REGULAR COUNCIL MEETING
A G E N D A

JUNE 24, 2013 - 7:30 P.M.

CITY HALL COUNCIL CHAMBERS
15 LOOCKERMAN PLAZA
DOVER, DELAWARE

OPEN FORUM - 15 MINUTES PRIOR TO OFFICIAL MEETING (7:15 p.m.)

The "Open Forum" segment is provided to extend the opportunity to the general public to share their questions, thoughts, comments, concerns, and complaints. Discussion of any item appearing on the agenda as a public hearing is prohibited during the Open Forum as an opportunity will be provided during consideration of that item. Citizen comments are limited to three (3) minutes. Council is prohibited from taking action since they are not in official session; however, they may schedule such items as regular agenda items and act upon them in the future.

INVOCATION BY BISHOP THOMAS L. HOLSEY

PLEDGE OF ALLEGIANCE LED BY MAYOR CAREY

AGENDA ADDITIONS/DELETIONS

* **CONSENT AGENDA**

Those items on the Council Agenda which are considered routine and non-controversial shall be marked with an asterisk (*) and will be acted upon by a single roll call vote of the Council. There will be no separate discussion of these items unless a member of Council so requests, in which event the matter shall be removed from the Consent Agenda and considered a separate item.

* **1. Adoption of Minutes**

- **A. Special Council Meeting (Budget Review) of May 29 and June 5, 2013**
- **B. Regular Council Meeting of June 10, 2013**

2. State of Delaware Tribute - Honorable Mention for the 2013 Recognition of Community Health Promotion Program

3. Tribute - Sean W. Mullen

4. Proposed Resolution No. 2013-18 Endorsement of 2013 Kent County Economic Development Projects to Bring Jobs and Growth to Kent County

5. Violation of the Dangerous Building Ordinance - Property Located at 427 West Division Street, Owned by Doris A. Cooper and Others

(Tabled by Council for 60 Days on April 22, 2013 - Staff Recommended Declaring this Building and All Accessory Structures on this Property Dangerous; Ordering the Property Repaired or Demolished by the Owner or Equity Owner at Their Own Risk; Ordering the Building Inspector to Cause the Repair or Demolition of the Structures If Not Completed by the Owner Within 10 Days of the Date Established by City Council; Ordering the City Manager with the Assistance of the City Solicitor to Cause the Cost of Repairs or Demolition to Be Charged Against the Land on Which the Building Exists as a Municipal Lien or Cause Such Cost to Be Added to the Tax Duplicate as an Assessment, or to Be Levied as a Special Tax, or to Be Recovered in a Suit at Law Against the Owner)

* **6. Parks, Recreation, and Community Enhancement Committee Report - June 10, 2013**

A. Pocket Park Design - Corner of North Street and Governors Avenue

(Committee Recommended Approval of the Basic Design Concept for the North Street Pocket Park, as Amended)

B. Review of Revised Active Recreation Area Plan - Nottingham Meadows

(Committee Recommended Approval of the Revised Active Recreation Area Plan for Nottingham Meadows, as Recommended by Staff, and Acceptance of the Petition from 28 Lot Owners in the Development in Favor of the Proposal)

C. Update - CDBG Program

(Committee Action Not Required)

* **7. Utility Committee Report - June 10, 2013**

A. Proposed Revisions to the Dark Fiber Leasing Standard Operating Policy

(Committee Recommended Approval of the Revisions to the Dark Fiber Leasing Standard Operating Policy)

B. TEA/NAES Report *(February)*

(Committee Action Not Required)

C. Quarterly Review of Utility Related Capital Investment Plan (CIP) (Electric and Water/Wastewater)*(January, February, and March)*

(Committee Action Not Required)

D. Updates

(Committee Action Not Required)

* **8. Legislative, Finance, and Administration Committee Report - June 10, 2013**

A. Proposed Bond Resolutions

a-1. A Resolution Amending and Restating Water and Sewer Bond Resolution Providing for the Issuance by the City of Dover of Water and Sewer Revenue Bonds and Related Matters

(Committee Recommended Adoption of the Amended and Restated Water and Sewer Bond Resolution Providing for the Issuance by the City of Dover of Water and Sewer Revenue Bonds and Related Matters. Note: *Designating the Same Bond Trustee for Water/Wastewater as We Have for Electric Bonds Creates Efficiencies in the Finance Department in Setting up and Maintaining the Debt Service Payments to the Financial Institution)*

a-2. A Resolution Authorizing the Sale of up to $6,500,000 Water and Sewer Revenue Bonds of the City of Dover

(Committee Recommended Adoption of the Resolution Authorizing the Sale of Up to $6,500,000 Water and Sewer Revenue Bonds of the City of Dover)

B. Proposed Ordinance #2013-08 Amending Chapter 70 - Offenses and Miscellaneous Provisions, Section 70-7 - Registered Sexual Offenders, Subsection (b) - Prohibition on Residency and Employments (See Item #12)

(Committee Recommended Adoption of Ordinance #2013-08)

C. Proposed Pricing for Sale of Garrison Oak Technology Park Lots

(Committee Recommended Approval of Land Pricing at Garrison Oak Technical Park at a Price of $35,000 per Acre and That the City Manager Be Authorized to Negotiate a Price Decrease of Up to $5,000 When Appropriate)

D. Review of Ordinance Sponsorship

(Committee Tabled the Matter to Allow Time to Review the History of the Current Procedure)

* **9. Appointments (Reappointments) Recommended by Mayor Carey**

A. Board of Adjustment - Three (3) Year Terms to Expire July 2016

a-1. K. C. Sheth, Chairman

a-1. William Hufnal

B. Public Advisory Committee (PAC) of the Dover-Kent County MPO - Two (2) Year Terms to Expire July 2015

b-1. Prameela Kaza

b-2. James P. Webster

C. Planning Commission - Three (3) Year Terms to Expire June 1, 2016

c-1. Kathleen Still - At-Large

c-2. John H. Baldwin, Sr. - Fourth District

c-3. Edgar C. Cregar, Jr. - Fourth District

10. Support for House Bill Amending Titles 9 and 22 of the Delaware Code Relating to Military Leave of Absence of Officials of a Municipality or County

11. Setting of Rates for Fiscal Year 2013/2014

A. Property Tax

B. Electric Rate

12. First Reading - Proposed Ordinance #2013-08

The First Reading is offered on the following proposed ordinance. Final action by Council will take place during the Second Reading of the ordinance on July 8, 2013. Copies of all proposed ordinances are available at the entrance of the Council Chambers or can be obtained from the City Clerk's Office.

A. Proposed Ordinance #2013-08 Amending Chapter 70 - Offenses and Miscellaneous Provisions, Section 70-7 - Registered Sexual Offenders, Subsection (b) - Prohibition on Residency and Employments

(Legislative, Finance, and Administration Committee)

13. Final Reading - Proposed Ordinance #2013-09

The First Reading of the proposed ordinance was accomplished during the Council Meeting of June 10, 2013. Copies of the proposed ordinance are available at the entrance of the Council Chambers.

A. Proposed Ordinance #2013-09 - 2013/2014 City of Dover Budget Ordinances

14. Council Members' Announcements

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SPECIAL COUNCIL MEETING
BUDGET REVIEW

A Special Council Meeting was held on May 29, 2013 at 6:05 p.m. with Council President Bonar presiding. Council members present were Mr. Dixon, Mr. Lynn, Mr. Perza (departed at 7:07 p.m. and returned at 7:14 p.m.), Mr. Slavin, Mrs. Williams (departed at 7:43 p.m. and returned at 7:48 p.m.), Mr. Hare, and Mr. Hutchison. Mr. Anderson was absent.

Council staff members present were Mr. Koenig, Mrs. Mitchell, and Mrs. McDowell. Mayor Carey was also present.

AGENDA ADDITIONS/DELETIONS

By unanimous consent, the agenda was adopted as presented.

INTRODUCTION AND PRESENTATION

Mr. Scott Koenig, City Manager, thanked those in attendance for coming to take advantage of the budget presentation outlining the proposed FY14 spending plan and how staff plans to finance the plan. He stated that over the past several months, Mrs. Donna Mitchell, Controller/Treasurer; Ms. Tracey Lisiecki, Financial Accounting and Reporting Manager (Finance Department), and all department heads have worked very diligently to prepare a spending plan which meets the needs of the City for preparing and executing basic municipal services. He stated his opinion that there are not extravagant items in the plan; it addresses the basic level of services that have been provided over the years in the City of Dover and infrastructure needs for the future.

Mr. Koenig reminded members that, earlier this year, staff was anticipating a budget deficit in the General Fund of approximately $720,000 and tonight staff will map out how the budget has progressed since that time.

Mr. Koenig advised members that the proposed spending plan for FY 14 is approximately $132M and reviewed a presentation entitled "City of Dover Fiscal Year 2014 Proposed Budget: Highlights of Overall Budget, May 2013" (Pages 10-19 of the meeting packet), which included information on Revenue Changes, Financial Policies, items that were Applicable to All Funds, the General Fund, Property Taxes, a Computation of the Legal Debt Margin, the Water/Wastewater Fund, and the Electric Fund.

In regard to the Electric Fund, Mr. Koenig stated that staff proposed an overall rate reduction of 11%, primarily driven by the cost to purchase power and the continued decline of buying power off the PJM grid. The City is currently in a position to reduce electric rates for both residential and commercial customers, which he hoped will lead to changes in the local economy in the long-term.

Mr. Koenig informed members that staff would be bringing forward proposed changes to the City's fiber leasing policies to emulate the current market rate.

With regard to Financial Policies, Mr. Koenig stated that all budgets were balanced, with current revenues equal to or greater than the current expenses as per the policy, with the exception of the General Fund. He reminded members that in January of this year, staff anticipated a $700,000 gap in the General Fund and signaled the possible necessity for a property tax increase. However, since that time, staff reviewed the FY14 draft budget, "combed through" the FY13 budget, and

recommended moving savings in the FY13 General Fund Budget in the amount of $632,000 from various department and fund expenses to help balance the FY14 General Fund Budget. He explained that the savings have primarily resulted from the number of outgoing employees being greater than the number of new hires during the past year.

Regarding items that were applicable to all funds, Mr. Koenig stated that staff budgeted in accordance with the contracts for both the Fraternal Order of Police (FOP) and Dover Organization of Employees (DOE), and that the FY14 Budget does not address contracts for the International Brotherhood of Electrical Workers (IBEW) or American Federation of State, County, and Municipal Employees (AFSCME) because those contracts have not been signed. He informed members that the IBEW negotiations had not concluded and that the first negotiation session for AFSCME had not yet started.

In response to Mr. Lynn, Mr. Koenig clarified that the proposed 3% increase for non-bargaining employees did not include those positions included in the AFSCME petition because any wage adjustment would be considered during the contractual negotiations.

Mr. Koenig clarified that the $70,000 amount represented the proposed 3% increase for non-bargaining employees.

Mr. Koenig stated that the IBEW was the only group of employees not included in the 15% cost sharing for health care and that the IBEW contract was currently being negotiated.

In response to Mr. Lynn, Mr. Koenig confirmed that all non-bargaining employees were included in the proposed 3% increase, with the exception of the City Manager, regardless of whether they were provided an increase during the past 12 months. Mr. Koenig stated that increases that were granted were based on positioning as it existed at the time and that the 3% is the "look forward" into FY14.

Mr. Koenig explained that in an effort to better manage the budget, vacation sell-back, retirement payouts, and education assistance expenses were removed from Department/Division budgets by transferring the estimated cost to a fund expense. He stated that in previous years, these expenses were over-budgeted for and that this change resulted in a reduction of $110,000 in the General Fund.

In regard to the expectation for the continuation of low revenue growth in the General Fund, Mr. Koenig reminded members that the City's revenues are tied to the construction market. When the construction economy is slow, the City experiences slow revenues related to realty transfer taxes, as well as for permits, such as building and plumbing, which are the revenues that make the difference between the City having a balanced budget versus a budget gap.

Mr. Koenig explained that the proposed increase of $150,000 to address the issue of credit card fees was due to the City regressing back to taking individual credit card payments directly instead of utilizing a third-party payer because staff believes it will help with revenue collection and keeping people timely with payments, which has been a concern during the last few months.

In regard to the Water/Wastewater Fund, Mr. Koenig explained that revenues were projected lower as a result of a reduction in sales. He stated that these revenues are projected to remain relatively flat over the long run, until the Calpine project is realized and staff can fully assess the amount of water and sewer the Calpine project will purchase from the City.

Mr. Koenig stated that the Kent County treatment fees were projected to decrease by 2% due to the expectation that the flow to Kent County will go down by approximately 2% as a result of improvements related to the City's Inflow and Infiltration (I & I) Program as well as the changes in the use profile of sales.

Mr. Koenig informed members that the largest change in revenues and expenses was in the Electric Fund, with a projected overall revenue decrease of 11.3% and expense decrease of 10.8% to coincide with cost of service changes.

In response to Mr. Slavin's question regarding the absence of changes in the budget for Electric Department personnel, Mr. Koenig stated that at the managerial level there were currently three (3) vacant positions: Director, Engineer II, and Line Crew Superintendent; however, these position were budgeted to be filled in FY13 and that the proposed FY14 budget includes salary and benefits for all three (3) positions. In addition, Mrs. Mitchell stated that the savings from the positions in FY13 will carry into FY14 but will not create a problem with FY15 because funds from the Rate Stabilization Reserve would be pulled back into the Electric Fund to cover the reduction in rates; therefore, the savings from FY13 will actually help cover the rate reductions and less could be taken from the Reserve.

In response to Mrs. Williams, Mrs. Mitchell confirmed that the .5% difference between the 11.3% revenue decrease and the 10.8% expense decrease would be handled by the Rate Stabilization Reserve.

Responding to Mr. Hare, Mrs. Mitchell confirmed that the revenue increase offsets the increase in expenses for Police Extra Duty.

In response to Mr. Hare, Mr. Koenig stated that the Code requires the property tax assessment to be performed every three (3) years and the next full assessment will be completed in FY15.

Mr. Koenig reviewed the "City of Dover Rate & Fee Trends (Updated 5/21/13)" (packet Page 19) and emphasized that although the City had not changed the tax rate for several years, there were defacto tax increases in the FY05/06 and FY10/11 budgets related to the reassessments. He reminded members that reassessments are required to be revenue neutral through a "roll back." He stated his understanding that during these fiscal years, the City did not do roll backs; therefore, while the rate stayed the same, there was an increase in overall taxation based on changes in the assessments.

Mr. Slavin questioned the transfers from the Electric Utility and the change in the Water/Wastewater Utility from a percentage to a flat rate in FY13. In response, Mr. Koenig stated that originally 8% of total revenue was being transferred and that one (1) year the amount was approximately $8.8M; so, last year, staff proposed a flat rate of $8M across the board over a five (5) year modeling period

to stabilize the amount of revenue coming into the General Fund. This was accomplished to help staff better project the cash flow into the General Fund. Additionally, the total electric revenues have been decreasing steadily because the cost of purchased power has decreased. Mr. Koenig explained that while the percentage is fluctuating now, the decision to change to a flat transfer was a good financial move because it helped the City's financial policy and assisted in meeting some of the goals of the Governor's Office. Elaborating, Mr. Koenig explained that, in talking with the Governor's Office and the State regarding local rates, one (1) of the things they wanted to see was consistency, so tagging it at a flat $8M over the five (5) year model helped convey to them that the City would consistently transfer that amount of money. The State did not seem as concerned about the percentage of fluctuation as they were in knowing how much the City would transfer to other services to offset tax rates.

In response to Mr. Slavin's question regarding the equivalent percentage amounts for the transfers from the Electric Utility and the Water/Wastewater Utility in FY14, Mrs. Mitchell stated that this would equate to 9.6% for Electric and 3.6% for Water/Wastewater. She noted that prior to last year, the policy percentages were 8% for Electric and 4.5% for Water/Wastewater. Mr. Slavin expressed his opinion that it would also be important to keep the number as a percentage in order to track the amount that the City is profiting from the Electric Utility to offset General Fund expenses. Mrs. Mitchell also advised members that during the Financial Forecast presentation, scheduled for the latter part of the meeting, she would discuss the Water/Wastewater because the numbers for the Calpine project still need to be worked up; however, she anticipated that this would add some revenue to the Water/Wastewater Fund. She stated that she had discussed with Mr. Koenig the possibility of increasing the transfer from this fund and plans to present a revised forecast to Council in approximately three (3) months.

Referring to Page 15 of the meeting packet regarding pay in lieu of taxes (PILOT), Mrs. Williams questioned the disparity between the amounts paid by the State Housing Authority and the Dover Housing Authority as well as various other organizations. Responding, Mr. Koenig stated that the PILOT paid by St. Andrew's Episcopal Church and Luther Towers is voluntary and that he would research how the amounts for the housing authorities were determined and provide that information to members.

In response to Mr. Slavin, Mr. Koenig confirmed that current salary and benefit amounts are included in the proposed budget for IBEW and AFSCME positions.

Mr. Lynn expressed his opinion that it seemed fundamentally unfair to budget 3% for non-unionized supervisory staff, who are prohibited from unionizing pursuant to regulations of the Public Employment Relations Board (PERB), but not consider the AFSCME union employees, who have not had a pay increase for three (3) years. He questioned how much a 3% increase would cost and where the funds would come from if a 3% increase were negotiated for these employees.

Responding to Mr. Lynn, Mr. Koenig stated that the cost is yet to be determined because it has not been negotiated and that he would develop a plan before a contract would be brought forward for Council's consideration. He stated that the money would come from the General Fund and the Water/Wastewater Fund.

In response, Mr. Hare stated that those employees in the AFSCME union made the decision to unionize to conduct negotiations and indicated that they may not negotiate 3%. He expressed his opinion that the AFSCME negotiations should not affect the non-bargaining employees at all.

Responding, Mr. Lynn stated that experience reveals that the City has not been successful in litigating these matters at PERB and the City should expect some kind of pay increase, whether it is given voluntarily through negotiations or won through PERB litigation, similar to what has happened previously.

Referring to the "City of Dover Rate & Fee Trends (Updated 5/21/13)" (packet Page 19), Mrs. Mitchell advised members that after the City first came off the Duke Energy contract in FY07 there was a 35.3% cumulative increase in customers' electric rate and the rate went as high as a 53.5% increase in FY10. However, with the latest round of Power Cost Adjustment (PCA) credits and the last two (2) rate reductions, the rate is at 35.5%, which is nearly back to same level in effect following the end of the Duke Energy contract, which she expressed as very good news for the customers.

SUMMARIES OF FUND REVENUE AND EXPENSES

Mrs. Donna Mitchell, Controller/Treasurer reviewed a presentation entitled "City of Dover FY 2014 Draft Budget: Total Budget & Fund Summaries" ***(Exhibit #1)***. She explained that this information was included in the packet beginning on Page 21; however, the presentation included line numbering.

Mrs. Mitchell explained that Page 2 of the presentation included the revenues and transfers in and expenses and transfers out by fund, the beginning and ending budget balances for each fund, the Reserves, and the Other Funds (Lines 28-32) which are considered non-major funds. She stated that the Interfund Transfers on Line 25 are the transfers between funds, which include the transfer from the utilities to the General Fund, as well as the Operating Fund transfers made to the Capital Project Funds to fund the projects.

In response to Mr. Slavin, Mrs. Mitchell explained that the General Fund Operating Fund (Line 2) reflected a higher beginning than ending balance, confirmed that this did indicate that there is overspending in the General Fund by approximately $500,000, and reminded members that the City Manager explained in his previous presentation that all of the budgets balanced, with current revenues equal to or greater than the current expenses as per the policy, except the General Fund.

General Fund

Referring to the Cash Receipt Summary (Page 3), Mrs. Mitchell indicated that the Police Extra Duty (Line 9) was running higher that expected for FY13, was increased from $494,400 to $636,100 in the revised FY13, and was budgeted at $650,000 for FY14. She stated that these increases were based on the actual receipt of $478,000 as of April 30, 2013.

Mrs. Mitchell also noted that the cash receipt budget for Property Taxes (Line 10) was increased in the revised FY13 budget and that this trend was continued in the FY14 budget, stating that the as of April 30, 2013 the actual receipt of $11,051,000 exceeded the original budget.

In regard to the Rent Revenue cash receipt budget (Line 15), Mrs. Mitchell stated that the revised FY13 and FY14 budgets reflect an increased amount because the Calpine lease for the Garrison Farm was inadvertently omitted from the original FY13 budget.

Mrs. Mitchell explained that the increase in budgeted cash receipts for Court of Chancery Fees (Line 16) was based on the FY13 trend as of April 30, 2013.

Mrs. Mitchell stated her concern regarding the Transfer Tax, explaining that the revised FY13 budget was kept at $1,370,000 based on fairly high one-time receipts; however, the actual receipt, as of May 24, 2013, was $1,043,000.

Mrs. Mitchell also expressed concern in regard to the Civil Traffic Penalties (Line 34) cash receipt for FY13 which was budgeted at $750,000, revised to $350,000 because some cameras were down but brought back for FY14 because the cameras were now functioning, but as of March 31, 2013 the actual receipt was $223,000. She stated that these receipts run behind and expressed her hope that they improve.

Responding to Mrs. Williams, Mrs. Mitchell stated that there are no impact fees in the General Fund; the impact fees are in the Water/Wastewater Fund.

In response to Mr. Slavin's question regarding the 29.6% change in the carry forward balance in the General Fund, Mrs. Mitchell explained that the fiscal policy for the carry forward balance states that the budget balance should be a minimum of 8% and a maximum of 12% and confirmed that when the balance exceed policy, funds are diverted to cover one-time expenses.

Mrs. Mitchell reviewed the Expense Summary on Page 4 of the presentation. Referring to Other Expenditures, Lines 29-42, she stated that the Debt Service was one (1) of the savings previously highlighted by the City Manager. She reminded members that the FY 2013 Budget included $2M to be financed for the Garrison Park infrastructure; however, since the budget was adopted, she submitted a recommendation to Council to use the Future Capacity Reserve for the Calpine project, which resulted in a change to the debt service figures. In addition, she stated that the FY 2013 Budget included an amount for debt service based on the assumption that the City would be paying the library loan all year; however, this was an interest only loan until it locked in during the week of May 20, 2013. Since the City did not have to bear the full brunt of the debt service, this was reduced, which provided savings in FY 13 as well as FY 14 due to funding the Garrison infrastructure for the Calpine project with Future Capacity Reserves.

In response to Mrs. Williams, Mrs. Mitchell stated that she would provide members with information regarding the rate for the library loan and indicate whether it was lower than projected.

Referring to the Contribution to Downtown Dover Partnership (DDP) (Line 31), Mrs. Mitchell stated that the proposed budget for FY14 provided for a contribution in the estimated amount of the BID tax at $49,500 and that the BID Tax would be $49,800.

Mrs. Mitchell explained that insurance rates were on the rise nationwide as a result of all of the natural disasters and that the increase in the City's insurance costs was attributed to that as well.

In response to Mr. Slavin, Mrs. Mitchell stated that the increases in the General Pension Unfunded Liability (Line 36) and Police Pension Unfunded Liability (Line 38) for FY13 came from the excess carry forward balances and that this was not policy but based on a Council action. The FY14 budget for these liabilities is based only on the actuarial analysis; however, following the FY13 audit, any excess carry forward would be included in a budget revision.

Mrs. Mitchell advised members that the increase in the Transfer to Capital Fund - Projects (Line 45) was the result of not deferring any of the projects for FY14 and fully funding the CIP.

Mrs. Mitchell stated that the Governmental Capital Projects Fund Summary on Page 5 of the presentation showed the CIP financing sources. She informed members that the library project was expected to be complete by June 30, 2013. She explained that the $2M Transfer from Future Capacity Reserve (Line 12) for the Calpine project and the $2M Proposed Bond/Bank Proceeds - Street (Line 4) would likely carry over into FY14 and that a budget revision to that effect would be brought forward later in the year. She stated that the street project was going to be part of the library bonding and that a $4.7M loan was authorized, with $1.2M to be paid back on the loan when the library was sold. However, the loan was locked at $3.5M and the library used $2.7M, with the other $800,000 going toward the street program. Rather than bond the differential and take out more debt service for the street program, she and the City Manager proposed that the funds from the sale of the library be used to pay for the street program when that project is ready to move forward, and the loan would remain at $3.5M.

Mr. Koenig reviewed a presentation entitled "Budget Review: Fiscal Year 2013 - 2014" (beginning on packet Page 180), which provided information regarding the budgets for each department in the General Fund and detailed the 2.4% change between the FY13 budget and the FY14 proposed budget indicated in the Expense Summary on Line 28, Page 4, of the "City of Dover FY 2014 Draft Budget: Total Budget & Fund Summaries" presentation.

In response to Mrs. Williams, Mr. Koenig explained that the Administrative Expenditures are the 30 series line items in each budget and that the details for each line item were located under each departmental section in the budget.

Mr. Koenig explained that a majority of the 10% increase for the Parks and Recreation budget was related to the Capital Outlay for adding air conditioning to the Pitts Center as well as additional planning and engineering associated with laying the ground work to convert the property donated to the City by Stover Homes to playing fields in the future. In addition, he stated that, in previous years, the Parks and Recreation budget typically included a donation for support to the Fourth of July Committee; however, the Committee President, Mr. Gary Patterson, had indicated that the City's support would not be requested for FY14. Mr. Patterson had shared appreciation for the City's previous support and promised to notify the City should future support become necessary.

Referring to the proposed budget for the Police Department, Mr. Koenig stated that the 4% increase in overall operating expenses was mostly due to employee-related expenses, including step progression in FOP, contractual obligations for DOE, and changes to the non-bargaining positions.

In response to Mr. Bonar, Chief Hosfelt indicated that the estimated total cost for a fully equipped police car was $35,000 and that he would confirm the total cost for a fully equipped police motorcycle and inform members.

Responding to Mr. Hare, Mr. Koenig stated that the gasoline budgeted for the Tax Assessor's Office was for the department's vehicles and that the contractual services were for assessment software. He explained that the vehicle was utilized by the residential technician to perform assessments for construction-related activities and surveying conducted in the field for the purpose of assessment. Mr. Koenig stated that staff could evaluate the vehicle policy in the future to determine whether it would be cost efficient to reimburse for mileage and fuel rather than paying insurance on two (2) vehicles.

Mr. Koenig informed members that the proposed budget for the Economic Development Office included a $15,000 contribution to Kent County Tourism which was requested as the fee for managing Old Dover Days for the City, and shared his opinion that this service was well worth the fee.

In response to Mrs. Williams, Mr. Koenig explained that the 39% overall decrease proposed for the Public Works - Facilities Management budget was due to several retirements and staff's election to convert one (1) of these positions to a contractual services agreement for cleaning and not to include one (1) of the positions in the FY14 budget.

Without objection, the meeting recessed at 7:21 p.m. and reconvened at 7:31 p.m.

Water/Wastewater Fund

Mrs. Mitchell continued the review of the "City of Dover FY 2014 Draft Budget: Total Budget & Fund Summaries" presentation with the Water/Wastewater Fund Summary on Page 6 and highlighted that the revenues for Water Services, Wastewater Services, and Wastewater Treatment Services (Lines 6-8) remained flat for FY14 with not much increase. As a result of a decrease in usage, the amount for Wastewater Services and Wastewater Treatment Services was decreased slightly.

Referring to the Debt Service for water and wastewater (Lines 26-27), Mrs. Mitchell indicated that the revised FY13 budget as well as the FY14 budget amounts were decreased because some of the projects planned for financing in FY13, particularly the Garrison Farm project, did not begin as anticipated. She stated that the debt service for these projects was moved to the out-years and expressed her hope that they would be completed within the next 12 to 18 months. She indicated that staff was currently working on the bond issue.

In reference to Mr. Slavin's earlier question regarding the carry forward balance, Mrs. Mitchell explained that, similar to the General Fund, the Pension Unfunded Liability (Line 31) in the Water/Wastewater Fund was increased in the revised FY13 budget to include the excess carry forward amount. However, the amount budgeted for FY14 was based on the actuarial analysis.

Mrs. Mitchell explained that the amount of the transfer to the Water Improvement and Extension Fund (Line 40) for water projects was decreased for FY14 because the forecast model projected a negative cash flow amount.

Mrs. Mitchell stated that the Water/Wastewater Fund was balanced with $747,600 in excess of the 8% minimum requirement but remained within the 12% maximum.

Mrs. Mitchell reviewed the Water/Wastewater Improvement & Extension Fund Summary on Page 6, and highlighted that in regard to the Bond Proceeds (Lines 5-6) staff was currently "gearing up" the bond issue and that the bonds were scheduled to sell on July 31, 2013, which will roll over into FY14 and the project expenses (Lines 18-23) would also roll over into FY14 as carry forward projects.

Mr. Koenig reviewed a presentation entitled "Water/Wastewater Fund Budget Review: Fiscal Year 2013 - 2014" (beginning on packet Page 271).

In response to Mrs. Williams, Mr. Koenig stated that the Impact Fees for the Water/Wastewater Fund were listed on Lines 11-12 on Page 6 of the "City of Dover FY 2014 Draft Budget: Total Budget & Fund Summaries" presentation, and that the amounts were down from previous years because the impact fees are related to construction items for new houses or new commercial entities. He noted that when the Calpine project comes online they will be required to pay impact fees and anticipated that those fees would probably "hit the budget" in late FY15 or early FY16. He stated that he thought that Calpine was capped at 100 Equivalent Dwelling Units (EDUs) and the current rate was $2,100 for water and $1,900 for sewer, but indicated that he would provide members with the total projection for the Calpine impact fees.

Electric Fund

Mrs. Mitchell continued the review of the "City of Dover FY 2014 Draft Budget: Total Budget & Fund Summaries" presentation with the Electric Revenue Fund Summary on Page 8, noting that the Purchase Power Adjustment (Line 4) showed a $9,428,700 reduction in revenue with the revised electric rates, and the Direct Sales to Customer (Line 3) were projected to be $644,000 more than the original FY13 budget but less than the revised FY13 budget due to a decline in consumption. She stated that the Transfer from Rate Stabilization Reserve (Line 10) helped to balance this budget.

Referring to Other Expenses (Lines 37-52), Mrs. Mitchell highlighted the Contractual Services - Requests for Proposals (RFPs), stating that the $190,000 budgeted for FY13 helped pay some of the fees for the Utility Attorney, Mr. Kirk Betts, for renegotiating the NAES contract, as well as other contracts, and paid for the GAI Study. She explained that the $100,000 budgeted for FY14 would be used to pay Mr. Betts for contract negotiations, including concluding the NAES contract renegotiation, as well as legal expenses incurred regarding the Ward Transformer Site and IBEW contract negotiations.

In response to Mr. Bonar, Mrs. Mitchell confirmed that the Contractual Services - RFPs budget accounts for the expenses the City has incurred for Mr. Betts that will be reimbursed by Calpine and elaborated that the Electric Director also has legal expenses in the electric administration budget which are used for legal fees for the review of bids or project contracts that require scrutiny.

Responding to Mr. Lynn's inquiry in regard to performing a cost analysis on legal expenditures to determine if it would be more cost effective to hire an in-house staff attorney to handle some of these matters rather than outsourcing them, Mrs. Mitchell indicated that she and the City Manager have discussed this possibility and that she could pull the numbers for legal costs from the ledger

for a report to Council. She did express the opinion, and Mr. Lynn agreed, that with the specialized nature of the services provided for the electric department by Mr. Betts, these legal services would need to continue to be outsourced.

Referring to Mr. Slavin's earlier question regarding the carry forward balance, Mrs. Mitchell explained that, similar to the General and Water/Wastewater Funds, the Transfer to Pension Unfunded Liability (Line 43) in the Electric Fund was increased from $1,074,200 to $7,274,200 in the revised FY13 budget to include the excess carry forward amount from FY12. However, the amount budgeted for FY14 was based on the actuarial analysis and any excess carry forward from FY13 will be transferred to the Electric Rate Stabilization Reserve. She explained that the Pension Unfunded Liability Fund is a trust that holds the assets for all the funds, so when the percentages are calculated for the unfunded liability and the next transfer, the increase in those assets will help all three (3) funds.

In reference to the Transfer to Worker's Compensation (Line 49), she reminded members that there was a large claim of approximately $1M and that, as a result, the City had to pay the $500,000 deductible, so she replenished the Worker's Compensation Fund out of the Electric Fund since it was an electric claim.

In regard to the transfers to the Electric Revenue Fund, Mrs. Mitchell stated that the $2.1M in the revised FY13 Transfer to Future Capacity Reserve (Line 56) was to replenish what was transferred to the General Fund for the infrastructure at the Garrison Tract and that the $12,400,000 transfer to the Rate Stabilization Reserve in the revised FY13 reflects the amount staff projects for the FY13 savings to go back to the customers.

Mrs. Mitchell stated that the Electric Fund budget balance of $1,834,000 exceeds the minimum requirement attributed this to her anticipation of a $5.4M transfer from the Rate Stabilization Reserve prior to recently receiving the results of the rate study. However, only $4M came in from the Rate Stabilization Reserve, so did not expect the additional $1.4M.

Mrs. Mitchell reviewed the Electric Improvement & Extension Fund Summary on Page 9 of the presentation and stated that the $5,298,600 Transfer from Electric (Line 3) would fully fund all of the projects for FY14. She also noted that the $440,000 for General Service Billing (Line 7) was a change from prior practice, explaining that the City bills some customers for capital improvements that are made to their services. In prior years that money went to the Operating Fund, but staff will now be putting that money back into the Capital Fund to reimburse those project costs to help support the projects.

Mr. Koenig reviewed a presentation entitled "Electric Fund Budget Review: Fiscal Year 2013-2014" (beginning on packet Page 284).

In reference to the Electric T&D budget, Mr. Koenig explained that a lot of the increase in Capital Outlay expenses was for new development and that this was good news in that when a lot of development is occurring, the City pre-purchases electric, transformers, and wire to extend services to the new customers and some of these costs are billed back to the customer, so there is revenue associated with this. While portions of some of these projects are not reimbursed by the customer, in general increased expenses associated with either new residential or commercial development are

a good indicator that the economy is slowly improving and the City's system is slowly expanding, which would create additional revenues in the future.

PERSONNEL INFORMATION

Mr. Scott Koenig, City Manager, reviewed the "City of Dover Fiscal Year 2014 Proposed Budget Personnel Table" located on Page 41 of the meeting packet, noting that although there were some fluctuations in positions from moves within departments like Planning and Inspections and Public Works, the total number of positions was down to 347 from 362 in FY12 and 350 in FY13. He explained that a few new positions were added, including two (2) employees in the Police Department, one (1) of which will be shared with Information Technology (IT), one (1) part-time employee for Customer Service, and one (1) part-time employee for the Library. Further, he stated that the goal was to become more efficient, that staff was looking at contracting out certain services, where appropriate, yet not proposing radical changes to the workforce.

Mr. Koenig reviewed the "City of Dover Personnel Budget Fiscal Year 2014: Total City by Fund" located on Page 42 of the meeting packet and noted that approximately $30M was budgeted for employee salaries and benefits for a workforce of employees to provide the basic municipal services that have been identified for next year's budget.

Mr. Koenig explained that Page 43 of the packet provided an overview of personnel changes proposed for FY14.

OVERTIME

Mr. Scott Koenig, City Manager, reviewed the "City of Dover Overtime Comparison Fiscal Year 2011 through 2014," Pages 44-45 of the meeting packet. He explained that there was a push over the last year to identify compensatory time and overtime costs and develop strategies to reduce these costs while continuing to provide at least the same level of service. He stated his opinion that he does not expect the City to get to a point where there is no overtime and that the questions become: 1) what is manageable overtime, and 2) at what point do the costs for overtime indicate that another person should be hired, either on a full- or part-time basis, so that the City is not frivolously offering overtime or wearing out the workforce. He noted that in places like the Library, it seemed appropriate to use part-time help because there are a lot of individuals seeking part-time work and the Library schedule is beyond a normal work week; however, part-time work does not work in every division.

FINANCIAL FORECAST BY FUND

Mrs. Donna Mitchell, Controller/Treasurer stated that the financial forecasts were a work in progress and conveyed her hope that, once the budget was adopted, she would be able to work further on the forecasts to develop a financial plan for all three (3) funds addressing the long-term needs of the City for Council to review at later date.

General Fund

Mrs. Mitchell reviewed a presentation entitled "City of Dover General Fund Financial Projections 2014 - 2018" ***(Exhibit #2)***, including Key Assumptions; Revenues, Expenditures, and Fund Balance; the Funding Sources and Use of Funds for Capital Projects; Projected Debt Service; and Revenue and Expenditure Trends.

Mrs. Mitchell noted that there was one (1) fixed cost item in FY15 included for the $100,000 cost of the reassessment consultant.

Referring to Page 3 of the presentation, Mrs. Mitchell highlighted that the growth increases in revenues were minimum compared to the growth increases in expenses, especially for salaries and wages, healthcare insurance, and retiree healthcare. She noted that the decrease in the lump sum pension amount was a result of the allocation change. She stated that for the Other Post-Employment Benefits (OPEB) amount, she included the 2% increase for the phase in plan. Mrs. Mitchell indicated that the Fund Expense was for grant-related expenses, police pension expenses, and the police grant which passes through the General Fund to the Police Pension Fund. She explained that the Transfer to the CIP was an expense driver because she forecasted to fully fund the transfer which fluctuates from year to year. She noted that the Surplus/(Deficit) indicated that spending would increase each year over and above the revenues. In reference to the Additional Funds Needed at the bottom of the page, she stated that there was a slight difference between her estimated figures and the projection in this model as a result of the difference in rounding used in the model.

In response to Mr. Slavin, Mrs. Mitchell confirmed that if Council adopts budgets that reflect the forecasted numbers for the out-years, the City will develop a structural deficit of $7.5M in a short time. She also stated that the expense numbers were very conservative, noting that she did not know that the salaries and wages would come in at 2%.

Responding to Mrs. Williams, Mrs. Mitchell stated that the revenue from water for Calpine was not included in this forecast which maintains the $500,000 transfer from the Water/Wastewater Fund. The Calpine revenue was one of the items that she would like to revisit after the adoption of the FY14 budget.

Mrs. Mitchell stated that the General Fund debt service was very low and in order to do any type of building, infrastructure, or anything that would require debt, it would be necessary to increase taxes or take other measures to cover that debt.

In regard to Revenue Trends, Mrs. Mitchell explained that some of the increases were related to rate increases in previous years rather than growth increases. The forecast model does not "flush out" one-time receivables, so some of the trends are not actual trends, for example the number for the Grants Received was driven up by the State library grants for FY11, FY12, and FY13.

Mrs. Mitchell reminded members of the budget constraints in FY11 which were reflected in the Transfer from the Electric Fund of $8.8M, which Council approved in excess of the policy limit to help the General Fund. Additionally, the Water/Wastewater Fund Transfer was reduced for several years and no funds were transferred in FY11 due to struggles with the infrastructure, water quality projects, and the I & I issue, which resulted in the necessity to transfer more from the Electric Fund to maintain a stable revenue in the General Fund.

In reference to the Electronic Red Light Safety Program (ERLSP), Mrs. Mitchell informed members that these monies are included as transfers because they must remain segregated since State monies cannot be co-mingled and must be transferred over from another fund. She stated that the fluctuations in these transfers were associated with non-operational cameras which were now fixed.

Mrs. Mitchell stated that the peak for the Realty Transfer Taxes was in FY08 at $3.5M and that the projection for FY14 was $1.3M, which was a $2.2M swing.

Referring to the expenditure trends for salaries and wages, Mrs. Mitchell reiterated that her 2% assumption for FY15 was very conservative compared to the percentages for FY08 and FY09. She reminded members that the percentages below 2% in FY10 - FY13 were the result of furloughs and no raises.

Mrs. Mitchell reviewed the Municast General Fund Statistics, 2003 - 2012 ***(Exhibit #3)***. She reiterated that the model does not "flush out" one-time items, as exemplified by the 201.1% three (3) year average for the Transfers from the Library Reserve to help build the library. She highlighted the three (3) year averages as well as the historical (10-year) averages for several of the "normal" revenue items that did not have those types of dips, including property taxes; licenses and permits; and sanitation fees and rebates. She noted that the three (3) year average for sanitation fees reflected the trash fee increases of the past few years.

Mrs. Mitchell also highlighted the averages for the salaries and wages, health insurance, retiree healthcare, lump sum pension, and OPEB expenses, reminding members that the Governmental Accounting Standards Board (GASB) was implemented in FY09, and explained these were items which the City has not been able to control. She stated that these were costs that the City had been absorbing and that the City will not be able to continue to do so.

Mrs. Williams suggested that years of overspending were reflected in the historical averages. Responding, Mrs. Mitchell stated that there were other differences to take into account, such as the currently lowered head count, and that the model used did not allow these adjustments to be made. She noted that in the past the City had larger budgets than the current budget and carry forward balances were used to help fund the next year's budget; therefore, more funds were spent than were brought in.

Water/Wastewater Fund

Mrs. Mitchell reviewed a presentation entitled "City of Dover Water and Wastewater Fund Financial Projections 2014 - 2018" ***(Exhibit #4)***, including Key Assumptions; Net Margins for Combined Water and Wastewater; Net Margins for Water; Net Margins for Wastewater, Improvement and Extension Fund; Capital Improvement Plan; Water/Wastewater Fund Project Debt Service; and Reserve Account Projections.

Mrs. Mitchell explained that wages and benefits were reflected at 3% because the Municast model separates each General Fund ledger line item; however, for the Water/Wastewater and Electric Funds it is just a division expense total; therefore, she used a division expense increase of 3% across the board to cover all of the increases.

Mrs. Mitchell stated that the Net Margins for Combined Water and Wastewater was a Generally Accepted Accounting Principles (GAAP) statement rather than a budgetary statement, which was done on an accrual basis as opposed to a cash, budgetary-type basis, and was different from what was included in the budget.

Mrs. Mitchell explained the importance of reviewing: 1) margins available for debt service to measure the debt ratio to ensure it covers the requirements of the bond covenant; 2) the cash from operations, which is the amount available to transfer to the CIP Fund for projects to pay for the principle on the debt since they do not run through the income statement; 3) the necessary reserve transfers; and 4) the net positive/(negative) cash. She noted that the net cash was at $401,300 for FY14; therefore, the transfer to the Improvement and Extension (I & E) Fund was reduced by $500,000 for water. She stated that the out-years show negative cash balances; however, the debt service ratio is covered. She explained that the debt service ratio was1.2% for this fund and that she tries to keep it around 2%. Although it was higher for the out-years, the transfers were less, in an attempt to obtain positive cash balances.

In reference to the negative cash balances projected for water in the out-years, Mrs. Mitchell reiterated that the forecast does not yet include Calpine.

In response to Mr. Bonar, Mrs. Mitchell explained that the Water/Wastewater model was used to develop the rates based on cost of service, just as for electric. She stated that she still needed to calculate the adjusted rates to determine what rate increases would be necessary for the future; however, she was waiting to include Calpine to ensure the numbers were "firmed up" before bringing forward recommendations to Council.

Mrs. Mitchell reviewed the I & E Fund model which showed the source funds for the CIP projects and noted that for FY17 and FY18 the transfers to this fund would have to be increased to cover the level of the projects or the projects would need to be reduced. She explained that Ms. Sharon Duca, Public Works Director, indicates what portions of the projects are growth related so that these portions can be funded using the impact fee reserve.

In regard to the projected debt service for the Water/Wastewater Fund, Mrs. Mitchell advised members that a lot of debt service was layered on to fund the Calpine projects. She noted that the City finished a series of State revolving loans in FY09, FY10, and FY11 and that the final related project was completed last week. She stated that staff was currently working on the bond issue for Calpine and that the Series 2003 bonds would be refinanced at that time to take advantage of the currently lower interest rates.

With regard to the reserve account projections, Mrs. Mitchell stated that most of amounts were interest earnings and that some of the reserves were a little over the policy limit; however, at this point, she had not pulled any of that information out. She noted the transfer from the Impact Fee Reserve for water in the amount of $390,000 to fund a project in FY14. Likewise, she indicated that the City would be transferring $1,315,600 from the wastewater Impact Fee Reserve in FY15 to fund projects and additional funds would be transferred in the out-years as well.

Mrs. Mitchell reviewed the "Water/Wastewater Fund - Reconciliation" ***(Exhibit #5)*** and explained that prior to providing members with the budget report, she reconciles both the Water/Wastewater and Electric Fund forecast models against the budget to ensure that the information ties together. She also noted that while the model combines the I & E and Operating Funds, the budget separates them.

Electric Fund - Results of Electric Cost of Service Study and Rate Analysis

Mrs. Mitchell reviewed a presentation entitled "City of Dover Electric Revenue Fund Financial Projections, 2014 - 2018" ***(Exhibit #6)***, including Key Assumptions; Cost of Service Review - Update to FY13 Rates; Power Supply Cost - FY12 and FY13; Net Margins; Projected Debt Service Coverage; Projected Cash Flow Position; Cost of Service Summary by Class; Proposed Customer Rates; Rate Stabilization Reserve; Projected Energy and Supply Requirements; Projected Purchased Power Expense and History; Improvement and Extension Fund; Capital Investment Plan 2013 - 2017; Electric Fund Projected Debt Service; Reserve Accounts; and Net Generation Forecast.

Mrs. Mitchell explained that the cash from operations for the FY12 Actual and FY13 Revised budgets showed a favorable swing of approximately $13.2M, which accounted for the $12.4M transfer from the Electric Fund to the Rate Stabilization Reserve in FY14.

In reviewing the Net Margins, Mrs. Mitchell reminded members that the margins available for debt service measure the debt ratio to ensure the requirements of the bond covenant are met and explained that the rate consultant attempted to keep the net margins below $4M to "smooth out" the transfers in from the reserve.

In reference to the projected cash flow position, Mrs. Mitchell stated that the model does not include the beginning cash; therefore, the $13,472,600 negative cash flow indicated for the revised FY13 budget does not account for the $13.2M cash from operations which is currently in the bank account.

Mrs. Mitchell reviewed the Cost of Service Summary by Class, which detailed the average percentage difference each customer could expect. She noted that there was an overall 11% systemwide difference which makes up the $9.4M.

Mrs. Mitchell stated that the Rate Stabilization Reserve was forecasted to exceed the policy; however, she reminded members that the consultant only projected through FY16 and wanted to keep the numbers up until the City sees where the future market goes.

Responding to Mr. Slavin's questions regarding where the proposed new large commercial and residential rates would put the City in relation to other electric providers in Delaware, Mr. Koenig indicated that the City's current summertime residential rate was the third lowest in the State, behind the Lewes Board of Public Works and the Delaware Electric Cooperative, and stated his belief that the proposed rate reduction would possibly give the City the second lowest residential rate in the State. In regard to the large commercial rate, he stated that the numbers are not easy to derive; however, staff would conduct an analysis and provide members with an estimate.

Mrs. Mitchell reminded members that if Council so desired, more funds could be taken out of the Rate Stabilization Reserve until the City was ready to implement another rate increase, and a PCA adjustment and credit could be done, as in the past.

Mrs. Mitchell explained that she included the history as well as the projections for purchased power expenses to illustrate the large drop in the power supply cost. She stated that between FY07 and FY10 the rates went up as high as $89.97 per MWh but that the FY14 cost of $59.58 per MWh was almost back to the FY06 level when the City was under the fixed price contract with Duke.

In regard to the Capital Investment Plan, 2014 - 2017, Mrs. Mitchell stated that the highlighted rows for the Units 1 and 2 projects indicate projected spending in FY18 but that these amounts were moved out to FY18 pending a decision to either refurbish or mothball the units.

Mrs. Mitchell stated that the 2010 Series bonds will roll off at the end of FY16, causing a drop in the debt service, which will coincide with the power supply for the PJM market, and this will be the time to make a decision on Units 1 and 2 (when they are no longer bidding the market), to build power generation, or finance something.

Referring to the Reserve Accounts, Mrs. Mitchell noted that they were projected to remain under the $10M policy limit until FY18 and would go above the limit at that time if not used by then.

Electric Fund - Forecasted Net Generation Credit/Cost for the Electric Fund

Mrs. Mitchell reviewed Page 17 of the "City of Dover Electric Revenue Fund Financial Projections, 2014 - 2018" presentation, in regard to the Net Generation Forecast, which was prepared to answer the question of whether the plant pays for itself and showed whether the City maintained a net credit for maintaining the plant and funding the capital projects. She stated that the forecast projected a credit of $4.8M for FY17 and $1.369M for FY18. She informed members that the PJM auction was recently held and that the capacity credit came in about $80 per MW less than projected; therefore, the capacity credit forecast for FY17 would decrease from $12,718,600 to $7,609,000 which would result in a net expense. She stated that this may determine whether the City will be able to move forward with the Units 1 and 2 projects budgeted for FY17 and FY18.

Mrs. Mitchell provided members with samples exhibiting the effect of the energy rate change for 10 major customer accounts ***(Exhibit #7)***. She noted that some of the changes were quite significant, especially for those customers that had a demand effect.

REVIEW OF CAPITAL INVESTMENT PLAN (CIP)

Mr. Scott Koenig, City Manager, provided a summary overview of the Capital Investment Plan (CIP) projects included in the draft budget (packet Page 84). He stated that many of the projects were carried over from FY13 to the FY14 budget, so there was not much change other than slight repositioning of a few projects. He informed members that all of the CIP projects were imported into the forecast model to show how they will affect the financial forecasting.

In summary, Mr. Koenig stated that under the General Fund, there would be renewals and replacements of vehicles, improvements to the John W. Pitts Center, and the contribution to the Robbins Hose Company would be maintained. For water quality, funding was scheduled for line replacement, emergency generators, and continuation with the removal of I & I, and he reminded members of the previously discussed electric distribution system improvements. He stated that there were also a number of police, water and sewer, and electric vehicles included in the FY14 CIP.

In response to Mr. Lynn, Mr. Koenig explained that a building assessment was performed on the Dover Park Recreation Center by the City's environmental contractor and that bringing it up to the regular standards of an operating building would cost approximately $100,000 which, in staff's opinion, exceeds the value of the building. He stated that staff would bring forth a recommendation to Council in July regarding this matter.

Responding to Mr. Slavin, Mr. Koenig confirmed that no funds were budgeted in FY14 for the street and alley program; however, he reminded members that $800,000 was pending expenditure in the FY13 budget. Regarding the historical budget for the street and alley program, Mrs. Mitchell stated that it was being funded at $350,000 per year and in FY13 budgeting was based on the previously discussed $2M bond issue, so the $800,000 will be used from that loan and when the library is sold, a portion will be used to make up the $1.2M difference. She explained that, due to staffing issues, there is a backlog of projects, cash in the bank, as well as municipal street aid money earmarked for capital projects that has not been spent for two (2) years; therefore, she and the City Manager discussed changing the financing strategy. Mr. Koenig stated that the $1.3M contract for the street program is set to "kick-off" at the end of FY13 and continue through FY14 using the $800,000 from the loan, two (2) years of municipal street aid allocation for capital projects, and community transportation funds.

In response to Mr. Hutchison, Mr. Koenig informed members that the State expressed interest in renting the old library building; however, in his opinion, it was not currently up to modern standards, so terms were not discussed. He stated that there have also been discussions with private investors who may be interested in submitting proposals to purchase the library. He anticipated continuing discussions with investors and bringing the matter forward to Council in the near future to determine the best procedure for disposing of this excess property.

Responding to Mrs. Williams, Mr. Koenig reminded members that Council had authorized $6M for the Garrison projects and design for several of the Garrison-related projects was being finished. As bids for construction costs begin to come in, he would know what the fixed numbers would be. However, if the numbers came back in excess of $6M, three (3) options could be explored: 1) scale back the projects; 2) request infrastructure money from the State; and 3) request funding from Calpine. He also stated that Calpine had expressed interest in the City negotiating a purchased power agreement and it was his opinion that Calpine would be open to business-related negotiations. Mr. Koenig stated that Calpine will be selling power and he felt that if the City presented an agreement to meet Calpine's bottom line, Calpine would probably negotiate whatever the City wanted. However, he also confirmed that no potential agreements had been discussed with Calpine to date.

QUESTIONS AND ANSWERS

In summary, Mr. Scott Koenig, City Manager, stated staff had put forward a balanced but very tight budget with revenues of approximately $132.6M, and approximately $41,000 in the General Fund and $747,600 in the Water/Wastewater Fund was not currently earmarked for spending. There continued to be many needs in the Water/Wastewater Fund for I & I and water quality projects, and the Electric Fund summary had $1.8M exceeding the requirements of the budget policies. Mrs. Mitchell clarified that the policy specified a carry forward balance between 8% and 12%; therefore, the Electric Fund was over the maximum by 1%. Mr. Koenig stated that the way the spending plan was laid out, Capital Project and manpower needs were met, as well as all of the requests that Council discussed during the Financial Retreat. He explained that the only caveat for the budget to be considered balanced was for Council to embrace the idea of moving money from FY13 to FY14, since the plan proposes the expenditure of more money from the General Fund than will be raised in revenue during FY14. He reiterated his opinion that this was the prudent way to move forward for this year of the budget.

Mr. Slavin expressed concern regarding the assumption that the FY13 revenue projections will hold true and the possibility of a shortage in the carry forward, especially with respect to the transfer tax. In response, Mr. Koenig confirmed that there was risk involved with the proposed plan but he was reasonably confident that the FY13 projections would be met since some of the other revenue sources had met and/or exceeded the total revenue projected. He stated that staff shared his concern and would continue to carefully monitor both the revenues and expenses for the remainder of FY13.

Mr. Hutchison stated that although the proposed budgeted contribution to the Downtown Dover Partnership (DDP) was $49,500, the DDP had requested $210,000. He reminded members that over the past few years the DDP had secured a $3M grant for the improvements to North Street and Loockerman Way Plaza and was on the verge of an agreement with the State to rent a facility for EZ Pass, which would provide a source of income. He strongly urged Council and staff to support the DDP's full request of $210,000, noting his opinion that it would be an outstanding investment based upon what the DDP had done for the City of Dover and downtown.

Mr. Koenig confirmed that the proposed budget included the BID Tax of $49,500, but could not confirm whether the $210,000 request was based on the debt service of the old loan.

Mr. Louis Colón, DDP Executive Director, stated that the budget that the DDP drafted, which was the basis for the letter of support, included:

Insurance	$ 30,000
Property Management	$ 12,000
Telecom Mobile Phone	$ 3,600
Dues and Subscriptions	$ 2,000
Electric (including the Loockerman Way and North Street parking lots)	$ 3,500
HVAC for real estate owned	$ 400
Water, Sewer, and Trash for real estate owned	$ 2,380
Training, Travel, and Meals	$ 4,000
Consulting	$ 3,000
Contracted Services	$ 5,000
Committees that support the Main Street endeavor:	
Organization	$ 4,000
Marketing and Promotion	$ 30,000
Economic Restructuring Committee	$ 20,000
Design (provides funding for facade improvements)	$ 30,000
Parking	$ 10,000
Program and Materials (printing, supplies, and annual reports)	$ 10,000
IT (Data Obsessions provides webpage)	$ 560
PC and Software	$ 3,000
Postage	$ 250
Bank Fees	$ 300
Supplies and Rentals	$ 2,500
Office Rent	$ 10,358
Debt Service for 22-24 Loockerman Street (which would do the fit-out for the EZ Pass tenant)	$ 39,650
Debt Service for the Acme Loan (principle and interest) (budgeted in the event that the requested guarantee doesn't come through)	$ 88,720

Millig/Kent County Community Action Agency improvements at Acme building (DDP receives a rent payment but there is a also loan being paid back for some improvements)	$ 10,657
Salaries ($60,000 for Executive Director; $50,000 to continue the Administrative Assistant beyond January 1, 2014 and for the Main Street Coordinator)	$110,000
Payroll Taxes	$ 7,700
Taxes for Properties	$ 35,000
Total	$478,575

He stated that with EZ Pass rent coming in and including all other parking lot rentals and rents that are received on real estate, the budget was $478,000, total income was $316,000, with a deficit of $162,360 with EZ Pass; however, if EZ Pass did not come in, the deficit would be $302,360.16. He thanked Council for their support.

Mr. Slavin agreed with Mr. Hutchison's comments and added that the Delaware Department of Transportation (DelDOT) had announced an additional grant in the amount of $1M to extend the North Street project another block; however, the City would have to match the funds. He stated that it would not take much analysis to show a return on the investment for this kind of group acting on the City's behalf in this particular area.

Mr. Bonar stated that he had been involved with the DDP for several years, prior to his election to Council and after, and that there were structural issues with the way that funds are budgeted and spent. In many cases, the Board had counted on an item before it should have and that the issue of spending money prior to actually receiving it needed to be addressed. He acknowledged that the three (3) to four (4) month delay regarding EZ Pass had put the DDP in a bind and stated that he supported the Partnership but not at a level of $210,000.

Mrs. Williams expressed her opinion that Council would need to make a choice between the Economic Development Office (EDO) and the DDP because funding both would put the City in jeopardy of overspending. She also felt that depending on reserves and carry-overs was bad fiscal policy.

Mr. Bonar agreed with Mrs. Williams' concerns regarding overspending; however, he noted that the City's EDO and the DDP were two (2) completely separate entities, with the partnership aimed primarily at the downtown Dover area and the historic district. He felt that although the funding the DDP derived from the State during the last several years has been "amazing," as a result of shortfalls, a cultural change needed to be made in the way the City and DDP related and that the City needed to show fiscal restraint.

Mr. Hare questioned at what point the DDP would be able to function without City funding and suggested the alternative possibility of loaning money to the organization. He relayed his concerns regarding the amount of resources invested in economic development within the City of Dover compared with other municipalities in Delaware.

Mr. Slavin stated that the DDP was improving the downtown area. He felt that the concerns regarding the overall function of economic development being split across two (2) entities were important and should be discussed by Council, either as part of the budget process or separately. He suggested that Council request the DDP to reexamine the operating costs and work with the City to determine what amount could be supported. He stated that the DDP should address whether to be a real estate flipping business or a rental agency, noting that without a subsidy from the City for basic operations, the partnership would be forced into a rental operation. It was his opinion that it was more beneficial for the City for the DDP to be in the business of buying, improving, and selling properties in order to get them back on the tax rolls.

Mrs. Williams agreed with many of Mr. Slavin's comments and reiterated her opinion that the City was spending more on economic development than could be afforded and that Council needed to make the unpleasant choice of whether to fund the City's Economic Development Office or the DDP in order to remain fiscal responsible to the taxpayers.

Mr. Hare expressed his frustration with the City funding the DDP to flip properties for profit without having to pay any money back.

Mr. Hutchison recommended that the DDP President, Mr. Gregory Moore, be extended an invitation to provide members of Council an update and the plan for FY14.

Mr. Lynn stated his disagreement with Mrs. Williams' statement that the City had been overspending for the past 10 years.

Mr. Lynn moved to increase the funding for the Downtown Dover Partnership (DDP) to $162,400, including the BID Tax, seconded by Mr. Slavin.

Mr. Hare recommended that the DDP present Council with a five (5) year plan, expressing his concern with the organization's lack of accountability in the past.

On a call for the question, the motion to increase the funding for the Downtown Dover Partnership (DDP) to $162,400, including the BID tax, carried by a roll call vote of five (5) yes (Dixon, Lynn, Slavin, Hutchison, and Bonar), three (3) no (Perza, Williams, and Hare), and one (1) absent (Anderson).

Mr. Koenig stated that staff would amend the budget to include the increased expense for the DDP.

In response to Mr. Hare, Mrs. Mitchell explained that the easiest solution for funding the increased expense was to reduce the $166,000 transfer to the Capital Project Fund carry forward balance.

Responding to Mr. Bonar, Mrs. Mitchell stated that the DDP loan guarantee request, to be considered by Council on June 10, 2013, would save the partnership approximately $31,000.

In response to Mr. Lynn, Mrs. Mitchell explained that the total amount for the 3% increases for non-bargaining was $70,000 but that she did not have the amount for only the top 10 highest paid employees in this category.

In response to Mr. Slavin, Mr. Koenig stated that the budget includes a $15,000 payment to Kent County Tourism for Dover Days and a payment to the African American Festival of $15,000.

Responding to Mr. Slavin's question in regard to the deferred maintenance of infrastructure, Mr. Koenig stated that the electric system was in the best shape, it had received a very good outside rating for the valuation study, and the renewals and replacements are apparent. For wastewater, he stated that there was an I & I replacement schedule as well as a lot of pump station work planned, and that as long as the schedule identified in the capital plan was adhered to, progress would be made on backlogged maintenance. In regard to the water system, he expressed his opinion that the City had come a long way on the issue of water quality; however, the City would continue to spend approximately$1M per year on pipe and $1M per year for I & I replacement. He indicated that the largest gap not addressed in the long-term funding was the streets network. The assessment completed approximately 10 years ago indicated spending roughly $1.5M per year to remain "ahead of the curve" on the roads. He anticipated presenting an updated spending plan for the 15-20 year replacements to Council within the next year. In the long run, he anticipated a cost of between approximately $750,000 and $1M per year to catch up and maintain the level of service. As in years past, the possibility of offsetting costs with Community Transportation Fund money is likely, since there is still interest from legislators. Mr. Koenig stated that there was a long-term structural problem in the General Fund which needs to be resolved, and adding a comprehensive street program will exacerbate the problem. However, he explained that the road program was being addressed in the correct way by allowing for pipe replacement first and then repaving the roads.

In response to Mr. Slavin, Mr. Koenig stated that the City's Charter allowed for an assessment for sidewalk and street repairs. He recalled a special sidewalk assessment program during the 1990s which was administratively burdensome because it allowed property owners to chose between replacing the sidewalk on their own or having the City do it and then charging an assessment. It created animosity between the City and citizens and was wildly unpopular.

In response to Mr. Hutchison, Mr. Koenig stated that he would research and provide members information regarding the City-wide travel budget, with specifics pertaining to out-of-state travel expenses.

Mayor Carey expressed concern regarding ambulance service in the City of Dover and questioned whether there was an increase in funding included in the FY14 budget. Responding, Mr. Koenig explained that there was no proposed change to the ambulance contract but that he intended to meet with the local volunteer companies for discussions. He did not think it frugal to add another shift at $110,000 and that it would be more efficient to cooperate with other volunteer agencies and ambulance services in the area. He felt that it may be necessary to expand the ambulance contract in the long run, but staff did not think that point had been reached.

In response to Mr. Hare, Mr. Koenig stated that the City does not have rates in the ambulance contract and was not at all involved in the billing.

Councilwoman Williams moved to recess and reconvene on Wednesday, June 5, 2013 at 6:00 p.m., seconded by Mr. Perza and unanimously carried.

Meeting recessed at 9:25 p.m.

WEDNESDAY, JUNE 5, 2013 - 6:00 p.m.

The Special Council Meeting reconvened on Wednesday, June 5, 2013 at 6:03 p.m. with Council President Bonar presiding. Council members present were Mr. Dixon, Mr. Lynn, Mr. Perza, Mr. Hare, and Mr. Hutchison. Mr. Anderson, Mr. Slavin, and Mrs. Williams were absent.

Council staff members present were Mr. Koenig, Mrs. Mitchell, and Mrs. McDowell. Mayor Carey was also present.

AGENDA ADDITIONS/DELETIONS

Mr. Hutchison moved to adopt the agenda as presented, seconded by Mr. Dixon and unanimously carried.

RESPONSES TO COUNCIL MEMBERS' QUESTIONS AND INQUIRIES

Mr. Scott Koenig, City Manager, reviewed the list of "Dover Police Department FY14 Police Vehicle, Equipment & Installation Costs" ***(Exhibit #8)***, noting the total costs for a patrol vehicle ($43,142), staff/CI vehicle ($24,500), and police motorcycle ($29,850). He also reviewed the "City of Dover Donations Trend: Actual Donations from FY 2005 to 2012 and Budgeted FY 2013 & 2014" ***(Exhibit #9),*** indicating that for FY14, there were donations to the African American Festival and Kent County Tourism in the amount of $15,000 each and no money was budgeted for the 4th of July Celebration Committee.

Mr. Koenig reviewed the "City of Dover Budget Meeting - June 5, 2013 Analysis of Legal Fees" ***(Exhibit #10)***, explained that the other legal fees were for costs associated with alley abandonments, and reminded members that some negotiation and mediation costs were budgeted under labor negotiations for FY10 and FY11.

