800	392,064	(147,264)
CDBG BALANCE CARRIED TO NEXT YEAR	$ -	$ 2,000	$ 2,013	$ (13)
NSP BALANCE CARRIED TO NEXT YEAR	$ -	$ 2,800	$ 77,860	$ (75,060)

CITY OF DOVER
STATE OF DELAWARE DEPARTMENT OF TRANSPORTATION GRANTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
UNRESERVED FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Beginning balance	$ -	$ 209,200	$ 209,216	$ 16
Grants received: State	500,000	1,387,600	998,509	(389,091)
Interest earned	500	500	324	(176)
TOTAL REVENUES & BEGINNING BALANCE	500,500	1,597,300	1,208,049	(389,251)
EXPENDITURES:				
Program expenditures Grant Related	500,000	1,395,100	941,217	(453,883)
Program expenditures City Appropriated	-	62,800	62,800	-
TOTAL EXPENDITURES	500,000	1,457,900	1,004,017	453,883
Other financing sources (uses):				
Operating transfers-out	-	(60,500)	(60,500)	-
BALANCE CARRIED TO NEXT YEAR	$ 500	$ 78,900	$ 143,532	$ 64,632

FINANCIAL SCHEDULES PROPRIETARY FUND TYPES
ENTERPRISE FUNDS

The following schedules pertaining to the major enterprise funds are not required under GAAP, but are included for public review of budgetary compliance. Accordingly, no reconciliation to the GAAP financial statements is provided.

WATER/WASTEWATER FUND

The Water/Wastewater Fund accounts for all operating activity of the Water/Wastewater Utility. This includes service revenues, investment earnings on operating accounts, direct and indirect operating expenses, sewerage treatment fees, debt service, and transfers to other funds and the Improvement and Extension Fund.

The Water/Wastewater Improvement and Extension Fund is used to account for all capital project and equipment purchases. The City utilizes revenue and expenditure accounts to record capital project receipts, transfers from the operating fund, and project costs.

The funds are combined for GAAP reporting purposes with assets capitalized.

ELECTRIC REVENUE FUND

The Electric Revenue Fund accounts for all operating activity of the electric utility. This includes service revenues, investment earnings on operating accounts, direct and indirect operating expenses, purchased power cost, debt service, and transfers to other funds and the Improvement and Extension Fund.

The Electric Improvement and Extension Fund is used to account for all capital project and equipment purchases. The City utilizes revenue and expenditure accounts to record capital project receipts, transfers from the operating fund, and project costs.

The funds are combined for GAAP reporting purposes with assets capitalized.

CITY OF DOVER
WATER/WASTEWATER FUND
SCHEDULE OF REVENUES AND EXPENSES
BUDGET (NON-GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Beginning Balance - Water	$ 770,800	$ 732,700	$ 732,740	$ 40
Beginning Balance - Wastewater	412,600	441,400	441,414	14
Beginning Balance - Kent County Treatment Fee	141,600	(17,300)	(17,267)	33
TOTAL BEGINNING BALANCES	1,325,000	1,156,800	1,156,887	87
REVENUES:				
Water fees	4,730,700	4,396,000	4,459,808	63,808
Wastewater fees	3,642,700	3,529,000	3,562,400	33,400
Wastewater adjustment	2,980,300	2,900,000	2,930,333	30,333
Groundwater adjustment	1,324,600	1,302,300	1,316,209	13,909
Miscellaneous services	82,000	64,400	61,802	(2,598)
Water tank space rent	333,800	321,200	360,307	39,107
Interest earnings	23,100	10,000	(582)	(10,582)
Sewer Impact Fees	323,000	237,900	230,222	(7,678)
Water Impact Fees	357,000	262,700	252,215	(10,485)
Total Revenues	13,797,200	13,023,500	13,172,714	149,214
TOTAL BEGINNING BALANCES & REVENUES	**$ 15,122,200**	**$ 14,180,300**	**$ 14,329,601**	**$ 149,301**
EXPENSES:				
Water services	$ 433,900	$ 474,700	$ 498,016	$ (23,316)
Engineering & inspection	664,400	499,000	459,073	39,927
Water construction	351,400	340,800	337,400	3,400
Water treatment plant	1,501,800	1,495,200	1,489,440	5,760
Wastewater services	945,100	885,700	900,965	(15,265)
Kent County sewer fees	3,524,800	4,030,000	3,775,903	254,097
Intrafund service fee	1,233,400	1,458,800	1,133,580	325,220
Retirees health care	200,000	200,000	200,000	-
Pension Unfunded Liability	339,400	-	-	-
Debt Service - Water	403,800	403,800	566,703	(162,903)
Debt Service - Wastewater	615,700	603,400	600,855	2,545
Other Employment Expenses	25,000	10,800	-	10,800
Transfer to Water Improvement & Extension Fund	1,200,000	1,233,200	1,233,200	-
Transfer to Wastewater Improvement & Extension Fund	1,330,000	1,330,000	1,330,000	-
Transfer to General Fund from Water	250,000	250,000	250,000	-
Transfer to General Fund from Wastewater	250,000	250,000	250,000	-
Total Expenses	13,268,700	13,465,400	13,025,135	440,265
Budget Balance - Water	1,056,400	711,700	763,636	(51,936)
Budget Balance - Wastewater	797,100	(151,800)	87,458	(239,258)
Budget Balance - Kent County Treatment Fee	-	155,000	453,372	(298,372)
Total Budget Balances - Working Capital	1,853,500	714,900	1,304,466	(589,566)
TOTAL BUDGET BALANCES & EXPENSES	**$ 15,122,200**	**$ 14,180,300**	**$ 14,329,601**	**$ (149,301)**

CITY OF DOVER
WATER/WASTEWATER IMPROVEMENT & EXTENSION FUND
SCHEDULE OF REVENUES AND EXPENSES
BUDGET (NON-GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Beginning Balance -Water	$ 1,620,000	$ 4,473,800	$ 4,473,776	$ (24)
Beginning Balance -Wastewater	660,900	2,807,000	2,806,996	(4)
TOTAL BEGINNING BALANCES	2,280,900	7,280,800	7,280,772	(28)
REVENUES:				
Bond Proceeds-Water 2013	-	3,000,000	3,088,139	88,139
Bond Proceeds-WW 2013	-	1,067,900	1,035,339	(32,561)
State Loan Fund-Wastewater 2011	-	62,000	62,000	-
Interest earnings	25,000	25,000	44,316	19,316
Income from sale of assets	-	-	4,343	4,343
Miscellaneous Receipts	-	66,000	88,314	22,314
Transfer from Water Fund	1,200,000	1,233,200	1,233,200	-
Transfer from Wastewater Fund	1,330,000	1,330,000	1,330,000	-
Transfer from Wastewater Impact Fee Reserve	-	1,000,000	1,000,000	-
Transfer from Water Impact Fee Reserve	390,000	-	-	-
Total Revenues	2,945,000	7,784,100	7,885,651	101,551
TOTAL BEGINNING BALANCES & REVENUES	**$ 5,225,900**	**$ 15,064,900**	**$ 15,166,423**	**$ 101,523**
EXPENSES:				
Engineering & Inspection	$ -	$ -	$ -	$ -
Water	1,476,800	$7,641,300	1,151,743	6,489,557
Wastewater	1,251,000	5,252,400	720,231	4,532,169
Water Construction	90,000	90,000	89,500	500
Bond issue costs	-	-	115,717	(115,717)
Total Expenses	2,817,800	12,983,700	2,077,191	10,906,509
Budget Balance - Water	1,655,700	1,021,200	7,588,801	(6,567,601)
Budget Balance - Wastewater	752,400	1,060,000	5,500,431	(4,440,431)
Total Budget Balances - Working Capital	2,408,100	2,081,200	13,089,232	(11,008,032)
TOTAL BUDGET BALANCES & EXPENSES	**$ 5,225,900**	**$ 15,064,900**	**$ 15,166,423**	**$ (101,523)**

CITY OF DOVER
ELECTRIC REVENUE FUND
SCHEDULE OF REVENUE AND EXPENSES
BUDGET (NON-GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Beginning Balance - Working Capital	$ 7,152,400	$ 6,620,900	$ 6,620,900	$ -
REVENUES:				
Direct base sales	76,286,700	78,971,700	76,928,295	(2,043,405)
Rental income	251,000	180,000	159,109	(20,891)
Miscellaneous services	602,000	579,100	619,442	40,342
Utility tax	1,492,200	1,312,300	1,258,957	(53,343)
Green Energy	135,800	130,000	127,926	(2,074)
Interest earned-operating	119,400	12,000	213,178	201,178
Transfer from Rate Stabilization	4,000,000	7,000,000	7,000,000	-
Intrafund Services - Water/Wastewater	98,500	98,500	130,787	32,287
Total Revenues	82,985,600	88,283,600	86,437,694	**(1,845,906)**
TOTAL BEGINNING BALANCE & REVENUE	**$ 90,138,000**	**$ 94,904,500**	**$ 93,058,594**	**$ (1,845,906)**
EXPENSES:				
Power Supply & Generation				
Power Supply	$ 23,832,000	$ 26,458,900	$ 29,484,681	$ (3,025,781)
Power Supply Management	996,000	996,000	996,000	-
Dover Sun Park Energy	1,565,800	1,729,200	1,821,037	(91,837)
Solar Renewal Energy Credits	300,000	352,600	337,741	14,859
Capacity Charges	15,787,200	15,614,100	15,504,095	110,005
PJM Charges - Transmission & Fees	4,740,000	7,420,000	7,433,120	(13,120)
PJM Charges - Load	12,812,900	17,274,000	14,855,117	2,418,883
Total Power Supply	60,033,900	69,844,800	70,431,791	(586,991)
Plant Operations	6,015,800	5,791,600	5,729,922	61,678
Capacity Credits	(15,079,800)	(15,079,800)	(15,065,472)	(14,328)
PJM Credits	(397,000)	(5,314,800)	(5,946,189)	631,389
PJM Spot Market Energy	(230,500)	(1,004,500)	(862,233)	(142,267)
Generation Fuels	-	1,603,800	2,715,284	(1,111,484)
Total Generation	(9,691,500)	(14,003,700)	(13,428,688)	(575,012)
Utility Tax	1,492,200	1,312,300	1,258,957	53,343
Administration	597,000	628,400	548,055	80,345
Transmission/Distribution	3,302,500	3,776,300	3,789,955	(13,655)
Electrical Engineering	1,192,200	1,285,300	1,312,063	(26,763)
Systems Operations	543,600	675,800	739,407	(63,607)
Meter Reading	220,300	273,800	284,229	(10,429)
Contractual Services - Power Supply	100,000	100,000	28,074	71,926
Provision for Uncollectible	200,000	200,000	200,000	-
Retirees Health Care	513,300	513,300	513,300	-
OPEB Trust Contribution	975,700	975,700	975,700	-
Pension Trust Contribution	1,314,200	-	-	-
Green Energy Payment to DEMEC	135,800	130,000	127,926	2,074
Interest on Deposits	27,000	20,000	20,278	(278)
Intrafund Service Fees	3,319,400	3,572,700	3,426,456	146,244
Other Appropriations:				
Electric Capital Project Fund	5,448,600	4,918,600	4,918,600	-
General Fund	8,000,000	8,000,000	8,000,000	-
Debt Service	3,301,900	3,301,900	3,308,739	(6,839)
Workers Compensation	-	-	-	-
Future Capacity Reserve	-	-	-	-
Rate Stabilization Fund	-	-	-	-
Other Employment Expenses	150,000	125,700	-	125,700
Inventory Reserve	-	-	-	-
TOTAL EXPENSES	**81,176,100**	**85,650,900**	**86,454,842**	**(803,942)**
Budget Balance - Working Capital	8,961,900	9,253,600	6,603,752	2,649,848
TOTAL BUDGET BALANCE & EXPENSES	**$ 90,138,000**	**$ 94,904,500**	**$ 93,058,594**	**$ 1,845,906**

CITY OF DOVER
ELECTRIC IMPROVEMENT AND EXTENSION FUND
SCHEDULE OF REVENUES AND EXPENSES
BUDGET (NON-GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Beginning Balance - Working Capital	$ 3,091,000	$ 3,868,500	$ 3,980,178	$ 111,678
TOTAL BEGINNING BALANCES	3,091,000	3,868,500	3,980,178	111,678
REVENUES:				
Transfer from Electric Revenue Fund	5,448,600	4,918,600	4,918,600	-
Interest Earnings	25,200	25,200	6,506	(18,694)
Income from Sale of Assets	-	-	14,439	14,439
General Service Billing	440,000	440,000	250,238	(189,762)
Total Revenues	5,913,800	5,383,800	5,189,783	(194,017)
TOTAL BEGINNING BALANCES & REVENUES	**$ 9,004,800**	**$ 9,252,300**	**$ 9,169,961**	**$ (82,339)**
EXPENSES:				
Power Plant	$ 2,117,800	$ 2,130,000	$ 1,547,017	$ 582,983
Transmission/Distribution	1,100,000	1,144,600	467,144	677,456
Engineering	2,405,800	2,615,500	1,213,271	1,402,229
Total Expenses	5,623,600	5,890,100	3,227,432	2,662,668
Budget Balance - Improvement & Extension Fund	3,381,200	3,362,200	5,942,529	(2,580,329)
Total Budget Balances - Working Capital	3,381,200	3,362,200	5,942,529	(2,580,329)
TOTAL BUDGET BALANCES & EXPENSES	**$ 9,004,800**	**$ 9,252,300**	**$ 9,169,961**	**$ 82,339**

FINANCIAL STATEMENTS PROPRIETARY FUND TYPES
INTERNAL SERVICE FUNDS

WORKERS' COMPENSATION INSURANCE FUND

The City has created this fund to account for the revenues and expenses related to a self-insured Workers' Compensation Fund. The revenues are received from the City's various funds. These funds contribute to the Workers' Compensation Fund an amount based on salaries at a pre-determined assessment rate. Claims paid, reinsurance cost and third party administrator's fees are charged to this fund.

Budgetary schedule is included for public review of budgetary compliance.

CITY OF DOVER
INTERNAL SERVICE FUND - WORKERS' COMPENSATION

SCHEDULE OF REVENUES AND EXPENSES
BUDGET (NON-GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
OPERATING REVENUES:				
Beginning Balance	$ 1,200,600	$ 1,267,800	$ 1,267,842	$ 42
Interest Earned	10,600	10,600	21,156	10,556
City Contribution	490,700	490,700	502,143	11,443
Miscellaneous Revenue	-	3,100	834	(2,266)
TOTAL REVENUES	$ 1,701,900	$ 1,772,200	$ 1,791,975	$ 19,775
OPERATING EXPENSES:				
Program Expenses	$ 450,000	$ 450,000	$ 490,730	$ (40,730)
Contractual Services	57,000	57,000	20,000	37,000
Insurance	76,500	92,600	89,487	3,113
Bank Fees	600	600	1,256	(656)
State of Delaware - Self-Insurance Tax	37,000	37,000	33,774	3,226
TOTAL EXPENSES	$ 621,100	$ 637,200	$ 635,247	$ 1,953
BUDGET BALANCE - CARRY FORWARD	$ 1,080,800	$ 1,135,000	$ 1,156,728	$ 21,728

FINANCIAL STATEMENTS FIDUCIARY FUND TYPES AGENCIES

DOWNTOWN DOVER PARTNERSHIP

The City established the Downtown Dover Partnership as an agency for the development of the downtown urban area.

FOURTH OF JULY CELEBRATION COMMITTEE

The Fourth of July Celebration Committee is designed to provide recreation enjoyment and educational events commemorating the birth of our nation.

DOVER LIBRARY FOUNDATION

The Dover Library Foundation was formed to provide fund raising for the construction of a new regional library.

CITY OF DOVER
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2014

	BALANCE JUNE 30, 2013	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2014
DOWNTOWN DOVER PARTNERSHIP				
ASSETS:				
Cash	$ 240,629	$ 3,301,244	$ 3,079,786	$ 462,087
Receivables	50,771	9,785	7,026	53,530
Prepaid Items	45	-	45	-
Total Assets	$ 291,445	$ 3,311,029	$ 3,086,857	$ 515,617
LIABILITIES:				
Vouchers Payable	$ 75,800	$ 1,752,665	$ 1,780,295	$ 48,170
Deposit Payable	7,015	20,417	-	27,432
Due to Agencies	208,630	231,385	-	440,015
Total Liabilities	$ 291,445	$ 2,004,467	$ 1,780,295	$ 515,617
4TH JULY CELEBRATION COMMITTEE				
ASSETS:				
Cash	$ 24,802	$ 36,087	$ 23,570	$ 37,319
Total Assets	$ 24,802	$ 36,087	$ 23,570	$ 37,319
LIABILITIES:				
Vouchers Payable	$ 340	$ 23,254	$ 23,117	$ 477
Due to Agencies	24,462	36,087	23,707	36,842
Total Liabilities	$ 24,802	$ 59,341	$ 46,824	$ 37,319
TOTAL-ALL AGENCY FUNDS				
ASSETS:				
Cash & Investments	$ 265,431	$ 3,337,331	$ 3,103,356	$ 499,406
Receivables	50,771	9,785	7,026	53,530
Prepaid Items	45	-	45	-
Total Assets	$ 316,247	$ 3,347,116	$ 3,110,427	$ 552,936
LIABILITIES:				
Vouchers Payable	$ 76,140	$ 1,775,919	$ 1,803,412	$ 48,647
Deposit Payable	7,015	20,417	-	27,432
Due to Agencies	233,092	267,472	23,707	476,857
Total Liabilities	$ 316,247	$ 2,063,808	$ 1,827,119	$ 552,936

STATISTICAL SECTION

This section of the City of Dover's Comprehensive Annual Financial Report represents detailed information as a context for understanding what the statements, note disclosures and required supplementary information says about the Government's overall financial health.

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STATISTICAL SECTION

This part of the City of Dover's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

FINANCIAL TRENDS
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

REVENUE CAPACITY
These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.

DEBT CAPACITY
The information contained in these schedules will help the reader assess the affordability of the City's current levels of outstanding debt as well as the City's ability to issue additional debt in the future.

DEMOGRAPHIC AND ECONOMIC INFORMATION
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

OPERATING INFORMATION
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Table 1

City of Dover
Net Position by Component
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental Activities										
Invested in capital assets, net of related debt	$ 50,738,483	$ 49,577,021	$ 49,642,124	$ 38,839,995	$ 35,742,504	$ 35,752,624	$ 35,255,463	$ 29,709,046	$ 27,056,161	$ 23,343,787
Restricted	612,054	721,682	482,780	1,774,167	1,250,342	1,758,470	1,602,932	1,591,678	887,235	2,023,096
Unrestricted	(7,142,570)	(4,791,553)	(6,759,433)	(99,435)	4,820,682	9,536,614	15,155,125	13,849,061	11,590,341	7,431,716
Total governmental activities net position	44,207,967	45,507,150	43,365,471	40,514,727	41,813,528	47,047,708	52,013,520	45,149,785	39,533,737	32,798,599
Business-type activities										
Invested in capital assets, net of related debt	101,670,949	100,079,972	98,303,263	97,270,906	96,660,480	91,471,776	101,154,934	89,289,351	89,089,027	82,878,764
Restricted	36,123,755	34,665,736	33,836,315	34,148,330	31,302,487	34,372,050	23,758,183	29,762,946	33,801,000	32,620,056
Unrestricted	36,098,998	39,534,763	33,947,753	23,286,232	19,318,633	18,614,907	16,263,139	14,371,418	11,859,329	11,569,305
Total business-type activities net position	173,893,702	174,280,471	166,087,331	154,705,468	147,281,600	144,458,733	141,176,256	133,423,715	134,749,356	127,068,125
Primary government										
Invested in capital assets, net of related debt	152,409,432	149,656,993	147,945,387	136,110,901	132,402,984	127,224,400	136,410,397	118,998,397	116,145,188	106,222,551
Restricted	36,735,809	35,387,418	34,319,095	35,922,497	32,552,829	36,130,520	25,361,115	31,354,624	34,688,235	34,643,152
Unrestricted	28,956,428	34,743,210	27,188,320	23,186,797	24,139,315	28,151,521	31,418,264	28,220,479	23,449,670	19,001,021
Total primary government net position	$ 218,101,669	$ 219,787,621	$ 209,452,802	$ 195,220,195	$ 189,095,128	$ 191,506,441	$ 193,189,776	$ 178,573,500	$ 174,283,093	$ 159,866,724

Table 2

City of Dover
Changes in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Expenses										
Governmental activities:										
General government	$ 1,288,977	$ 1,474,045	$ 1,180,327	$ 1,248,124	$ 1,510,308	$ 1,855,983	$ 1,384,276	$ 1,472,104	$ 836,668	$ 905,382
Public safety	19,219,986	17,989,463	17,638,304	16,848,343	16,357,692	15,929,187	15,120,737	14,509,849	13,879,609	12,533,566
Public Works	6,594,829	6,099,484	8,135,172	6,257,946	7,115,319	7,539,463	4,355,206	4,791,235	4,493,296	4,547,747
Library and recreation	2,942,800	2,313,048	2,377,363	2,731,492	2,265,205	2,417,236	2,108,664	1,875,872	1,309,601	1,706,743
Community and economic development	676,554	939,966	773,208	1,173,546	2,228,744	724,555	497,914	639,545	600,907	711,743
Central services	512,586	454,816	469,385	599,498	544,611	550,886	586,274	552,042	447,877	236,451
Financial administration	1,368,048	1,122,830	1,146,524	2,463,426	2,353,180	2,557,465	1,425,074	1,588,425	1,774,380	1,582,911
Other post-employment benefits	3,348,267	5,119,778	6,534,630	6,142,627	2,843,480	2,441,541	-	-	-	-
Interest on long-term debt	122,812	114,785	90,161	75,397	78,581	87,491	82,657	106,815	118,130	129,352
Total governmental activities expenses	36,074,859	35,628,215	38,345,074	37,540,399	35,297,120	34,103,807	25,560,802	25,535,887	23,460,468	22,353,895
Business-type activities										
Water and Sewer	11,397,992	10,905,358	11,068,607	10,912,722	11,971,445	11,196,913	10,387,198	9,846,771	9,263,236	8,678,186
Electric	74,481,048	74,595,585	77,625,673	90,296,244	90,940,056	94,475,940	88,442,048	88,297,987	58,620,196	56,384,796
Total business-type activities	85,879,040	85,500,943	88,694,280	101,208,966	102,911,501	105,672,853	98,829,246	98,144,758	67,883,432	65,062,982
Total primary government expenses	121,953,899	121,129,158	127,039,354	138,749,365	138,208,621	139,776,660	124,390,048	123,680,645	91,343,900	87,416,877
Program Revenues										
Governmental activities:										
Charges for services:										
General government	2,137,574	2,463,437	4,043,168	1,503,243	1,307,296	1,426,972	1,603,935	1,683,817	1,428,996	1,209,067
Public safety	4,676,162	4,240,847	4,803,827	4,682,687	4,309,516	4,358,641	4,571,911	4,499,315	4,487,028	3,684,792
Public works	2,595,648	2,624,877	1,903,623	2,173,434	1,340,729	1,396,801	1,334,492	1,312,328	1,253,313	1,081,064
Library and recreation	699,622	656,001	632,824	632,861	650,283	715,404	788,875	1,100,412	549,959	447,948
Operating grants and contributions	2,159,616	2,914,696	2,654,051	5,032,926	3,813,842	2,758,194	2,511,244	3,108,545	3,156,369	2,267,722
Capital grants and contributions	1,226,559	2,107,444	6,292,303	856,338	169,130	1,090,838	647,724	790,612	500,103	1,983,669
Total governmental activities program revenues	13,495,181	15,007,302	20,329,796	14,881,489	11,590,796	11,746,850	11,458,181	12,495,029	11,375,768	10,674,262

(Continued)

(Table 2 Continued - Changes in Net Position)

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Program Revenues										
Business-type activities:										
Charges for services:										
Water and Sewer	13,268,213	13,387,706	13,775,833	14,033,678	11,531,595	11,319,027	12,158,812	11,819,643	12,224,877	10,804,685
Electric	79,489,192	90,685,693	93,529,401	101,902,619	100,278,474	101,420,982	96,858,790	87,014,071	68,005,332	63,303,032
Capital Contributions	401,947	-	441,285	997,750	392,855	-	2,078,040	705,572	272,000	368,740
Total business-type activities program revenues	93,159,352	104,073,399	107,746,519	116,934,047	112,202,924	112,740,009	111,095,642	99,539,286	80,502,209	74,476,457
Total primary government program revenues	106,654,533	119,080,701	128,076,315	137,263,843	123,793,720	124,330,805	122,842,492	110,997,467	92,997,238	85,852,225
Net (expense)/revenue:										
Governmental activities	(22,579,678)	(20,620,913)	(18,015,278)	(18,015,278)	(23,706,324)	(22,356,957)	(22,356,957)	(14,102,621)	(13,040,858)	(12,084,700)
Business-type activities	7,280,312	18,572,456	19,052,239	28,239,767	9,291,423	7,067,156	5,422,789	710,040	(17,642,549)	6,593,025
Total primary government net revenue (expense)	(15,299,366)	(2,048,457)	1,036,961	10,224,489	(14,414,901)	(15,289,801)	(16,934,168)	(13,392,581)	(30,683,407)	(5,491,675)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	11,094,479	11,126,395	11,050,198	10,904,908	10,029,584	10,075,401	9,557,982	9,032,995	8,792,652	7,370,318
Transfer taxes	1,543,626	1,107,686	1,373,103	1,461,983	867,692	1,197,425	3,515,422	3,008,371	3,048,064	2,379,548
Gain (loss) on sale of capital assets	-	-	-	-	-	-	-	-	-	3,750
Investment earnings	142,390	36,793	141,925	137,218	268,748	585,264	726,683	1,230,540	640,381	332,853
Transfers	8,500,000	10,491,718	8,300,796	8,856,000	7,306,120	5,533,055	7,166,269	5,385,000	6,338,741	6,611,024
Total governmental activities	21,280,495	22,762,592	20,866,022	21,360,109	18,472,144	17,391,145	20,966,356	18,656,906	18,819,838	16,697,493
Business-type activities:										
Gain (loss) on sale of capital assets	-	-	-	-	-	-	-	-	(127,477)	(13,264)
Investment earnings	832,919	112,402	630,420	554,787	837,564	1,748,376	2,652,414	2,664,831	1,528,672	1,312,098
Transfers	(8,500,000)	(10,491,718)	(8,300,796)	(8,856,000)	(7,306,120)	(5,533,055)	(7,166,269)	(5,385,000)	(6,338,741)	(6,611,024)
Total business-type activities	(7,667,081)	(10,379,316)	(7,670,376)	(8,301,213)	(6,468,556)	(3,784,679)	(4,513,855)	(2,720,169)	(4,937,546)	(5,312,190)
Total primary government	13,613,414	12,383,276	13,195,646	13,058,896	12,003,588	13,606,466	16,452,501	15,936,737	13,882,292	11,385,303
Change in Net Position										
Government activities	(1,299,183)	2,141,679	2,850,744	3,344,831	(5,234,180)	(4,965,812)	(1,390,601)	4,554,285	5,778,980	4,612,793
Business-type activities	(386,769)	8,193,140	11,381,863	19,938,554	2,822,867	3,282,477	908,934	(2,010,129)	(22,580,095)	1,280,835
Total primary government	$ (1,685,952)	$ 10,334,819	$ 14,232,607	$ 23,283,385	$ (2,411,313)	$ (1,683,335)	$ (481,667)	$ 2,544,156	$ (16,801,115)	$ 5,893,628

Table 3

City of Dover
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Fund										
Reserved	$ -	$ -	$ -	$ -	$ 315,580	$ 709,817	$ 528,145	$ 2,023,169	$ 2,158,007	$ 1,099,450
Unreserved	-	-	-	-	7,242,323	8,305,396	9,387,795	7,046,831	6,515,829	4,156,574
Non-spendable	207,884	227,457	198,175	191,567	-	-	-	-	-	-
Restricted	129,476	131,237	83,356	85,070	-	-	-	-	-	-
Committed	723,300	936,899	920,475	3,484,203	-	-	-	-	-	-
Assigned	3,163,431	3,519,012	658,890	614,559	-	-	-	-	-	-
Unassigned	3,435,079	3,391,714	3,007,983	3,385,209	-	-	-	-	-	-
Total General Fund	7,659,170	8,206,319	4,868,879	7,760,608	7,557,903	9,015,213	9,915,940	9,070,000	8,673,836	5,256,024
All other governmental funds										
Special revenue funds										
Unreserved	-	-	-	-	872,309	881,332	5,180,097	5,248,929	2,829,793	2,984,929
Non-spendable	2,447	-	13,099	4,203	-	-	-	-	-	-
Restricted	482,578	590,445	399,424	764,512	-	-	-	-	-	-
Assigned	-	123,349	171,381	289,221	-	-	-	-	-	-
Total all other governmental funds	485,025	713,794	583,904	1,057,936	872,309	881,332	5,180,097	5,248,929	2,829,793	2,984,929
Total fund balances	$ 8,144,195	$ 8,920,113	$ 5,452,783	$ 8,818,544	$ 8,430,212	$ 9,896,545	$ 15,096,037	$ 14,318,929	$ 11,503,629	$ 8,240,953

NOTE
The fiscal years prior to 2011 show fund balances as they were classified and reported prior to GASB 54.

Table 4

City of Dover
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenues										
Fines	$ 1,011,156	$ 912,004	$ 1,202,615	$ 1,665,496	$ 1,418,354	$ 1,323,041	$ 1,262,180	$ 1,314,246	$ 1,759,979	$ 1,117,440
Library revenue	498,553	471,065	475,822	444,455	465,387	514,458	517,697	989,006	451,705	346,652
Licenses and permits	2,952,015	2,548,913	2,816,866	2,417,363	2,424,768	2,599,948	2,916,749	2,689,348	2,465,845	2,251,091
Sanitation fees and rebates	2,595,648	2,624,877	1,903,623	2,173,434	1,340,729	1,396,801	1,333,436	1,293,399	1,253,313	1,081,064
Recreation	49,144	40,446	44,522	44,292	36,100	47,079	34,111	12,793	-	-
Miscellaneous services	1,831,683	2,470,200	3,940,294	1,480,845	1,247,096	1,278,251	1,351,160	1,367,960	996,174	916,244
Taxes	12,655,035	12,333,520	12,462,532	12,366,891	10,897,276	11,272,826	13,073,404	12,041,366	11,840,716	9,749,866
Grants	3,416,319	5,119,089	8,909,758	5,551,175	4,482,259	3,513,365	3,148,194	4,550,607	3,919,800	2,812,082
Court of Chancery fees	1,034,460	917,700	863,220	766,340	675,390	738,240	883,880	929,120	792,280	710,380
Investment income	122,490	45,198	117,405	112,722	237,631	513,873	638,782	1,154,829	603,451	315,642
Total revenues	26,166,503	27,483,012	32,736,657	27,023,013	23,224,990	23,197,882	25,159,593	26,342,674	24,083,263	19,300,461
Expenditures										
General government	1,271,523	1,107,122	1,093,772	1,348,911	1,525,854	1,661,742	1,319,774	1,000,622	836,419	902,139
Library services	1,697,982	5,514,217	13,518,569	4,369,578	1,951,347	2,150,585	1,391,974	1,253,300	1,162,301	1,144,289
Public safety	19,130,832	18,048,642	17,001,619	16,139,953	15,948,298	15,680,044	15,068,451	15,055,746	13,922,271	12,432,257
Public works	2,572,965	1,758,405	2,074,061	2,535,060	2,504,061	3,219,659	2,928,236	2,551,962	3,340,643	2,478,911
Recreational services	683,363	651,341	827,230	834,124	746,868	869,134	2,699,725	1,452,987	705,241	617,624
Streets and sanitation services	4,634,091	2,990,430	3,280,165	3,383,465	3,181,025	3,279,188	3,675,282	3,018,222	3,242,649	2,711,775
Engineering services	-	-	-	-	-	-	-	314,728	289,208	253,299
Financial administration	1,002,539	909,877	902,009	866,314	895,570	1,009,240	1,055,619	829,002	725,963	687,450
Garage and stores	415,593	431,542	503,036	490,113	526,286	491,450	486,966	402,915	417,202	418,710
Insurance	272,895	241,395	198,241	203,343	197,723	199,643	176,947	165,584	153,202	168,430
Retiree health care lump sum	1,636,500	1,620,600	1,614,241	1,297,509	1,006,397	3,265,857	758,185	736,286	645,457	590,587
Employee pension unfunded liability	121,000	1,693,500	1,545,000	1,544,978	-	-	134,775	402,204	-	-
Street lights	774,533	878,760	986,430	968,562	956,860	937,013	917,438	624,243	545,426	534,682
Community and economic development	676,554	939,966	773,208	1,173,546	2,228,744	724,555	497,914	639,545	600,907	711,743
Miscellaneous	-	-	-	-	-	-	-	-	-	16,000

(Continued)

(Table 4 - Continued Changes in Fund Balances of Governmental Funds)

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Expenditures										
Debt service										
Principal	429,239	296,003	275,000	270,000	260,000	365,000	350,000	368,384	464,480	490,171
Interest	122,812	73,071	52,734	65,225	68,410	77,319	87,468	96,644	107,959	121,350
Other charges (issuance of debt)	-	1,029	27,255	-	-	-	-	-	-	-
Total expenditures	35,442,421	37,155,900	44,672,570	35,490,681	31,997,443	33,930,429	31,548,754	28,912,374	27,159,328	24,279,417
Excess of revenues over(under) expenditures	(9,275,918)	(9,672,888)	(11,935,913)	(8,467,668)	(8,772,453)	(10,732,547)	(6,389,161)	(2,569,700)	(3,076,065)	(4,978,956)
Other financing sources (uses)										
Bond proceeds	-	2,648,500	851,500	-	-	-	-	-	-	-
Transfers in	11,458,445	12,666,208	10,959,204	12,420,329	9,156,575	12,683,925	12,369,176	8,316,722	8,850,767	8,965,067
Transfers out	(2,958,445)	(2,174,490)	(2,658,408)	(3,564,329)	(1,850,455)	(7,150,870)	(5,202,907)	(2,931,722)	(2,512,026)	(2,354,043)
Sale of capital assets	-	-	-	-	-	-	-	-	-	3,750
Total other financing sources (uses)	8,500,000	13,140,218	9,152,296	8,856,000	7,306,120	5,533,055	7,166,269	5,385,000	6,338,741	6,614,774
Net change in fund balances	$ (775,918)	$ 3,467,330	$ (2,783,617)	$ 388,332	$ (1,466,333)	$ (5,199,492)	$ 777,108	$ 2,815,300	$ 3,262,676	$ 1,635,818
Debt service as a percentage of noncapital expenditures	1.74%	1.14%	1.07%	0.85%	1.05%	1.42%	1.49%	1.66%	2.25%	2.43%
Capital outlay included in total expenditures (1)	$ 3,777,578	$ 4,872,122	$ 13,927,288	$ 5,296,536	$ 2,434,391	$ 2,698,627	$ 4,559,625	$ 3,554,679	$ 3,523,649	$ 2,084,385

NOTES

(1) Capital outlay has been included in functional expenditures. Debt service as a percentage of non-capital expenditures excludes capital outlay expenditures.

Table 5

City of Dover
Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	Property Tax	Transfer Tax	Total
2014	$ 11,094,479	$ 1,543,626	$ 12,638,105
2013	11,126,395	1,107,686	12,234,081
2012	11,050,198	1,373,103	12,423,301
2011	10,904,908	1,461,983	12,366,891
2010	10,029,584	867,692	10,897,276
2009	10,075,401	1,197,425	11,272,826
2008	9,557,982	3,515,422	13,073,404
2007	9,032,995	3,008,371	12,041,366
2006	8,792,652	3,048,064	11,840,716
2005	7,370,318	2,379,548	9,749,866

NOTES

1. Property Tax rate $.3378 per $100 of 100% assessed value (See Table 6 for tax rates) includes payments in lieu of taxes farm land roll back and penalties.

2. Transfer Taxes equal 1.5% of the real property sales value.

3. Assessed value by major component not available. (See Table 6 for total assessed value.)

Table 6

City of Dover, Delaware
Assessed and Estimated Actual Value
of Taxable Property
Last Ten Fiscal Years

REAL PROPERTY

Fiscal Year	Total Assessed Value	Less: Exempt Properties	Total Taxable Assessed Value	Estimated Actual Value	Ratio of Total Taxable Value to Total Assessed Value	Direct Tax Rate Per $100
2014	$ 4,525,547,960	$ 1,365,654,100	$ 3,159,893,860	$ 4,525,547,960	69.82%	$ 0.3378
2013	4,510,303,860	1,328,807,500	3,181,496,360	4,510,303,860	70.54%	0.3378
2012	4,469,369,160	1,300,061,400	3,169,307,760	4,469,369,160	70.91%	0.3378
2011	4,363,518,360	1,226,879,300	3,136,639,060	4,363,518,360	71.88%	0.3378
2010	4,139,869,700	1,232,858,580	2,907,011,120	4,139,869,700	70.22%	0.3300
2009	4,124,562,920	1,225,269,600	2,899,293,320	4,124,562,920	70.29%	0.3300
2008	3,406,762,915	616,277,700	2,790,485,215	3,406,762,915	81.91%	0.3300
2007	3,516,580,775	618,433,400	2,898,147,375	3,516,580,775	82.41%	0.3300
2006	3,146,043,800	618,735,300	2,527,308,500	3,146,043,800	80.33%	0.3300
2005	2,605,638,000	841,290,300	1,764,347,700	2,605,638,000	67.71%	0.4110

Source: Tax Assessor's Office, City of Dover.

NOTES

1. There is no tax on personal properties. Therefore, no figures are presented.

2. In 2003 the City changed assessed values to 100% of estimated actual values from 60%. In doing so, the tax rate was lowered from $ .685 to $ .411 per $100. Had the tax rate been rolled back to a revenue neutral rate, the rate would have been $ .3310 per $100. The revised rate represents an $ .08 increase.

3. In 2005, the City property values were reassessed, effective for tax year 2006. The tax rate was lowered from $ .411 to $ .330 per $100. Had the tax rate been rolled back to a revenue neutral rate, the rate would have been $ .310 per $100. The revised rate represents a $ .02 increase.

4 In 2010, the City property values were reassessed, effective for tax year 2011. The tax rate was increased from $ .330 to $ .3378 per $100. Had the tax rate been rolled back to a revenue neutral rate, the rate would have been $ .3108 per $100. The revised rate represents a $ .027 rate increase.

Table 7

City of Dover, Delaware
Property Tax Rates - All Direct and Overlapping Governments with the Capital School District
(Per $100 of Assessed Value)
Last Ten Fiscal Years

NOTES

1. Section 48 of the City of Dover charter provides that the amount of money to be raised through property taxes shall not exceed 2% of the total taxable assessment.
2. Kent County Property tax rates reflect the 1987 reappraisal of properties in Kent County.
3. The City of Dover reassessed property values and "rolled back" the tax rate in 2006.
4. In 2010, the City property values were reassessed, effective for tax year 2011 Tax rate increased to $ .3378

Fiscal Year	Direct: City of Dover	Overlapping: Kent County	Overlapping: Capital School District	Overlapping: Vo-Tech School District	Total Direct & Overlapping	
2014	$ 0.3378	$ 0.300	$ 1.850	$ 0.1372	$ 2.625	
2013	0.3378	0.300	1.909	0.1372	2.684	
2012	0.3378	0.300	1.832	0.1351	2.605	
2011	0.3378	0.300	1.832	0.1351	2.605	
2010	0.3300	0.310	1.769	0.1304	2.539	
2009	0.3300	0.310	1.543	0.1219	2.305	
2008	0.3300	0.250	1.480	0.1219	2.182	
2007	0.3300	0.250	1.534	0.1160	2.230	*
2006	0.3300	0.250	1.459	0.1180	2.157	*
2005	0.4110	0.250	1.403	0.0887	2.153	*

Sources: Tax Assessor's Office - City
Receiver of Taxes Office - Kent County
* Corrected Capital School District & Vo-tech tax rates

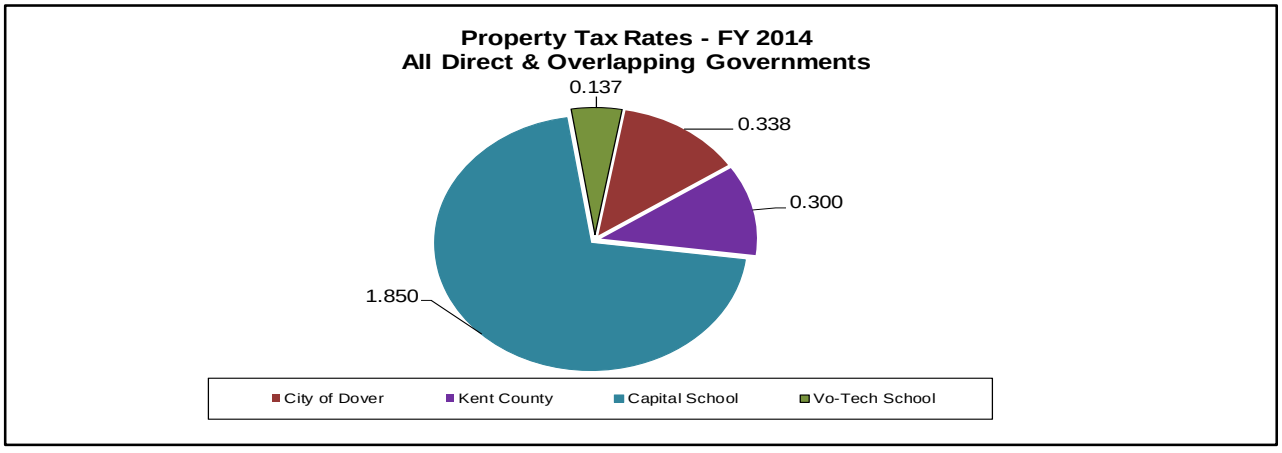


Table 8

City of Dover, Delaware
Principal Tax Payers
Current Year and Nine Years Ago

TAX PAYERS	2014 ASSESSED VALUATION	RANK	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUATION	2005 ASSESSED VALUATION	RANK	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUATION
Dover Downs Prop, Inc.	$146,847,600	1	4.65%	$87,257,686	1	4.95%
Dover Mall LP/Dover Commons	87,751,600	2	2.78%	45,018,200	2	2.55%
Dover Medical Center	27,270,100	3	0.86%	-	-	-
Dover South Coast Partnership	25,035,100	4	0.79%	9,777,500	9	0.55%
Kraft-General Foods Corp.	19,565,300	5	0.62%	31,425,800	3	1.78%
Robino Bay Court Plaza	14,400,000	6	0.46%	6,593,000	-	0.37%
Berks City Real Estate LLC	13,492,400	7	0.43%	7,635,700	-	0.43%
Millers Dover Downs	13,463,600	8	0.43%	4,632,200	-	0.26%
G & I VA Dover Country Club LLC	13,176,500	9	0.42%	7,184,200	-	0.41%
McKee Road Business Park LLC	12,774,400	10	0.40%	8,821,700	-	0.50%
Del-Homes Catalog Group	-	-	-	9,241,600	10	0.52%
Dover Wipes	-	-	-	20,965,800	4	1.19%
K.W. Lands/Sheraton/Hampton	-	-	-	9,987,300	8	0.57%
Playtex Apparel Inc.	-	-	-	10,812,400	7	0.61%
Energizer(was Playtex Products Inc.)	-	-	-	13,724,600	5	0.78%
Woodmill Capital Advisors LLC	-	-	-	12,367,200	6	0.70%
	$373,776,600		11.84%	$285,444,886		16.17%