Mr. Lynn suggested that staff begin the process of succession planning in preparation for the eventually retirement of Mr. Nicholas Rodriguez, City Solicitor. He stated that although an in-house staff attorney, paralegal, and research assistant budget would most likely exceed the current annual for legal fees, staff would benefit by receiving more immediate answers and opinions.

Mr. Koenig stated that staff was not prepared to make a recommendation regarding the hiring of in-house legal counsel versus contracting legal services for the FY14 budget but that they would research this matter further in preparation for the FY15 budget. As recommended by Mr. Hutchison, staff would also consult with Mr. Rodriguez, to obtain his valuable historic perspective and future outlook on the City in regard to this matter.

Mr. Koenig reviewed an amendment to the FY 2014 Draft Capital Investment Plan (CIP) for an Advanced Metering Infrastructure Project (EE1415) ***(Exhibit #11)***, stating that this electric capital plan project in the amount of $150,000 would convert some of the City's larger industrial customers to more modern, electronic meter reading.

In response to Mr. Bonar, Mr. Koenig indicated that he not have an estimate of the cost to equip all users with smart meters at this time; however, to implement this program, the City has to develop the computer platform to convert the system, so this would be the starting point for implementing the smart meter program. He stated that a general plan for the future would involve first upgrading meters as they need replacing or when new meters are put into the system, followed by developing a plan to upgrade the entire system, which would be a multi-year project.

As requested by Mr. Hutchison during the Special Council Meeting - Budget Review of May 29, 2013, Mr. Koenig reviewed the "City of Dover Budgeted Training/Conference/Food/Travel Fiscal Year 2014 Draft Budget" ***(Exhibit #12)***, noting the total cost in the General Fund of $67,600, the Water/Wastewater Fund of $13,300, and the Electric Revenue Fund of $65,700. He stated that a majority of the cost in the Electric Revenue Fund was for Plant Management to meet the PJM grade requirements. The training budgets allow staff to retain certifications and enhance skills. In some cases directors budget for attendance of annual conferences, for example the International Capital Market Association (ICMA) conference attended by the City Manager, or to permit some of the support staff to attend a conference or training session.

Mr. Hutchison questioned the possibility of reducing the Training, Conference, Food, and Travel budgets for City Council and the Mayor. Responding, Mayor Carey stated that he would be happy to review the line items; however, he mentioned that he has paid for some of his City-related travel expenses in prior years.

Mr. Hare noted the historical trends for these budgets and questioned the increase in costs.

In response to Mr. Lynn, Mr. Bonar confirmed that this budget did include morale building items, such as birthday cakes for members of Council, and estimated that for him to attend the National League of Cities (NLC) annual conference in Seattle, Washington in November would cost approximately $1,100 to $1,200.

Mr. Lynn moved to amend the draft budget to reduce the City Council Training, Conference, and Travel budget from $8,500 to $2,000, seconded by Mr. Hutchison, and carried by a unanimous roll call vote (Anderson, Slavin, and Williams absent).

Mr. Lynn moved to amend the draft budget to reduce the Mayor Training, Conference, and Travel budget from $6,000 to $3,000, seconded by Mr. Hare.

Mayor Carey requested clarification on the number of functions Council expected him to attend with a budget of $3,000, noting that he belonged to the NLC Safety Advisory Committee but only attended one (1) of two (2) NLC meetings in FY13, that he personally paid some of the cost to attend the US Conference of Mayors and that the remainder was paid for by the host, and that he serves as a representative of the Delaware League of Local Governments (DLLG). He stated that he supports the decision of Council to save money; however, he does not want to receive criticism for not attending functions.

Mr. Lynn moved to amend the motion to amend the draft budget to reduce the Mayor Training, Conference, and Travel budget from $6,000 to $4,000, seconded by Mr. Hare.

Mr. Perza recommended that members be provided with a breakdown of the proposed plan for the Mayor's travel budget prior to making a final decision on this matter.

Mr. Koenig reminded members that the First Reading of the Budget Ordinance was scheduled for the Regular Council Meeting of June 10, 2013. Mr. Bonar noted that a budget amendment could be made during the First Reading of the Ordinance.

Mr. Dixon stated the importance of the Mayor attending meetings on behalf of the City and that the cost of each item needed to be determined prior to making a decision regarding reducing the budget.

Mr. Hare noted that many departments severely increased the training budget since last year and expressed his opinion that staff should provide a report on what they learn after attending education training, etc.

Mr. Hutchison stated that education and training was extremely critical for employees, especially since there were new people in new positions.

In response to Mr. Hutchison, Mr. Koenig stated that travel requests are ultimately approved by the City Manager and Controller/Treasurer and that he had made it clear to staff that he expects them to follow through and utilize all of the funds budgeted for training, conference, food, and travel and share the knowledge learned with the rest of staff upon return.

Mr. Bonar reminded members that there are hundreds of municipalities that have shared experiences and each have unique ways of approaching similar situations, and that staff and Council can learn a lot through attending training and conferences.

On a call for the question, the motion to amend the draft budget to reduce the Mayor Training, Conference, and Travel budget from $6,000 to $4,000 was withdrawn.

Mr. Koenig stated that he and Mrs. Mitchell met with members of the Downtown Dover Partnership (DDP) to discuss the Council action of May 29, 2013 to increase the funding for the DDP to $162,400, including the BID Tax, and that both parties are going to make that amount work.

In response to the concerns expressed by Mayor Carey in regard to the ambulance service, Mr. Koenig reviewed a presentation entitled "Ambulance Service for Robbins Hose Fire District" ***(Exhibit #13)***, noting that staff had been working for several months on concerns related to the provision of ambulance service in the City and the impact on some of the surrounding districts. He stated that the presentation was prepared by Ms. Kay Dietz-Sass, Public Affairs Officer/Emergency Management Coordinator, to identify the issues and describe the proposed plan for FY14. Mr. Koenig noted the steady increase in service calls between 2002 and 2012 and stated that earlier this year a gentleman from the Camden-Wyoming ambulance service advised him that the need to respond to calls from within the City of Dover was impacting their ability to deliver service. Mr. Koenig stated that the two (2) jurisdictions most affected by Dover calls were Camden and Cheswold. He stated that it would cost an additional $100,000 to have a 24-hour ambulance service and this would reduce the number of calls responded to by neighboring jurisdictions, but the analysis revealed that it would not even reduce it by half because the service demand is constant for all jurisdictions. Alternatively, staff proposed a donation of $8,125 to the Camden-Wyoming ambulance service and $9,125 to Cheswold. These amounts were either specifically budgeted or could be afforded in the portion of the City's budget that is reserved for the ambulance contract. Staff felt that this would be a prudent use of funds since volunteer services with limited funding need donations in order to continue service. He noted that members of the services seemed very appreciative of possible donations and would be willing to continue to deliver service until the City's needs exceed their ability to deliver service or the City's contract is renegotiated in 2015. He indicated that at the end of calendar year 2015, a review would be conducted to determine the City's

impact on local ambulance providers and a recommendation would be made in the next budget. He stated that he received a favorable response from the Camden-Wyoming and Cheswold ambulance providers but that final approval must be obtained from their respective Boards.

In response to Mr. Lynn, Mr. Koenig stated that the response times for neighboring ambulance services within the City are within an acceptable range of the other jurisdictions because in most cases they are responding from within the City due to being at the hospital or en route to or from. There were no complaints from citizens regarding response times, the concern was the impact on the other jurisdictions.

Responding to Mr. Dixon, Mr. Koenig stated that each ambulance service sets their own run rates and determines the amount billed to the insurance company or patient but that the rates are not stipulated in the City's ambulance contract.

In response to Mr. Hare, Mr. Koenig confirmed that the City incurs a charge for the second ambulance and that the first ambulance was not necessarily free but was in the baseline contract. The ambulance service providers bill the patient/insurance company for each run.

Mr. Hutchison thanked the Mr. Koenig and Ms. Dietz-Sass for the time and effort put forth to examine this issue.

Responding to Mr. Lynn, Mr. Koenig stated that all of the ambulance providers make money but that it would be a very expensive endeavor to get into, with startup costs in excess of $1M plus staff. Although he would not object to exploring the possibility in the future, he expressed his opinion that the current services the City provides through the contractor and the surrounding municipalities were reasonable.

Mr. Lynn moved to request the Safety Advisory and Transportation Committee to complete an in-depth analysis to determine the feasibility for the City to have an ambulance corps to service the needs of the City, to include the startup costs, the pros and cons, and whether it could generate any revenue, seconded by Mr. Dixon, and carried by a roll call vote of five (5) yes (Dixon, Lynn, Hare, Hutchison, and Bonar), one (1) no (Perza) and three (3) absent (Anderson, Slavin, and Williams).

Mr. Lynn moved to approve the FY14 budgeted contributions to neighboring ambulance providers, seconded by Mr. Hare.

Mayor Carey stated that the response times for ambulance services are governed by State law and expressed concern regarding the impact on the City as well as the citizens if response times do not meet requirements.

Mr. Perza questioned the need for the motion since this item was already included in the budget, and the motion was withdrawn.

REVISED FINANCIAL FORECAST

Mrs. Donna Mitchell, Controller/Treasurer, reviewed a presentation entitled "General Fund Budget & Forecast, Water/Wastewater Fund Budget & Forecast dated June 5, 2013" ***(Exhibit #14)***.

Property Tax Increase

In regard to the General Fund, she explained that scenario options, including the contribution to the DDP and tax increases, were added to the Municast Model base scenario as presented on May 29, 2013. Then two (2) scenarios were run with different options selected to determine the impact each would have on revenues and expenditures as well as the unreserved fund balance.

Responding to Mr. Lynn, Mrs. Mitchell stated that the Municast Model does not take inflation into account, it only accounts for the growth rates that she inputs, such as those for salary increases and property taxes.

Mr. Lynn thanked Mrs. Mitchell for the time and effort she expended in putting this model together. He also expressed his opinion that Council cannot pass on $5M to $7M deficits and that they must be proactive now to preclude the deficits in the future.

In response to Mr. Hutchison, Mrs. Mitchell confirmed that the proposed $0.03 tax increase would balance the budget each year and stated that the funds could be used to increase the street program, which would be new projects that were not previously budgeted.

Mr. Bonar expressed his support for a $0.03 tax increase to prevent a $7M budget deficit and stated that this would not be a new revenue to fund pay increases.

Mrs. Mitchell reviewed the "City of Dover Sample Customer Analysis of $.03 Tax Increase & Electric Rate Decrease" ***(Exhibit #15)***, which provided samples of how much the electric energy rate decrease would save the customer and what the property tax increase would cost the customer.

Mr. Koenig explained that the infrastructure issue was a national problem and that the American Society of Civil Engineers' National Report Card for infrastructure is poor. He stated that failing to repair the infrastructure would lead to catastrophic failures which, in the end, would cost more money than a capital maintenance plan. When examining the budget, staff first looks at reductions in operating costs, then cutbacks on vehicles, and lastly the street programs and other projects. Although it is difficult to request a tax increase, it is visually beneficial because citizens are able to see that their money is going to the renewal of vehicles and improvements in the streets. Staff has indicated for years that there was a structural problem in the General Fund that can be addressed through the development of new revenue sources or enhancement of current revenue sources and an increase in the property tax can affect the budget quickly, since $0.01 would raise approximately $316,000.

Referring to the residential samples on the "City of Dover Sample Customer Analysis of $.03 Tax Increase & Electric Rate Decrease," Mr. Koenig stated that with a $0.03 tax increase, the average customer would experience an annual increase between $16 and $96 while simultaneously experiencing a corresponding reduction in their energy costs, equating to a net reduction of costs for each customer.

Mr. Lynn noted that property owners would be able to write off the property tax increase on their income taxes which they could not do if the City were to raise electric rates.

Responding to Mr. Hutchison, Mrs. Mitchell stated that the last increase in property taxes occurred in 2011 when, following the reassessment, the rate was not rolled back.

In response to Mr. Hare, Mrs. Mitchell indicated that trash fees were raised in FY13.

Calpine Revenues

Referring to the "General Fund Budget & Forecast, Water/Wastewater Fund Budget & Forecast" presentation, Mrs. Mitchell reviewed the Water/Wastewater Fund. She indicated that, as presented, the model showed the water and wastewater separated and only represented the increases in revenues, but that the expenses would be added in. She attributed the difference between the projected water fees for FY15 and FY16 to the Calpine project. She reminded members that she projected an increase in the transfer to the General Fund in FY16 to $500,000 but that the Fund was still in pretty good shape at that point. She stated that, in regard to the wastewater side, most of the revenues would probably be offset by expenses, predicting that the Kent County treatment fees would increase. For FY16, she projected an 8% rate increase but also increased the transfer to the General Fund to $500,000 and maintained a positive net cash amount. The 8% increase would equate to $0.21 per thousand gallons for in-City customers and $0.32 per thousand gallons for out-of-city customers, so the average customer using 5,000 gallons would experience an increase of $1.05 per month in their bill for in-city and $1.60 per month for out-of-city.

In response to Mr. Hare, Mrs. Mitchell stated that according to the current forecast model, it would be necessary to increase taxes in FY14, FY15 and FY17 to get the City through the next five (5) years, unless Council wanted to consider discontinuing some services. Expenses were deferred in the prior years and it was now affecting the citizens and the health of the City.

Mr. Lynn stated that the problem was that the City had kept tax rates artificially low by consistently deferring necessary infrastructure improvements. He suggested other alternatives that may not be very palatable, including getting rid of services or laying off employees and privatizing services.

Mr. Hare commented that the problem began in the 1970s and 1980s when the City began "living off" the revenue from the power plants and tax rates were kept low; however, now the State wants to ensure lower electric rates. He suggested that the City needed to determine why money is being lost every year. Responding, Mr. Hutchison reminded members that the revenue losses were related to the decline in economic development, particularly in the construction industry.

Mr. Bonar expressed that the main goal of the City was to provide services, that the cost to provide services continues to increase, and the City must adjust by increasing property taxes because electric rates cannot continue to increase. It was his opinion that it was most sensible to increase property taxes, which the property owner could write off, and provide a corresponding or greater reduction in the electricity rate.

In addressing the concerns raised by Mr. Hare, Mr. Koenig stated that the financial forecast is a static, five (5) year snapshot that signals that staff and Council cannot be complacent and must find ways to better manage the utilities, develop new techniques to manage money, find new revenue sources, and reduce expenses to improve the forecast. It was his hope that the forecast would improve, understanding that no one wants to recommend tax and rate increases year after year; however, there are baseline costs that must be incurred to keep the infrastructure up. The five (5) year model must be continuously analyzed as issues change.

Mr. Hare and Mr. Bonar stated that there was funding available at the State level and expressed the importance of coordinating with the legislative contingent in Dover to ensure answers are obtained in a timely fashion so that the City does not miss any opportunities for funding.

Meeting recessed at 7:30 p.m. and reconvened at 7:47 p.m.

QUESTIONS, ANSWERS, AND OPEN DISCUSSION

Responding to Mr. Hutchison, Mr. Koenig stated that there are three (3) part-time and 36 full-time non-bargaining positions and the total cost of providing a 3% salary increase for all of these positions would be $72,800. In the past year, adjustments were made related to the Interim Managerial Plan for four (4) positions: Water/Wastewater Maintenance Supervisor, Financial Reporting and Accounting Manager, Director of Planning & Community Development, and Information Technology Director. There were also four (4) people who were promoted internally, as well as one (1) non-bargaining employee that was hired within the current budget year. Mr. Koenig stated that during the discussions in regard to the adjustments for the four (4) previously mentioned positions, he spent a lot of time examining where they were relative to their peers within the City, their experience, and the duties they took on, and three (3) of the four (4) adjustments were related to additional duties that the staff members took on as a result of other positions being cut from the budget. There was a large cut in the budget in staff and benefits which basically paid for the adjustments that were proposed earlier this year.

Mr. Koenig explained that it was his job, as the City Manager, to advocate for this group of employees who were not otherwise represented and reaffirmed his position that the group as a whole was deserving of the 3% proposal without fracturing off the four (4) positions that were previously granted a raise or the employees who were promoted earlier this year. He assured members that he understood that they do not want multiple raises in a year because it creates consternation and would not be back for mid-year adjustments. He stated his belief that the 3% across the board was the right thing to do, and that if he were paying out of his pocket his recommendation would still be to provide the 3% increase to the entire group.

Mr. Hutchison expressed his respect for Mr. Koenig's comments and stated that he would support the 3% increase for the non-bargaining employees except for anyone who received an increase or bonus this year.

Mr. Perza questioned if Mr. Hutchison would support the 3% increase for all non-bargaining employees if it were based on the July 1, 2012 base salaries. Responding, Mr. Hutchison stated that he thought it only fair to defer increases for those individuals who received an increase or bonus this year until July of next year.

In response to Mr. Hare, Mr. Koenig stated that, in hindsight, the compensation for these employees should have been adjusted beginning the day that they took on additional duties but that was not in his realm of authorization as the City Manager. In some instances, he would have come before Council in July 2012 if he had made requests when the additional duties were first assigned. Mr. Koenig took full responsibility for the poor timing of the requests and reiterated that these employees performed additional duties for months without compensation and, unfortunately, the requests were brought forward for consideration only a few months ago, otherwise, this would not be a matter for discussion at this time.

In response to Mr. Lynn, Mr. Koenig stated that he strongly advocated for the 3% increase for all non-bargaining employees across the board; however, if he were given no other option, he could live with a 3% increase for all non-bargaining employees, based on the July 1, 2012 base salaries, as proposed by Mr. Perza.

Mr. Hutchison moved to amend the draft budget to exclude those employees whose salaries were adjusted for any reason, during FY13, from the 3% increase for non-bargaining employees, seconded by Mr. Hare.

In response to Mr. Perza, Mr. Koenig clarified that the 3% increase would be based on the base salary level, therefore, no bonus amount would be considered in the increase.

Responding to Mr. Hare, Mr. Koenig confirmed that the bonuses will stop in FY14 but would continue until the Electric Director position and a position in the Public Works Department were filled.

On a call for the question, the motion to exclude those employees whose salaries were adjusted for any reason during FY13 from the 3% increase for non-bargaining employees failed by a roll call vote of four (4) yes (Dixon, Hare, Hutchison, and Bonar), two (2) no (Lynn and Perza) and three (3) absent (Anderson, Slavin, and Williams) for lack of a majority vote of members.

Mr. Lynn moved to amend the draft budget to stipulate that the 3% increase for non-bargaining employees be based on the base salary levels as of July 1, 2012, seconded by Mr. Hare.

In response to Mr. Hare, Mr. Koenig confirmed that the non-bargaining employees had not received a pay raise for two (2) years; therefore, the salaries for July 1, 2012 and July 1, 2011 were the same.

On a call for the question, the motion to amend the draft budget to stipulate that the 3% increase for non-bargaining employees be based on the base salary levels as of July 1, 2012 was carried by a unanimous roll call vote (Anderson, Slavin, and Williams absent).

Responding to Mr. Hutchison, Mr. Koenig stated that the Police Chief withdrew his request for the hiring of an Accreditation Manager from consideration in the FY14 budget. James Hosfelt, Police Chief, stated that he asked the City Manager to consider the future possibility of hiring retired police officers as civilian employees to fill the two (2) sex offender and one (1) accreditation positions, which would allow for the use of the officer positions in other duties; the total number of uniformed officers would not decrease. Staff has requested the Deputy City Solicitor, William Pepper, to provide an opinion as to whether the City would be able to hire retired City of Dover Police Officers to fill civilian positions. Mr. Koenig stated that the Chief's original position request was prioritized for a LAN Analyst, Communications Operator, Accreditation Manager, and Officers for the Sex Offender Unit and that the proposed FY14 budget included a LAN Analyst position to be shared with the IT Department, as well as six (6) month funding for a Communications Operator, to increase the 911 Communications Center staff from 11 to 12.

Mr. Lynn questioned the viability of this option in light of the previous opinion regarding the Crime Analyst position and potential violations of IRS regulations. Concurring with Mr. Hare, Mr. Lynn stated that hiring these retired officers as independent contractors could be an alternative approach to avoid problems with IRS regulations.

Mr. Lynn moved to amend the draft budget to include a $0.03 tax increase, seconded by Mr. Dixon. By a roll call vote of four (4) yes (Dixon, Lynn, Hutchison, and Bonar), two (2) no (Perza and Hare) and three (3) absent (Anderson, Slavin, and Williams), the motion failed for lack of a majority vote of members.

In response to Mr. Lynn, Mrs. Mitchell explained that not enacting a $0.03 tax increase for FY14 would result in non-compliance with the City policies for revenues to meet or exceed expenditures, and to maintain an 8% carry forward budget balance. She stated that for the out-years, the projected Calpine revenue of $70,000 would not have much effect on the multi-million dollar deficits projected for the General Fund. In order to address these issues without being proactive now, Council would need to make revenue or program adjustments.

Mr. Perza suggested that members take time to explore the options related to a mixture of tax increases and spending adjustments and not react immediately to five (5) year projections.

Mr. Lynn expressed his opinion that deferring the issue would only cause it to become exponentially more expensive to address.

In response to Mr. Perza and Mr. Hare, Mrs. Mitchell stated that the projections for the out-years are only "snapshots" and that the amounts could change; however, for FY14 there was a problem and the savings from FY13 had to be carried forward in order to balance the budget without proposing a tax increase.

Responding to Mr. Lynn, Mr. Koenig stated that to address the gap in the FY14 budget would require only a $0.02 tax increase. Throughout FY13, staff signaled to Council that a tax increase would likely be necessary and the proposed carry forward of $621,000 from FY13 only became an option due to savings realized by not having a full level of employment. Although staff was recruiting and filling positions throughout the year, the savings were the result of employees leaving their positions at the City for various reasons, including retirements. Looking at the out-years, OPEB liability funding will increase, Delaware Solid Waste Authority fees will increase every year under the current contract, and the Police Department has legitimate requests for staff increases which will increase the budget. The Police Department budget of $12M is a big driver of the overall General Fund budget of $35M. Staff contracted the budget as much as possible, so there will be no way to further cut away a $7M, five (5) year shortfall without reducing services, and he has received the impression that Council desires to reduce service. Staff did everything possible to present a balanced budget, but to accept it, policies must be disregarded for convenience. If Council approves a tax increase, the $621,000 carry forward would go toward the staggering unfunded liability of more than $80M.

Mr. Hare suggested the possibility of a $0.005 tax increase to cover the FY14 funding for the DDP.

Mr. Hutchison expressed his concerns that raising taxes $0.03 for the next three (3) years would only balance the budget but the City would not be making money. Although he supported the employees, union representatives and the employees must begin to understand that the City cannot continue to give more every year. There are real concerns and staff and Council need to discuss ways to reduce spending.

In response to Mr. Perza's comments, Mr. Koenig stated that a tax increase could not legally be earmarked for a specific project but reminded members that a $0.03 tax increase, approximately $1M, would create a revenue stream to fund the Capital Plan, because it is typically the last item that receives budget consideration. Since Council has not been in favor of making staff cuts, the Capital Plan budget has been cut, so additional funds raised would essentially go toward funding these projects.

Mr. Bonar stated that, historically, Council was loath to increase taxes and chose instead to rely on the electric utility to balance the budget each year. This trend cannot continue and officials at the State believe the City's utility rates are a barrier to economic development; therefore, unless new revenues are developed, Council will need to set realistic tax rates.

Mr. Lynn moved to amend the draft budget to include a $0.025 tax increase, seconded by Mr. Hutchison. By a roll call vote of four (4) yes (Dixon, Lynn, Hutchison, and Bonar), two (2) no (Perza and Hare) and three (3) absent (Anderson, Slavin, and Williams) the motion failed for lack of a majority vote of members.

Mr. Lynn moved for adjournment, seconded by Mr. Hutchison. By a roll call vote of two (2) yes (Lynn and Hutchison), four (4) no (Dixon, Perza, Hare, and Bonar) and three (3) absent (Anderson, Slavin, and Williams) the motion failed for lack of a majority vote of members.

Mr. Hare moved to amend the draft budget to include a $0.005 tax increase. The motion failed for lack of a second.

Responding to Mr. Perza, Mr. Koenig proposed "Plan C" as a $0.02 tax increase and a transfer from the Electric Fund to cover the differential for funding the DDP.

Mr. Lynn moved to amend the draft budget to include a $0.02 tax increase and a transfer from the Electric Fund to cover the differential for funding the DDP, as proposed by staff, seconded by Mr. Dixon. By a roll call vote of three (3) yes (Dixon, Lynn, and Bonar), three (3) no (Perza, Hare, and Hutchison) and three (3) absent (Anderson, Slavin, and Williams) the motion failed for lack of a majority vote of members.

Mr. Hare moved for adoption of the draft budget, as presented by staff and amended by Council, with a First Reading to be held on June 10, 2013 and a Final Reading on June 24, 2013, seconded by Mr. Dixon and carried by a roll call vote of five (5) yes (Dixon, Perza, Hare, Hutchison, and Bonar), one (1) no (Lynn), and three (3) absent (Anderson, Slavin, and Williams).

Mr. Hutchison moved for adjournment, seconded by Mr. Dixon and unanimously carried.

Meeting adjourned at 9:00 p.m.

TRACI A. McDOWELL
CITY CLERK

All orders, ordinances, and resolutions adopted by City Council during their Special Meeting of May 29, and June 5, 2013, are hereby approved.

CARLETON E. CAREY, SR.
MAYOR

/TM
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Exhibits
Exhibit #1 - Presentation - City of Dover FY 2014 Draft Budget: Total Budget & Fund Summaries
Exhibit #2 - Presentation - City of Dover General Fund Financial Projections 2014 - 2018
Exhibit #3 - Municast General Fund Statistics, 2003 - 2012
Exhibit #4 - Presentation - City of Dover Water and Wastewater Fund Financial Projections 2014 - 2018
Exhibit #5 - Water/Wastewater Fund - Reconciliation
Exhibit #6 - Presentation - City of Dover Electric Revenue Fund Financial Projections 2014 - 2018
Exhibit #7 - Energy Rate Change Customer Samples
Exhibit #8 - Dover Police Department FY14 Police Vehicle, Equipment & Installation Costs
Exhibit #9 - City of Dover Donations Trend: Actual Donations from FY 2005 to 2012 and Budgeted FY 2013 & 2014
Exhibit #10 - City of Dover Budget Meeting - June 5, 2013 Analysis of Legal Fees
Exhibit #11 - Amendment to the FY 2014 Draft Capital Investment Plan (CIP) - Advanced Metering Infrastructure Project (EE1415)
Exhibit #12 - City of Dover Budgeted Training/Conference/Food/Travel Fiscal Year 2014 Draft Budget
Exhibit #13 - Ambulance Service for Robbins Hose Fire District
Exhibit #14 - General Fund Budget & Forecast, Water/Wastewater Fund Budget & Forecast, dated June 5, 2013
Exhibit #15 - City of Dover Sample Customer Analysis of $.03 Tax Increase & Electric Rate Decrease

City of Dover
FY 2014 Draft Budget

Total Budget
&
Fund Summaries

City of Dover
All Funds Summary
Fiscal 2014 Budget

	Fund or Reserve Account	Beginning Balances	Revenues/ Transfers In	Expenses/ Transfers Out	Ending Balances
1	General Fund				
2	Operating Fund	$ 3,455,200	$ 36,262,600	$ (36,776,700)	$ 2,941,100
3	Contingency Account	732,100	12,500	-	744,600
4	Capital Project Fund	166,500	1,404,300	(1,404,300)	166,500
5	Capital Asset Reserve	504,000	8,000	-	512,000
6	Parkland Reserve	202,500	4,500	-	207,000
7	Total General Fund	5,060,300	37,691,900	(38,181,000)	4,571,200
8	Water/Wastewater Fund				
9	Operating Fund	1,325,000	13,797,200	(13,270,900)	1,851,300
10	Contingency Account	292,100	5,000	-	297,100
11	I & E Fund	1,643,700	2,945,000	(2,817,800)	1,770,900
12	Capital Asset Reserve	504,400	8,600	-	513,000
13	Impact Fee Reserve	3,734,400	63,500	(390,000)	3,407,900
14	Total Water Fund	7,499,600	16,819,300	(16,478,700)	7,840,200
15	Electric Fund				
16	Operating Fund	7,152,400	82,985,600	(81,030,200)	9,107,800
17	Contingency Account	814,300	12,200	-	826,500
18	Insurance Reserve	728,000	11,000	-	739,000
19	Rate Stabilization Reserve	17,383,600	260,400	(4,000,000)	13,644,000
20	I & E Fund	3,091,000	5,763,800	(5,473,600)	3,381,200
21	Depreciation Reserve	9,829,700	167,400	-	9,997,100
22	Future Capacity Reserve	9,989,800	141,600	-	10,131,400
23	Total Electric Fund	48,988,800	89,342,000	(90,503,800)	47,827,000
24	Less:				
25	Interfund Transfers		(17,652,900)	17,652,900	
26	Interfund Allocations		4,656,900	(4,656,900)	
27	Subtotal Major Operating Funds	61,548,700	130,857,200	(132,167,500)	60,238,400
28	Workers Compensation	1,200,600	505,900	(621,100)	1,085,400
29	Community Transportation Fund	-	500,500	(500,000)	500
30	Police Grants	98,000	315,000	(413,000)	-
31	Library Grants	-	272,800	(270,100)	2,700
32	CDBG	-	223,600	(223,600)	-
33	Total All Funds & Reserves	$ 62,847,300	$ 132,675,000	$ (134,195,300)	$ 61,327,000

Note: Special Revenue Funds with receipts that pass over to the General Fund are not individually included. These are Municipal Street Aid, Civil Traffic Penalties, and Transfer Taxes.

GENERAL FUND
CASH RECEIPT SUMMARY

		2011/12 ACTUAL	2012/13 BUDGET	2012/13 REVISED	3/22/2013 2013/14 PRELIMINARY	2013/14 PROPOSED	$ DIFFERENCE FY 14 PP VS FY13 BUDGET	% CHG FY14 VS FY13
	RECEIPTS							
1	BEGINNING BALANCE	3,561,837	2,666,600	3,752,200	2,872,100	3,455,200	788,600	29.6%
2	FINES AND POLICE REVENUE	681,952	668,000	668,000	666,000	666,000	(2,000)	-0.3%
3	INVESTMENT INCOME	53,175	75,000	75,000	75,000	75,000	-	0.0%
4	LIBRARY REVENUES	53,101	66,200	66,200	66,600	66,600	400	0.6%
5	KENT COUNTY BOOK REIMBURSEMENT	422,721	405,900	405,900	400,000	400,000	(5,900)	-1.5%
6	BUSINESS LICENSES	1,470,097	1,455,000	1,455,000	1,460,000	1,460,000	5,000	0.3%
7	PERMITS AND OTHER FEES	1,346,769	1,053,300	1,053,300	1,073,800	1,167,500	114,200	10.8%
8	MISCELLANEOUS CHARGES	103,027	55,500	70,900	61,500	63,300	7,800	14.1%
9	POLICE EXTRA DUTY	600,310	494,400	636,100	650,000	650,000	155,600	31.5%
10	PROPERTY TAXES	11,037,920	10,997,400	11,039,200	11,120,000	11,120,000	122,600	1.1%
11	BID REVENUE	51,509	51,600	51,600	51,500	49,500	(2,100)	-4.1%
12	RECREATION REVENUE	112,480	130,000	130,000	133,000	133,000	3,000	2.3%
13	FRANCHISE FEE	568,240	550,000	600,000	606,200	606,200	56,200	10.2%
14	SANITATION FEES	1,903,623	2,690,200	2,676,500	2,676,500	2,676,500	(13,700)	-0.5%
15	RENT REVENUE - GARRISON FARM	92,878	62,000	117,200	118,500	118,500	56,500	91.1%
16	COURT OF CHANCERY FEES	863,220	753,800	807,200	863,200	863,200	109,400	14.5%
17	**RECEIPTS SUBTOTAL**	**19,361,022**	**19,508,300**	**19,852,100**	**20,021,800**	**20,115,300**	**607,000**	**3.1%**
18	**INTERFUND SERVICE RECEIPTS**							
19	INTRAFUND SERVICE RECEIPTS W/WW	894,186	1,104,600	1,045,800	1,111,400	1,136,400	31,800	2.9%
20	INTRAFUND SERVICE RECEIPTS ELECTRIC	3,105,015	3,224,500	3,177,100	3,261,700	3,323,500	99,000	3.1%
21	**INTERFUND SERVICE RECEIPTS SUBTOTAL**	**3,999,201**	**4,329,100**	**4,222,900**	**4,373,100**	**4,459,900**	**130,800**	**3.0%**
22	**GRANTS:**							
23	POLICE RELATED/EXTRA DUTY	166,014	85,000	112,100	110,000	110,000	25,000	29.4%
24	POLICE PENSION GRANT	561,772	500,000	500,000	500,000	500,000	-	0.0%
25	GREEN ENERGY GRANT	-	98,500	98,500	98,500	98,500	-	0.0%
26	RECREATION GRANTS	43,740	-	-	-	-	-	0.0%
27	MISC GRANT REVENUE	72,835	25,000	25,000	25,000	25,000	-	0.0%
29	HOMELAND SECURITY GRANT	163,490	-	-	-	-	-	0.0%
30	**GRANTS SUBTOTAL**	**1,007,851**	**708,500**	**735,600**	**733,500**	**733,500**	**25,000**	**3.5%**
31	**TRANSFERS FROM:**							
32	TRANSFER TAX	1,373,208	1,370,000	1,370,000	1,315,500	1,315,500	(54,500)	-4.0%
33	MUNICIPAL STREET AID	527,042	527,400	527,400	527,400	527,400	-	0.0%
34	CIVIL TRAFFIC PENALTIES	518,638	750,000	350,000	600,000	600,000	(150,000)	-20.0%
35	WATER/WASTEWATER	424,508	500,000	500,000	500,000	500,000	-	0.0%
36	ELECTRIC	7,876,288	8,000,000	8,000,000	8,000,000	8,000,000	-	0.0%
38	VERIZON AND CI RESERVES	-	11,000	11,000	11,000	11,000	-	0.0%
41	**TRANSFERS FROM SUBTOTAL**	**10,719,684**	**11,158,400**	**10,758,400**	**10,953,900**	**10,953,900**	**(204,500)**	**-1.8%**
42	**TOTAL REVENUES**	**35,087,758**	**35,704,300**	**35,569,000**	**36,082,300**	**36,262,600**	**558,300**	**1.6%**
43	**TOTAL BEGINNING BALANCE & REVENUE**	**38,649,595**	**38,370,900**	**39,321,200**	**38,954,400**	**39,717,800**	**1,346,900**	**3.5%**

GENERAL FUND
EXPENSE SUMMARY

		2011/12 ACTUAL	2012/13 BUDGET	2012/13 REVISED	3/22/2013 2013/14 PRELIMINARY	2013/14 PROPOSED	$ DIFFERENCE FY 14 PP VS FY13 BUDGET	% CHG FY14 VS FY13
1	**DEPARTMENT EXPENSES:**							
2	CITY CLERK	251,291	326,900	326,900	332,100	334,400	7,500	2.3%
3	COUNCIL	106,407	114,200	114,200	131,500	114,300	100	0.1%
4	TAX ASSESSOR	185,959	187,500	187,500	196,300	198,300	10,800	5.8%
5	FIRE	660,923	688,300	645,200	692,200	692,100	3,800	0.6%
6	GROUNDS MAINTENANCE	964,964	993,300	980,400	978,200	948,500	(44,800)	-4.5%
7	LIBRARY	1,101,111	1,250,200	1,225,400	1,313,300	1,330,400	80,200	6.4%
8	RECREATION	827,230	713,400	674,900	715,500	720,100	6,700	0.9%
9	LIFE SAFETY	499,389	469,900	451,800	469,000	468,200	(1,700)	-0.4%
10	CODE ENFORCEMENT	271,381	293,100	323,100	377,800	377,100	84,000	28.7%
11	PLANNING	378,319	410,300	416,100	425,800	445,300	35,000	8.5%
12	INSPECTIONS	550,099	592,200	577,100	540,300	528,400	(63,800)	-10.8%
13	ECONOMIC DEVELOPMENT	216,803	231,100	231,100	241,500	215,200	(15,900)	-6.9%
14	POLICE	12,926,630	13,195,200	13,431,900	13,594,000	13,573,900	378,700	2.9%
15	POLICE EXTRA DUTY	684,106	579,400	748,200	760,000	760,000	180,600	31.2%
16	STREETS	866,986	756,700	772,200	631,100	603,700	(153,000)	-20.2%
17	SANITATION	2,086,218	2,140,700	2,072,000	2,176,300	2,153,800	13,100	0.6%
18	CITY MANAGER	638,570	420,000	420,000	431,100	457,300	37,300	8.9%
19	INFORMATION TECHNOLOGY	717,142	642,700	633,300	720,100	660,800	18,100	2.8%
20	FINANCE	792,269	879,500	879,500	890,600	906,500	27,000	3.1%
21	PUBLIC WORKS - ADMINISTRATION	332,513	468,600	401,200	420,300	426,300	(42,300)	-9.0%
22	FACILITIES MANAGEMENT	842,424	678,800	660,600	642,400	632,600	(46,200)	-6.8%
23	PROCUREMENT & INVENTORY	612,473	576,900	578,700	527,400	517,600	(59,300)	-10.3%
24	FLEET MAINTENANCE	737,162	712,700	678,500	727,600	720,700	8,000	1.1%
25	CUSTOMER SERVICE	899,998	901,200	866,900	942,200	1,109,500	208,300	23.1%
26	HUMAN RESOURCES	264,148	319,700	310,800	333,000	334,400	14,700	4.6%
27	MAYOR	79,696	82,400	82,400	85,400	83,300	900	1.1%
28	**DEPARTMENT SUBTOTALS**	**28,494,211**	**28,624,900**	**28,689,900**	**29,295,000**	**29,312,700**	**687,800**	**2.4%**
29	**OTHER EXPENDITURES:**							
30	DEBT SERVICE	327,734	624,200	474,200	633,200	557,300	(66,900)	-10.7%
31	CONTRIBUTION TO DDP	-	180,000	180,000	51,500	49,500	(130,500)	-72.5%
32	MISCELLANEOUS GRANT RELATED EXP	-	25,000	25,000	25,000	25,000	-	0.0%
33	INSURANCE	516,254	600,000	600,000	658,900	658,900	58,900	9.8%
34	RETIREES HEALTH CARE	1,374,709	1,620,600	1,620,600	1,568,500	1,636,500	15,900	1.0%
35	OTHER EMPLOYMENT EXPENSES	-	463,400	94,700	350,000	400,000	(63,400)	-13.7%
36	GENERAL PENSION UNFUNDED LIABILITY	1,450,000	1,310,500	1,693,500	1,159,100	1,159,100	(151,400)	-11.6%
37	POLICE PENSION FUND - STATE GRANT	561,772	500,000	500,000	500,000	500,000	-	0.0%
38	POLICE PENSION UNFUNDED LIABILITY	95,000	95,000	495,000	307,400	307,400	212,400	223.6%
39	UNCOLLECTIBLES - TRASH AND OTHER	10,000	10,000	10,000	10,000	10,000	-	0.0%
40	OPEB UNFUNDED LIABILITY	239,532	-	-	-	-	-	0.0%
41	STREET LIGHTS	986,430	869,700	869,700	875,000	836,000	(33,700)	-3.9%
42	**OTHER EXPENSE SUBTOTAL**	**5,561,431**	**6,298,400**	**6,562,700**	**6,138,600**	**6,139,700**	**(158,700)**	**-2.5%**
43	**TRANSFERS**							
44	TRANSFER TO CAPITAL ASSET RESERVE	200,000	-	-	-	-	-	0.0%
45	TRANSFER TO CAPITAL FUND - PROJECTS	638,847	613,400	613,400	1,353,600	1,324,300	710,900	115.9%
47	TRANSFER TO CDBG FUND	2,907	-	-	-	-	-	0.0%
51	**TRANSFERS SUBTOTAL**	**841,754**	**613,400**	**613,400**	**1,353,600**	**1,324,300**	**710,900**	**115.9%**
52	**TOTAL EXPENDITURES**	**34,897,396**	**35,536,700**	**35,866,000**	**36,787,200**	**36,776,700**	**1,240,000**	**3.5%**
53	**BUDGET BALANCE**	**3,752,199**	**2,834,200**	**3,455,200**	**2,167,200**	**2,941,100**	**106,900**	**3.8%**
54	**TOTAL BUDGET BALANCE & EXPENDITURES**	**38,649,595**	**38,370,900**	**39,321,200**	**38,954,400**	**39,717,800**	**1,346,900**	**3.5%**
55	EXCEEDS/(REMAINS)TO MEET REQUIREMENT	945,178	(22,144)	609,680	(719,400)	41,000	631,824	

		2011/12 ACTUAL	2012/13 APPROVED	2012/13 REVISED	2013/14 PRELIMINARY	2013/14 PROPOSED	FY 14 PP VS FY13 BUDGET	POLICY
56	**RESERVE BALANCES**							
57	CONTINGENCY	721,193	731,100	732,100	730,300	746,100	14,000	2% OF REV

GOVERNMENTAL CAPITAL PROJECTS FUND SUMMARY

		2011/12 ACTUAL	2012/13 BUDGET	2012/13 REVISED	3/22/2013 2013/14 PRELIMINARY	2013/14 PROPOSED	$ DIFFERENCE FY 14 PP VS FY13 BUDGET	% CHG FY14 VS FY13 REV
1	**BEGINNING BALANCE - PROJECTS**	**357,354**	**294,400**	**156,000**	**157,500**	**166,500**	**(127,900)**	**-43.4%**
2	**REVENUES**							
3	STATE GRANTS - Other	23,870	108,000	158,000	-	15,000	(93,000)	-86.1%
4	PROPOSED BOND/BANK PROCEEDS - Street	-	2,000,000	2,000,000	-	-	(2,000,000)	-100.0%
5	PROPOSED BOND/BANK PROCEEDS - Garrison	-	2,000,000	-	-	-	(2,000,000)	-100.0%
6	INCOME FROM SALE OF ASSETS	39,958	-	43,000	-	-	-	0.0%
7	MISCELLANEOUS RECEIPTS	53,000	-	-	-	-	-	0.0%
8	POLICE GRANTS	-	33,800	33,800	-	-	(33,800)	-100.0%
9	INTEREST EARNINGS	10,560	-	-	-	-	-	0.0%
10	TRANSFER FROM GENERAL FUND	638,847	613,400	613,400	1,353,600	1,324,300	710,900	115.9%
11	TRANSFER FROM PARKLAND RESERVE	-	-	-	65,000	65,000	65,000	0.0%
12	TRANSFER FROM FUTURE CAPACITY RESERVE	-	-	2,000,000		-	-	0.0%
13	**SUBTOTAL CAPITAL PROJECT FUNDING SOURCES**	**766,235**	**4,755,200**	**4,848,200**	**1,418,600**	**1,404,300**	**(3,350,900)**	**-70.5%**
14	STATE GRANTS - Library	6,002,057	884,200	1,746,000	-	-	(884,200)	-100.0%
15	LIBRARY FOUNDATION	2,430,500	67,500	71,000	-	-	(67,500)	-100.0%
16	INCOME FROM SALE OF OLD LIBRARY	-	1,200,000	1,200,000	-	-	(1,200,000)	-100.0%
17	PROPOSED CONSTRUCTION LOAN - Library	851,500	-	648,500	-	-	-	0.0%
18	KENT COUNTY CONTRIBUTION	-	250,000	250,000	-	-	(250,000)	-100.0%
19	DEMEC GRANT	-	-	166,700	-	-	-	0.0%
20	FRIENDS OF THE LIBRARY DONATION	-	-	102,400	-	-	-	0.0%
21	TRANSFER FROM LIBRARY RESERVE	2,594,860	-	-	-	-	-	0.0%
22	**SUBTOTAL LIBRARY PROJECT FUNDING SOURCES**	**11,878,917**	**2,401,700**	**4,184,600**	-	-	**(2,401,700)**	**-100.0%**
23	**TOTAL FUNDING SOURCES**	**12,645,152**	**7,156,900**	**9,032,800**	**1,418,600**	**1,404,300**	**(5,752,600)**	**-80.4%**
24	**TOTAL BEGINNING BALANCE & FUNDING SOURCES**	**13,002,506**	**7,451,300**	**9,188,800**	**1,576,100**	**1,570,800**	**(5,880,500)**	**-78.9%**
25	**EXPENDITURES**							
26	FIRE	258,456	238,500	238,500	238,500	238,500	-	0.0%
27	GROUNDS MAINTENANCE	-	112,000	112,000	56,500	50,100	(61,900)	-55.3%
28	LIBRARY	12,118,028	2,535,000	4,089,100	-	-	(2,535,000)	-100.0%
29	RECREATION	-	30,000	30,000	95,000	95,000	65,000	216.7%
30	CODE ENFORCEMENT	-	-	-	30,000	30,000	30,000	0.0%
31	POLICE	62,338	197,000	217,000	257,200	257,300	60,300	30.6%
32	STREETS	206,338	1,974,000	3,558,700	275,100	251,500	(1,722,500)	-87.3%
33	SANITATION	120,624	150,000	150,000	383,300	402,100	252,100	168.1%
34	INFORMATION TECHNOLOGY	14,330	57,000	107,000	7,000	7,000	(50,000)	-87.7%
35	FACILITIES MANAGEMENT	-	381,000	395,000	21,000	17,800	(363,200)	-95.3%
36	PROCUREMENT & INVENTORY	-	-	-	55,000	55,000	55,000	0.0%
37	MAYOR	-	33,000	33,000	-	-	(33,000)	-100.0%
38	**DEPARTMENT SUBTOTAL**	**12,780,114**	**5,707,500**	**8,930,300**	**1,418,600**	**1,404,300**	**(4,303,200)**	**-75.4%**
39	**TRANSFERS & MISCELLANEOUS EXPENSES**							
40	BOND/LOAN ISSUANCE COST	27,254	56,000	32,000	-	-	(56,000)	-100.0%
41	TRANSFER TO CAPITAL ASSET RESERVE	39,100	-	-	-	-	-	0.0%
42	TRANSFER TO COMMUNITY TRANS FUND	-	1,606,700	60,000	-	-	(1,606,700)	-100.0%
43	**TRANSFERS & MISCELLANEOUS SUBTOTAL**	**66,354**	**1,662,700**	**92,000**	-	-	**(1,662,700)**	**-100.0%**
44	**TOTAL EXPENDITURES**	**12,846,468**	**7,370,200**	**9,022,300**	**1,418,600**	**1,404,300**	**(5,965,900)**	**-80.9%**
45	BUDGET BALANCE	156,038	81,100	166,500	157,500	166,500	85,400	105.3%
46	**TOTAL BUDGET BALANCE & EXPENDITURES**	**13,002,506**	**7,451,300**	**9,188,800**	**1,576,100**	**1,570,800**	**(5,880,500)**	**-78.9%**

	RESERVE BALANCES	2011/12 ACTUAL	2012/13 BUDGET	2012/13 REVISED	2013/14 PRELIMINARY	2013/14 PROPOSED	FY 14 PP VS FY13 BUDGET	POLICY
47	CAPITAL ASSET RESERVE	498,467	503,000	504,000	504,800	512,000	8,000	Min $500K
48	PARKLAND/RECREATION	199,282	202,600	202,500	201,800	207,000	4,500	N/A

Note: Policy for Capital Asset Reserve is $200,000 per year if less than minimum balance of $500,000

WATER/WASTEWATER FUND SUMMARY

		2011/12 ACTUAL	2012/13 BUDGET	2012/13 REVISED	3/22/2013 2013/14 PRELIMINARY	2013/14 PROPOSED	$ DIFFERENCE FY 14 PP VS FY13 BUDGET	% CHG FY14 VS FY13
1	BEGINNING BALANCE - WATER	2,567,172	865,100	1,075,800	748,000	770,800	(94,300)	-10.9%
2	BEGINNING BALANCE - WASTEWATER	1,929,346	853,000	991,100	376,800	412,600	(440,400)	-51.6%
3	BEGINNING BALANCE - KCSA	(1,243,243)	(553,500)	(626,400)	141,600	141,600	695,100	-125.6%
4	**TOTAL BEGINNING BALANCES**	**3,253,275**	**1,164,600**	**1,440,500**	**1,266,400**	**1,325,000**	**160,400**	**13.8%**
5	**BASE REVENUE:**							
6	WATER SERVICES	4,707,918	4,730,700	4,730,700	4,730,700	4,730,700	-	0.0%
7	WASTEWATER SERVICES	3,722,985	3,834,600	3,642,700	3,642,700	3,642,700	(191,900)	-5.0%
8	WASTEWATER TREATMENT SERVICES	3,050,127	3,090,800	2,980,400	2,980,300	2,980,300	(110,500)	-3.6%
9	GROUNDWATER INFLOW ADJUSTMENT	1,290,968	1,257,600	1,324,600	1,324,600	1,324,600	67,000	5.3%
10	WATER TANK SPACE LEASING	313,101	313,500	313,500	333,800	333,800	20,300	6.5%
11	SEWER IMPACT FEES	277,400	317,000	380,000	323,000	323,000	6,000	1.9%
12	WATER IMPACT FEES	308,700	350,000	350,000	357,000	357,000	7,000	2.0%
13	INTEREST - WATER	15,945	8,700	7,400	9,100	9,100	400	4.6%
14	INTEREST - WASTEWATER	15,944	17,100	11,500	14,000	14,000	(3,100)	-18.1%
15	MISCELLANEOUS SERVICE FEE	104,634	77,000	81,400	82,000	82,000	5,000	6.5%
16	**TOTAL REVENUES**	**13,807,722**	**13,997,000**	**13,822,200**	**13,797,200**	**13,797,200**	**(199,800)**	**-1.4%**
17	**TOTAL BEGINNING BALANCE & REVENUES**	**17,060,997**	**15,161,600**	**15,262,700**	**15,063,600**	**15,122,200**	**(39,400)**	**-0.3%**
18	**DIRECT EXPENSES:**							
19	ENGINEERING & INSPECTION	507,921	597,900	601,900	688,600	664,900	67,000	10.5%
20	WATER CONSTRUCTION	347,698	345,700	353,200	351,400	351,400	5,700	-0.5%
21	WATER DEPARTMENT	395,587	408,200	415,000	424,200	434,100	25,900	4.6%
22	WATER TREATMENT PLANT	1,447,678	1,522,600	1,535,400	1,499,300	1,501,800	(20,800)	-2.2%
23	WASTEWATER DEPARTMENT	878,066	993,000	997,000	965,900	945,100	(47,900)	-5.2%
24	**DIRECT EXPENDITURE SUBTOTAL**	**3,576,950**	**3,867,400**	**3,902,500**	**3,929,400**	**3,897,300**	**29,900**	**0.8%**
25	**OTHER EXPENSES:**							
26	DEBT SERVICE - WATER	251,510	532,100	438,100	545,700	403,800	(128,300)	-7.8%
27	DEBT SERVICE - WASTEWATER	456,429	731,500	636,300	757,700	615,700	(115,800)	-3.2%
28	RETIREES HEALTH CARE	190,830	220,000	220,000	220,000	200,000	(20,000)	-9.1%
29	OTHER EMPLOYMENT EXPENSES	-	16,200	15,400	25,000	25,000	8,800	62.3%
30	OPEB UNFUNDED LIABILITY	372,417	-	-	-	-	-	0.0%
31	PENSION UNFUNDED LIABILITY	228,400	309,800	509,800	339,400	339,400	29,600	-33.4%
32	KENT COUNTY TREATMENT CHARGE	3,724,238	3,600,000	3,537,000	3,524,800	3,524,800	(75,200)	-0.3%
33	INTRAFUND SERVICE FEES	1,050,391	1,235,400	1,176,600	1,209,900	1,234,900	(500)	5.0%
34	UNCOLLECTIBLES	5,000	5,000	5,000	-	-	(5,000)	-100.0%
35	INVENTORY/FIXED ASSET WRITEOFFS	10,000	5,000	5,000	-	-	(5,000)	-100.0%
36	**OTHER EXPENSES SUBTOTAL**	**6,289,215**	**6,655,000**	**6,543,200**	**6,622,500**	**6,343,600**	**(311,400)**	**-4.7%**
37	**TRANSFER TO:**							
38	GENERAL FUND FROM WATER	238,842	250,000	250,000	250,000	250,000	-	0.0%
39	GENERAL FUND FROM WASTEWATER	185,666	250,000	250,000	250,000	250,000	-	0.0%
40	WATER IMP AND EXT	2,750,000	1,700,000	1,700,000	1,600,000	1,200,000	(500,000)	-29.4%
41	WASTEWATER IMP AND EXT	2,000,000	1,200,000	1,200,000	1,222,000	1,330,000	130,000	10.8%
42	WATER IMPACT FEE RESERVE	171,777	-	-	-	-	-	0.0%
43	TRF TO CONTINGENCY WASTEWATER	8,000	-	-	-	-	-	0.0%
44	CAPITAL ASSET RESERVE WATER	100,000	70,000	70,000	-	-	(70,000)	-100.0%
45	CAPITAL ASSET RESERVE WASTEWATER	300,000	22,000	22,000	-	-	(22,000)	-100.0%
46	**TRANSFER TO SUBTOTAL**	**5,754,285**	**3,492,000**	**3,492,000**	**3,322,000**	**3,030,000**	**(462,000)**	**-13.2%**
47	**TOTAL EXPENSES**	**15,620,450**	**14,014,400**	**13,937,700**	**13,873,900**	**13,270,900**	**(743,500)**	**-5.3%**
48	**BUDGET BALANCES**							
49	BUDGET BALANCE WATER	1,075,793	482,700	770,800	493,200	1,055,350	572,650	36.9%
50	BUDGET BALANCE WASTEWATER	991,140	664,500	412,600	696,500	795,950	131,450	92.9%
51	BUDGET BALANCE KCSA	(626,386)	-	141,600	-	-	-	-100.0%
51	**BUDGET BALANCE SUBTOTALS**	**1,440,547**	**1,147,200**	**1,325,000**	**1,189,700**	**1,851,300**	**704,100**	**61.4%**
52	**TOTAL BUDGET BALANCES & EXPENSES**	**17,060,997**	**15,161,600**	**15,262,700**	**15,063,600**	**15,122,200**	**(39,400)**	**-0.3%**
53	EXCEEDS/(REMAINS)TO MEET REQMNT	335,929	27,440	219,200	85,924	747,600		

		2011/12 ACTUAL	2012/13 BUDGET	2012/13 REVISED	2013/14 PRELIMINARY	2013/14 BUDGET	FY 14 PP VS FY13 BUDGET	POLICY
54	**RESERVE BALANCES**							
55	CONTINGENCY - WATER	102,119	103,724	103,800	103,600	105,600	1,800	2% OF REV.
56	CONTINGENCY - WATER/WASTEWATER	185,153	189,176	188,300	187,300	191,500	3,200	2% OF REV.

WATER/WASTEWATER IMPROVEMENT & EXTENSION FUND SUMMARY

		2011/12 ACTUAL	2012/13 BUDGET	2012/13 REVISED	3/22/2013 2013/14 PRELIMINARY	2013/14 PROPOSED	$ DIFFERENCE FY 14 PP VS FY13 BUDGET	% CHG FY14 VS FY13
1	BEGINNING BALANCE - WATER	1,537,773	3,071,800	3,811,200	1,947,300	1,477,300	(1,594,500)	-51.9%
2	BEGINNING BALANCE - WASTEWATER	339,673	1,013,600	2,641,000	246,400	166,400	(847,200)	-83.6%
3	**TOTAL BEGINNING BALANCES**	**1,877,446**	**4,085,400**	**6,452,200**	**2,193,700**	**1,643,700**	**(4,808,500)**	**-59.8%**
4	**REVENUES**							
5	BOND PROCEEDS - WATER	-	2,000,000	2,000,000	-	-	(2,000,000)	-100.0%
6	BOND PROCEEDS - WASTEWATER	-	2,000,000	2,000,000	-	-	(2,000,000)	-100.0%
7	STATE LOAN FUND - WATER	1,923,489	-	-	-	-	-	0.0%
8	STATE LOAN FUND - WASTEWATER	1,325,671	-	-	-	-	-	0.0%
9	TRANS FR OPERATING FUND - WATER	2,750,000	1,700,000	1,700,000	1,600,000	1,200,000	(100,000)	-29.4%
10	TRANS FR OPERATING FUND - WASTEWATER	2,000,000	1,200,000	1,200,000	1,222,000	1,330,000	22,000	10.8%
11	TRANSFER FR WATER IMPACT FEE	-	300,000	-	-	390,000	(300,000)	0.0%
12	TRANSFER FR WASTEWATER IMPACT FEE	760,270	250,000	250,000	-	-	(250,000)	-100.0%
13	PROCEEDS FROM SALE OF ASSETS	1,703		-	-	-	-	0.0%
14	INTEREST INCOME	28,308	25,000	25,000	25,000	25,000	-	0.0%
15	**TOTAL REVENUES**	**8,789,441**	**7,475,000**	**7,175,000**	**2,847,000**	**2,945,000**	**(4,530,000)**	**-60.6%**
16	**TOTAL BEGINNING BALANCES & REVENUES**	**10,666,887**	**11,560,400**	**13,627,200**	**5,040,700**	**4,588,700**	**(9,038,500)**	**-60.3%**
17	**EXPENSES**							
18	WATER	2,362,179	5,140,000	5,971,600	1,494,600	1,476,800	(3,645,400)	-75.3%
19	WASTEWATER	1,799,541	3,817,300	5,922,500	1,268,800	1,251,000	(2,548,500)	-78.9%
20	WATER TREATMENT PLANT	22,898	24,100	29,200	-	-	(24,100)	-100.0%
21	WATER CONSTRUCTION	29,985	31,000	31,000	83,800	90,000	52,800	190.3%
22	W/WW ENGINEERING	-	23,400	29,200	-	-	(23,400)	-100.0%
23	BOND ISSUANCE COST	-	344,000	-	-	-	(344,000)	0.0%
24	**TOTAL EXPENSES**	**4,214,603**	**9,379,800**	**11,983,500**	**2,847,200**	**2,817,800**	**(6,562,000)**	**-70.0%**
25	BUDGET BALANCE - WATER	3,811,206	1,675,500	1,477,300	1,981,400	1,513,000	305,900	2.4%
26	BUDGET BALANCE - WASTEWATER	2,641,079	505,100	166,400	212,100	257,900	(293,000)	55.0%
27	**TOTAL ENDING BUDGET BALANCES**	**6,452,285**	**2,180,600**	**1,643,700**	**2,193,500**	**1,770,900**	**(409,700)**	**-18.8%**
28	**TOTAL BUDGET BALANCES & EXPENSES**	**10,666,888**	**11,560,400**	**13,627,200**	**5,040,700**	**4,588,700**	**(9,038,500)**	**-60.3%**

		2011/12 ACTUAL	2012/13 BUDGET	2012/13 REVISED	2013/14 PRELIMINARY	2013/14 BUDGET	FY 14 PP VS FY13 BUDGET	
29	**RESERVE BALANCES**							**POLICY**
30	CAPITAL ASSET RESERVE-WATER	427,104	501,100	504,400	502,900	513,000	8,600	MIN $500K
31	CAPITAL ASSET RESERVE-WASTEWATER	473,645	501,100	503,700	501,800	512,300	8,600	MIN $500K
32	IMPACT FEE RESERVE - WATER	441,139	-	448,600	196,100	66,200	(382,400)	20% of Rev.
33	IMPACT FEE RESERVE - WASTEWATER	3,476,673	-	3,285,800	3,220,200	3,341,700	55,900	20% of Rev.