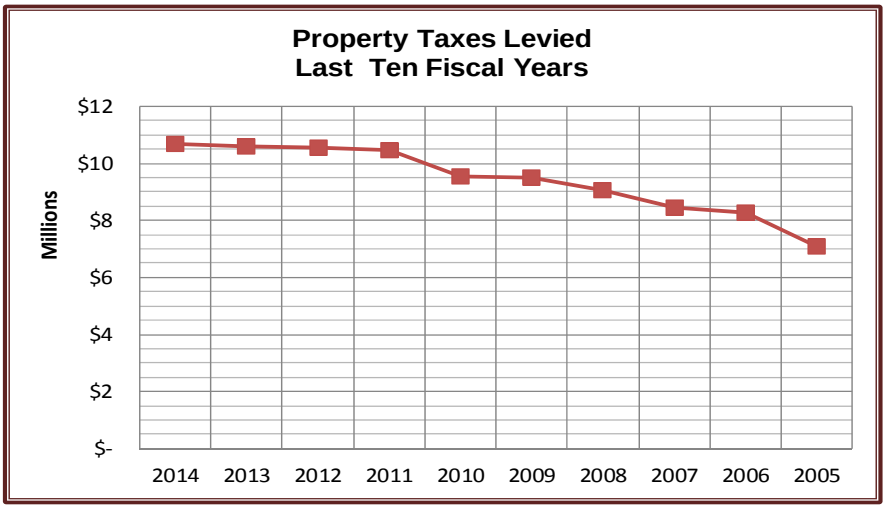
Source: Tax Assessor's Office, City of Dover

Table 9

City of Dover, Delaware
Property Tax Levies
and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Collected Within the Fiscal Year of the Levy	Collection as Percentage of Levy	Collected in Subsequent Years	Total Collections to Date	Collection as Percentage of Levy
2014	$ 10,696,886	$ 10,493,954	98.1%	$ -	$ 10,493,954	98.10%
2013	10,594,623	10,398,888	98.2%	181,590	10,580,478	99.87%
2012	10,549,631	10,280,930	97.5%	263,665	10,544,595	99.95%
2011	10,481,734	10,166,681	97.0%	310,913	10,477,594	99.96%
2010	9,525,034	9,314,327	97.8%	207,790	9,522,117	99.97%
2009	9,512,522	9,206,158	96.8%	305,439	9,511,597	99.99%
2008	9,074,777	8,937,384	98.5%	137,294	9,074,678	100.00%
2007	8,448,462	8,242,898	97.6%	205,557	8,448,455	100.00%
2006	8,287,536	8,081,411	97.5%	206,125	8,287,536	100.00%
2005	7,109,977	6,941,217	97.6%	168,760	7,109,977	100.00%

Source: City of Dover Assessor & Customer Service Reports.



NOTES

1. Section 48 of the City of Dover charter provides that the maximum budget to be raised through property taxes shall not exceed 2% of the total taxable assessment.

2. Total Tax Levy represents the annual tax billings, quarterly billings and adjustments from tax appeals.

3. The table excludes payments in lieu of taxes and farm land roll back taxes.

Table 10

City of Dover
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities		Business-type Activities						
Fiscal Year	General Obligation Bonds	Capital Leases	Water/Sewer Revenue Bonds	Electric Revenue Bonds	Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita	Population
2014	$ 4,049,758	$ -	$ 14,412,347	$ 23,940,000	$ -	$ 42,402,105	5.4%	1,130	37,540
2013	4,478,997	-	10,926,717	26,110,000	-	41,515,714	5.1%	1,138	36,492
2012	2,085,815	-	10,865,354	27,995,025	-	40,946,194	5.0%	1,129	36,267
2011	1,499,143	-	7,913,384	30,033,446	-	39,445,973	4.9%	1,070	36,047
2010	1,758,971	-	3,765,547	34,543,730	-	40,068,248	5.7%	1,112	36,559
2009	2,008,800	-	4,126,124	36,690,524	-	42,825,448	6.3%	1,200	35,997
2008	2,363,628	-	4,769,332	16,439,872	-	23,572,832	3.7%	690	35,503
2007	2,703,457	-	5,391,320	18,115,568	-	26,210,345	4.1%	807	34,689
2006	3,038,286	-	6,752,131	19,741,258	68,892	29,600,567	4.7%	914	33,965
2005	3,363,115	152,864	8,087,613	21,496,483	161,836	33,261,911	5.3%	1,037	33,389

Source: City of Dover Financial Records
Population Source: Delaware Population Consortium Annual Population Projections

Table 11

City of Dover, Delaware
Ratio of Net General Obligation Bonded Debt
To Assessed Value and Net Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year	Population	Net Taxable Assessed Value	Gross Bonded Debt	Net Bonded Debt	Ratio of Net Bonded Debt To Assessed Value	Net Bonded Debt Per Capita
2014	37,540	$3,159,893,860	$ 4,049,758	$ 4,049,758	0.13%	107.88
2013	36,492	3,181,496,360	4,478,997	4,478,997	0.14%	122.74
2012	36,267	3,169,307,760	2,085,815	2,085,815	0.07%	57.51
2011	36,047	3,136,639,060	1,499,143	1,499,143	0.05%	41.59
2010	36,559	2,907,011,120	1,550,000	1,550,000	0.05%	42.40
2009	35,997	2,899,293,320	1,550,000	1,550,000	0.05%	43.06
2008	35,503	2,790,485,215	2,080,000	2,080,000	0.07%	58.59
2007	34,689	2,898,147,375	2,445,000	2,445,000	0.09%	70.48
2006	33,965	2,527,308,500	2,795,000	2,795,000	0.10%	82.29
2005	33,389	1,764,347,700	3,140,000	3,140,000	0.12%	94.04

Source: City of Dover Financial Records, Tax Assessor's Office and Delaware Population Consortium Annual Population Projections.

NOTES

1. This table includes all long-term general obligation bonded debt only. The Enterprise Funds have no general obligation debt.

2. Assessed value reflects the net billable tax base and does not include the exempt value, exemption for Senior Citizens and exemption for disability.

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Table 12

City of Dover, Delaware
Ratio of Annual Debt Service Expenditures for
General Bonded Debt to Total General Expenditures
Last Ten Fiscal Years

Fiscal Year	Principal	Interest	Total Debt Service	Total General Expenditures[1]	Ratio of Debt Service to Total General Expenditures
2014	$ 429,239	$ 122,812	$ 552,051	$ 39,646,120	1.39%
2013	296,003	73,071	369,074	40,517,512	0.91%
2012	275,000	52,734	327,263	47,743,864	0.69%
2011	270,000	65,225	335,225	38,898,945	0.86%
2010	260,000	68,410	328,410	32,786,465	1.00%
2009	365,000	77,319	442,319	33,766,292	1.31%
2008	350,000	87,468	437,468	35,703,156	1.23%
2007	345,000	96,232	441,232	34,651,840	1.27%
2006	335,000	103,718	438,718	30,169,206	1.45%
2005	330,000	110,371	440,371	27,912,865	1.58%

Source: City of Dover Financial Records.

NOTES
1. The General Expenditures include all operating items, capital items and debt service.

Table 13

City of Dover, Delaware
Computation of Direct and Overlapping Debt
with the Capital School District
June 30, 2014

Jurisdiction	Net Debt Outstanding	Percentage Applicable to City of Dover	Amount Applicable to City of Dover
City of Dover	$ 4,049,758	100%	$ 4,049,758
Kent County [1]	47,453,047	6%	2,847,183
Capital School District [2]	69,989,915		-
TOTAL	$ 121,492,720		$ 6,896,941

Sources: City of Dover Financial Records, Kent County Levy Court - Accounting Department and Capital School District - Administration Department.

NOTES

1. Kent County: Total debt for Kent County is $47,453,047 as of June 30, 2014. Although, Kent County's bonds are general obligation bonds, $42,549,433 is payable from the Kent County Sewer Fund(s) or other committed sources.

2. Capital School District: As of June 30, 2014 the net outstanding debt was $69,989,915. Percentage and amount applicable to the City is not available.

Table 14

City of Dover, Delaware
Computation of Legal Debt Margin
Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Debt Limit	$ 157,995	$ 159,075	$ 156,429	$ 155,838	$ 144,341	$ 144,965	$ 697,621	$ 724,537	$ 631,827	$ 441,087
Net (Taxable) Assessed Value on Books	3,159,894	3,181,496	3,169,308	3,136,639	2,907,011	2,899,293	2,790,485	2,898,147	2,527,309	1,764,348
Total net debt applicable to limit	4,050	4,479	1,550	1,820	2,080	2,445	2,795	3,140	3,475	3,805
Legal Debt Margin	$ 153,945	$ 154,302	$ 154,288	$ 142,521	$ 142,885	$ 695,176	$ 721,742	$ 629,848	$ 437,612	$ 429,899
Total Net Debt applicable to limit as a percentage of debt limit	2.56%	2.83%	1.00%	1.26%	1.44%	0.35%	0.39%	0.50%	0.79%	0.89%

Legal Debt Margin Calculation for Fiscal Year 2013

Net (Taxable) Assessed Value on Books	$ 3,159,894
Debt Limit - 5 Percent of Total Assessed Value	$ 157,995
DEBT (For which the City's full faith and credit has been pledged)	
Gross Bonded Debt	4,050
LEGAL DEBT MARGIN	$ 153,945

Source: City of Dover Financial Reports, City of Dover Charter, Section 50(b), and Tax Assessor's Office
July 2009 the Charter was amended and the debt limit was reduced from 25% of the total assessed value to 5%.

Table 15

City of Dover, Delaware
Revenue Bond Coverage - Electric Revenue Bonds
Last Ten Fiscal Years

Fiscal Year	Gross Revenue	Operating Expenses	Available For Debt Service	Debt Service Requirements of Each Fiscal Year			
				Principal	Interest	Total	Coverage
2014	$ 79,476,865	$ 68,594,189	$ 10,882,676	$ 2,170,000	$ 1,131,854	$ 3,301,854	3.30
2013	90,876,162	68,546,508	22,329,654	2,110,000	1,205,554	3,315,554	6.73
2012	93,650,277	71,607,021	22,043,256	2,060,000	1,260,054	3,320,054	6.64
2011	102,734,764	84,195,802	18,538,962	2,370,000	1,609,192	3,979,192	4.66
2010	100,316,323	86,089,451	14,226,872	2,260,000	1,716,134	3,976,134	3.58
2009	101,562,292	89,853,449	11,708,843	1,840,000	1,753,447	3,593,447	3.26
2008	97,354,991	82,132,360	15,222,631	1,780,000	828,076	2,608,076	5.84
2007	87,606,858	83,006,505	4,600,353	1,730,000	859,048	2,589,048	1.78
2006	68,377,892	53,839,945	14,537,947	1,855,000	910,256	2,765,256	5.26
2005	63,467,514	51,505,300	11,962,214	1,335,000	1,115,728	2,450,728	4.88

Source: City of Dover Financial Records.

NOTES

1. Coverage required by the bond resolution is 1.25.

2. Calculation of gross revenue for fiscal year 2013 is as follows:

Gross Revenue:		
Operating Revenues	$	79,474,753
Interest Earned-Operating Funds		2,112
Total Gross Revenue	$	79,476,865

3. Direct operating expenses do not include depreciation expense.

4. Figures presented in this table compare the net revenue available for debt service to the debt service requirements of the same fiscal year.

5. In August 2004, the City issued Electric Revenue refunding bonds in the amount of $22,535,000 to refund the outstanding Electric Revenue Bonds Series 1990 and Electric Revenue Refunding Bonds Series 1993.

6. In July 2008, the City issued Electric Revenue bonds in the amount of $22,200,000. Fiscal year 2009 includes $1,026,999 of interest related to this bond issue.

7. In November 2011, the City issued Electric Revenue Refunding Bonds in the amount of $8,810,000 to refund the 2004 Series. This refunding reduced the principal payable by $2,620,000.

Table 16

City of Dover, Delaware
Revenue Bond Coverage - Water/Wastewater Bonds
Last Ten Fiscal Years

Fiscal Year	Gross Revenue	Direct Operating Expenses	Net Revenue Available For Debt Service	Maximum Requirements Maximum Debt Service Requirement	Actual Coverage
2014	$ 13,307,253	$ 9,326,405	$ 3,980,848	$ 1,132,806	3.51
2013	13,282,782	8,841,757	4,441,025	1,019,315	4.36
2012	13,647,145	9,063,553	4,583,592	993,837	4.61
2011	13,758,048	9,222,105	4,535,943	416,423	10.89
2010	11,204,911	10,319,728	885,183	416,423	2.13
2009	11,067,901	9,510,814	1,557,087	797,708	1.95
2008	11,594,402	8,763,407	2,830,995	797,748	3.55
2007	12,294,847	8,242,898	4,051,949	797,748	5.08
2006	12,372,563	7,805,396	4,567,167	1,551,228	2.94
2005	10,619,688	7,223,283	3,396,405	1,553,713	2.19

Source: City of Dover Financial Records.

NOTES

1. Coverage required by bond resolution is 1.20.
2. The maximum debt service requirement presented above covers all revenue bond requirements. Rates were increased in 2011 for debt service coverage on multi-year projects.
3. Direct operating expenses do not include depreciation expense for coverage purposes as per the bond indenture.
4. In October 2003, the City issued Water and Sewer Revenue Bonds in the amount of $7,980,000. These bonds were issued to fully defease Water and Wastewater Revenue Bond Series 1986 B and to partially defease Water and Wastewater Revenue Bond Series 1993 and Series 1993 A and to provide approximately $1,600,000 for future capital projects.
5. In Fiscal year 2013, various capital projects were completed. These capital projects were financed by three state revolving fund loans issued in 2009, 2010 & 2011 in the amount of $5.9 million, $2.4 million and $0.8 million respectively, resulting in an increase in debt service.
6. In Fiscal year 2014, the City issued Water and Sewer Revenue Bonds in the amount of $6,125,000. These bonds were issued to refund the Series 2013 Water and Wastewater Revenue bonds and provide $4,005,960 for two capital projects.

Table 17

City of Dover, Delaware
Demographic and Economic Statistics
Last Ten Calendar Years

Year	Population	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2014	37,540	$ 788,039,680	$ 20,992	29.8	6,527	6.4%
2013	36,492	821,361,936	22,508	31.1	6,344	9.6%
2012	36,267	828,258,924	22,697	33.2	6,984	9.3%
2011	36,047	818,158,759	22,379	31.3	7,185	9.9%
2010	36,559	712,212,015	19,445	32.9	7,117	10.2%
2009	35,997	712,212,015	19,445	32.9	6,996	10.2%
2008	35,503	702,100,615	19,445	32.9	6,977	5.7%
2007	34,689	675,422,075	19,445	32.9	6,973	3.8%
2006	33,965	660,391,090	19,445	32.9	6,956	2.9%
2005	33,389	658,368,810	19,445	32.9	6,882	3.2%

Population Source: Delaware Population Consortium Projection Series

Personal Income Source: Estimation based on Population times Per Capita Personal Income

Per Capital Personal Income and Median Age Sources: 2011-2013 American Community Servey 3-Year Estimate - Dover, DE

Capital School Enrollment Source: includes kindergarten through 12th grade.

Unemployment Rate Source: Delaware Department of Labor Statistics adjusted yearly average

Table 18

City of Dover, Delaware
Major Employers
Current Year and Nine Years Ago

Name	2014			2005		
	Numbers of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Dover Air Force Base [1]	6,400	1	31.8%	8,900	1	31.2%
State of Delaware [2]	4,500	2	22.4%	8,791[3]	2	30.8%
Bayhealth Medical Center [2]	3,282	3	16.3%	2,754	4	9.6%
Dover Downs Co., Inc.	1,409	4	7.0%	896	7	3.1%
Dover Mall LP [3]	1,000	5	5.0%	3,200	3	11.2%
Capital School District	1,000	7	5.0%	750	8	2.6%
Delaware State University	1,112	6	5.5%	1,150	5	4.0%
Kraft Foods Inc.	606	8	3.0%	621	9	2.2%
Energizer Personal Care (Playtex Produ	490	9	2.4%	1,105	6	3.9%
City of Dover	330	10	1.6%	378	11	1.3%
	20,129			28,545		

Source: City Economic Development Office

NOTES

1. Dover Air Force Base total includes active duty, reservists and civilian employees.
2. Number of employees working in Kent County.
3. Figures estimated by Employer

Table 19

City of Dover
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Assessor	3.0	3.0	3.0	3.0	4.5	4.5	4.5	3.0	2.0	2.0
City Clerk	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
City Manager	4.0	3.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	3.0
Customer Services	15.0	14.0	14.0	15.0	16.0	16.0	16.0	16.0	14.0	16.0
Delaware Prevention Network	-	-	-	-	-	-	-	-	-	1.0
Facilities Management	7.0	9.0	12.0	13.0	13.0	13.0	13.0	12.0	12.0	13.0
Finance	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Fire	8.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	5.5
Fleet Maintenance	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Human Resources	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0	3.5	3.5
Information Technology	5.0	5.0	5.0	7.0	8.0	8.0	8.0	8.0	8.0	8.0
Library	13.0	13.0	12.0	17.5	18.0	18.0	18.0	17.0	17.0	17.0
Mayor	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Parks and Recreation	5.0	5.0	6.0	8.0	8.0	8.0	8.0	5.0	5.0	5.0
Police Civilian	31.0	29.0	29.0	29.0	29.0	29.0	29.0	29.0	29.0	29.0
Police Law Enforcement	93.0	93.0	93.0	91.0	90.0	93.0	93.0	91.0	90.0	87.0
Procurement & Inventory aka Central Services	4.0	4.0	6.0	6.0	8.0	8.0	8.0	8.0	8.0	7.0
Public Services, Administration	5.0	6.0	5.0	4.0	4.0	4.0	5.0	4.0	4.0	4.0
Public Services, Inspections	6.0	7.0	7.0	7.0	7.0	7.0	16.0	15.0	15.0	14.5
Public Services, Life Safety	3.0	3.0	3.0	4.0	4.0	4.0	-	-	-	-
Public Services, Economic Development	3.0	3.0	3.0	3.0	3.0	3.0	-	-	-	-
Public Services, Weed and Seed	-	-	-	-	-	-	-	-	1.0	1.0
Planning	4.5	4.5	5.0	5.0	6.0	6.0	5.0	5.0	4.0	3.0
Code Enforcement	5.0	4.0	4.0	4.5	5.0	5.0	-	-	-	-
Community Development	0.5	0.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Public Works, Grounds Maintenance	14.0	14.0	14.0	15.0	16.0	16.0	16.0	16.0	16.0	15.0
Public Works, Sanitation	11.0	11.0	13.0	12.0	13.0	13.0	13.0	13.0	13.0	13.0
Public Works, Streets	8.0	10.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Public Works E & I	-	-	-	-	-	-	-	-	-	3.0
General Fund Total	270.0	269.0	279.0	289.0	298.5	301.5	298.5	288.0	283.5	281.5
Public Utilities, Electric Administration	3.0	3.0	4.0	4.0	4.0	4.0	4.0	3.0	3.0	3.0
Public Utilities, Electric Engineering	10.0	10.0	10.0	10.0	12.5	12.5	12.5	20.5	20.5	19.5
Public Utilities, Electric System OPS	5.0	5.0	5.0	5.0	5.0	5.0	5.0	-	-	-
Public Utilities, Electric Meter Reading	3.0	3.0	3.0	3.0	4.0	4.0	5.0	5.0	5.0	5.0
Public Utilities, Electric Transmission and Distrib	24.0	24.0	25.0	25.0	28.0	28.0	28.0	29.0	29.0	29.0
Electric Fund Total	45.0	45.0	47.0	47.0	53.5	53.5	54.5	57.5	57.5	56.5
Public Utilities, Construction	3.0	5.0	6.0	6.0	7.0	7.0	7.0	8.0	8.0	8.0
Public Utilities, Wastewater Engineering	5.0	6.0	6.0	6.0	8.0	8.0	8.0	3.0	3.0	-
Public Utilities, Wastewater T & D	11.0	10.0	10.0	9.0	11.0	11.0	11.0	11.0	11.0	9.5
Public Utilities, Water T & D	4.0	5.0	4.0	4.0	5.0	5.0	5.0	5.0	5.0	4.5
Public Utilities, Water Treatment Plant	11.0	10.0	10.0	10.0	10.0	10.0	10.0	9.0	8.0	8.0
Water Meter Reading	-	-	-	-	1.0	1.0	1.0	1.0	1.0	1.0
Water/Wastewater Fund Total	34.0	36.0	36.0	35.0	42.0	42.0	42.0	37.0	36.0	31.0
Total Full-Time Equivalents	349.0	350.0	362.0	371.0	394.0	397.0	395.0	382.5	377.0	369.0

Source: City of Dover Budget

Table 20

City of Dover, Delaware
Operating Indicators and Capital Assets Used in Operations
Last Ten Fiscal Years

	June 30, 2014	June 30, 2013	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007	June 30, 2006	June 30, 2005
Date of Incorporation	Feb. 16, 1829	Feb. 16, 1829	Feb. 16, 1829	Feb. 16, 1829	Feb. 16, 1829	Feb. 16, 1829	Feb. 16, 1829	Feb. 16, 1829	Feb. 16, 1829	Feb. 16, 1829
Land area - Acres	14909.33	14,909.33	14,909.33	14,909.33	14,909.33	14,904.90	14,904.90	14,914.27	14,674.58	14,714.60
Land area - Square Miles	23.29	23.29	23.29	23.29	23.29	22.586	22.586	23.303	22.929	22.991
Total Miles of Street	164.49	164.08	162.81	158.94	159.62	159.62	159.62	155.62	153.76	152.96
City Maintained Miles of Streets	105.14	104.73	103.46	101.59	100.27	100.27	100.27	96.27	94.41	93.61
State Maintained Miles of Streets	53.35	59.35	59.35	57.35	59.35	59.35	59.35	59.35	59.35	59.35
Dover Population - U. S. Census data	37,089	36,047	36,047	36,047	32,043	32,043	32,043	32,043	32,043	32,043
Dover Population - City Count	37,366	36,492	36,267	36,047	36,559	35,997	35,503	34,689	33,965	33,389
Registered Voters	22,779	21,998	22,362	21,454	21,897	21,897	20,181	19,084	19,502	18,714
Electric Utility:										
Generating Units	4	4	4	4	4	4	4	4	4	4
Co-Generating Unit	1	1	1	1	1	1	1	1	0	0
	5	5	5	5	5	5	5	5	4	4
Generating Capacity	175 mw	175 mw	175 mw	175 mw	175 mw	175 mw	176 mw	176 mw	175 mw	175 mw
Co-Generating Capactiy	16 mw	16 mw	16 mw	16 mw	16 mw	16 mw	16 mw	16 mw		
	191 mw	191 mw	191 mw	191 mw	191 mw	191 mw	192 mw	192 mw	175 mw	175 mw
Area of Service	68 sq. mi.	68 sq. mi.	68 sq. mi.	68 sq. mi.	68 sq. mi.	68 sq. mi.	68 sq. mi.	68 sq. mi.	68 sq. mi.	68 sq. mi.
Substations	15	15	15	15	15	15	15	15	16	16
High Peak Load	164.162 mw	171 mw	172 mw	162.6 mw	164.082 mw	155.656 mw	175 mw	176 mw	160	160
Customers:										
Residential	19,900	19,990	19,908	19,782	19,785	19,682	19,137	18,578	18,297	17,867
Commercial	3,412	3,412	3,354	3,386	3,370	3,497	3,664	3,422	3,280	2,813
Primary	37	37	39	38	36	37	37	36	32	32
Vapor Lights Only	811	811	811	820	843	850	880	872	867	867
69 KV Industrial	5	4	4	4	4	4	4	4	4	4
Municipal - Total number of meters	0	0	0	0	0	0	0	0	149	149
Total Customers Sales $	$78,179,196	$88,416,208	$91,947,980	$99,513,157	$98,081,648	$99,642,490	$94,037,212	$83,109,810	$63,844,353	$60,170,424
Total Customers Sales kWh	720,874,705	725,895,800	710,327,722	734,102,972	708,530,322	719,949,121	731,024,065	734,072,008	736,810,231	731,635,019
PowerSupply										
$	$55,822,253	$55,367,147	$58,758,032	$68,852,937	$72,508,956	$73,549,910	$68,648,786	$70,579,991	$42,293,895	$39,628,388
kWh	733,775,177	735,175,000	738,190,000	768,254,000	751,250,000	751,171,000	782,081,000	788,824,000	781,466,220	767,750,050
Fire Department:										
Stations	2	2	2	2	2	2	2	2	2	2
Officers	8	8	8	8	8	8	8	8	8	8
Firemen - Membership (Volunteers-Active)	160	100	100	100	120	80	100	100	100	100
Equipment	15	15	15	14	14	14	18	14	14	11

Table 20 – Continued

	June 30, 2014	June 30, 2013	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007	June 30, 2006	June 30, 2005
Parks and Recreation:										
Major Parks	3	3	3	3	3	3	3	3	3	3
Small Parks	24	24	24	22	22	22	22	22	22	22
Police Department:										
Station	1	1	1	1	1	1	1	1	1	1
Substation	0	0	0	0	0	0	0	0	0	0
Uniformed Personnel	94	93	93	93	90	92	92	90	88	87
Automobiles	77	75	78	67	66	66	66	66	71	79
Motorcycles	7	7	7	7	7	7	7	5	5	5
Motor Boats	0	0	0	1	1	1	1	1	1	1
Bicycles	12	12	12	4	4	4	4	4	4	4
Specialty Vehicles	7	7	7	7	7	6	6	6	6	5
Trailers	2	2	2	3	3	3	3	4	4	3
Public Library:										
Books	100,262	97,801	93,050	103,091	138,931	121,312	119,392	120,203	111,496	101,631
Audiovisual Materials (VCRs, DVDs, CDs, Cassettes, Recorded Books)	21,008	16,929	15,265	14,409	15,572	15,356	11,917	11,507	7,171	10,138
Members	37,531	34,308	32,717	33,466	36,534	39,354	37,587	37,036	39,202	48,626
Magazines Subscriptions	191	187	217	178	201	193	287	359	359	359
Newspapers	10	11	11	19	19	19	29	15	12	12
Circulation of Books	463,113	444,333	407,611	400,130	375,632	428,633	408,827	400,336	398,666	398,842
Electronic Downloads - Books	17,219	11,770	2,635	-	-	-	-	-	-	-
Water Utility:										
Supply - Wells	22	22	22	22	22	22	22	22	22	22
Storage Tanks	6	6	6	6	6	6	6	6	6	6
Total Storage Capacity (Gallons)	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000
Water Mains (miles)	223.15	222.3	217.5 miles	215.7 miles	215.7 miles	215.7 miles	196 miles	176 miles	176 miles	185 miles
Average Day (Gallons Pumped)	4,197,984	4,245,153	4,405,923	4,656,334	4,474,063	4,429,115	4,974,526	4,721,174	5,218,000	4,898,000
Peak Day (Gallons)	6,305,000	7,169,000	8,620,000	8,620,000	6,756,000	8,058,000	9,278,000	8,672,000	8,358,000	8,421,000
Water Production (Gallons Pumped)	1,532,264,000	1,553,727,000	1,608,161,895	1,699,562,000	1,633,033,000	1,616,627,000	1,815,702,000	1,869,585,000	1,904,666,300	1,788,000,000
Total Water Consumption (Gallons Billable)	1,374,855,000	1,345,432,000	1,455,934,265	1,539,590,000	1,466,943,000	1,531,526,000	1,554,000,000	1,640,082,000	1,641,119,000	1,580,677,000
Avearge Day (Gallons Billable)	3,766,726	3,686,115	3,988,861	4,218,055	4,019,022	4,195,962	4,257,534	4,493,375	4,496,216	4,330,622
Number of Metered Customers	12,341	12,373	12,385	12,330	13,863	13,375	13,229	11,962	11,764	11,625
Number of New Connections	0	0	55	0	488	146	284	198	139	475
Wastewater Utility:										
Pumping Stations	40	40	40	42	42	42	42	42	38	34
Wastewater Mains	187.59 miles	186.87 miles	186.87 miles	185 miles	185 miles	185 miles	185 miles	185 miles	185 miles	160 miles
Average Day (Gallons Pumped)	3,415,901	4,312,742	4,379,033	4,230,819	5,385,060	4,220,493	4,277,219	4,755,479	4,715,498	5,122,685
Peak Day (Gallons Pumped)	Not Measured	Not Measured	Not Measured	Not Measured	Not Measured	Not Measured	Not Measured	Not Measured	Not Measured	5,983,000
Wastewater Discharge (Gallons Pumped)	1,246,804,000	1,574,151,000	1,602,726,000	1,544,249,000	1,965,547,000	1,540,480,000	1,561,185,000	1,735,750,000	1,721,156,750	1,869,780,000
Wastewater Discharge (Gallons Billable)	17,861,000,000	1,242,238,000	1,316,656,000	1,303,587,000	1,328,195,000	1,410,347,000	1,458,043,000	1,467,498,000	1,460,882,000	1,411,324,000
Average Day (Gallons Billable)	3,415,901	3,403,392	3,607,277	3,571,471	3,638,890	3,863,964	3,994,638	4,020,542	4,002,416	3,866,641
Number of New Connections	0	5	55	0	488	146	Not Available	Not Available	Not Available	350
Water Treatment Plant:										
Capacity	4.6 MGD	4.6 MGD	4.6 MGD	4.6 MGD	4.6 MGD	4.6 MGD	4.6 MGD	4.6 MGD	4.6 MGD	4.6 MGD
Sales to Customers:										
Water Fees	$4,459,808	$4,551,840	$4,707,918	$4,945,385	$4,274,966	$4,070,523	$4,203,972	$4,250,634	$4,289,413	$3,791,254
Wastewater Fees	$3,562,400	$3,564,615	$3,722,985	$3,694,020	$3,015,856	$2,351,885	$2,589,539	$2,619,013	$2,605,428	$2,719,577
Wastewater Adjustment	$2,930,333	$2,926,616	$3,050,127	$3,058,656	$3,100,547	$3,733,644	$4,109,166	$3,854,100	$3,865,683	$2,611,290

Sources: Various City departments

Table 21
City of Dover, Delaware
Summary of Insurance
as of June 30, 2014

TYPE OF COVERAGE	PROTECTION LIMIT IN DOLLARS	
Property		
Blanket Building & Contents		$10,000 Deductible
(Special Form, RC, Agreed Amount)	$157,343,818	
Earthquake	$ 2,000,000	$50,000 Deductible
Flood Zones X or C	$ 2,000,000	$50,000 Deductible
Flood Zones		
(Zones unidentifiable)		$50,000 Deductible
Zones located A, B Shaded X, V &		
D are excluded	$100,000	
Blanket Business Earnings		
& Expense	$200,000	
Accounts Receivable	$250,000	
Civil Authority - 30 days		
Claims Expense (Inv./Appraisals)	$ 25,000	
Covered Leasehold Interest	$100,000	
Debris Removal	$250,000	
Deferred Payments	$ 25,000	
Electronic Vandalism	$ 10,000	
EDP Data & Media	$ 50,000	$1,000 Deductible
Employee Tools ($2,500 item)	$ 25,000	
Expediting Expenses	$250,000	
Exhibitions (Property Damage)	$ 50,000	
Extra Expense	$ 25,000	
Fine Arts	$250,000	
Fire Dept. Services Charge – Included	-	
Fungus, Wet Rot, Bacteria	$ 25,000	
Furs, Fur Garments	$ 25,000	
Jewelry, gold, Silver, Platinum	$ 25,000	
Green Bldg. Alternatives	$ 25,000	
Loss of Master Key	$ 25,000	
Newly Acquired or Constructed	-	
Real Property (180 days)	$2,000,000	
Non-Owned Detached	-	
Trailers	$ 25,000	
Ord. & Law Coverage A	$250,000	
Ord. & Law Coverage B	$250,000	
Ord. & Law Coverage D - Included	up to Extra Expense Limit	-
Outdoor Property	$250,000	
Outside Signs –Described – Prem.	$100,000	
Personal Effects	$250,000	
Personal Property at Undescribed	-	
Premises	$ 50,000	
Personal Property in Transit out of	-	
Coverage Territory	$ 25,000	
Pollution & Contaminants	$100,000	

Table 21 – Continued

TYPE OF COVERAGE	PROTECTION LIMIT IN DOLLARS
Preservation of Property-Direct	-
Loss or Damage	$250,000
Property in Transit	$50,000
Personal Property of Others	$250,000
Reward Coverage	$25,000
Spoilage	$10,000
Stamps, Tickets and letters	-
Of Credit	$5,000
Stored Water	$25,000
Temporary Location	$50,000
Undamaged Parts of Stock	-
In Process	$ 50,000
Valuable Papers on Premises	$100,000
Valuable Papers off Premises	$100,000
Water Damage Back up of	-
Sewers or Drains	$250,000
Appurtenant Buildings	-
And Structures	$100,000
Overseas Business Travel	-
Personal Property	$ 25,000
Utility Service Direct Damage	$ 50,000
Confiscated Property	$100,000
Street Lights – Each Item	$ 2,500
Street Lights – Per Occur	$ 50,000
Street Signs – Each Item	$ 2,500
Street Signs – Per Occur	$ 50,000
Traffic Signs and Lights –Each	$ 2,500
Traffic Signs and Lights	-
Per Occur	$ 50,000
Stadium Lights – Each Item	$ 2,500
Stadium Lights – Per Occur	$ 50,000
Spoilage Coverage Extension	$ 10,000
Sewer or Drain Backup	$250,000
Boiler & Machinery	
Coverage Limit - Property Limit	
Deductible	$ 10,000
Expediting Expenses	$250,000
Hazardous Substance	$250,000
Spoilage	$250,000
Ammonia Contamination	$250,000
Inland Marine	
Contractors Equipment – Replacement Cost - 90% co-insurance	
Scheduled Equipment	$ 3,500
Employee Tools	$112,702 Not to exceed $18,000 per item
Unlisted Items	$100,000 Not to exceed $5,000 per item
Leased or Rented Items	$100,000 Not to exceed $100,000 per item
New Acquired Equipment	$250,000
Rental Cost (per Item)	$ 5,000
Loss to any one Replacement Item	$100,000

Table 21 – Continued

TYPE OF COVERAGE	PROTECTION LIMIT IN DOLLARS	
Scheduled Property	$54,885	
Basic Deductible	$ 1,000	
Employee Tool Deductible	$ 250	
Flood Deductible	$50,000	
Earthquake Deductible	$50,000	
Windstorm Deductible	$ 1,000	
Crime		
Employee Theft per Loss	$500,000	$500 Deductible
Forgery or Alteration	$100,000	$1,000 Deductible
Inside the Premises – Theft of Money & Securities	$ 35,000	$500 Deductible
Inside the Premises	$ 25,000	$500 Deductible
Robbery or Safe Burglary of Other Property		
Outside the Premises	$ 30,000	$ 500 Deductible
Computer Fraud	$100,000	$1,000 Deductible
Money Orders and Counterfeit Paper Currency	$100,000	$1,000 Deductible
Faithful Performance of Duty Coverage Endorsement – Governmental Employees		
Liability Coverage:		
Commercial General Liability		
Each Event	$1,000,000	
General Aggregate Limit	$3,000,000	
Products Completed Operations Aggregate Limit	$3,000,000	
Personal & Advertising Injury Each Person	$1,000,000	
Damages to Premises Rented to You Limit (Any One Premises)	$ 100,000	
Medical Expenses	-	
Sewer Back Up	$1,000,000 (resulting from negligence)	
Failure to Supply	$1,000,000	
Sexual Abuse Each Person	$1,000,000	
Sexual Abuse Total Limit	$2,000,000	
Statutory Cap Limits of Coverage Endorsement		
Delaware Each Occurrence Statutory Cap Limit	$ 300,000	
Employee Benefit Plans Administration Liability - Claims Made		
Retroactive Date: None		
Aggregate Limit	$3,000,000	
Each Employee Limit	$1,000,000	
Deductible	$ 1,000	
Law Enforcement Liability - Occurrence		
Aggregate Limit	$3,000,000	

Table 21 – Continued

TYPE OF COVERAGE	PROTECTION LIMIT IN DOLLARS
Each Wrongful Act Limit	$1,000,000
Each Wrongful Act Deductible	$ 15,000
Statutory Cap Limits of Insurance Endorsement	
Delaware Statutory Cap Limit	$ 300,000
Public Entity Management Liability - Claims Made	
Retroactive Date: 7/1/1996	
Aggregate Limit	$3,000,000
Each Wrongful Act Limit	$1,000,000
Deductible	$ 25,000
Employment Practices Liability - Claims Made	
Retroactive Date: 7/1/1996	
Aggregate Limit	$5,000,000
Each Wrongful Employment	
Practice Offense Limit	$5,000,000
Deductible	$ 25,000
Business Auto Policy	
Coverage:	
Automobile	
Liability	$1,000,000
Personal Injury Protection	$ 300,000
Uninsured/Underinsured Motorist	$1,000,000
(Physical Damage Applies to Police &	
Specified Electric & Sanitation Trucks)	
Non-owned Liability	$1,000,000
Hired Auto Liability	$1,000,000
Employees as Additional Insured	
Hired Auto Physical Damage	$ 90,000
Hired Car Physical Damage Deductibles	
Comprehensive Deductible	$ 250
Collision Deductible	$ 250
Statutory Cap Limits of Coverage Endorsement	
Delaware Statutory Cap Limit	$ 300,000
Excess Crime Policy	
Coverage:	
Excess Crime	
Employee Theft per Loss	$500,000 excess of $500,000
(Over Policy# 630OB165227)	

Table 21 – Continued

TYPE OF COVERAGE	PROTECTION LIMIT IN DOLLARS
Umbrella Excess Liability Coverage:	
Umbrella	
General Aggregate Limit	$4,000,000
Products & Completed Work Aggregate Limit	$4,000,000
Personal Injury	$4,000,000
Advertising Injury	$4,000,000
Each Occurrence	$4,000,000
Retained Limit Any One Occurrence Or Event	$ 10,000
Umbrella Underlying Policies:	
General Liability	$1,000,000
Employment Benefits	$1,000,000
Auto Liability	$1,000,000
Law Enforcement Liability	$1,000,000
Public Entity Management	$1,000,000
Employers Liability (Safety Net)	$1,000,000
Cyber Liability Coverage:	
Cyber Liability – Claims Made	
Retroactive Date: 12/01/2012	
Aggregate Limit	$25,000
Third Party Liability – Each Wrongful Act Limit	$25,000
Network & Information Security Liability	$ 1,000
First Party Liability Security Breach Notification & Remediation Expenses	$10,000
Deductible	$ 1,000
Crisis Management Service Expenses	$10,000
Deductible	$ 1,000
Pollution Liability Coverage:	
Pollution Liability	
Each Pollution Event Limit	$ 5,000,000
Aggregate Policy Limit	$10,000,000
Deductibles	$ 25,000 Each Pollution Event $ 100,000 Total For All Pollution Events Deductible $ 10,000 Maintenance Deductible

Table 21 – Continued

TYPE OF COVERAGE	PROTECTION LIMIT IN DOLLARS

Claims Made
Retroactive Date 4/1/1997
Includes: 2 underground storage tanks-710 Williams St., Dover, DE & 2 Power Plants

Excess Worker's Compensation
Coverage:

Employers Liability Limit:	$1,000,000
Specific Limit: Statutory	
Aggregate Limit:	$2,000,000
$600,000 Retention (Police)	
$500,000 Retention (All Other)	

Worker's Compensation-TPA Services
(Charges based on claim count, this number could fluctuate)

Travel Accident Policy
Principal Sum: $100,000 $0 Deductible

Covered Positions: Mayor, Police Captain, Board of Adjustments, Police Chief, City Manager, City Clerk, Asst. City Clerk, Accounting Manager, Tax Assessor, Generation Manager, Police Major, Planning Commission, Human Resources Manager, Information Services Manager, Chief Inspector/ Planner, Chief Electric Engineer, Fire Marshall, Finance Director, Support Services Manager, Line Crew Foreman, Councilman, Administrative Services Manager, Civilian Member of Council Committee, Public Works Manager, Asst. Public Works Manager, Community Services Director, Fire Chief, Library Director, Asst. Inspector/ Director of Planning.