ELECTRIC REVENUE FUND SUMMARY

		2011/12 ACTUAL	2012/13 BUDGET	2012/13 REVISED	3/22/2013 2013/14 PRELIMINARY	2013/14 PROPOSED	$ DIFFERENCE FY 14 PP VS FY13 BUDGET	% CHG FY14 VS FY13
1	**BEGINNING BALANCE**	**12,292,573**	**7,184,000**	**14,567,100**	**19,505,000**	**7,152,400**	**(31,600)**	**-0.4%**
2	**BASE REVENUE:**							
3	DIRECT SALES TO CUSTOMER	96,483,053	85,071,400	87,519,500	85,926,600	85,715,400	644,000	0.8%
4	PURCHASE POWER ADJUSTMENT	(6,083,282)	-	-	-	(9,428,700)	(9,428,700)	0.0%
5	UTILITY TAX	1,548,209	1,595,200	1,498,900	1,471,600	1,492,200	(103,000)	-6.5%
6	MISCELLANEOUS REVENUE	1,142,471	850,700	985,700	752,000	602,000	(248,700)	-29.2%
7	RENT REVENUE	193,065	225,000	200,000	251,000	251,000	26,000	11.6%
8	GREEN ENERGY	127,581	129,000	129,000	135,800	135,800	6,800	5.3%
9	INTEREST EARNINGS	95,708	107,800	107,800	119,400	119,400	11,600	10.8%
10	TRANSFER FROM RATE STABILIZATION	1,000,000	5,400,000	5,400,000	-	4,000,000	(1,400,000)	-25.9%
11	INTRAFUND SERVICE RECEIPTS W/WW	156,204	130,800	130,800	98,500	98,500	(32,300)	-24.7%
12	**TOTAL REVENUES**	**94,663,009**	**93,509,900**	**95,971,700**	**88,754,900**	**82,985,600**	**(10,524,300)**	**-11.3%**
13	**TOTAL BEGINNING BALANCE & REVENUES**	**106,955,582**	**100,693,900**	**110,538,800**	**108,259,900**	**90,138,000**	**(10,555,900)**	**-10.5%**
14	**EXPENSES:**							
15	POWER SUPPLY	43,265,652	39,468,900	37,701,000	20,339,100	23,832,000	(15,636,900)	-39.6%
16	SOLAR ENERGY	-	1,414,500	1,587,600	1,565,800	1,565,800	151,300	10.7%
17	SOLAR RENEWAL ENERGY CREDITS	-	-	351,600	300,000	300,000	300,000	0.0%
18	POWER SUPPLY MANAGEMENT	996,000	996,000	996,000	996,000	996,000	-	0.0%
19	PJM CHARGES - ENERGY	10,182,061	13,752,300	5,697,700	16,139,800	12,812,900	(939,400)	-6.8%
20	PJM CHARGES - TRANSMISSION & FEES	-	3,756,000	6,100,700	3,900,000	4,740,000	984,000	26.2%
21	CAPACITY CHARGES	8,685,938	12,564,800	11,817,200	16,651,800	15,787,200	3,222,400	25.6%
22	**SUB-TOTAL POWER SUPPLY**	**63,129,651**	**71,952,500**	**64,251,800**	**59,892,500**	**60,033,900**	**(11,918,600)**	**-16.6%**
23	PLANT OPERATIONS	5,500,857	5,914,900	5,914,900	6,015,800	6,015,800	100,900	1.7%
24	GENERATIONS FUELS	1,582,984	586,000	948,800	-	-	(586,000)	-100.0%
25	PJM SPOT MARKET ENERGY	-	(772,700)	(1,865,600)	(230,500)	(230,500)	542,200	-70.2%
26	PJM CREDITS	(4,081,759)	(427,000)	(488,400)	(427,000)	(397,000)	30,000	-7.0%
27	CAPACITY CREDITS	(7,373,701)	(14,318,600)	(14,318,600)	(15,079,800)	(15,079,800)	(761,200)	5.3%
28	**GENERATION SUBTOTAL**	**(4,371,619)**	**(9,017,400)**	**(9,808,900)**	**(9,721,500)**	**(9,691,500)**	**(674,100)**	**7.5%**
29	**POWER SUPPLY & GENERATION SUBTOTAL**	**58,758,032**	**62,935,100**	**54,442,900**	**50,171,000**	**50,342,400**	**(12,592,700)**	**-20.0%**
30	**DIRECT EXPENDITURES**							
31	TRANSMISSION/DISTRIBUTION	2,960,426	3,223,600	3,233,700	3,319,500	3,302,500	78,900	2.4%
32	ELECTRICAL ENGINEERING	986,042	1,163,900	1,171,300	1,203,500	1,192,200	28,300	2.4%
33	ADMINISTRATION	654,077	501,200	501,200	597,000	597,000	95,800	19.1%
34	METER READING	205,791	212,500	212,500	220,100	220,300	7,800	3.7%
35	SYSTEMS OPERATIONS	498,063	517,600	526,300	536,300	543,600	26,000	5.0%
36	**DIRECT EXPENDITURE SUBTOTALS**	**5,304,399**	**5,618,800**	**5,645,000**	**5,876,400**	**5,855,600**	**236,800**	**4.2%**
37	**OTHER EXPENSES:**							
38	UTILITY TAX	1,548,209	1,595,200	1,498,900	1,471,600	1,492,200	(103,000)	-6.5%
39	ALLOW FOR UNCOLLECTIBLES	150,000	150,000	150,000	200,000	200,000	50,000	33.3%
40	CONTRACTUAL SERVICES - RFP'S	5,207	190,000	190,000	-	100,000	(90,000)	-47.4%
41	RETIREES HEALTH CARE	646,510	696,500	696,500	513,300	513,300	(183,200)	-26.3%
42	OTHER EMPLOYMENT EXPENSES	-	157,900	149,200	150,000	150,000	(7,900)	-5.0%
43	TRANSFER TO PENSION UNFUNDED LIABILITY	1,110,500	1,074,200	7,274,200	1,314,200	1,314,200	240,000	22.3%
44	OPEB UNFUNDED LIABILITY	1,688,847	-	-	975,700	975,700	975,700	0.0%
45	GREEN ENERGY PAYMENT TO DEMEC	127,581	129,000	129,000	135,800	135,800	6,800	5.3%
46	INTRAFUND SERVICE FEES	3,105,015	3,224,500	3,177,100	3,261,700	3,323,500	99,000	3.1%
47	INTEREST ON DEPOSITS	21,297	35,000	35,000	27,000	27,000	(8,000)	-22.9%
48	INVENTORY WRITE OFFS	175,000	175,000	175,000	-	-	(175,000)	-100.0%
49	TRANSFER TO WORKER'S COMPENSATION	-	-	500,000	-	-	-	0.0%
51	DEBT SERVICE	3,371,609	3,323,600	3,323,600	3,301,900	3,301,900	(21,700)	-0.7%
52	**OTHER EXPENSES SUBTOTAL**	**11,949,775**	**10,750,900**	**17,298,500**	**11,351,200**	**11,533,600**	**782,700**	**7.3%**
53	**TRANSFER TO:**							
54	IMPROVEMENT & EXTENSION	3,500,000	3,500,000	3,500,000	5,298,600	5,298,600	1,798,600	51.4%
55	GENERAL FUND	7,876,288	8,000,000	8,000,000	8,000,000	8,000,000	-	0.0%
56	TRANSFER TO FUTURE CAPACITY RESERVE	-	-	2,100,000	-	-	-	0.0%
58	RATE STABILIZATION RESERVE	5,000,000	-	12,400,000	-	-	-	0.0%
59	**TRANSFER TO SUBTOTAL**	**16,376,288**	**11,500,000**	**26,000,000**	**13,298,600**	**13,298,600**	**1,798,600**	**15.6%**
60	**TOTAL EXPENSES**	**92,388,494**	**90,804,800**	**103,386,400**	**80,697,200**	**81,030,200**	**(9,774,600)**	**-10.8%**
61	**BUDGET BALANCE - WORKING CAPITAL**	**14,567,088**	**9,889,100**	**7,152,400**	**27,562,700**	**9,107,800**	**(781,300)**	**-7.9%**
62	**TOTAL BUDGET BALANCE & EXPENSES**	**106,955,582**	**100,693,900**	**110,538,800**	**108,259,900**	**90,138,000**	**(10,555,900)**	**-10.5%**
63	EXCEEDS/(REMAINS)TO MEET REQUIREMENT	6,723,688	2,535,900	26,600	20,587,900	1,834,000		

		2011/12 ACTUAL	2012/13 BUDGET	2012/13 REVISED	2013/14 PRELIMINARY	2013/14 BUDGET	FY 14 PP VS FY13	
64	**RESERVE BALANCES**							POLICY
65	CONTINGENCY RESERVE	1,070,814	816,200	814,300	810,200	826,500	12,200	1% of Rev.
66	INSURANCE RESERVE	337,265	750,000	728,000	729,400	739,000	11,000	$350K Min.
67	RATE STABILIZATION RESERVE	10,230,133	4,947,600	17,383,600	7,646,900	13,644,000	(3,739,600)	3%-10%

ELECTRIC IMPROVEMENT & EXTENSION FUND SUMMARY

		2011/12 ACTUAL	2012/13 BUDGET	2012/13 REVISED	3/22/2013 2013/14 PRELIMINARY	2013/14 PROPOSED	$ DIFFERENCE FY 14 PP VS FY13 REVISED	% CHG FY14 VS FY13 REV
1	**BEGINNING BALANCE**	**3,175,375**	**2,714,600**	**3,534,600**	**2,999,900**	**3,091,000**	**376,400**	**13.9%**
2	**REVENUES**							
3	TRANSFER FROM ELECTRIC	3,500,000	3,500,000	3,500,000	5,298,600	5,298,600	1,798,600	51.4%
4	TRANSFER FROM DEPRECIATION RESERVE	300,000	-	-	-	-	-	0.0%
5	TRANSFER FROM FUTURE CAPACITY RESERVE	-	550,000	-	-	-	(550,000)	-100.0%
6	TRANSFER FROM INSURANCE STABILIZATION	70,730	-	-	-	-	-	0.0%
7	GENERAL SERVICE BILLING	-	-	91,100	-	440,000	440,000	0.0%
8	INCOME FROM SALE OF ASSETS	10,066	-	-	-	-	-	0.0%
9	INTEREST EARNINGS	25,168	40,700	40,700	25,200	25,200	(15,500)	-38.1%
10	**TOTAL REVENUES**	**3,905,964**	**4,090,700**	**3,631,800**	**5,323,800**	**5,763,800**	**1,673,100**	**40.9%**
11	**TOTALS**	**7,081,339**	**6,805,300**	**7,166,400**	**8,323,700**	**8,854,800**	**2,049,500**	**30.1%**
12	**EXPENSES**							
13	ELECTRIC GENERATION	1,455,376	1,441,300	1,236,600	1,942,800	2,117,800	676,500	46.9%
14	TRANSMISSION AND DISTRIBUTION	461,464	596,000	1,232,000	950,000	950,000	354,000	59.4%
15	ELECTRICAL ENGINEERING	1,619,603	1,932,700	1,606,800	2,405,800	2,405,800	473,100	24.5%
16	METER READING	10,280	-	-	-	-	-	0.0%
17	**TOTAL EXPENSES**	**3,546,723**	**3,970,000**	**4,075,400**	**5,298,600**	**5,473,600**	**1,503,600**	**37.9%**
18	**BUDGET BALANCE**	**3,534,616**	**2,835,300**	**3,091,000**	**3,025,100**	**3,381,200**	**545,900**	**19.3%**
19	**TOTAL BUDGET BALANCE & EXPENSES**	**7,081,339**	**6,805,300**	**7,166,400**	**8,323,700**	**8,854,800**	**2,049,500**	**30.1%**

		2011/12 ACTUAL	2012/13 BUDGET	2012/13 REVISED	2013/14 PRELIMINARY	2013/14 BUDGET	FY 14 PP VS FY13	POLICY
20	**RESERVE BALANCES**							
21	DEPRECIATION RESERVE	9,742,058	9,864,800	9,829,700	9,806,400	9,977,100	147,400	Min.
22	FUTURE CAPACITY RESERVE	9,805,482	9,362,000	9,989,800	7,317,400	10,131,400	141,600	Min.

City of Dover General Fund Financial Projections 2014 – 2018

Budget Meetings
May 2013

EXHIBIT #2
2013 Budget Review
Special Council Meeting of 05/29/13

Key Assumptions

- The FY15 – FY18 Forecast continues to be short on revenues to cover projected expenses incorporating the growth assumptions as below.

- Projected Revenues - Growth assumptions
  - **Property taxes – 1.0%**
  - **Transfer taxes – 1.0%**
  - **Licenses & Permits – 1.0%**
  - **Sanitation revenues – 0.5%**
  - **Fines & Police Revenue – 1.0%**
  - **Library Revenue – 0.5%**
  - **Miscellaneous Revenue – 2.0% (includes Franchise fees, rental income, & recreation revenues)**
  - **Internal Service Fees – 2.0%**
- Projected Operating Expenses reported at same level as FY13 with the following exceptions:
  - **Pay increases included for non-bargaining employees, FOP progression, and DOE bonuses**
  - **Growth in Division expenses 2014 – 2108**
    - **Increased wages & benefits – 2.0%**
    - **General increases in materials and supplies – 1.0%**
    - **General increases in administrative expenses – 1.0%**
    - **Increased retiree health insurance premiums 5.7%**
    - **Increased OPEB normal cost with continuation of phase-in plan 2.0%**
    - **Pension contribution for unfunded liability as per previous actuary analysis**
- Maintains Water/Wastewater & Electric Fund Transfers throughout the forecast
- Fully funds Capital projects through operating transfers, grants and use of reserves

Revenues, Expenditures & Fund Balance

	2013P	2014F	2015F	2016F	2017F	2018F
FUND BALANCE-BEGINNING	**3,752,200**	**3,455,200**	**2,941,100**	**1,535,985**	**46,380**	**(2,408,817)**
REVENUES AND SOURCES						
01-PROPERTY TAXES	11,090,800	11,169,500	11,281,195	11,394,007	11,507,947	11,623,026
02-LICENSES AND PERMITS	2,508,300	2,627,500	2,653,775	2,680,313	2,707,116	2,734,187
03-GRANTS RECEIVED	1,263,000	1,260,900	1,260,900	1,260,900	1,260,900	1,260,900
04-COURT OF CHANCERY FEES	807,200	863,200	863,200	863,200	863,200	863,200
05-SANITATION FEES AND REBATES	2,676,500	2,676,500	2,689,883	2,703,332	2,716,849	2,730,433
06-LIBRARY REVENUE - GENERAL	472,100	466,600	468,933	471,278	473,634	476,002
07-FINES	1,304,100	1,316,000	1,329,160	1,342,452	1,355,876	1,369,435
08-INVESTMENT INCOME (LOSS)	75,000	75,000	76,125	77,267	78,426	78,426
09-MISCELLANEOUS SERVICES	918,100	921,000	939,420	958,208	977,373	996,920
10-INDIRECT SERVICES BILLING	4,222,900	4,459,900	4,549,098	4,640,080	4,732,882	4,827,539
11-TRANSFERS IN-ELECTRIC	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
12-TRANSFERS IN-WATER/WW	500,000	500,000	500,000	500,000	500,000	500,000
13-TRANSFERS IN-OTHER	1,731,000	1,926,500	1,928,655	1,941,942	1,955,361	1,968,915
TOTAL REVENUES AND SOURCES	**35,569,000**	**36,262,600**	**36,540,344**	**36,832,978**	**37,129,563**	**37,428,983**
EXPENDITURES AND USES						
01-SALARIES AND WAGES	16,071,300	16,189,700	16,513,494	16,843,764	17,180,639	17,524,252
02-FICA	1,177,800	1,188,600	1,212,372	1,236,619	1,261,352	1,286,579
03-HEALTH INSURANCE	2,399,600	2,600,700	2,748,940	2,905,629	3,071,250	3,246,312
04-OTHER-BENEFITS	570,700	436,300	440,663	445,070	449,520	454,016
05-RETIREE HEALTHCARE	1,620,600	1,636,500	1,729,781	1,828,378	1,932,596	2,042,753
06-LUMP SUM PENSION	1,693,500	1,159,100	1,182,282	1,205,928	1,230,046	1,254,647
07-PENSION	1,338,500	1,383,400	1,411,068	1,439,289	1,468,075	1,497,437
08-OPEB	1,225,900	1,501,900	1,531,938	1,562,577	1,593,828	1,625,705
09-MATERIALS & SUPPLIES	1,344,900	1,272,100	1,284,821	1,297,669	1,310,646	1,323,752
10-ADMIN EXPENDITURES	4,561,200	4,740,000	4,787,400	4,835,274	4,883,627	4,932,463
11-FUND EXPENSE	1,810,000	1,550,800	1,550,800	1,550,800	1,550,800	1,550,800
12-STREET LIGHT	869,700	836,000	836,000	836,000	836,000	836,000
13-OTHER-CHARGES	94,700	400,000	400,000	400,000	400,000	400,000
14-TRANSFER-TO-DEBT	474,200	557,300	472,900	474,200	479,800	229,900
15-TRANSFER-TO-CIP	613,400	1,324,300	1,843,000	1,461,400	1,936,600	1,510,100
16-CIP EXPENDITURES	-	-	-	-	-	-
TOTAL REVENUES AND SOURCES	**35,866,000**	**36,776,700**	**37,945,458**	**38,322,597**	**39,584,779**	**39,714,715**
SURPLUS/(DEFICIT)	**(297,000)**	**(514,100)**	**(1,405,115)**	**(1,489,620)**	**(2,455,217)**	**(2,285,732)**
% REVENUE	*-1%*	*-1%*	*-4%*	*-4%*	*-7%*	*-6%*
FUND BALANCE-ENDING	**3,455,200**	**2,941,100**	**1,535,985**	**46,380**	**(2,408,817)**	**(4,694,532)**
% OF REVENUES AND SOURCES	**9.7%**	**8.1%**	**4.2%**	**0.1%**	**-6.5%**	**-12.5%**
Additional Funds Needed		**(40,100)**	**1,387,200**	**2,900,300**	**5,379,200**	**7,688,900**

Capital Projects - Funding Sources

	2013P	2014F	2015F	2016F	2017F	2018F
BEGINNING BALANCE	**156,000**	**166,500**	**166,500**	**166,500**	**166,500**	**166,500**
APPROPRIATIONS & RECEIPTS						
APPROPRIATION FROM GENERAL FUND	613,400	1,324,300	1,843,000	1,461,400	1,936,600	1,510,100
TRANSFER FROM PARKLAND RESERVE	-	65,000	40,000	50,000	-	-
TRANSFER FROM FUTURE CAPACITY RESERVE	2,000,000	-	-	-	-	-
TRANSFER FROM COM TRANSP FUND	-		30,000	250,000	-	-
BOND PROCEEDS	2,000,000	-	-	-	-	-
PROPOSED CONSTRUCTION LOAN - LIBRARY	648,500	-	-	-	-	-
RECREATION GRANTS	-	15,000	113,000	240,000	-	-
LIBRARY GRANTS	1,746,000	-	-	-	-	-
DEMA & PUBLIC SAFETY GRANTS	191,800	-	-	-	-	-
DEMEC GRANT	166,700				-	-
SALE OF ASSETS & AUCTION RECEIPTS	1,243,000	-	-	-	-	-
CONTRIBUTIONS FROM OTHER AGENCIES	250,000	-	-	-	-	-
DONATIONS FOR SPECIFIC PROJECTS	173,400	-	-	-	-	-
TOTAL RECEIPTS	9,032,800	1,404,300	2,026,000	2,001,400	1,936,600	1,510,100
TOTAL BEGINNING BALANCE & REVENUES	**9,188,800**	**1,570,800**	**2,192,500**	**2,167,900**	**2,103,100**	**1,676,600**

Capital Projects – Use of Funds

CAPITAL IMPROVEMENTS PROGRAM - PROJE(	2013P	2014F	2015F	2016F	2017F	2018F
PROGRAM OPERATING EXPENDITURES						
541 POLICE ADMINISTRATION	217,000	257,300	295,700	188,500	262,000	129,500
PUBLIC SERVICES						
522 GROUNDS	112,000	50,100	127,300	102,100	118,500	134,300
531 LIFE SAFETY	-	-	27,500	28,500	29,500	17,500
534 PUBLIC INSPECTIONS	-	-	16,000	34,000	-	-
554 STREET	3,590,700	251,500	623,500	344,500	300,000	290,000
555 SANITATION	150,000	402,100	264,800	408,700	425,400	475,700
TOTAL PUBLIC SERVICES	3,852,700	703,700	1,059,100	917,800	873,400	917,500
PLANNING & CODE ENFORCEMENT						
533 PLANNING	-	-	-	-	16,000	-
532 CODE ENFORCEMENT	-	30,000	-	17,000	0	23,800
TOTAL PLANNING & CODE ENFORCEMENT	-	30,000	-	17,000	16,000	23,800
514 FIRE DEPARTMENT	238,500	238,500	324,200	319,200	319,200	319,200
523 LIBRARY	4,089,100	-	-	-	-	-
525 RECREATION	30,000	95,000	326,000	540,000	466,000	100,000
TOTAL PROGRAM EXPENDITURES	**8,427,300**	**1,324,500**	**2,005,000**	**1,982,500**	**1,936,600**	**1,490,000**
ADMINISTRATIVE & SUPPORT OPERATING EXPENDITURES						
516 INFORMATION TECHNOLOGY	107,000	7,000	21,000	-	-	-
519 MAYOR	33,000		-	-	-	-
552 FACILITIES MANAGEMENT	395,000	17,800	0	18,900	0	20,100
571 CENTRAL SERVICES	0	55,000	-	-	-	-
TOTAL ADMINISTRATIVE & SUPPORT EXPENDITURE	535,000	79,800	21,000	18,900	0	20,100
TOTAL CAPITAL INVESTMENT	**8,962,300**	**1,404,300**	**2,026,000**	**2,001,400**	**1,936,600**	**1,510,100**
COMMUNITY TRANSPORTATION FUND	60,000	-	-	-	-	-
BUDGET BALANCE - WORKING CAPITAL	166,500	166,500	166,500	166,500	166,500	166,500
TOTAL BUDGET BALANCE & EXPENDITURES	**9,188,800**	**1,570,800**	**2,192,500**	**2,167,900**	**2,103,100**	**1,676,600**

General Fund Projected Debt Service

Fiscal Year Ending	Series 2003 Bonds	2012 Tax- Exempt Loan *	Total Debt Service	Green Energy Debt Service Contribution	Net Debt Service
6/30/2014	$ 327,400	$ 229,900	$ 557,300	$ (98,500)	$ 458,800
6/30/2015	243,000	229,900	472,900	(98,500)	374,400
6/30/2016	244,300	229,900	474,200	(98,500)	375,700
6/30/2017	249,900	229,900	479,800	(98,500)	381,300
6/30/2018	-	229,900	229,900	(98,500)	131,400
6/30/2019	-	229,900	229,900	(98,500)	131,400
6/30/2020	-	229,900	229,900	(98,500)	131,400
6/30/2021	-	229,900	229,900	(98,500)	131,400
6/30/2022	-	229,900	229,900	(98,500)	131,400
6/30/2023	-	229,900	229,900	(98,500)	131,400
6/30/2024	-	229,900	229,900	(98,500)	131,400
6/30/2025	-	229,900	229,900	(98,500)	131,400
6/30/2026	-	229,900	229,900	(98,500)	131,400
6/30/2027	-	229,900	229,900	(98,500)	131,400
6/30/2028	-	229,900	229,900	(98,500)	131,400
6/30/2029	-	229,900	229,900	(98,500)	131,400
6/30/2030	-	229,900	229,900	(98,500)	131,400
6/30/2031	-	229,900	229,900	(98,500)	131,400
6/30/2032	-	229,900	229,900	(98,500)	131,400
6/30/2033	-	229,900	229,900	(98,500)	131,400
Totals	$ 1,064,600	$ 4,598,000	$ 5,662,600	$ (1,970,000)	$ 3,692,600
		Library & Streets		Library	

*** Annual Debt Service for the 2012 Loan does not reflect any reduction for the sale of the current Library**

Revenue Trends

REVENUES AND SOURCES								
ACCTTYPE	2008A	2009A	2010A	2011A	2012A	2013P	2014F	2015F
01-PROPERTY TAXES	9,557,982	10,075,401	10,029,584	10,904,909	11,089,429	11,090,800	11,169,500	11,281,195
	5.8%	5.4%	-0.5%	8.7%	1.7%	0.0%	0.7%	1.0%
03-LICENSES AND PERMITS	2,936,151	2,639,329	2,464,941	2,553,339	2,839,660	2,508,300	2,627,500	2,653,775
	3.9%	-10.1%	-6.6%	3.6%	11.2%	-11.7%	4.8%	1.0%
04-GRANTS RECEIVED	1,576,636	1,997,479	1,145,699	3,526,699	7,560,820	3,367,500	1,275,900	1,275,900
	-16.3%	26.7%	-42.6%	207.8%	114.4%	-55.5%	-62.1%	0.0%
05-COURT OF CHANCERY FEES	883,880	738,240	675,390	766,340	863,220	807,200	863,200	863,200
	-4.9%	-16.5%	-8.5%	13.5%	12.6%	-6.5%	6.9%	0.0%
06-SANITATION FEES AND REBATES	1,333,436	1,396,801	1,340,729	2,173,433	1,903,623	2,676,500	2,676,500	2,689,883
	3.1%	4.8%	-4.0%	62.1%	-12.4%	40.6%	0.0%	0.5%
07-LIBRARY REVENUE - GENERAL	517,697	514,458	465,387	444,455	475,822	472,100	466,600	468,933
	-47.7%	-0.6%	-9.5%	-4.5%	7.1%	-0.8%	-1.2%	0.5%
08-FINES	1,117,837	1,015,698	1,045,312	1,032,545	1,282,262	1,304,100	1,316,000	1,329,160
	-1.3%	-9.1%	2.9%	-1.2%	24.2%	1.7%	0.9%	1.0%
09-INVESTMENT INCOME (LOSS)	451,568	284,863	140,392	52,023	63,735	75,000	75,000	76,125
	45.1%	-36.9%	-50.7%	-62.9%	22.5%	17.7%	0.0%	1.5%
11-INDIRECT SERVICES BILLING	4,456,843	4,383,599	4,059,364	4,043,299	3,999,201	4,222,900	4,459,900	4,549,098
	-6.6%	-1.6%	-7.4%	-0.4%	-1.1%	5.6%	5.6%	2.0%
12-TRANSFERS IN-CIP-GENL FUND	2,683,062	1,044,184	44,802	1,354,194	638,847	613,400	1,324,300	1,843,000
	70.2%	-61.1%	-95.7%	2922.6%	-52.8%	-4.0%	115.9%	39.2%
12-TRANSFERS IN-ELECTRIC FUND (480)	6,601,269	6,758,100	6,758,100	8,856,000	7,876,288	8,000,000	8,000,000	8,000,000
	40.5%	2.4%	0.0%	31.0%	-11.1%	1.6%	0.0%	0.0%
12-TRANSFERS IN-WATER/WW FUND (412)	565,000	564,810	548,020	-	424,508	500,000	500,000	500,000
	5.6%	0.0%	-3.0%	-100.0%	0.0%	17.8%	0.0%	0.0%
12-TRANSFERS IN-ERLSP (212)	516,654	694,220	791,583	967,020	518,638	350,000	600,000	600,000
	-4.4%	34.4%	14.0%	22.2%	-46.4%	-32.5%	71.4%	0.0%
12-TRANSFERS IN-REALTY TRANSFER TAX	3,526,187	1,198,064	867,795	1,462,154	1,373,208	1,370,000	1,315,500	1,328,655
	17.2%	-66.0%	-27.6%	68.5%	-6.1%	-0.2%	-4.0%	1.0%

Expenditure Trends

EXPENDITURES AND USES								
ACCTTYPE	2008A	2009A	2010A	2011A	2012A	2013P	2014F	2015F
01-SALARIES AND WAGES	14,903,041	15,869,603	16,019,048	16,246,617	16,570,829	16,071,300	16,189,700	16,513,494
	4.5%	6.5%	0.9%	1.4%	2.0%	-3.0%	0.7%	2.0%
02-FICA	1,122,711	1,195,291	1,196,389	1,223,371	1,240,969	1,177,800	1,188,600	1,212,372
	4.4%	6.5%	0.1%	2.3%	1.4%	-5.1%	0.9%	2.0%
03-HEALTH INSURANCE	2,151,372	2,225,581	2,375,579	2,647,414	2,559,840	2,399,600	2,600,700	2,748,940
	1.1%	3.4%	6.7%	11.4%	-3.3%	-6.3%	8.4%	5.7%
04-OTHER-BENEFITS	278,752	536,260	598,967	599,278	94,237	570,700	436,300	440,663
	-49.4%	92.4%	11.7%	0.1%	-84.3%	505.6%	-23.6%	1.0%
05-RETIREE HEALTHCARE	758,185	920,713	1,006,397	1,297,509	1,374,709	1,620,600	1,636,500	1,729,781
	3.0%	21.4%	9.3%	28.9%	5.9%	17.9%	1.0%	5.7%
06-LUMP SUM PENSION	134,775	-	-	1,544,978	1,545,000	1,693,500	1,159,100	1,182,282
	-66.5%	-100.0%	0.0%	0.0%	0.0%	9.6%	-31.6%	2.0%
07-PENSION	2,651,524	2,595,629	2,428,437	1,237,889	1,292,265	1,338,500	1,383,400	1,411,068
	14.0%	-2.1%	-6.4%	-49.0%	4.4%	3.6%	3.4%	2.0%
08-OPEB	-	378,106	-	-	900,820	1,225,900	1,501,900	1,531,938
	0.0%	0.0%	-100.0%	0.0%	0.0%	36.1%	22.5%	2.0%
09-MATERIALS & SUPPLIES	1,429,661	1,350,815	1,372,027	1,357,987	1,399,271	1,344,900	1,272,100	1,284,821
	1.7%	-5.5%	1.6%	-1.0%	3.0%	-3.9%	-5.4%	1.0%
10-ADMIN EXPENDITURES	4,209,727	4,293,430	4,422,734	4,529,850	4,432,228	4,561,200	4,740,000	4,787,400
	4.4%	2.0%	3.0%	2.4%	-2.2%	2.9%	3.9%	1.0%
11-FUND EXPENSE	1,134,488	1,383,672	990,178	1,364,830	1,534,611	1,810,000	1,550,800	1,550,800
	-44.4%	22.0%	-28.4%	37.8%	12.4%	17.9%	-14.3%	0.0%
12-STREET LIGHT	917,439	937,013	956,860	968,562	986,430	869,700	836,000	836,000
	47.0%	2.1%	2.1%	1.2%	1.8%	-11.8%	-3.9%	0.0%
14-TRANSFER-TO-DEBT	437,468	442,319	328,410	335,225	327,734	474,200	557,300	472,900
	-0.9%	1.1%	-25.8%	2.1%	-2.2%	44.7%	17.5%	-15.1%
15-TRANSFER-TO-CIP	2,683,062	1,044,184	44,802	1,354,194	638,847	613,400	1,324,300	1,843,000
	0.0%	-61.1%	-95.7%	2922.6%	-52.8%	-4.0%	115.9%	39.2%

General Fund Statistics
2003 - 2012

3YR AVG % CHANGE	HIST AVG % CHANGE	INDICATOR
3.4%	6.3%	01-PROPERTY TAXES
0.0%	0.0%	02-TRANSFER TAXES
2.5%	5.0%	03-LICENSES AND PERMITS
92.8%	48.9%	04-GRANTS RECEIVED
5.6%	0.0%	05-COURT OF CHANCERY FEES
12.1%	8.5%	06-SANITATION FEES AND REBATES
-2.5%	4.7%	07-LIBRARY REVENUE - GENERAL
8.7%	2.5%	08-FINES
-25.9%	-6.7%	09-INVESTMENT INCOME (LOSS)
99.5%	48.5%	10-MISCELLANEOUS SERVICES
-2.9%	-0.6%	11-INDIRECT SERVICES BILLING
0.0%	5.4%	12-TRANSFERS IN-OTHER
-12.9%	-7.3%	12-TRANSFERS IN-CIP-GENL FUND
201.1%	0.0%	12-TRANSFERS IN-CIP-LIBRARY RESERVE
5.5%	8.2%	12-TRANSFERS IN-ELECTRIC FUND (480)
-8.3%	-0.6%	12-TRANSFERS IN-WATER/WW FUND (412)
-8.4%	0.0%	12-TRANSFERS IN-ERLSP (212)
4.9%	-5.4%	12-TRANSFERS IN-REALTY TRANSFER TAX
12.8%	7.8%	TOTAL REVENUES AND SOURCES
1.5%	4.4%	01-SALARIES AND WAGES
1.3%	4.4%	02-FICA
5.0%	11.0%	03-HEALTH INSURANCE
16.4%	22.4%	05-RETIREE HEALTHCARE
0.0%	110.7%	06-LUMP SUM PENSION
46.1%	816.9%	08-OPEB
1.2%	1.7%	09-MATERIALS & SUPPLIES
1.1%	5.8%	10-ADMIN EXPENDITURES
3.6%	-3.4%	11-FUND EXPENSE
441.1%	-4.3%	13-OTHER-CHARGES
-8.6%	-5.8%	14-TRANSFER-TO-DEBT
-12.9%	-7.3%	15-TRANSFER-TO-CIP
11.5%	8.3%	TOTAL EXPENDITURES AND USES

City of Dover
Water and Wastewater Fund
Financial Projections
2014 – 2018

Budget Meetings
May 2013

EXHIBIT #4
2013 Budget Review
Special Council Meeting of 05/29/13

Key Assumptions

- The model has no estimated growth or revenues and expenses related to the Calpine project. We expect to have these numbers developed for the FY15 – FY19 Forecast. Preliminary indications are that we would see significant growth. In the following presentation it will be noted that starting in FY15 we are projected negative cash balances and yet no recommended rate increases. Once the Calpine numbers have been developed we will have a better idea of potential rate adjustments.
- T/Gallons Growth
  - Less than 1.0%
- Projected Operating Expenses reported at same level as FY13 with the following exceptions:
  - Pay increases included for non-bargaining employees and DOE bonuses
  - Growth in Division expenses 2014 – 2108
    - General increases in materials and supplies – 3.0%
    - Increased wages & benefits – 3.0%
    - Increased retiree health insurance premiums 6.0%
    - Increased OPEB normal cost with continuation of phase-in plan 1.6%
    - Pension contribution for unfunded liability as per previous actuary analysis
- County Treatment Fee Expenses projections kept level with previous year and forecasted growth
- Continues the groundwater inflow surcharge to cover cost of increases in treatment fees and ongoing capital projects to reduce the inflow/infiltration
- Maintains $500,000 General Fund Transfer throughout the forecast
- Maintains transfers to Capital Project Fund each year for water quality and inflow/infiltration projects
- Continues prior level of capital improvements to replace failing infrastructure
- County Treatment Fee Expenses projections kept level with previous year and forecasted growth
- Impact Fees are projected to be used to pay debt service and project financing

Net Margins – Combined Water & Wastewater

Net Margins - Combined Water & Wastewater	Revised 2013	Projection 2014	Projection 2015	Projection 2016	Projection 2017	Projection 2018	Yr 1 - Yr 5 Total
Water Fees	$ 4,730,700	$ 4,730,700	$ 4,753,300	$ 4,776,100	$ 4,798,900	$ 4,798,900	$ 23,857,900
Wastewater Fees	3,642,700	3,642,700	3,659,600	3,676,900	3,694,700	3,712,200	18,386,100
Treatment Fees - Kent County	2,980,400	2,980,300	2,997,500	3,012,500	3,027,500	3,042,700	15,060,500
Groundwater Inflow Adjustment	1,324,600	1,324,600	1,331,200	1,337,900	1,344,600	1,351,300	6,689,600
Miscellaneous Income - Water	354,200	374,800	383,100	391,700	400,500	409,500	1,959,600
Miscellaneous Income - Wastewater	40,700	41,000	41,000	41,000	41,000	41,000	205,000
Impact Fees - Water	380,000	357,000	357,000	357,000	357,000	357,000	1,785,000
Impact Fees - Wastewater	350,000	323,000	323,000	323,000	323,000	323,000	1,615,000
Total Revenue	13,803,300	13,774,100	13,845,700	13,916,100	13,987,200	14,035,600	69,558,700
Treatment Fees - Kent County	(3,537,000)	(3,524,800)	(3,542,400)	(3,560,100)	(3,577,900)	(3,595,800)	(17,801,000)
Operating Expenses - Water	(3,628,500)	(3,581,800)	(3,696,600)	(3,807,300)	(3,925,400)	(4,039,000)	(19,050,100)
Operating Expenses - Wastewater	(2,322,000)	(2,239,800)	(2,314,300)	(2,383,400)	(2,458,900)	(2,528,600)	(11,925,000)
Operating Transfers - Out (4.5%) Water	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(1,250,000)
Operating Transfers - Out (4.5%) Wastewater	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(1,250,000)
Total Operating Expenses	(9,987,500)	(9,846,400)	(10,053,300)	(10,250,800)	(10,462,200)	(10,663,400)	(51,276,100)
Operating Margin	3,815,800	3,927,700	3,792,400	3,665,300	3,525,000	3,372,200	18,282,600
Non-Oper. Rev. - Interest on Operating	18,900	23,100	18,900	18,900	19,100	19,100	99,100
Non-Oper. Rev. - Interest on Reserves	86,800	85,700	80,400	59,400	57,700	55,900	339,100
Margins Available For Debt Service	3,921,500	4,036,500	3,891,700	3,743,600	3,601,800	3,447,200	18,720,800
Interest for Long-Term Debt	(293,500)	(287,000)	(424,400)	(402,700)	(380,100)	(356,600)	(1,850,800)
Cash From Operations	3,628,000	3,749,500	3,467,300	3,340,900	3,221,700	3,090,600	16,870,000
Non Cash Investment Income/(Loss)							
Depreciation Expense	(1,990,600)	(2,132,800)	(2,368,300)	(2,542,000)	(2,769,000)	(2,921,500)	(12,733,600)
Net Margins ($)	$ 1,637,400	$ 1,616,700	$ 1,099,000	$ 798,900	$ 452,700	$ 169,100	$ 4,136,400
Debt Service Coverage							
Margins Avail. for Debt Service	$ 3,921,500	$ 4,036,500	$ 3,891,700	$ 3,743,600	$ 3,601,800	$ 3,447,200	$ 18,720,800
Total Debt Service	$ 1,074,400	$ 1,019,500	$ 1,309,300	$ 1,128,300	$ 1,126,900	$ 1,125,100	$ 5,709,100
Debt Service Coverage Ratio	3.65	3.96	2.97	3.32	3.20	3.06	
Transfer to I & E Fund - Combined	$ 2,900,000	$ 2,530,000	$ 3,000,000	$ 3,000,000	$ 3,400,000	$ 3,300,000	$ 15,230,000
Transfer to Cap Asset & Cont. Reserve - Combined	$ 92,000	$ -	$ -	$ -	$ -	$ -	$ -
Reinvestment of Reserve Interest - Combined	$ 86,800	$ 85,700	$ 80,400	$ 59,400	$ 57,700	$ 55,900	$ 339,100
Debt Service Principal - Combined	$ 727,500	$ 732,500	$ 884,900	$ 725,600	$ 746,800	$ 768,500	$ 3,858,300
Total Cash Budget Requirements - Combined	$ 3,806,300	$ 3,348,200	$ 3,965,300	$ 3,785,000	$ 4,204,500	$ 4,124,400	$ 19,427,400
Net Positive/(Negative Cash)	$ (178,300)	$ 401,300	$ (498,000)	$ (444,100)	$ (982,800)	$ (1,033,800)	$ (2,557,400)

Net Margins - Water

Net Margins - Water	2013	2014	2015	2016	2017	2018	Total
Water Fees	$ 4,730,700	$ 4,730,700	$ 4,753,300	$ 4,776,100	$ 4,798,900	$ 4,798,900	$ 23,857,900
Miscellaneous Income - Water	354,200	374,800	383,100	391,700	400,500	409,500	1,959,600
Imapct Fees - Water	380,000	357,000	357,000	357,000	357,000	357,000	1,785,000
Total Revenue	5,464,900	5,462,500	5,493,400	5,524,800	5,556,400	5,565,400	27,602,500
Operating Expenses - Water	(3,628,500)	(3,581,800)	(3,696,600)	(3,807,300)	(3,925,400)	(4,039,000)	(19,050,100)
Operating Transfers - Out (4.5%) Water	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(1,250,000)
Total Operating Expenses	(3,878,500)	(3,831,800)	(3,946,600)	(4,057,300)	(4,175,400)	(4,289,000)	(20,300,100)
Operating Margin	1,586,400	1,630,700	1,546,800	1,467,500	1,381,000	1,276,400	7,302,400
Non-Oper. Rev. - Interest on Operating	7,400	9,100	7,500	7,500	7,600	7,600	39,300
Non-Oper. Rev. - Interest on Reserves	16,500	18,000	11,600	11,800	12,100	12,300	65,800
Margins Available For Debt Service	1,610,300	1,657,800	1,565,900	1,486,800	1,400,700	1,296,300	7,407,500
Interest for Long-Term Debt	(118,200)	(108,700)	(178,400)	(169,400)	(159,900)	(150,000)	(766,400)
Cash From Operations	1,492,100	1,549,100	1,387,500	1,317,400	1,240,800	1,146,300	6,641,100
Depreciation Expense	(976,900)	(1,042,300)	(1,172,700)	(1,251,400)	(1,357,500)	(1,403,500)	(6,227,400)
Net Margins ($)	$ 515,200	$ 506,800	$ 214,800	$ 66,000	$ (116,700)	$ (257,200)	$ 413,700
Debt Service Coverage							
Margins Avail. for Debt Service	$ 1,610,300	$ 1,657,800	$ 1,565,900	$ 1,486,800	$ 1,400,700	$ 1,296,300	$ 7,407,500
Total Debt Service	$ 438,100	$ 403,800	$ 548,400	$ 439,800	$ 439,000	$ 437,900	$ 2,268,900
Debt Service Coverage Ratio	3.68	4.11	2.86	3.38	3.19	2.96	
Transfer to I & E Fund - Water	$ 1,700,000	$ 1,200,000	$ 1,200,000	$ 1,200,000	$ 1,600,000	$ 1,200,000	$ 6,400,000
Transfer to Capital Asset & Contingency Reserves	$ 70,000	$ -	$ -	$ -	$ -	$ -	$ -
Reinvestment of Reserve Interest	$ 16,500	$ 18,000	$ 11,600	$ 11,800	$ 12,100	$ 12,300	$ 65,800
Debt Service Principal	$ 286,500	$ 295,100	$ 370,000	$ 270,400	$ 279,100	$ 287,900	$ 1,502,500
Total Cash Budget Requirements	$ 2,073,000	$ 1,513,100	$ 1,581,600	$ 1,482,200	$ 1,891,200	$ 1,500,200	$ 7,968,300
Net Positive/(Negative Cash)	$ (580,900)	$ 36,000	$ (194,100)	$ (164,800)	$ (650,400)	$ (353,900)	$ (1,327,200)

Net Margins - Wastewater

Net Margins - Wastewater	Revised 2013	Projection 2014	Projection 2015	Projection 2016	Projection 2017	Projection 2018	Yr 1 - Yr 5 Total
Wastewater Fees	$ 3,642,700	$ 3,642,700	$ 3,659,600	$ 3,676,900	$ 3,694,700	$ 3,712,200	$ 18,386,100
Treatment Fees - Kent County	2,980,400	2,980,300	2,997,500	3,012,500	3,027,500	3,042,700	15,060,500
Groundwater Inflow Adjustment	1,324,600	1,324,600	1,331,200	1,337,900	1,344,600	1,351,300	6,689,600
Miscellaneous Income - Wastewater	40,700	41,000	41,000	41,000	41,000	41,000	205,000
Impact Fees - Wastewater	350,000	323,000	323,000	323,000	323,000	323,000	1,615,000
Total Revenue	8,338,400	8,311,600	8,352,300	8,391,300	8,430,800	8,470,200	41,956,200
Treatment Expense - Kent County	(3,537,000)	(3,524,800)	(3,542,400)	(3,560,100)	(3,577,900)	(3,595,800)	(17,801,000)
Operating Expenses - Wastewater	(2,322,000)	(2,239,800)	(2,314,300)	(2,383,400)	(2,458,900)	(2,528,600)	(11,925,000)
Operating Transfers - Out (4.5%) Wastewater	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(1,250,000)
Total Operating Expenses	(6,109,000)	(6,014,600)	(6,106,700)	(6,193,500)	(6,286,800)	(6,374,400)	(30,976,000)
Operating Margin	2,229,400	2,297,000	2,245,600	2,197,800	2,144,000	2,095,800	10,980,200
Non-Oper. Rev. - Interest on Operating	11,500	14,000	11,400	11,400	11,500	11,500	59,800
Non-Oper. Rev. - Interest on Reserves	70,300	67,700	68,800	47,600	45,600	43,600	273,300
Margins Available For Debt Service	2,311,200	2,378,700	2,325,800	2,256,800	2,201,100	2,150,900	11,313,300
Interest for Long-Term Debt	(175,300)	(178,300)	(246,000)	(233,300)	(220,200)	(206,600)	(1,084,400)
Cash From Operations	2,135,900	2,200,400	2,079,800	2,023,500	1,980,900	1,944,300	10,228,900
Depreciation Expense	(1,013,700)	(1,090,500)	(1,195,600)	(1,290,600)	(1,411,500)	(1,518,000)	(6,506,200)
Net Margins ($)	$ 1,122,200	$ 1,109,900	$ 884,200	$ 732,900	$ 569,400	$ 426,300	$ 3,722,700
Debt Service Coverage							
Margins Avail. for Debt Service	$ 2,311,200	$ 2,378,700	$ 2,325,800	$ 2,256,800	$ 2,201,100	$ 2,150,900	$ 11,313,300
Total Debt Service	$ 636,300	$ 615,700	$ 760,900	$ 688,500	$ 687,900	$ 687,200	$ 3,440,200
Debt Service Coverage Ratio	3.63	3.86	3.06	3.28	3.20	3.13	
Transfer to I & E Fund - Wastewater	$ 1,200,000	$ 1,330,000	$ 1,800,000	$ 1,800,000	$ 1,800,000	$ 2,100,000	$ 8,830,000
Transfer to Capital Asset & Contingency Reserves	$ 22,000	$ -	$ -	$ -	$ -	$ -	$ -
Reinvestment of Reserve Interest	$ 70,300	$ 67,700	$ 68,800	$ 47,600	$ 45,600	$ 43,600	$ 273,300
Debt Service Principal	$ 441,000	$ 437,400	$ 514,900	$ 455,200	$ 467,700	$ 480,600	$ 2,355,800
Total Cash Budget Requirements	$ 1,733,300	$ 1,835,100	$ 2,383,700	$ 2,302,800	$ 2,313,300	$ 2,624,200	$ 11,459,100
Net Positive/(Negative Cash)	$ 402,600	$ 365,300	$ (303,900)	$ (279,300)	$ (332,400)	$ (679,900)	$ (1,230,200)

Improvement & Extension Fund

	Revised 2013	Projection 2014	Projection 2015	Projection 2016	Projection 2017	Projection 2018
Beginning Cash Balance						
Cash Balance as of July 1	$ 6,452,200	$ 1,643,700	$ 1,770,900	$ 1,056,100	$ 514,400	$ (363,400)
Sources of Cash						
Sale of Bonds	4,000,000	-	-	-	-	-
Cash from Operating Fund - Combined	2,900,000	2,530,000	3,000,000	3,000,000	3,400,000	3,300,000
Interest Income & Sale of Assets	25,000	25,000	25,000	25,000	25,000	25,000
Transfer from Reserves	250,000	390,000	1,315,600	165,000	165,000	182,000
Total Sources of Cash	7,175,000	2,945,000	4,340,600	3,190,000	3,590,000	3,507,000
Cash Requirements						
Plant Additions & Vehicles	11,983,500	2,817,800	5,055,400	3,581,700	4,250,700	3,324,900
Other Equipment	-	-	-	150,000	217,100	217,800
Total Cash Requirements	11,983,500	2,817,800	5,055,400	3,731,700	4,467,800	3,542,700
Ending Cash Balance						
Increase (Decrease) in Cash	$ (4,808,500)	$ 127,200	$ (714,800)	$ (541,700)	$ (877,800)	$ (35,700)
Cash Balance as of June 30	$ 1,643,700	$ 1,770,900	$ 1,056,100	$ 514,400	$ (363,400)	$ (399,100)

Capital Improvement Plan

CAPITAL PROJECTS	Revised 2013	Projection 2014	Projection 2015	Projection 2016	Projection 2017	Projection 2018	Yr 14 - Yr 18 Total
Meter Reading - Meters (Split W/WW 50%)	$ -	$ -	$ -	$ 150,000	$ 200,000	$ 200,000	$ 550,000
Vehicles & Equipment (Split W/WW 50%) Eng/Insp/Mtrng	29,200	-	-		17,100	17,800	34,900
							-
Water, Water Construction & Water Treatment							-
Vehicles & Equipment - Water	263,400	116,800	460,200	166,800	232,900	70,600	1,047,300
1.0 MG Elevated Storage Tank	2,166,000	390,000	-	-	-	-	390,000
Piney Point Well	505,600	-	-	-	-	-	-
Garrison Farm Improvements (Bond - net of issuance cost)	2,000,000	-	-	-	-	-	-
Columbia Well Installation	55,000	-	-	-	-	-	-
Projects with Locations to be Determined							
Future Well Installation	-	-	55,000	98,800	408,900	-	562,700
Emergency Generators	80,000	80,000	-	-	-	-	80,000
Wellhead Redevelopment	70,000	75,000	80,000	82,500	85,000	87,500	410,000
Water Quality Improvements	891,800	905,000	960,000	950,000	950,000	950,000	4,715,000
SCADA Upgrades	-	-	80,000	80,000	-	-	160,000
Treatment Plant Improvements	-	-	150,000	350,000	550,000	-	1,050,000
Total Water	**6,031,800**	**1,566,800**	**1,785,200**	**1,728,100**	**2,226,800**	**1,108,100**	**8,415,000**
Wastewater							
Vehicles & Equipment - Wastewater	265,100	237,200	59,900	241,100	353,900	236,800	1,128,900
Batray Pump Station Replacement	100,000	-	-	-	-		-
Tar Ditch Interceptor Upgrade (Impact Fees)	490,300	-	-	-	-	-	-
SCADA System Technology Upgrade	29,300	-	-	-	-	-	-
Fox Hall Pump Station Replacement DSRLF	144,800	-	-	-	-	-	-
Brandywine Pump Station Replacement	350,000	-	-	-	-	-	-
Garrison Farm Improvements (Bond - net of issuance cost)	2,000,000	-	-	-	-		-
Lepore Road Pump Station Replacement DSRLF	384,200	-	-	-	-	-	-
Rolling Acres Pump Station Replacement	-	-	-	52,000	360,500	-	412,500
Dover Brook Gardens Pump Station Upgrade	50,000	-	-	-	-	-	-
McKee Road Pump Station Communicator Replacement	45,000	-	-	-	-	-	-
DelTech Pump Station Replacement	-	-	-	-	52,000	403,000	455,000
Westover Pump Station & Force Main Upgrade - Impact Fees	65,000	-	703,800	-	-	-	703,800
Lakeview Drive Pump Station Replacement	52,000	-	450,000	-	-	-	450,000
Lepore Road Sanitary Sewer Main	-	-	-	-	50,000	275,000	325,000
Sliver Lake Pump Station Replacement	-	-	-	-	-	52,000	52,000
Hazlettville Road Interceptor - Impact Fees	30,000	-	740,000	-	-	-	740,000
Retreat Pump Station Replacement	-	-	52,000	360,500	-	-	412,500
Location/Pump Station to be Determined							
Inflow/Infiltration Removal/System Improvements	1,916,800	1,013,800	1,264,500	1,200,000	1,207,500	1,250,000	5,935,800
Misc. Sewer System Improvements	-	-	-	-	-	-	-
Total Wastewater	**5,922,500**	**1,251,000**	**3,270,200**	**1,853,600**	**2,023,900**	**2,216,800**	**10,615,500**
Total	$ 11,983,500	$ 2,817,800	$ 5,055,400	$ 3,731,700	$ 4,467,800	$ 3,542,700	$ 19,615,400

Water/Wastewater Fund Projected Debt Service

Fiscal Year Ending	Series 2003	Series 2000 Wastewater	Series 2009 Wastewater	Series 2010 Water	Series 2011 Wastewater	Series 2013 Water	Series 2013 Wastewater	Total Debt Service
6/30/2014	$ 404,100	$ 53,000	$ 347,100	$ 161,300	$ 54,000	$ -	$ -	$ 1,019,500
6/30/2015	401,500	53,000	347,100	161,300	54,000	146,200	146,200	1,309,300
6/30/2016	220,500	53,000	347,100	161,300	54,000	146,200	146,200	1,128,300
6/30/2017	219,100	53,000	347,100	161,300	54,000	146,200	146,200	1,126,900
6/30/2018	217,300	53,000	347,100	161,300	54,000	146,200	146,200	1,125,100
6/30/2019	219,900	53,000	347,100	161,300	54,000	146,200	146,200	1,127,700
6/30/2020	217,100	53,000	347,100	161,300	54,000	146,200	146,200	1,124,900
6/30/2021	218,800	-	347,100	161,300	54,000	146,200	146,200	1,073,600
6/30/2022	219,800	-	347,100	161,300	54,000	146,200	146,200	1,074,600
6/30/2023	220,100	-	347,100	161,300	54,000	146,200	146,200	1,074,900
6/30/2024	215,000	-	347,100	161,300	54,000	146,200	146,200	1,069,800
6/30/2025	-	-	347,100	161,300	54,000	146,200	146,200	854,800
6/30/2026	-	-	347,100	161,300	54,000	146,200	146,200	854,800
6/30/2027	-	-	347,100	161,300	54,000	146,200	146,200	854,800
6/30/2028	-	-	347,100	161,300	54,000	146,200	146,200	854,800
6/30/2029	-	-	347,100	161,300	54,000	146,200	146,200	854,800
6/30/2030	-	-	347,100	161,300	54,000	146,200	146,200	854,800
6/30/2031	-	-	347,100	161,300	54,000	146,200	146,200	854,800
6/30/2032	-	-	173,600	76,500	54,000	146,200	146,200	596,500
6/30/2033	-	-	-	-	54,000	146,200	146,200	346,400
6/30/2034	-	-	-	-	-	146,200	146,200	292,400
Total	$ 2,773,200	$ 371,000	$ 6,421,400	$ 2,979,900	$ 1,080,005	$ 2,924,000	$ 2,924,000	$ 19,473,500

Reserve Account Projections

	Revised 2013	Projection 2014	Projection 2015	Projection 2016	Projection 2017	Projection 2018
Contingency Reserve Account - Water (2%)	$109,300	$109,300	$109,900	$110,500	$111,100	$111,300
Balance in Account on July 1	$102,100	$103,800	$105,600	$107,400	$109,200	$111,100
Receipts						
Interest Earned	1,700	1,800	1,800	1,800	1,900	1,900
Appropriations	-	-	-	-	-	-
Balance in Account on June 30	$103,800	$105,600	$107,400	$109,200	$111,100	$113,000
Contingency Reserve - Wastewater (2%)	$166,800	$166,200	$167,000	$167,800	$168,600	$169,400
Balance in Account on July 1	$185,200	$188,300	$191,500	$194,800	$198,100	$201,500
Receipts						
Interest Earned	3,100	3,200	3,300	3,300	3,400	3,400
Appropriations	-	-	-	-	-	-
Balance in Account on June 30	$188,300	$191,500	$194,800	$198,100	$201,500	$204,900
Impact Fee Reserve - Water (20% of Revenue)	$946,140	$946,100	$950,700	$955,200	$959,800	$959,800
Balance in Account on July 1	$441,100	$448,600	$66,200	$67,300	$68,400	$69,600
Receipts						
Interest Earned	7,500	7,600	1,100	1,100	1,200	1,200
Total Funds Available	$448,600	$456,200	$67,300	$68,400	$69,600	$70,800
Disbursements						
Transfer to Capital Improvements	-	390,000	-	-	-	-
Balance in Account on June 30	$448,600	$66,200	$67,300	$68,400	$69,600	$70,800
Impact Fee Reserve - Wastewater (20% of Rev)	$728,540	$728,500	$731,900	$735,400	$738,900	$742,400
Balance in Account on July 1	$3,476,700	$3,285,800	$3,341,700	$2,082,900	$1,953,300	$1,821,500
Receipts						
Interest Earned	59,100	55,900	56,800	35,400	33,200	31,000
Total Funds Available	$3,535,800	$3,341,700	$3,398,500	$2,118,300	$1,986,500	$1,852,500
Disbursements						
Transfer to Capital Improvements	250,000	-	1,315,600	165,000	165,000	182,000
Balance in Account on June 30	$3,285,800	$3,341,700	$2,082,900	$1,953,300	$1,821,500	$1,670,500
Capital Asset Reserve - Water (Min. $500K)						
Balance in Account on July 1	$427,100	$504,400	$513,000	$521,700	$530,600	$539,600
Receipts						
Interest Earned	7,300	8,600	8,700	8,900	9,000	9,200
Appropriations	70,000	-	-	-	-	-
Balance in Account on June 30	$504,400	$513,000	$521,700	$530,600	$539,600	$548,800
Capital Asset Resrv - Wastewater (Min $500K)						
Balance in Account on July 1	$473,600	$503,700	$512,300	$521,000	$529,900	$538,900
Receipts						
Interest Earned	8,100	8,600	8,700	8,900	9,000	9,200
Appropriations	22,000	-	-	-	-	-
Balance in Account on June 30	$503,700	$512,300	$521,000	$529,900	$538,900	$548,100
Total All Reserves at June 30	$5,034,600	$4,730,300	$3,495,100	$3,389,500	$3,282,200	$3,156,100

Water/Wastewater Fund - Reconciliation

Reconciliation of Model to City Budget - Fund 412

Total Revenue per Budget Report (excl Bud Bal)	$ 13,822,200	$ 13,797,200
Interest Earned	(18,900)	(23,100)
Total Revenue on Model P & L	$ 13,803,300	$ 13,774,100
Row 17	TRUE	TRUE
Total Expenses per Budget Report (excl. Bud Bal)	$ 13,937,700	$ 13,270,900
Less Debt Service (not in model as Oper Exp)	(1,074,400)	(1,019,500)
Plus OPEB/Pension/Comp Absences GAAP	16,200	25,000
Less Transfers to Impact Fee Reserves	-	-
Less Transfers (not in model operating exp)	(2,992,000)	(2,530,000)
Plus I & E est. non capital expenses (not in budget)	100,000	100,000
Operating Expense on Model P & L	$ 9,987,500	$ 9,846,400
Row 25	TRUE	TRUE
Debt Service per Budget Report	$ 1,074,400	$ 1,019,500
Debt Service per Financial Model	$ 1,074,400	$ 1,019,500
Operating Interest Income - Budget Report	$ 18,900	$ 23,100
Operating Interest Income - Financial Model	$ 18,900	$ 23,100

2013 Budget Review
Special Council Meeting of 05/29/13
EXHIBIT #5

City of Dover Electric Revenue Fund Financial Projections 2014 – 2018

Budget Meetings
May 2013

EXHIBIT #6
2013 Budget Review
Special Council Meeting of 05/29/13

Key Assumptions

- kWh demand for FY14 – FY18 less than 1.0% growth
- Interest rates 1.70%
- Maintains $8.0 million General Fund Transfer throughout the forecast
- Forecasted Operating Expenses reported at FY13 level with the following exceptions:
  - Currently no pay increases for 2014, except non-bargaining & progression steps
  - Growth in Division expenses 2014 – 2018
    - General increases in materials and supplies – 3.0%
    - Increased retiree health insurance premiums 6.0%
    - Fully funding OPEB liability
    - Pension contribution for unfunded liability as per previous actuary analysis
- No new debt issuance
- Compliant with debt covenants after adjusting for use of Rate Stabilization Reserve
- Increase annual appropriation to I & E Fund for CIP
- Use of developer contributions to partially fund CIP (previously in the operating fund)

Cost of Service Review - Update to FY13 Rates

- Recognizing the continued decrease in our power supply, staff requested Burns & McDonnell to update the rate model to revise FY13 rates as well as to incorporate the revised forecast.
- While the financial model includes a five year forecast the City staff requested the consultant to only provide rates adjustments through FY16 in correlation with the PJM market.
- Any further changes in power supply cost will be adjusted through the Power Cost Adjustment through FY16.
- A demonstration of the reason for having the rates revised two consecutive years is provided on the next page.

Power Supply Cost – FY12 & FY13

FY13 Approved Budget		
	Budget 2012	Budget 2013
Net Margins		
Revenue from Current Electric Rates	$ 95,674,800	$ 85,071,400
Revenue from Projected PPA	(6,011,300)	-
Adjusted Rate Revenue	$ 89,663,500	$ 85,071,400
Utility Tax	1,444,900	1,335,500
Miscellaneous Receipts	1,700,000	1,595,200
Total Operating Revenue	92,808,400	88,002,100
Power Supply & Generation	(64,722,917)	(62,935,100)
Operating Expenses	(15,231,039)	(13,546,100)
Operating Transfers - Out	(7,876,288)	(8,000,000)
Total Operating Expenses	(87,830,244)	(84,481,200)
Operating Margin	4,978,156	3,520,900
Non-Oper. Rev. - Interest on Operating	141,500	148,500
Non-Oper. Rev. - Interest on Reserves	408,300	466,000
Margins Available For Debt Service	5,527,956	4,135,400
Interest for Long-Term Debt	(1,260,100)	(1,213,600)
Cash From Operations	4,267,856	2,921,800
Non Cash Income/Loss & Reserve Transfers		
Transfer from Rate Stabilization Reserve	1,000,000	5,400,000
Gain (Loss) on Fixed Assets	-	-
Net Increase in fair value of investments	-	-
Debt Issue Cost Amort.- 2004 Bonds	(12,700)	(12,700)
Debt Issue Cost Amort.- 2008 Bonds	(8,900)	(8,900)
Depreciation Expense	(5,089,400)	(5,235,700)
Net Margins	$ 156,856	$ 3,064,500

FY13 Revised Budget		
	Actual 2012	Revised 2013
Net Margins		
Revenue from Current Electric Rates	$ 96,483,053	$ 87,519,500
Revenue from Projected PPA	(6,083,282)	-
Adjusted Rate Revenue	$ 90,399,771	$ 87,519,500
Utility Tax	1,548,208	1,498,900
Miscellaneous Receipts	1,581,421	1,445,500
Total Operating Revenue	93,529,400	90,463,900
Power Supply & Production	(58,758,032)	(54,442,900)
Operating Expenses	(12,848,988)	(20,277,800)
Operating Transfers - Out	(7,876,288)	(8,000,000)
Total Operating Expenses	(79,483,308)	(82,720,700)
Operating Margin	14,046,092	7,743,200
Non-Oper. Rev. - Interest on Operating	120,876	148,500
Non-Oper. Rev. - Interest on Reserves	348,642	459,600
Margins Available For Debt Service	14,515,610	8,351,300
Interest on Long-Term Debt	(1,261,597)	(1,213,600)
Cash From Operations	13,254,013	7,137,700
Non Cash Income/Loss & Reserve Transfers		
Transfer from Rate Stabilization Reserve	-	5,400,000
Gain (Loss) on Fixed Assets	47,966	-
Net Increase in fair value of investments	45,200	-
Debt Issue Cost Amort.- 2004 Bonds	(12,673)	-
Debt Issue Cost Amort.- 2008 Bonds	(8,906)	-
Depreciation Expense	(4,783,444)	(5,202,500)
Net Margins	$ 8,542,156	$ 7,335,200

Net Margins

	Revised 2013	Projected 2014	Projected 2015	Projected 2016	Projected 2017	Projected 2018	Yr 1 - Yr 5 Total
Net Margins							
Revenue from Current Electric Rates	$ 87,519,500	$ 85,715,360	$ 85,774,300	$ 85,900,600	$ 86,086,500	$ 86,331,700	$ 516,140,160
Proposed Electric Rate Revenue Adjustment	-	(9,428,700)	(9,435,200)	(9,449,100)	(9,469,500)	(9,496,500)	(56,775,500)
Utility Tax	1,498,900	1,492,200	1,493,200	1,495,400	1,498,600	1,502,900	8,985,200
Miscellaneous Receipts	1,445,500	1,087,300	1,387,200	1,387,200	1,397,000	1,408,000	8,085,700
Total Operating Revenue	90,463,900	78,866,160	79,219,500	79,334,100	79,512,600	79,746,100	476,435,560
Power Supply & Production	(54,442,900)	(50,342,400)	(47,743,100)	(46,713,200)	(47,869,800)	(48,791,500)	(290,454,600)
Operating Expenses	(20,277,800)	(14,745,200)	(15,192,500)	(15,577,500)	(15,979,100)	(16,394,800)	(94,708,600)
Operating Transfers - Out (General Fund)	(8,000,000)	(8,000,000)	(8,000,000)	(8,000,000)	(8,000,000)	(8,000,000)	(48,000,000)
Total Operating Expenses	(82,720,700)	(73,087,600)	(70,935,600)	(70,290,700)	(71,848,900)	(73,186,300)	(433,163,200)
Operating Margin	7,743,200	5,778,560	8,283,900	9,043,400	7,663,700	6,559,800	43,272,360
Non-Oper. Rev. - Interest on Operating	148,500	144,600	143,500	142,800	142,700	144,200	833,600
Non-Oper. Rev. - Interest on Reserves	459,600	572,500	600,400	585,200	578,000	553,900	3,393,600
Operating Transfers - In (General Fund)	-	-	-	-	-	-	-
Margins Available For Debt Service	8,351,300	6,495,660	9,027,800	9,771,400	8,384,400	7,257,900	47,499,560
Interest on Long-Term Debt	(1,213,600)	(1,131,900)	(1,037,000)	(918,700)	(884,000)	(847,500)	(4,502,900)
Cash From Operations	7,137,700	5,363,760	7,990,800	8,852,700	7,500,400	6,410,400	36,501,000
Non Cash Income/Loss & Reserve Transfers							
Transfer from Rate Stabilization Reserve	5,400,000	4,000,000	1,500,000	1,000,000	2,000,000	3,500,000	8,000,000
Depreciation Expense	(5,202,500)	(5,375,700)	(5,470,800)	(5,602,300)	(5,746,900)	(5,907,000)	(34,104,200)
Net Margins	$ 7,335,200	$ 3,988,060	$ 4,020,000	$ 4,250,400	$ 3,753,500	$ 4,003,400	$ 15,772,500

[1] The 2013 Cost of Service and Rate Design Study examines the period FY 2014 through FY 2018.