Bond-Self Insured Worker's Compensation - State of Delaware
Limit: $750,000

Bond – Public Officials Bond - Donna Mitchell – Treasurer
Limit: $100,000

Bond- Public Officials Bond - Traci McDowell – City Clerk/Assistant Treasurer
Limit: $100,000

Power Plants – Property & Boiler and Machinery (2 policies 50/50)

Locations: McKee Run Generating Plant
Vansant Station
Policy #1
XL Insurance Company – $50,000,000 per Occurrence (50% Carrier Capacity Limit of $100,000,000)

Coverages:

50% policy limit:	$50,000,000 Per Occurrence
	Agreed Amount, Special
Extra Expense:	$ 2,000,000
Errors & Omissions	$ 2,000,000
Expediting Cost:	$ 1,000,000

Table 21 – Continued

TYPE OF COVERAGE	PROTECTION LIMIT IN DOLLARS
Property in the Course of Construction:	$ 5,000,000
Earthquake:	$20,000,000
Flood:	$10,000,000
Debris Removal	$ 2,500,000
Property in Transit	$ 2,500,000
Demolition & Increase Cost of Construction	$10,000,000

Deductibles: $750,000 per Occurrence, except;
$100,000 per Occurrence as respects Transit,
In respect of Time Element loss (Extra Expense):
45 days per Occurrence, except;
72 hours per Occurrence in respect of Service Interruption

Policy #2
Ace American Insurance Company – $50,000,000 per Occurrence (50% Carrier Capacity Limit of $100,000,000)

Coverages:

50% policy limit:	$50,000,000 Per Occurrence
	Agreed Amount, Special
Extra Expense:	$ 2,000,000
Errors & Omissions	$ 2,000,000
Expediting Cost:	$ 1,000,000
Property in the Course of Construction:	$ 5,000,000
Earthquake:	$20,000,000
Flood:	$10,000,000
Debris Removal	$ 2,500,000
Property in Transit	$ 2,500,000
Demolition & Increase Cost of Construction	$10,000,000

Deductibles: $750,000 per Occurrence, except;
$100,000 per Occurrence as respects Transit,
In respect of Time Element loss (Extra Expense):
45 days per Occurrence, except;
72 hours per Occurrence in respect of Service Interruption

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CITY OF DOVER
TRAINING, CONFERENCE & TRAVEL POLICY

A. INTRODUCTION

1. Purpose

The purpose of this policy is to provide guidelines under which City of Dover employees, public officials, and appointees will be reimbursed for authorized travel expenses incurred in the conduct of business for the City of Dover, hereinafter referred to as "City." In addition to the guidelines, specific procedures with regard to incurring and reporting related expenses are provided.

2. Scope

This policy shall apply to employees of the City of Dover, elected officials, boards, commissions and others, who are engaged in authorized travel and who expend City funds for travel purposes. The Mayor and Members of City Council are not required to submit a Travel Authorization and Completion Form, but are required to follow the financial and budget requirements of this policy.

While this policy does not cover every possible situation, it establishes adequate guidelines for employees and officials to make appropriate and consistent judgments regarding the expenditure of City funds for reimbursable expenses. The City of Dover will provide flexibility to meet the special needs and requirements of their employees during travel.

It remains the responsibility of city management to control and approve travel-related expenditures. The City Manager and Controller/Treasurer may impose more stringent rules when deemed appropriate or necessary.

The City Manager and Controller/Treasurer will review every three years the implementation of this Policy and will provide policy interpretations and assistance to ensure effective and efficient implementation. Any exceptions will be subject to approval by the City Manager and Controller/Treasurer. The City Manager and Controller/Treasurer may also, on a case-by case basis, approve reimbursements exceeding the guideline amounts referenced in this policy. In any such instance, a detailed explanation and substantiation (a receipt) is required. Enforcement of this policy will be the responsibility of the Controller/Treasurer.

3. Responsibility

a. Employee, Public Official, or Appointee
   - Comply with all provisions of this policy.
   - Obtain the necessary approvals in advance for overnight travel and out-of-state use of City vehicles. Provide a copy of the approval with the travel prepayment made by direct voucher.
   - All expenses incurred in the course of City business are to be in accordance with the City's Administrative Policies and Rules of Ethics and must be paid solely from appropriated funds.
   - Comply with the ten (10) working-day rule.

b. Department Director/City Manager/Council Designee
   - Ensure compliance with this policy.

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- Review and approve each of their employees/official's travel approval requests and reimbursable expenses.
- Ensure sufficient funds are available for all anticipated expenses.

c. Signatures on the Travel Expense Report (City of Dover Form 030 Exhibit B) certify that the expenses were incurred by the employee/official requesting reimbursement for official City business, are reimbursable in accordance with this policy, and have not been reimbursed except as indicated on this form.

Required signatures for expenses are:

- Employee
- Supervisor
- Department Director or Council Designee

B. TRAINING AND CONFERENCE REGISTRATION FEES

1. Request for payment of registration fees shall be accompanied by the registration form.

2. City Council, Planning Commission and the Mayor are offered opportunities to attend courses designed for governmental officials. Any member of Council wanting to take advantage of these courses offered by the following organizations will submit to the City Clerk's office their request for registration.

- Delaware League of Local Governments
- National League of Cities
- US Conference of Mayors
- International City Managers Association
- Government Finance Officers Association (GFOA)
- American Public Power Association (APPA)
- American Public Works Association (APWA)
- American Planning Association
- Organizations that provide Continuing Education credits for professional license renewals of applicable staff.

Any courses not offered by these organizations will be submitted to the City Manager and Controller/Treasurer for concurrence.

C. TRAVEL AUTHORIZATION

All out-of-state travel that extends beyond one day shall be approved by the City Manager. All requests shall be made on the "Travel Authorization Form" (City of Dover - Form 047 Exhibit A). A copy of the conference or meeting program must be attached to the form. The authorization form must be submitted to the City Manager in a reasonable amount of time prior to the traveling day.

The Department Director or City Manager may impose specific requirements as to the time the authorization form must be submitted prior to travel. Employees and Officials traveling on official City business should be aware that the approval is for travel only, and is not a blanket approval of the expenses incurred.

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A travel packet including the authorization form, the meeting program/itinerary, and the purchase orders for advanced costs must be submitted to the Accounts Payable Department. The Purchase Orders for the advanced costs should include the necessary supporting documentation. It does not require the submission of duplicate information. Please note Purchase Orders for registration costs must include the Registration form unless previously submitted; submission for hotel and airfare costs must include documentation of the individual costs unless previously submitted.

D. TRANSPORTATION: COMMON CARRIER

1. General

All trips requiring the use of common carrier must be pre-approved by the appropriate approval authority.

The mode of travel must be justified on the basis of the most economical use of time of the personnel involved, the cost of optional travel modes, and the requirements of the trip.

All common carrier reservations must be consistent with reasonable business travel planning, common carrier will be booked at the lowest available fare. If the lowest available fare is turned down by the traveler, the traveler's explanation for the denial is to be provided with the travel authorization request.

Travelers should be advised to make travel reservations as far in advance as possible to attain the lowest fares, including non-refundable tickets. Travelers may not specify particular airlines or other carriers to accumulate mileage on promotional plans such as frequent flyer programs.

In order to take advantage of special discount rates (supersaver fares, etc.), reimbursement to an employee may be made prior to a trip being taken under the following conditions:

a. Documentation of the substantial savings that will accrue to the City (e.g., supersaver discounts).
b. Employee's proof of payment on a statement from the airline, other than credit card receipts.

Most airlines will not give refunds or partial refunds for supersaver airfares.

It is encouraged to examine the advantage of fares requiring early trip departure or delayed return. However, it is important to consider the additional cost of meals and lodging for the required extra day(s) stay when comparing cost.

2. Air Travel

a. Accommodations - When commercial airlines are used as a mode of travel, accommodations shall be coach/economy class unless some other class accommodations are more economical.

b. Routing of Travel - All travel will be by the most economical and direct routes.

   In the event that a person travels by an indirect route for personal convenience, the extra expense shall be the responsibility of the individual. Reimbursement for expenses shall be based only on the cost of the most economical and direct route.

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c. Conference Airfare Arrangements

When attending a conference, always check conference materials to see if special airline discounts are offered. When a special airline discount rate is offered and conferees are instructed to go directly to an airline to obtain the discount fare, the employee should compare the conference rates through the internet with all other airline rates available before scheduling airline

reservations. The employee should always book the lowest fare possible. (See Section F.3. for Conference Lodging Arrangements).

3. Rail Travel

1. Accommodations

When it has been determined that rail travel is the most appropriate mode of transportation, the most economical class accommodations shall be utilized.

E. TRANSPORTATION: PASSENGER VEHICLES

1. City-Owned Vehicles

City-owned vehicles should be utilized for both in-state and out-of-state travel when such use is the most practical and economical mode of transportation, including the cost of tolls, fuel and parking.

2. Use of Privately-Owned Vehicles

a. The use of privately owned vehicles for any City travel (both in state and out-of-state) should only be used when a City Vehicle is not available. The use of a privately owned vehicle for City travel shall require the prior approval of the City Manager and Department Director. Reimbursement of private vehicle expenses shall be at the Council approved rate as indicated on Exhibit B for actual and necessary miles traveled. Beginning and ending odometer readings are required for the reimbursement for mileage.

b. In considering approval for use of personal vehicles, the approval authority shall take into consideration the cost of alternative modes of travel and the cost of meals and lodging for the additional travel/transit days. Mileage reimbursements shall not exceed the cost of airfare plus travel to/from the airport.

c. When two or more employees travel in a privately owned vehicle, only one mileage reimbursement will be allowed at times when one vehicle is sufficient to carry all passengers.

3. Rental Cars

a. General

The use of a rental car when traveling out of state must be justified as an economical need and not as a matter of personal convenience. Prior approval by the Department Director and City Manager is required before arranging for car rental. All rentals should be at the most economical

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rate per day including government rates or special rate agreements. When traveling in groups, sharing of cars, when practical, must be done to minimize costs. The city will not pay for the use of a rental car to accommodate family members or non-business associates traveling with the employee, public official, or appointee.

b. Vehicle Size

Whenever possible, compact cars shall be rented or reserved. However, if a larger size vehicle is more economical or more than two city travelers are traveling together the larger vehicle may be appropriate. Any representative of the City requesting an upgrade of the size of a rented vehicle shall provide a written explanation of their reasons to the City Manager. **A receipt is always required**.

c. Insurance

(1) The optional insurance coverage offered by the car rental agency must be declined when the traveler charges the rental car. The traveler will automatically receive primary coverage under the City blanket insurance policy for travel. When insurance is declined, the policy covers collision damage, theft, fire and vandalism. Reimbursements for additional or optional insurance coverage will not be allowed.

(2) Other. Travelers <u>not</u> covered under the blanket insurance policy may be covered by their personal automobile insurance policy or other personal credit cards. Travelers should check their automobile policy and credit card policy for business travel coverage and accept or decline additional coverage accordingly. Reimbursement for additional or optional insurance coverage will not be allowed.

d. Refueling Before Return

To avoid a refueling surcharge, all rental cars shall be refueled before returning the vehicle to the rental company. Any surcharges billed to the employee, public official, appointee, or City shall be explained in the reimbursement request.

e. Reservations

Approved car rental reservations shall be made in advance whenever possible. The employee should compare car rental rates and always look to reserve the lowest rental.

F. LODGING

1. General

City travelers are expected to seek accommodations that are comfortable, convenient, meet business and personal needs and offer good value. Employees are expected to compare local lodging rates in the area prior to reserving lodging.

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2. Accommodation

a. Lodging accommodations for reasonably priced single occupancy rooms are reimbursable when the traveler is away from home overnight due to official travel.

b. Accommodations shared with family members or others not on official City business are reimbursable at the single occupancy rate only.

c. Accommodations shared with other City travelers should be billed and reimbursed to one traveler. When required, reimbursements to more than one traveler shall be based on a pro rata share as reported on each reimbursement request.

3. Conference Lodging Arrangements

When hotel rooms are blocked for a conference, seminar, etc., and a special discounted conference hotel rate provided, the employee/official should compare conference rates with the rates for other local hotels within a three (3) block radius of the conference. The employee is urged to reserve hotel accommodations that offer the best value to the City. This includes conference rate, government rate or lower rate, for the employee/official. If a lower rate is not available, the conferees should make their lodging arrangements directly utilizing the conference instructions. Conference lodging will be considered to accommodate persons with special circumstances.

4. Occupancy Tax

The City is exempt from the tax on occupancy of hotel, motel and tourist home rooms within Delaware only. When instate overnight accommodations are necessary, the employee should be provided with a copy of the Occupancy Tax Exemption Certificate (see Exhibit C) to be presented to the lodging facility. Tax on occupancy of hotels in other states must be paid.

G. MEAL ALLOWANCES

1. General

The City will pay for or reimburse an employee/official for the necessary and reasonable cost of meals and incidental expenses incurred during out of state travel requiring overnight lodging.

Additional meal costs incurred over and above those provided as part of a conference or registration fee are not reimbursable, unless justified as a special circumstance and approved by the City Manager and Controller/Treasurer (e.g. special meeting or diet restrictions).

Exceptions are to be pre-approved by the City Manager and Controller/Treasurer.

There will not be any reimbursement for meals when the meals are provided as part of the conference/training or by the host organization and when meals are provided as part of the hotel service and/or airfare.

Only per diem rates as prescribed by the Federal Government for official travel will be provided for Meals and Incidental Expenses (M&IE). (\\doverfp\Public Docs\Policies & Procedures\Travel\FY2015_PerDiemRates.pdf)

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If an employee is traveling partial days on any calendar day, the City will prorate the applicable M&IE rate at 75 percent. This applies to both day of departure and day of return. Partial travel days begin when an employee leaves Dover after 12:00 noon on the day of departure and returns to Dover by 5:00 PM on the day of arrival.

When meals are provided at the conference or by the host, the meal allowance will be reduced by 25% for each meal provided. Continental Breakfast provided by the hotel or at the conference is counted as a meal, unless justified as a special circumstance and approved by the City Manager and Controller/Treasurer (e.g. special meeting or diet restrictions).

2. Day Trips, In-state Travel and Before or After Hours

The meal allowance for day trips out of the City will be reimbursed at actual cost**,** as long as it does not exceed 25% of the normal per diem per the M&IE Allowance. The meal allowance for working before or after hours as a general rule are not encouraged, but may be approved by the City Manager and/or Controller/Treasurer on a case-by-case basis. At no time can the amount exceed the allowances established.

H. CASH ADVANCES

General/Blanket travel advance checks will not be issued to employees, public officials, or appointees. Employees, public officials, and appointees will be reimbursed for specific travel related expenses after the trip or event has been completed.

The City will pay specific travel and lodging costs in advance as long as the request deadlines are met. Employees, public officials, and appointees shall use a City purchase order when requesting travel cost advances. Department Directors should use their City credit card for business travel. Directors may approve the use of their departmental travel credit card when arranging employee travel. Under urgent situations and with prior approval, employees and officials can also use a personal credit card and request reimbursement when they return.

The City will pay in advance the following costs:

Please note: A travel packet including the Travel authorization form, the meeting program/itinerary, and a purchase order for the advanced costs listed below must be submitted to the Accounts Payable Department **no later than 12 days prior to the event.**

a) **Conference/Training registration fees.** Such payment will be made payable and mailed directly to the organization. This will be done through a purchase order submitted by the department upon receipt of the approved Travel Authorization Form. A copy of the registration form describing the specific event must be attached to the purchase order. The Employee Travel packet must be submitted to Accounts Payable prior to/or along with the purchase order request for advance travel expenses.

b) **Airfare.** Airfare is normally reserved on-line through the internet and paid with a City credit card after travel approval has been received. (See City Credit Card Policy)

c) **Lodging**. Upon receipt of the approved Travel authorization form, the department may submit a purchase order for lodging. The check will be made payable to the hotel and will be given to the person for whom the lodging arrangements are made. The department must provide supporting

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documentation including the daily lodging rates and applicable taxes along with the purchase order. Lodging reservations can be held with the use of a City Credit Card. (See City Credit Card Policy)

d) **Meal allowance**. An advance for the M&IE Allowance, which includes both meals and incidental expenses, will be permitted for meals not provided by the conference or training as indicated in Section G (1) above. Only per diem rates as prescribed by the Federal Government for official travel will be provided for M&IE Allowance.

I. TRAVEL EXPENSE REIMBURSEMENT

1. General

Travel Expense Report (City of Dover Form 30) is due to Accounts Payable within **ten (10) working days** after travel or an expense is incurred. **(Ten working-day rule)**

a. Timely reimbursement can be assured only if an accurate, properly substantiated Travel Expense Report is received **to Accounts Payable ten (10) working days** after completion of the trip.

b. Failure to submit timely Travel Expense Reports after the completion of a trip will result in administrative action, such as notification to the Department Director and denial of future travel requests.

Travel Expense Reports for local travel and related expenses are to be submitted monthly. **In no case shall a reimbursement be made to an employee for travel/conference/training related expenses incurred in excess of 90 days.**

Note: This section pertains to only those travel expenses paid by the traveler; not to travel expenses directly billed to/paid by the City.

2. Receipt Requirements and Other Reimbursement Criteria

a. Tickets booked on common carriers (airline, rail or bus) require original copy of the paid invoice or email confirmation containing total travel costs for arrangements booked on-line.

b. Hotel/motel bills shall be the original copy of hotel/motel billing marked paid.

c. Ground transportation, including airport shuttle, taxi or public transit requires a receipt.

d. Car rental reimbursements require paid invoice from the rental company.

e. Meals do not require receipts and are not reimbursable above the maximum daily/partial day per meal allowance. **Tips are included in the M&IE Allowance and will not be reimbursed separately.** When more than one City employee, public official, or appointee's meals are being reimbursed, each employee must submit a separate Travel Expense Reimbursement for their allowance. ~~, including a receipt from the dining facility attached~~.

f. Hotel/motel related expenses should be documented identifying the date and the cost for each category with the following requirements:

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(1) Out-of-pocket costs for incidental items such as tips, baggage handling and maid service are not individually reimbursable by the City of Dover. Costs included under this category are included in the M&IE per diem rate. Only per diem rates as prescribed by the Federal Government for official travel will be provided for M&IE allowance.

(2) City-business related telephone calls are reimbursable as incurred and require a receipt from the telephone service provider or included on the hotel/motel billing invoice.

g. Lodging at campgrounds using traveler's camper or recreational vehicle is reimbursable at the actual cost, not to exceed the equivalent cost of hotel/motel lodging. Receipt is required.

h. Other Reimbursement Categories

Reimbursement for the following categories should be submitted on a schedule identifying the date, the cost and the category. All supporting receipts must be attached:

1) The City will reimburse employees for hotel and airport self-parking. The City encourages all employees to seek 'economy and budget parking'.
2) The City will not reimburse employees for Valet parking, unless prior approval has been granted by the City Manager and Controller.
3) The City will reimburse employees the cost of tolls for interstates, turnpike, bridges and/or ferries. All travel expenses require a receipt.
4) The City will reimburse employees for necessary airport baggage fee. A receipt is required.

i. Gasoline and/or Other Supplies require a receipt.

Need for emergency repairs incidental to using a City-owned vehicle shall require a Vendor receipt.

j. Department Director pre-approval is required to receive reimbursement for Internet Access Costs for city business. These costs must be substantiated with receipts ~~and validation by the Information Technology Department~~.

k. While traveling overnight out-of-state, the City will reimburse employees for the cost of up to two (2) personal telephone calls not to exceed $8 per trip. A receipt is required for reimbursement.

l. Reimbursements for travel expenses incurred without required receipts, as outlined, is strictly prohibited. A "no receipt - no reimbursement" policy applies

3. Non- Reimbursable Expenses

The City shall not reimburse expenses for the following:

a. Alcoholic beverages**.**
b. In-room movies or pay television.
c. Theater tickets or nightclub entertainment.
d. Laundry.
e. Babysitting.

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f. Related expenses of spouse, children and other persons accompanying the authorized employee or official.
g. Pleasure, historic or other tour related expenses. Expenses for business related tours would be reimbursed.
h. Donations and gifts made while at training, conference, or meeting.
i. Loss or damage of personal items.
j. Meals for other conference attendees.
k. Purchase of personal items.
l. Any parking or moving violation fines.
m. Any personal or pleasure travel while on City business.

J. CHARTER AND CODE OF CONDUCT

All City of Dover policies are subject to the City of Dover Charter Part 1, Subpart A, Article II, Section 12 "Compensation and expenses - Mayor and Council and other elected or appointed officials", whereas, "Members of the council, mayor and other elected or appointed officials shall receive reimbursement for actual and necessary expenses incurred when on official business as prescribed by city ordinance or policy" and; Part II Code of Ordinances Chapter 2, Article 1, Division 4 "Code of Conduct", which is "applicable to all elected and appointed officials and to all employees of the City of Dover."

K. INTERNAL REVENUE CODE - DEFINITION OF PUBLIC OFFICIAL

Generally, if there is any provision in a public law which authorizes the employment of the individual, and the individual is hired or elected under this authority, the individual is considered an employee of the State or political subdivision to which the provision applies.

The following factors indicate that an office is a "public office."

The office was created by the constitution or through legislation, or by a municipality or other body with authority conferred by the legislature.

The office was delegated a portion of the powers of the government body.

The powers conferred and the duties to be discharged are defined either directly or indirectly law or through legislative authority.

The duties are being performed independently and without control of a superior power other than the law.

The office has some permanency and continuity, and the officer takes an official oath.

Examples of public officers are: the president and vice president, a governor or mayor, the secretary of state, a member of a legislative body, such as a state legislature, county commission, city council, school board, a judge, a justice of the peace, and members of advisory boards and committees.

L. REVIEW & REVISION

The City of Dover Travel Policy will be reviewed every three years by the City Manager, Controller/Treasurer and City Clerk to provide recommended changes to City Council for approval.

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EXHIBITS

Exhibit A - COD Travel Authorization Form (Form 47)
Exhibit B - COD Travel Expense Report Form (Form 30)
Exhibit C - COD Exemption Certificate Form 99A

REVISION RECORD

Revised: November 24, 2003
Revised: February 9, 2004
Revised: July 24, 2006
Revised: March 23, 2009
Revised: January 23, 2012

EXHIBIT A

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CITY OF DOVER
TRAVEL REQUEST AND ITINERARY

EMPLOYEE TRAVELING _____ REQUEST DATE _____

BUSINESS PURPOSE _____

DEPARTMENT _____ TRAVEL DESTINATION AND DATES _____

ITEMIZED EXPENSES

						ESTIMATED COST:
REGISTRATION FEE:	MEALS PROVIDED BY CONFERENCE MUST BE DEDUCTED FROM M & IE RATE.					
MODE OF TRAVEL AND COSTS:						
AIRLINE		ONE WAY		ROUND TRIP		0.00
AIRPORT PARKING		PER DAY		TOTAL DAYS		0.00
TRAIN		ONE WAY		ROUND TRIP		0.00
BUS		ONE WAY		ROUND TRIP		0.00
* RENTAL CAR		ONE WAY		ROUND TRIP		0.00
* PERSONAL CAR		TOTAL MILEAGE	0.40	PER MILE		0.00
* TOLLS		ONE WAY		ROUND TRIP		0.00
CITY VEHICLE		" IS ADVISE TO BE USED INSTEAD OF PERSONAL CAR"				
LODGING EXPENSES:	BREAKFAST PROVIDED BY HOTEL MUST BE DEDUCTED FROM M & IE RATE					
HOTEL		PER NIGHT		TAXES	NUM OF NIGHTS	0.00
* SHUTTLE		PER TRIP		TAXES	TOTAL TRIP	0.00
* TAXI		PER TRIP		TAXES	TOTAL TRIP	0.00
* PARKING		PER DAY		TAXES	TOTAL DAYS	0.00

MEALS: M & IE RATE $ _____

	SUN	MON	TUE	WED	THUR	FRI	SAT	
DATES:								
TOTAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

$0.00
TOTAL EXPENSE

EMPLOYEE SIGNATURE _____ DATE _____

DEPARTMENT HEAD APPROVAL _____ DATE _____

CITY MANAGER OR COUNCIL DESIGNEE APPROVAL _____ DATE _____

Finance Form 47

EXHIBIT B

CITY OF DOVER
TRAVEL EXPENSE REPORT FORM

NAME OF EMPLOYEE _____ DEPARTMENT _____ TRIP TAKEN TO (CITY) _____

PURPOSE OF TRIP _____

Please attach receipts for hotels, tolls, transportation, etc., and show all costs on this form.
Please use a separate form for each week.
Please note incidental expenses (tips) are included in M & IE Rate.

EXPENSES DATE	MON	TUES	WED	THUR	FRI	SAT	SUN	TOTAL
REGISTRATION FEES								$ -
TRANSPORTATION - AIR/TRAIN								$ -
PERSONAL AUTO _____ Miles @ .40 cents a mile								$ -
AUTO RENTAL								$ -
PARKING FEES, TOLLS, GAS, ETC.								$ -
TAXI/BUS FARE/SHUTTLE/BAGGAG								$ -
HOTEL/MOTEL								$ -
TELEPHONE								$ -
MISCELLANEOUS EXPENSES								$ -
MEALS (M & IE RATE)								$ -
MEAL ALLOWANCE OVERAGE								$ -
TOTALS	$ -	$ -	$ -	$0.00	$0.00	$ -	$ -	$ -

SIGNATURE OF PERSON INCURRING EXPEN _____ DATE _____

DEPARTMENT HEAD SIGNATURE (For Certification) _____ DATE _____

FINANCE DEPARTMENT - AUDIT _____ DATE _____

FINANCE - FINAL ACTION _____ DATE _____

ACCOUNT NUMBER _____

Form 30

TOTAL EXPENSES $ -

LESS PAID BY CITY: $ -

REGISTRATION _____ _____

HOTEL _____ _____

AIRFARE _____ _____

TRAVEL ADVANCE _____ _____

DUE EMPLOYEE _____

DUE CITY _____

EXHIBIT C

CITY OF DOVER
DEPARTMENT OF FINANCE

EXEMPTION CERTIFICATE
TAX ON OCCUPANCY OF HOTEL AND MOTEL AND TOUR IST HOME ROOMS

In accordance with Internal Revenue Code Section 5253(I), no tax shall be imposed under section 4251 upon any payment received for services or facilities furnished to the government of any State, or any political subdivision thereof, or the District of Columbia.

This Part to be Completed by the Operator

Name of Hotel, Motel, or Tourist Home			Fed. EI or SS number
Address	City	State	Zip Code

This Part to be Completed by the Occupant

This is to certify that I, the undersigned, am a representative of the City of Dover, Delaware; that the charges for the occupancy at the above establishment on the dates set forth below has been or will be paid for by the City of Dover, a government unit; and that such charges are incurred in the performance of my official duties as a representative or employee of the governmental unit.

Name (Please type or print)		Signature	
City of Dover	51-6000092		
Governmental Unit	Tax I.D. #	Title	
P.O. Box 475	Dover	DE	19903-0475
Address	City	State	Zip Code

Date(s) of Occupancy _____

If additional information is needed, please contact the City of Dover Finance Director at (302) 736-7018.

NOTE: A separate Exemption Certificate is required for each occupancy and for each representative or employee.

THIS EXEMPTION CERTIFICATE IS TO BE RETAINED BY THE OPERATORS OF HOTELS, MOTELS, AND TOURIST HOMES AS EVIDENCE OF EXEMPT OCCUPANCY.

\\Dover_1\finance\FORMS\DOCUMENTS\FORM99 A.wpd

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City of Dover

MAYOR AND COUNCIL

DRAFT PROPOSED COUNCIL RESOLUTION NO. 2015-01

A RESOLUTION PROPOSING THE DOVER PROSPERS INITIATIVE

WHEREAS, the City of Dover has a tradition of being friendly to business, having a diverse economy; and

WHEREAS, we are in a globally competitive environment, which necessitates that we adopt cutting-edge, best practices; and

WHEREAS, the Dover has a myriad of incentives which vary throughout the city; and

WHEREAS, small businesses are often intimidated by a maze of government requirements; and

WHEREAS, several small businesses have made costly errors because of the lack of information; and

WHERAS, large employers are attracted by an efficient, cooperative government; and

WHEREAS, the economic development office has positive, cooperative relationships with the other city departments and already has the framework necessary to implement this initiative; and

WHEREAS, each city department has an ethic of customer service and excellence; and

NOW, THEREFORE, BE IT RESOLVED THAT:

Section 1. Dover City Council directs the Economic Development Office, the City Manager, and the Director of Planning and Community Development to develop and make available at customer service locations, offices, and via the City of Dover website, a business packet designed to assist start-up businesses with obtaining services and regulatory requirements involved in doing business in Dover. The packet shall include a contact list for all City departments, a list of frequently asked questions, incentive information, and other services to assist prospective business owners.

Section 2. Dover City Council directs the City Manager's Office, Economic Development Office, and Planning and Inspections Department to schedule a series of business focus groups to prioritize improvements needed in Dover's regulatory process and to work with stakeholders to streamline the regulatory process and update regulations where appropriate to eliminate unnecessary barriers to economic development. The City Manager, Economic Development Manager, and the Director of Planning and Community Development shall provide a quarterly report to the Legislative, Finance and Administration Committee regarding the progress of this effort.

ADOPTED: *

S:\RESOLUTIONS-PROCLAMATIONS-TRIBUTES\2015\DRAFT\Resolution No. 2015-01 - Dover Prospers-Revised 02-09-2015.wpd

ROBIN R. CHRISTIANSEN	DAVID L. BONAR
MAYOR	COUNCIL PRESIDENT

Actions History

02/09/2015 - Scheduled for Introduction at Legislative, Finance, and Administration Committee

01/26/2015 - Scheduled for Introduction at Legislative, Finance, and Administration Committee - Meeting Cancelled Due to Inclement Weather

Draft

ACTION FORM

PROCEEDING: Legislative, Finance and Administration Committee
DEPARTMENT OF ORIGIN: Planning **DATE SUBMITTED**: 1/2/15
PREPARED BY: Ann Marie Townshend, AICP, Director of Planning & Community Development
SUBJECT: Certified Local Government Application
REFERENCE: N/A
RELATED PROJECT: N/A
REVIEWED BY: N/A
EXHIBITS: CLG Application Materials
EXPENDITURE REQUIRED: N/A **AMOUNT BUDGETED**: N/A **FUNDING SOURCE (Dept./Page in CIP & Budget)**: N/A
TIME TIMETABLE: Submission of Application to State Historic Preservation Office by 1/31/2014
RECOMMENDED ACTION: Staff recommends that the Committee recommend approval of the application and forwarding the application to the State Historic Preservation Office, to be accompanied by a letter from the Mayor.

BACKGROUND AND ANALYSIS

In 1980, an amendment to the National Historic Preservation Act of 1966 established the Certified Local Government (CLG) program to involve local governments in national preservation efforts. Most states, including Delaware, created programs extending CLG status to local communities with a local historic preservation district and a historic preservation commission. The CLG program provides technical assistance to support historic preservation efforts and eligibility for federal Historic Preservation Funds. In addition, localities participating in the CLG program participate in the National Register nomination process for historic properties and are strongly considered for training and technical assistance from the State Historic Preservation Office (SHPO).

The *2008 Comprehensive Plan* included a recommendation within the Implementation Chapter (Chapter 15, page 179) to "Obtain Certified Local Government (CLG) through the National Park Service." In November 2013, City Council instructed the Planning Office to compile the CLG application. After a vacancy was filled on the Historic District Commission in Summer 2014, staff was able to compile the information needed to complete the application. Providing the qualifications of Commission members is one of the application requirements. The draft application is attached for review by the Committee and will be presented to the Historic District Commission for their review on January 15, 2015. If recommended by City Council, staff will submit the application to the State Historic Preservation Office along with a letter from the Mayor. This letter will be drafted once the Historic District Commission has taken action on the application. Following the review of the CLG application, the City will enter into a certification agreement prepared by SHPO which outlines the local government responsibilities under the certification.

Division of Historical and Cultural Affairs
21 The Green
Dover, DE 19901
T: (302) 736-7400
http://history.delaware.gov/

Delaware's Certified Local Government (CLG) Program Application

Instructions:

1. Local governments must submit this completed application along with the requested materials to be considered for Certified Local Government (CLG) status. For detailed information regarding the CLG Program's benefits, requirements and procedures, please review *Delaware's Certified Local Government (CLG) Program Guidelines*.
2. Typed responses are preferred.
3. SUBMIT APPLICATION TO:

   Certified Local Government Coordinator
   Division of Historical and Cultural Affairs
   21 The Green
   Dover, DE 19901

Local Government:	City of Dover, Delaware

Primary CLG Contact	*(Optional) Please specify who will be the local government's primary point of contact for the CLG Program.*
Name:	Ann Marie Townshend, AICP Dawn Melson-Williams, AICP
Title:	City Planner (Ann Marie) Principal Planner (Dawn)
Phone:	(302) 736-7196
Email:	atownshend@dover.de.us dmelson@dover.de.us

Mailing Address:	City of Dover Department of Planning & Inspections 15 Loockerman Plaza P.O. Box 475 Dover DE 19903

Application Prepared By	*(Leave blank if same as Primary CLG Contact noted above)*
Name:	---
Title:	---
Phone:	---
Email:	---
Mailing Address:	---

Request by Local Government's Chief Elected Official

1. Attach a signed letter from the local government's chief elected official requesting to participate in the CLG Program.

   ☐ (check to confirm)

Historic Zoning Ordinance (Ordinance):

1. Attach a copy of the local government's ordinance that allows for the designation and protection of historic properties.

   ☒ (check to confirm)

2. Does the ordinance include each of the provisions outlined in Section III.A of *Delaware's Certified Local Government (CLG) Program Guidelines*?

   ☒ Yes / ☐ No

Local Historic Preservation Review Commission (Commission):

1. What is the name of the Commission assigned to carry out the provisions of the ordinance?

_____City of Dover Historic District Commission_____

2. Is the Commission responsible for all of the duties outlined in Section III.B of *Delaware's Certified Local Government (CLG) Program Guidelines*?

☒ Yes / ☐ No

3. Does the Commission consist of at least five (5) members?

☒ Yes / ☐ No

4. Attach resumes for all current members of the Commission that demonstrate their interest, experience, or knowledge in historic preservation.

☒ (check to confirm)

5. Do any members of the Commission meet the Secretary of the Interior's Professional Qualifications Standards outlined in Appendix A of *Delaware's Certified Local Government (CLG) Program Guidelines*? If yes, specify the number of Commissioners meeting the applicable fields below:

☒ Yes / ☐ No

__1__ *History*

_____ *Archaeology*

__1__ *Architectural History*

__1__ *Architecture*

6. Attach a copy of the Commission's by-laws or rules of procedure.

i. Are they publicly available? If so, describe:

☒ Yes / ☐ No

The *By-Laws of the Historic District Commission of the City of Dover* are available in hardcopy format by contacting the Department of Planning & Inspections Office, City Hall at 15 Loockerman Plaza, Dover, Delaware or phone (302) 736-7196.

ii. Do they include a section prohibiting conflict of interest? If so, describe:

☒ Yes / ☐ No

Specifically within the By-Laws, Section 12 – Conflict of Interest is defined. "A conflict of interest shall at a minimum be any vested interest by a member or a member's immediate family in a project being reviewed by the Commission or ownership in property by a member or a member's immediately family that is within 200 feet of a project being reviewed." Where a conflict of interest exists, the member cannot vote on any Architectural Review Certificate application.

iii. Does the Commission hold at least four (4) regularly scheduled meetings per year?

☒ Yes / ☐ No

Survey and Inventory

1. Does the local government agree to maintain a publicly available list and map of locally-designated landmarks and local historic districts?

☒ Yes / ☐ No

2. If undertaken, does the local government agree to conduct historic property surveys in accordance with the SHPO's most recent survey guidelines and, upon completion, submit copies of all forms and reports?

☒ Yes / ☐ No

Public Participation:

1. Are the Commission's meetings announced by public notice with an agenda, open to the public, and conducted in accordance with the Delaware Freedom of Information Act (29 Del. C. §100)?

☒ Yes / ☐ No

2. Does the local government maintain publicly-available minutes of the Commission's decisions and actions, including applicable standards and criteria for reaching such determinations?

☒ Yes / ☐ No

3. Are all of the Commission's decisions and actions made in a public forum and all affected applicants notified of such determinations?

☒ Yes / ☐ No

4. Does the local government agree to participate in the review of National Register nominations as outlined in Section III.D.5 of *Delaware's Certified Local Government (CLG) Program Guidelines*?

☒ Yes / ☐ No

Historic Zoning Ordinance (Ordinance)

The ordinances for the City of Dover that allows for the designation and protection of historic properties are found within the *City of Dover Code of Ordinances Appendix B: Zoning Ordinance*. The following sections of the *Zoning Ordinance* as currently adopted are provided as reference:

- *Zoning Ordinance*, Article 3 - District Regulations, Section 21 - Historic district (H)

- *Zoning Ordinance*, Article 8 – Enforcement and Penalties, Section 3 – Duties of the city planner and Section 4 – Violations and penalties

- *Zoning Ordinance*, Article 10 – Planning Commission, Section 3 – Historic district commission and architectural review and Section 4 – Development information requirements

- *Zoning Ordinance*, Article 12 – Definitions (Excerpt of Definitions associated with Historic District activities.)

In addition, the Historic District design guidelines and standards document which serves as the guiding document for review of applications for Architectural Review Certification by the City Planner (Staff) and the Historic District Commission is the *Design Standards and Guidelines for the City of Dover Historic District Zone.* This document is available in a hardcopy format from the Department of Planning and Inspections and in pdf format on the Department's page of the City's website www.cityofdover.com.

Article 3 - District Regulations

Section 21. - Historic district (H).

21.1 *Purpose.* The purpose of this historic district regulation is to preserve and enhance that unique character and value of the old portion of Dover as an area of special charm and interest. It is particularly intended that the regulations prevent, in the historic district, any change of conditions that would be deemed to be a disfigurement or degradation of the present unique visual and architectural qualities of the district.

21.2 [*Use and bulk requirements.*] In the historic district, use[s] and bulk shall be governed by those provisions of this ordinance related to the zone designation of each property, except those aspects of building height, bulk and setback that are subject to architectural review as set forth in article 10, section 3 of this ordinance.

21.3 [*Architectural review certificate.*] An architectural review certificate shall be required for the demolition, construction, reconstruction, alteration or restoration of any new or existing structure or where general exterior repairs are made within the historic district, as provided in article 10, section 3 of this ordinance.

21.4 [*Amendments, supplements and repeals.*] The city council shall not take any action to amend, supplement, or repeal the historic district in accordance with article 10, section 5, amendments, without a report by the historic district commission in accordance with article 10, section 3.3, unless the historic district commission fails to render such a report within 75 days after its regularly scheduled meeting following referral by the city council.

21.5 [*Signs.*] Signs shall meet the regulations found in article 5, section 4, supplementary sign regulations.

(Ord. of 3-24-1986; Ord. of 7-26-1993; Ord. of 2-12-2001)

Article 8 – Enforcement and Penalties

Section 3. - Duties of the city planner.

3.1 It shall be the duty of the city planner to enforce the provisions of this ordinance and all of the rules, conditions and requirements adopted or specified pursuant thereto.

3.2 It shall be the duty of the city planner to interpret the provisions of this ordinance. Appeals of the city planner(s interpretation shall be heard by the board of adjustment in accordance of article 9

3.3 The city planner shall maintain files, open to the public, of all applications filed, along with plans submitted therewith pursuant to this appendix.

3.4 The city planner shall maintain files, open to the public, of all complaints of violations of provisions of this of this ordinance, as well as any action taken as a result of this complaint. The names of complainants shall not be open to the public.

3.5 The city planner and his duly authorized assistants shall have the right to enter upon any land that is the subject of an application under this appendix during any reasonable hour, as necessary in the execution of the requirements of this appendix.

(Ord. of 4-28-2008(2))

Charter reference— Power of city to appoint building inspector and prescribe his powers and duties, subpart A, § 22.

Section 4. - Violations and penalties.

4.1 Violation of any provision or requirement of this ordinance or violation of any statement, plan, application, permit or certificate approved under the provisions of this ordinance shall be considered a misdemeanor.

4.2 The owner, general agent or contractor of a building, premises, or part thereof, where such a violation had been committed or does exist, shall be guilty of such misdemeanor.

4.3 Any agent, contractor, architect, builder, corporation or other person who commits, takes part or assists in such violation shall be guilty of such misdemeanor.

Article 10 – Planning Commission

Section 3. - Historic district commission and architectural review.

3.1 *Historic district commission established.*

3.11 *Creation and purpose.* There shall be a historic district commission for the purpose of assisting the planning commission and city planner in reviewing applications for architectural review certifications as specified in subsection 3.2; and for making recommendations for designation of historic district zones; and for establishing guidelines for the preservation and conservation of historic district zones; and for advising other officials and departments in the City of Dover in matters concerning historic preservation; and for reviewing all proposed National Register nominations in the City of Dover; and for acting as a liaison on behalf of the City of Dover to individuals and organizations concerned with historic preservation; and for carrying out programs of historic preservation education in the City of Dover.

3.12 *Appointment.* The commission shall consist of five members nominated by the mayor and approved by the city council, who are residents of the City of Dover and who have demonstrated special interest, experience, or knowledge in history, architecture, or historic preservation. Two of the members, to the extent available, shall be professional members representing the professions of architecture, history, archaeology, planning, historic preservation or related disciplines. At least two members shall be residents of the district, and at least one shall represent the business within the district.

3.13 *Term.* The members of the commission shall serve for three-year staggered terms. Vacancies shall be filled within 60 days in accordance with subsection 3.12.

3.14 *Organization.* The commission shall meet at least four times per year in a place that is advertised in advance and open to the public and shall keep minutes of its meetings that are available to the public. All review decisions shall be made in public. The commission shall establish bylaws for its general procedure, which shall include a section addressing conflicts of interest. The commission shall produce an annual report of its activity that is kept on file for public review with the city planning office.

3.2 *Architectural review certification.*

3.21 *Effect of architectural review certificate.* No building permit or certificate of occupancy may be issued for any structure in the historic district until an architectural review certificate is issued as required under article 3, section 21, subsection 21.3 for the historic district.