Projected Debt Service Coverage

	Revised 2013	Projected 2014	Projected 2015	Projected 2016	Projected 2017	Projected 2018
Debt Service Coverage						
Margins Avail. for Debt Service	$ 8,351,300	$ 6,495,660	$ 9,027,800	$ 9,771,400	$ 8,384,400	$ 7,257,900
Total Debt Service	$ 3,323,600	$ 3,301,900	$ 3,297,000	$ 3,283,700	$ 1,579,000	$ 1,577,500
Debt Service Coverage Ratio	2.51	1.97	2.74	2.98	5.31	4.60
Debt Service Coverage Requirement	1.25	1.25	1.25	1.25	1.25	1.25
Debt Service Coverage Requirement Status	*Met*	*Met*	*Met*	*Met*	*Met*	*Met*
Debt Service Safety Margin	5.52%	4.01%	7.17%	8.10%	8.48%	7.06%

Project Cash Flow Position

	Revised 2013	Projected 2014	Projected 2015	Projected 2016	Projected 2017	Projected 2018
Transfer to I & E Fund	$ 3,500,000	$ 5,298,600	$ 4,500,000	$ 4,500,000	$ 4,500,000	$ 3,500,000
Transfer to Reserves	14,500,000	-	-	-	-	-
Reinvestment of Reserve Interest	500,300	597,700	625,400	609,300	601,700	578,800
Debt Service Principal	2,110,000	2,170,000	2,260,000	2,365,000	695,000	730,000
Total Cash Budget Requirements	20,610,300	8,066,300	7,385,400	7,474,300	5,796,700	4,808,800
Net Positive/(Negative Cash)	$ (13,472,600)	$ (2,702,500)	$ 605,400	$ 1,378,400	$ 1,703,700	$ 1,601,600

Cost of Service Summary by Class

	Total System	Transmission	Small Commercial	Medium Commercial	Large Commercial	Primary	Residential	Lighting
Comparison of Revenues								
Net Base Rate Revenue Requirement	$ 76,286,700	$ 10,215,776	$ 2,559,207	$ 4,993,110	$ 17,346,803	$ 14,947,749	$ 24,931,543	$ 1,292,512
Revenue at Current Rates	85,715,360	11,673,000	2,972,300	5,795,400	19,982,700	16,711,600	27,128,100	1,452,260
(Over) Under Recovery	$ (9,428,660)	$ (1,457,224)	$ (413,093)	$ (802,290)	$ (2,635,897)	$ (1,763,851)	$ (2,196,557)	$ (159,748)
Cost of Service Revenue Adjustment	-11.00%	-12.48%	-13.90%	-13.84%	-13.19%	-10.55%	-8.10%	-11.00%
Comparison of Revenues (¢/kWh)								
Net Base Rate Revenue Requirement	10.60	8.28	10.86	11.31	10.60	9.28	12.65	19.34
Revenue at Current Rates	11.91	9.46	12.61	13.13	12.21	10.37	13.77	21.73
(Over) Under Recovery	(1.31)	(1.18)	(1.75)	(1.82)	(1.61)	(1.09)	(1.11)	(2.39)
Cost of Service Revenue Adjustment	-11.00%	-12.48%	-13.90%	-13.84%	-13.19%	-10.55%	-8.10%	-11.00%
Revenue Adjustment Summary								
Net Base Rate Revenue Requirement	$ 76,286,700	$ 10,215,776	$ 2,559,207	$ 4,993,110	$ 17,346,803	$ 14,947,749	$ 24,931,543	$ 1,292,512
Revenue at Current Rates	85,715,360	11,673,000	2,972,300	5,795,400	19,982,700	16,711,600	27,128,100	1,452,260
(Over) Under Recovery	$ (9,428,660)	$ (1,457,224)	$ (413,093)	$ (802,290)	$ (2,635,897)	$ (1,763,851)	$ (2,196,557)	$ (159,748)
Cost of Service Revenue Adjustment	-11.00%	-12.48%	-13.90%	-13.84%	-13.19%	-10.55%	-8.10%	-11.00%
Proposed Percentage Adjustment	-11.00%	-12.48%	-13.90%	-13.84%	-13.19%	-10.55%	-8.10%	-11.00%
Proposed Dollar Adjustment	$ (9,428,700)	$ (1,457,200)	$ (413,100)	$ (802,300)	$ (2,635,900)	$ (1,763,900)	$ (2,196,600)	$ (159,700)
Revenue After Adjustment	$ 76,286,660	$ 10,215,800	$ 2,559,200	$ 4,993,100	$ 17,346,800	$ 14,947,700	$ 24,931,500	$ 1,292,560

Proposed Customer Rates

		Customer Charge		Energy Charge		Demand Charge	
	Tariff	Current	Proposed	Current	Proposed	Current	Proposed
Customer Class		- $/Month -	- $/Month -	- $/kWh -	- $/kWh -	- $/kW-mo. -	- $/kW-mo. -
Transmission	T						
Dover Air Force Base		$ -	$ -	$ 0.07270	$ 0.06090	$ 10.50	$ 10.50
First State Power Mgmt. (NRG)		$ 3,680.00	$ 3,680.00	$ 0.07270	$ 0.06090	$ 10.50	$ 10.50
Kraft		$ -	$ -	$ 0.07270	$ 0.06090	$ 10.50	$ 10.50
White Oak Solar		$ -	$ -	$ 0.07270	$ 0.06090	$ 10.50	$ 10.50
Procter & Gamble		$ -	$ -	$ 0.07270	$ 0.06090	$ 10.50	$ 10.50
Small Commercial							
Small Commercial-1 Phase	C	$ 5.00	$ 5.00	$ 0.11760	$ 0.10010	$ -	$ -
Small Commercial-3 Phase	C-1	$ 15.00	$ 15.00	$ 0.11760	$ 0.10010	$ -	$ -
Medium Commercial							
Medium Commercial-1 Phase	C-2	$ 5.00	$ 5.00	$ 0.07580	$ 0.06470	$ 15.70	$ 13.95
Medium Commercial-3 Phase	C-3	$ 15.00	$ 15.00	$ 0.07580	$ 0.06470	$ 15.70	$ 13.95
Large Commercial	C-5	$ 15.00	$ 15.00	$ 0.07580	$ 0.06470	$ 15.70	$ 13.90
Primary	P	$ 10.00	$ 10.00	$ 0.07540	$ 0.06450	$ 11.25	$ 11.25
Residential	R	$ 5.00	$ 5.00	$ 0.13160	$ 0.12040	$ -	$ -

Rate Stabilization Reserve

	Revised 2013	Projected 2014	Projected 2015	Projected 2016	Projected 2017	Projected 2018
Rate Stabilization Account						
Balance in Account on July 1	$ 10,230,133	$ 17,383,633	$ 13,644,033	$ 12,375,933	$ 11,586,333	$ 9,783,333
Receipts						
Interest Earned	153,500	260,400	231,900	210,400	197,000	166,300
Appropriations	12,400,000	-	-	-	-	-
Total Funds Available	$ 22,783,633	$ 17,644,033	$ 13,875,933	$ 12,586,333	$ 11,783,333	$ 9,949,633
Disbursements						
Transfer to (from) Operations	5,400,000	4,000,000	1,500,000	1,000,000	2,000,000	3,500,000
Transfer to Reserves (from Reserves)	-	-	-	-	-	-
Balance in Account on June 30	$ 17,383,633	$ 13,644,033	$ 12,375,933	$ 11,586,333	$ 9,783,333	$ 6,449,633
Reserve Requirement - (< 10 % of Purchased Power)	35.82%	30.78%	29.79%	28.73%	23.69%	15.35%
Reserve Requirement Status	*Exceeds 10%*	*Exceeds 10%*	*Exceeds 10%*	*Exceeds 10%*	*Exceeds 10%*	*Exceeds 10%*

Projected Energy & Supply Requirements

	Revised 2013	Projected 2014	Projected 2015	Projected 2016	Projected 2017	Projected 2018
Energy Sales and Supply						
Sales (kWh)	726,066,236	712,851,831	713,350,700	714,420,600	715,992,400	718,068,600
Street Lighting Sales (kWh)	6,681,804	6,681,804	6,681,800	6,681,800	6,681,800	6,681,800
Total Energy Sales (kWh)	732,748,040	719,533,635	720,032,500	721,102,400	722,674,200	724,750,400
Sales Variation	2.20%	-1.80%	0.07%	0.15%	0.22%	0.29%
Line Losses and Unmetered Energy (kWh)	25,009,960	24,443,365	24,438,500	24,466,600	24,512,800	24,524,600
Total Requirement (kWh)	757,758,000	743,977,000	744,471,000	745,569,000	747,187,000	749,275,000
Purchased Power (kWh)	740,716,000	725,818,000	726,312,000	727,410,000	729,028,000	731,116,000
Purchased Power Variation	2.47%	-2.01%	0.07%	0.15%	0.22%	0.29%
Generation (kWh)	17,042,000	18,159,000	18,159,000	18,159,000	18,159,000	18,159,000
Generation Variation	11.05%	6.55%	0.00%	0.00%	0.00%	0.00%
Total Supply (kWh)	757,758,000	743,977,000	744,471,000	745,569,000	747,187,000	749,275,000
Sales	95.82%	95.82%	95.82%	95.82%	95.83%	95.84%
Street Lighting Sales	0.88%	0.90%	0.90%	0.90%	0.89%	0.89%
Line Losses and Unmetered Energy	3.30%	3.29%	3.28%	3.28%	3.28%	3.27%
Total Requirements	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Purchased Power	97.75%	97.56%	97.56%	97.56%	97.57%	97.58%
Generation	2.25%	2.44%	2.44%	2.44%	2.43%	2.42%
Total Supply	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Projected Purchased Power Expense (& History)

	Revised 2013	Projected 2014	Projected 2015	Projected 2016	Projected 2017	Projected 2018
Purchased Power [1]	- kWh -	- kWh -	- kWh -	- kWh -	- kWh -	- kWh -
Long Term Energy Supply	757,758,000	743,977,000	744,471,000	745,569,000	747,187,000	749,275,000
Annual Variation	2.65%	-1.82%	0.07%	0.15%	0.22%	0.28%
Total Energy Purchases	757,758,000	743,977,000	744,471,000	745,569,000	747,187,000	749,275,000
Purchased Power Expense						
Power Supply	$ 37,701,000	$ 23,832,000	$ 14,776,700	$ 8,637,300	$ -	$ -
Dover Sun Park - Energy	1,587,600	1,565,800	1,745,000	1,974,000	2,123,500	2,193,000
Dover Sun Park - Solar Recs	351,600	300,000	306,000	312,100	318,400	324,800
Power Supply Management	996,000	996,000	996,000	996,000	996,000	996,000
PJM Charges - Load	5,697,700	12,812,900	18,703,900	23,812,700	32,645,400	33,551,200
PJM Charges - Transmission & Fees	6,100,700	4,740,000	4,834,800	4,931,500	5,030,100	5,130,700
Capacity Charges	11,817,200	15,787,200	9,668,000	11,163,200	13,512,900	13,187,400
Generation Fuels	948,800	-	-	-	-	-
PJM Spot Market Energy	(1,865,600)	(230,500)	(235,100)	(239,800)	(244,600)	(249,500)
PJM Credits	(488,400)	(397,000)	(367,000)	(367,000)	(367,000)	(367,000)
Capacity Credits	(14,318,600)	(15,079,800)	(8,881,500)	(10,889,000)	(12,718,600)	(12,746,000)
Total Purchase Power Expense	$ 48,528,000	$ 44,326,600	$ 41,546,800	$ 40,331,000	$ 41,296,100	$ 42,020,600
Purchased Power Cost per MWh [2]	$ 64.04	$ 59.58	$ 55.81	$ 54.09	$ 55.27	$ 56.08

	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Actual 2010	Actual 2011	Actual 2012
Purchased Power [1]							
Purchased Power Cost per MWh [2]	$ 54.12	$ 83.03	$ 81.77	$ 89.97	$ 88.93	$ 81.66	$ 72.15

Improvement & Extension Fund

	Revised 2013	Projected 2014	Projected 2015	Projected 2016	Projected 2017	Projected 2018
Improvement & Extension (I&E) Fund						
Balance in Account on July 1	$ 3,534,600	$ 3,091,000	$ 3,381,200	$ 3,577,000	$ 3,837,700	$ 4,284,300
Receipts						
Interest Earned	40,700	25,200	28,700	30,400	32,600	36,400
State Reimbursements & Developer Contributions	91,100	440,000	300,000	300,000	300,000	300,000
Appropriations From Operations	3,500,000	5,298,600	4,500,000	4,500,000	4,500,000	3,500,000
Total Funds Available	$ 7,166,400	$ 8,854,800	$ 8,209,900	$ 8,407,400	$ 8,670,300	$ 8,120,700
Disbursements						
Capital Improvements	4,075,400	5,473,600	4,632,900	4,569,700	4,386,000	6,861,000
Balance in Account on June 30	$ 3,091,000	$ 3,381,200	$ 3,577,000	$ 3,837,700	$ 4,284,300	$ 1,259,700

Capital Investment Plan 2013 – 2017

CAPITAL PROJECTS	Revised 2013	Projected 2014	Projected 2015	Projected 2016	Projected 2017	Projected 2018	Yr 1 - Yr 5 Total
Electric Engineering Projects							
Substation Battery Replacement	$ -	$ 24,500	$ 24,500	$ 24,500	$ 24,500	$ 24,500	$ 122,500
Distribution System Upgrades	557,000	400,000	400,000	400,000	400,000	400,000	2,000,000
Lighting Project and Rehabilitation	100,000	50,000	50,000	50,000	50,000	50,000	250,000
Horsepond Road Substation Reliability Upgrade	170,000	591,800	-	-	-	-	591,800
Substation Equipment & Fencing (Division St)	55,000	-	-	-	-	-	-
SCADA Master Hardware Replacement	-	-	-	-	75,000	-	75,000
McKee Run Yard Rebuild (Transmission?)	-	-	-	450,000	700,000	-	1,150,000
Transmission Line Maintenance Program	4,000	75,000	75,000	75,000	75,000	75,000	375,000
Distribution Feeder Replacement Program	64,000	277,500	120,500	277,500	277,500	277,500	1,230,500
McKee Run & State College Road Feeder replacements	-	-	307,000	-	-	-	307,000
Distribution Capacitors - Overhead	50,000	30,000	25,000	25,000	25,000	25,000	130,000
Distribution Capacitors - Underground	75,000	30,000	25,000	25,000	25,000	25,000	130,000
69kv Switch Replacement	70,000	80,000	-	-	-	-	80,000
System Operations Monitoring	-	-	30,000	-	-	-	30,000
Frazier Substation Reliability Upgrade	411,800	-	-	-	-	-	-
Horsepond SS to Cartanza 69kv Rebuild	-	-	330,500	-	-	-	330,500
69kv Substation Cable Replacement North Street	-	-	85,000	480,700	-	-	565,700
General Scott Switchgear	50,000	800,000	300,000	-	-	-	1,100,000
Dover Air Force Base Substation Rebuild	-	-	-	-	-	150,000	150,000
System Automation	-	-	-	-	-	150,000	150,000
Vehicles, Trucks, & Equipment	-	47,000	63,000	64,000	64,000	12,000	250,000
Subtotal Electric Engineering Division	$ 1,606,800	$ 2,405,800	$ 1,835,500	$ 1,871,700	$ 1,716,000	$ 1,189,000	$ 9,018,000
Electric Transmission & Distribution Projects							
New Developments - UG Transformers	$ 1,011,000	$ 600,000	$ 450,000	$ 450,000	$ 450,000	$ 450,000	$ 2,400,000
Single Phase Meters	75,000	-	-	-	-	-	-
Vehicles, Trucks, & Equipment	146,000	350,000	46,400	248,000	300,000	-	944,400
Subtotal Electric Transmission Division	$ 1,232,000	$ 950,000	$ 496,400	$ 698,000	$ 750,000	$ 450,000	$ 3,344,400

Capital Investment Plan 2013 – 2017 continued

CAPITAL PROJECTS	Revised 2013	Projected 2014	Projected 2015	Projected 2016	Projected 2017	Projected 2018	Yr 1 - Yr 5 Total
Electric Generation Projects							
Industrial Wastewater Discharge System	$ 242,000.0	$ -	$ -	$ -	$ -	$ -	$ -
McKee Run Preservation of Structures	-	42,000	47,000	165,000	142,000	140,000	536,000
McKee Run Building Equipment Replacements	-	-	-	110,000	50,000	90,000	250,000
McKee Run Hot Water Boilers	-	-	-	-	-	80,000	80,000
McKee Run Turbine Level Window Modification	85,000	-	-	-	-	-	-
McKee Run High Energy Piping	-	80,000	-	-	-	-	80,000
McKee Run Natural Gas System Block/Bleed Valves	-	65,000	-	-	-	-	65,000
McKee Run Fuel Oil System Refurbishment	-	-	-	-	-	49,500	49,500
Unit 3 - Stack Repairs	27,000	-	325,000	-	-	-	325,000
Unit 3 Boiler Systems	167,300	-	185,000	-	319,000	-	504,000
Unit 3 Auxillary System Components	55,000	116,000	135,000	6,000	34,000	306,000	597,000
Unit 3 Turbine Outage - Inspections & Repairs	115,000	1,149,800	-	-	10,000	426,000	1,585,800
Unit 3 Cooling Water Line Replacement	-	-	-	250,000	-	-	250,000
Unit 3 Air Heater Expansion Joint	50,000	-	-	-	-	-	-
Unit 3 Cooling Tower Life Extension	-	42,000	571,000	52,000	138,000	-	803,000
Unit 3 Generator Repairs	236,000	-	-	-	-	-	-
Units 1 & 2 Cooling Tower Life Extension	37,300	-	-	-	-	140,000	140,000
Units 1 & 2 Stack Repairs	75,000	-	-	285,000	-		285,000
Units 1 & 2 Boiler Repairs	-	-	-	-	-	342,000	342,000
Units 1 & 2 Component Repairs	52,000	105,000	52,000	246,000	234,000	2,450,500	3,087,500
Unit 1 Gasket Leak Repair	95,000						-
Units 1, 2 & 3 Hydrogen Purity Analyzers	-	-	-	180,000			180,000
VanSant Capacity Increase	-	250,000	750,000	500,000			1,500,000
VanSant Major Overhaul & Inspection	-	-	-	-	900,000	1,048,000	1,948,000
VanSant component replacements	-	32,000	75,000	178,000	58,000	150,000	493,000
Metering System Upgrades	-	25,000	125,000	-	-	-	150,000
Safety & Compliance Improvements	-	86,000	36,000	28,000	35,000	-	185,000
Vehicles, Trucks & Equipment	-	125,000	-	-	-	-	125,000
Subtotal Electric Generation Division	$ 1,236,600	$ 2,117,800	$ 2,301,000	$ 2,000,000	$ 1,920,000	$ 5,222,000	$ 13,560,800
Total	$ 4,075,400	$ 5,473,600	$ 4,632,900	$ 4,569,700	$ 4,386,000	$ 6,861,000	$ 25,923,200

Electric Fund Projected Debt Service

Fiscal Year Ending	2008 Series	2010 Series	Total Debt Service
6/30/2014	$ 1,395,000	$ 1,906,900	$ 3,301,900
6/30/2015	1,392,500	1,904,500	3,297,000
6/30/2016	1,393,700	1,890,000	3,283,700
6/30/2017	1,579,000	-	1,579,000
6/30/2018	1,577,500	-	1,577,500
6/30/2019	1,580,700	-	1,580,700
6/30/2020	1,581,700	-	1,581,700
6/30/2021	1,586,000	-	1,586,000
6/30/2022	1,587,500	-	1,587,500
6/30/2023	1,590,900	-	1,590,900
6/30/2024	1,592,300	-	1,592,300
6/30/2025	1,591,600	-	1,591,600
6/30/2026	1,592,300	-	1,592,300
6/30/2027	1,595,500	-	1,595,500
6/30/2028	1,591,800	-	1,591,800
6/30/2029	1,585,300	-	1,585,300
6/30/2030	1,580,800	-	1,580,800
6/30/2031	1,578,000	-	1,578,000
6/30/2032	1,572,000	-	1,572,000
6/30/2033	1,562,800	-	1,562,800
6/30/2034	1,555,000	-	1,555,000
Total	$ 32,661,900	$ 5,701,400	$ 38,363,300

Reserve Accounts

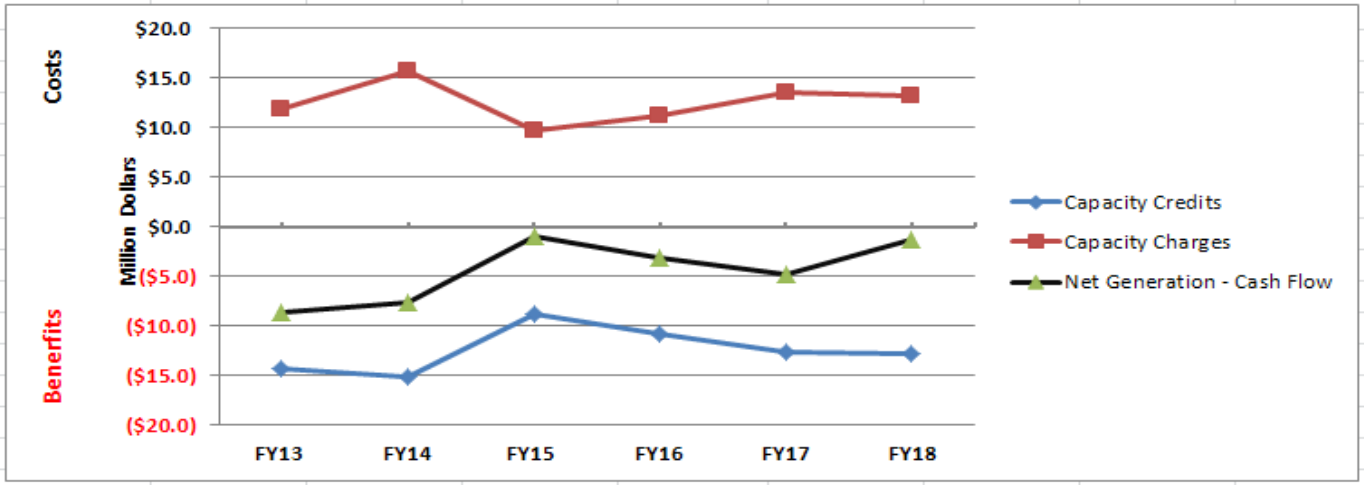
	Revised 2013	Projected 2014	Projected 2015	Projected 2016	Projected 2017	Projected 2018
Depreciation Reserve Account (Policy $10 mil)						
Balance in Account on July 1	$ 9,742,058	$ 9,829,658	$ 9,977,058	$ 10,146,658	$ 10,319,158	$ 10,494,558
Receipts						
Interest Earned	146,100	147,400	169,600	172,500	175,400	178,400
Appropriations	-	-	-	-	-	-
Total Funds Available	$ 9,888,158	$ 9,977,058	$ 10,146,658	$ 10,319,158	$ 10,494,558	$ 10,672,958
Disbursements						
Transfer to Capital Improvements (CIP)	-	-	-	-	-	-
Transfer to Reserves (from Reserves)	58,500	-	-	-	-	-
Balance in Account on June 30	$ 9,829,658	$ 9,977,058	$ 10,146,658	$ 10,319,158	$ 10,494,558	$ 10,672,958
Future Capacity Account (Policy $10 mil)						
Balance in Account on July 1	$ 9,805,482	$ 9,989,782	$ 10,131,382	$ 10,303,582	$ 10,478,782	$ 10,656,882
Receipts						
Interest Earned	138,800	141,600	172,200	175,200	178,100	181,200
Appropriations	2,100,000	-	-	-	-	-
Total Funds Available	$ 12,044,282	$ 10,131,382	$ 10,303,582	$ 10,478,782	$ 10,656,882	$ 10,838,082
Disbursements						
Transfer to General Fund	2,000,000	-	-	-	-	-
Transfer to Reserves (from Reserves)	54,500	-	-	-	-	-
Balance in Account on June 30	$ 9,989,782	$ 10,131,382	$ 10,303,582	$ 10,478,782	$ 10,656,882	$ 10,838,082
Insurance Stabilization Account (Policy min $750K)						
Balance in Account on July 1	$ 337,265	$ 727,965	$ 738,865	$ 751,465	$ 764,265	$ 777,265
Receipts						
Interest Earned	5,100	10,900	12,600	12,800	13,000	13,200
Appropriations	-	-	-	-	-	-
Total Funds Available	$ 342,365	$ 738,865	$ 751,465	$ 764,265	$ 777,265	$ 790,465
Disbursements						
Transfer to Reserves (from Reserves)	(385,600)	-	-	-	-	-
Balance in Account on June 30	$ 727,965	$ 738,865	$ 751,465	$ 764,265	$ 777,265	$ 790,465
Contingency Reserve Account						
Balance in Account on July 1	$ 1,070,814	$ 814,314	$ 826,514	$ 840,614	$ 854,914	$ 869,414
Receipts						
Interest Earned	16,100	12,200	14,100	14,300	14,500	14,800
Appropriations	-	-	-	-	-	-
Total Funds Available	$ 1,086,914	$ 826,514	$ 840,614	$ 854,914	$ 869,414	$ 884,214
Disbursements						
Transfer to Operations	-	-	-	-	-	-
Transfer to Reserves (from Reserves)	272,600	-	-	-	-	-
Balance in Account on June 30	$ 814,314	$ 826,514	$ 840,614	$ 854,914	$ 869,414	$ 884,214
Reserve Requirement - (Min. 1% of Total Revenue)	*904,639*	*788,662*	*792,195*	*793,341*	*795,126*	*797,461*
Reserve Requirement Status	*Less Than 1%*	*OK*	*OK*	*OK*	*OK*	*OK*

Net Generation Forecast

	FY13 Budget	FY13 Revised	FY14 Proposed	FY15 Forecast	FY16 Forecast	FY17 Forecast	FY18 Forecast	FY14 thru FY18
Plant Operations	$ 5,914,900	$ 5,914,900	$ 6,015,800	$ 6,196,300	$ 6,382,200	$ 6,573,700	$ 6,770,900	$ 31,938,900
Capacity Credits	(14,318,600)	(14,318,600)	(15,079,800)	(8,881,500)	(10,889,000)	(12,718,600)	(12,746,000)	(60,314,900)
PJM Spot Market Energy (Net of Fuel)	(186,700)	(916,800)	(230,500)	(235,100)	(239,800)	(244,600)	(249,500)	(1,199,500)
PJM Credits	(427,000)	(488,400)	(397,000)	(367,000)	(367,000)	(367,000)	(367,000)	(1,865,000)
Net Generation - Operations	(9,017,400)	(9,808,900)	(9,691,500)	(3,287,300)	(5,113,600)	(6,756,500)	(6,591,600)	(31,440,500)
Capital Cost	1,441,300	1,236,600	2,117,800	2,301,000	2,000,000	1,920,000	5,222,000	13,560,800
Net Generation - Cash Flow	$ (7,576,100)	$ (8,572,300)	$ (7,573,700)	$ (986,300)	$ (3,113,600)	$ (4,836,500)	$ (1,369,600)	$ (17,879,700)

The City receives PJM capacity credits for our generating plant capacity. This revenue off-sets PJM's capacity charges which are required to serve approximately 180 MWH of our load plus reserves. If we did not have the ability to generate, we would loose the capacity credit but still have to pay the capacity charges PJM for our load requirements.

Capacity Charges	$ 12,564,800	$ 11,817,200	$ 15,787,200	$ 9,668,000	$ 11,163,200	$ 13,512,900	$ 13,187,400	$ 63,318,700



Sample 1	**Energy Rate 6/30/2012**	**Energy Rate 7/1/2012**	**Proposed Rate 7/1/2013**
Transmission	$0.08950	$0.07540	$0.06450
Rate Change %		***-15.8%***	***-14.5%***
PCA Credit for Fiscal Year 2012	***($0.00857)***	***$0.00000***	***$0.00000***
Net Energy Charge	***$0.08093***	***$0.07540***	***$0.06450***
Net Reduction %	***-9.6%***	***-6.8%***	***-14.5%***
Kwh for FY12	69,378,170	69,378,170	69,378,170
Charges at current rates	$6,209,346.22	$5,231,114.02	$4,474,891.97
PCA Credit	($594,570.92)	$0.00	$0.00
Total Due	$5,614,775.30	$5,231,114.02	$4,474,891.97
PCA Credit/Rate Reduction	**($594,570.92)**	**($383,661.28)**	**($756,222.05)**

Sample 2	**Energy Rate 6/30/2012**	**Energy Rate 7/1/2012**	**Proposed Rate 7/1/2013**
Transmission	$0.08950	$0.07540	$0.06450
Rate Change %		***-15.8%***	***-14.5%***
PCA Credit for Fiscal Year 2012	***($0.00857)***	***$0.00000***	***$0.00000***
Net Energy Charge	***$0.08093***	***$0.07540***	***$0.06450***
Net Reduction %	***-9.6%***	***-6.8%***	***-14.5%***
Kwh for FY12	44,077,991	44,077,991	44,077,991
Charges at current rates	$3,944,980.19	$3,323,480.52	$2,843,030.42
PCA Credit	($377,748.38)	$0.00	$0.00
Total Due	$3,567,231.81	$3,323,480.52	$2,843,030.42
PCA Credit/Rate Reduction	**($377,748.38)**	**($243,751.29)**	**($480,450.10)**

Sample 3	**Energy Rate 6/30/2012**	**Energy Rate 7/1/2012**	**Proposed Rate 7/1/2013**
Transmission	$0.08950	$0.07540	$0.06450
Rate Change %		***-15.8%***	***-14.5%***
PCA Credit for Fiscal Year 2012	***($0.00857)***	***$0.00000***	***$0.00000***
Net Energy Charge	***$0.08093***	***$0.07540***	***$0.06450***
Net Reduction %	***-9.6%***	***-6.8%***	***-14.5%***
Kwh for FY12	13,301,905	13,301,905	13,301,905
Charges at current rates	$1,190,520.50	$1,002,963.64	$857,972.87
PCA Credit	($113,997.33)	$0.00	$0.00
Total Due	$1,076,523.17	$1,002,963.64	$857,972.87
PCA Credit/Rate Reduction	**($113,997.33)**	**($73,559.53)**	**($144,990.76)**

Sample 4	**Energy Rate 6/30/2012**	**Energy Rate 7/1/2012**	**Proposed Rate 7/1/2013**
Primary	$0.08950	$0.07540	$0.06450
Rate Change %		***-15.8%***	***-14.5%***
PCA Credit for Fiscal Year 2012	***($0.00857)***	***$0.00000***	***$0.00000***
Net Energy Charge	***$0.08093***	***$0.07540***	***$0.06450***
Net Reduction %	***-9.6%***	***-6.8%***	***-14.5%***
Kwh for FY12	2,389,032	2,389,032	2,389,032
Charges at current rates	$213,818.36	$180,133.01	$154,092.56
PCA Credit	($20,474.00)	$0.00	$0.00
Total Due	$193,344.36	$180,133.01	$154,092.56
PCA Credit/Rate Reduction	**($20,474.00)**	**($13,211.35)**	**($26,040.45)**
Kwh for FY12	14,833,074	14,833,074	14,833,074
Charges at current rates	$1,327,560.12	$1,118,413.78	$956,733.27
PCA Credit	($127,119.44)	$0.00	$0.00
Total Due	$1,200,440.68	$1,118,413.78	$956,733.27
PCA Credit/Rate Reduction	**($127,119.44)**	**($82,026.90)**	**($161,680.51)**
Total Reduction	**($147,593.45)**	**($95,238.25)**	**($187,720.96)**

Sample 5	**Energy Rate 6/30/2012**	**Energy Rate 7/1/2012**	**Proposed Rate 7/1/2013**
Primary	$0.08950	$0.07540	$0.06450
Rate Change %		***-15.8%***	***-14.5%***
PCA Credit for Fiscal Year 2012	***($0.00857)***	***$0.00000***	***$0.00000***
Net Energy Charge	***$0.08093***	***$0.07540***	***$0.06450***
Net Reduction %	***-9.6%***	***-6.8%***	***-14.5%***
Kwh for FY12	26,356,506	26,356,506	26,356,506
Charges at current rates	$2,358,907.29	$1,987,280.55	$1,699,994.64
PCA Credit	($225,875.26)	$0.00	$0.00
Total Due	$2,133,032.03	$1,987,280.55	$1,699,994.64
PCA Credit/Rate Reduction	**($225,875.26)**	**($145,751.48)**	**($287,285.92)**

Sample 6	**Energy Rate 6/30/2012**	**Energy Rate 7/1/2012**	**Proposed Rate 7/1/2013**
Primary	$0.08950	$0.07540	$0.06450
Rate Change %		***-15.8%***	***-14.5%***
PCA Credit for Fiscal Year 2012	***($0.00857)***	***$0.00000***	***$0.00000***
Net Energy Charge	***$0.08093***	***$0.07540***	***$0.06450***
Net Reduction %	***-9.6%***	***-6.8%***	***-14.5%***
Kwh for FY12	1,548,720	1,548,720	1,548,720
Charges at current rates	$138,610.44	$116,773.49	$99,892.44
PCA Credit	($13,272.53)	$0.00	$0.00
Total Due	$125,337.91	$116,773.49	$99,892.44
PCA Credit/Rate Reduction	**($13,272.53)**	**($8,564.42)**	**($16,881.05)**

Sample 7	**Energy Rate 6/30/2012**	**Energy Rate 7/1/2012**	**Proposed Rate 7/1/2013**
Primary	$0.08950	$0.07540	$0.06450
Rate Change %		***-15.8%***	***-14.5%***
PCA Credit for Fiscal Year 2012	***($0.00857)***	***$0.00000***	***$0.00000***
Net Energy Charge	***$0.08093***	***$0.07540***	***$0.06450***
Net Reduction %	***-9.6%***	***-6.8%***	***-14.5%***
Kwh for FY12	19,109,226	19,109,226	19,109,226
Charges at current rates	$1,710,275.73	$1,440,835.64	$1,232,545.08
PCA Credit	($163,766.07)	$0.00	$0.00
Total Energy charges	$1,546,509.66	$1,440,835.64	$1,232,545.08
Demand Charges	$0.00	$0.00	$0.00
Total Energy & Demand Charges	$1,546,509.66	$1,440,835.64	$1,232,545.08
% Change			
PCA Credit/Rate Reduction	**($163,766.07)**	**($105,674.02)**	**($208,290.56)**

Sample 8	**Rates as of 6/30/2012**	**Rates as of 7/1/2012**	**Proposed Rate 7/1/2013**
Primary	$0.08950	$0.07540	$0.06450
Rate Change %		***-15.8%***	***-14.5%***
PCA Credit for Fiscal Year 2012	***($0.00857)***	***$0.00000***	***$0.00000***
Net Energy Charge	***$0.08093***	***$0.07540***	***$0.06450***
Net Reduction %	***-9.6%***	***-6.8%***	***-14.5%***
Demand Rate	***$11.25***	***$11.25***	***$11.25***
Net Reduction %		***0.0%***	***0.0%***
FY12 Kwh's (Energy)	2,512,440	2,512,440	2,512,440
FY12 Kw (Demand)	5,353.4	5,353.4	5,353.4
Charges at current rates	$224,863.38	$189,437.98	$162,052.38
PCA Credit	($21,531.61)	$0.00	$0.00
Total Energy charges	$203,331.77	$189,437.98	$162,052.38
Demand Charges	$60,225.30	$60,225.30	$60,225.30
Total Energy & Demand Charges	$263,557.07	$249,663.28	$222,277.68
% Change			
PCA Credit/Rate Reduction	**($21,531.61)**	**($13,893.79)**	**($27,385.60)**

Sample 9	**Rates as of 6/30/2012**	**Rates as of 7/1/2012**	**Proposed Rate 7/1/2013**
Large Commercial (C5) Single Phase	$0.09150	$0.07580	$0.06470
Rate Change %		***-17.2%***	***-14.6%***
PCA Credit for Fiscal Year 2012	***($0.00857)***	***$0.00000***	***$0.00000***
Net Energy Charge	***$0.08293***	***$0.07580***	***$0.06470***
Net Reduction %	***-9.4%***	***-8.6%***	***-14.6%***
Demand Rate	***$15.70***	***$15.70***	***$13.90***
Net Reduction %		***0.0%***	***-11.5%***
FY12 Kwh's (Energy)	2,431,840	2,431,840	2,431,840
FY12 Kw (Demand)	6,125.8	6,125.8	6,125.8
Charges at current rates	$222,513.36	$184,333.47	$157,340.05
PCA Credit	($20,840.87)	$0.00	$0.00
Total Energy charges	$201,672.49	$184,333.47	$157,340.05
Demand Charges	$96,175.06	$96,175.06	$85,148.62
Total Energy & Demand Charges	$297,847.55	$280,508.53	$242,488.67
% Change			
PCA Credit/Rate Reduction	**($20,840.87)**	**($17,339.02)**	**($38,019.86)**

Sample 10	Rates as of 6/30/2012	Rates as of 7/1/2012	Proposed Rate 7/1/2013
Medium Commercial (C2) Single Phase	$0.09150	$0.07580	$0.06470
Rate Change %		***-17.2%***	***-14.6%***
PCA Credit for Fiscal Year 2012	***($0.00857)***	***$0.00000***	***$0.00000***
Net Energy Charge	***$0.08293***	***$0.07580***	***$0.06470***
Net Reduction %	***-9.4%***	***-8.6%***	***-14.6%***
Demand Rate	***$15.70***	***$15.70***	***$13.95***
Net Reduction %		***0.0%***	***-11.1%***
FY12 Kwh's (Energy)	32,732	32,732	32,732
FY12 Kw (Demand)	182.2	182.2	182.2
Charges at current rates	$2,994.98	$2,481.09	$2,117.76
PCA Credit	($280.51)	$0.00	$0.00
Total Energy charges	$2,714.46	$2,481.09	$2,117.76
Demand Charges	$2,860.54	$2,860.54	$2,541.69
Total Energy & Demand Charges	$5,575.00	$5,341.63	$4,659.45
% Change			
PCA Credit/Rate Reduction	**($280.51)**	**($233.38)**	**($682.18)**

City of Dover
Comparison of Tax Increase to Electric Rate Increase

(Electric Rate increase reflective of Energy only; no demand, power factor or customer charges as included in total bill; PCA credit is included)

	Property Tax Rate	Energy Rate
Rate Increase - one cent	$0.0100	$0.0100
Additional Revenue	$311,676.58	$7,099,727.34
% Increase	3.0%	7.9%
Rate Increase for $3.4 Million	$0.1090	$0.0048
Additional Revenue	$3,397,274.72	$3,407,869.12
% Increase	32.3%	3.6%
Current PCA Credit		***($0.00857)***

Analysis by Customer for $3.4 Million in Revenue - *Energy only:*

	Property Taxes	Electric Energy
Transmission		
DAFB	*Exempt*	$333,015.22
Kraft Foods	$21,326.18	$211,574.36
Proctor & Gamble	$12,838.02	$69,678.39
Primary Sample		
Playtex Manufacturing	$12,377.39	$42,335.54
Dover Downs	$89,407.90	$126,511.23
Target	$10,109.42	$7,433.86
Large Commercial Sample		
Sheraton Dover Hotel	$13,141.04	$12,585.02
J C Penney	$8,361.61	$8,972.43
Boscov's	$11,677.39	$12,123.65
Sears	$9,674.08	$7,455.36
Lowes	$12,366.92	$12,498.43
Residential Sample		
Residential #1	$238.60	$88.58
Residential #2	$54.61	$39.57
Residential #3	$165.79	$69.52
Residential #4	$351.74	$68.29
Residential #5	$249.28	$124.28
Residential #6	$258.77	$75.47
Residential #7	$197.51	$98.74
Residential #8	$166.88	$36.00
Residential #9	$179.20	$56.38
Residential #10	$61.15	$83.19

TRANSMISSION					
DAFB	-	69,378,170	Residential #1	218,900	18,454
Charges including rate increase	$0.00	$5,809,034.17	Charges including rate increase	$978.05	$2,606.26
Charges at current rates	$0.00	$6,070,589.88	Charges at current rates	$739.44	$2,675.83
PCA Credit	*N/A*	($594,570.92)	PCA Credit	*N/A*	($158.15)
Total Due	$0.00	$5,476,018.96	Total Due	$739.44	$2,517.68
Revenue Increase	**$0.00**	**$333,015.22**	**Revenue Increase**	**$238.60**	**$88.58**
Kraft Foods	19,565,300	44,077,991	Residential #2	50,100	8,244
Charges including rate increase	$87,417.76	$3,690,650.19	Charges including rate increase	$223.85	$1,164.30
Charges at current rates	$66,091.58	$3,856,824.21	Charges at current rates	$169.24	$1,195.38
PCA Credit	*N/A*	($377,748.38)	PCA Credit	*N/A*	($70.65)
Total Due	$66,091.58	$3,479,075.83	Total Due	$169.24	$1,124.73
Revenue Increase	**$21,326.18**	**$211,574.36**	**Revenue Increase**	**$54.61**	**$39.57**
Proctor & Gamble	11,778,000	14,516,331	Residential #3	152,100	14,484
Charges including rate increase	$52,624.10	$1,215,452.39	Charges including rate increase	$679.58	$2,045.58
Charges at current rates	$39,786.08	$1,270,178.96	Charges at current rates	$513.79	$2,100.18
PCA Credit	*N/A*	($124,404.96)	PCA Credit	*N/A*	($124.13)
Total Due	$39,786.08	$1,145,774.01	Total Due	$513.79	$1,976.05
Revenue Increase	**$12,838.02**	**$69,678.39**	**Revenue Increase**	**$165.79**	**$69.52**
PRIMARY					
Playtex Manufacturing	11,355,400	8,819,904	Residential #4	322,700	14,227
Charges including rate increase	$50,735.93	$756,130.37	Charges including rate increase	$1,441.82	$2,009.28
Charges at current rates	$38,358.54	$789,381.41	Charges at current rates	$1,090.08	$2,062.92
PCA Credit	*N/A*	($75,586.58)	PCA Credit	*N/A*	($121.93)
Total Due	$38,358.54	$713,794.83	Total Due	$1,090.08	$1,940.99
Revenue Increase	$12,377.39	$42,335.54	**Revenue Increase**	**$351.74**	**$68.29**
Dover Downs	82,025,600	26,356,506	Residential #5	228,700	25,891
Charges including rate increase	$366,490.38	$2,259,543.26	Charges including rate increase	$1,021.83	$3,656.59
Charges at current rates	$277,082.48	$2,358,907.29	Charges at current rates	$772.55	$3,754.20
PCA Credit	*N/A*	($225,875.26)	PCA Credit	*N/A*	($221.89)
Total Due	$277,082.48	$2,133,032.03	Total Due	$772.55	$3,532.31
Revenue Increase	$89,407.90	$126,511.23	**Revenue Increase**	**$249.28**	**$124.28**
Target	9,274,700	1,548,720	Residential #6	237,400	15,723
Charges including rate increase	$41,439.36	$132,771.77	Charges including rate increase	$1,060.70	$2,220.56
Charges at current rates	$31,329.94	$138,610.44	Charges at current rates	$801.94	$2,279.84
PCA Credit	*N/A*	(13,272.53)	PCA Credit	*N/A*	($134.75)
Total Due	$31,329.94	$125,337.91	Total Due	$801.94	$2,145.09
Revenue Increase	**$10,109.42**	**$7,433.86**	**Revenue Increase**	**$258.77**	**$75.47**
LARGE COMMERCIAL			Residential #7	181,200	20,571
Sheraton Dover Hotel	12,056,000	2,621,880	Charges including rate increase	$809.60	$2,905.24
Charges including rate increase	$53,866.21	$230,017.53	Charges at current rates	$612.09	$2,982.80
Charges at current rates	$40,725.17	$239,902.02	PCA Credit	*N/A*	($176.29)
PCA Credit	*N/A*	(22,469.51)	Total Due	$612.09	$2,806.50
Total Due	$40,725.17	$217,432.51	**Revenue Increase**	**$197.51**	**$98.74**
Revenue Increase	**$13,141.04**	**$12,585.02**			
J C Penney	7,671,200	1,869,256	Residential #8	153,100	7,501
Charges including rate increase	$34,274.92	$163,989.83	Charges including rate increase	$684.05	$1,059.37
Charges at current rates	$25,913.31	$171,036.92	Charges at current rates	$517.17	$1,087.65
PCA Credit	*N/A*	(16,019.52)	PCA Credit	*N/A*	($64.28)
Total Due	$25,913.31	$155,017.40	Total Due	$517.17	$1,023.36
Revenue Increase	**$8,361.61**	**$8,972.43**	**Revenue Increase**	**$166.88**	**$36.00**
Boscov's	10,713,200	2,525,760	Residential #9	164,400	11,745
Charges including rate increase	$47,866.58	$221,584.92	Charges including rate increase	$734.54	$1,658.75
Charges at current rates	$36,189.19	$231,107.04	Charges at current rates	$555.34	$1,703.03
PCA Credit	*N/A*	(21,645.76)	PCA Credit	*N/A*	($100.65)
Total Due	$36,189.19	$209,461.28	Total Due	$555.34	$1,602.37
Revenue Increase	**$11,677.39**	**$12,123.65**	**Revenue Increase**	**$179.20**	**$56.38**
Sears	8,875,300	1,553,200	Residential #10	56,100	17,332
Charges including rate increase	$39,654.84	$136,262.24	Charges including rate increase	$250.65	$2,447.80
Charges at current rates	$29,980.76	$142,117.80	Charges at current rates	$189.51	$2,513.14
PCA Credit	*N/A*	(13,310.92)	PCA Credit	*N/A*	($148.54)
Total Due	$29,980.76	$128,806.88	Total Due	$189.51	$2,364.60
Revenue Increase	**$9,674.08**	**$7,455.36**	**Revenue Increase**	**$61.15**	**$83.19**
Lowes	11,345,800	2,603,840			
Charges including rate increase	$50,693.03	$228,434.88			
Charges at current rates	$38,326.11	$238,251.36			
PCA Credit	*N/A*	(22,314.91)			
Total Due	$38,326.11	$215,936.45			
Revenue Increase	**$12,366.92**	**$12,498.43**			

Dover Police Department

FY14 Police Vehicle, Equipment & Installation Costs

Item	Cost	Totals	Remarks
Patrol Vehcile			
2014 Dodge Charger Police Interceptor		$23,500.00	
base rate	$22,965.00		
Vinyl seats	150.00		
Driver's spot light	200.00		
Inop rear doors	25.00		
Full size spare	160.00		
Additional Vehicle Options			
Setina Partition	725.00	*	
Prisoner Seat and Pan	795.00	*	
Vehcile Equipment & Installation		18,790.00	
Lights (unmarked)	1,600.00	*	
Lights (marked)	2,500.00		
Siren/speakers	750.00		
Marking	600.00		
Hot Dog (K9 vehicle)	500.00	*	
Hot Dog installation	50.00	*	* not included in totals
K9 Cage	1,500.00	*	
Cage installation	350.00	*	
Installation (lights & equipment)	550.00		
800 MHZ radio	3,500.00		
HubData911 computer & in-car camera system	10,500.00		
Wireless printer	390.00		
Additional Accessories:		852.00	
Shotgun Rack Mount	245.00		
Security Screen/Partition (379) or Partition only (47	479.00		
First Aid Kit	39.00		
Fire Extinguisher	29.00		
Broom	15.00		
Latent Kit	45.00		
Total Cost		$43,142.00	
Staff/CI Vehcile			
2014 Ford Fusion		24,000.00	
Vehcile Equipment & Installation		500.00	
Lights	150.00		
Siren/speaker	200.00		
installation	150.00		
Total Cost		$24,500.00	
Police Motorcycle			
2014 Harley Davidson FLHP Police Motorcycle		19,400.00	
Vehcile Equipment & Installation		10,450.00	
Lights	1,500.00		
Siren/speakers	400.00		
Marking	350.00		
Installation (lights & equipment)	300.00		
800 MHZ radio	3,500.00		
Mobile computer (Panasonic Toughbook)	4,100.00		
Wireless printer	300.00		
Total Cost		$29,850.00	

as of: 5/30/13

Dover Police Department

FY14 Police Officer Payroll Costs

Item	Breakout	Totals	Remarks
Salary		$61,028.39	based on FY14 budget
Base salary	$52,700.00		
Overtime	6,845.75		
Shift Differential	1,482.64		
Benefits		26,375.27	
Social Security/Medicare	4,600.00		
Health Insurance	6,319.36		employee (PPO)
Life Insurance	98.02		
Retirement	8,179.04		
Worker's Compensation	2,408.18		
Disability & AD&D	146.17		
Vision Insurance	39.60		
OPEB	4,584.90		
Total Salary + Benefits		$87,403.66	
Training, Uniforms, Equipment & Ammo		10,892.50	details at 2nd tab
Patrol Vehicle, Equipment & Installation		43,142.00	details at 3rd tab
Total Cost Per Officer		$141,438.16	

Dover Police Department

FY12 Police Officer Uniforms & Equipment Costs

Item	Qty Issd	Unit Cost	Extended Cost	Remarks
Training Cost				Training (acct 30-28)
DE State Police Academy Tuition	1	$1,100.00	$1,100.00	
Uniform Items (priced for average male uniform)				Uniforms (acct 20-29)
Ballistic vest	1	680.00	680.00	
Class A jacket	1	350.00	350.00	
Class A pants	1	84.50	84.50	
Gore-Tex jacket w/liner	1	267.50	267.50	
Hat badge (silver)	1	26.00	26.00	
Hat, crushed style	1	60.00	60.00	
Metal insignia - silver DPDs	1	6.00	6.00	
Metal insignia - silver name pin	2	7.00	14.00	
Patches	10	4.50	45.00	
Raincoat	1	150.00	150.00	
Shirt badge	2	110.00	220.00	
Shoes	1	175.00	175.00	
Sliding dee/suicide strap	1	35.00	35.00	
Tie	1	12.00	12.00	
Tie bar	1	10.00	10.00	
Uniform pants (summer)	3	84.50	253.50	
Uniform pants (winter)	3	84.50	253.50	
Uniform shirt (summer-short sleeve)	3	80.50	241.50	
Uniform shirt (winter-long sleeve)	3	74.50	223.50	
Wallet badge	1	50.00	50.00	
Whistle & chain	1	12.00	12.00	
Uniform Items Subtotal			$3,169.00	
Duty Belt Equipment				Program Supplies (acct 20-26)
Baton, expandable	1	100.00	100.00	
Baton holder	1	20.00	20.00	
Chemical spray case	1	16.50	16.50	
Chemical spray (Kap-Stun)	1	12.00	12.00	
CPR Case	1	17.00	17.00	
Duty bag (deluxe)	1	25.00	25.00	
Duty belt (smooth leather)	1	32.00	32.00	
Glock 22 Pistol/27	1	465.00	465.00	
Glock ammo clip - magazine holder	1	22.00	22.00	
Glock holster	1	120.00	120.00	
Handcuff case (double)	1	27.00	27.00	
Handcuffs	2	35.00	70.00	
Radio swivel case/holder	1	100.00	100.00	
Radio, 800 MHz portable	1	3,500.00	3,500.00	
Stinger flashlight	1	75.00	75.00	
Stinger flashlight holder	1	22.00	22.00	
Taser / holster	1	1,000.00	1,000.00	
Duty Belt Equipment Subtotal			$5,623.50	
Ammunition			$1,000.00	Program Supplies (acct 20-26)
Police Academy qualificatioin	1000 pistol and 200 shotgun rounds			
Department requirements	indoor & outdoor range qualifications scheduled semi-annually			
Grand Total			**$10,892.50**	*

as of: 5/30/13

CITY OF DOVER
CITY OF DOVER DONATIONS TREND
ACTUAL DONATIONS FROM FY 2005 TO 2012 AND BUDGETED FY 2013 & 2014

Donation to:	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget
African American Festival	-	-	-	15,000	15,000	15,000	15,000	15,000	15,000	15,000
4th of July Celebration Committee	-	-	-	-	-	-	7,000	10,000	15,000	~~5,000~~ 0
Kent County Levy Court - 10 yr Economic Dev Strategy	-	5,000	-	-	-	-	-	-	-	-
Kent County Tourism	10,000	10,000	10,000	15,000	15,000	10,000	15,000	15,000	15,000	15,000
Kent Economic	12,000	15,000	-	16,000	16,000	11,000	11,000	-	-	-

EXHIBIT #9
2013 Budget Review
Special Council Meeting of 05/29/13

City of Dover
Budget Meeting - June 5, 2013
Analysis of Legal Fees

	FY13 YTD	FY12	FY11	FY10	Total
City Solicitor	$ 80,729	$ 104,508	$ 91,529	$ 63,213	$ 339,979
Labor Negotiations	41,063	66,200	6,431	19,152	132,846
General Employment	3,478	1,655	-	-	5,133
Tax Appeals Attorney	-	263	91,934	3,432	95,629
Bond Counsel	38,245	12,115	-	18,995	69,355
OPEB Trust	-	-	10,928	14,426	25,354
Other Legal	3,337	-	-	293	3,630
	$ 166,852	$ 184,741	$ 200,822	$ 119,511	$ 671,926

FY 2014 DRAFT Capital Investment Plan

FY 14 *thru* FY 18

City of Dover, Delaware

Project # EE1415
Project Name **Advanced Metering Infrastructure**

New Project:
Time-Line:
Account Number:

Department Electric T & D
Contact Electric Director
Type Improvement
Useful Life
Category Electric
Priority n/a
Status Active
Total Project Cost: **$150,000**

Description

This program will begin to build a wireless network of Electric Meters that will work in conjunction with the current Radio Read system.

Justification

The system will eliminate the need for manual meter readings of the large industrial customers. Currently, the readings are calculated through software that is no longer supported.

Additionally, the system can add any new service through the wireless program and allow for remote disconnect meters to be implemented. The current disconnect collars are no longer supported.

Consequences of Delaying or Eliminating this Project:
If the system is not converted, the existing software can fail resulting in incorrect meter readings and large revenue losses.

Expenditures	FY 14	FY 15	FY 16	FY 17	FY 18	Total
Construction/Maintenance	150,000					150,000
Total	**150,000**					**150,000**

Funding Sources	FY 14	FY 15	FY 16	FY 17	FY 18	Total
Electric Revenue	150,000					150,000
Total	**150,000**					**150,000**

Budget Impact/Other

The new software has a $9,000.00 per year maintenance and service cost. The system would be ordered following the competetive bidding process based on the Purchasing Policy.

Budget Items	FY 14	FY 15	FY 16	FY 17	FY 18	Total
Maintenance	9,000	9,000	9,000	9,000	9,000	45,000
Total	**9,000**	**9,000**	**9,000**	**9,000**	**9,000**	**45,000**

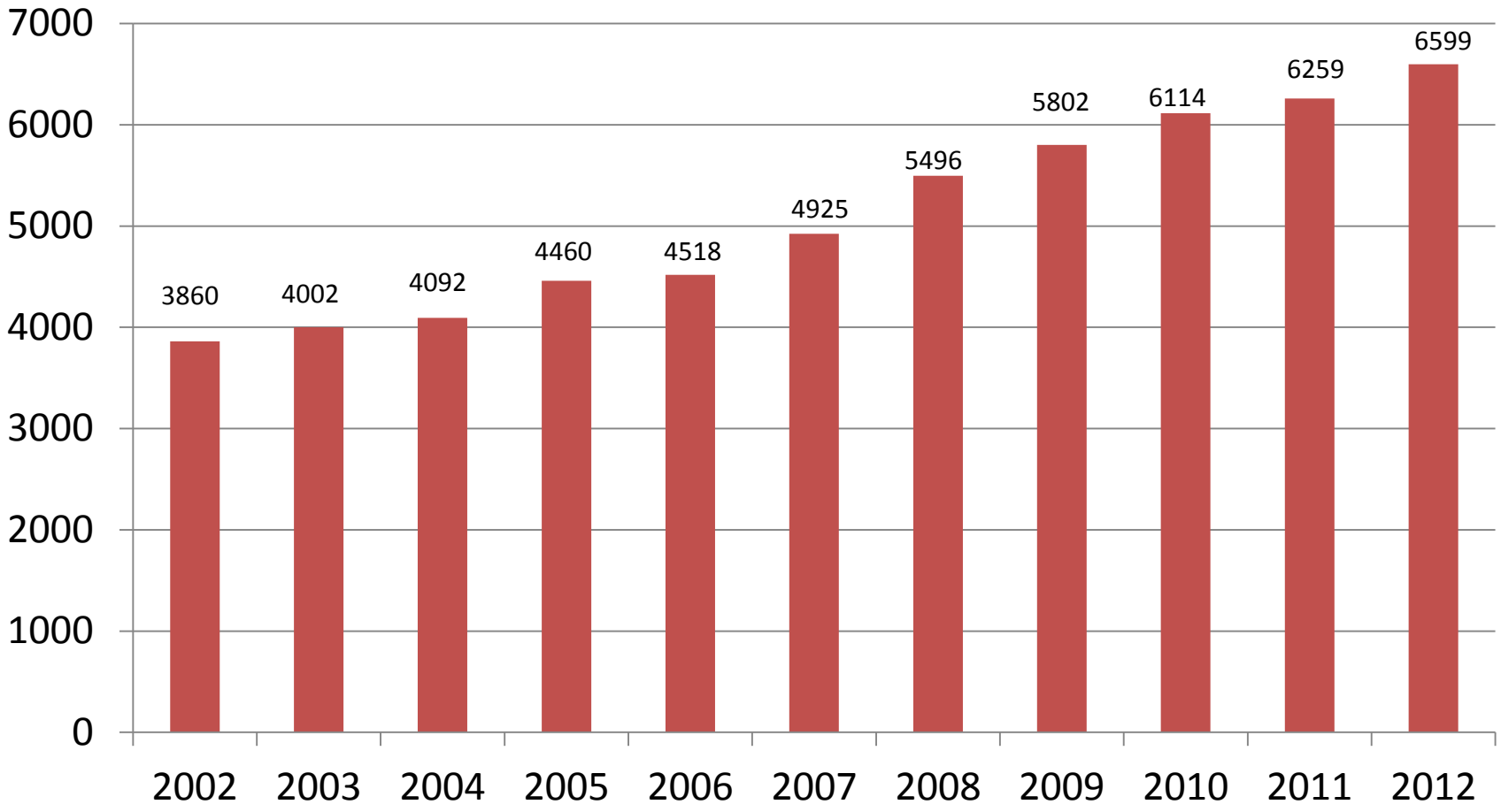
CITY OF DOVER
BUDGETED TRAINING/CONFERENCE/FOOD/TRAVEL
FISCAL YEAR 2014 DRAFT BUDGET

1	**General Fund**		
2	City Clerk	$	600
3	Council		8,500
4	Tax Assessor		2,500
5	Grounds		500
6	Library		200
7	Recreation		1,500
8	Life Safety		2,000
9	Code Enforcement		400
10	Planning		1,400
11	Inspections		1,200
12	Economic Development		600
13	Police		25,500
14	Street		100
15	Sanitation		100
16	City Manager		2,600
17	Information Technology		1,700
18	Finance		5,500
19	Public Works Administration		3,000
20	Facilities Management		100
21	Central Services		1,300
22	Fleet Maintenance		300
23	Human Resources		2,000
24	Mayor		6,000
25	**Total General Fund**	**$**	**67,600**
26	**Water Wastewater Fund**		
27	Water Wastewater Engineering	$	2,800
28	PW Construction & Maintenance		100
29	Water		2,600
30	Wastewater		7,600
31	Water Treatment Plant		200
32	**Total Water Wastewater Fund**	**$**	**13,300**
33	**Electric Revenue Fund**		
34	Plant Management	$	50,200
35	Transmission & Distribution		5,000
36	Electric Engineering		8,000
37	Electric Administration		2,500
38	**Total Electric Revenue Fund**	**$**	**65,700**
39			
40	**Total All Funds**	**$**	**146,600**

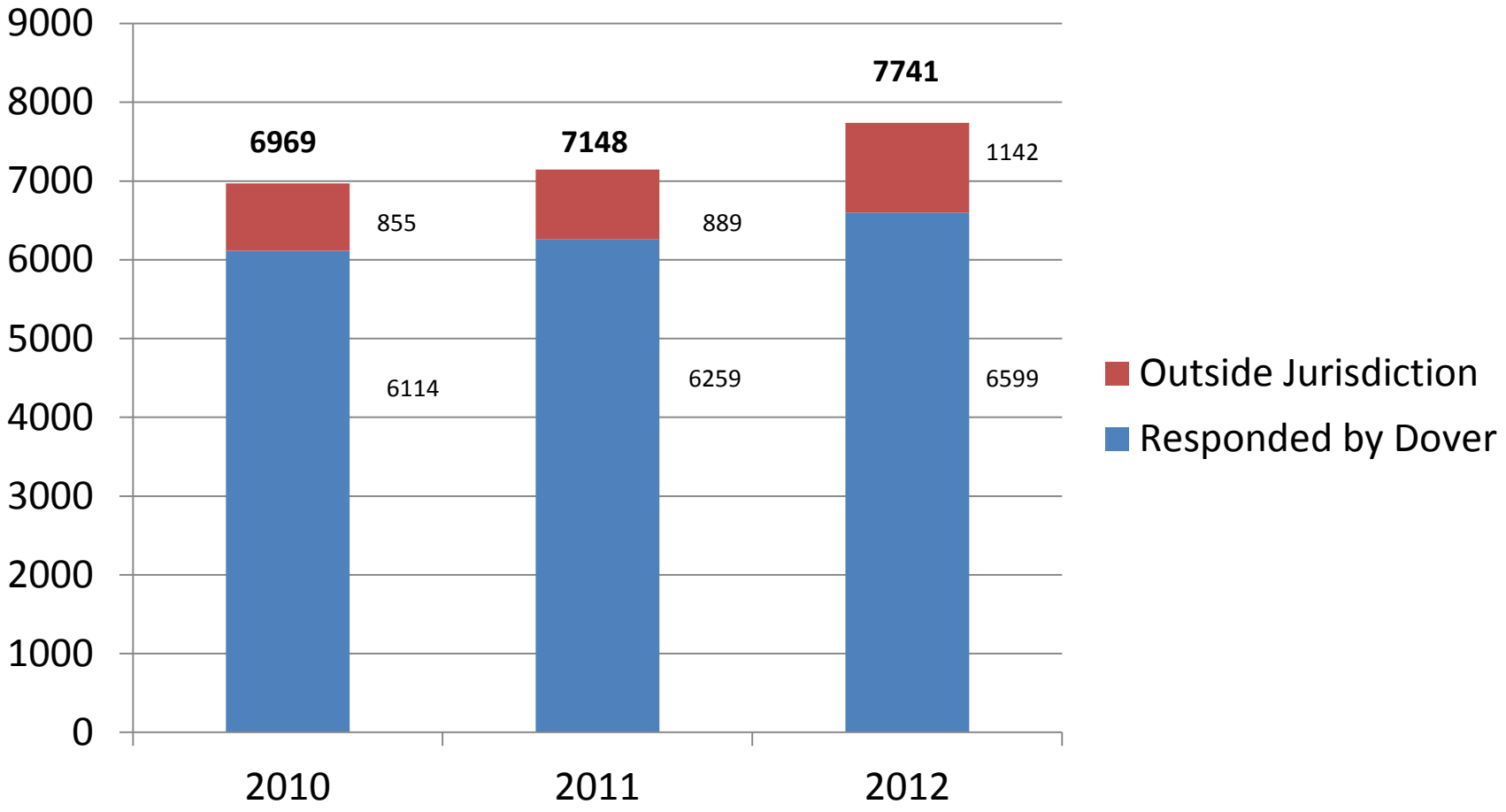
Ambulance Service for Robbins Hose Fire District



Growth; Since 2002



Continued Growth and Outside Coverage



Ambulance Departments - 2012 Totals

Department	Yearly Totals
American Legion (Smyrna)	3,109
Bowers	373
Camden	2,508
Carlisle	2,785
Cheswold	1,743
Dover	6,599
Dover AFB	127
Felton	1,245
Frederica	461
Harrington	1,904
Hartly	766
Leipsic	302
Magnolia	966
Marydel	487

- Total # of dispatched calls to Dover serviced by outside agencies for 2012 is 1,142; 95 of them were for “stand by” at Dover Downs (1,047) subtract the scratches.*
- Total # of dispatched calls serviced by Prime Care for Dover in 2012 is 6,599 bringing total calls for Dover to 7,741
- Total # of calls Dover was dispatched to other districts in 2012 is 95

* A call is listed as a scratch when more than one ambulance service responds to the same call. On multiple occasions we had 2-3 ambulances responding. Obviously only one hauled the victim away so the others were “scratches” - In the documentation provided by 911 there was no way of knowing which company did not fulfill the calls. In rare occasions multiple ambulances would be used such as for MVC’s (motor vehicle collisions)

PRIMECARE CONTRACT

- One ambulance 24/7
- Another ambulance 7:00 am – 11:00 pm
- Our current contract with Primecare expires on March 31, 2015
  (Previous contracts with the City date back to 2003)
- By having Primecare housed out of Dover it significantly reduces response times to our constituents
- Provides first ambulance at no cost – 2nd ambulance is charged at $19, 466 month
- Due to time involved with the city they have familiarity which also reduces times
- Now have a bariatric unit housed in Dover

AGENCY	Dispatched	Stand By	Duplicate Response	Real Number	Dover Responses	$25 per response
American Legion (Smyrna)	79	14	17	48	1	$1,175
Bowers	14	5	1	8	1	$175
Camden	403	5	62	336	42	$7,350
Carlisle	2	0	0	2	3	$50
Cheswold	416	5	52	359	20	$8,475
Dagsboro	34	7	3	24	0	$600
Felton	16	1	6	9	0	$225
Frederica	1	0	0	1	0	$25
Harrington	2	0	0	2	0	$50
Hartly	94	46	14	34	1	$850
Leipsic	55	11	16	28	21	$700
Magnolia	45	1	22	22	5	$550
Marydel	15	4	4	7	1	$175
Total Calls	1,142	99	197	880	95	$22,000

CAMDEN AMBULANCE

- Dispatched 403
- Of those 403 – 5 were “stand by” at Dover Downs or another business

  (403-5=398)
- 62 of those 398 were duplicated responses and/or scratches.