3.22 *Architectural review certification by the city planner.*

(A) An architectural review certificate for specific classes of building permits, including fences, signs, siding, window and door replacement, roofing, the addition or replacement of decorative features, minor demolition, residential additions, and other construction of a minor nature, may be issued by the city planner, after a review and determination that the proposed construction is in general accordance with the standards set forth in subsection 3.25.

(B) The city planner may refer any permit application for demolition or construction in the historic district for consultation with commission.

(C) All decisions of the city planner pursuant to this subsection shall be documented on the building permit. When the city planner grants a conditional approval under this section, all conditions of approval shall be set forth in writing on the building permit. In the event of a denial, the reasons for such denial shall be documented in a written notice of decision which shall identify all elements of the application found to be contrary to the provisions or intent of this section.

(D) An applicant may appeal the decision of the city planner to the historic district commission and such appeal shall be considered as an architectural review certification application to the historic district commission and shall meet all of the requirements set forth in subsection 3.23.

3.23 *Architectural review certification by the historic district commission.*

(A) The historic district commission shall issue architectural review certificates for the construction or demolition of single-family and two-family homes, and nonresidential structures or additions involving a gross floor area of 3,000 square feet or less, after review of the proposed construction and after a determination that the construction is in general accordance with the standards set forth in subsection 3.25 below.

(B) All applications to the historic district commission for architectural review certification shall be subject to the procedures set forth in subsection 3.26.

(C) All decisions of the historic district commission pursuant to this subsection shall be formalized in a written notice of decision. When the commission grants a conditional approval under this subsection, all conditions of approval shall be set forth in writing in the notice of decision. In the event of a denial, the notice of decision shall state the reasons for denial and shall identify all elements of the application found to be contrary to the provisions or intent of this subsection.

(D) An applicant may appeal the decision of the historic district commission to the planning commission, and such appeal shall be considered as an architectural review certification application to the planning commission and shall meet all of the requirements set forth in subsection 3.24 and subsection 3.26.

3.24 *Architectural review certification by the planning commission.*

(A) The planning commission shall issue architectural review certificates referred or appealed to it, upon review of the recommendations of the historic district commission and upon a determination that the proposed construction is in accordance with the standards set forth in subsection 3.25.

(B) All applications to the planning commission for architectural review certification shall be subject to the procedures set forth in subsection 3.26.

(C) All decisions of the planning commission pursuant to this subsection shall be formalized in a written notice of decision. When the planning commission grants a conditional approval under this subsection, all conditions of approval shall be set forth in writing in the notice of decision. In the event of a denial, the notice of decision shall state the reasons for denial

and shall identify all elements of the application found to be contrary to the provisions or intent of this subsection.

3.25 *Architectural review standards.*

(A) An architectural review certificate may be issued if it is found that the architectural style, general design, height, bulk and setbacks, arrangement, location and materials and structures affecting the exterior appearance are generally in harmony with neighboring structures and complementary to the traditional architectural standards of the historic district as set forth in the historic district design guidelines and standards adopted by the planning commission and as set forth in the United States Secretary of the Interior's Standards for Rehabilitation.

(B) The city planner, historic district commission or planning commission shall not consider normal maintenance and repair (see Definitions, article 12), interior arrangement, or building features not subject to public view.

3.26 *Procedures for an architectural review by the historic district commission and/or planning commission.*

(A) *Architectural preapplication meeting.* Prior to action on any application for an architectural review certificate, the applicant shall meet in person with the city planner or his delegated representative. The purpose of such conference shall be to discuss the proposed construction or other action requiring the certificate in order to determine what information is useful in the determination of conformity with the provisions and intent of the historic district regulation as expressed in this article.

(B) *Application and fee.* The application to the historic district commission for an architectural review certificate and related information shall be submitted to the city planner at least 30 days prior to the historic district commission meeting at which review is requested and shall be accompanied by a fee as provided for in Appendix F—Fees and Fines.

(C) *Public hearing.* Prior to the review and action on an architectural review certification, the historic district commission shall hold a public hearing subject to the following public notification procedures:

(1) The applicant shall advertise the public hearing newspaper of general circulation at least 15 days prior thereto.

(2) The applicant shall notify, by mail, all property owners within 200 feet of the extreme limits of the subject property as their names appear on the municipal tax record at least 15 days prior thereto.

(3) The applicant shall post a notice outlining the date, time, place, and nature of the hearing in a conspicuous location on the property. Such notice shall be designed in accordance with standards set forth by the planning commission.

(4) The applicant shall provide the planning office with a copy of the notice, verification of newspaper publication, a date-stamped photo of the property posting, and post office mail receipts indicating date of mailing for all letters on or before the meeting date.

(5) Said notices shall state the date, time, and place of the hearings before the historic district commission, a brief description of the project and shall state that a copy of the application and plan is on file with the planning office for public review.

(6) If the planning commission is reviewing a project in accordance with other sections of this article, then the public hearing notice on those applications must also give notice of architectural review certification.

(D) *Application information.* The applicant shall provide such information and documents listed below which will satisfactorily illustrate the proposed action as indicated in the architectural preapplication meeting required in subsection 3.26(A):

(1) All plan elements required in subsection 2.5.

(2) Plans and specifications indicating existing and proposed development, including structures, architectural elevation drawings, trees and any other landscaping, existing and proposed, including the general design, location and orientation of structures in relation to curb line, right-of-way line and neighboring buildings, colors, and materials to be used on exterior surfaces, detailed plans for any signs, photographs of the existing site and neighboring buildings, and such other information as will enable the historic district commission or planning commission to determine conformity with the ordinance.

(E) *City planner report.* For each application to the planning commission the city planner shall issue a report to the planning commission including comments from other agencies detailing how the application conforms to the requirements of the zoning ordinance and other provision of city and state codes. This report shall not be deemed to represent a comprehensive list of all city and state code requirements. The city planner shall transmit copies of the proposed site development plan and the city planner's report at least seven days prior to the date of the meeting at which approval of the site development plan is to be requested.

(F) *Historic district commission action.* The historic district commission shall act to review and render a recommendation to approve any such application within 45 days of transmittal to the commission or within such additional time as may be consented to by the applicant. The recommendation of the historic district commission shall be forwarded to the planning commission and acted upon by the planning commission in conjunction with action on the associated site development plan. If a site development plan application is not filed in accordance with the provisions of subsection 2.4 of this article within one year of recommendation, the recommendation shall expire. The historic district commission may grant a one-year extension of its recommendation upon written request by the applicant. Such request shall be made in writing to the planning office at least thirty days prior to the expiration of the historic district commission's recommendation.

(G) *Substantial amendments.* Substantial amendments to an application or an architectural review certificate shall be acted upon in the same manner as the original plan.

(H) *Expiration of architectural review certification issued by the historic district commission.*

(1) Architectural review certification approval shall expire on the last day of the 12th month after the date of approval if construction of the work authorized or use permitted has not started or unless an extension of time is applied for by the applicant and granted by the historic district commission. Approval shall also expire if the construction of work authorized has stopped for a period of one year unless an extension of time is applied for and granted by the historic district commission.

(2) Request for extension of approval shall be made no later than 30 days prior to the final approval expiration date. Upon receipt of such request, the matter shall be considered at the next regularly scheduled meeting of the historic district commission.

(3) In considering a request for an extension of approval, the historic district commission shall consider, but not be limited to, the following:
   (a) Whether the project has been delayed for reasons beyond the control of the applicant, excluding economic or financial reasons.
   (b) Whether the applicant has made substantial progress toward obtaining final approvals.
   (c) Whether there have been any significant changes in the surrounding neighborhood.
   (d) Whether there has been any related amendments to the zoning map or text, or the comprehensive plan, or if any waivers or variances have been granted.

(4) Requests for extensions shall be submitted in writing to the planning office.

(5) Under no circumstances shall the historic district commission grant extensions beyond 24 months from the date of first approval.

3.3 *Historic district amendments.*

3.31 *Historic district commission review required.* Any motion or petition to amend, supplement, or repeal a historic district by the city council in accordance with section 5, Amendments, shall require a report by the historic district commission as set forth in article 3, subsection 21.4.

3.32 *Review criteria for placing individual structures in a historic district.* The historic district commission may recommend that an individual structure or property be placed in an existing contiguous historic district or be placed in a historic district specifically created for the property or structure upon considering the following criteria and factors:

(A) Significant value as part of the historical, cultural, artistic, social, ethnic or other heritage of the nation, state or community;

(B) Association with an important person or event in national, state, or local history.

(C) Representative of the distinguishing characteristics of an architectural type inherently valuable for the study of a period, style, craftsmanship, method of construction or use of indigenous material;

(D) Notable work of a master builder, designer, architect, or artist whose individual genius has influenced an era;

(E) The desire of the owner to have the property designated;

(F) Increased potential of economic or community development.

3.33 *Review criteria for amendments or creation of new historic districts.* The historic district commission may recommend amendments to an existing historic district, recommend repeal of an existing historic district or recommend the creation of a new historic district upon considering the following criteria:

(A) Any criteria listed in subsection 3.32.

(B) Distinctive character or homogeneity of architectural design or dates of construction throughout the area.

(C) Identifiable by clear and distinctive boundaries.

(D) Repetition of distinguishing architectural or land use characteristics throughout the area.

3.34 *Public hearing required.* For all proposed amendments to the boundary of the historic district, the historic district commission shall hold a public hearing subject to the following public notification procedures:

(A) The planning office shall advertise the public hearing in a newspaper of general circulation at least 15 days prior thereto.

(B) The planning office shall notify, by mail, all directly affected property owners and all property owners within 200 feet of the extreme limits of the properties proposed for addition to or removal from the district as their names appear on the municipal tax record at least 15 days prior thereto.

3.4 *Demolition by neglect.*

3.41 *Responsibility of property owners.* Property owners of properties within the historic districts shall not allow their buildings to be demolished by neglect (see Definitions, article 12) by failing to provide ordinary maintenance or repair.

3.42 *Responsibility of the historic district commission.* The historic district commission shall monitor the condition of historic properties and existing buildings in the historic district to determine if they are being demolished by neglect by failing to provide ordinary maintenance and repair (see Definitions, article 12). In the event that the commission determines a demolition by neglect is occurring, it shall carry out the following:

(A) Determine and set forth steps required to remedy the situations or defects.

(B) Direct the city planner to inform the property owners of its findings, determination, and recommended remedies.

(C) In the event that the property owners fail to commence work within the reasonable time allotted by the commission, the commission may direct

the building inspector to begin proceedings under chapter 22, buildings, and building regulations, article XI, dangerous buildings, of the Code of Ordinances for the City of Dover to bring about the repair or demolition of the building.

3.43 *Responsibility of the city planner.* The city planner shall notify the historic district commission of buildings within the historic district that have been referred to him by the building inspector that meet the definition of dangerous buildings under the provisions of chapter 22 Buildings and Building Regulations, article XI Dangerous Buildings, of the Code of Ordinances for the City of Dover. In such cases the commission shall determine if the building is being demolished by neglect. Before referring a property to the commission for consideration as demolition by neglect, the city planner shall give written notice to the owner, occupant, mortgagee, lessee, agent, and all other persons having an interest in said building, as shown by the records of the recorder of deeds of the county, to appear before historic district commission at the time, date and location specified.

(Ord. No. 2011-14, 8-8-2011)

Section 4. - Development information requirements.

4.1 In order to more effectively evaluate the probable impact of proposed development and thereby to carry out the purposes of this ordinance when making decisions and recommendations regarding development proposals, the planning commission, historic district commission, or city planner may adopt a standard set of information requirements, which may be updated from time to time as necessary.

4.2 The information requirements shall be administered by the city planner and shall be a part of submission requirements for all applications to the planning commission.

(Ord. No. 2011-14, 8-8-2011)

Excerpt of Definitions associated with Historic District activities.

Article 12 - Definitions

Unless otherwise expressly stated, the following terms shall, for the purpose of this ordinance, have the following meanings. Words used in the present tense include the future. The singular includes the plural and the plural includes the singular. The word "person" includes a corporation, association or partnership, as well as an individual. The word "lot" includes the word "plot." The term "occupied" or "used," as applied to any building, shall be construed as though followed by the words "or intended, arranged or designed to be occupied or used":

Accessory building: A building or use clearly incidental or subordinate to, and customar[il]y in connection with, the principal building or use on the same lot.

Applicant: A landowner or developer, as hereinafter defined, who has filed application for development, including his heirs, successors and assigns.

Architectural review certificate: A signed and dated document indicating the approval of the City of Dover Planning Commission, or the historic district commission, or city planner upon the authority of the historic district commission, for alteration, construction, relocation, or demolition within the historic district.

Building: Any combination of materials forming a construction. The term "building" is not intended to include underground construction which permits the use of the ground above as if no construction existed. The term "building" shall include the term "structure," as well as the following:

(a) Signs;

(b) Fences;

(c) Walls, except retaining walls projecting above the ground not more than three feet at the higher ground level and not more than 6½ feet at the lower ground level;

(d) Radio and television antennae, except for such antennae installed on the roof of a building and extending not more than 15 feet above the highest level of the roof of such building; and

(e) Porches, carports, bins and other similar structures;

(f) All areas used for outdoor display and storage of products for sale on the site for more than 14 consecutive days or 21 days in a calendar year. Excluded from this definition are approved motor vehicle, boat and trailer sales establishments; contractors' yards; nurseries and landscaping material sales (where the sale of these materials is the primary use on the lot); wholesale building supply stores and lumber yards; or similar uses.

Demolition by neglect: Improper maintenance or lack of maintenance of a building, structure or object which results in substantial and widespread deterioration of the building, structure or object which threatens the likelihood of preservation and which presents a threat to the public safety, health and welfare of the immediate community.

Historic district: The geographic areas of Dover that have been designated by the City of Dover, and graphically illustrated on the official zone map of the City of Dover, as possessing a significant concentration of properties, buildings, structures or objects associated with and representative of the historical development of Dover and which meet at least one of the following criteria:

(a) Exemplifies or reflects the broad cultural, political, economic, or social history of Dover, Kent County, the State of Delaware, or the United States of America; or

(b) Is associated with the lives of persons of historic importance or with events of historic significance to Dover, Kent County, the State of Delaware, or the United States of America; or

(c) Embodies distinguishing architectural characteristics which are invaluable resources for the study, understanding and appreciation of periods, styles, society, methods of construction, craftsmanship and the use of indigenous materials; or

(d) Represents the notable work of master builders, designers or architects whose designs, construction and craftsmanship have been recognized as distinctive and whose work has influenced the period of time in which they lived.

Historic district design guidelines and standards: The document adopted by the City of Dover Planning Commission as being the source reference document for construction and maintenance of buildings, structures and additions within the Dover Historic District and which is the guiding document for the historic district commission and city planner in their review of applications for architectural review certification.

National Register of Historic Places: A federal list of cultural resources worthy of preservation, authorized under the National Historic Preservation Act of 1966 as part of a national program to coordinate and support public efforts to identify, evaluate, and protect the nation's historic and archaeological resources. The national register program is administered by the state historic preservation office and by the National Park Service under the department of the interior.

Ordinary maintenance and repair: Work performed to prevent deterioration of a building, structure or object, or any part thereof, by restoring the building, structure or object as nearly as practical to its original condition prior to such deterioration or damage by using replacement materials and applications, wherever possible, of the kind used in original construction.

Public view: That which can be seen readily from a public street, public building or public property, excluding views from alley rights-of-way.

Charles A. Salkin

15 Maple Lane
Dover, Delaware 19901
302/678-1175
chazz18@verizon.net

Education

The Pennsylvania State University, Bachelor of Science in Parks and Recreation, Park Administration Option, 1975.
The Pennsylvania State University, 32 graduate credits toward MS in Parks and Recreation Planning, minor in Landscape Architecture, 1975-76.
North Carolina State University, three-credit certification program in Park Maintenance-Management, 1981-82.
Greenville (Pennsylvania) High School, Academic Diploma, 1971.

Employment

6/92 to 10/13 (retired)
Director, Delaware Division of Parks and Recreation.
Direct all aspects of the Division's four main functions: Administration; Planning, Preservation and Development; Park Operations and Maintenance; and Cultural and Recreation Services. Oversee management of a statewide system of parks, preserves, cultural and historic sites, interpretive centers and greenways totaling over 27,000 acres at 32 sites. Provide technical, planning and financial assistance to public and private agencies for parks, recreation, conservation and open space preservation. Supervise a staff of 197 full-time and over 600 part-time employees. Manage an annual operating budget of over $18 million and a typical capital budget of over $12 million. Serve as the State Liaison Officer for the federal Land and Water Conservation Fund and ex-officio member of the state Open Space Council.

1/92 to 5/92
Assistant Director, Delaware Division of Parks and Recreation.

3/85 to 1/92
Manager, Technical Services Section, Delaware Division of Parks and Recreation.
Responsible for planning and directing professional, technical and support staff of 20 in the following major program areas: state park planning and development; outdoor recreation planning and grants; land protection; and natural and cultural heritage programs.

Major Accomplishments:

- Established the Delaware Land and Water Conservation Trust Fund
- Established and capitalized the Delaware State Park Trust Fund
- Implemented the Bellevue State Park Master Plan
- Founded the Delaware Natural Heritage Inventory
- Developed the "Greenspace for Delaware's Future" Plan
- Initiated the Delaware Greenways Program
- Organized the state Open Space/Land Protection Program

2/82 to 3/85
Chief, Office of Recreation Resources, Delaware Division of Parks and Recreation. Administered and coordinated statewide recreation planning; grants and community technical assistance; natural heritage programs; and cultural resource planning. Served as Division coordinator for Section 504 handicapped-accessibility projects. Directed the implementation of the Natural Areas Program through the Office of Nature Preserves. Initiated the non-Game Wildlife, Endangered Species and Natural Areas Preservation Fund, or "tax checkoff."

8/79 to 1/82
Chief, Office of Grants and Community Assistance, Delaware Division of Parks and Recreation. Administered the federal Land and Water Conservation Fund providing over $2 million annually to state and local agencies for outdoor recreation acquisition and development projects. Provided technical assistance to municipal parks and recreation agencies.

8/78 to 8/79
Director, Young Adult Conservation Corps (YACC), Bellevue State Park, Delaware Division of Parks and Recreation. Administered a full-time, year-round program employing 21 young people doing projects in park maintenance, development and conservation. Responsible for project planning, budget, personnel, discipline, work schedules, purchasing and maintaining equipment, training, counseling and public relations.

7/77 to 7/78
Environmental Coordinator, Huntingdon County, Pennsylvania. Oversaw county civic improvement and recycling programs. Responsibilities included park development, community beautification, hiking trail development and the Huntingdon County Recycling Project. Administered CETA grants, supervised CETA and Green Thumb workers, coordinated projects with federal, state and municipal agencies and conducted public education programs.

7/76 to 7/77
Recreation Planner, Huntingdon (PA) Area Council of Governments and the Huntingdon Borough Recreation Committee. Employed by a four-municipality planning region responsible for the preparation of a comprehensive plan for recreation and park services. Also, responsible for the organization of a full-time recreation agency for the Borough. Served as Local Project Coordinator for two state-funded municipal park development projects.

9/71 to 7/76
Student Employment at the Pennsylvania State University
Graduate Supervisor, Stone Valley Recreation Area
Senior Practicum with the Pennsylvania Department of Community Affairs,
Bureau of Recreation and Conservation
Intramural Athletic Official

Summer/71 and Summer/72
General Laborer and Clerk, Pymatuning State Park, Bureau of State Parks, Pennsylvania Department of Environmental Resources.

Professional Activities

National Association of State Park Directors, 1992 to 2013, Board of Directors, President, 2005-2007.
Northeast State Park Directors, 1992 to 2013.
National Recreation and Park Association.
National Association of State Outdoor Recreation Liaison Officers, President, 2001-2003.
Delaware State Review Board for Historic Preservation, 1985-1996.
Preservation Delaware, Inc., Co-Founder, 1992, Vice President, 1993, Board of Advisors.
Delaware Humanities Council, 1999-2002
Delaware Recreation and Parks Society, 1979 to present, President, 1983.

Honors and Certifications

Paul Harris Fellow, 2007
Gubernatorial Appointee, State Boundary Commission, 2006-present.
National Association of State Park Directors, Distinguished Service Award, 2004.
Delaware Nature Society, Natural Areas Preservation Achievement Award, 2003.
Delaware Tourism Hall of Fame for Outstanding Individual Achievement, 1999.
Certificate of Merit, Department of Natural Resources and Environmental Control, 1992.
Research Fellowship, Delaware Humanities Forum, 1989.
George T. Sargisson Fellow Award, Delaware Recreation and Parks Society, 1988.
Outstanding Member, Delaware Recreation and Parks Society, 1981.
Accessible Building Award, Delaware Architectural Accessibility Board, 1981.
Outstanding Senior in Park Administration, The Pennsylvania State University, 1975.
Professional Certification by the Delaware Recreation and Parks Society, 1979, and the Pennsylvania Recreation and Parks Society, 1976.

Current Community Involvement

Dover Historic District Commission, 2010-present, Vice Chair, 2013-present.
Wesley College Institutional Review Board, Community Member, 2010-present.
Kent County Conservancy, Inc., Co-founder, 2005, President, 2014-
Delaware Nature Society, Conservancy Committee, 2004-present.