  (398-62=336)
- 336 calls in 2012 Dover also responded to your district a total of 42 times

- **Total: 294 calls x $25 call = $7,350**
- Now if we give 50% of the calls the benefit of the doubt that your agency was the one that completed the call that would be adding on 31 calls bringing your total to 325 calls.
- **325 x $25 a call = $8,125**

CHESWOLD AMBULANCE

- Dispatched 416
- Of those 416 – 5 were “stand by” at Dover Downs or another business

  (416-5=411)
- 52 of those 411 were duplicated responses and/or scratches.

  (411-52=359)
- 359 calls in 2012 Dover also responded to your district a total of 20 times

- **Total: 339 calls x $25 call = $8,475**
- Now if we give 50% of the calls the benefit of the doubt that your agency was the one that completed the call that would be adding on 26 calls bringing your total to 365 calls.
- **365 x $25 a call = $9,125**

YTD 2013 Stats

- Total # of calls Dover has responded to so far this year – 2,598

Districts	2013 YTD Dispatched	Number of times responded to Dover
Dover	2,598	
Camden	1121	168*
Cheswold	612	155*

In the Robbins Hose Fire District - January 1-May 31, 2013
Camden has responded to 168
Cheswold has responded to155

These numbers reflect almost identical to the same number of assists from neighboring jurisdiction from the 2012 calendar year data that was analyzed

(*These are “raw” numbers scratches and duplicates have not been subtracted)

Why make the donation?

- There is no set timeframe where the influx in calls is, making it so that additional coverage would not be beneficial since we are only utilizing the current 2nd ambulance 28% of the time
- By donating funds to Camden and Cheswold it maintains good neighbors
- Compensates for time out of their district
- To add additional coverage it would cost the city approximately $100,000 – donation to the two entities that cover Dover totals $17, 250

City of Dover

Budget Meeting
June 5, 2013

General Fund Budget & Forecast
Water/Wastewater Fund Budget & Forecast

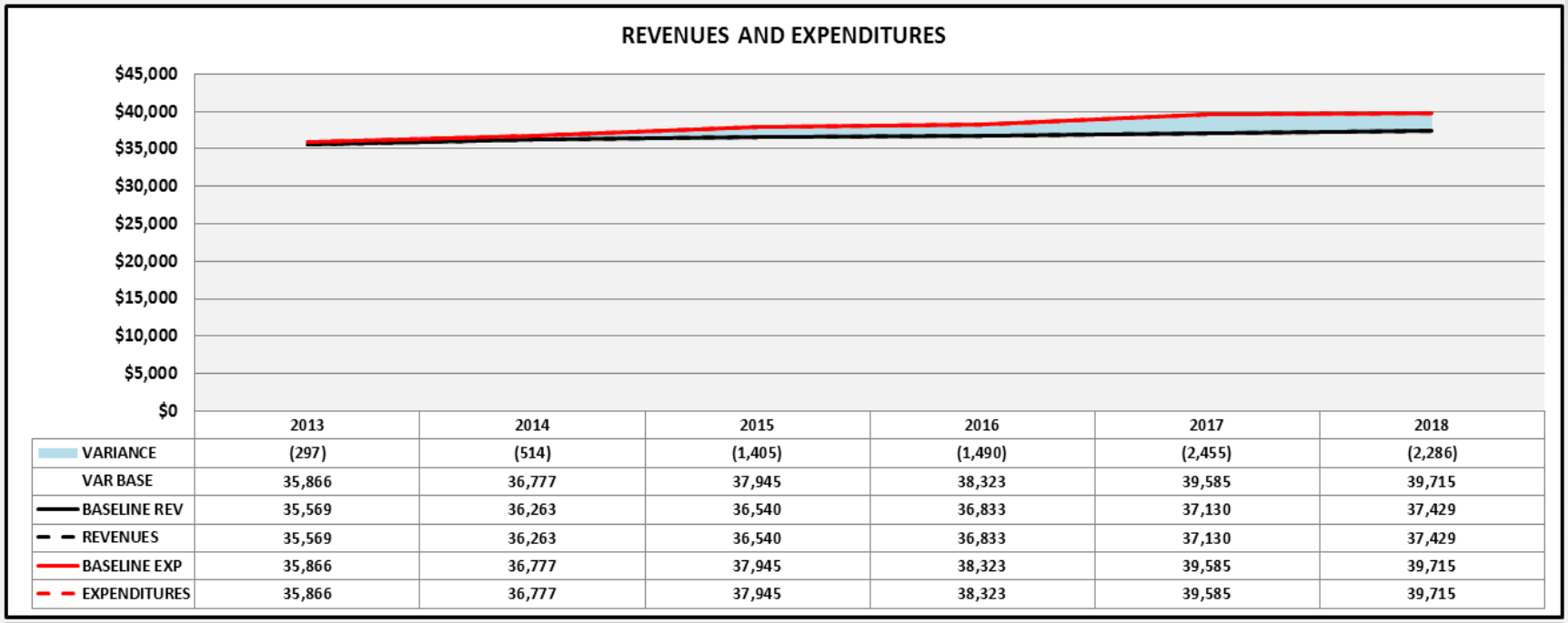
EXHIBIT #14
2013 Budget Review
Special Council Meeting of 05/29/13

General Fund

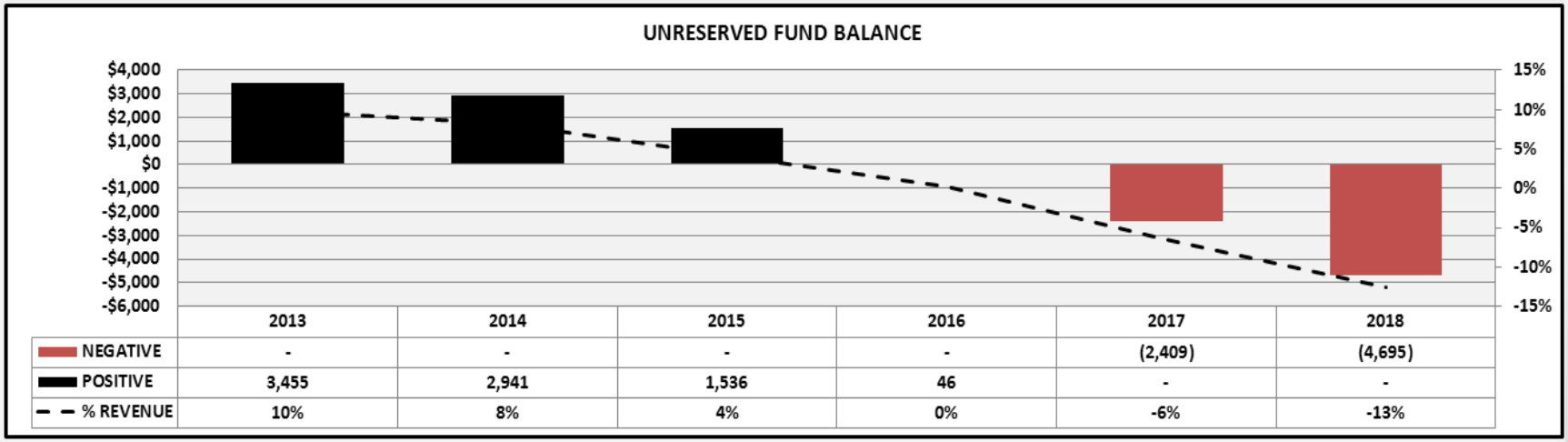
General Fund – As presented May 29, 2013

	2013P	2014F	2015F	2016F	2017F	2018F
FUND BALANCE-BEGINNING	**3,752,200**	**3,455,200**	**2,941,100**	**1,535,985**	**46,380**	**(2,408,817)**
REVENUES AND SOURCES						
01-PROPERTY TAXES	11,090,800	11,169,500	11,281,195	11,394,007	11,507,947	11,623,026
02-LICENSES AND PERMITS	2,508,300	2,627,500	2,653,775	2,680,313	2,707,116	2,734,187
03-GRANTS RECEIVED	1,263,000	1,260,900	1,260,900	1,260,900	1,260,900	1,260,900
04-COURT OF CHANCERY FEES	807,200	863,200	863,200	863,200	863,200	863,200
05-SANITATION FEES AND REBATES	2,676,500	2,676,500	2,689,883	2,703,332	2,716,849	2,730,433
06-LIBRARY REVENUE - GENERAL	472,100	466,600	468,933	471,278	473,634	476,002
07-FINES	1,304,100	1,316,000	1,329,160	1,342,452	1,355,876	1,369,435
08-INVESTMENT INCOME (LOSS)	75,000	75,000	76,125	77,267	78,426	78,426
09-MISCELLANEOUS SERVICES	918,100	921,000	939,420	958,208	977,373	996,920
10-INDIRECT SERVICES BILLING	4,222,900	4,459,900	4,549,098	4,640,080	4,732,882	4,827,539
11-TRANSFERS IN-ELECTRIC	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
12-TRANSFERS IN-WATER/WW	500,000	500,000	500,000	500,000	500,000	500,000
13-TRANSFERS IN-OTHER	1,731,000	1,926,500	1,928,655	1,941,942	1,955,361	1,968,915
TOTAL REVENUES AND SOURCES	**35,569,000**	**36,262,600**	**36,540,344**	**36,832,978**	**37,129,563**	**37,428,983**
EXPENDITURES AND USES						
01-SALARIES AND WAGES	16,071,300	16,189,700	16,513,494	16,843,764	17,180,639	17,524,252
02-FICA	1,177,800	1,188,600	1,212,372	1,236,619	1,261,352	1,286,579
03-HEALTH INSURANCE	2,399,600	2,600,700	2,748,940	2,905,629	3,071,250	3,246,312
04-OTHER-BENEFITS	570,700	436,300	440,663	445,070	449,520	454,016
05-RETIREE HEALTHCARE	1,620,600	1,636,500	1,729,781	1,828,378	1,932,596	2,042,753
06-LUMP SUM PENSION	1,693,500	1,159,100	1,182,282	1,205,928	1,230,046	1,254,647
07-PENSION	1,338,500	1,383,400	1,411,068	1,439,289	1,468,075	1,497,437
08-OPEB	1,225,900	1,501,900	1,531,938	1,562,577	1,593,828	1,625,705
09-MATERIALS & SUPPLIES	1,344,900	1,272,100	1,284,821	1,297,669	1,310,646	1,323,752
10-ADMIN EXPENDITURES	4,561,200	4,740,000	4,787,400	4,835,274	4,883,627	4,932,463
11-FUND EXPENSE	1,810,000	1,550,800	1,550,800	1,550,800	1,550,800	1,550,800
12-STREET LIGHT	869,700	836,000	836,000	836,000	836,000	836,000
13-OTHER-CHARGES	94,700	400,000	400,000	400,000	400,000	400,000
14-TRANSFER-TO-DEBT	474,200	557,300	472,900	474,200	479,800	229,900
15-TRANSFER-TO-CIP	613,400	1,324,300	1,843,000	1,461,400	1,936,600	1,510,100
16-CIP EXPENDITURES	-	-	-	-	-	-
TOTAL REVENUES AND SOURCES	**35,866,000**	**36,776,700**	**37,945,458**	**38,322,597**	**39,584,779**	**39,714,715**
SURPLUS/(DEFICIT)	**(297,000)**	**(514,100)**	**(1,405,115)**	**(1,489,620)**	**(2,455,217)**	**(2,285,732)**
% REVENUE	*-1%*	*-1%*	*-4%*	*-4%*	*-7%*	*-6%*
FUND BALANCE-ENDING	**3,455,200**	**2,941,100**	**1,535,985**	**46,380**	**(2,408,817)**	**(4,694,532)**
% OF REVENUES AND SOURCES	**9.7%**	**8.1%**	**4.2%**	**0.1%**	**-6.5%**	**-12.5%**
Additional Funds Needed		**(40,100)**	**1,387,200**	**2,900,300**	**5,379,200**	**7,688,900**

Policy Compliance – Sensitivity Analysis



	2013	2014	2015	2016	2017	2018
VARIANCE	(297)	(514)	(1,405)	(1,490)	(2,455)	(2,286)
VAR BASE	35,866	36,777	37,945	38,323	39,585	39,715
BASELINE REV	35,569	36,263	36,540	36,833	37,130	37,429
REVENUES	35,569	36,263	36,540	36,833	37,130	37,429
BASELINE EXP	35,866	36,777	37,945	38,323	39,585	39,715
EXPENDITURES	35,866	36,777	37,945	38,323	39,585	39,715



	2013	2014	2015	2016	2017	2018
NEGATIVE	-	-	-	-	(2,409)	(4,695)
POSITIVE	3,455	2,941	1,536	46	-	-
% REVENUE	10%	8%	4%	0%	-6%	-13%

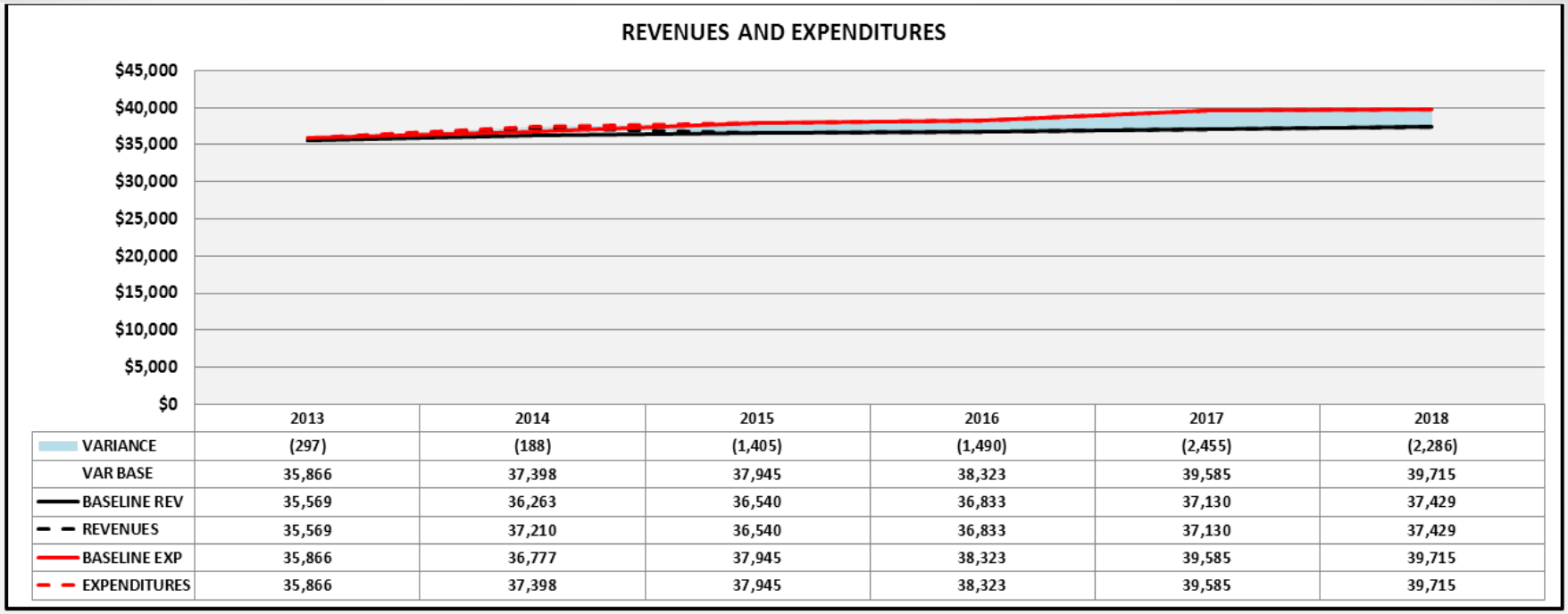
Scenario Options – Five Year Horizon – FY14 thru FY18

SCENARIO CATEGORIES		2014	2015	2016	2017	2018
> ENTER CATEGORY NAME >	CATEGORY 1					
SELECT OPTION ↓	BACK TO TOP					
SOURCES:	A. OPTION	-	-	-	-	-
☐ USES:	Property Reassessement - Fees	-	100,000	-	-	-
SOURCES:	B. OPTION	-	-	-	-	-
☐ USES:	Contribution to DDP	162,400	-	-	-	-
SOURCES:	C. OPTION	-	-	-	-	-
☐ USES:	Street Program - Transfer to CIP	-	700,000	700,000	700,000	700,000
SOURCES:	D. OPTION	-	25,000	70,000	70,000	70,000
☐ USES:	Calpine Property Taxes estimated	-	-	-	-	-
SOURCES:	E. OPTION	-	-	-	-	-
☐ USES:	Reduce C/F Balance for FY13 Savings	621,000	-	-	-	-
SOURCES:	F. OPTION	-	-	250,000	250,000	250,000
☐ USES:	Increase Water Fund Transfer	-	-	-	-	-
SOURCES:	G. OPTION	947,100	-	-	-	-
☐ USES:	Tax Increase @ $.03 - FY14	-	-	-	-	-
SOURCES:	H. OPTION	-	947,100	947,100	947,100	947,100
☐ USES:	Tax Increase @ $.03 - FY14 (continuance)	-	-	-	-	-
SOURCES:	I. OPTION	-	947,100	947,100	947,100	947,100
☐ USES:	Tax Increase @ $.03		-	-	-	-
SOURCES:	J. OPTION	-	-	-	947,100	947,100
☐ USES:	Tax Increase @ $.03					
TOTAL SOURCES:		-	-	-	-	-
TOTAL USES:		-	-	-	-	-

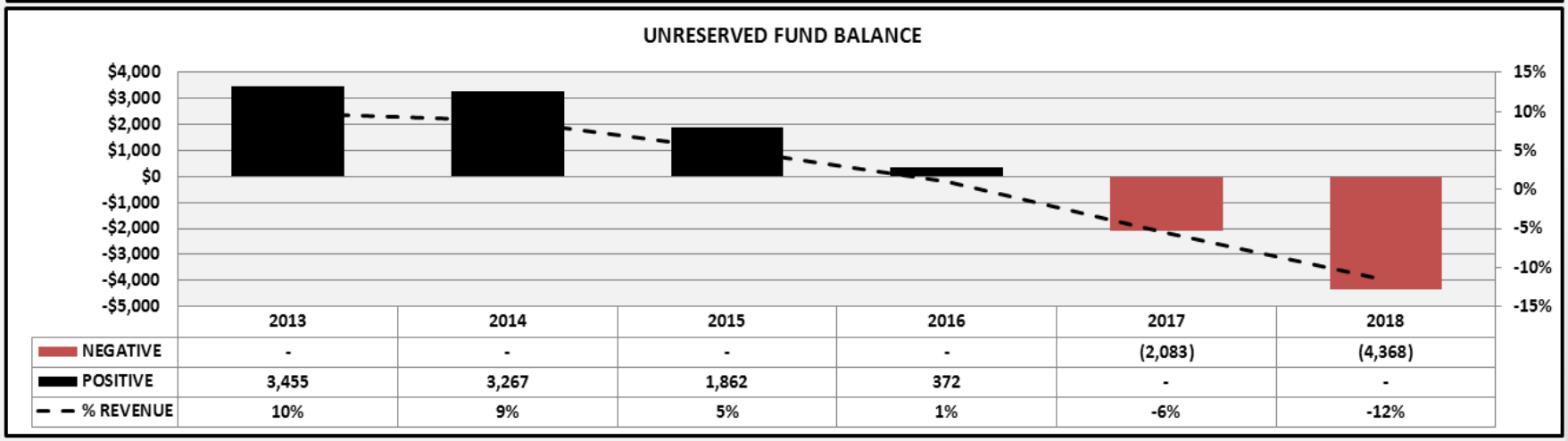
Scenario 1 – FY14 Only

SCENARIO CATEGORIES			2014	2015	2016	2017	2018
> ENTER CATEGORY NAME >		CATEGORY 1					
SELECT OPTION ↓		BACK TO TOP					
☐	SOURCES:	A. OPTION	-	-	-	-	-
	USES:	Property Reassessement - Fees	-	100,000	-	-	-
☑	SOURCES:	B. OPTION	-	-	-	-	-
	USES:	Contribution to DDP	162,400	-	-	-	-
☐	SOURCES:	C. OPTION	-	-	-	-	-
	USES:	Street Program - Transfer to CIP	-	700,000	700,000	700,000	700,000
☐	SOURCES:	D. OPTION	-	25,000	70,000	70,000	70,000
	USES:	Calpine Property Taxes estimated	-	-	-	-	-
☑	SOURCES:	E. OPTION	-	-	-	-	-
	USES:	Reduce C/F Balance for FY13 Savings	621,000	-	-	-	-
☐	SOURCES:	F. OPTION	-	-	250,000	250,000	250,000
	USES:	Increase Water Fund Transfer	-	-	-	-	-
☑	SOURCES:	G. OPTION	947,100	-	-	-	-
	USES:	Tax Increase @ $.03 - FY14	-	-	-	-	-
☐	SOURCES:	H. OPTION	-	947,100	947,100	947,100	947,100
	USES:	Tax Increase @ $.03 - FY14 (continuance)	-	-	-	-	-
☐	SOURCES:	I. OPTION	-	947,100	947,100	947,100	947,100
	USES:	Tax Increase @ $.03		-	-	-	-
☐	SOURCES:	J. OPTION	-	-	-	947,100	947,100
	USES:	Tax Increase @ $.03					
	TOTAL SOURCES:		947,100	-	-	-	-
	TOTAL USES:		621,000	-	-	-	-

Policy Compliance – Scenario 1 – FY14 Only



	2013	2014	2015	2016	2017	2018
VARIANCE	(297)	(188)	(1,405)	(1,490)	(2,455)	(2,286)
VAR BASE	35,866	37,398	37,945	38,323	39,585	39,715
BASELINE REV	35,569	36,263	36,540	36,833	37,130	37,429
REVENUES	35,569	37,210	36,540	36,833	37,130	37,429
BASELINE EXP	35,866	36,777	37,945	38,323	39,585	39,715
EXPENDITURES	35,866	37,398	37,945	38,323	39,585	39,715

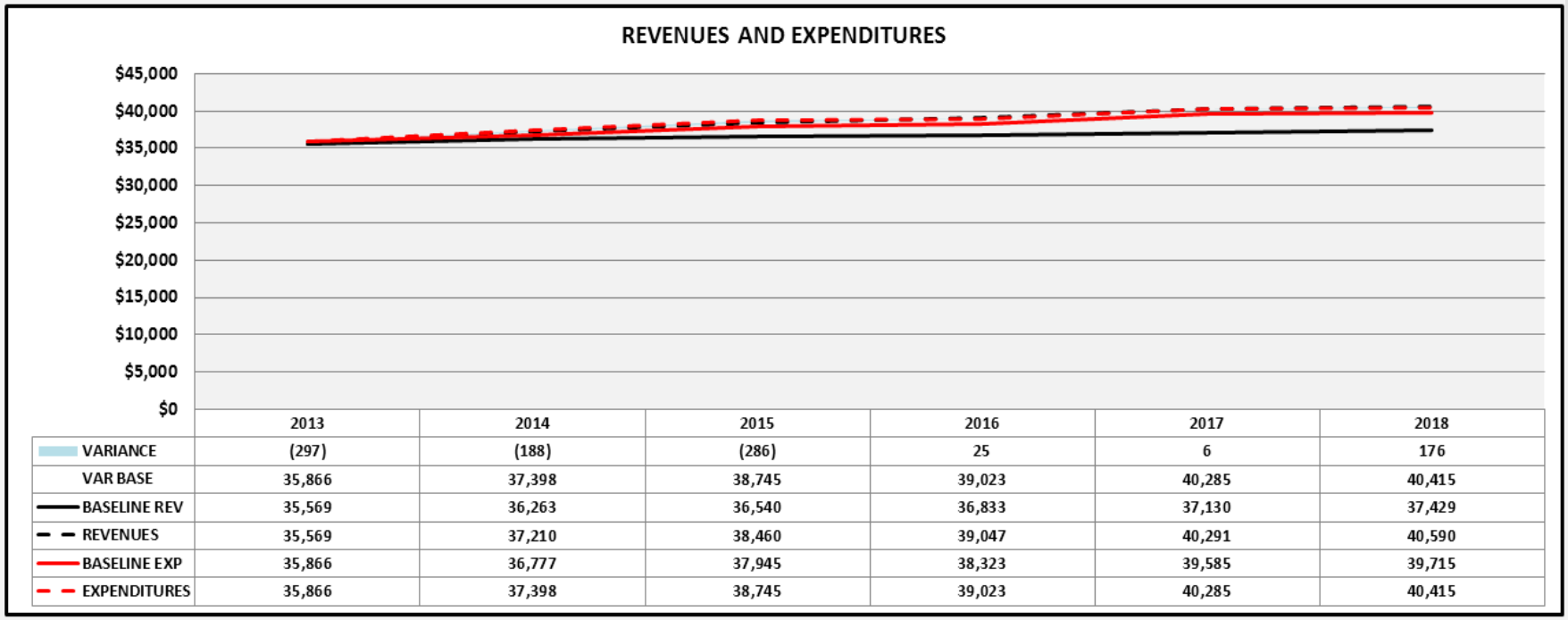


	2013	2014	2015	2016	2017	2018
NEGATIVE	-	-	-	-	(2,083)	(4,368)
POSITIVE	3,455	3,267	1,862	372	-	-
% REVENUE	10%	9%	5%	1%	-6%	-12%

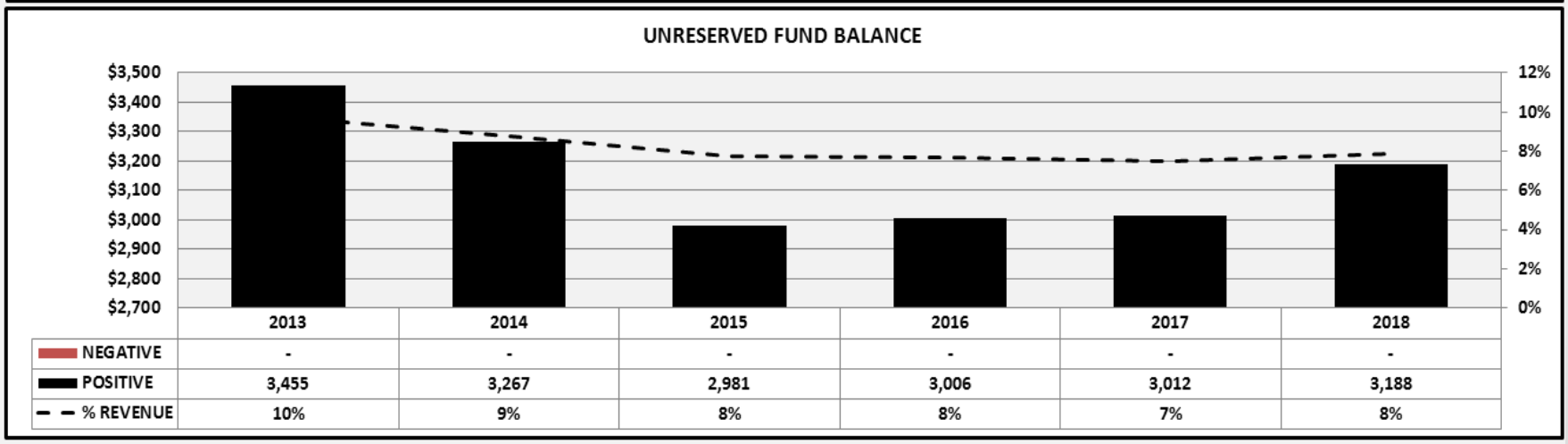
Scenario 2 – Five Year Horizon – FY14 thru FY18

SCENARIO CATEGORIES		2014	2015	2016	2017	2018
> ENTER CATEGORY NAME >	CATEGORY 1					
SELECT OPTION ↓	BACK TO TOP					
☑ SOURCES:	A. OPTION	-	-	-	-	-
USES:	Property Reassessement - Fees	-	100,000	-	-	-
☑ SOURCES:	B. OPTION	-	-	-	-	-
USES:	Contribution to DDP	162,400	-	-	-	-
☑ SOURCES:	C. OPTION	-	-	-	-	-
USES:	Street Program - Transfer to CIP	-	700,000	700,000	700,000	700,000
☑ SOURCES:	D. OPTION	-	25,000	70,000	70,000	70,000
USES:	Calpine Property Taxes estimated	-	-	-	-	-
☑ SOURCES:	E. OPTION	-	-	-	-	-
USES:	Reduce C/F Balance for FY13 Savings	621,000	-	-	-	-
☑ SOURCES:	F. OPTION	-	-	250,000	250,000	250,000
USES:	Increase Water Fund Transfer	-	-	-	-	-
☑ SOURCES:	G. OPTION	947,100	-	-	-	-
USES:	Tax Increase @ $.03 - FY14	-	-	-	-	-
☑ SOURCES:	H. OPTION	-	947,100	947,100	947,100	947,100
USES:	Tax Increase @ $.03 - FY14 (continuance)	-	-	-	-	-
☑ SOURCES:	I. OPTION	-	947,100	947,100	947,100	947,100
USES:	Tax Increase @ $.03		-	-	-	-
☑ SOURCES:	J. OPTION	-	-	-	947,100	947,100
USES:	Tax Increase @ $.03					
TOTAL SOURCES:		947,100	1,919,200	2,214,200	3,161,300	3,161,300
TOTAL USES:		621,000	800,000	700,000	700,000	700,000

Policy Compliance – Five Year Horizon – FY14 thru FY18



	2013	2014	2015	2016	2017	2018
VARIANCE	(297)	(188)	(286)	25	6	176
VAR BASE	35,866	37,398	38,745	39,023	40,285	40,415
BASELINE REV	35,569	36,263	36,540	36,833	37,130	37,429
REVENUES	35,569	37,210	38,460	39,047	40,291	40,590
BASELINE EXP	35,866	36,777	37,945	38,323	39,585	39,715
EXPENDITURES	35,866	37,398	38,745	39,023	40,285	40,415



	2013	2014	2015	2016	2017	2018
NEGATIVE	-	-	-	-	-	-
POSITIVE	3,455	3,267	2,981	3,006	3,012	3,188
% REVENUE	10%	9%	8%	8%	7%	8%

Water/Wastewater Fund

Water with Calpine (Revenue only)

Net Margins - Water	Revised 2013	Projection 2014	Projection 2015	Projection 2016	Projection 2017	Projection 2018
Water Fees	$ 4,730,700	$ 4,730,700	$ 4,753,300	$ 6,376,100	$ 6,398,900	$ 6,421,900
Miscellaneous Income - Water	354,200	374,800	383,100	391,700	400,500	409,500
Imapct Fees - Water	380,000	357,000	567,000	357,000	357,000	357,000
Total Revenue	5,464,900	5,462,500	5,703,400	7,124,800	7,156,400	7,188,400
Operating Expenses - Water	(3,628,500)	(3,581,800)	(3,696,600)	(3,807,300)	(3,925,400)	(4,039,000)
Operating Transfers - Out (4.5%) Water	(250,000)	(250,000)	(250,000)	(500,000)	(500,000)	(500,000)
Total Operating Expenses	(3,878,500)	(3,831,800)	(3,946,600)	(4,307,300)	(4,425,400)	(4,539,000)
Operating Margin	1,586,400	1,630,700	1,756,800	2,817,500	2,731,000	2,649,400
Non-Oper. Rev. - Interest on Operating	7,400	9,100	7,800	9,700	9,700	9,800
Non-Oper. Rev. - Interest on Reserves	16,500	18,000	11,600	12,200	12,400	12,600
Margins Available For Debt Service	1,610,300	1,657,800	1,776,200	2,839,400	2,753,100	2,671,800
Interest for Long-Term Debt	(118,200)	(108,700)	(178,400)	(169,400)	(159,900)	(150,000)
Cash From Operations	1,492,100	1,549,100	1,597,800	2,670,000	2,593,200	2,521,800
Depreciation Expense	(976,900)	(1,042,300)	(1,172,700)	(1,251,400)	(1,357,500)	(1,403,500)
Net Margins ($)	$ 515,200	$ 506,800	$ 425,100	$ 1,418,600	$ 1,235,700	$ 1,118,300
Debt Service Coverage						
Margins Avail. for Debt Service	$ 1,610,300	$ 1,657,800	$ 1,776,200	$ 2,839,400	$ 2,753,100	$ 2,671,800
Total Debt Service	$ 438,100	$ 403,800	$ 548,400	$ 439,800	$ 439,000	$ 437,900
Debt Service Coverage Ratio	3.68	4.11	3.24	6.46	6.27	6.10
Transfer to I & E Fund - Water	$ 1,700,000	$ 1,200,000	$ 1,200,000	$ 1,700,000	$ 1,700,000	$ 1,700,000
Transfer to Impact Fee Reserve - Water	$ -	$ -	$ 18,600	$ -	$ -	$ -
Transfer to Capital Asset & Contingency Reserves	$ 70,000	$ -	$ -	$ -	$ -	$ -
Reinvestment of Reserve Interest	$ 16,500	$ 18,000	$ 11,600	$ 12,200	$ 12,400	$ 12,600
Debt Service Principal	$ 286,500	$ 295,100	$ 370,000	$ 270,400	$ 279,100	$ 287,900
Total Cash Budget Requirements	$ 2,073,000	$ 1,513,100	$ 1,600,200	$ 1,982,600	$ 1,991,500	$ 2,000,500
Net Positive/(Negative Cash)	$ (580,900)	$ 36,000	$ (2,400)	$ 687,400	$ 601,700	$ 521,300

Wastewater with Calpine (Revenue only)

				8.0%		
	Revised 2013	Projection 2014	Projection 2015	Projection 2016	Projection 2017	Projection 2018
Net Margins - Wastewater						
Wastewater Fees	$ 3,642,700	$ 3,642,700	$ 3,659,600	$ 4,214,000	$ 4,233,200	$ 4,252,100
Treatment Fees - Kent County	2,980,400	2,980,300	2,997,500	3,012,500	3,027,500	3,042,700
Groundwater Inflow Adjustment	1,324,600	1,324,600	1,331,200	1,337,900	1,344,600	1,351,300
Miscellaneous Income - Wastewater	40,700	41,000	41,000	41,000	41,000	41,000
Impact Fees - Wastewater	350,000	323,000	513,000	323,000	323,000	323,000
Total Revenue	8,338,400	8,311,600	8,542,300	8,928,400	8,969,300	9,010,100
Treatment Expense - Kent County	(3,537,000)	(3,524,800)	(3,542,400)	(3,560,100)	(3,577,900)	(3,595,800)
Operating Expenses - Wastewater	(2,322,000)	(2,239,800)	(2,314,300)	(2,383,400)	(2,458,900)	(2,528,600)
Operating Transfers - Out (4.5%) Wastewater	(250,000)	(250,000)	(250,000)	(500,000)	(500,000)	(500,000)
Total Operating Expenses	(6,109,000)	(6,014,600)	(6,106,700)	(6,443,500)	(6,536,800)	(6,624,400)
Operating Margin	2,229,400	2,297,000	2,435,600	2,484,900	2,432,500	2,385,700
Non-Oper. Rev. - Interest on Operating	11,500	14,000	11,600	12,100	12,200	12,300
Non-Oper. Rev. - Interest on Reserves	70,300	67,700	68,800	47,600	45,600	43,600
Margins Available For Debt Service	2,311,200	2,378,700	2,516,000	2,544,600	2,490,300	2,441,600
Interest for Long-Term Debt	(175,300)	(178,300)	(246,000)	(233,300)	(220,200)	(206,600)
Cash From Operations	2,135,900	2,200,400	2,270,000	2,311,300	2,270,100	2,235,000
Depreciation Expense	(1,013,700)	(1,090,500)	(1,195,600)	(1,290,600)	(1,411,500)	(1,518,000)
Net Margins ($)	$ 1,122,200	$ 1,109,900	$ 1,074,400	$ 1,020,700	$ 858,600	$ 717,000
Debt Service Coverage						
Margins Avail. for Debt Service	$ 2,311,200	$ 2,378,700	$ 2,516,000	$ 2,544,600	$ 2,490,300	$ 2,441,600
Total Debt Service	$ 636,300	$ 615,700	$ 760,900	$ 688,500	$ 687,900	$ 687,200
Debt Service Coverage Ratio	3.63	3.86	3.31	3.70	3.62	3.55
Transfer to I & E Fund - Wastewater	$ 1,200,000	$ 1,330,000	$ 1,800,000	$ 1,800,000	$ 1,800,000	$ 2,100,000
Transfer to Capital Asset & Contingency Reserves	$ 22,000	$ -	$ -	$ -	$ -	$ -
Reinvestment of Reserve Interest	$ 70,300	$ 67,700	$ 68,800	$ 47,600	$ 45,600	$ 43,600
Debt Service Principal	$ 441,000	$ 437,400	$ 514,900	$ 455,200	$ 467,700	$ 480,600
Total Cash Budget Requirements	$ 1,733,300	$ 1,835,100	$ 2,383,700	$ 2,302,800	$ 2,313,300	$ 2,624,200
Net Positive/(Negative Cash)	$ 402,600	$ 365,300	$ (113,700)	$ 8,500	$ (43,200)	$ (389,200)

FY16 Forecast - Wastewater Rate Change

- In City
  - From $2.65 to $2.86 or $.21 (5,000 gal customer = $1.05)
- Out of City
  - From $3.98 to $4.30 or $.32 (5,000 gal customer = $1.60)

Electric Fund

Electric Capital Investment Plan

- Meter Replacements with smart meters $150,000
- Increases the transfers to the Improvement & Extension Fund
- All adjustments will be included in the budget ordinance

City of Dover
Sample Customer Analysis of $.03 Tax Increase & Electric Rate Decrease

	Property Taxes	Electric Energy
Transmission		
Transmission #1	$5,869.59	($520,120.29)
Transmission #2	$3,533.40	($171,292.71)
Primary Sample		
Primary #1	$3,406.62	($96,136.95)
Primary #2	$24,607.68	($287,285.92)
Primary #3	$2,782.41	($16,881.05)
Primary #4	$3,616.80	($28,578.49)
Large Commercial Sample		
Large Commercial #1	$2,301.36	($20,748.74)
Large Commercial #2	$3,213.96	($28,035.94)
Large Commercial #3	$2,662.59	($17,240.52)
Large Commercial #4	$3,403.74	($28,902.62)
Residential Sample		
Residential #1	$65.67	($206.68)
Residential #2	$15.03	($92.33)
Residential #3	$45.63	($162.22)
Residential #4	$96.81	($159.34)
Residential #5	$68.61	($289.98)
Residential #6	$71.22	($176.10)
Residential #7	$54.36	($230.40)
Residential #8	$45.93	($84.01)
Residential #9	$49.32	($131.54)
Residential #10	$16.83	($194.12)

REGULAR COUNCIL MEETING

The Regular Council Meeting was held on June 10, 2013 at 7:30 p.m. with Council President Bonar presiding. Council members present were Mr. Dixon, Mr. Lynn, Mr. Perza, Mrs. Williams, Mr. Hare, and Mr. Hutchison. Mr. Anderson and Mr. Slavin were absent.

Council staff members present were Police Chief Hosfelt, Mrs. Mitchell, Mrs. Townshend, Fire Chief West, Mr. Koenig, City Solicitor Rodriguez, and Mrs. McDowell. Mayor Carey was also present.

OPEN FORUM

The Open Forum was held at 7:15 p.m., prior to commencement of the Official Council Meeting. Council President Leary declared the Open Forum in session and reminded those present that Council was not in official session and could not take formal action.

Ms. Felicia Dorman, 114 Thames Drive, Dover, Delaware, stated that she had written to the Police Department on May 8, 2013 regarding what she deemed to be a racial stop on May 3, 2013. She stated that she did not receive a response to her letter and twelve (12) days later, when she arrived home, all of her vehicles had been towed. Ms. Dorman advised members that the vehicles were said to be abandoned with dirt and debris around them and she was provided no notice prior to them being towed. She stated that she had taken pictures of her Mercedes on Saturday, May 18, 2013 and the pictures showed that the vehicles were not surrounded by debris.

Ms. Dorman stated that she had spoken with several people at the City of Dover, sent a letter to the Mayor's Office, and had spoken with the Chief and his staff members. She indicated that the Chief and his staff responded rudely. Ms. Dorman cited violations of 21 Del. C 4402 (b) and 4402 (d).

Ms. Dorman stated that she is a single mother with one (1) income, she is financially devastated, and she needs her cars back. She also provided her correspondence to Mayor Carey and photos of the vehicles in question ***(Exhibit #1)***.

The invocation was given by Mr. Herb Konowitz, followed by the Pledge of Allegiance.

AGENDA ADDITIONS/DELETIONS

Mr. Hutchison moved for approval of the agenda, seconded by Mr. Dixon and unanimously carried.

Council President Bonar noted that Item #6 - Board of Assessment Appeals Exemption Report - May 21, 2013, 1.H.1 Dover Interfaith Mission For Housing, 1151 Walker Road should be 1155 Walker Road.

Mr. Hare moved for approval of the Consent Agenda, seconded by Mr. Hutchison and carried by a unanimous roll call vote (Anderson and Slavin absent).

ADOPTION OF MINUTES - COUNCIL RETREAT OF MARCH 22, 2013

The Minutes of the Council Retreat of March 22, 2013 were unanimously approved by motion of Mr. Hare, seconded by Mr. Hutchison and bore the written approval of Mayor Carey.

ADOPTION OF MINUTES - SPECIAL COUNCIL MEETING OF MAY 6, 2013

The Minutes of the Special Council meeting of May 6, 2013 were unanimously approved by motion of Mr. Hare, seconded by Mr. Hutchison and bore the written approval of Mayor Carey.

ADOPTION OF MINUTES - REGULAR COUNCIL MEETING OF MAY 28, 2013

The Minutes of the Regular Council meeting of May 28, 2013 were unanimously approved by motion of Mr. Hare, seconded by Mr. Hutchison and bore the written approval of Mayor Carey.

ADOPTION OF MINUTES - SPECIAL COUNCIL MEETING OF MAY 28, 2013

The Minutes of the Special Council meeting of May 28, 2013 were unanimously approved by motion of Mr. Hare, seconded by Mr. Hutchison and bore the written approval of Mayor Carey.

PROCLAMATION - FLAG DAY AND FLAG WEEK

The City Clerk read the following Proclamation into the record:

WHEREAS, the first official flag of the United States was adopted by the Second Constitutional Congress on June 14, 1777 and on August 3, 1949, Congress designated June 14th of each year as "National Flag Day" and requested that the President issue an annual proclamation calling for its observance; and

WHEREAS, on June 9, 1966 Congress requested that the President designate the week in which June 14th occurs as "National Flag Week" and call upon citizens to display the flag during that week; and

WHEREAS, on December 8, 1982, the National Flag Day Foundation was chartered to conduct educational programs and to encourage all Americans to pause for the Pledge of Allegiance on Flag Day; and

WHEREAS, Flag Day celebrates our nation's symbol of unity, devotion to freedom, and the equal rights of all.

NOW, THEREFORE, I, CARLETON E. CAREY, SR., MAYOR OF THE CITY OF DOVER, DELAWARE do hereby proclaim June 14, 2013 as **FLAG DAY** and the week of June 8-14, 2013 as **FLAG WEEK** in the City of Dover and urge all residents to pause for the Pledge of Allegiance in honor of the Flag of the United States of America and to proudly display the flag in recognition of the beacon of hope that it has become for our country and for people all over the world.

PROPOSED RESOLUTION NO. 2013-17 AUTHORIZING SIGNATURES FOR BANKING SERVICES

By consent agenda, Mr. Hare moved for adoption of Resolution No. 2013-17. The motion was seconded by Mr. Hutchison and, by a roll call vote of seven (7) yes (Dixon, Lynn, Perza, Williams, Hare, Hutchison, and Bonar), and two (2) absent (Anderson and Slavin) the Resolution was adopted, as follows:

A RESOLUTION AUTHORIZING SIGNATURES FOR BANKING SERVICES ON BEHALF OF THE CITY OF DOVER, DELAWARE

WHEREAS, the City of Dover's investment policy includes the investment of funds up to $100,000 per banking institution, investments in the State of Delaware Investment Pool, and the purchase and sale of U.S. Treasury and agency securities; and

WHEREAS, the banking institutions, brokerage firms, trust companies, and other various financial institutions require an Authorizing Resolution for the opening of accounts, and for purchasing, selling, transferring, assigning, and handling securities;

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Dover, that the Controller/Treasurer, Assistant Finance Director, and Assistant Treasurers are hereby authorized to open accounts with banking institutions and purchase, sell, transfer, assign, and handle securities and that they are authorized to sign all related forms;

BE IT FURTHER RESOLVED that the transactions in these accounts be carried out with any one signature; and

That the following are the office holders authorized for these purposes, until further notice:

Donna S. Mitchell	-	Controller/Treasurer
Margaret Teal	-	Assistant Finance Director
Traci A. McDowell	-	Assistant Treasurer
Denise L. Devine	-	Assistant Treasurer

ADOPTED: JUNE 10, 2013

PUBLIC HEARING - ELECTRIC REVENUE FUND BUDGET

A public hearing on the Electric Revenue Fund Budget is required for compliance with Section 505 of the 1993 Electric Revenue Refunding Bond Issue (Refunding 1985 Electric Revenue Bond) prior to adoption of the budget. Notice of the public hearing was properly advertised for this time and place.

Mrs. Donna Mitchell, Controller/Treasurer, advised members that the proposed Electric Fund budget for the Fiscal Year beginning July 1, 2013 through June 30, 2014 was included in the draft budget presented to City Council during the Special Council Meeting (Budget Review) held on May 29 and June 5, 2013. She advised members that the Electric Revenue Fund budget totaled $9.138M.

Council President Bonar declared the public hearing open. There being no one present wishing to speak during the public hearing, Council President Bonar declared the public hearing closed.

No further action was taken. Council President Bonar noted that the First Reading of the Budget Ordinances would take place during the latter part of the meeting and that the Final Reading and adoption of the Ordinances are scheduled for the Regular Council Meeting of June 24, 2013.

VIOLATION OF THE DANGEROUS BUILDING ORDINANCE - PROPERTY LOCATED AT 92 ORCHARD AVENUE, OWNED BY JUAN M. CALLAZO (EMERGENCY CASE)

During their Regular Meeting of May 28, 2013, City Council considered this matter and deferred it for two (2) weeks to provide the property owner and city staff the opportunity to resolve the issues.

Mrs. Ann Marie Townshend, Director of Planning, Community Development, and Recreation, advised members that the dangerous building had been demolished by the property owner and that staff would continue to monitor the debris removal.

Mr. Hare moved for acceptance of staff's recommendation (report), seconded by Mr. Dixon and carried by a roll call vote of six (6) yes (Dixon, Lynn, Williams, Hare, Hutchison, and Bonar), one (1) no (Perza), and two (2) absent (Anderson and Slavin).

BOARD OF ASSESSMENT APPEALS EXEMPTION REPORT - MAY 21, 2013

The Board of Assessment Appeals met on May 21, 2013 with Chairman Garfinkel presiding.

EXEMPTIONS

Westfield Maintenance Corporation (Location: 2.65 AC Arbor Dr. and 1.96 AC Arbor Dr.)

Background and Analysis

These parcels fall under State Statute 9 Del. C. §8110 Civic organizations owning parkland.

These properties are exempt from Kent County Tax.

Exemption Request - ED05-067.17-04-67.00 -	$202,000
Exemption Request - ED05-067.17-04-69.00 -	$ 80,000
Total Exemption Request	$282,000

Recommended Action: Recommend that the request for exemption be approved.

Ms. Hagan, Secretary and Ms. Kaza, Treasurer were present for the hearing. Ms. Hagan explained to the board that the Westfield Maintenance Corp. has been in existence for 20 years, has always paid the taxes and maintained the open spaces, which includes two ponds.

The neighborhood consists of only 60 homes, which does not leave a lot of money to maintain the open spaces. Ms. Kaza also reiterated that the neighborhood is well maintained and that the grass cutting expense does put a lot of strain on the organization.

Mr. Burns pointed at a parcel on the GIS map provided and asked if this piece of land also belonged to Westfield Maintenance Corp.

Ms. Hagan and Ms. Kaza explained to the board that that piece of land is conservation land owned by the City of Dover, and therefore is not maintained by the Homeowners Association.

Chairman Garfinkel asked for the City's recommendation, at which time Cheryl Russell, City Assessor told the board that the City's recommendation is to approve the exemption as these parcels fall under Statute 9 De. C. §8110 Civic organizations owning parkland.

Chairman Garfinkel closed the hearing and opened for deliberations.

Mr. Burns was concerned that the HOA was not fully aware about their boundaries.

Ms. Kaza and Ms. Hagan assured that they are aware where their property ends and the City's property start.

Ms. Burns made the motion to approve the request for exemption based on the State Statute, which was seconded by Mr. Welsh. Motion carried 3-0.

By consent agenda, Mr. Hare moved for approval of the Board's recommendation, seconded by Mr. Hutchison and carried by a unanimous roll call vote (Anderson and Slavin absent).

Chairman Garfinkel explained to the applicant, that the City Council was the final decision and that a letter with the date of the Council Hearing would be mailed to them.

Four Seasons Homeowners Association (Location: Open Spaces - Four Seasons)

Background and Analysis

These parcels fall under State Statute 9 Del. C. §8110 Civic organizations owning parkland.

These exemptions are being requested for previous years as well. (2010 - 2012 and future years)

Exemption Request - ED05-067.19-04-46.00 -	$ 12,500
Exemption Request - ED05-067.19-04-44.00 -	$ 6,800
Exemption Request - ED05-067.19-04-47.00 -	$ 3,800
Exemption Request - ED05-067.19-04-45.00 -	$ 36,000
Exemption Request - ED05-067.19-04-48.00 -	$ 4,200
Exemption Request - ED05-067.19-04-53.00 -	$ 1,600
Exemption Request - ED05-067.19-04-54.00 -	$120,100
Total Exemption Request	$185,000

Recommended Action: Recommend that the request for exemption be approved.

Ms. Jenkins, President of the Homeowners Association and Ms. Johnson, Vice President of the Homeowner Association were present for the hearing.

Ms. Jenkins told the board that the Homeowners Association has been in place for one year and asked that the past taxes for the open spaces be waived.

Mr. Burns asked how many buildable lots were still available in the development and how financially viable the association was, because the association is not getting any money from the vacant lots. He also wanted to make sure that the open spaces are not buildable lots.

Ms. Jenkins assured him that the open spaces were not buildable lots and that the Homeowner Association maintains these open spaces.

Chairman Garfinkel asked the Assessor what the City's recommendation was.

The Assessor recommended that the request for exemption be approved as it falls under State Statute 9 Del. C. §8110 Civic organizations owning parkland.

Chairman Garfinkel asked the Assessor if the city also agrees to exempt the requested prior years at which time the Assessor told the board that the City will also exempt prior year's taxes.

Mr. Welsh made the motion to approve the exemption, which was seconded by Mr. Burns. Motion carried 3-0.

Chairman Garfinkel explained to the applicant, that the City Council was the final decision and that a letter with the date of the Council Hearing would be mailed to them.

By consent agenda, Mr. Hare moved for approval of the Board's recommendation, seconded by Mr. Hutchison and carried by a unanimous roll call vote (Anderson and Slavin absent).

The Meadows Homeowners Association (Location: Open Spaces McKee Road)

Background and Analysis
This parcel falls under State Statute 9 Del. C. §8110 Civic organizations owning parkland.

Exemption Request - $126,600

Recommended Action: Recommend that the request for exemption be approved.

Mr. Keitel, Treasurer for the Homeowner Association was present for the hearing.
He told the board that the association has been in place since 1980 and that they maintain the open spaces in the neighborhood. He explained that the association was not aware that the open spaces could be exempt from property tax until recently.

Mr. Burns went over the GIS map provided by the Assessor's Office and pointed at that a piece of land which does not belong to the association, making sure it is not maintained by the homeowners association.

Chairman Garfinkel closed the hearing and opened for deliberations.

Mr. Burns made the motion to accept the request based on State Statue and Assessor's Recommendation. Mr. Welsh seconded the request. Motion carried 3-0.

Chairman Garfinkel explained to the applicant, that the City Council was the final decision and that a letter with the date of the Council Hearing would be mailed to them.

By consent agenda, Mr. Hare moved for approval of the Board's recommendation, seconded by Mr. Hutchison and carried by a unanimous roll call vote (Anderson and Slavin absent).

Wesley College (Location: 34 S State Street - ED05-077.05-04-22.00)

Background and Analysis
This parcel falls under State Statute 9 Del. C. §8105. Property is not exempt from Kent County Taxes as of this date.

Exemption Request - $385,100

Recommended Action: Recommend that the request for exemption be approved.

Ms. Gardel, Administrative Assistant to the VP of Finance and HR represented the college. She explained to the board that the school has the 501 (C) 3 tax exempt status and that the property is home to the College President. She went on to say that the property was not only used as a home but also for Wesley College purposes.

Chairman Garfinkel asked the Assessor what the City's recommendation is, at which time Ms. Russell told the board that the city recommended the application for exemption be approved as the parcel falls under State Statute 9 Del. C. §8105.

Mr. Burns asked Ms. Gardel if the College President has any other offices other than the office located at his residence.

According to Ms. Gardel the president does have another office on North State Street, which is used as his primary office.

Mr. Burns asked why the property had been taxed until now, at which time Ms. Gardel explained that she started working for the college last year and was surprised when she received a tax bill for the properties at which time she looked into filing for the exemption.

Chairman Garfinkel asked the Deputy City Solicitor if the residence would still fall under the state statute if it were only used for residential proposes.

Mr. Pepper explained that even though this was a hypothetical question, that in most cases such residence are used for college functions and that in his opinion the residence of the president seems to be used for educational purposes.

Chairman Garfinkel closed the hearing and opened for deliberations.

Mr. Burns made the motion to accept the application for exemption based on the testimony heard and the State Statute, which was seconded by Mr. Welsh. Motion carried 3-0.

Chairman Garfinkel explained to the applicant, that the City Council was the final decision and that a letter with the date of the Council Hearing would be mailed to them.

By consent agenda, Mr. Hare moved for approval of the Board's recommendation, seconded by Mr. Hutchison and carried by a unanimous roll call vote (Anderson and Slavin absent).

Wesley College (Location: 308 N Queen Street - ED05-067.20-01-77.00)

Background and Analysis
This parcel falls under State Statute 9 Del. C. §8105. Property is not exempt from Kent County Taxes as of this date. This property was previously the Little School.

Exemption Request - $430,900

Recommended Action: Recommend that the request for exemption be reviewed.

Ms. Gardel explained that this property houses the athletic staff for the college, such as football coaches.

Chairman Garfinkel asked what the city's recommendation was, at which time the Assessor told the board that the City recommends approval.

Chairman Garfinkel closed the hearing and opened deliberations.

Mr. Burns made the motion to approve the request for exemption based on State code and the Cities recommendation, which was seconded by Mr. Welsh. Motion carried 3-0.

Chairman Garfinkel explained to the applicant, that the City Council was the final decision and that a letter with the date of the Council Hearing would be mailed to them.

By consent agenda, Mr. Hare moved for approval of the Board's recommendation, seconded by Mr. Hutchison and carried by a unanimous roll call vote (Anderson and Slavin absent).

Wesley College (Location: Land - 308 N Queen Street - ED05-067.20-01-79.00)

Background and Analysis
This parcel falls under State Statute 9 Del. C. §8105. Property is not exempt from Kent County Taxes as of this date. This property was previously the Little School playground area.

Exemption Request - $90,300

Recommended Action: Recommend that the request for exemption be reviewed.

Ms. Gardell told the board that this property used to be a playground which has since been removed and is now used for athletics as it is connected to 308 N. Queen St.

The Assessor's recommendation is for approval of the exemption.

Chairman Garfinkel closed the hearing and opened deliberations.

Mr. Welsh made the motion to approve the petition for exemption. Motion carried 3-0.

Chairman Garfinkel explained to the applicant, that the City Council was the final decision and that a letter with the date of the Council Hearing would be mailed to them.

By consent agenda, Mr. Hare moved for approval of the Board's recommendation, seconded by Mr. Hutchison and carried by a unanimous roll call vote (Anderson and Slavin absent).

Milford Housing Development Corporation (Location: 1361-1383 Walker Road - ED05-067.17-04-47.00 and 1357 Rear Walker Road - ED05-067.18-01-66.01)

Background and Analysis
This parcel falls under State Statute 9 Del. C. §8105. Property is exempt from Kent County Taxes as of April 2013.

EXEMPTION REQUEST

$464,300
$515,900

Recommended Action: Recommend that the request for exemption be approved.

Mr. Huxtable, Vice President was present for the hearing. He explained to the board that the organization has the 501(c) 3 status and provides housing for low income families. Mr. Huxtable provided the board members with a copy of the organizations "Report to the Community". He told the board that his organization provides a variety of housing opportunities and programs. These properties are used strictly as low income rental apartments which fall under the organization's mission, which is to provide affordable housing opportunities. Mr. Huxtable mentioned that his organization is looking into purchasing the property behind the two parcels they are seeking the exemption for and to redevelop the entire parcel.

Mr. Burns asked how many low income rental units the organization owns in the State of Delaware. Mr. Huxtable told the board that they currently own 318 units. He explained that the company started approximately 30 years ago and that they just recently decided to acquire more properties.

Mr. Burns asked if they have received exemption for other municipalities.

Mr. Huxtable explained that they did receive the exemption for the county and other Municipalities for those projects that they own individually.

When asked by Mr. Burns who was responsible for the utility bill, Mr. Huxtable told the Board that the utilities are split between the renter and the company and that this property will be managed by East Coast Management Company. He explained that once they acquire the other part, one of the apartments will be used as an office for the management company.

Mr. Burns asked if the management company was a "for profit" company.

Mr. Huxtable told him that they are a "for profit" company and are owned by Milford Housing Corp. He referred to the back cover of the "Report to the Community".

Chairman Garfinkel pointed to three organizations listed on the back of the report and asked Mr. Huxtable who these companies were and what their connection to the Milford Housing Corp. was.

Mr. Huxtable explained that all three companies are owned by the Milford Housing Corp.

Mr. Burns expressed his concern regarding those companies owned by the Milford Housing Corp. which are not tax exempt and do make a profit. In his opinion this organization is different from the other nonprofit organizations that have come before the board seeking exemption.

Chairman Garfinkel asked if Milford Housing Corp. buys these projects like the one they are requesting the exemption for and then gives the jobs out to these other companies.

Mr. Huxtable assured the board that the Milford Housing Corp. does most of the work itself.

Mr. Burns asked the Assessor what her thoughts were, she referred the question to Deputy City Solicitor Pepper, who also expressed his concern regarding the other companies owned by Milford Housing Corp., but believes based on the low rents the exemption should probably be granted.

Mr. Welsh asked about the rent that will be charged on the units they are in the process of purchasing.

Mr. Huxtable assured that the rental units will be for low income families as well and that there will be units that are also handicap accessible.

Chairman Garfinkel closed the hearing and opened for deliberations.

Mr. Burns states that while the organizations mission is clear, he believes that the ownership of the other three companies does raise some concern, but because of the recommendation of Legal Counsel, he was leaning to approve the application for exemption.

Chairman Garfinkel also expressed his concern regarding the three companies owned by Milford Housing Corp., because these companies are owned by Milford Housing Corp. and do make a profit.

Mr. Welsh made the motion to accept the request for exemption based on the fact that the company has the 501(C) 3 Status and has been tax exempt by other municipalities. Mr. Burns seconded the motion, with the condition that the exemption will be given for one year only, which would make the organization have to reapply for the exemption again next year. Motion carried 2-1.

Chairman Garfinkel explained to the applicant, that the City Council was the final decision and that a letter with the date of the Council Hearing would be mailed to them.

By consent agenda, Mr. Hare moved for approval of the Board's recommendation, seconded by Mr. Hutchison and carried by a unanimous roll call vote (Anderson and Slavin absent).

Central Delaware Habitat for Humanity (Location: 4 Bennington Street - ED05-076.02-01.00)

Background and Analysis
An exemption request was submitted to the Assessor's Office. This property is being renovated for a low-income family to provide an affordable mortgage. Once this property is complete and the ownership is transferred, the property will be added back to the tax rolls. (As a supplemental billing)

Exemption Request - $167,100

Recommended Action: Recommend that the request for exemption be approved.

Ms. McBride, Executive Director was present for the hearing. She explained that the organization is a nonprofit organization that provides affordable housing for low income families. Central Delaware Habitat for Humanity has housed 16 residences in the last 23 years within the City of Dover, according to Ms. McBride. The organization purchased the home in February and will sell the property to the new owner in July/August at which time the property will go back on the City of Dover tax roll.

Mr. Burns asked what the purchase price was and what the selling price will be.

Ms. McBride explained that the home was purchased under the Neighborhood Stabilization Program in partnership with the City of Dover for approximately $87,000. The organization had approximately $150,000 in funds to purchase and renovate the home. The selling price will be based on upgrades and affordability of the home owner. She also told the board that the first floor has been renovated for wheelchair accessibility, as the new homeowner is disabled.

According to the City Assessor, the home will only be exempt for 3 months, if it sells in August as stated by Ms. McBride, because the city tax bills go out July 1.

Chairman Garfinkel closed the hearing and opened for deliberations.

Mr. Burns made the motion to accept the City's recommendation to approve the exemption. Mr. Welsh seconded the motion. Motion carried 3-0.

Chairman Garfinkel explained to the applicant, that the City Council was the final decision and that a letter with the date of the Council Hearing would be mailed to them.

By consent agenda, Mr. Hare moved for approval of the Board's recommendation, seconded by Mr. Hutchison and carried by a unanimous roll call vote (Anderson and Slavin absent).

Bible Church of God Inc. (Location: 1202-1204 White Oak Road - ED05-068.14-03-55.00)

Background and Analysis
An appeal form was submitted to the Assessor's Office. No additional paperwork has been submitted to the Assessor's Office, other than the Deed to prove property ownership. We are unaware of the activities at this location. Per our database, there is an active license for "Churches Public Occupancy".

Kent County records indicate that this property is Exempt from Kent County Taxes.

There is also a vacant parcel of land located behind this property. Kent County also has this small parcel exempt from Kent County Taxes. It is not mentioned in the exemption request, but it should be mentioned at this time, in case it was an oversight by the appellant. Paperwork not provided at this time, but can be discussed if Board of Assessment Appeals so desires.

Exemption Request - $192,300

Recommended Action: Recommend that the request for exemption be approved.

The appellant did not show for their scheduled hearing,

Chairman Garfinkel made the motion to dismiss the petition due to failure of appearance by the petitioner, which was seconded by Mr. Burns. Motion carried 3-0.

Ms. Cheryl Russell, Tax Assessor, advised members that the Board of Assessment Appeals denied the request for exemption because the applicant failed to appear at the hearing to answer questions regarding the activity at this property. She stated that the applicant was notified of their hearing through certified mail, regular mail, and a phone call.

Council President Bonar declared the Appeal Hearing open. With no one present wishing to speak, the Appeal Hearing was closed.

Mr. Perza moved to uphold the Board's recommendation that the request for exemption be denied for failure to appear, seconded by Mr. Hare and carried by a unanimous roll call vote (Anderson and Slavin absent).

Dover Interfaith Mission for Housing (Location: 1155 Walker Road - ED05-067.18-01-79.00)

Background and Analysis
This parcel falls under State Statute 9 Del. C. §8105.

Exemption Request - $645,100

Recommended Action: Recommend that the request for partial exemption be approved.

Attorney John Terence Jaywork, Member of the board and Mr. Herb Konowitz, Vice Chair, were present for the hearing.

Mr. Jaywork went over the papers filed with the exempt application. He told the board that the organization is a nonprofit charitable corporation and has the 501(c) 3 status. He explained that this property will be used for living quarters and will allow for two to three men to stay in one room. According to Mr. Jaywork, these are men who are coming off the streets and are trying to get back into the workforce.

Mr. Konovitz told the board that this project is not considered short term like some of the other projects the organization has, this project is considered long term where the men may stay up to three years. The men that will be living in these quarters will have to pay a modest rent, which will be used for food and upkeep of the property.

The organization did not have the cash to purchase the property, which has just recently been subdivided; they rely on grants from banks and organizations.

Mr. Burns wanted to make sure that the building is not generating any income at the moment.

Mr. Konovitz assured the board that the building is presently empty and is not generating any income. He told them that permits will be applied for as soon as the site-plan has been approved, which should be any day now.

Mr. Burns made motion based on the City's recommendation to accept the petition, which was seconded by Mr. Welsh. Motion carried 3-0.

By consent agenda, Mr. Hare moved for approval of the Board's recommendation, seconded by Mr. Hutchison and carried by a unanimous roll call vote (Anderson and Slavin absent).

Dover Interfaith Mission for Housing (Location: 523 Ross Street - ED05-067.16-01-32.00)

Background and Analysis
This parcel falls under State Statute 9 Del. C. §8105.

Exemption Request - $140,300

Recommended Action: Recommend that the request for exemption be approved.

Attorney John Terence Jaywork, Member of the board and Mr. Herb Konowitz, Vice Chair, were present for the hearing.

Mr. Jaywork explained that this property has been converted to accommodate 5 unrelated men and that they may live there for as long as they want or need to, they too have to pay rent which will then be used for food and upkeep of the property.

Permits are in process to be submitted and work will begin as soon as possible.

Mr. Welsh made the motion to accept the City's recommendation which was seconded by Mr. Burns. Motion carried 3-0.

Chairman Garfinkel explained to the applicant, that the City Council was the final decision and that a letter with the date of the Council Hearing would be mailed to them.

By consent agenda, Mr. Hare moved for approval of the Board's recommendation, seconded by Mr. Hutchison and carried by a unanimous roll call vote (Anderson and Slavin absent).

Mr. Hare moved for acceptance of the Board of Assessment Appeals Report, seconded by Mr. Hutchison and carried by a unanimous roll call vote (Anderson and Slavin absent).

LEGISLATIVE, FINANCE, AND ADMINISTRATION COMMITTEE REPORT - MAY 28, 2013

The Legislative, Finance, and Administration Committee met on May 28, 2013 with Chairman Lynn presiding.

Downtown Dover Business Improvement District (BID) Budget and Assessment (Tax) Rates for Fiscal Year 2013-2014

In accordance with Appendix D, Article III, Section 9(f) of the Dover Code, City Council must adopted a Business Improvement District (BID) budget and assessment every year. Ms. Cheryl Russell, City Assessor, provided members the FY 2013-2014 proposed budget ordinance showing BID tax revenue and expenses, as well as the following tax calculation worksheet with recommended rates:

JULY 1, 2013 TO JUNE 30, 2014

	ZONE 1	ZONE 2	ZONE 3	TOTAL
Aggregate Assessments	$38,558,700	$58,290,700	$32,830,900	$129,680,300
Assessment Tax Rate Per $100 Assessment	0.0634	0.0349	0.0156	---
Revenue Raised	$24,400	$20,300	$5,100	$49,800
% Revenue Raised	49%	41%	10%	100%
Number of Parcels	113	105	42	260
Average Assessment	$216	$193	$121	$531

Ms. Russell noted that the revenue percentages by zone had been calculated in accordance with Section 9(e) of Appendix D, Article III of the Dover Code and that the amounts were estimated per the 2010 reassessed values.

Staff recommended approval of the Downtown Dover Business Improvement District (BID) Budget and Assessment (Tax) Rates for FY 2013-2014 and adoption of the proposed budget ordinance.

Responding to Mr. Slavin, Mrs. Donna Mitchell, Controller/Treasurer, explained that the Dover Code requires the Downtown Dover Business Improvement District (BID) Budget and Assessment (Tax) Rates to be approved by City Council on or before the second meeting in June. She recommended that staff conduct further research to determine why it was initially established this way prior to any consideration of amending the ordinance to allow adopting the BID budget and assessment at the same time as the City's budget. She estimated that a one percent (1%) increase in BID tax of the total assessed values would equate to approximately $12,900.

Mr. Bonar stated that increasing the BID tax for downtown merchants would allow the Downtown Dover Partnership (DDP) to become more self-sustaining and provide them a better funding mechanism.

Mr. Slavin expressed his resistance to the BID tax, explaining his feeling that it was contradictory to indicate that the City was providing an incentive to businesses in the downtown area by assessing them an additional tax. It was his feeling that there were other means the City could consider to fund the DDP instead of taxing the businesses in that district. Mr. Hare stated his concurrence.

The Committee recommended approval of staff's recommendation to approve the Downtown Dover Business Improvement District (BID) - Assessment (Tax) Rate for FY 2013-2014 and approval of the proposed budget.

By consent agenda, Mr. Hare moved for approval of the Committee's recommendation, seconded by Mr. Hutchison and carried by a unanimous roll call vote (Anderson and Slavin absent).

Downtown Dover Partnership (DDP) Loan Guarantee Extension

Mrs. Donna Mitchell, Controller/Treasurer, provided information regarding the Downtown Dover Partnership's (DDP) recent negotiations for new terms for their PNC Loan. She reminded members that the original loan provided for interest only payments with a balloon payment due in July 2013, as presented to members during their meeting on April 14, 2008.

Mr. Lou Colón, Executive Director, Downtown Dover Partnership, advised members that the loan guarantee extension was for the former Acme property located on South Governors Avenue. He stated that the extension would be a one (1) year extension of interest only and would reduce the current debt service payments to approximately $39,000 and the interest rate from approximately 5% to a little over 3%.

Mr. Shevock noted that the City was guaranteeing the interest on the loan this year and that the balloon payment would be due next year. He questioned what the City's liability would be next year since the interest was guaranteed only for the current year. Responding, Mr. Colón stated that it was

the intent of the DDP to have the building sold within the year. He indicated that the building would be marketed for redevelopment and the loan would then be paid in full.

Mrs. Mitchell referred to the details provided to members regarding the new terms, as follows: 1) the Bank has approved an extension of one (1) year on their $1,300,000 loan at interest only until July 1, 2014; 2) the new rate will be floating at the London Interbank Offered Rate (LIBOR) + 2.50% (currently 2.71%); and 3) the rate was a fixed rate at 5.16% - that would show a reduction in annual interest expense from approximately $67,080 to $35,230 or around $31,850 per year, assuming LIBOR remains the same [LIBOR is a floating Rate index, but has not moved materially for several years; however, there are no guarantees as to what LIBOR might be day to day.] It was noted that the Bank will not extend at interest only again past July 1, 2014 and that the DDP will be requested to develop a specific plan by that date as to how they plan to handle the obligation.

In response to Mr. Hare, Mr. Colón advised members that if the property were not sold within the year, the DDP had funds budgeted to cover some debt service. In regard to the balloon payment, he felt confident that this could be negotiated with the bank; however, he could not guarantee that would be the case. He confirmed that if the building were not sold and they were unable to negotiate with the bank, the City's guarantee would pay the $1.8M. Elaborating, Mrs. Mitchell explained her understanding that the bank had indicated that if the building were not sold as of July 1, 2014, the bank would then want interest and principle, noting that the DDP was only paying interest. She indicated the possibility that enough rent monies would be collected to cover the interest and principle payments, explaining that this would depend on the interest rate locked in and the amount of rent monies collected at that time.

Responding to Mr. Hutchison regarding the vendor who would administer EZ-Pass, Mr. Colón stated that the DDP had first been advised that this would be decided by April 15, 2013, and subsequently this date was changed to May 15, 2013. He stated that the DDP would be meeting with DelDOT on Thursday, May 30, 2013 and that although a selection had been made, it had not been made public.

Staff recommended granting the extension of the Downtown Dover Partnership (DDP) loan guarantee for a period of one (1) year effective July 1, 2013 on the loan between PNC Bank and the Downtown Dover Partnership.

The Committee recommended approval of staff's recommendation.

By consent agenda, Mr. Hare moved for approval of the Committee's recommendation, seconded by Mr. Hutchison and carried by a unanimous roll call vote (Anderson and Slavin absent).

Delaware Solid Waste Authority (DSWA) Municipal Discount Disposal Fee Agreement

Mrs. Donna Mitchell, Controller/Treasurer reminded members that the City of Dover uses the Delaware Solid Waste Authority (DSWA) facility located in Sandtown for the disposal of municipal solid waste, as well as dry waste generated within the City's service territory. The City's current Municipal Discount Disposal Fee Agreement expires on June 30, 2013. She advised members that the DSWA has proposed a new agreement and fee schedule as follows:

Period	Base Rate	Rebate/Discount	Effective Rate
July 1, 2013 – June 30, 2014	$ 85.50/Ton	$ 8.00/Ton	$ 77.50/Ton
July 1, 2014 – June 30, 2015	$ 87.00/Ton	$ 8.00/Ton	$ 79.00/Ton
July 1, 2015 – June 30, 2016	$ 88.50/Ton	$ 8.00/Ton	$ 80.50/Ton

Mrs. Mitchell indicated that the tonnage for FY-2014 to be delivered to the Sandtown facility is estimated at 12,500 tons, which would equate to an estimated cost of $968,000. Staff recommended that the $8.00 per ton discount be taken on the monthly bill rather than participating in the rebate program. She stated that the total estimated expenditure for solid waste disposal, including recycling, in FY-2014 is $1,315,300.

Staff recommended that the City Manager be authorized to sign the DSWA Municipal Discount Disposal Fee Agreement.

Responding to Mr. Shevock, Mrs. Mitchell stated that it was her recollection that the discount and rebate provide the same amount of savings; however, the City would not receive the rebate for a year. Staff had elected to take the discount in previous years since it reflected current costs and fiscal year expenses.

The Committee recommended approval of staff's recommendation to authorize the City Manager to sign the Delaware Solid Waste Authority (DSWA) Municipal Discount Disposal Fee Agreement.

By consent agenda, Mr. Hare moved for approval of the Committee's recommendation, seconded by Mr. Hutchison and carried by a unanimous roll call vote (Anderson and Slavin absent).

Disposal of Excess Property - 70 Mifflin Road, 299 College Road, and 29 North Kirkwood Street - Offer from Habitat for Humanity

Members considered a request from Habitat for Humanity for the purchase of City-owned property, as follows: 70 Mifflin Road for $10,000, 299 College Road for $8,000, and 29 North Kirkwood Street for $5,000. Mrs. Ann Marie Townshend, Director of Planning, Community Development, and Recreation, reminded members that the City acquired the properties at a monition sale due to liens for demolition expenses. She assured members that these were excess properties as the City had no use for the property and would be better served by these properties being redeveloped and restored as taxable properties.

Mrs. Townshend advised members that in accordance with Section 5 - Exceptions to Standard Method of Disposition, Exception D, of the procedure for Sale and Disposition of Real Property, if, in the opinion of the Dover City Council, the donation of a parcel of excess land to a non-profit organization would be in the best interest of the City of Dover, Council then reserves unto itself the right to make such a donation. In this case, she noted that the Habitat for Humanity had submitted an offer to purchase the subject properties. She assured members that the sale of these properties to Habitat for Humanity would be consistent with the goals of the City of Dover 2008 Comprehensive Plan and the City of Dover 2010-2014 Consolidated Plan to foster home ownership for low and moderate income households. This would also support the City's goal and mandate to affirmatively further fair housing by allowing for location choices for low and moderate income households.

Mrs. Townshend explained that if the City were to accept the offers from Habitat for Humanity, it would be necessary for the City to write off a portion of the City's costs for demolition and the other charges. Members were provided a summary of the write-offs, based on the offers from Habitat for Humanity and the lien value, as follows:

Address	Offer Price	Lien Amount	Write-Off Amount	City's Assessed Land Value
70 Mifflin Road	$10,000	$12,175.68	$ 2,175.68	$67,400
29 N. Kirkwood Street	$ 5,000	$16,511.12	$11,511.12	$24,200
299 College Road	$ 8,000	$17,870.26	$ 9,870.26	$51,700

Mrs. Townshend advised members that if the "Standard Method of Disposition" were followed, the City could potentially recover all of its costs or make money on the sale over and above the lien values; however, that would be subject to the marketability of the properties. She noted that when the City acquired the properties at the monition sale, the City was not outbid by other bidders. In addition, she explained that by selling to Habitat for Humanity, the City would be assured that the lots would be developed and occupied by homeowners, and reminded members that homeownership is important in creating strong communities.

Mrs. Townshend advised members that the City Manager's Office had received two (2) other letters from persons interested in purchasing 299 College Road; however, the interested parties were not non-profit organizations and would not be eligible for the Exception D to the "Standard Method of Disposition."

Staff recommended that it be determined that the properties are excess properties and that the City Manager be authorized to negotiate sale prices with Habitat for Humanity that minimize the write-off amount.

In response to Mr. Lynn, Mrs. Townshend stated that the Sale and Disposition of Real Property is a procedure and is not codified and that the term "donate" is not defined in the procedure. Mr. Lynn explained his concern that in the absence of a statutory definition, the reasonable meaning would be applied, and in his opinion "donate" would mean no consideration of monies. As such, he stated his hesitation in approving the request based on Exception D of the procedure for Sale and Disposition of Real Property, although he understood the intent of staff's recommendation in this regard.

Mr. Hare indicated that, in his experience, it was not uncommon for Habitat for Humanity to make an offer for properties, explaining that not all properties are donated and individuals who purchase properties from Habitat for Humanity pay a mortgage. He indicated that he would support staff's recommendation in regard to 70 Mifflin Road and 29 North Kirkwood Street; however, he felt that the City should explore the other interests in the property located at 299 College Road.

Regarding the concerns relayed by Mr. Lynn, Mrs. Townshend stated that although there is no clear answer for the definition of "donate" as it related to this procedure, there had been precedence for this type of scenario occurring in the past. She reminded members of the infamous "cat house" (101 Jefferson Court) in which the City invested approximately $75,000 and then sold the property for approximately half that amount to Habit for Humanity. She noted that this was accomplished utilizing Exception D of the procedure for Sale and Disposition of Real Property.

Mr. Roy Sudler, 353 Rita Wilma Road, questioned what the estimated sales price would be for the property located at 299 College Road for a private investor. Responding, Mrs. Townshend stated that although the City did not have an appraised value for the property, the assessed value was $51,700. If the City were to use the standard method of disposal for the property, she anticipated that bids would be solicited for its purchase.

The Committee recommended that it be determined that 70 Mifflin Road, 299 College Road, and 29 North Kirkwood Street are excess properties and that the City Manager be authorized to negotiate sale prices with Habitat for Humanity that minimize the write-off amount for the properties located at 70 Mifflin Road and 29 North Kirkwood Street and that the Standard Method of Disposition of Excess Property (with the possibility of a bid process) be utilized for the property located at 299 College Road.

By consent agenda, Mr. Hare moved for approval of the Committee's recommendation, seconded by Mr. Hutchison and carried by a unanimous roll call vote (Anderson and Slavin absent).

Proposed Amendments to Chapter 58 - Human Relations Commission

Members were reminded that in March 2001, two (2) incidents occurred which caused racial tension and divisiveness within the City of Dover, as follows: 1) the shooting of a police officer in the Capital Green area; and 2) the death of Mr. Reginald Hannah. As a result, then Mayor Hutchison requested an Emergency Council Meeting to discuss the conflicting issues involving the community, which was held on March 25, 2001. Subsequently, the Delaware Human Relations Commission held a series of Dover Community Meetings throughout the year to begin a dialogue and develop objectives to restore and rebuild the community, together with all citizens of Dover. Those that attended these meetings worked to develop and prioritize a list of issues as well as strategies and objectives to resolve those issues. During those Community Meetings, it was suggested that a local Human Relations Commission be established. As a result, during their Regular Meeting of February 22, 2002, Dover City Council adopted an ordinance establishing the City of Dover Human Relations Commission (DHRC).

Mr. Hutchison advised members of his concerns regarding the Dover Human Relations Commission. He noted that although the Commission was established to restore and rebuild the community, during the past several years, the Commission had experienced low meeting attendance (by both members and citizens), and that the Mayor and Council have received resignations from numerous members. As a result, the Commission has experienced difficulty in obtaining the required quorum of members to convene meetings and conduct official business. In addition, Mr. Hutchison indicated that there had been a lack of communication between the Commission and Council, as well as between the Commission and members of City staff. The Commission had repeatedly jeopardized the City's compliance with the Freedom of Information Act (FOIA) through its disregard of requests to provide detailed meeting minutes.

Mr. Hutchison recommended that the Committee examine the role and performance of the Dover Human Relations Commission to determine the following: 1) if the Commission is fulfilling its purpose; 2) if there is evidence of a continued necessity for the Commission, or if it is a duplication of services provided by other agencies, committees, etc. within the City and/or State of Delaware; 3) the possibility of amending Sec. 58-33 (c) - Meetings, of the Dover Code to limit the Commission

to meeting on an as needed basis, in the same manner as many other City committees, commissions and boards, including the Construction Code Appeals Committee, Election Board, Ethics Commission, and Property Maintenance Code Board of Appeals; 4) the possibility of amending Sec. 58-32 (b) - Composition; appointment, of the Dover Code to reduce the membership of the Commission from fifteen (15) to seven (7), which would maintain the threshold originally proposed during the Dover Community Meeting of December 4, 2001; and 5) direct staff to prepare a Proposed Ordinance reflecting the recommendation of the Committee for a First Reading at City Council during the Regular Meeting of June 10, 2013 and Final Reading on June 24, 2013.

Concurring with the concerns of Mr. Hutchison, Mr. Hare also felt that 15 members was too many and stated his understanding that the State Human Relations Commission only meets when a complaint has been filed. He felt that this was the intent of Council when establishing the Dover Human Relations Commission.

Mr. Dixon suggested that training be provided for members of the Commission, as well as the City at-large, by the State Human Relations Commission. He explained that training would provide guidelines for members and give them information on their mission and what could be done to help the City.

Mr. Bonar also agreed that 15 members was too large a body and that if the City chose to continue to have such a commission, its members should be provided a set standard of guidelines so that they have a clear understanding of their duties and responsibilities. As mentioned by Mr. Hare, it was his understanding that holding meetings on a regular basis had sometimes caused members to "go on fishing expeditions" to conjure up issues, which he felt did not serve the City or its citizens. He suggested that members examine the structure and the contents of rules and regulations for the operation of the Commission.

In response to Mr. Slavin, Mr. Hutchison concurred that Recommendation #5, directing staff to prepare a Proposed Ordinance reflecting the recommendation of the Committee for a First Reading at City Council during the Regular Meeting of June 10, 2013 and Final Reading on June 24, 2013, should be delayed until the completion of Recommendations #1-4.

Mr. Roy Sudler, Jr., Chairman of the DHRC, agreed that 15 members may be too many, explaining that it was challenging at times to obtain a quorum at meetings. It was his belief that the State Human Relations Commission had a significant role in the establishment of the by-laws and procedures established for the DHRC. He felt that the State Human Relations Commission could assist the City in providing guidance in functioning more effectively. Mr. Sudler reminded members that he was recently requested to conduct a self-review of the DHRC, which was considered by Council on January 23, 2012. He noted that #7 of that report indicated the need for the DHRC and the City to work together to develop an improved and long-range strategy plan and an annual operational plan for the Commission, which would greatly enhance the Commission and City's ability to monitor, measure, and evaluate the effectiveness of the City and the Commission in meeting its five (5) standard needs. Referring to the five (5) standard needs, he suggested that members consider what had been accomplished since 2010 and review the 2012 Annual Report of the Commission. He felt that members would then be able to make a more educated decision in regard to a plan of action. In conclusion, Mr. Sudler provided a Demand for Hearing, Written Complaint and Memorandum of Record, which was submitted to the DHRC by EShed Alston, expressing his opinion that the DHRC Chairman, Roy Sudler, Jr., should be removed from office.

Ms. Linda Hackett, 1117 Charles Drive, advised members that she serves on the DHRC and indicated her desire to meet with City officials to discuss tasks that should be focused on together. She supported the Commission and indicated that there was a lot of work necessary to address many concerns throughout the City. She relayed her interest in the youth in the City and felt that the Commission should be a viable part of the community and that great things could be accomplished if the City and the Commission worked more closely together. It was her hope that members would be provided an objective and that everyone be made aware of what is expected of both the Commission and the City.

Mr. Shevock moved to recommend that this matter be referred to staff to formulate a recommendation for the Committee's consideration and that a date be established for the First Reading of the related proposed ordinance, seconded by Mr. Hare.

Mr. Slavin relayed his opposition, explaining that what had been recommended was for the Committee to conduct the examination and then the matter would be referred to staff for the drafting of an ordinance. He explained that referring it directly to staff would place them in a difficult position and felt that it would be disingenuous for members to indicate a desire to have discussions of the issues and without holding such discussion. Mr. Slavin suggested that a Special Legislative, Finance, and Administration Committee meeting be scheduled specifically to discuss this issue and noted that there may be a need to have more than one (1) meeting.

Mr. Shevock withdrew his motion, as did the seconder.

The Committee recommended that the Chair of the Legislative, Finance, and Administration Committee schedule a Special meeting for the purposes of discussing Recommendation Items #1-5 included in the Committee Action Form pertaining to the Dover Human Relations Commission.

Mr. Lynn stated that he would schedule a Special Committee Meeting following Council's approval of the Committee's recommendation.

By consent agenda, Mr. Hare moved for approval of the Committee's recommendation, seconded by Mr. Hutchison and carried by a unanimous roll call vote (Anderson and Slavin absent).

By consent agenda, Mr. Hare moved for acceptance of the Legislative, Finance, and Administration Committee Report, seconded by Mr. Hutchison and carried by a unanimous roll call vote (Anderson and Slavin absent).

SAFETY ADVISORY AND TRANSPORTATION COMMITTEE REPORT - MAY 29, 2013

The Safety Advisory and Transportation Committee met on May 29, 2013 with Chairman Hutchison presiding.

Planned Neighborhood Design: Senior Citizen Housing Option - Luther Village III

Mrs. Dawn-Melson Williams, Principal Planner, advised members that a Conditional Use Site Plan application was received for property located east of John Hunn Brown Road and on the west side of Babb Drive, owned by Martin Luther Foundation of Dover, which proposed the development of Luther Village Planned Neighborhood Design - Senior Citizen Housing Option consisting of 524 age-restricted apartment units in a total of nine (9) phases. It was previously established by

application C-02-02, and Luther Village Phases I and II (total of 100 apartment units) have been constructed (Applications S-03-07 and S-07-10). The project also includes the Site Plan for Luther Village Phase III, which consists of the construction of a four (4) story apartment building with 48 units (age-restricted), the construction of a one (1) story 3,566 S.F. resident activity room, and associated site improvements. The plan also includes a Minor Subdivision to create a parcel of land for Phase III from the existing 29.8 acre$^{+/-}$ parcel owned by the Martin Luther Foundation of Dover (Phases I and II already exist on individual parcels).

At their May 20, 2013 meeting, the Planning Commission conducted a public hearing and took action to grant conditional approval for the overall Luther Village Planned Neighborhood Design - Senior Citizen Housing Option and the Site Plan for Phase III. The Planning Commission also made recommendations for approval of the waiver requests for the subdivision waiver of the requirement for lot frontage on a public street and for elimination of the rear emergency access requirement.

Request for Waiver of Appendix A - Subdivisions, Article VI - Subdivision General Requirements and Design Standards, Section E - Lots (5) Requirement for Lot Frontage on a Public Street

Mrs. Dawn-Melson Williams, Principal Planner, reviewed a Petition to Waive Subdivision Standards for Luther Village Planned Neighborhood Design - Senior Housing Option - Luther Village III (C-13-03). She explained that a Minor Subdivision Plan is associated with this project that proposes to subdivide a 2.85 acre parcel from the 29.8 acres of the overall Luther Village remaining parcel. This subdivision includes the Phase III apartment building and the immediately surrounding area. The proposed parcel for Luther Village Phase III is within the larger tract of land and therefore will not have frontage on a public street. She noted that the waiver would allow the subdivision of the parcel to create a parcel for Phase III without public street frontage but with access to the public street as established by an easement across the adjacent property (Lands of Martin Luther Foundation of Dover).

Staff recommended approval of the waiver to allow for creation of a parcel without street frontage, noting that the main parcel of the complex, including the entrance, maintains frontage along a public street. The creation of this parcel focused on Phase III is necessary to comply with funding and/or ownership requirements for the project. Similar waivers were approved for Phase I and Phase II.

The Planning Commission recommended approval of the subdivision waiver of the requirement of lot frontage on public street for the Minor Subdivision Plan associated with C-13-03.

The Committee recommended approval of the subdivision waiver of the requirement of lot frontage on a public street for the Luther Village Planned Neighborhood Design - Senior Citizen Housing Option - Luther Village III, as recommended by the Planning Commission.

By consent agenda, Mr. Hare moved for approval of the Committee's recommendation, seconded by Mr. Hutchison and carried by a unanimous roll call vote (Anderson and Slavin absent).

Request for Waiver of Appendix B - Zoning, Article 5 - Supplementary Regulations, Section 17 - Emergency Access Requirements

Mrs. Dawn Melson-Williams, Principal Planner, reviewed a Petition to Waive Emergency Access Requirements for Luther Village Planned Neighborhood Design - Senior Housing Option - Luther Village III (C-13-03). She advised members that the Zoning Ordinance requires a 24-foot primary fire lane to provide emergency access to the rear of the four (4) story apartment buildings (Article 5 §17.5(a)). The applicant is requesting a waiver for the elimination of this requirement. The building has fire protection requirements under the Fire Codes including the following: a required the building to be sprinklered, a requirement for a primary fire lane for the primary entrance and exit side of the building, and fire lane coverage required for 35% of the building.

Staff recommended approval of the waiver request to eliminate the emergency rear access for apartment units, finding that the building would be sprinklered and would include other required fire lane coverage.

The Planning Commission recommended approval of the waiver to eliminate the Emergency Rear Access Requirement for the apartment buildings.

Mr. Davis expressed his concern regarding waiving the requirement for a 24-foot primary lane for rear access for the Fire Department, noting that the Fire Marshal had reviewed the plan and included comments but did not make a recommendation.

Mrs. Melson-Williams explained that this requirement was part of the Zoning Ordinance relating to emergency access provisions that list requirements for certain types of housing units and requirements for apartment buildings depend on the number of stories. She stated that the plan meets all Fire Code requirements and that the Fire Code includes provisions for a means of egress from the building.

Mr. Davis stated that his concern was the age of the proposed inhabitants, noting that egress from the building would not be as quick as if it were a standard apartment building with multi-age groups. He was concerned that fire trucks would not have access if there were a fire at the rear of the building.

Mr. Hutchison stated his belief that the required sprinkler system would reduce risk.

Mrs. Ann Marie Townshend, Director of Planning and Community Development, reminded members that the project would receive federal funding; therefore, federal requirements for housing inspections must be met in addition to City requirements. The City is required to comply with State fire prevention regulations, which are developed by the State Fire Commission, and National Fire Protection Association (NFPA) 2012 standards, which are developed by technical experts. She advised members that the Zoning Ordinance provisions were another level of requirements and that staff had had some discussions questioning whether these City requirements were needed. She confirmed that all Fire Code requirements for the project had been met.

Mr. Hutchison stated that he was more than satisfied with the project based upon the recommendations of staff and the Planning Commission.

The Committee recommended approval of the waiver to eliminate the emergency rear access requirement for the Luther Village Planned Neighborhood Design - Senior Citizen Housing Option - Luther Village III, as recommended by the Planning Commission.

By consent agenda, Mr. Hare moved for approval of the Committee's recommendation, seconded by Mr. Hutchison and carried by a unanimous roll call vote (Anderson and Slavin absent).

UPDATES

Dover High School Pedestrian Study

Mrs. Ann Marie Townshend, Director of Planning and Community Development, reminded members that the Delaware Department of Transportation (DelDOT) had approved a HAWK System pedestrian-activated signal for the intersection of Route 8 and Heatherfield Way. She noted that the gaps in the sidewalk on the north side of Route 8 must be addressed in order to utilize the signal and there was an additional gap on the south side. She stated that staff had worked with DelDOT, Senator Bushweller, and the State Budget Office to have funding allocated to install sidewalks on the north side of Route 8. Mrs. Townshend noted her concern that this project had been included in DelDOT's budget for the next fiscal year and she was anxious to expedite it. She indicated that she was notified that this project would be completed by DelDOT in-house rather than being contracted out, and DelDOT's Traffic Solutions Branch was performing sidewalk design work and would manage construction. She noted that DelDOT was aware of time constraints and the priority of the project. Mrs. Townshend explained that, in a conversation with the State Budget Director, she was able to use information provided by the Capital School District indicating that the minimum cost to bus students who live just north of Route 8 would be more than $75,000 per year; therefore, an investment of $0.5M in sidewalk installation would pay for itself relatively quickly. She stated that obtaining public involvement would be necessary for both the sidewalk and the traffic signal projects, and this would probably occur in the Fall of 2013.

In response to Mr. Hutchison, Mrs. Townshend stated that she would have an opportunity to see a HAWK signal in operation in Newark next month as she had a meeting scheduled in that area in June.

Responding to Mr. Dixon, Mrs. Townshend explained that public involvement would probably include holding a public workshop and providing public notice to property owners in the area to make them aware of the project and allow them to express concerns. She stated that she would keep members apprised regarding this matter.

Mr. Keller noted that he would prefer to see a traditional traffic signal at the location and encouraged the City to keep this issue "in the crosshairs." Responding, Mrs. Townshend explained that the legislators had expressed the same concern. She noted that once the signal design and the infrastructure in the road were complete, it would be easy to change to a conventional signal and that staff would continue to advocate for this.

Report from Bicycle and Pedestrian Subcommittee

Mrs. Ann Marie Townshend, Director of Planning and Community Development, advised members that the Bicycle and Pedestrian Subcommittee had continued to meet for several months and was working on completion of a City application to the American League of Cyclists in July for a

Bike-Friendly Community designation, noting that this application would be due in July. She indicated that the Subcommittee hoped to receive at least honorable mention, noting that Newark and Lewes received honorable mention when they first applied, received ideas for improvement, and reapplied before receiving the bike-friendly designation. Mrs. Townshend informed members that the Subcommittee had also planned a Bike to Work Day in conjunction with the Delaware Department of Transportation (DelDOT). City employees were invited to participate and Mrs. Townshend stated that she was pleased with the turnout for this first-time event, noting that approximately 35 people participated including more than seven (7) City employees. She hoped to build on this next year by involving the Department of Natural Resources and Environmental Control (DNREC).

Mr. Hutchison stated the importance of promoting bicycle safety.

In response to Mr. Keller, Mrs. Townshend explained that a Bike-Friendly Community designation would be helpful in promoting the City and attracting others to the community. She noted that the State had begun work on the first phase of the Capital City Trail near Family Court and that projects like this would make the City more bicycle friendly.

By consent agenda, Mr. Hare moved for acceptance of the Safety Advisory and Transportation Committee Report, seconded by Mr. Hutchison and carried by a unanimous roll call vote (Anderson and Slavin absent).

MONTHLY REPORTS - APRIL 2013

By motion of Mr. Hare, seconded by Mr. Hutchison, the following monthly reports were accepted by consent agenda:

Budget
Chief of Police *(March and April)*
City Assessor
City Manager
City Planner
Economic Development Office

QUARTERLY REVIEW OF CAPITAL INVESTMENT PLAN (CIP)(JANUARY, FEBRUARY, AND MARCH)

By consent agenda, Mr. Hare moved for acceptance of the Quarterly Review of Capital Investment Plan (January, February, and March), seconded by Mr. Hutchison and carried by a unanimous roll call vote (Anderson and Slavin absent).

EVALUATION OF PROPOSAL - EMERGENCY RESPONSE AND SITE CLEANUP SERVICES

Members were advised that the Electric Department maintains blanket contracts with various contractors to ensure that the bidding rules are adhered to for contractors that are hired to perform work for the Electric Department. These contracts are priced as "time, equipment, and material" contracts and may exceed $25,000 annually. This proposal is for emergency and scheduled environmental cleanup services. Additionally, other City Departments may utilize this contractor when required.

Mr. Scott Koenig, City Manager, advised members that Request for Proposals were solicited and advertised according to City Policy by the City's Contract and Procurement Manager under RFP # 13-0029EL and proposals were received from four (4) potential vendors. Due to the variety of pricing strategies quoted by each vendor staff, along with Compliance Environmental, included a hypothetical spill response exercise in the RFP in which each bidder submitted their technical approach. An analysis was developed to equalize each bidder using an itemized list of labor and equipment rates to determine the lowest cost response. Using this methodology, Guardian Environmental Services was the low bidder; the next lowest bidder, Clean Venture Inc., was 8% higher. Guardian Environmental Services was given the 3% local preference for operating a business within the State of Delaware. Funding will be provided by the appropriate divisional budget based on the event.

Staff recommended awarding a blanket emergency response contract to Guardian Environmental Services, the lowest priced proposal based on actual experience, for three (3) years with a City option to extend the contract for an additional two (2) years. The maximum term of the blanket contract will be five (5) years.

Responding to Mr. Perza, Mr. Koenig stated that a large leak at a transformer would trigger a call to the environmental contractor to commence cleanup.

Mr. Hare moved for approval of Staff's recommendation, seconded by Mr. Dixon and carried by a unanimous roll call vote (Anderson and Slavin absent).

2013/14 COMMITTEE APPOINTMENT - COUNCIL PRESIDENT - PARKS, RECREATION, AND COMMUNITY ENHANCEMENT COMMITTEE - M. MILFORD CALDWELL (RECOMMENDED BY WALLACE R. DIXON, COMMITTEE CHAIR)(ANNUAL APPOINTMENT TO EXPIRE MAY 2014)

The Chairman of the Parks, Recreation, and Community Enhancement Committee, Mr. Dixon, recommended the appointment of M. Milford Caldwell to the Committee. This is an annual appointment to expire May 2014.

By consent agenda, Mr. Hare moved for approval of the appointment of M. Milford Caldwell to the Parks, Recreation, and Community Enhancement Committee, as recommended by Chairman Dixon, seconded by Mr. Hutchison and carried by a unanimous roll call vote (Anderson and Slavin absent).

* **2013/14 COMMITTEE APPOINTMENTS - MAYOR (ANNUAL APPOINTMENTS TO EXPIRE MAY 2014)**

Mayor Carey recommended the appointment of Mr. Brad Holden to serve on the Dover 4th of July Celebration Committee. This is an annual appointment to expire May 2014.

By consent agenda, Mr. Hare moved for approval of the appointment, as recommended by Mayor Carey. The motion was seconded by Mr. Hutchison and carried by a unanimous roll call vote (Anderson and Slavin absent).

Mayor Carey recommended the appointment of Mr. Zachary Carter to serve on the Silver Lake Commission. This is an annual appointment to expire May 2014.

By consent agenda, Mr. Hare moved for approval of the appointment, as recommended by Mayor Carey. The motion was seconded by Mr. Hutchison and carried by a unanimous roll call vote (Anderson and Slavin absent).

APPOINTMENTS RECOMMENDED BY COUNCIL PRESIDENT BONAR - CITY CHAPLAINS (ANNUAL APPOINTMENTS TO EXPIRE MAY 2014)

Council President Bonar recommended the appointments of Minister Theodore A. Henderson of Dover Christian Church and Bishop Thomas L. Holsey of Bibleway Temple Church of God in Christ as the 2013/2014 City Chaplains and authorization for the City Clerk's Office to issue purchase orders for contributions in the amount of $180 each to Dover Christian Church and Bibleway Temple Church of God in Christ.

By consent agenda, Mr. Hare moved for approval of the appointments, as recommended by Council President Bonar. The motion was seconded by Mr. Hutchison and carried by a unanimous roll call vote (Anderson and Slavin absent).

REAPPOINTMENT RECOMMENDED BY MAYOR CAREY - DOVER PUBLIC LIBRARY COMMISSION - GERTRUDE JACKSON - FIVE (5) YEAR TERM TO EXPIRE JUNE 16, 2018

Mayor Carey recommended the reappointment of Ms. Gertrude Jackson to serve on the Dover Public Library Commission. This is an annual appointment to expire May 2014.

By consent agenda, Mr. Hare moved for approval of the appointment, as recommended by Mayor Carey. The motion was seconded by Mr. Hutchison and carried by a unanimous roll call vote (Anderson and Slavin absent).

FIRST READING - PROPOSED ORDINANCE #2013-09

Council President Bonar reminded the public that copies of the proposed ordinance are available at the entrance of the Council Chambers or can be obtained from the City Clerk's Office. Final action by Council will take place during the Second Reading of the ordinance on June 24, 2013.

Mr. Scott Koenig, City Manager, thanked Mrs. Mitchell and her staff, for all of the effort they had put into the budget, as well as the department heads who labored through a number of budget meetings prior to presentation of the budget. He noted that staff had presented City Council with a roughly $134 million operating and capital budget to address basic municipal services for the citizens and customers of the City of Dover. The General Fund Operating and Capital budget for FY 2014 was slightly under $37 million. The number of full-time employees had been reduced from 350 to 347 and part-time employees were increased from 36 to 38, with a $30M personnel component to the budget. There were no proposed fee increases in the baseline budget. There were no water and sewer fee increases proposed. In addition, an average reduction of 11% in electric rates to customers was proposed. Residential customers would see a reduction of approximately 8% while business customers would see rate reductions up to 13% depending upon the type of service. Staff took into consideration all of the motions made during approximately seven (7) hours of budget hearings, as well as more than twenty hours of internal meetings with Department Heads and staff. He indicated that the budget ordinances, as prepared, present a balanced budget using a proposed

carry forward balance from FY 2013 in the amount of $620,000 to balance the General Fund Budget and the budget honored all existing labor contracts and proposed a 3% cost-of-living adjustment for all non-bargaining positions (with the exception of the City Manager) based on salaries in effect on July 1, 2012.

Mr Koenig stated that, as has been displayed through the five (5) year forecast, the General Fund has a structural problem and cannot be sustained without taxes increase or service reductions to balance future budgets. In fact, without using savings from FY 2013, the FY 2014 General Fund expenses exceed the amount of revenue projected to be raised in FY 2014.

Mr. Koenig stated that he believed the budget document was frugal in the sense that they had tried to manage the operating costs to current levels. There were some reductions that were required due to contractual issues with various vendors; however, they had been very frugal with the departments throughout the budget process. Mr. Koenig reminded members that there had been increases in the health care costs and OPEB and pension liabilities and they had done everything they could to keep the capital plan on schedule.

Mr. Koenig reviewed a recap provided by the Controller/Treasurer, Mrs. Donna Mitchell, of FY14 General Fund budget adjustments made during the budget review to balance the General Fund, as follows:

Budget Balance Overage as Presented on May 29, 2013	$41,000
Council Motion for additional DDP Contribution	(112,900)
Council Motion to reduce Council travel budget	6,500
Council Motion for 3% Non Bargaining raise on pay as of 7/1/12	4,000
Interfund Service allocation adjustments on above changes	(5,600)
Subtotal	(108,000)
Transfer from Contingency Reserve (excess of 2%)	21,000
Reduce Transfer to Capital Fund - Recreation use of Parkland Reserve	30,000
Reduce Transfer to Capital Fund - Use of Fund Budget Balance	16,000
Subtotal	67,000

In accordance with Section 1-9 of the Dover Code, Council acknowledged the First Reading of the Ordinance as read by the City Clerk, by title only, as follows:

- Ordinance #2013-09 - 2013/2014 City of Dover Budget Ordinances

COUNCIL MEMBERS' ANNOUNCEMENTS

There were no Council member's announcements.

Mr. Dixon moved for adjournment, seconded by Mr. Lynn and unanimously carried.

Meeting Adjourned at 7:53 p.m.

TRACI A. McDOWELL
CITY CLERK

All orders, ordinances, and resolutions adopted by City Council during their Regular Meeting of June 10, 2013, are hereby approved.

CARLETON E. CAREY, SR.
MAYOR

/TM
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Exhibits
Exhibit #1 - Correspondence from Ms. Felicia Dorman dated May 24, 2013

To: City of Dover Mayor

From: Felicia A. Dorman, Citizen – 302-258-3101

RE: IMMEDIATE RELIEF OF VEHILCES – ILLEGALLY AND IMPROPERLY TOWED – NOTICE OF HARASSEMENT AND RETALIATION

Date: 05/24/2013

I am requesting your assistance in the matter of, what I believe to be, blatant harassment and retaliation by the City of Dover Police Department. This issue involves two separate incidences, the first issue being the trigger for the second issue.

First Issue

On May 3, 2013, I was illegally pulled over and harassed by Officer Thompson of the Dover Police Department. I will not go into details, but the events of the traffic stop prompted me to write a "letter of concern" to Chief Hosfelt on May 8th, 2013. The letter detailed the traffic stop and my belief that the stop must have been racially motivated, which was absolutely apparent by the facts of the stop. I did not suggest disciplinary action against the officer, only to make the chief aware of what had happened, how it affected me and the impact it had on my life, my health and my job. I also indicated that others had warned me that if I made a complaint, it was the nature of that department to retaliate and/or harass; and, that I would need to "watch out". Therefore, I strongly indicated in the letter that this was not a complaint but only a "letter of concern", but I felt I needed to say *something*. I mailed the letter and did not receive any type of follow up.

Second Issue

On May 20, 2013, approximately 12 days after my letter was put in the mailbox, I arrived home to my address and the Dover Police had been to my house and illegally towed 2 of my vehicles and improperly sticker-tagged 2 other vehicles. The 2 cars I am speaking about are a 2001 Mercedes and a 2003 Ford Expedition. The police had not sticker-tagged either car, nor had the police provided any notice of a violation or warning of possible towing. I simply arrived home and the cars were gone! When I called the police department, being very rude, condescending and smug in their interactions, I first spoke with Corporal Hoffman, he indicated that he towed the vehicles and had a legal right to do so because they were "sitting there". I requested his supervisor; I then spoke with Sergeant Burnett, who agreed with everything that Corporal Hoffman said. He then gave me a fake ordinance number when I requested the city ordinance guidelines that said they could tow without giving notice. In addition, my truck was an actively used vehicle which had just been driven every single day except for the past 4 days. (All of my co-workers can confirm I drive that vehicle every day and confirm that the vehicle was driven to work on Thursday May 16th, 2013) Note: This was also the truck the officer pulled me over in from the First Issue.

In Conclusion/ Relief Sought

As it stands today May 24th, 2013, the Dover Police have yet to release my vehicles. I am paying daily for a rental car because they took my only means of transportation. I researched the Delaware Code and have located the state codes that have been violated. At this point, I am demanding (1) the immediate release of my vehicles (2) to have the police department held responsible for the vehicles return to my possession and transportation to get them to me (3) the reimbursement of the rental car fees that I am currently paying since Monday May 20th which is debited out of my checking account. Please contact me at 302-258-3101.

Violations

On May 20, 2013, the City of Dover, Department of Dover Police violated 21 Del. C. § 4402 (b) which states, Upon the discovery of a vehicle on any state or public highway or property or the property or roads of any political subdivision or state or public highways within a municipality or upon any express highway in the State concerning which vehicle there are reasonable grounds to believe to be an abandoned vehicle, the State Police, county police or ***municipal police, as the case may be, shall post a notice at some conspicuous place on the vehicle, which shall direct that such vehicle be removed by a stated time and date (such time and date to be not less than 12 hours following the posting of such notice). If the vehicle is not removed within the time period designated by such notice, the abandoned vehicle shall be removed to a storage area designated by the Department or the State Police or its successor.***

On May 20, 2013, the City of Dover, Department of Dover Police violated 21 Del. C. § 4402 (d) which states, ***If an abandoned vehicle is on private property with the consent of*** the owner or ***occupant*** thereof, of if an abandoned vehicle is owned by the owner or occupant of the private property where the vehicle is located, representatives of the Department or State Police may enter upon the property where such vehicle is located to ascertain its ownership. The ***Department shall notify the owner of the abandoned vehicle by certified mail sent to the owner's last known address to remove such vehicle within 7 days from the date of the mailing***. If the vehicle is ***not removed within 7 days*** or if the owner cannot be located for the purpose of sending the written notice, then representatives of the Department or State Police may enter upon the property where the vehicle is located and conspicuously ***affix thereto a sticker or tag showing the time and date of its affixing, advising the owner that if the vehicle is not removed within 24 hours from the time of the affixing of the sticker, the vehicle shall be removed to a storage area designated by the Department*** or the State Police. This subsection shall not apply to automobile graveyards as defined in § 1202(b)(2) of Title 17 nor to any vehicle on private property which is not visible from the street or road and is not otherwise a nuisance or a health or fire hazard.

Photos Taken on 5/18/13 for Mercedes Company





Photos taken on 5/18/13 for Mercedes Company





STATE OF DELAWARE

OFFICE OF THE GOVERNOR

TRIBUTE

Be it hereby known to all that
Jack A. Markell, Governor of the State of Delaware,
and Matthew Denn, Lieutenant Governor, recognize the

The City of Dover

on the honor of being named

Honorable Mention for the 2013 Recognition of Community Health Promotion Program

Honorable Mention demonstrates efforts aimed at improving the overall health of its respective community members. They are to be praised for their efforts to take a prevention-driven approach to health, supporting policies and environmental changes that promote programs to improve physical activity, nutrition/healthy eating, tobacco-free lifestyles, healthy environments; promote healthy lifestyles and integration of the needs of individuals with limited mobility and disabilities in neighborhoods, schools, and workplaces. We extend our appreciation for their work with community-based organizations and residents to create a healthier neighborhood.

Presented on this 11th day of June, 2013
by order of the Governor.

Jack Markell

Jack A. Markell
Governor

Matthew Denn
Lieutenant Governor

13-0338
Number

DRAFT PROPOSED COUNCIL RESOLUTION NO. 2013-18

A RESOLUTION EXPRESSING SUPPORT OF THE GREATER KENT COMMITTEE AND THE KENT COUNTY ECONOMIC DEVELOPMENT ROUNDTABLE AND ENDORSING THE "KENT COUNTY ECONOMIC DEVELOPMENT PROJECTS TO BRING JOBS AND GROWTH TO KENT COUNTY" PROPOSAL

WHEREAS, the City of Dover is committed to strengthening the local economy, generating economic growth in the region, and improving the quality of life for our residents; and

WHEREAS, the City is also committed to working cooperatively with Kent County and the municipalities within the County to develop and present a coordinated position to the State, the General Assembly, other business groups, and private entities; and

WHEREAS, as an active member of the Greater Kent Committee, the City has joined together with the County and other municipalities to create the Kent County Economic Development Roundtable to identify critical projects that will benefit central Delaware's economic health; and

WHEREAS, the Roundtable has prepared a consolidated proposal incorporating five economic development projects for 2013 in Smyrna, Dover, Milford, Harrington, and the county; and

WHEREAS, the Roundtable proposal has the endorsement of the Greater Kent Committee, which on behalf of all the participants is seeking funding for these initiatives to pump revenue into communities while improving the infrastructure businesses need to remain profitable and competitive.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Dover hereby expresses its support of the Greater Kent Committee and the Kent County Economic Development Roundtable and endorses the "Kent County Economic Development Projects to Bring Jobs and Growth to Kent County" proposal.

BE IT FURTHER RESOLVED that the City pledges its support to secure needed funding for such initiatives.

ADOPTED: *

S:\RESOLUTIONS-PROCLAMATIONS-TRIBUTES\2013\Draft\2013-18 Endorsing Kent County Economic Development Projects - Jobs & Growth.wpd

CARLETON E. CAREY, SR.	DAVID L. BONAR
MAYOR	COUNCIL PRESIDENT

Draft

ACTION FORM

PROCEEDING: City Council

DEPARTMENT OF ORIGIN: Planning & Inspections **DATE SUBMITTED**: April 12, 2013

PREPARED BY: Tim Taraila, Code Enforcement Supervisor; Ann Marie Townshend, AICP, Director of Planning and Community Development

SUBJECT: 427 W Division Street, Dover, Delaware – Violation of Dangerous Building Ordinance

REFERENCE: Chapter 22, Article XI – Dangerous Buildings, Sec. 22-385 - Hearing before Council and Chapter 22, Article XI - Dangerous Buildings Case # 13-714

RELATED PROJECT: N/A

APPROVALS: N/A

EXHIBITS: PowerPoint Presentation and File Photos to be presented at the Council meeting.

EXPENDITURE REQUIRED: Preliminary estimate is $10,000-15,000.

AMOUNT BUDGETED: $150,000 Budgeted for all demolitions Citywide in the FY-2013 Budget. Balance of $60,057.19 remaining as of April 12, 2013.

FUNDING SOURCE (Dept./Page in CIP & Budget): 110-1600-534-30-33.

TIMETABLE: As soon as possible.

RECOMMENDED ACTION:

1. Declare this building and all accessory structures on this property dangerous.
2. Order the property repaired or demolished by **May 22, 2013** by the owner or equity owner at their own risk.
3. Order the Building Inspector to cause the repair or demolition of the structures if not completed by the owner **within 10 days of the date established by City Council**.
4. Order the City Manager with the assistance of the City Solicitor to cause the cost of repairs or demolition to be charged against the land on which the building exists as a municipal lien or cause such cost to be added to the tax duplicate as an assessment, or to be levied as a special tax, or to be recovered in a suit at law against the owner.

BACKGROUND AND ANALYSIS

The property is owned by Doris A Cooper & Others. The property is a one story wood framed single family home. The dwelling was condemned as unfit for human habitation on 3/15/2013 due to the degree of deterioration of the structure. The home has numerous windows and doors boarded. Currently the structure is vacant, with no utilities and in a serious state of disrepair.

PARKS, RECREATION, AND COMMUNITY ENHANCEMENT COMMITTEE

The Parks, Recreation, and Community Enhancement Committee Meeting was held on June 10, 2013, at 12:01 p.m. with Chairman Dixon presiding. Members present were Mr. Perza and Mrs. Horsey. Mrs. Williams was absent and one (1) seat was vacant.

AGENDA ADDITIONS/DELETIONS

By unanimous consent, the agenda was approved as presented.

Pocket Park Design - Corner of North Street and Governors Avenue

During their Regular Meeting of October 22, 2012, City Council approved the Legislative, Finance, and Administration Committee's recommendation that a pocket park be established on the property located at 301 South Governors Avenue (on the southeast corner of South Governors Avenue and North Street) once the City holds the title to the property. In developing the park design, it was noted that the City would work with the Downtown Dover Partnership (DDP) to ensure that the design minimizes the maintenance burden through a combination of pavers, mulched landscape areas, and the selection of plants, trees, and shrubs that are attractive yet less intensive to maintain.

During the Parks, Recreation, and Community Enhancement Committee meeting of April 8, 2013, members recommended approval of the pocket park design with the addition of appropriate screening for the adjacent neighbors and an appropriate tribute to victims of domestic violence, as requested by Women Against Violence in Every Relationship (WEAVER).

During the City Council meeting of April 22, 2013, Council referred this item back to the Parks, Recreation, and Community Enhancement Committee to allow other interested organizations to submit proposals.

During the Committee meeting, Mr. Jonathan Street, Civil Designer, Becker Morgan Group, provided a brief history of the project and reviewed a rendering of design improvements made to the proposed pocket park based on comments made during the last Committee meeting concerning hard-scaping, sidewalks, and low-level lighting ***(Attachment #1)***. Mr. Street said that approval of the park itself was being requested and suggested that the naming of the park be addressed separately. He noted the importance of moving forward since the design and construction of the park would be financed with funds granted by the State and noted that there would be two (2) public hearings in the next several months; therefore, Council would have the opportunity to consider naming and dedicating the park.

Responding to Councilman Perza regarding designing a park as opposed to redeveloping the land, Mrs. Townshend stated that in October of 2012, when the City became aware they were going to acquire the land, the Legislative, Finance, and Administration Committee considered and recommended purchasing the land through a Sheriff's sale. She advised members that when the downtown neighborhood plan was prepared, one of the ideas included was to create parks when the opportunity was presented to add greenery and gathering spaces, which led to the proposed project.

Mrs. Townshend was concerned that the park design did not include any benches. Responding, Mr. Street advised that the low-level planters and raised beds would essentially double as benches. Mrs. Townshend said she understood the concerns regarding the possibility of people sleeping on the benches; however, benches would provide a place for citizens to sit and enjoy the park.

Mr. M. Milford Caldwell, Jr., 106 Bertrand Drive, Dover, asked what the City's responsibility would be for the project once it is complete. In response, Mrs. Townshend stated that the City would maintain the area as part of its park system.

Mrs. Horsey expressed her appreciation for addressing the concerns regarding the low-level lighting and privacy for nearby residents and added that she also would like to see a bench included in the design of the park.

Mr. Caldwell felt that the park would be a beautiful addition to the City.

Responding to Mr. Perza regarding the action to be taken by the Committee, Mrs. Townshend explained that members were being asked to approve the overall design of the park, with the understanding that it would be "tweaked" going forward, and if benches were a desired component of the park, this should be included in the motion.

Mr. Lou Colón, Executive Director, Downtown Dover Partnership (DDP), asked if the flower beds would serve as benches in the park. Responding, Mr. Street explained that when benches were considered for improvements to North Street, it caused discrepancies between agreeing parties and they were taken out. He indicated that the elevated landscaping was designed to provide elevation in the park itself but also to allow for benches without physically bolting a bench to the ground. The flower beds would be 18 inches high with a 12-14 inch top that could be used as a bench.

In response to Mrs. Horsey, Mr. Street stated that the planters could be used for seating but the flower bed, which would also be elevated, was not intended for this purpose.

Responding to Mr. Perza regarding plans for homes located on the west side of North Street, Mr. Colón stated that these homes were occupied; therefore, acquiring them would require location costs.

Mrs. Horsey moved to recommend approval of the basic design concept for the North Street Pocket Park, as amended, seconded by Mr. Perza and carried by a vote of two (2) yes (Dixon and Horsey) and one (1) no (Perza).

Mr. Perza asked to go on record stating his reasoning for seconding the motion and then voting in opposition. He indicated that since only three (3) Committee members were present, he did not want to see the motion fail for a lack of a second and wished to allow the opportunity for a vote.

Review of Revised Active Recreation Area Plan - Nottingham Meadows

Members were advised that Nottingham Meadows is a single-family residential development located on the south side of Hazlettville Road west of Wyoming Mill Road. The subdivision was originally developed with 211 residential lots with additional open space parcels.

The Subdivision was going through an administrative process for a Minor Lot Line Adjustment and Parcel Consolidation Plan to combine parcels and move property lines. This administrative process will reduce the number of residential lots from 211 to 108 with eight (8) additional open space parcels. There have been sixty-eight (68) houses constructed within the subdivision.

Based on the number of lots proposed (108 lots), 29,700 SF of Active Recreation Area is required. The Revised Plan requests that cash in lieu of recreation area construction be accepted for the required 29,700 SF ($0.6818^{+/-}$ acres) of Active Recreation Area. The revision proposes the elimination of the swimming pool and club house that were proposed within the original Active Recreation Area on Brittingham Drive and Wellington Avenue. The swimming pool and clubhouse were not constructed.

The following comments and recommendations were submitted by staff of the Department of Planning and Inspections following review of the Revised Active Recreation Area Plan.

- The proposed plan for cash in lieu payment meets the area requirements for the Active Recreation Area. The plan is required to provide 0.6818 acres of Active Recreation Area and it is proposing $0.6818^{+/-}$ acres of Active Recreation Area via cash in lieu.

- Staff recommends approval of the cash in lieu, as the site is located within walking distance to existing recreational facilities at Schutte Park, as stated in the applicants request for cash in lieu.

- Staff recommends that the sidewalk be completed by the developer along Hazlettville Road to allow for pedestrian access to Schutte Park. There is a segment of sidewalk along the subdivision frontage that has not been constructed.

- Provide a copy of the appraisal for the cost of the value of the land for construction financing to allow for staff to calculate the amount for the cash in lieu.

- Cash in lieu shall be paid in full prior to the issuance of a Building Permit for any new residential construction within the subdivision.

- Staff notes that the proposed changes, if approved, will require revision to the tree planting plan.

- There shall be provisions which ensure that the common open space land shall continue as such and be properly managed and maintained.

- In the event, that major changes and revisions to the Plan occur in the finalization of the Revised Recreation Plan, contact the Department of Planning and Inspections. Examples include reorientation of elements, relocation of site components, etc. These changes may require resubmittal for review by the Development Advisory Committee, Planning Commission, or other agencies and commissions making recommendations in regards to the plan.

Mrs. Ann Marie Townsend, Director of Planning, advised members that the Planning Commission originally approved the Active Recreation Area Plan in July 2004 and construction plans were approved in February 2006. Mrs. Townshend stated the development was relatively complete, with some vacant areas. Mrs. Townshend indicated that the Active Recreation Plan was originally submitted by Stover Homes. She advised members that Stover Homes had since gone bankrupt, leaving the property owned by the bank, and a new builder was in the process of acquiring the remainder of the development. Mrs. Townshend noted that lots in the southern portion of the development were currently being expunged through an administrative process and would revert back to agriculture.

Mrs. Townshend cited the economy as the driving force behind the changes, noting that the developer wished to amend the Active Recreation Area Plan to alter the size of the lots on Wellington Avenue that were not yet developed and to keep approximately 12,848 SF of passive open space, alter the size of the lots identified, and make a cash-in-lieu donation for the remainder because the development is essentially adjacent to Schutte Park.

Mrs. Townshend stated that following the Committee's review, the request would go to the Planning Commission, who would determine if it was impractical to provide the Active Recreation Area on site due to the proximity to the City Park. If the Commission were to make that determination, the matter would return to the Committee and ultimately proceed to Council for approval of acceptance of the cash-in-lieu option.

Mr. Mike Riemann, Becker Morgan Group, explained that the bank owns the development and the request was being made in an effort to complete the development and put a homeowners' association in place. Mr. Riemann advised members that the developer met with the property owner most immediately affected by the passive open space, who concurred with the proposal. Mr. Riemann stated that a clubhouse and a pool in a project with 108 lots would not work in this economy and the developer would not be able to finish the project if required to move forward if these facilities were required. Mr. Riemann added that the developer was agreeable to completing the sidewalk along the frontage of Hazlettville Road, which included crosswalks as part of the signal crossing, and to connect the sidewalk to Schutte Park, which would provide access to the park as part of the proposal.

Mr. Riemann provided copy of a petition signed by 28 of the approximately 50 residents of the subdivision in favor of the proposal presented (***Attachment #2***), which he stated would be provided to the Planning Commission for their meeting scheduled for June 17, 2013. He indicated that meetings had been held with representatives from five (5) of the residences in the development who said they were in favor of the proposal.

Mr. Riemann stated that the only road not yet constructed was Wellington, which was included in the proposal and would complete the front half of the project including utilities, storm drains, etc. He stated that it was important to move forward with the project because an illegal pond that did not meet requirements had been constructed by the original developer as a temporary stormwater area and Kent Conservation District requested that it be corrected. As part of the project, this sediment trap would be eliminated and the storm drain would be reconnected and directed to the pond.

Responding to Mr. Perza regarding the property on the south side of the development, Mr. Riemann stated that this portion of the land would be sold to a farmer and would not be a future phase of the development. Mr. Riemann stated that part of the proposal to the Planning Commission references these lots as being expunged and they will not be recorded lots.

In response to Mr. Perza, Mr. Riemann advised that the dead-end roads were discussed with Public Works staff and it was determined that because of the length, a cul-de-sac was not required based on the City's Code. He indicated that these would be "stub streets"or perhaps a "hammer head" allowing drivers to turn around at the end of that street. He stated that Public Works staff would advise how these streets should be finished off. He noted that there are minimum requirements on the radius of the road that must be met in order to round off the road and, because there is a home in the area of the dead-end, this requirement could not be met. Mrs. Townshend added that the stub streets are required in the event that the development grows.

Responding to Mr. Perza, Mr. Riemann stated the changes would not affect the value of the property

In response to Mr. Perza regarding the area surrounding the development, Mr. Dave Vasso, representing the developer, Tradition Homes of Delaware, LLC, stated that the land was under contract to be sold to a farmer.

Responding to Mr. Dixon's inquiry concerning the open area, Mr. Riemann advised there would be about 12,000 square feet of passive open space.

In response to Mrs. Horsey, Mr. Riemann stated that homeowners were aware that the surrounding area would be farmland and that there would be a 30-foot buffer of passive open space between the lots and the farms.

Mrs. Townshend also added that because property to the west of the subdivision is targeted for agricultural land preservation, it was her belief that the properties were required to have language in the deed about being next to an agricultural district.

Mr. Perza indicated his preference for rounding out the street ends, stating it was his feeling that roads that are just "chopped off" at the end of a development look unsightly. Responding, Mrs. Townshend indicated that the jersey barriers would be removed.

Mrs. Townshend provided members with correspondence that had been received from homeowners who were opposed to the proposed plan **(*Attachment #3)***.

Mr. Perza moved to recommend approval of the Revised Active Recreation Area Plan for Nottingham Meadows, as recommended by staff, and acceptance of the petition from 28 lot owners in the development in favor of the proposal, seconded by Mrs. Horsey and unanimously carried.

Mr. Perza suggested rounding out the dead-end roads involved but indicated that this was not a part of the motion to approve the Revised Active Recreation Area Plan, acknowledging that City Code would take precedence.

UPDATE - CDBG PROGRAM

Mrs. Tracey Harvey, Planner I, reviewed the Status of FY-12 CDBG Projects Report including monthly statistics for May 2013. She advised members that applications for the City of Dover Community Development Block Grant (CDBG) Housing Rehabilitation Program would be accepted from the first 20 applicants on June 12, 2013 in the City Hall Conference Room from 9:00 a.m. to 1:00 p.m. She noted that the program was being managed by Milford Housing Authority.

Mrs. Harvey also advised members that Central Delaware Habitat for Humanity had purchased the eleventh Neighborhood Stabilization Program (NSP) home in the City of Dover. She stated that the house was currently under renovation with completion expected by the end of the month and that a buyer had been obtained.

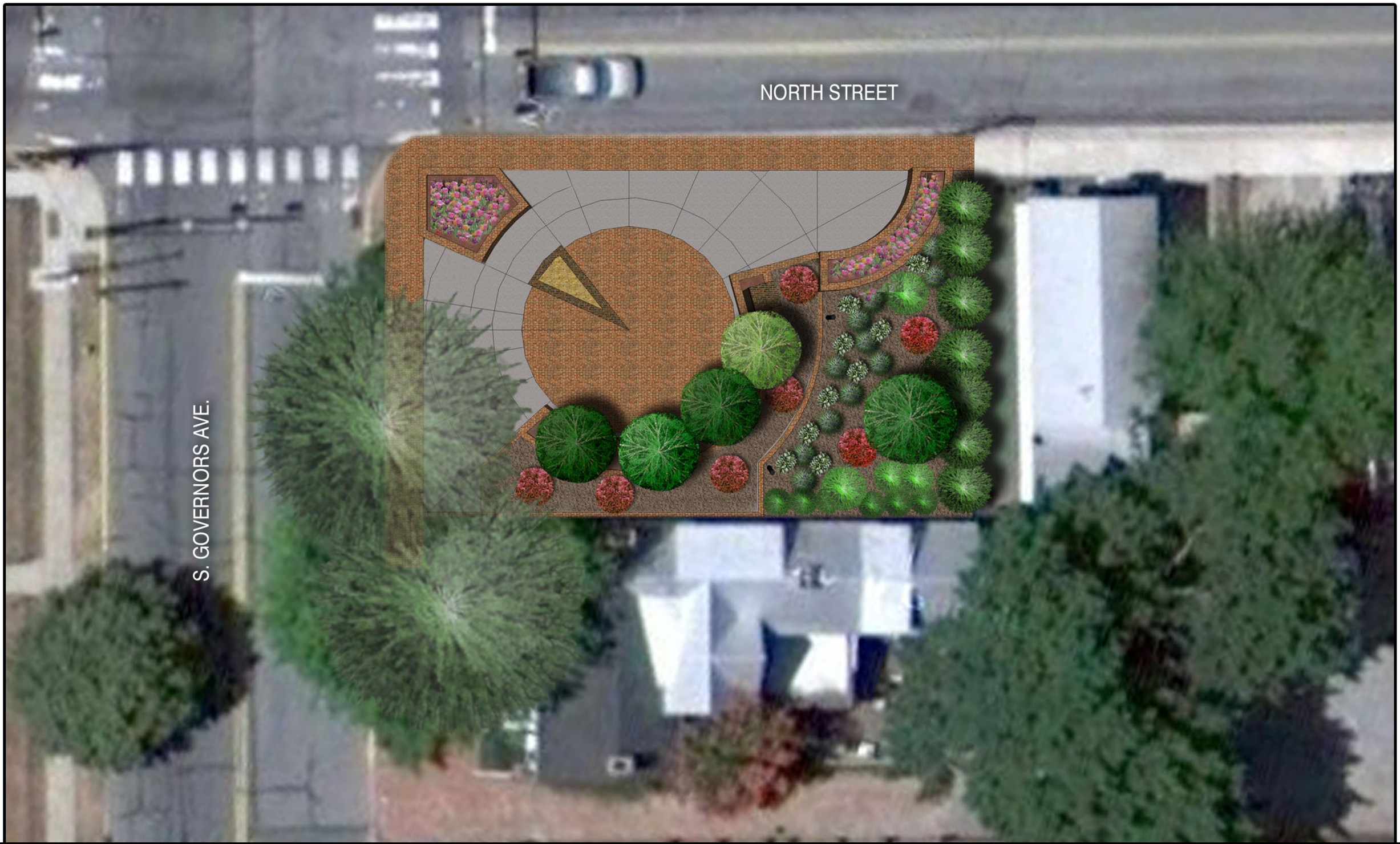
By unanimous consent, the meeting adjourned at 12:40 p.m.