ANN BAKER HORSEY
7 THE GREEN
DOVER, DELAWARE 19901
302-734-2744

Born Ottumwa, Iowa October 21, 1950

EDUCATION

1974	MA, University of Iowa, Related Arts/Historic Interior Design. Thesis "The Historic Textiles of Iowa's Old Capitol 1842-1857".
1973-74	Graduate Research Assistant, Dept. of Home Economics. Conducted research on restoration and acquired furnishings for Old Capitol for Bicentennial of 1976.
1972	BA, University of Iowa, Related Arts with Honors, Dept. of Home Economics.

HONORS

Phi Beta Kappa, Mortar Board, Senior Home Economics Recognition Award, Finkbine Award for Leadership, Omicron Nu Honor Society and National Governing Board, Angel Flight Regional President

MUSEUM EXPERIENCE

1976-Present **Curator of Collections**, Delaware State Museums, Historical and Cultural Affairs, Dover, DE.

Hired to furnish the State House for the Bicentennial of 1976 using interior preservation standards. Position oversees the management of the historic collections to include catalog, research, conservation, interpretation, and exhibits. Designed and managed complete integration of the 15 collections systems statewide and supervised 8 catalogers and one clerk typist. +Research and contract management for interior restoration of Buena Vista, John Dickinson Plantation, Belmont Hall, Loockerman Hall, Johnson Victrola Museum, The Governors House, Hall House. +Research, resource management, and construction of historic clothing for interpreters at Dickinson Plantation. +Research, inventory and installation of collections, and trust agreement with the donor and for the Sewell C. Biggs Museum. +Inaugurated and managed conservation program for the collections and wrote procedures for the care of the interior environment. +Designed and curated various exhibits, notably *Stitches of Art and Comfort: Delaware Quilts 1740-2002* and *Rolled, Beaten, Cast, and Cut: Delaware Silver.* +Written grant requests for AAM and IMLS. +Design Co-Chair Hall House Designer Showcase. +Procured and managed major acquisitions of sound equipment, art, furniture and decorative arts. +Official calligraphy for Governor and Secretary of State.

1975 **Cataloger**, National Trust for Historic Preservation, Woodrow Wilson House, Washington, DC.

1975 **Research** for National Society Colonial Dames restoration of and publication of *Plum Grove, Residence of Governor Robert Lucas.* Iowa City, IA.

FURTHER EDUCATION

1975 Seminar for Historical Administrators, Williamsburg, VA.
1976 Summer Institute for the Decorative Arts, Winterthur, DE.
1976-present Various workshops, seminars, conferences on collections management, conservation, period living, textiles and clothing.
2004-08 Management Development Institute Certificate Program

PUBLICATIONS

1979 *The State House Dover, Delaware* The Magazine Antiques

PROFESSIONAL and COMMUNITY AFFILIATIONS

National Alliance for American Quilts
Co-Principal Delaware Quilt Documentation Project
National Trust for Historic Preservation
Friends of Old Dover Board, Chair Old Dover Days for years
Dover Heritage Trail Board
Dover Art League Board
Rehoboth Art League Board and Collections Committee
Delaware Agricultural Museum Collections Committee
Friends of Woodburn Board
Dover Planning Commission for 12 years
Main Street Dover/Downtown Dover Partnership
Washington Calligraphers Guild
Victorian Society of America
Wesley United Methodist Church, Chair of Trustees and Church Council
Delaware Choral Society

Charles Terry Jackson, II

Education

University of North Carolina at Chapel Hill
Bachelor of Science in Instructional Relations — *1963*
School of Law — *1964*

1971

North Carolina State University
Bachelor of Architecture

Experience Summary

Retired - Former Owner of Jackson Architects, Inc. — *1983-2011*

- Firm provided architectural design and planning services in Delaware and Eastern Shore of Maryland.
- Office located in Downtown Dover, Delaware.

Registered Architect (Previous)

- Member of American Institute of Architects and previously holding registration certificates in Delaware (1980-2011) and Maryland

Memberships & Affiliations

- Delaware Board of Architects – Past Chair
- NCARB – M & E Exam Committee
- American Institute of Architects
- Delaware Society of Architects
- Friends of Old Dover
- Dover Historic District Commission - Member 1993-present, Past Chair and Vice Chairman
- Biggs Museum of American Art – Trustee Emeritus
- State Review Board for Historic Preservation – Past President
- Delaware State Arts Council – Past Member
- Main Street Dover – Past President

Joseph S McDaniel, III
54 The Green
Dover, DE 19901

Education:
High School: Fishburne Military School, Waynesboro Virginia.

Received B.A. in American History from Washington and Lee University, Lexington Virginia in 1965.

Military Career
US Army 1966-1968 serving as an Armor Officer and also served in US Army Reserve from 1968 to 1979 attaining rank of Major.

Career History
Began career as Financial Consultant in Dover in 1968, Vice President and Financial Advisor at Merrill Lynch. Very interested in civic affairs in Dover and Delaware.

Board Memberships and Commissions
Former Senior Warden, Christ Episcopal Church in Dover
Former Chairman Dover Library Commission
Former member and Vice Chairman of Delaware State Library Commission
Former President Greater Dover Committee
Former Chairman of Mayoral Salary group
Former member Garrison Tract Commission
Former board member of St. Andrews School
Former Vice President of Dover Rotary Club
Former Board member of Greater Dover Foundation
Member Downtown Dover Partnership
Board President of the Elizabeth W. Murphey School

Personal Information
- Married to Carey C McDaniel. Two Children: Carey McDaniel Koppenhaver and J. Stites McDaniel IV and two grandchildren.
- Resident of Downtown Dover living in the Historic District at 54 The Green.

Richard Scrafford
266 Pine Valley Road
Dover, DE 19904
(302) 734-7899
Dick.scrafford@comcast.net

Education:

Received B.S. in Civil Engineering from Pennsylvania State University, University Park Pennsylvania in 1954.

Military Career

US Air Force 1954-1984 attaining rank of Colonel

Served as head of the Civil Engineering Squad at the Dover Air Force Base for 12 years (1972-1984).

Squad received the award for Best Civil Engineering Squad in the Air force in 1981.

Career History

Director of Public Works, City of Dover, 1984-1995

Oversaw the implementation of the current trash collection system.
Oversaw the installation of new water and sewer service throughout the city.
Oversaw the installation and upgrades of city wells and pump stations.

Consultant, 1995 - present

Manages the farm land properties for an Investment Company

Board Memberships and Commissions

Former member of Friends of Old Dover
Member of the Capital School District Construction and Renovation Programs Committee
Former member of the Library Commission
Member of the Dover Rotary Club, Former President
Member of the Holy Cross Cemetery Committee

Interests

Ensure the continued growth of the City of Dover while maintaining its historical significance.

BY-LAWS OF THE HISTORIC DISTRICT COMMISSION

OF

CITY OF DOVER

OBJECTIVES

Section 1. The objectives and purposes of the Historic District Commission of the City of Dover, Delaware, are those set forth in Dover Code, Appendix B, Article 10, Section 3, and amendments and supplements, thereto, and those powers and duties delegated to the Historic District Commission by the City Council of the City of Dover pursuant to such statute.

POWERS. DUTIES AND PROCEDURES

Section 2. The duties, powers and procedures of the Historic District Commission are as set forth in the following documents:

(a) The Ordinance adopted by the City Council establishing such Historic District Commission;

(b) The building Zone Ordinance as to matters relating to the Architectural Plan Review Certification process, the designation of Historic District boundaries, historic preservation and the establishment of standards and guidelines for preservation and conservation of Historic District zones.

OFFTCERS

Section 3.1 The officers of the Historic District Commission shall consist of a Chairman and a Vice-Chairman.

Section 3.2 The Chairman shall preside at the meetings and hearings of the Historic District Commission and shall have the duties usually conferred upon a presiding officer. He shall continue to exercise the prerogatives of an individual member of the Commission while performing the duties of presiding officer.

Section 3.3 The Vice Chairman shall be the presiding officer in the absence of the Chairman.

RECORDING AND CORRESPONDING SECRETARY

Section 4. The Commission shall appoint a Secretary who shall not be a member of the Historic District Commission or an officer, and shall have the following duties and responsibilities:

(a) Prepare agenda for all meetings with the Chairman and provide notice of meetings to Commission members.

(b) Keep minutes of all meetings, and records of the Commission.

(c) Act as agent for the Commission in receiving submissions, applications, correspondence, etc.

(d) Act as agent for the Commission in arranging for notice of public hearings and notifying interested parties of Commission actions as authorized by the Commission.

OFFICIAL RECORDS

Section 5. The City Clerk shall be the official custodian of the records of the Historic District Commission and shall make them available to the public as provided by law. The City Clerk may designate the office of the Secretary of the Commission or the Planning Office as the place where such records shall be kept.

ELECTIONS OF OFFICERS

Section 6.1 The officers shall be elected by the Historic District Commission at the annual organization meeting which shall be the regular scheduled meeting in November of each year.

Section 6.2 A candidate receiving a majority vote of the entire membership of the Historic District Commission shall be declared elected and shall serve for one year or until his or her successor shall take office.

Section 6.3 Vacancies in offices shall be filled by the Historic District Commission at any scheduled or special meeting.

Section 6.4 The Chairman and Vice-Chairman may serve two appointed terms. (Six Years).

MEETINGS

Section 7.1 The Historic District Commission shall hold one regular public meeting during each calendar month. The Chairman may cancel a regular meeting upon determination that there is no pending business or new application for Architectural Review Certificates; however at a minimum the Commission shall meeting quarterly.

Section 7.2 The monthly meeting date for the coming year shall be established by a majority of the Commission at its organization meeting of the year. The date of the public meeting can be changed during the year by a majority of the Commission.

Section 7.3 The Commission will consider all applications concerning matters within its jurisdiction only at its public meetings. All items to be submitted for consideration at any public meeting shall be submitted in complete form for Commission consideration not less than thirty days prior to said meeting. No items submitted subsequent to this time shall be placed upon the Agenda except by a majority vote of the Commission members present at such meeting. The

official date of receipt of any matter presented to the Commission shall be the date of the first public meeting at which such matter is received for consideration. Any maximum time periods established by the Zoning Ordinance or other local laws limiting the time for consideration of any matter by the Historic District Commission shall commence on such date of receipt.

Section 7.4 A majority of the membership of the Commission shall constitute a quorum. The Commission may act on any matter by a majority vote of such quorum.

Section 7.5 All formal votes to record the decision of the Commission on any matter referred to it shall be taken only by a quorum at a public meeting. By a majority vote of those members present the Commission may convene in executive session. However, all formal votes to record the Commission's decision shall only be taken during periods in which such meetings are open to the public.

Section 7.6 Special meeting may be called by the Chairman or by a majority of the Commission, providing not less than 24 hours notice by writing or telephone is given to eachmember of the Commission. Such meetings shall be executive sessions at which no formal votes shall be taken.

Section 7.7 All public and special meetings shall be held in the City Hall or other public facility with proper public notification.

AGENDA

Section 8. The Secretary shall prepare the proposed Agenda for each public meeting, with the Chairman not less than ten days prior to the date of such meeting, and shall transmit a copy of such Agenda to each Commission member on such date of preparation. No items will appear on such proposed Agenda except those for which applications or written requests have been received not less than thirty days prior to the date of the public monthly meeting as set forth in

Section 7 above. The Commission may amend the proposed Agenda by a majority vote of those members present.

Section 9.1 The order of business at public meetings shall be a follows:

(a) Roll Call.

(b) Adoption of Minutes of previous meetings.

(c) Approval of Agenda

(d) Communications

(e) Report of Officers and Committees

(f) Old Business

(g) New Business

(h) Referrals, Administrative Reviews, Petitions, Applications and Other Matters presented by the public.

Section 9.2 The order of business at special meetings shall be as determined by theCommission.

Section 9.3 At all meetings and hearings attended by the public, the Chairman shall make a brief statement indicating the nature of each item on the Agenda, except that in the case of petitions, applications and other matters presented by the public, such statement shall be made by the person introducing the matter.

Section 9.4 Minutes of all public and special meetings of the Commission shall form part of the records of the Commission and shall be available to the public when duly adopted by the Commission.

COMMITEES

Section 10.1 The Chairman may appoint special subcommittees of the Commission from time to time as needed to investigate or research certain matters pertaining to the Historic District

Commission. Such subcommittees shall consist of at least one member of the Commission and may also consist of members of the general public. All members shall serve at the pleasure of the chairman.

PUBLIC HEARINGS

Section 11 The Commission shall hold public hearings as required by statute and applicable Ordinances of the City and the State of Delaware. In addition to those required by law, the Historic District Commission may at its discretion hold public hearing when it considers that such hearings will be in the public interest.

CONFLICT OF INTEREST

Section 12 No member shall vote on any Architectural Review Certificate application where They have a conflict of interest. A conflict of interest shall at a minimum be any vested interest by a member or a member's immediate family in a project being reviewed by the Commission or ownership in property by a member or a member's immediate family that is within 200 feet of a project being reviewed.

AMENDMENTS

Section 13 These By-Laws may be amended at any time by a majority vote of the entire membership of the Historic District Commission.

City of Dover

Background Information Form

This form must be fully completed. Please type or print legibly in ink. This is a background check that will be conducted by the City of Dover. You must complete the entire form. Indicate "none" or "DNA" (does not apply) where applicable. You will receive a copy of the results. This form should be returned to the Sports Coordinator at the City of Dover Parks & Recreation Department.

By completing and signing this form, I understand an investigation will be conducted of all information contained on this form. I also understand that the results of the investigation will be considered, along with all other information submitted on this form, in making a decision concerning my suitability as volunteer for the City of Dover. The information contained in this application is true and correct to the best of my knowledge. I further understand that inaccurate or untruthful responses to the questions contained in this form may be the basis for refusal to allow volunteer participation. I understand that all criminal background checks will be treated as confidential. I understand and authorize access to any and all information and records relating to my criminal history or criminal offense committed or alleged arrest, alleged criminal acts and criminal offenses committed. I understand if a disqualifying offense is found in a criminal background check, I will be given the opportunity to verify information and correct errors. I intend this to be a legally binding release, which I have read and understand. I understand that I may consult with an attorney before signing this document.

_____

Signature **Date**

Last Name:	**First Name:**	**MI: (Maiden/other name)**
Birthdate:	**Sex: (circle one) Male or Female**	**SSN:**
Mailing Address:		
E-mail Address:		**Phone/Cell Number:**
Current Employer: (Name & Address)		
Employer Phone #:		

List your City, County & State Of Residence For Past 7 (Seven) Years. (Most recent first.)

City	County	State	Dates

Have you ever been arrested for or convicted of a misdemeanor or felony offense? ☐ **Yes** ☐ **No**

Have you been convicted of driving while under the influence of alcohol/drugs, driving while impaired? ☐ **Yes** ☐ **No**

If you answered yes to either of the above two (2) questions, please provide the details below:

County/State of Arrest	Charge	Disposition/Year

Criminal Background Checks
Automatic Disqualifiers
For Youth Sports Volunteers

An applicant should be disqualified and prohibited from serving as a volunteer if the person has been found guilty based on a set of standards created by the National Recreation and Park Association. The listing of examples of criminal convictions listed below is not exhaustive and other crimes may be considered unacceptable. The automatic disqualification period will begin from the date of conviction. For crimes not listed below, evaluations will be made on a case by case basis by City of Dover Parks and Recreation Department staff.

SEX OFFENSES

All Sex Offenses – Regardless of the amount of time since offense.

Examples include, but are not limited to: *child molestation, rape, sexual assault, sexual battery, sodomy, prostitution, solicitation, indecent exposure, etc.*

FELONIES

All Felony Violence offenses within the past ten (10) years.

Examples include, but are not limited to : *murder, manslaughter, aggravated assault, kidnapping, robbery, aggravated Burglary, etc.*

All Felony offenses other than **violence** or **sex** within the past 10 (ten) years.

Examples include, but are not limited to: *drug offenses, theft, embezzlement, fraud, child endangerment, etc.*

MISDEMEANORS

All violent misdemeanor offenses within the past five (5) years

Examples include, but are not limited to: *simple assault, battery, domestic violence, hit & run, etc.*

All misdemeanor drug & alcohol offenses within the past five (5) years.

Examples include, but are not limited to: *driving under the influence, simple drug possession, drunk and disorderly, public intoxication, possession of drug paraphernalia, etc.*

Any other misdemeanor within the past 5 years that would be considered a potential danger to children or is directly related to the functions of that volunteer.

Examples include, but are not limited to: *contributing to the delinquency of a minor, providing alcohol to a minor, theft – if person is handling monies, etc.*

Guilty means that a person was found guilty following a trial, has entered a guilty plea, the applicant entered a no contest plea followed with a court finding of guilty, regardless of whether there was an adjudication of guilt (conviction) or a withholding of guilt.

Any applicant with a pending case that is a disqualifier or could be considered a disqualifier will not be allowed to volunteer until the official adjudication of the case.

The Criminal Background Check screening process is an ongoing process and should be subject to review and changes at any time. The Criminal Background Check for Youth Sports Volunteers policy is not intended to serve as a guarantee that incidents of abuse or inappropriate behavior by coaches or other volunteers will not occur during City of Dover Parks and Recreation Department activities or events.

City of Dover Parks & Recreation

Criminal Background Checks
Automatic Disqualifiers
For Youth Sports Volunteers

By signing below, I do hereby acknowledge that I have carefully reviewed the listing of automatic disqualifiers prior to starting the Criminal Background Check.

Print Name: _____

Signature: _____

Date: _____

Policy & Procedures
Criminal Background Checks
For Youth Sports
"Safe Whistles"

I. Subject:

Criminal Background Check Policy for Youth Sports Volunteers.

II. Purpose:

The purpose of this policy is to set the guidelines, regulations and procedures for administering the Criminal Background Checks for City of Dover Parks and Recreation for all youth Sports Volunteers. This "Safe Whistles" policy will outline the process to obtain a Criminal Background Check and what the process is once a Criminal Background Check has been completed. The policy will also define any automatic disqualifiers.

III. Procedure:

The procedures listed below will be the guidelines used by all personnel within the City of Dover Parks and Recreation Department that are designated by the Director of the City of Dover Parks and Recreation Department to oversee the Criminal Background Checks for Youth Sports Volunteers.

All Criminal Background Checks for Youth Sports Volunteers shall be conducted using a nationwide search of all city and state databases.

All information shall remain confidential and will only be shared with any individual(s) that have been designated by the Director of City of Dover Parks and Recreation Department to oversee the Criminal Background Checks for Youth Sports Volunteers. This will also include the Director of the City of Dover Parks and Recreation Department.

All files pertaining to the Criminal Background Checks for Youth Sports Volunteers shall remain on file with the City of Dover Parks and Recreation Department for a minimum of 3 years from the time that the Criminal Background Check was conducted. All files shall be stored in a locked file cabinet under the control of the City of Dover Parks and Recreation Department staff.

All youth sports volunteers will be asked to head to the Sports Coordinators office to review a listing of the automatic disqualifiers and to sign a roster stating that they have seen the automatic disqualifiers before starting the Criminal Background Check process. All individuals must present a photo ID showing their legal name as it will be input on the Criminal Background Check form. All youth sports volunteers will be asked to sign the appropriate release form allowing the City of Dover Parks and Recreation Department to conduct the necessary background checks as required for the position of a youth sports volunteer and be given a copy of this policy upon request.

The Criminal Background Check process will be completed every three years. We reserve the right to require a background check more frequently if there is a lapse in volunteer service for a period exceeding nine (9) months. The volunteer applicant shall receive a written notice in the mail if the information obtained from the background check warrants a rejection or disqualification. This letter will state that the volunteer will not be allowed to volunteer in any capacity within a youth sports program administered by the City of Dover Parks & Recreation Department nor will he/she be permitted to perform in any volunteer position in any organization that participates in any youth sports program that uses City of Dover Parks and Recreation fields or facilities.

An applicant whose application has been denied may request a copy of the results of the background check. There will not be any appeals for applicants that have been rejected.

All information received from the Criminal Background Check shall be reviewed by the Director of City of Dover Parks and Recreation or his/her designee. If no convictions are found the City of Dover Parks and Recreation Department staff will notify the volunteer applicant that a background check was completed and no convictions were found that would disqualify the applicant from volunteering.

If a conviction is found the City of Dover Parks and Recreation Department Sports Coordinator will notify the City of Dover Human Resources Department who will review the Criminal Background Checks for Youth Sports Volunteers and give his/her recommendation to the Director of City of Dover Parks and Recreation or his/her designee.

An applicant should be disqualified and prohibited from serving as a volunteer if the person has been found guilty based on a set of standards created by the National Recreation and Park Association. The listing of examples of criminal convictions listed below is not exhaustive and other crimes may be considered unacceptable. The automatic disqualification period will begin from the date of conviction. For crimes not listed below, evaluations will be made on a case by case basis by City of Dover Parks and Recreation Department staff.

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> **Examples include, but are not limited to:** *contributing to the delinquency of a minor, providing alcohol to a minor, theft – if person is handling monies, etc.*

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