Wallace R. Dixon
Chairman

WRD/MFK/js/tm
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Attachments

Attachment #1 - Revised Rendering - Pocket Park Design - North Street and Governors Avenue
Attachment #2 - Petition from Residents of Nottingham Meadows in Favor of the Revised Active Recreation Area Plan
Attachment #3 - Correspondence from Homeowners of Nottingham Meadows Opposing the Revised Active Recreation Area Plan



DOWNTOWN DOVER PARTNERSHIP

PROPOSED POCKET PARK
S. GOVERNORS AVENUE AND NORTH STREET

06.10.2013 / 2011104.04

BECKER MORGAN GROUP
ARCHITECTURE
ENGINEERING

ATTACHMENT #1
PR&CE Committee Meeting of 06/10/2013

PETITION

TO: THE CITY OF DOVER PLANNING COMMISSION

The undersigned, residents of the Nottingham Meadows Subdivision in the City of Dover, hereby request, the Planning Commission approve the following:

1. Revise Active Recreation Area to eliminate the proposed pool and clubhouse and then provide cash in-lieu payment for the Active Recreation Area; and
2. Reconfigure Lots 198 - 205, making the lots larger to eliminate the small open space area; and
3. Add Lots 212 and 213 in the area where the Active Recreation Area was; and
4. Expunge 105 lots on the west side of the subdivision.

FULL NAME (Signed and Printed)	RESIDENCE ADDRESS
1) Peter L Thompson	22 Brittingham Dr. Dover DE 19904 Lot 211
2) Karlie Oliver Karlie Oliver	313 Gilbrook LN DOVER, DE 19904
3) David Okonowski	424 Bevvale Lane Dover DE 19904 Lot 124
4) Ramesh Vemulapalli	23 Brittingham Drive Dover, DE 19904. Lot 79

5) Kikuk A. Scott Richard O. Scott Annie L. Scott	216 Saxondale Lane Dover, DE 19904
6) Beverly Weatherley	7 Derbyshire Court Dover, DE 19904
7) Allen & Betty Jensen	27 Brittingham Dr. Dover, DE 19904 Lot 98
8) Eddie Bosano	444 BEUVALE LN, DOVER Lot 129
9) Jamie Towne	121 Derbyshire Ave
10) Milton Morozowich Kathleen Morozowich	304 Gillbrook Lane
11) CISSY LA MOND JAMES SPRUILL	212 SAXONDALE LANE
12) Mildred & Benny Rodriguez	429 Beuvale Ln

13) Carol Faire — 436 Beverly Dr. Dover, DE 19904 Lot 127

14) Larry & Lorette Lee — 308 Gillibrook Lane Dover Delaware 19904

15) Norman Bowman, Kathleen Bowman — 220 Saxondale Lane Dover, DE 19904

16) Sacrid Bhayda — 125 Derbyshire Ave Dover, DE 19904

17) Della & Jesse Hopkins — 113 Derbyshire Ave Dover DE 19904

18) Sometta Crawford — 105 Derbyshire Avenue Dover, DE 19904

19) Donald Crawford, Ruth A. Crawford — 236 SAXONDALE LN DOVER, DE 19904 Lot 86

20) Linda Gogola — 332 SAXONDALE LN DOVER, DE 19904

21) Brian Hoyt / Tim Pieper — 337 Gillibrook Ln Dover, DE 19904

22) JAMES M. MURRAY — 440 Bewdale Lane Dover De 19904 Lot 128

23) Gina F. EVANS — 441 Bewdale Lane Dover, De 19904

24) EDWARD J. FARRELL / Edward J. Farrell / Odella Farrell — 117 DERBYSHIRE ave DOVER, DE 19904

25) LARRY VALECZ — 233 SAXONDALE LANE DOVER DE 19904

26) ALFRED VANDERVEER — 109 DERBYSHIRE ALE DOVER, DE

27) STEPHEN KABIRU — 15 BRITTINGHAM DR DOVER DE 19904

28) David B. Smith Jr. David B. Smith	26 Br. Hingham Dr. Dover, De 19904
29)	
30)	
31)	
32)	
33)	
34)	

From: akila venkat [mailto:akilav@yahoo.co.uk]
Sent: Tuesday, June 04, 2013 2:34 PM
To: City Clerks Office
Subject: Nottingham Meadows Park and Rec and Planning Commision

I am a co-owner at Nottingham Meadows. I bought into the community in 2008, sold on to a plan of having a lot of common area,including the one in question of 59,000 sf. While I understand that a lot has changed, I strongly believe that this open space is for the use and enjoyment of the residents of the community and if at all, the residents have to determine it and make an application to the city on their behalf. I believe that the new builder or the bankruptcy owner cannot change plans after the city approved it when clearing the sub division..

World over, people are scrambling to preserve open areas and the city of Dover is working to destroy approved open area.

Please record my opposition to any change in the open space requirements in the sub division. Please place my views in front of both the parks and recreation commitee and the Planning Committee for their meetings on June 10th and June 17th respectively.

Thank you

Akila Venkataraman
228 Saxondale Lane

From: venkat subramaniyam [mailto:s_vram@yahoo.com]
Sent: Monday, June 03, 2013 9:57 AM
To: City Clerks Office
Subject: Nottingham Meadows sub division change in plans

Please include this email for both Parks and Recs and also for Planning Commission.

Nottingham Meadows - Revision of Active Recreation Area Plan

Dear Sir
I am a owner at Nottingham Meadows. I bought into the community in 2008, sold on to a plan of having a lot of common area,including the one in question of 59,000 sf. While I understand that a lot has changed, I strongly believe that this open space is for the use and enjoyment of the residents of the community and belongs to every resident of the community. While the use of the open space can be subject to debate, the allocation of the open space is not.

Hence I am strongly opposed to the conversion and reduction of the open space, as currently proposed. I also believe that once the city has approved a plan,
it should not change it, under any circumstances because a lot of thought has already gone into the creation of this plan.
Please record my opposition to any change in the open space requirements in the sub division. With growing cities, open spaces are a rarity. Please help preserve all open spaces.

Thank you
Venkat Subramaniyam
228 saxondale Lane

UTILITY COMMITTEE

The Utility Committee Meeting was held on June 10, 2013 at 5:30 p.m. with Mr. Perza presiding in the absence of Chairwoman Williams. Members present were Mr. Blakeman and Mr. Snaman. Mr. Slavin was absent. Members of Council present were Mr. Dixon, Mr. Lynn, and Mr. Hutchison. Mayor Carey was also present.

AGENDA ADDITIONS/DELETIONS

Mr. Snaman moved for approval of the agenda, seconded by Mr. Blakeman and unanimously carried.

Proposed Revisions to the Dark Fiber Leasing Standard Operating Policy

Mr. Scott Koenig, City Manager, advised members that the City of Dover Electric Department owns and operates a fiber optic loop around the perimeter of the City. This loop is used as part of the electric transmission protection system, two (2) way radio communication system, and data/telephone transmission for City and Utility facilities. Within this fiber network there are spare fibers that are not utilized or planned to be utilized by the City in the near future and some of this spare fiber is currently being leased to Bayhealth Medical Center, Windstream, and the State of Delaware through the Electric Department. The original leasing policy was created and approved by City Council on January 14, 2008.

Dark fiber leasing is a common practice among Public Power Utilities as a method to enhance utilization of fiber assets, provide customers an affordable high-speed communication path, and generate additional revenue to offset operation expenses. Dark fiber leasing is a practice where the utility provides a fiber path between two (2) points and the customer installs the electronic communication equipment which provides the communication path.

Based on the abundant request for fiber optic installations in FY13, staff felt that the City's rates may need to be adjusted. The requests that were approved for new fiber installations accounted for about 42% of the new service budget. Staff investigated the City's cost compared to other local fiber optic providers and found that the City's rates were much lower than those of other local providers. It was found that the going rate for private fiber suppliers was $65 to $125 per mile/pair/month. Converting the City's rate to the same rate structure would be equivalent to $10.08 per mile/pair/month. Staff recommended that the rate be adjusted to $.005 per strand/foot/month. This would be equivalent to $52.80 per mile/pair/month.

Mr. Koenig advised members that this was a relatively small revenue stream in the electric utility, which is part of Miscellaneous Revenues and represents less than $50,000 per year in total revenue; however, the adjustment was recommended to achieve a level that was comparable to local providers since current rates were substantially lower than the market.

Staff recommended that the Dark Fiber Leasing Standard Operating Policy be revised as submitted.

Responding to Mr. Hutchison, Mr. Koenig stated his belief that the current lease agreement included several different increments including five (5) year and ten (10) year options and staff would investigate when price increases could be implemented.

Mr. Blakeman moved to recommend approval of the revisions to the Dark Fiber Leasing Standard Operating Policy, seconded by Mr. Snaman and unanimously carried.

TEA/NAES Report *(February)*

Mr. Scott Koenig, City Manager, reviewed the TEA/NAES Monthly Reports for December 2012 and January 2013, and reminded members that staff reviews this report with TEA on a monthly basis. The report is provided to allow for the monitoring of electric sales and revenues received, which provides a better understanding of any fluctuations that occur and allows the opportunity to make improvements if deemed necessary.

Mr. Koenig stated that the Executive Summary on Page 1 of the report stated Dover's budgeted cost for all power supply (capacity and energy) for the month of February as $92.87/MWh and actual cost of all power supply (capacity and energy) as $85.59/MWh. He noted that this was the reason that there was a proposal in the FY 2014 budget to adjust the electric rates. Mr. Koenig explained that over the last two (2) budget years, power supply costs had come in under the amount budgeted in the long-term forecast and the City was able to rebate that money to customers through lower rates. He advised members that forecasting and rate modeling had been performed for the next three (3) years and it was believed that the rates that were proposed for FY 2014 could be held; however, the City had seen some dramatic drops in prices. He noted that Mrs. Mitchell had indicated that with the new proposed rates the City would be back to FY 2007 electric rates, which was good for industry and residential customers.

Mr. Blakeman noted that the budgeted unhedged energy cost reflected on Page 2 of the report was considerably higher than the actual unhedged costs for power (approximately 50%-60% higher) and questioned the reason for this large discrepancy.

Responding, Mr. Koenig stated that the unhedged portion was still benefitting from extremely low natural gas rates. He explained that the City's strategy had been to pull back its hedges from as high as the 90% range to approximately 80%; therefore, 20% of power was being bought in the market and risk was attached to that market. He indicated that although prices were currently very low, the summer was approaching and prices tend to fluctuate during this period. He stated that if purchases were unhedged and made in the spot market, very low numbers would be seen; however, risk would be very high. He noted that the City's purchases are made approximately three (3) years out.

Mrs. Mitchell, Controller/Treasurer, stated that she wished to ensure that there was no error in the report; however, noted that the real-time market is much lower. She explained that the budget is based on the forecast rather than the hedges that are made. Subsequently, Mrs. Mitchell advised members that she had reviewed the monthly budget report that she submits to Council and determined that the energy portion of the PJM charges were only 39% spent versus the amount budgeted; therefore, she felt that the budgeted figure was high because it was prepared by PACE Global the year before last when the decline in natural gas prices was not anticipated.

Quarterly Review of Utility Related Capital Investment Plan (CIP) Electric and Water/Wastewater (January, February, and March)

Mr. Scott Koenig, City Manager, referred members to General Fund - Major CIP Projects Report dated March 31, 2013, noting that a number of projects had changed substantially since March. The library project was listed as 82.1% spent; however, he stated that only a few punch list items remained, including the building dashboard, and approximately $100,000 was being held as part of the retainage. He stated that the project was nearly complete and it was hoped that it would be closed out by June 30, 2013.

Mr. Koenig informed members that Street Program work was getting ready to begin and a number of related projects would be removed when this Program starts. The Piney Point Well was under construction and he indicated that this was a design/build project to expand the City's water supply to meet the projected needs of the utility which was authorized by Council at just under $1M through a budget revision. The NRG Sanitary Sewer Upgrade was an ongoing project that had involved several change orders. Mr. Koenig noted that a line had failed resulting in significant inflow and infiltration (I & I) into the sanitary sewer system and staff was completing the administration portions of that to allow for reimbursement through impact fees through the County for the reduction and elimination of I & I. Other I & I projects through downtown Dover and Fox Hall were now complete and benefits through the billing system were anticipated.

Mr. Koenig stated that the Frazier Substation upgrade had been completed. Much of the work was performed in-house and the project came in quite a bit below the original price. The funds saved were expended for new development requests related to fiber and transformers; however, a majority of these funds would be reimbursed.

Mr. Blakeman stated that the lighting at Dover High School on the highway looked "great," noting that cable on the north side of the street had been installed and the poles were topped off. He inquired if telephone cable would be buried as well as this would improve the appearance in front of the school. Responding, Mr. Koenig stated his understanding that there would be a full relocation of overhead wire and that the poles may be removed; however, he stated that he would check on this to see if this was part of the associated cost.

Mr. Blakeman noted that the turbine-level window modifications were removed from the CIP and questioned if the insurance company had "backed off" on their requirement to put protection in this area. Responding, Mr. Koenig stated that after a number of discussions and study, the insurance company stepped back from that original recommendation.

Responding to Mr. Perza regarding the status of the Tar Ditch Interceptor Project from 2010, Mr. Koenig stated that it was staff's desire to return to the residents on Kerbin Street within 30-60 days to reinitiate the project. He indicated that staff had concerns regarding the overflow of the sanitary sewer in that area, noting that although this was not the cause of the problem, it was felt that re-laying the sewer would help.

UPDATES

Calpine Energy Center and Garrison Oak Technical Park Project

Mr. Scott Koenig, City Manager, advised members that staff was in the process of finishing final site plan approvals for the Calpine Energy Center. Calpine was making modifications to utilities and addressing various agency comments while working under a limited authorization to do site and pre-foundation work. He stated that the City was completing the design of the Garrison Oak Technical Park related to the subdivision as well as related utility layouts. Mr. Koenig reminded members that the City had a general contract with Becker Morgan Group for the subdivision and site planning related to the roads, storm sewer, some of the gravity sewer and water main; a separate engineering contract with URS related to a water tower; and a third engineering contract with Pennoni Associates for the wastewater pumping station and force main that will transmit wastewater from the Garrison Park project to White Oak #5 (west of Route 1). He indicated that all of these projects were underway and the water tower project was out to bid as a design-build contract. The engineering on the wastewater pumping station was approximately 85-95% complete and expected to be bid out shortly. Mr. Koenig stated that the Garrison Oak Technical Park plans were nearing completion and a bid package was expected to be prepared in the coming months. Calpine was continuing to hold a weekly conference call with staff to work out the completion of site plans and other issues associated with getting power from the energy block to the Cartanza 230KV tie station, and alignments and easements were being worked on by the City of Dover and Calpine. A meeting had been held with Eastern Shore Natural Gas regarding the extension of the pipeline from the Cheswold area to the Garrison Farm. In addition, a meeting had been scheduled between Calpine and the residents of Wild Meadows for June 13, 2013 to provide residents a project overview, including participation by Kvaerner, the Engineering, Procurement, and Construction contractor, and a presentation from Eastern Shore Natural Gas regarding the proposed pipeline from Cheswold to the Garrison Farm, which would be adjacent to Wild Meadows. Mr. Koenig stated that staff had been adamant with Eastern Shore Natural Gas and Calpine that neighbors would be kept abreast of development and that Calpine had reached out substantially to Wild Meadows.

Dover Sun Park

Mr. Scott Koenig, City Manager, referred members to the FY13 White Oak Solar Park Incremental Cost Report, noting that the original budget indicated that total power supply costs for the current fiscal year were expected to be $1,766,100 with an incremental cost of the Dover Sun Park of slightly over $500,000. He noted that year-to-date through April, the City had spent approximately $1.44M, but the incremental cost to the rate payers to meet the energy niche of renewables (approximately 3%) was only approximately $151,000. He recalled that slightly more energy was coming from the solar field than originally expected, but the City had been able to manage the cost.

Mr. Blakeman moved for adjournment, seconded by Mr. Snaman and unanimously carried.

Meeting adjourned at 5:53 p.m.

Adam M. Perza
Acting Chairman

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LEGISLATIVE, FINANCE AND ADMINISTRATION COMMITTEE

The Legislative, Finance, and Administration Committee meeting was held on June 10, 2013, at 6:00 p.m. with Chairman Lynn presiding. Members present were Mr. Hare (arrived at 6:11 p.m.), Mr. Rushe, and Mr. Shevock. Mr. Slavin was absent. Members of Council present were Council President Bonar (arrived at 6:26 p.m.), Mr. Dixon, Mr. Perza (arrived at 6:11 p.m.), and Mr. Hutchison. Mayor Carey was also present.

AGENDA ADDITIONS/DELETIONS

Mr. Shevock moved for approval of the agenda, seconded by Mr. Rushe and unanimously carried.

Proposed Bond Resolutions

Mr. Lynn noted that he had received a request from staff to reverse the order of consideration for Items #1A and #1B.

A Resolution Amending and Restating Water and Sewer Bond Resolution Providing for the Issuance by the City of Dover of Water and Sewer Revenue Bonds and Related Matters

Mrs. Donna Mitchell, Controller/Treasurer, informed members that the proposed Resolution would amend the City's Water/Wastewater Bond Resolution of 1984. She explained that Bond Counsel had revised the Resolution to make it more current and Mrs. Mitchell reviewed the significant changes from the current Resolution. She noted that additional language relating to the Trustee had been included and the maximum amount that must be set aside for debt service each year was defined. Mrs. Mitchell indicated that a provision was added to allow utilizing the services of the City Engineer when bond issues are brought forward rather than having to hire an outside consultant and that this would result in financial savings. She stated that the Trustee would be changed from U.S. Bank to The Bank of New York Mellon Trust Company, which manages the City's electric bonds and charges lower fees. She advised members that the amount of monies that would be needed for the State revolving fund loans would be excluded from the maximum debt service. Mrs. Mitchell reminded members that over the last three (3) years, the City had engaged in three (3) State revolving fund loans and, as a result, the maximum amount of debt service that must be paid in any one (1) year had to be set aside. She indicated that the State had agreed to allow the City to exclude these loan amounts from the maximum debt service; therefore, only the amount of the reserve (the amount of the bonds) must be put in, which would free up money for the City.

Referring to Section 17 of the Resolution, Mr. Lynn questioned the amount of the "reasonable" fees referenced. Responding, Mrs. Mitchell explained that the City was currently paying the Bank of New York $500 per year for electric bonds.

In response to Mr. Lynn regarding the selection of the Bank of New York Mellon Trust Company as Trustee, Mrs. Mitchell stated that this institution was selected because it manages the City's electric bonds and was agreeable to having the water and sewer bonds transferred to them. She explained that the City could not get U.S. Bank to make the change; however, refinancing the bonds gave the City the ability to make the transfer to the Bank of New York.

Mr. Lynn inquired if there were any local banks that would able to provide this service, and Mrs. Mitchell stated this could be researched before the matter was finalized.

Staff recommended adoption of the Amended and Restated Water and Sewer Bond Resolution.

Mr. Rushe moved to approve staff's recommendation for adoption of the Amended and Restated Water and Sewer Bond Resolution Providing for the Issuance by the City of Dover of Water and Sewer Revenue Bonds and Related Matters *(Attachment #1)*, seconded by Mr. Shevock and unanimously carried.

A Resolution Authorizing the Sale of Up to $6,500,000 Water and Sewer Revenue Bonds of the City of Dover

Mrs. Donna Mitchell, Controller/Treasurer, advised members that this Resolution would authorize the sale of Water and Sewer Revenue Bonds and explained that $4M of the funds would be used for the Calpine Energy Center and approximately $2M would be used to refinance the bonds currently outstanding on the 2003 issue. She noted that the difference of $500,000 would be used to pay issuance costs and to bring the reserve to the level needed and would come from the bond proceeds rather than being taken from City funds.

Responding to Mr. Shevock, Mrs. Mitchell stated that there were not many bonds outstanding from the 2003 issue and estimated the savings on interest would be approximately $60,000. She was unsure of the exact interest rate of the previous issue but noted that the difference in interest rates must be greater than 3% or the City would not proceed.

Staff recommended adoption of the Resolution authorizing the sale of up to $6,500,000 water and sewer revenue bonds of the City of Dover.

Mr. Shevock moved to recommend the adoption of the Resolution Authorizing the Sale of Up to $6,500,000 Water and Sewer Revenue Bonds of the City of Dover *(Attachment #2)*, seconded by Mr. Rushe and unanimously carried.

Proposed Ordinance #2013-08 Amending Chapter 70 - Offenses and Miscellaneous Provisions, Section 70-7 - Registered Sexual Offenders, Subsection (b) - Prohibition on Residency and Employments

During the Special Council Meeting of May 28, 2013, Council directed staff to prepare a Code amendment that would remove the requirement for offenders residing or employed within 500 feet of a day care center at the time of adoption of Ordinance #2012-08 (April 9, 2012) to move or resign their employment.

Police Chief James Hosfelt stated that the proposed amendment would allow two (2) individuals who currently reside within 500 feet of a daycare center to remain in their residences, noting that if they moved in the future, they would have to be in compliance with the ordinance.

Mr. Shevock moved to recommend adoption of Proposed Ordinance #2013-08 *(Attachment #3)*, seconded by Mr. Rushe and carried with two (2) yes (Rushe and Shevock) and one (1) no (Lynn).

Proposed Pricing for Sale of Garrison Oak Technology Park Lots

Mr. Scott Koenig, City Manager, advised members that in recent months there had been two (2) requests for pricing on parcels in the Garrison Oak Technical Park. Based on these inquiries, the Economic Development Office requested comparable pricing information from R&R Commercial Realty and McGinnis Commercial Realty.

Referring to correspondence from Mr. Charles Rodriguez from R&R Commercial Realty, Mr. Koenig quoted a sales price for similar projects ranging between $22,983 and $40,000 per acre, with an average of approximately $31,182 per acre. He stated that Mr. Philip McGinnis of McGinnis Commercial Real Estate Company recommended a price of at least $30,000 per acre with conditions on the pricing. Based on this input, the Economic Development Office proposed a price of $35,000 per acre and recommended that the City Manager be authorized to negotiate a price decrease of up to $5,000 per acre when appropriate. Mr. Koenig stated that any sale of land would come before Council for affirmation of sale prior to execution.

Mr. Rushe moved to recommend approval of land pricing at Garrison Oak Technical Park at a price of $35,000 per acre and that the City Manager be authorized to negotiate a price decrease of up to $5,000 when appropriate. The motion was seconded by Mr. Shevock and unanimously carried.

Review of Ordinance Sponsorship

At the request of Councilman Lynn, a history of the requirement for three (3) sponsors to propose amendments to the Dover Code was compiled. Members were advised that currently all ordinances or proposed Charter changes must have three (3) sponsors (three (3) members of Council) before they are presented to the appropriate committee for consideration and subsequent recommendation to the Council. The only exceptions are emergency ordinances, zoning ordinances or map amendments, ordinance amendments submitted by Council-appointed staff or a committee, and ordinances passed in consideration of a comprehensive review of the Code.

Councilman Lynn expressed his desire to either remove the sponsorship requirement for Council members or impose the same requirements for Council-appointed staff. He advised members that executive City staff can propose changes with only one (1) sponsor. He stated the purpose of the ordinance was to "equalize the playing field" and allow ordinances to be sponsored by only one (1) Council person.

Mr. Hare stated that some support from Council should be required for staff to present Code amendments. He felt that if the support of three (3) Council members could not be obtained, then there was not enough support to merit consideration.

Responding to Mr. Shevock, Mr. Lynn stated that consideration of how this matter should be addressed was open for discussion. He indicated his wish to eliminate the requirement that Council members must obtain three (3) sponsors; however, stated that another possibility would be to require that staff obtain multiple sponsors, as Council must.

Mr. Hare felt that if a Council member could not get two (2) additional members to support an amendment, there was no need to bring it up, as this would waste time. He felt that this should apply to staff as well and that they should attempt to obtain the support of three (3) Council members; one (1) staff member and two (2) Council members; or the City Manager and two (2) Council members.

Mr. Shevock stated he was more inclined to require the support of two (2) people before bringing an item to a committee for discussion. His concern was that there may be objections that a matter was discussed prior to the meeting and that an item was being "ramrodded through."

Mr. Shevock questioned if there were requirements in the Code or Charter that would prohibit these changes.

Mr. Lynn stated his concern was the "chilling effect" that a mandate for multiple sponsors could have on amendments, noting that debate may be needed before a decision can be made as to whether a member chooses to sponsor an amendment. He felt that open, frank discussion was needed on every item and that eliminating the need for sponsors across the board might accomplish this. Mr. Lynn indicated that debating an issue on the floor brings about brainstorming that can turn a mediocre idea into a great idea when presented to full Council and that the current policy should be changed to one (1) sponsor across the board.

Mr. Hare expressed his belief that at least two (2) sponsors should be required to support a proposed amendment.

Mr. Perza stated that the current policy was inconsistent in that there were two (2) ways to have an item placed on the agenda and he felt that either way was subject to manipulation. He felt that if a Council member were able to get support from one (1) other person to agree to discuss the amendment, this should be enough to place the item on the committee agenda and that obtaining this support would not be difficult. He suggested information be sent to the attention of the Council President who could communicate that the item had been proposed and determine if members would like to at least discuss the matter before placing it on the agenda. This would also prevent the City from working on a matter if there was no will from the elected representatives to go forward and would also prevent one (1) person from unilaterally putting items on an agenda.

Mr. Lynn noting that, historically, committee chairs had unilaterally refused to put items on agendas, and he wished to eliminate any possibility of a "chilling" effect or manipulation. He felt that only one (1) sponsor should be required.

Mr. Perza noted that it could become apparent very quickly if this were not a good idea if agendas became overloaded. He was unsure if there was a problem with items not being placed on agendas and stated that during his past year of service, he had not had a problem placing items on the agenda.

Mr. Hutchison felt that at least two (2) or three (3) people should sign on to proposed amendments and noted that he would lean toward two (2) in view of Mr. Anderson's current absence due to deployment.

Mr. Shevock inquired if there had been a problem and suggested "if it's not broken, why try to fix it." He concurred with Mr. Hutchison that perhaps two (2) sponsors would be adequate due to Mr. Anderson's absence.

Mr. Lynn felt that it was an irritant that he would be required to find two (2) additional people to get on board with an idea when those who work for Council are not required to do so and questioned why City staff would be imbued with more power than the officials that they serve.

Mr. Shevock concurred that requirements should be the same for administration as they are for Council.

Responding to Mr. Hare's suggestion that the City Manager and the director who proposes an ordinance determine if the item is brought forward, Mr. Lynn stated that this could be a problem if the City Manager and director were "at loggerheads."

Mr. Hare suggested that a Council-appointed department head be required to seek one (1) additional sponsor and a City Manager-appointed director obtain the approval of the City Manager.

Mr. Lynn suggested that the requirement for three (3) sponsors lends itself to violations of the Freedom of Information Act (FOIA). He felt that calling nine (9) members to try to get someone "on board" could be interpreted as a serial meeting and that requiring one (1) sponsor would avoid these problems.

Mrs. Ann Marie Townshend, Director of Planning and Community Development clarified that placing an item on an agenda was the prerogative of the Council President for the Council agenda and the Committee chair for committee agendas. In regard to development of ordinances, she stated that she currently has only to develop an ordinance and if the Council President or Committee Chair approves this item for the agenda, it goes on the agenda. She stated that it would not cause problems for staff to be required to obtain two (2) sponsors or for staff to be placed on the same footing as Council members in regard to ordinance sponsorship. Mrs. Townshend advised members that a great deal of time would be wasted if she spent months preparing an ordinance without the support of at least two (2) sponsors.

Mrs. McDowell, City Clerk, stated that differentiating between the ordinances brought forth by City Manager-appointed or Council-appointed staff would complicate the process and possibly create problems and suggested a requirement for sponsorship by two (2) Council members for any ordinance. She felt that if staff reporting to the City Manager had ordinances to bring forth, this would be the responsibility of the City Manager. She requested clarification as to whether emergency ordinances, zoning ordinances or map amendments, and ordinances passed in consideration of a comprehensive review of the Code would be excluded from this requirement if a change were made from the current procedure, which does not require staff to obtain sponsorship. Mrs. McDowell noted that these types of ordinances are fairly standard and must come forward.

Mrs. Townshend concurred that these types of ordinances, including Comprehensive Plan amendments and rezonings, should be excluded from sponsorship requirements and advised members that if a rezoning ordinance were not brought forward, the City would be denying the applicant due process; however, she felt that zoning text amendments should be subject to sponsorship requirements. She was comfortable that staff could work with any recommendation made by the Committee.

Mr. Shevock stated that the current system whereby the staff member requests placing an ordinance on the agenda from a committee chair would provide the necessary two (2) sponsors.

Responding, Mrs. Townshend stated that she felt that Mrs. McDowell's suggestion for two (2) Council sponsors would be a "cleaner" approach since these members are elected and staff works for them.

Mr. Dixon concurred with Mr. Perza's earlier comment that "if it's not broke, don't fix it," and Mr. Shevock agreed.

Mr. Hare moved to recommend that the sponsorship of two (2) Council members be required for any proposed ordinance, excluding emergency ordinances, zoning ordinances, map amendments, ordinances passed in consideration of a comprehensive review of the Code, and Comprehensive Plan amendments, seconded by Mr. Rushe. The motion failed by a vote of two (2) yes (Hare and Rushe) and two (2) no (Lynn and Shevock).

Mr. Hare moved to leave the requirements as they were currently set forth, seconded by Mr. Shevock. The motion failed by a vote of two (2) yes (Hare and Shevock) and two no (Lynn and Rushe).

As a point of order, Mr. Bonar stated that no motion was needed to leave the procedure as it was currently being followed.

Mr. Lynn moved to reduce the Council obligation for sponsorship from three (3) sponsors to one (1) sponsor and to leave the staff obligation unchanged. The motion failed for lack of a second.

Mr. Rushe felt that requiring two (2) Council members to agree was the best course of action, noting that it would be difficult for an ordinance to move forward without the agreement of at least one (1) other member.

Mr. Lynn felt there should be an opportunity for all matters to be discussed on the floor as it was his belief that the power of debate can transform an item to a different idea.

Responding to Mr. Rushe, Mr. Lynn stated that he was unaware how other municipalities handle this matter.

Mr. Perza suggested that this matter be brought back for discussion at a future meeting after obtaining input from staff regarding the most efficient use of the process.

Mrs. McDowell noted that the history of the sponsorship requirement had not been included in the meeting packet and suggested that the matter be deferred until the next meeting so that this information could be provided and information could be gathered regarding what other municipalities require for sponsorship.

Mr. Hare stated that he did not disagree that there was inequity between the staff and Council sponsorship requirement; however, he stated that even in Congress a second sponsor is required.

Mr. Lynn moved to table the matter so that members of the Committee and Council could review the history of how the current procedure came about, seconded by Mr. Rushe and unanimously carried.

Mr. Hare moved for adjournment, seconded by Mr. Shevock and unanimously carried.

Meeting adjourned at 6:41 p.m.

Sean M.Lynn
Chairman

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Attachments

Attachment #1 - Amended and Restated Water and Sewer Bond Resolution Providing for the Issuance by the City of Dover of Water and Sewer Revenue Bonds and Related Matters

Attachment #2 - Resolution Authorizing the Sale of Up to $6,500,000 Water and Sewer Revenue Bonds of the City of Dover

Attachment #3 - Proposed Ordinance #2013-08 Amending Chapter 70 - Offenses and Miscellaneous Provisions, Section 70-7 - Registered Sexual Offenders, Subsection (b) - Prohibition on Residency and Employments

AMENDED AND RESTATED WATER AND SEWER BOND RESOLUTION PROVIDING FOR THE ISSUANCE BY THE CITY OF DOVER OF WATER AND SEWER REVENUE BONDS AND RELATED MATTERS

WHEREAS, The City of Dover (the "City") is authorized pursuant to Chapter 111, Volume 52, Laws of Delaware as amended by Chapter 340, Volume 57, Laws of Delaware and the City Charter, Chapter 158, Volume 36, Laws of Delaware as amended (the "Enabling Acts") to issue revenue bonds for the purpose of financing improvements to its water and sewer systems; and

WHEREAS, by Resolution of the City Council (the "Council") adopted February 27, 1989, (as thereafter supplemented and amended, the "1989 Bond Resolution") which amended and restated the bond resolution of October 24, 1984, the Council provided for the issuance of various series of water and sewer revenue bonds; and

WHEREAS, by Resolution of the Council adopted January 24, 2000, the Council authorized the issuance and sale of $750,000 Water and Sewer Revenue Bonds (Series 2000-SRF) for the purpose of providing funds for certain water and sewer projects of which $324,939 remains outstanding; and

WHEREAS, by Resolution of the Council adopted April 14, 2003, the Council authorized the issuance and sale of $7,980,000 Water and Sewer Revenue Bonds (Series 2003) for the purpose of refunding certain prior bonds and for providing funds for certain water and sewer projects of which $1,980,000 remains outstanding; and

WHEREAS, by Resolution of the Council adopted September 24, 2009, the Council authorized the issuance and sale of $5,942,481 Water and Sewer Revenue Bonds (Series 2009-SRF) for the purpose of providing funds for certain water and sewer projects of which $5,344,454 remains outstanding; and

WHEREAS, by Resolution of the Council adopted February 22, 2010 the Council authorized the issuance and sale of $2,404,017 Water and Sewer Revenue Bonds (Series 2010-SRF) for the purpose of providing funds for certain water and sewer projects of which $2,254,263 remains outstanding; and

WHEREAS, by Resolution of the Council adopted January 24, 2011, the Council authorized the issuance and sale of $765,060 Water and Sewer Revenue Bonds (Series 2011-SRF) for the purpose of providing funds for certain water quality improvement projects of which $724,671 remains outstanding; and

WHEREAS, Section 15(2) of the 1989 Bond Resolution provides for the amendment thereof, with the consent of at least 50% of holders of bonds outstanding under the 1989 Bond Resolution; and

WHEREAS, the Council now desires to provide an amended and restated water and sewer bond resolution to put it in the form of a master resolution for all water and sewer revenue bonds issued thereunder and providing for certain new provisions including conditional notice provisions, reports by a City engineer for additional bonds, and trustee provisions;

Now Therefore, the Council hereby resolves as follows:

Section 1. Definitions. (a) As used in this Resolution, the following words shall have the following meanings:

"Bonds" means The City of Dover, Water and Sewer Revenue Bonds, issued and secured on a parity pursuant to this Resolution or any Resolution supplemental hereto.

"City" means The City of Dover, a municipal corporation of the State of Delaware.

"Charter" means the charter of the City, as amended.

"Construction Fund" means the Water and Sewer Construction Fund maintained by the City.

"Council" means the council of the City.

"Default" means any event specified in Section 12(1) of this Resolution.

"Gross Revenue" means all fees and charges resulting from provision of water and sewer services (including wastewater collection impact fees), revenue from product sales, and other revenue required to be placed in the Water and Sewer Fund under this Resolution, and any interest earnings on the Water and Sewer Fund which are held in the Water and Sewer Fund; however, Gross Revenue does not include: (a) any payments of assessments levied against benefited properties; (b) the proceeds of any grants, (c) the proceeds of any borrowing for capital improvements; (d) the proceeds of any casualty insurance which the City intends to utilize for repair or replacement of Water and Sewer Facilities.

"Maximum Annual Debt Service" means the maximum annual debt service on all outstanding Bonds for a twelve month period commencing December 15 and ending December 14 during which any Bond is outstanding.

"Net Operating Revenue" means the Gross Revenue less the Operating Expenses.

"Operating Expenses" means all expenses incurred for operation, maintenance and repair of the water and sewer system, including but not limited to administrative expenses, financial and auditing expenses, insurance premiums, claims (to the extent monies are not available from proceeds of insurance), taxes, legal and engineering expenses relating to operation and maintenance, payments and reserves for pension, retirement, health, hospitalization, and sick leave benefits, payments to reserve funds, fees due others (including Kent County) for sewer treatment service, and any other similar expenses to be paid to the extent properly and directly attributable to operations of the system. Operating Expenses do not include any reserves for extraordinary maintenance or repair, any allowance for depreciation or any payments of the City for debt service on any existing indebtedness of the City.

"Parity Bonds" means any revenue bonds or other obligations of the City which comply with the provisions of Section 11 of this Resolution for the issuance of Parity Bonds.

"Paying Agent and Registrar" means the City or such other entity which is under contract with the City to serve as paying agent and registrar for the Bonds or any series thereof.

"Qualified Investments" means:

(a) U.S. Government Securities issued by the U.S. Government and backed by the full faith and credit of the U.S. Treasury.

(b) Obligations issued or guaranteed by any agency controlled by or acting as an instrumentality of the United States of America.

(c) Repurchase agreements with underlying collateral consisting of obligations limited to those mentioned in (a) and (b) above with banks provided that the City or the Paying Agent and Registrar has possession and a perfected security interest in the collateral security which must have a market value not less than 102 percent of the amount invested. Repurchase agreements shall be limited to a maximum maturity of 90 days at the time of purchase.

(d) Certificates of Deposit issued by, and time deposits in, any bank, provided such investment is fully insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation or to the extent not insured, (i) must be collateralized by U.S. Government Investments or (ii) the banking institution must have assets of not less than $5 billion and issuers must have a short-term rating of at least A-1 by Standard & Poor's and at least P1 by Moody's and a long-term rating of at least AA by Standard & Poor's and at least Aa by Moody's. The maximum stated maturity of any investment in this sector shall be limited to 3 years at the time of purchase. This sector shall not exceed 25% of the total portfolio. No single issuer shall exceed 5% of the total portfolio.

(e) Corporate bonds and debentures provided that issuers have a long-term rating of at least AA by Standard & Poor's and at least Aa by Moody's. The maximum stated maturity of any investment in this sector shall be limited to 3 years at the time of purchase. This sector shall not exceed 25% of the total portfolio. No single issuer shall exceed 5% of the total portfolio.

(f) Municipal obligations issued by state and local governments and public authorities in the United States provided that the issuer be rated at least AA by Standard & Poor's and at least Aa by Moody's. The maximum stated maturity of any investment in this sector shall be limited to 3 years at the time of purchase. This sector shall not exceed 15% of the total portfolio. No single issuer shall exceed 5% of the total portfolio.

(g) Commercial Paper provided that issuers are rated at least A-1 by Standard & Poor's and at least P1 by Moody's. The maximum stated maturity of any investment in this sector shall be limited to 270 days at the time of purchase. This sector shall not exceed 25% of the total portfolio. No single issuer shall exceed 5% of the total portfolio.

(h) Shares of Registered Investment Companies (money market funds) such that the fund is rated AAAm by Standard & Poor's. A current prospectus must be obtained before investing in any money market fund, and current holdings reports must be maintained at least each month.

(i) State of Delaware Investment Pool (Delaware Local Government Investment Pool).

"Redemption Fund" means the Water and Sewer Debt Redemption Fund maintained in trust by the Paying Agent and Registrar for the benefit of the owners of all Bonds to pay principal and interest on the Bonds.

"Reserve Account" means a separate account in the Redemption Fund in which the City agrees to maintain an amount equal to the Maximum Annual Debt Service; provided that for purposes of calculating such Maximum Annual Debt Service, Bonds purchased by the State Revolving Fund (SRF) are excluded from the definition of Bonds.

"Reserve Account Deficiency" means any amount by which the Maximum Annual Debt Service on all Bonds outstanding at the end of a fiscal year exceeds the amount on deposit in the Reserve Account at the end of that fiscal year.

"Supplemental Resolution" means a Resolution of Council supplemental hereto providing for the issuance of additional Bonds or for other amendment to this Resolution.

"Trustee" means The Bank of New York Mellon Trust Company.

"U.S. Government Investments" means any obligations fully and unconditionally guaranteed by the United States of America.

"Water and Sewer Fund" means the Water and Sewer fund maintained by the City into which the Gross Revenue is deposited.

"Water and Sewer Facilities" means all real and personal property now or hereafter established, owned, operated, used or maintained by the City, within or without its corporate limits, for the system of water supply and the system for collecting, treating and disposing of sewage, together with all property, rights, easements and interests pertaining thereto or acquired in connection therewith.

Section 2. Issuance of Bonds. Pursuant to the Enabling Acts, the Council shall approve the issuance of Bonds, the terms and conditions of which shall be set forth in a Supplemental Resolution.

The Bonds shall be special obligations of The City of Dover, and shall be payable solely from the Net Operating Revenue. The full faith and credit of the City shall not be pledged to pay principal and interest on the Bonds.

Unless otherwise provided in a Supplemental Resolution pertaining to the issuance of a series of Bonds, principal of and interest on the Bonds shall be payable by check or draft mailed

to each owner of such Bond at the address of such owner as it appears on the books of the Registrar as of the fifteenth day of the calendar month preceding the month in which the payment date occurs (the "Record Date").

The Bonds may be issued in book entry form, registered in the name of a securities depository (the "Depository") and immobilized in the custody of the Depository subject to such terms and conditions as may be determined by the Mayor in which case the Mayor may execute and deliver on behalf of the City a letter of representations in a form and with such content as the Mayor may determine to be in the best interest of the City. In the event that the Bonds are immobilized in the custody of a Depository, the City shall not be liable for the failure of the Depository or of any participant of the Depository to perform any obligation to any participant or beneficial owner of any such Bond.

Each of the Bonds shall be signed by the manual or facsimile signature of the Mayor and the Controller/Treasurer of the City and the official Seal of the City shall be affixed or printed thereon.

Section 3. Redemption. The Bonds of any series shall be subject to optional and mandatory redemption by the City, in whole or in part, on the terms and conditions set forth in such Bonds, the applicable Supplemental Resolution and this Resolution.

Notice of any redemption, identifying the Bonds or portions thereof to be redeemed, shall be given not more than sixty (60) nor fewer than twenty (20) days prior to the redemption date, by first class United States mail to the registered owners of the Bonds to be redeemed at their registered addresses. Failure to mail any such notice or any defect in the mailed notice or the mailing thereof shall not affect the validity of any proceedings for the redemption of other Bonds for which notice shall be duly given. No further interest shall accrue on the principal of any Bonds called for redemption after the redemption date if notice of redemption has been duly mailed and redemption moneys have been deposited with or made available to the Paying Agent on or prior to the date set for redemption and the holders of such Bonds shall have no rights with respect to such Bonds except to receive payment of the redemption price thereof and unpaid interest accrued to the date fixed for redemption.

If at the time of mailing of any notice of optional redemption the City shall not have deposited with the Paying Agent moneys sufficient to redeem all the Bonds called for redemption, such notice shall state that it is conditional, that is, subject to the deposit or transfer of the redemption moneys with the Paying Agent not later than the opening of business on the redemption date, and that such notice shall be of no effect unless such moneys are so deposited.

Section 4. Form of Bond. The Bonds shall be in substantially the form attached hereto as Exhibit A.

Section 5. Disposition of Bond Proceeds. Interest accrued from the date of the Bonds until the date of closing and any capitalized interest shall be placed in the Redemption Fund and shall be used to pay interest on the Bonds. An amount sufficient to cause the total Reserve Account to equal the Maximum Annual Debt Service on the Bonds shall be placed in the Reserve Account. The balance of the Bond proceeds shall be placed in the Construction

Fund and shall be distributed only to finance the projects as set forth in the applicable Supplemental Resolution and costs incurred in connection with the issuance of the Bonds. Separate sub-accounts shall be maintained in the Construction Fund to segregate funds with respect to each series of Bonds. The City may otherwise establish such sub-accounts as it shall deem appropriate.

Monies in the Redemption Fund may be invested at the direction of the City in U.S. Government Investments and monies in the Construction Fund may be invested by the City in Qualified Investments. Earnings from investment of the funds in the Construction Fund shall be maintained in the Construction Fund, and shall be treated and disbursed as Bond proceeds. Earnings from investment of the funds in the Redemption Fund shall be deposited in the Water and Sewer Fund after certification of sufficiency required in section 7 infra. Any proceeds of the Bonds remaining after payment of all project and issuance costs shall be transferred to the Water and Sewer Fund.

Section 6. Pledge and Disposition of Net Operating Revenue. The City hereby pledges the Net Operating Revenue to the payment of principal and interest on all Bonds.

The City hereby covenants with the holder that it will, so long as any Bonds remain outstanding, make the following deposits from the Net Operating Revenue Redemption Fund.

(1) On the fifteenth day of each month the City will deposit into the Redemption Fund an amount equal to one-sixth ($1/6^{th}$) of the amount necessary to pay interest on the Bonds which will become due during the six months following the deposit. Prepayment of monthly deposits will fulfill this requirement. Notwithstanding the foregoing, the City shall deposit into the Redemption Fund from the Net Operating Revenue an amount sufficient to permit all interest due on the Bonds to be paid on the date it is due.

(2) On the fifteenth day of each month, the City will deposit into the Redemption Fund an amount equal to one-twelfth ($1/12^{th}$) of the amount necessary to pay the principal on any Bonds which will become due during the twelve months following the deposit. Prepayment of monthly deposits will fulfill this requirement. Notwithstanding the foregoing, the City will deposit into the Redemption Fund from the Net Operating Revenue an amount sufficient to permit all principal due on the Bonds to be paid on the date it is due.

(3) On the first day of each month the City shall deposit into the Reserve Account an amount equal to one-twelfth ($l/12^{th}$) of any Reserve Account Deficiency determined to exist on the immediately previous December 15^{th} valuation.

Except in the event of a Default, Net Operating Revenue on deposit in the Water and Sewer Fund may be expended by the City for the following purposes and in the following priority.

First: Operating Expenses.

Second: Redemption Fund and Reserve Account Deposits.

Third: Debt service on other debt obligations of the City to the extent that the proceeds of such obligations were expended for Water and Sewer Facilities.

Fourth: Expenditures for capital improvements to the Water and Sewer Facilities approved by Council for the current fiscal year.

Fifth: Any other lawful purpose, whether or not for the benefit of the bondholders or for the Water and Sewer Facilities; provided that no expenditure or transfer shall be made pursuant to this Item Fifth without the prior certification of the Mayor or the City Manager, to be filed with the Paying Agent and Registrar, that all obligations set forth in Items First through Fourth are current and that such proposed expenditure or transfer would not impair the City's ability to meet its obligations under this Resolution:

Section 7. Reserve Account. The City shall maintain a balance in the Reserve Account at least equal to the Maximum Annual Debt Service on all outstanding Bonds. If the balance in the Reserve Account falls below the Maximum Annual Debt Service on all outstanding Bonds, the balance will be replenished as provided in Section 6(3), above. The Paying Agent and Register shall certify to the City the fair market value of the Reserve Account as of the fifteenth day of each December for the purpose of determining the balance in such account.

Monies required to be maintained in the Reserve Account will be used only to pay principal and interest on the Bonds, and only in the event that the Net Operating Revenue and other monies in the Redemption Fund are insufficient to pay the principal of and interest on the Bonds when due.

Any amounts in the Reserve Account on the fifteenth day of each December in excess of the Maximum Annual Debt Service on all outstanding Bonds may be transferred to the Water and Sewer Fund. Any surplus remaining in the Reserve Account after all Bonds have been paid shall be deposited in the Water and Sewer Fund.

Notwithstanding the foregoing, for purposes of this section, the calculation of Maximum Annual Debt Service shall exclude Bonds purchased by the State Revolving Fund (SRF) from the definition of Bonds.

Section 8. Rate Covenant. The City covenants that it will charge fees in connection with the operation of the Water and Sewer Facilities which are projected to generate Net Operating Revenue at least equal to 1.20 times the Maximum Annual Debt Service on all outstanding Bonds. If the Net Operating Revenue fails to meet this level, the City shall promptly increase its fees to a level so that Net Operating Revenue is projected to meet the required level.

Section 9. General Covenants. The City hereby covenants and agrees with the holders and owners of all outstanding Bonds as follows:

(1) That it will, to the extent the Net Operating Revenue is sufficient, promptly cause the principal and interest on the Bonds to be paid as they become due.

(2) That it will maintain complete books and records relating to the operation of the Water and Sewer Facilities, the Water and Sewer Fund, the Construction Fund, the Redemption Fund and the Reserve Account, in accordance with generally accepted accounting principles, and will cause such books and records to be audited annually at the end of each fiscal year, and an audit report prepared and made available for the inspection of bondholders.

(3) That it will not issue Bonds or other obligations having a claim superior to the claim of the Bonds upon the Net Operating Revenue.

(4) That it will promptly deposit into the Water and Sewer Fund all sums required to be so deposited.

(5) That it will operate the Water and Sewer Facilities in a sound, efficient and economic manner, and will not enter into any agreements to provide free service or services except for fire fighting, hydrant flushing, or in case of emergency.

(6) That it will maintain its contracts with Kent County for the treatment of sewage collected by the City or will otherwise provide for the treatment or disposal of such sewage.

Section 10. Registration and Transfer.

(1) The transfer of Bonds shall be registered on the Bond Register, which shall be kept for this purpose at the offices of the Paying Agent and Registrar of the City, upon surrender thereof by the Registered Owner in person or by his attorney duly authorized in writing together with a written instrument of transfer in form satisfactory to the City duly executed by the Registered Owner or his attorney duly authorized in writing free of charge except for any applicable transfer tax or other governmental charge. Upon any such registration or transfer, the Paying Agent and Registrar shall issue in the name of the transferee a new registered Bond or Bonds of the same series and maturity.

(2) The City and its Paying Agent and Registrar may deem and treat the Registered Owner of any registered Bond as the absolute owner of such Bond for the purpose of receiving any payment on such Bond and for all other purposes of this Resolution, whether such Bond shall be overdue or not. Neither the City nor Bond Registrar nor any Paying Agent and Registrar shall be affected by any notice to the contrary. Payment of, or on account of, the principal of and premium, if any, and interest on any registered Bond shall be made to such Registered Owner or upon his written order. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(3) The City shall not be required (a) to register the transfer of or exchange any Bond for a period of fifteen (15) days next preceding any interest payment date on such Bond or (b) to register the transfer of or exchange any Bond for a period of thirty (30) days next preceding the redemption date of any Bonds which have been previously called for redemption.

Section 11. Parity Bonds. The City may issue Parity Bonds to provide funds to finance the completion of construction of projects previously authorized by Council, the

construction of new Water and Sewer Facilities or the refunding of outstanding Bonds, upon the following conditions:

(1) No Default has occurred and is continuing;

(2) At the time of the issuance of the Parity Bonds there is no deficiency in the Redemption Fund or the Reserve Account;

(3) The Resolution authorizing the issuance of the Parity Bonds requires that a deposit be made at the closing sufficient to bring the balance in the Reserve Account equal to the Maximum Annual Debt Service on all outstanding Bonds, including the proposed Parity Bonds.

(4) The Resolution authorizing the issuance of the Parity Bonds contains a covenant of the City requiring the City to charge fees projected to generate Net Operating Revenue at least equal to 1.20 times the Maximum Annual Debt Service on all outstanding Bonds.

(5) Prior to the issuance of the Parity Bonds the City shall file in the Treasurer's office a report of either a City engineer or an independent consulting engineer that the schedule of rates and charges which have been previously authorized by the City are sufficient to produce, on a pro forma basis, Net Operating Revenue in the fiscal year immediately following the fiscal year in which the Parity Bonds are to be issued at least equal to 1.20 times the Maximum Annual Debt Service on all outstanding Bonds, including the proposed Parity Bonds but excluding any Bonds to be refunded by the proposed Parity Bonds.

Section 12. Defaults and Remedies

(1) The following events shall constitute a Default:

(A) Failure to pay principal or interest on any Bond when due; or,

(B) Failure to perform any other obligation of the City imposed by this Resolution or the Bonds, but only if:

(i) the failure continues for a period of more than ninety (90) days after written demand has been made on the City to remedy the failure; and

(ii) the City fails to take reasonable steps to remedy the failure within that ninety day period; or

(C) Imposition of a receivership upon, or liquidation of, the Water and Sewer Fund; or,

(D) Written admission by the City that the City is unable to pay its debts as they become due.

(2) Upon a Default, the Construction Fund and the Water and Sewer Fund shall be transferred to the Paying Agent and Registrar who shall operate and maintain said Funds in Trust pursuant to the terms of this Resolution and for the benefit of the bondholders.

(3) Upon a Default, any bondholder may exercise any remedy available at law or in equity.

(4) Upon a Default, any bondholder or the Paying Agent and Registrar shall have the rights set forth in 52 Del. Laws Ch. 111 to apply in an appropriate judicial proceeding for the appointment of a receiver of a Water and Sewer Facilities.

Section 13. Appointment of Trustee. The Bank of New York Mellon Trust Company is hereby appointed Trustee under this Resolution. Said Trustee shall signify its acceptance of the duties, obligations and trusts imposed upon it by this Resolution by executing the certificate of authentication endorsed upon and, by executing such certificate upon any bond, the Trustee shall be deemed to have accepted such duties, obligations and trusts, but only upon the terms and conditions set forth in this Article, to all of which the City, the Trustee and the respective owners of the bonds agree.

Section 14. Trustee Entitled to Indemnity. The Trustee shall be under no obligation to institute any suit, or to take any remedial proceeding under this Resolution, or to enter any appearance or in any way defend in any suit in which it may be defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and power hereunder, until it shall be indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability; the Trustee may, nevertheless, begin suit, or appear in and defend suit, or do anything else in its judgment: proper to be done by it as such Trustee, without indemnity, and in such case the City shall reimburse the Trustee from Revenues for all costs and expenses, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith. If the City shall fail to make such reimbursement, the Trustee may reimburse itself from any moneys in its possession under the provisions of this Resolution and shall be entitled to a preference therefor over any of the bonds Outstanding hereunder.

Section 15. Limitations on Trustee's Obligations. The Trustee shall be under no obligation to effect or maintain insurance or to renew any policies of insurance or to inquire as to the sufficiency of any policies of insurance carried by the City, or to report, or make or file claims or proof of loss for, any loss or damage insured against or which may occur, or to keep itself informed or advised as the payment of any taxes or assessments, or to require any such payment to be made. The Trustee shall have no responsibility in respect of the validity or sufficiency of this Resolution or in respect of the validity of the bonds or the due execution or issuance thereof. The Trustee shall be under no obligation, except as otherwise herein expressly required, to see that any duties herein imposed upon the City, the engineers, the Paying Agent, any Depository, or any party other than itself shall be done or performed, and the Trustee shall not be subject to any liability for failure to see that any such duties or covenants are so done or performed.

Section 16. Trustee Not Liable for Failure of Others. The Trustee shall not be liable or responsible because of the failure of the City or of any of its employees or agents to make any collections or deposits or to perform any act herein required of them or because of the loss of any moneys arising through the insolvency or the act or default or omission of any other Depositary in which such moneys shall have been deposited under the provisions of this Resolution. The Trustee shall not be responsible for the application of any of the proceeds of the bonds or any other moneys deposited with it and paid out, withdrawn or transferred hereunder if such application, payment, withdrawal or transfer shall be made in accordance with the provisions of this Resolution. The immunities and exemptions from liability of the Trustee hereunder shall extend to its directors, officers, employees, counsel and other agents.

Section 17. Compensation of Trustee. Subject to the provisions of any contract between the City and the Trustee, the City shall pay to the Trustee from revenues reasonable compensation for all services performed by it hereunder and also all its reasonable expenses, charges and other disbursements and those of its attorneys, agents and employees incurred in and about the administration and execution of the trusts hereby created and the performance of its powers and duties hereunder. If the City shall fail to make any payment required by this Section, the Trustee may make such payment from any moneys in its possession under the provisions of this Resolution and shall be entitled to a preference therefor over any of the bonds outstanding hereunder.

Section 18. Monthly Statement from Trustee. It shall be the duty of the Trustee, on or before the 15th day of each month after the delivery of the bonds under the provisions of this Resolution, to file with the City Manager a statement setting forth in respect of the preceding calendar month:

(a) the amount withdrawn or transferred from and the amount deposited to the credit of each Fund or Account held by it under the provisions of this Resolution,

(b) the amount applied to the purchase or redemption of bonds under the provisions of this Resolution and a description of the bonds so purchased or redeemed,

(c) the amount on deposit with the Trustee at the end of such month to the credit of each Fund and Account created under the provisions of this Resolution,

(d) a brief description of all obligations held by the Trustee as an investment of moneys in each Fund and Account under the provisions of this Resolution,

(e) any other information which the City Manager may reasonably request, provided that, with respect to clause (b) above, notice shall be provided by Trustee to the City Manager within thirty (30) days of purchase or redemption of bonds rather than on a monthly basis.

Section 19. Trustee May Rely on Certificates. In case at any time it shall be necessary or desirable for the Trustee to make any investigation respecting any fact preparatory to taking or not taking any action or doing or not doing anything as such Trustee, and in any case in which this Resolution provides for permitting or taking any action, the Trustee may rely upon any certificate required or permitted to be filed with it under the provisions of this Resolution, and any such certificate shall be evidence of such fact to protect the Trustee in any action that it may

or may not take or in respect of anything it may or may not do, in good faith, by reason of the supposed existence of such fact. Except as otherwise provided in this Resolution, any request, notice, certificate or other instrument from the City to the Trustee shall be deemed to have been signed by the proper party or parties if signed by the City Manager and the Trustee may accept and rely upon a certificate signed by the City Clerk as to any action taken by the City Council.

Section 20. Trustee Not Obliged to Take Notice of Certain Defaults. Except upon the happening of any event of default specified in this Resolution, the Trustee shall not be obliged to take notice or be deemed to have notice of any event of default hereunder, unless specifically notified in writing of such event of default by the owners of not less than ten per centum (10%) in aggregate principal amount of the bonds hereby secured and then outstanding.

Section 21. Trustee May Deal in Bonds and Take Action as Bondowner. The bank or trust company acting as Trustee under this Resolution, and its directors, officers, employees or agents, may in good faith buy, sell, own, hold and deal in any of the bonds issued under the provisions of this Resolution, and may join in any action which any bondholder may be entitled to take with like effect as if such bank or trust company were not the Trustee.

Section 22. Trustee Not Responsible for Recitals. The recitals, statements and representations contained herein and in the bonds (excluding the Trustee's certificate of authentication on the bonds) shall be taken and construed as made by and on the part of the City and not by the Trustee, and the Trustee assumes and shall be under no responsibility for the correctness of the same.

Section 23. Trustee Protected in Certain Actions. The Trustee shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Resolution, upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond or other paper or document which it shall in good faith believe to be genuine and to have been adopted or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of this Resolution, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument. The Trustee shall not be bound to recognize any person as an owner of any bond not registered in accordance with the terms hereof. The Trustee shall not be under any obligation to see to the recording or filing of this Resolution or otherwise to the giving to any person of notice of the provisions hereof.

Section 24. Resignation of Trustee. The Trustee may resign at any time and thereby become discharged from the trusts hereby created, by notice in writing to be given to the City and published once in a daily newspaper of general circulation published in the City of Wilmington, Delaware, and in a daily newspaper of general circulation or a financial journal published in the Borough of Manhattan, City and State of New York, not less than thirty (30) days before such resignation is to take effect, but such resignation shall take effect immediately upon the appointment of a new Trustee hereunder if such new Trustee shall be appointed before the time limited by such notice and shall then accept the trusts hereof.

Section 25. Removal of Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing, executed by the owners of not less than a majority in aggregate principal amount of the bonds hereby secured and then outstanding and filed with the City. A photostatic copy of each such instrument shall be delivered promptly by the City to the Trustee. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Resolution with respect to the duties and obligations of the Trustee, by any court of competent jurisdiction upon the application of the City Council or the owners of not less than five per centum (5%) in aggregate principal amount of the bonds then outstanding hereunder.

Section 26. Appointment of a Successor Trustee. If at any time hereafter the Trustee shall resign, be removed, be dissolved, or otherwise become incapable of acting, or if the bank or trust company acting as Trustee shall be taken over by any governmental official, agency, department or board, the position of Trustee shall thereupon become vacant. If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, the City Council shall appoint a Trustee to fill such vacancy. The City shall publish notice of any such appointment by it made once in each week for two (2) successive weeks in a daily newspaper of general circulation published in the City of Wilmington, Delaware, and in a daily newspaper of general circulation or a financial journal published in the Borough of Manhattan, City and State of New York.

At any time within one year after any such vacancy shall have occurred, the owners of a majority in aggregate principal amount of the bonds hereby secured and then outstanding, by an instrument or concurrent instruments in writing, executed by such bondowners or their attorneys in fact or legal representatives and filed with the City, may appoint a successor Trustee which shall supersede any Trustee theretofore appointed by the City. Photostatic copies of each such instrument shall be delivered promptly by the City to the predecessor Trustee and to the Trustee so appointed by the bondowners.

If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section, the owner of any bond Outstanding hereunder or any retiring Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

Any Trustee hereafter appointed shall be a bank or trust company authorized by law to exercise corporate trust powers and subject to examination by federal or state authority, of good standing, and having a combined capital and surplus aggregating not less than Twenty Five Million Dollars ($25,000,000).

Section 27. Vesting of Trusts in Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor, and also to the City, an instrument in writing accepting such appointment hereunder, and thereupon such successor Trustee, without any further act, shall become fully vested with all the rights, immunities, power and trusts, and subject to all the duties and obligations, of its predecessor; but such predecessors shall, nevertheless, on the written request of its successor or of the City, and upon payment of the

expenses, charges and other disbursements of such predecessor which are payable pursuant to the provisions of Section 17 of this Resolution, execute and deliver an instrument transferring to such successor Trustee all the rights, immunities, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all property and moneys held by it hereunder to its successor. Should an instrument in writing from the City be required by any successor Trustee for more fully and certainly vesting in such Trustee the rights, immunities, powers and trusts hereby vested or intended to be vested in the predecessor Trustee, any such instrument in writing shall and will, on request, be executed, acknowledged and delivered by the City.

Notwithstanding any of the foregoing provisions of this Article, any bank or trust company having power to perform the duties and execute the trusts of this Resolution and otherwise qualified to act as trustee hereunder with or into which the bank or trust company acting as Trustee may be merged or consolidated, or to which the assets and business of such bank or trust company may be sold, shall be deemed the successor of the Trustee.

Section 28. Insurance. The City covenants to maintain insurance, or a reasonable system of self insurance, appropriate to the risks associated with operation of its Water and Sewer Facilities.

Section 29. Sales, Leases and Encumbrances. The City may not sell, encumber, exchange or otherwise dispose of any property constituting a part of the Water and Sewer Facilities unless such property is either worn out or obsolete or, in the opinion of the City, is no longer useful in the operation of the Water and Sewer Facilities. Any proceeds of such sale, exchange or other disposition not used to replace the property so sold or exchanged shall be deposited in the Water and Sewer Fund.

The City may lease as lessor or make contracts or grant licenses for the operation of, or grant easements or other rights with respect to any part of the Water and Sewer Facilities if such lease, contract, license, easement or right does not, in the opinion of the City, impede the operation of the Water and Sewer Facilities.

Section 30. Amendment of Resolution.

(1) This Resolution may be amended without the consent of any bondholders for any one or more of the following purposes:

(A) To add to the covenants and agreements of the City in this Resolution any other covenants and agreements thereafter to be observed by the City, or to surrender any right or power herein reserved to or conferred upon the City;

(B) To cure any ambiguity or formal defect contained in this Resolution, if that cure does not, in the judgment of the Council, adversely affect the interest of the bondholders; or

(C) To issue Parity Bonds in accordance with section 11 hereof.

(2) This Resolution may be amended for any other purpose only upon consent of holders of not less than 50% in aggregate principal amount of the Bonds outstanding; provided, however, that no amendment shall be valid which:

(A) Extends the maturity of any Bond, reduces the rate of interest upon any Bond, extends the time of payment of interest on any Bond, reduces the amount of principal payable on any Bond, or reduces any premium payable on any Bond, without the consent of the affected bondholder; or

(B) Reduces the percent of bondholders required to approve an amendatory resolution.

Section 31. Defeasance. The lien of the Bonds, or any series of Bonds, upon the Net Operating Revenue may be defeased, and such Bonds shall be deemed paid, if the City places in irrevocable escrow direct obligations of, or obligations guaranteed by, the United States of America which are calculated together with interest earnings thereon to be sufficient, without reinvestment, to pay principal, interest and any premium on the Bonds as they become due, either at maturity or on prior redemption.

Section 32. Effective Date. This Resolution shall become effective upon receipt of the consent of holders of at least 50% of Bonds outstanding.

APPROVED by the Council of The City of Dover, the __ day of _____, 2013.

_____
City Clerk
The City of Dover

APPROVED by the Mayor of The City of Dover, the __ day of _____, 2013.

_____
Mayor, The City of Dover

No. R - **$_____**

EXHIBIT A
STATE OF DELAWARE
KENT COUNTY
THE CITY OF DOVER

WATER AND SEWER REVENUE BOND, SERIES _____

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

THE CITY OF DOVER, in Kent County, State of Delaware, for value received, hereby promises to pay to the Registered Owner identified above, or registered assigns, the Principal Amount identified above on the Maturity Date specified above, unless this Bond shall have been previously called for redemption and payment of the redemption price shall have been duly made or provided for, and to pay interest at the Interest Rate specified above, on such Principal Amount from the interest payment date next preceding the date of registration and authentication of this Bond, unless this Bond is registered and authenticated as of an interest payment date, in which event this Bond shall bear interest from such interest payment date or unless this Bond is registered and authenticated prior to _____, in which event this Bond shall bear interest from the Dated Date indicated above, or unless interest on the hereinafter referred to Bonds shall be in default, in which event this Bond shall bear interest from the last date to which interest has been paid, at the rate specified above payable semiannually on _____ and _____ of each year commencing _____ until payment in full of such Principal Amount, and to pay interest on the overdue principal and, to the extent permitted by law, on overdue interest at the rate specified above.

Both the principal of and interest on this Bond are payable in lawful money of the United States of America. Interest on this Bond shall be paid by check or draft mailed to the Registered Owner as shown on the bond register maintained by the Paying Agent and Registrar. The Principal Amount shall be payable upon presentation and surrender of this Bond by the Registered Owner thereof at the principal corporate trust office of the Paying Agent and Registrar.

In the event that this Bond is held by or registered in the name of a securities depository or other agent or nominee of a beneficial owner, by purchase of a Bond the bondholder agrees that the City will have no responsibility or liability for any action or inaction by the depository or other agent or nominee in connection with the Bond.

The Series _____ Bonds maturing on or after _____ are subject to redemption, at the option of the City in whole at any time on or after _____, _____, and in part on any interest payment date on or after _____,

_____, at the following prices (expressed as a percentage of the principal amount redeemed) plus interest accrued to the redemption date:

Redemption Date (Dates inclusive)	Redemption Price
_____, 20__ through _____, 20__	%
_____, 20__ through _____, 20__	%
_____, 20__ through _____, 20__	%
_____, 20__ through _____, 20__	%
_____, 20__ and thereafter	%

Notice of any redemption, identifying the Bonds or portions thereof to be redeemed, shall be given not more than sixty (60) nor fewer than twenty (20) days prior to the redemption date, by first class United States mail to the registered owners of the Bonds to be redeemed at their registered addresses. Failure to mail any such notice or any defect in the mailed notice or the mailing thereof shall not affect the validity of any proceedings for the redemption of other Bonds for which notice shall be duly given. No further interest shall accrue on the principal of any Bonds called for redemption after the redemption date if notice of redemption has been duly mailed and redemption moneys have been deposited with or made available to the Paying Agent on or prior to the date set for redemption and the holders of such Bonds shall have no rights with respect to such Bonds except to receive payment of the redemption price thereof and unpaid interest accrued to the date fixed for redemption.

If at the time of mailing of any notice of optional redemption the City shall not have deposited with the Paying Agent moneys sufficient to redeem all the Bonds called for redemption, such notice shall state that it is conditional, that is, subject to the deposit or transfer of the redemption moneys with the Paying Agent not later than the opening of business on the redemption date, and that such notice shall be of no effect unless such moneys are so deposited.

This Bond is one of the Water and Sewer Revenue Bonds, Series _____ of The City of Dover (the "Bonds"), and is issued by The City of Dover for the purpose of providing funds for the construction of water and sewer facilities, and is issued in full and strict accordance and compliance with all of the provisions of the Charter of The City of Dover, and the Constitution and statutes of the State of Delaware including a Resolution of City Council adopted _____ (the "Resolution") and a Supplemental Resolution thereto.

This Bond is not a general obligation or debt of The City of Dover but is payable solely from the Net Operating Revenue of the Water and Sewer Facilities as provided in the Resolution and the owner hereof has no right to compel the levy of any tax for the payment of this Bond or the interest to accrue hereon. The City of Dover covenants and agrees with the holder of this Bond that it will keep and perform all of the covenants of this Bond and the Resolution. The City of Dover has pledged the Net Operating Revenue of the Water and Sewer Facilities to the payment of principal and interest on this Bond.

The City may issue additional bonds secured on a parity with the Bonds to finance the construction, completion, repair and improvement of water and sewer facilities or the refunding of outstanding Bonds upon meeting certain conditions set forth in the Resolution which Parity Bonds shall rank on a parity with the Series _____ Bonds in the lien and benefit of this Resolution.

The Series _____ Bonds are issuable in the form of registered bonds without coupons in the denominations of $5,000 or any integral multiple thereof. The owner of any registered Bond or Bonds may surrender the same (together with a written instrument of transfer satisfactory to the City duly executed by the registered owner or his duly authorized attorney) at the office of the Paying Agent and Registrar of the City, in exchange for an equal aggregate principal amount of registered Bonds, of the same maturity and of any other authorized denominations in the manner, subject to the conditions and upon the payment of the charges provided in the Resolution.

Any transfer of this Bond must be registered, as provided in the Resolution, upon the Bond Register kept for that purpose at the office of the Paying Agent and Registrar of the City by the registered owner hereof in person, or by his attorney duly authorized in writing, upon surrender of this Bond together with a written instrument of transfer satisfactory to the City duly executed by the registered owner or his attorney duly authorized in writing, and thereupon a new registered bond or bonds, of the same series and maturity and in the same aggregate principal amounts, shall be issued to the transferee in exchange herefore as provided in the Resolution free of charge except for any applicable transfer tax or other governmental charge. The City may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes, as provided in the Resolution.

IN TESTIMONY WHEREOF, the Council of The City of Dover by Resolution duly adopted, has caused this Bond to be executed with the manual or facsimile signatures of its Mayor and Treasurer, and has caused the City's corporate Seal to be printed or affixed hereto, all as of the _____ day of _____, 20__.

_____
__
Mayor, The City of Dover

(SEAL)

_____
__
Treasurer, The City of Dover

AMENDED AND RESTATED WATER AND SEWER ~~REVENUE~~ BOND RESOLUTION
~~ENDING AND RESTATING THE 1984 BOND RESOLUTION~~
PROVIDING FOR THE ISSUANCE BY THE CITY OF DOVER OF WATER AND SEWER REVENUE BONDS AND RELATED MATTERS

WHEREAS, The City of Dover (the "City") is authorized pursuant to Chapter 111, Volume 52, Laws of Delaware as amended by Chapter 340, Volume 57, Laws of Delaware and the City Charter, Chapter 158, Volume 36, Laws of Delaware as amended (the "Enabling Acts") to issue revenue bonds for the purpose of financing improvements to its water and sewer systems; and

WHEREAS, by Resolution of the City Council (the "Council") adopted ~~September 10, 1984, as~~February 27, 1989, (as thereafter supplemented and amended~~ on October 24, 1984 (the "1984 Resolution")~~, the "1989 Bond Resolution") which amended and restated the bond resolution of October 24, 1984, the Council provided for the issuance of various series of water and sewer revenue bonds; and

WHEREAS, by Resolution of the Council adopted January 24, 2000, the Council authorized the issuance and sale of $~~3,070,00 principal amount of the City's~~750,000 Water and Sewer Revenue Bonds (~~the "~~Series ~~1984 Bonds"~~2000-SRF) for the ~~financing of~~purpose of providing funds for certain water and sewer projects ~~which bonds are payable from the Net Operating Revenue, as defined in the 1984 Resolution~~of which $324,939 remains outstanding; and

~~WHEREAS, the 1984 Resolution provided for the issuance of additional bonds to be secured on a parity with the Series 1984 Bonds; and~~

WHEREAS, by Resolution of the Council adopted April 14, ~~1985 as amended on May 26, 1986 and June 23, 1986 ("the 1986 Resolution")~~2003, the Council ~~amended the 1984 Resolution and~~ authorized the issuance and sale of $~~8,730,000 principal amount of the City's~~7,980,000 Water and Sewer Revenue Bonds (~~the "~~Series ~~1986 Bonds"~~2003) for the purpose of refunding ~~the Series 1984 Bonds~~certain prior bonds and for providing funds for ~~additional projects, which Series 1986 Bonds are also payable from the Net Operating Revenue; and~~certain water and sewer projects of which $1,980,000 remains outstanding; and

WHEREAS, ~~pursuant to Section 17 of the 1984 Resolution the lien of the Series 1984 Bonds upon the Net Operating Revenue has been defeased by the deposit into escrow of sufficient funds to pay the principal and interest on the Series 1984 Bonds and the Series 1984 Bonds are thereby deemed paid provided that the terms of the 1984 Resolution relating to the timing and amounts of payment and registration, exchange and transfer remain in effect with respect to the Series 1984 Bonds; and~~by Resolution of the Council adopted September 24, 2009, the Council authorized the issuance and sale of $5,942,481 Water and Sewer Revenue Bonds (Series 2009-SRF) for the purpose of providing funds for certain water and sewer projects of which $5,344,454 remains outstanding; and

WHEREAS, by Resolution of the Council adopted February 22, 2010 the Council authorized the issuance and sale of $2,404,017 Water and Sewer Revenue Bonds (Series 2010-SRF) for the purpose of providing funds for certain water and sewer projects of which $2,254,263 remains outstanding; and

WHEREAS, by Resolution of the Council adopted January 24, 2011, the Council authorized the issuance and sale of $765,060 Water and Sewer Revenue Bonds (Series 2011-SRF) for the purpose of providing funds for certain water quality improvement projects of which $724,671 remains outstanding; and

WHEREAS, Section ~~16~~15(2) of the ~~1984~~1989 Bond Resolution provides for the amendment thereof, ~~without~~with the consent of ~~owners~~at least 50% of ~~any~~holders of bonds outstanding under the ~~1984~~1989 Bond Resolution~~, to issue parity bonds~~; and

WHEREAS, the Council~~, in connection with the issuance of additional parity bonds, now desires to amend and restate the 1984 Resolution as amended by the 1986 Resolution~~ now desires to provide an amended and restated water and sewer bond resolution to put it in the form of a master resolution for all ~~Water~~water and ~~Sewer Revenue Bonds~~sewer revenue bonds issued thereunder and providing for ~~the issuance of such bonds pursuant to supplemental resolutions thereto as well as to make certain other conforming amendments in connection therewith which Council hereby finds will not adversely affect the interest of Bondholders~~certain new provisions including conditional notice provisions, reports by a City engineer for additional bonds, and trustee provisions;

Now Therefore, the Council hereby resolves as follows:

Section 1. Definitions. (a) As used in this Resolution, the following words shall have the following meanings:

"Bonds" means The City of Dover, Water and Sewer Revenue Bonds, issued and secured on a parity pursuant to this Resolution or any Resolution supplemental hereto.

"City" means The City of Dover, a municipal corporation of the State of Delaware.

"Charter" means the charter of the City, as amended.

"Construction Fund" means the Water and Sewer~~."~~ Construction Fund~~"~~ maintained by the City.

"Council" means the council of the City.

"Default" means any event specified in Section 12(1) of this Resolution.

"Gross Revenue" means all fees and charges resulting from provision of water and sewer services (including wastewater collection impact fees), revenue from product sales, and other revenue required to be placed in the Water and Sewer Fund under this Resolution, and any interest earnings on the Water and Sewer Fund which are held in the Water and Sewer Fund; however, Gross Revenue does not include: (a) any payments of assessments levied against benefited

properties; (b) the proceeds of any grants, (c) the proceeds of any borrowing for capital improvements; (d) the proceeds of any casualty insurance which the City intends to utilize for repair or replacement of Water and Sewer Facilities.

"Maximum Annual Debt Service" means the maximum annual debt service on all outstanding Bonds for a twelve month period commencing December 15 and ending December 14 during which any Bond is outstanding.

"Net Operating Revenue" means the Gross Revenue less the Operating Expenses.

"Operating Expenses" means all expenses incurred for operation, maintenance and repair of the water and sewer system, including but not limited to administrative expenses, financial and auditing expenses, insurance premiums, claims (to the extent monies are not available from proceeds of insurance), taxes, legal and engineering expenses relating to operation and maintenance, payments and reserves for pension, retirement, health, hospitalization, and sick leave benefits, payments to reserve funds, fees due others (including Kent County) for sewer treatment service, and any other similar expenses to be paid to the extent properly and directly attributable to operations of the system. Operating Expenses do not include any reserves for extraordinary maintenance or repair, any allowance for depreciation or any payments of the City for debt service on any existing indebtedness of the City.

"Parity Bonds" means any revenue bonds or other obligations of the City which comply with the provisions of Section 11 of this Resolution for the issuance of Parity Bonds.

"Paying Agent and Registrar" means the City or such other entity which is under contract with the City to serve as paying agent and registrar for the Bonds or any series thereof.

"Qualified Investments" means:

(a) U.S. Government ~~Investments,~~Securities issued by the U.S. Government and backed by the full faith and credit of the U.S. Treasury.

(b) Obligations issued or guaranteed by any agency controlled by or acting as an instrumentality of the United States of America~~,~~ .

(c) ~~repurchase~~Repurchase agreements with ~~respect to~~underlying collateral consisting of obligations limited to those mentioned in (a) and (b) above with banks provided that the City or the Paying Agent and Registrar has possession and a perfected security interest in the collateral security which must have a market value ~~equal to~~not less than 102 percent of the amount invested~~,~~. Repurchase agreements shall be limited to a maximum maturity of 90 days at the time of purchase.

(d) ~~certificates~~Certificates of ~~deposit~~Deposit issued by, and time deposits in, any bank, provided such investment is fully insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation or to the extent not insured, (i) must be collateralized by U.S. Government Investments~~.~~ or (ii) the banking institution must have assets of not less than $5 billion and issuers must have a short-term rating of at least A-1 by Standard & Poor's and at least P1 by

Moody's and a long-term rating of at least AA by Standard & Poor's and at least Aa by Moody's. The maximum stated maturity of any investment in this sector shall be limited to 3 years at the time of purchase. This sector shall not exceed 25% of the total portfolio. No single issuer shall exceed 5% of the total portfolio.

(e) Corporate bonds and debentures provided that issuers have a long-term rating of at least AA by Standard & Poor's and at least Aa by Moody's. The maximum stated maturity of any investment in this sector shall be limited to 3 years at the time of purchase. This sector shall not exceed 25% of the total portfolio. No single issuer shall exceed 5% of the total portfolio.

(f) Municipal obligations issued by state and local governments and public authorities in the United States provided that the issuer be rated at least AA by Standard & Poor's and at least Aa by Moody's. The maximum stated maturity of any investment in this sector shall be limited to 3 years at the time of purchase. This sector shall not exceed 15% of the total portfolio. No single issuer shall exceed 5% of the total portfolio.

(g) Commercial Paper provided that issuers are rated at least A-1 by Standard & Poor's and at least P1 by Moody's. The maximum stated maturity of any investment in this sector shall be limited to 270 days at the time of purchase. This sector shall not exceed 25% of the total portfolio. No single issuer shall exceed 5% of the total portfolio.

(h) Shares of Registered Investment Companies (money market funds) such that the fund is rated AAAm by Standard & Poor's. A current prospectus must be obtained before investing in any money market fund, and current holdings reports must be maintained at least each month.

(i) State of Delaware Investment Pool (Delaware Local Government Investment Pool).

"Redemption Fund" means the Water and Sewer Debt Redemption Fund maintained in trust by the Paying Agent and Registrar for the benefit of the owners of all Bonds to pay principal and interest on the Bonds.

"Reserve Account" means a separate account in the Redemption Fund in which the City agrees to maintain an amount equal to the ~~maximum annual debt service on all outstanding Bonds for any twelve month period commencing December 15 and ending December 14 during which any Bond is outstanding (the "~~Maximum Annual Debt Service~~")~~; provided that for purposes of calculating such Maximum Annual Debt Service, Bonds purchased by the State Revolving Fund (SRF) are excluded from the definition of Bonds.

"Reserve Account Deficiency" means any amount by which the Maximum Annual Debt Service on all Bonds outstanding at the end of a fiscal year exceeds the amount on deposit in the Reserve Account at the end of that fiscal year.

"Supplemental Resolution" means a Resolution of Council supplemental hereto providing for the issuance of additional Bonds or for other amendment to this Resolution.

"Trustee" means The Bank of New York Mellon Trust Company.

"U.S. Government Investments" means any obligations fully and unconditionally guaranteed by the United States of America.

"Water and Sewer Fund" means the Water and Sewer fund maintained by the City into which the Gross Revenue is deposited.

"Water and Sewer Facilities" means all real and personal property now or hereafter established, owned, operated, used or maintained by the City, within or without its corporate limits, for the system of water supply and the system for collecting, treating and disposing of sewage, together with all property, rights, easements and interests pertaining thereto or acquired in connection therewith.

Section 2. Issuance of Bonds. Pursuant to the Enabling Acts, the Council shall approve the issuance of Bonds, the terms and conditions of which shall be set forth in a Supplemental Resolution.

The Bonds shall be special obligations of The City of Dover, and shall be payable solely from the Net Operating Revenue. The full faith and credit of the City shall not be pledged to pay principal and interest on the Bonds.

Unless otherwise provided in a Supplemental Resolution pertaining to the issuance of a series of Bonds, principal of and interest on the Bonds shall be payable by check or draft mailed to each owner of such Bond at the address of such owner as it appears on the books of the Registrar as of the fifteenth day of the calendar month preceding the month in which the payment date occurs (the "Record Date").

The Bonds may be issued in book entry form, registered in the name of a securities depository (the "Depository") and immobilized in the custody of the Depository subject to such terms and conditions as may be determined by the Mayor in which case the Mayor may execute and deliver on behalf of the City a letter of representations in a form and with such content as the Mayor may determine to be in the best interest of the City. In the event that the Bonds are immobilized in the custody of a Depository, the City shall not be liable for the failure of the Depository or of any participant of the Depository to perform any obligation to any participant or beneficial owner of any such Bond.

Each of the Bonds shall be signed by the manual or facsimile signature of the Mayor and the Controller/Treasurer~~/Finance Director~~ of the City and the official Seal of the City shall be affixed or printed thereon.

Section 3. Redemption. The Bonds of any series shall be subject to optional and mandatory redemption by the City, in whole or in part, on the terms and conditions set forth in such Bonds, the applicable Supplemental Resolution and this Resolution.

Notice of any redemption ~~shall be mailed by certified~~, identifying the Bonds or portions thereof to be redeemed, shall be given not more than sixty (60) nor fewer than twenty (20) days prior to the redemption date, by first class United States mail to the registered owners of the Bonds to be redeemed ~~(as shown on the books of the Registrar on the Record Date selected by the City) not less than thirty days prior to the intended redemption date; however, any failure to give notice with respect to any Bonds shall not invalidate the redemption of the~~at their registered addresses. Failure to mail any such notice or any defect in the mailed notice or the mailing thereof shall not affect the validity of any proceedings for the redemption of other Bonds for which ~~proper notice has been given. All Bonds called for redemption shall cease to bear interest from the date designated in the redemption notice and shall cease to be entitled to the lien and benefits of this Resolution provided that funds sufficient for their redemption are on deposit~~notice shall be duly given. No further interest shall accrue on the principal of any Bonds called for redemption after the redemption date if notice of redemption has been duly mailed and redemption moneys have been deposited with or made available to the Paying Agent on or prior to the date set for redemption and the holders of such Bonds shall have no rights with respect to such Bonds except to receive payment of the redemption price thereof and unpaid interest accrued to the date fixed for redemption.

If at the time of mailing of any notice of optional redemption the City shall not have deposited with the Paying Agent moneys sufficient to redeem all the Bonds called for redemption, such notice shall state that it is conditional, that is, subject to the deposit or transfer of the redemption moneys with the Paying Agent not later than the opening of business on the redemption date, and that such notice shall be of no effect unless such moneys are so deposited.

Section 4. Form of Bond. The Bonds shall be in substantially the form attached hereto as Exhibit A.

Section 5. Disposition of Bond Proceeds. Interest accrued from the date of the Bonds until the date of closing and any capitalized interest shall be placed in the Redemption Fund and shall be used to pay interest on the Bonds. An amount sufficient to cause the total Reserve Account to equal the Maximum Annual Debt Service on the Bonds shall be placed in the Reserve Account. The balance of the Bond proceeds shall be placed in the Construction Fund and shall be distributed only to finance the projects as set forth in the applicable Supplemental Resolution and costs incurred in connection with the issuance of the Bonds. Separate sub-accounts shall be maintained in the Construction Fund to segregate funds with respect to each series of Bonds. The City may otherwise establish such sub-accounts as it shall deem appropriate.

Monies in the Redemption Fund may be invested at the direction of the City in U.S. Government Investments and monies in the Construction Fund may be invested by the City in Qualified Investments. Earnings from investment of the funds in the Construction Fund shall be maintained in the Construction Fund, and shall be treated and disbursed as Bond proceeds. Earnings from investment of the funds in the Redemption Fund shall be deposited in the Water and Sewer Fund after certification of sufficiency required in section 7 infra. Any proceeds of the Bonds remaining after payment of all project and issuance costs shall be transferred to the Water and Sewer Fund.

Section 6. Pledge and Disposition of Net Operating Revenue. The City hereby pledges the Net Operating Revenue to the payment of principal and interest on all Bonds.

The City hereby covenants with the holder that it will, so long as any Bonds remain outstanding, make the following deposits from the Net Operating Revenue Redemption Fund.

(1) On the fifteenth day of each month the City will deposit into the Redemption Fund an amount equal to one-sixth ($1/6^{th}$) of the amount necessary to pay interest on the Bonds which will become due during the six months following the deposit. Prepayment of monthly deposits will fulfill this requirement. Notwithstanding the foregoing, the City shall deposit into the Redemption Fund from the Net Operating Revenue an amount sufficient to permit all interest due on the Bonds to be paid on the date it is due.

(2) On the fifteenth day of each month, the City will deposit into the Redemption Fund an amount equal to one-twelfth ($1/12^{th}$) of the amount necessary to pay the principal on any Bonds which will become due during the twelve months following the deposit. Prepayment of monthly deposits will fulfill this requirement. Notwithstanding the foregoing, the City will deposit into the Redemption Fund from the Net Operating Revenue an amount sufficient to permit all principal due on the Bonds to be paid on the date it is due.

(3) On the first day of each month the City shall deposit into the Reserve Account an amount equal to one-twelfth ($l/12^{th}$) of any Reserve Account Deficiency determined to exist on the immediately previous December 15^{th} valuation.

Except in the event of a Default, Net Operating Revenue on deposit in the Water and Sewer Fund may be expended by the City for the following purposes and in the following priority.

First: Operating Expenses.

Second: Redemption Fund and Reserve Account Deposits.

Third: Debt service on other debt obligations of the City to the extent that the proceeds of such obligations were expended for Water and Sewer Facilities.

Fourth: Expenditures for capital improvements to the Water and Sewer Facilities approved by Council for the current fiscal year.

Fifth: Any other lawful purpose, whether or not for the benefit of the ~~Bondholders~~bondholders or for the Water and Sewer Facilities; provided that no expenditure or transfer shall be made pursuant to this Item Fifth without the prior certification of the Mayor or the City Manager, to be filed with the Paying Agent and Registrar, that all obligations set forth in Items First through Fourth are current and that such proposed expenditure or transfer would not impair the City's ability to meet its obligations under this Resolution:

Section 7. Reserve Account. The City shall maintain a balance in the Reserve Account at least equal to the Maximum Annual Debt Service on all outstanding Bonds. If the balance in the Reserve Account falls below the Maximum Annual Debt Service on all outstanding Bonds, the balance will be replenished as provided in Section 6(3), above. The Paying Agent and Register shall certify to the City the fair market value of the Reserve Account as of the fifteenth day of each December for the purpose of determining the balance in such account.

Monies required to be maintained in the Reserve Account will be used only to pay principal and interest on the Bonds, and only in the event that the Net Operating Revenue and other monies in the Redemption Fund are insufficient to pay the principal of and interest on the Bonds when due.

Any amounts in the Reserve Account on the fifteenth day of each December in excess of the Maximum Annual Debt Service on all outstanding Bonds may be transferred to the Water and Sewer Fund. Any surplus remaining in the Reserve Account after all Bonds have been paid shall be deposited in the Water and Sewer Fund.

Notwithstanding the foregoing, for purposes of this section, the calculation of Maximum Annual Debt Service shall exclude Bonds purchased by the State Revolving Fund (SRF) from the definition of Bonds.

Section 8. Rate Covenant. The City covenants that it will charge fees in connection with the operation of the Water and Sewer Facilities which are projected to generate Net Operating Revenue at least equal to 1.20 times the Maximum Annual Debt Service on all outstanding Bonds. If the Net Operating Revenue fails to meet this level, the City shall promptly increase its fees to a level so that Net Operating Revenue is projected to meet the required level.

Section 9. General Covenants. The City hereby covenants and agrees with the holders and owners of all outstanding Bonds as follows:

(1) That it will, to the extent the Net Operating Revenue is sufficient, promptly cause the principal and interest on the Bonds to be paid as they become due.

(2) That it will maintain complete books and records relating to the operation of the Water and Sewer Facilities, the Water and Sewer Fund, the Construction Fund, the Redemption Fund and the Reserve Account, in accordance with generally accepted accounting principles, and will cause such books and records to be audited annually at the end of each fiscal year, and an audit report prepared and made available for the inspection of ~~Bondholders~~bondholders.

(3) That it will not issue Bonds or other obligations having a claim superior to the claim of the Bonds upon the Net Operating Revenue.

(4) That it will promptly deposit into the Water and Sewer Fund all sums required to be so deposited.

(5) That it will operate the Water and Sewer Facilities in a sound, efficient and economic manner, and will not enter into any agreements to provide free service or services except for fire fighting, hydrant flushing, or in case of emergency.

(6) That it will maintain its contracts with Kent County for the treatment of sewage collected by the City or will otherwise provide for the treatment or disposal of such sewage.

Section 10. Registration and Transfer.

(1) The transfer of Bonds shall be registered on the Bond Register, which shall be kept for this purpose at the offices of the Paying Agent and Registrar of the City, upon surrender thereof by the Registered Owner in person or by his attorney duly authorized in writing together with a written instrument of transfer in form satisfactory to the City duly executed by the Registered Owner or his attorney duly authorized in writing free of charge except for any applicable transfer tax or other governmental charge. Upon any such registration or transfer, the Paying Agent and Registrar shall issue in the name of the transferee a new registered Bond or Bonds of the same series and maturity.

(2) The City and its Paying Agent and Registrar may deem and treat the Registered Owner of any registered Bond as the absolute owner of such Bond for the purpose of receiving any payment on such Bond and for all other purposes of this Resolution, whether such Bond shall be overdue or not. Neither the City nor Bond Registrar nor any Paying Agent and Registrar shall be affected by any notice to the contrary. Payment of, or on account of, the principal of and premium, if any, and interest on any registered Bond shall be made to such Registered Owner or upon his written order. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(3) The City shall not be required (a) to register the transfer of or exchange any Bond for a period of fifteen (15) days next preceding any interest payment date on such Bond or (b) to register the transfer of or exchange any Bond for a period of thirty (30) days next preceding the redemption date of any Bonds which have been previously called for redemption.

Section 11. Parity Bonds. The City may issue Parity Bonds to provide funds to finance the completion of construction of projects previously authorized by Council, the construction of new Water and Sewer Facilities or the refunding of outstanding Bonds, upon the following conditions:

(1) No Default has occurred and is continuing;

(2) At the time of the issuance of the Parity Bonds there is no deficiency in the Redemption Fund or the Reserve Account;

(3) The Resolution authorizing the issuance of the Parity Bonds requires that a deposit be made at the closing sufficient to bring the balance in the Reserve Account equal to the Maximum Annual Debt Service on all outstanding Bonds, including the proposed Parity Bonds.

(4) The Resolution authorizing the issuance of the Parity Bonds contains a covenant of the City requiring the City to charge fees projected to generate Net Operating Revenue at least equal to 1.20 times the Maximum Annual Debt Service on all outstanding Bonds.

(5) Prior to the issuance of the Parity Bonds the City shall file in the Treasurer's office a report of either a City engineer or an independent~~,~~ consulting engineer that the schedule of rates and charges which have been previously authorized by the City are sufficient to produce, on a pro forma basis, Net Operating Revenue in the fiscal year immediately following the fiscal year in which the Parity Bonds are to be issued at least equal to 1.20 times the Maximum Annual Debt

Service on all outstanding Bonds, including the proposed Parity Bonds but excluding any Bonds to be refunded by the proposed Parity Bonds.

Section 12. Defaults and Remedies

(1) The following events shall constitute a Default:

(A) Failure to pay principal or interest on any Bond when due; or,

(B) Failure to perform any other obligation of the City imposed by this Resolution or the Bonds, but only if:

(i) the failure continues for a period of more than ninety (90) days after written demand has been made on the City to remedy the failure; and

(ii) the City fails to take reasonable steps to remedy the failure within that ninety day period; or

(C) Imposition of a receivership upon, or liquidation of, the Water and Sewer Fund; or,

(D) Written admission by the City that the City is unable to pay its debts as they become due.

(2) Upon a Default, the Construction Fund and the Water and Sewer Fund shall be transferred to the Paying Agent and Registrar who shall operate and maintain said Funds in Trust pursuant to the terms of this Resolution and for the benefit of the ~~Bondholders~~bondholders.

(3) Upon a Default, any ~~Bondholder~~bondholder may exercise any remedy available at law or in equity.

(4) Upon a Default, any ~~Bondholder~~bondholder or the Paying Agent and Registrar shall have the rights set forth in 52 Del. Laws Ch. 111 to apply in an appropriate judicial proceeding for the appointment of a receiver of a Water and Sewer Facilities.

Section 13. Appointment of Trustee. The Bank of New York Mellon Trust Company is hereby appointed Trustee under this Resolution. Said Trustee shall signify its acceptance of the duties, obligations and trusts imposed upon it by this Resolution by executing the certificate of authentication endorsed upon and, by executing such certificate upon any bond, the Trustee shall be deemed to have accepted such duties, obligations and trusts, but only upon the terms and conditions set forth in this Article, to all of which the City, the Trustee and the respective owners of the bonds agree.

Section 14. Trustee Entitled to Indemnity. The Trustee shall be under no obligation to institute any suit, or to take any remedial proceeding under this Resolution, or to enter any appearance or in any way defend in any suit in which it may be defendant, or to take any steps in

the execution of the trusts hereby created or in the enforcement of any rights and power hereunder, until it shall be indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability; the Trustee may, nevertheless, begin suit, or appear in and defend suit, or do anything else in its judgment: proper to be done by it as such Trustee, without indemnity, and in such case the City shall reimburse the Trustee from Revenues for all costs and expenses, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith. If the City shall fail to make such reimbursement, the Trustee may reimburse itself from any moneys in its possession under the provisions of this Resolution and shall be entitled to a preference therefor over any of the bonds Outstanding hereunder.

Section 15. Limitations on Trustee's Obligations. The Trustee shall be under no obligation to effect or maintain insurance or to renew any policies of insurance or to inquire as to the sufficiency of any policies of insurance carried by the City, or to report, or make or file claims or proof of loss for, any loss or damage insured against or which may occur, or to keep itself informed or advised as the payment of any taxes or assessments, or to require any such payment to be made. The Trustee shall have no responsibility in respect of the validity or sufficiency of this Resolution or in respect of the validity of the bonds or the due execution or issuance thereof. The Trustee shall be under no obligation, except as otherwise herein expressly required, to see that any duties herein imposed upon the City, the engineers, the Paying Agent, any Depository, or any party other than itself shall be done or performed, and the Trustee shall not be subject to any liability for failure to see that any such duties or covenants are so done or performed.

Section 16. Trustee Not Liable for Failure of Others. The Trustee shall not be liable or responsible because of the failure of the City or of any of its employees or agents to make any collections or deposits or to perform any act herein required of them or because of the loss of any moneys arising through the insolvency or the act or default or omission of any other Depositary in which such moneys shall have been deposited under the provisions of this Resolution. The Trustee shall not be responsible for the application of any of the proceeds of the bonds or any other moneys deposited with it and paid out, withdrawn or transferred hereunder if such application, payment, withdrawal or transfer shall be made in accordance with the provisions of this Resolution. The immunities and exemptions from liability of the Trustee hereunder shall extend to its directors, officers, employees, counsel and other agents.

Section 17. Compensation of Trustee. Subject to the provisions of any contract between the City and the Trustee, the City shall pay to the Trustee from revenues reasonable compensation for all services performed by it hereunder and also all its reasonable expenses, charges and other disbursements and those of its attorneys, agents and employees incurred in and about the administration and execution of the trusts hereby created and the performance of its powers and duties hereunder. If the City shall fail to make any payment required by this Section, the Trustee may make such payment from any moneys in its possession under the provisions of this Resolution and shall be entitled to a preference therefor over any of the bonds outstanding hereunder.

Section 18. Monthly Statement from Trustee. It shall be the duty of the Trustee, on or before the 15th day of each month after the delivery of the bonds under the provisions of this Resolution, to file with the City Manager a statement setting forth in respect of the preceding calendar month:

(a) the amount withdrawn or transferred from and the amount deposited to the credit of each Fund or Account held by it under the provisions of this Resolution,

(b) the amount applied to the purchase or redemption of bonds under the provisions of this Resolution and a description of the bonds so purchased or redeemed,

(c) the amount on deposit with the Trustee at the end of such month to the credit of each Fund and Account created under the provisions of this Resolution,

(d) a brief description of all obligations held by the Trustee as an investment of moneys in each Fund and Account under the provisions of this Resolution,

(e) any other information which the City Manager may reasonably request, provided that, with respect to clause (b) above, notice shall be provided by Trustee to the City Manager within thirty (30) days of purchase or redemption of bonds rather than on a monthly basis.

Section 19. Trustee May Rely on Certificates. In case at any time it shall be necessary or desirable for the Trustee to make any investigation respecting any fact preparatory to taking or not taking any action or doing or not doing anything as such Trustee, and in any case in which this Resolution provides for permitting or taking any action, the Trustee may rely upon any certificate required or permitted to be filed with it under the provisions of this Resolution, and any such certificate shall be evidence of such fact to protect the Trustee in any action that it may or may not take or in respect of anything it may or may not do, in good faith, by reason of the supposed existence of such fact. Except as otherwise provided in this Resolution, any request, notice, certificate or other instrument from the City to the Trustee shall be deemed to have been signed by the proper party or parties if signed by the City Manager and the Trustee may accept and rely upon a certificate signed by the City Clerk as to any action taken by the City Council.

Section 20. Trustee Not Obliged to Take Notice of Certain Defaults. Except upon the happening of any event of default specified in this Resolution, the Trustee shall not be obliged to take notice or be deemed to have notice of any event of default hereunder, unless specifically notified in writing of such event of default by the owners of not less than ten per centum (10%) in aggregate principal amount of the bonds hereby secured and then outstanding.

Section 21. Trustee May Deal in Bonds and Take Action as Bondowner. The bank or trust company acting as Trustee under this Resolution, and its directors, officers, employees or agents, may in good faith buy, sell, own, hold and deal in any of the bonds issued under the provisions of this Resolution, and may join in any action which any bondholder may be entitled to take with like effect as if such bank or trust company were not the Trustee.

Section 22. Trustee Not Responsible for Recitals. The recitals, statements and representations contained herein and in the bonds (excluding the Trustee's certificate of authentication on the bonds) shall be taken and construed as made by and on the part of the City and not by the Trustee, and the Trustee assumes and shall be under no responsibility for the correctness of the same.

Section 23. Trustee Protected in Certain Actions. The Trustee shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith,

reasonably and in accordance with the terms of this Resolution, upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond or other paper or document which it shall in good faith believe to be genuine and to have been adopted or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of this Resolution, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument. The Trustee shall not be bound to recognize any person as an owner of any bond not registered in accordance with the terms hereof. The Trustee shall not be under any obligation to see to the recording or filing of this Resolution or otherwise to the giving to any person of notice of the provisions hereof.

Section 24. Resignation of Trustee. The Trustee may resign at any time and thereby become discharged from the trusts hereby created, by notice in writing to be given to the City and published once in a daily newspaper of general circulation published in the City of Wilmington, Delaware, and in a daily newspaper of general circulation or a financial journal published in the Borough of Manhattan, City and State of New York, not less than thirty (30) days before such resignation is to take effect, but such resignation shall take effect immediately upon the appointment of a new Trustee hereunder if such new Trustee shall be appointed before the time limited by such notice and shall then accept the trusts hereof.

Section 25. Removal of Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing, executed by the owners of not less than a majority in aggregate principal amount of the bonds hereby secured and then outstanding and filed with the City. A photostatic copy of each such instrument shall be delivered promptly by the City to the Trustee. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Resolution with respect to the duties and obligations of the Trustee, by any court of competent jurisdiction upon the application of the City Council or the owners of not less than five per centum (5%) in aggregate principal amount of the bonds then outstanding hereunder.

Section 26. Appointment of a Successor Trustee. If at any time hereafter the Trustee shall resign, be removed, be dissolved, or otherwise become incapable of acting, or if the bank or trust company acting as Trustee shall be taken over by any governmental official, agency, department or board, the position of Trustee shall thereupon become vacant. If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, the City Council shall appoint a Trustee to fill such vacancy. The City shall publish notice of any such appointment by it made once in each week for two (2) successive weeks in a daily newspaper of general circulation published in the City of Wilmington, Delaware, and in a daily newspaper of general circulation or a financial journal published in the Borough of Manhattan, City and State of New York.

At any time within one year after any such vacancy shall have occurred, the owners of a majority in aggregate principal amount of the bonds hereby secured and then outstanding, by an instrument or concurrent instruments in writing, executed by such bondowners or their attorneys in fact or legal representatives and filed with the City, may appoint a successor Trustee which shall supersede any Trustee theretofore appointed by the City. Photostatic copies of each such instrument shall be delivered promptly by the City to the predecessor Trustee and to the Trustee so appointed by the bondowners.

If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section, the owner of any bond Outstanding hereunder or any retiring Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

Any Trustee hereafter appointed shall be a bank or trust company authorized by law to exercise corporate trust powers and subject to examination by federal or state authority, of good standing, and having a combined capital and surplus aggregating not less than Twenty Five Million Dollars ($25,000,000).

Section 27. Vesting of Trusts in Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor, and also to the City, an instrument in writing accepting such appointment hereunder, and thereupon such successor Trustee, without any further act, shall become fully vested with all the rights, immunities, power and trusts, and subject to all the duties and obligations, of its predecessor; but such predecessors shall, nevertheless, on the written request of its successor or of the City, and upon payment of the expenses, charges and other disbursements of such predecessor which are payable pursuant to the provisions of Section 17 of this Resolution, execute and deliver an instrument transferring to such successor Trustee all the rights, immunities, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all property and moneys held by it hereunder to its successor. Should an instrument in writing from the City be required by any successor Trustee for more fully and certainly vesting in such Trustee the rights, immunities, powers and trusts hereby vested or intended to be vested in the predecessor Trustee, any such instrument in writing shall and will, on request, be executed, acknowledged and delivered by the City.

Notwithstanding any of the foregoing provisions of this Article, any bank or trust company having power to perform the duties and execute the trusts of this Resolution and otherwise qualified to act as trustee hereunder with or into which the bank or trust company acting as Trustee may be merged or consolidated, or to which the assets and business of such bank or trust company may be sold, shall be deemed the successor of the Trustee.

~~Section 13.~~ Section 28. Insurance. The City covenants to maintain insurance, or a reasonable system of self insurance, appropriate to the risks associated with operation of its Water and Sewer Facilities.

~~Section 14.~~ Section 29. Sales, Leases and Encumbrances. The City may not sell, encumber, exchange or otherwise dispose of any property constituting a part of the Water and Sewer Facilities unless such property is either worn out or obsolete or, in the opinion of the City, is no longer useful in the operation of the Water and Sewer Facilities. Any proceeds of such sale, exchange or other disposition not used to replace the property so sold or exchanged shall be deposited in the Water and Sewer Fund.

The City may lease as lessor or make contracts or grant licenses for the operation of, or grant easements or other rights with respect to any part of the Water and Sewer Facilities if such lease, contract, license, easement or right does not, in the opinion of the City, impede the operation of the Water and Sewer Facilities.

~~Section 15.~~ Section 30. Amendment of Resolution.

(1) This Resolution may be amended without the consent of any ~~Bondholders~~bondholders for any one or more of the following purposes:

(A) To add to the covenants and agreements of the City in this Resolution any other covenants and agreements thereafter to be observed by the City, or to surrender any right or power herein reserved to or conferred upon the City;

(B) To cure any ambiguity or formal defect contained in this Resolution, if that cure does not, in the judgment of the Council, adversely affect the interest of the ~~Bondholders~~bondholders; or

(C) To issue Parity Bonds in accordance with section 11 hereof.

(2) This Resolution may be amended for any other purpose only upon consent of holders of not less than 50% in aggregate principal amount of the Bonds outstanding; provided, however, that no amendment shall be valid which:

(A) Extends the maturity of any Bond, reduces the rate of interest upon any Bond, extends the time of payment of interest on any Bond, reduces the amount of principal payable on any Bond, or reduces any premium payable on any Bond, without the consent of the affected ~~Bondholder~~bondholder; or

(B) Reduces the percent of ~~Bondholders~~bondholders required to approve an amendatory resolution.

~~Section 16.~~ Section 31. Defeasance. The lien of the Bonds, or any series of Bonds, upon the Net Operating Revenue may be defeased, and such Bonds shall be deemed paid, if the City places in irrevocable escrow direct obligations of, or obligations guaranteed by, the United States of America which are calculated together with interest earnings thereon to be sufficient, without reinvestment, to pay principal, interest and any premium on the Bonds as they become due, either at maturity or on prior redemption.

~~Section 17. Series 1984 Bonds and Series 1986 Bonds. The 1984 Resolution shall be deemed a supplemental Resolution hereto (to be referred to as "Supplemental Resolution No. 1") and shall remain in effect so far as it pertains to the amounts, timing and manner of payments on the Series 1984 Bonds as well as with respect to registration, transfer and exchange privileges. The 1986 Resolution shall be deemed a Supplemental Resolution hereto (to be referred to as "Supplemental Resolution No. 2") and shall remain in effect with respect to the terms of the Series 1986 Bonds.~~

Section 32. Effective Date. This Resolution shall become effective upon receipt of the consent of holders of at least 50% of Bonds outstanding.

APPROVED by the Council of The City of Dover, the __~~th~~ day of _____, ~~1989.~~2013.

City Clerk
The City of Dover

APPROVED by the Mayor of The City of Dover, the __~~th~~ day of _____, ~~1989.~~2013.

Mayor, The City of Dover

No. R - **$_____**

EXHIBIT A
STATE OF DELAWARE
KENT COUNTY
THE CITY OF DOVER

WATER AND SEWER REVENUE BOND, SERIES _____

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

THE CITY OF DOVER, in Kent County, State of Delaware, for value received, hereby promises to pay to the Registered Owner identified above, or registered assigns, the Principal Amount identified above on the Maturity Date specified above, unless this Bond shall have been previously called for redemption and payment of the redemption price shall have been duly made or provided for, and to pay interest at the Interest Rate specified above, on such Principal Amount from the interest payment date next preceding the date of registration and authentication of this Bond, unless this Bond is registered and authenticated as of an interest payment date, in which event this Bond shall bear interest from such interest payment date or unless this Bond is registered and authenticated prior to _____, in which event this Bond shall bear interest from the Dated Date indicated above, or unless interest on the hereinafter referred to Bonds shall be in default, in which event this Bond shall bear interest from the last date to which interest has been paid, at the rate specified above payable semiannually on _____ and _____ of each year commencing _____ until payment in full of such Principal Amount, and to pay interest on the overdue principal and, to the extent permitted by law, on overdue interest at the rate specified above.

Both the principal of and interest on this Bond are payable in lawful money of the United States of America. Interest on this Bond shall be paid by check or draft mailed to the Registered Owner as shown on the bond register maintained by the Paying Agent and Registrar. The Principal Amount shall be payable upon presentation and surrender of this Bond by the Registered Owner thereof at the principal corporate trust office of the Paying Agent and Registrar.

In the event that this Bond is held by or registered in the name of a securities depository or other agent or nominee of a beneficial owner, by purchase of a Bond the ~~Bondholder~~bondholder agrees that the City will have no responsibility or liability for any action or inaction by the depository or other agent or nominee in connection with the Bond.

The Series _____ Bonds maturing on or after _____ are subject to redemption, at the option of the City in whole at any time on or after _____, _____, and in part on any interest payment date on or after _____,

_____, at the following prices (expressed as a percentage of the principal amount redeemed) plus interest accrued to the redemption date:

Redemption Date (Dates inclusive)	Redemption Price
_____, ~~199~~20__ through _____, ~~199~~20__	%
_____, ~~199~~20__ through _____, ~~199~~20__	%
_____, ~~199~~20__ through _____, ~~199~~20__	%
_____, ~~199~~20__ through _____, ~~199~~20__	%
_____, ~~199~~20__ and thereafter	%

Notice of ~~redemption shall be mailed by certified mail, postage prepaid, to the registered owner (as shown on the books of the Registrar on the Record Date selected by the City) of the Series _____ Bonds~~any redemption, identifying the Bonds or portions thereof to be redeemed, shall be given not ~~less~~more than ~~thirty~~sixty (60) nor fewer than twenty (20) days prior to the ~~intended~~ redemption date~~; however, any failure to give notice shall not invalidate the redemption of any Series~~, by first class United States mail to the registered owners of the Bonds to be redeemed at their registered addresses. Failure to mail any such notice or any defect in the mailed notice or the mailing thereof shall not affect the validity of any proceedings for the redemption of other Bonds for which ~~proper notice has been given. All Series Bonds called for redemption shall cease to bear interest from the date designated in the redemption notice and shall cease to be entitled to the lien and benefits of the hereinafter described Resolution provided that funds sufficient for their redemption are on deposit~~notice shall be duly given. No further interest shall accrue on the principal of any Bonds called for redemption after the redemption date if notice of redemption has been duly mailed and redemption moneys have been deposited with or made available to the Paying Agent on or prior to the date set for redemption and the holders of such Bonds shall have no rights with respect to such Bonds except to receive payment of the redemption price thereof and unpaid interest accrued to the date fixed for redemption.

If at the time of mailing of any notice of optional redemption the City shall not have deposited with the Paying Agent moneys sufficient to redeem all the Bonds called for redemption, such notice shall state that it is conditional, that is, subject to the deposit or transfer of the redemption moneys with the Paying Agent not later than the opening of business on the redemption date, and that such notice shall be of no effect unless such moneys are so deposited.

This Bond is one of the Water and Sewer Revenue Bonds, Series _____ of The City of Dover (the "Bonds"), and is issued by The City of Dover for the purpose of providing funds for the construction of water and sewer facilities, and is issued in full and strict accordance and compliance with all of the provisions of the Charter of The City of Dover, and the Constitution and statutes of the State of Delaware including a Resolution of City Council adopted _____ (the "Resolution") and a Supplemental Resolution thereto.

This Bond is not a general obligation or debt of The City of Dover but is payable solely from the Net Operating Revenue of the Water and Sewer Facilities as provided in the Resolution and the owner hereof has no right to compel the levy of any tax for the payment of this

Bond or the interest to accrue hereon. The City of Dover covenants and agrees with the holder of this Bond that it will keep and perform all of the covenants of this Bond and the Resolution. The City of Dover has pledged the Net Operating Revenue of the Water and Sewer Facilities to the payment of principal and interest on this Bond.

The City may issue additional bonds secured on a parity with the Bonds to finance the construction, completion, repair and improvement of water and sewer facilities or the refunding of outstanding Bonds upon meeting certain conditions set forth in the Resolution which Parity Bonds shall rank on a parity with the Series _____ Bonds in the lien and benefit of this Resolution.

The Series _____ Bonds are issuable in the form of registered bonds without coupons in the denominations of $5,000 or any integral multiple thereof. The owner of any registered Bond or Bonds may surrender the same (together with a written instrument of transfer satisfactory to the City duly executed by the registered owner or his duly authorized attorney) at the office of the Paying Agent and Registrar of the City, in exchange for an equal aggregate principal amount of registered Bonds, of the same maturity and of any other authorized denominations in the manner, subject to the conditions and upon the payment of the charges provided in the Resolution.

Any transfer of this Bond must be registered, as provided in the Resolution, upon the Bond Register kept for that purpose at the office of the Paying Agent and Registrar of the City by the registered owner hereof in person, or by his attorney duly authorized in writing, upon surrender of this Bond together with a written instrument of transfer satisfactory to the City duly executed by the registered owner or his attorney duly authorized in writing, and thereupon a new registered bond or bonds, of the same series and maturity and in the same aggregate principal amounts, shall be issued to the transferee in exchange herefore as provided in the Resolution free of charge except for any applicable transfer tax or other governmental charge. The City may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes, as provided in the Resolution.

IN TESTIMONY WHEREOF, the Council of The City of Dover by Resolution duly adopted, has caused this Bond to be executed with the manual or facsimile signatures of its Mayor and Treasurer, and has caused the City's corporate Seal to be printed or affixed hereto, all as of the _____ day of _____, ~~19~~20__.

_____

Mayor, The City of Dover

(SEAL)

_____

Treasurer, The City of Dover

Document comparison by Workshare Compare on Thursday, May 30, 2013 7:45:28 PM

Input:	
Document 1 ID	interwovenSite://DMS-EAST/DMEAST/16853224/1
Description	#16853224v1<DMEAST> - WATER AND SEWER REVENUE BOND RESOLUTION AMENDING AND RESTATING
Document 2 ID	interwovenSite://DMS-EAST/DMEAST/16853224/6
Description	#16853224v6<DMEAST> - Amended and Restated Water and Sewer Bond Resolution 2013
Rendering set	Standard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	131
Deletions	89
Moved from	3
Moved to	3
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Format changed	0
Total changes	226

A RESOLUTION AUTHORIZING THE SALE OF UP TO $6,500,000 WATER AND SEWER REVENUE BONDS OF THE CITY OF DOVER

WHEREAS, pursuant to Chapter 158, Volume 36, Laws of Delaware, as amended (the "City Charter") and Chapter 111, Volume 52, Laws of Delaware as amended, The City of Dover (the "City") in order to provide funds to finance a portion of the City's Water and Sewer System, adopted a Resolution on February 27, 1989 (as thereafter supplemented and amended, the "1989 Bond Resolution") providing for the issuance of its water and sewer revenue bonds and pursuant to the 1989 Bond Resolution it has issued and there remains outstanding approximately: (i) $324,939 of its Water and Sewer Revenue Bonds, Series 2000-SRF, (ii) $1,980,000 of its Water and Sewer Revenue Refunding Bonds, Series 2003 (the "Series 2003 Bonds"), (iii) $5,344,454 of its Water and Sewer Revenue Bonds, Series 2009-SRF, (iv) $2,254,263 of its Water and Sewer Revenue Bonds, Series 2010-SRF, and (v) $724,671 of its Water and Sewer Revenue Bonds, Series 2011-SRF (collectively, the "Outstanding Bonds");

WHEREAS, by resolution of the City Council (the "Council") adopted June 24, 2013, (the "Bond Resolution) the Council amended and restated the 1989 Bond Resolution; and

WHEREAS, the City desires to issue additional revenue bonds pursuant to the Bond Resolution to refund all (approximately $2,000,000) of the outstanding Series 2003 Bonds in order to realize debt service savings; and

WHEREAS, the City has approved by a budget ordinance, City of Dover Ordinance No. 2012-18 adopted in June 2012 (the "Budget Ordinance"), for certain capital improvements to its water and sewer system including the Calpine project (the "2013 Projects"); and

WHEREAS the City desires to issue additional revenue bonds pursuant to the Bond Resolution to pay a portion of the costs of the 2013 Projects in the amount of approximately $4,000,000.

NOW, THEREFORE, BE IT RESOLVED by Council of the City of Dover, Delaware as follows (at least three fourths of all members thereof concurring therein):

1. The Council authorizes the sale of the City's revenue bonds pursuant to the Bond Resolution in the aggregate original principal amount of up to $6,500,000 (the "Series 2013 Bonds") in one or more series for one or more of the following purposes: (i) to finance the 2013 Projects, (ii) refund the outstanding Series 2003 Bonds, (iii) fund any required reserves, and (iv) pay costs of issuance of the Series 2013 Bonds.

2. The Series 2013 Bonds shall be sold in a competitively bid, public or privately negotiated sale in such manner, subject to such terms and at such price as the Mayor and Controller/Treasurer shall determine shall be in the best interest of the City provided that the true interest cost shall not exceed five percent (5%) per annum and provided further that bonds for refunding purposes shall not be sold unless the City realizes a present value savings of at least three (3%) from the resulting debt service of the refunding bonds in the aggregate.

3. The Series 2013 Bonds shall bear interest at such rates, shall be payable and shall mature at such times, shall contain such provisions for optional and mandatory redemption, shall be in such form, certificated or book entry, and shall contain such other terms and conditions as the Mayor and Controller/Treasurer shall determine shall be in the best interest of the City.

4. The Mayor and Controller/Treasurer are authorized to prepare and distribute a Preliminary Official Statement in connection with the offering and sale of the Series 2013 Bonds and to "deem" such Preliminary Official Statement "final" for the purposes of Rule 15c2-12 of the Securities and Exchange Commission and to finalize and distribute an Official Statement.

5. The Mayor and Controller/Treasurer are each authorized to enter into a contract with one or more purchasers of the Series 2013 Bonds providing for the City to issue and sell said bonds in accordance with the terms of said contract and this Resolution. In connection with the issuance of bonds for refunding purposes the Mayor and Controller/Treasurer are each authorized to retain accountants or other consultants to perform verification calculations as well as an escrow agent to act on behalf of the owners of the refunded bonds, if required.

6. Upon entering into a contract to issue and sell the Series 2013 Bonds the Mayor shall promptly inform Council of the terms thereof whereupon Council shall adopt a Resolution confirming the terms thereof.

7. The City covenants for the benefit of the owners of the Series 2013 Bonds (i) that no use of the proceeds of the Series 2013 Bonds or the earnings thereon will be made, and no other action will be taken, which would cause the Series 2003 Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Internal Revenue Code of 1986 (the “Code”), (ii) that all action with respect to the Series 2013 Bonds required to be taken to avoid characterization of the Series 2013 Bonds as "arbitrage bonds" under Section 148 of the Code shall be taken, (iii) that the City will take all reasonable steps to ensure that interest on the Series 2013 Bonds is not included in gross income of the owner of any Series 2013 Bond for purposes of federal income taxation and (iv) that the City will take no action to cause the Series 2013 Bonds to become "private activity bonds" as that term is used in Section 141(a) of the Code. The Mayor and Council are authorized and directed to take all appropriate action to maintain the exclusion from gross income of interest on the Series 2013 Bonds for federal income tax purposes including the payment of any arbitrage rebate to the United States, if required, and the establishment of special accounts in connection therewith.

8. The City hereby covenants (the “Continuing Disclosure Covenant”) for the benefit of holders of the Series 2013 Bonds that, so long as any Series 2013 Bonds are outstanding, it will file, or cause to be filed, all financial information, operating data and notices of events, actions or failure to act, with such persons and entities and at such times as may be necessary to comply with the requirements of Rule 15c2-12(b)(5) of the Securities Exchange Commission with respect to the Series 2013 Bonds.

9. The City Clerk shall forthwith cause to be published once in a newspaper published in the City a notice in substantially the following form:

"NOTICE

"NOTICE IS HEREBY GIVEN that the City Council of The City of Dover, Delaware, on _____, 2013, pursuant to Chapter 111, Volume 52, Delaware Laws, as amended, adopted a resolution entitled as follows:

'A RESOLUTION AUTHORIZING THE SALE OF UP TO $6,500,000 WATER AND SEWER REVENUE BONDS OF THE CITY OF DOVER'

"The purpose of the issuance of said bonds is to provide funds (approximately $4,000,000) to pay a portion of the cost of certain improvements to the City's Water and Sewer System and to provide funds (approximately $2,000,000) to refund some portion or all of the City's outstanding water and sewer revenue bonds.

"Any action or proceeding to contest the validity of said resolution or any of its provisions must be commenced within thirty (30) days after the publication of this notice. After the expiration of such period of limitation, no right of action or defense founded upon the invalidity of said resolution or any of its provisions shall be asserted, nor shall the validity of said resolution or any of its provisions be open to question in any court upon any ground whatever, except in an action or proceeding commenced within such period.

"By order of the City Council of The City of Dover, Delaware.

_____"
City Clerk

10. The 2013 Bonds are expected to be issued before July 31, 2013. At the time the Budget Ordinance was approved, the City expected to have advanced funds, available on a temporary basis only, to pay costs of the 2013 Projects incurred up to that time. Accordingly, the City reasonably expects that proceeds of the Series 2013 Bonds will be applied on the date of issuance to reimburse such costs. Pursuant to the City's budgetary and financial policies, no funds, other than the proceeds of the Series 2013 Bonds, are, or are reasonably expected to be, reserved, allocated on a long term basis, or otherwise set aside by the City to pay the aforesaid costs that are expected to be reimbursed.

11. The Mayor, Controller/Treasurer and Clerk of Council are hereby authorized and directed to take all action deemed by them as necessary and appropriate to carry out the intent of this Resolution.

12. This Resolution shall take effect immediately upon its passage and approval by the Mayor.

PASSED AND ADOPTED on ___ day of _____, 2013

APPROVED:

_____
Mayor

Attest:

_____
City Clerk

A RESOLUTION AUTHORIZING THE SALE OF UP TO $~~_____~~6,500,000 WATER AND SEWER REVENUE BONDS OF THE CITY OF DOVER

WHEREAS, pursuant to Chapter 158, Volume 36, Laws of Delaware, as amended (the "City Charter") and Chapter 111, Volume 52, Laws of Delaware as amended, The City of Dover (the "City") in order to provide funds to finance a portion of the City's Water and Sewer System, adopted a Resolution on February 27, 1989 (as thereafter supplemented and amended, the "1989 Bond Resolution") providing for the issuance of its water and sewer revenue bonds and pursuant to the 1989 Bond Resolution it has issued and there remains outstanding approximately: (i) $~~365,083~~324,939 of its Water and Sewer Revenue Bonds, ~~(~~Series 2000-SRF~~)~~, (ii) $~~2,610,000~~1,980,000 of its Water and Sewer Revenue Refunding Bonds, Series 2003 (the "Series 2003 Bonds"), (iii) $~~5,581,059~~5,344,454 of its Water and Sewer Revenue Bonds, ~~(~~Series 2009-SRF~~)~~, (iv) $~~2,354,745~~2,254,263 of its Water and Sewer Revenue Bonds, ~~(~~Series 2010-SRF~~)~~, and (v) $~~65,822~~724,671 of its Water and Sewer Revenue Bonds, ~~(~~Series 2011-SRF~~)~~ (collectively, the "Outstanding Bonds");

WHEREAS, by resolution of the City Council (the "Council") adopted June ~~10,~~24, 2013, (the "Bond Resolution) the Council amended and restated the 1989 Bond Resolution ~~to provide for certain provisions~~; and

WHEREAS, the City desires to issue additional revenue bonds pursuant to the Bond Resolution to refund ~~some portion or~~ all (approximately $2,000,000) of the ~~Outstanding~~outstanding Series 2003 Bonds in order to realize debt service savings; and

WHEREAS, the City has approved by ~~resolution _____~~a budget ordinance, City of Dover Ordinance No. 2012-18 adopted in June 2012 (the "Budget Ordinance"), for certain capital improvements ~~as described therein~~to its water and sewer system including the Calpine project (the "2013 Projects") ~~to its Water and Sewer System and it~~; and

WHEREAS the City desires to issue additional revenue bonds pursuant to the Bond Resolution to pay a portion of the costs of ~~said improvements.~~the 2013 Projects in the amount of approximately $4,000,000.

NOW, THEREFORE, BE IT RESOLVED by Council of the City of Dover, Delaware as follows (at least three fourths of all members thereof concurring therein):

1. The Council authorizes the sale of the City's revenue bonds pursuant to the Bond Resolution in the aggregate original principal amount of up to $~~_____~~6,500,000 (the "Series 2013 Bonds") in one or more series for one or more of the following purposes: (i) to finance the 2013 Projects, (ii) refund the outstanding Series 2003 Bonds, (iii) fund any required reserves, and (iv) pay costs of issuance of the Series 2013 Bonds.

~~Estimated Uses of Funds~~

~~Series 2013A~~ ~~Series 2013B~~

~~Deposit to Project Fund~~	~~$_____~~	~~$_____~~
~~Refund Outstanding Bonds~~	~~_____~~	~~_____~~
~~Redemption Premium, Reserves, Credit Enhancement and Costs of Issuance~~	~~_____~~	~~_____~~
	~~$_____~~	~~$_____~~

2. The Series 2013 Bonds shall be sold in a ~~competitive~~competitively bid, public or privately negotiated sale in such manner, subject to such terms and at such price as the Mayor and ~~Finance Director~~Controller/Treasurer shall determine shall be in the best interest of the City provided that the true interest cost shall not exceed ~~[____]~~five percent (~~___~~5%) per annum and provided further that bonds for refunding purposes shall not be sold unless the City realizes a present value savings of at least ~~___%~~three (3%) from the resulting debt service of the refunding bonds in the aggregate.

3. The Series 2013 Bonds shall bear interest at such rates, shall be payable and shall mature at such times, shall contain such provisions for optional and mandatory redemption, shall be in such form, certificated or book entry, and shall contain such other terms and conditions as the Mayor and ~~Finance Director~~Controller/Treasurer shall determine shall be in the best interest of the City.

4. The Mayor and ~~Finance Director~~Controller/Treasurer are authorized to prepare and distribute a Preliminary Official Statement in connection with the offering and sale of the Series 2013 Bonds and to "deem" such Preliminary Official Statement "final" for the purposes of Rule 15c2-12 of the Securities and Exchange Commission and to finalize and distribute an Official Statement.

5. The Mayor and ~~Finance Director~~Controller/Treasurer are each authorized to enter into a contract with one or more purchasers of the Series 2013 Bonds providing for the City to issue and sell said bonds in accordance with the terms of said contract and this Resolution. In connection with the issuance of bonds for refunding purposes the Mayor and ~~Finance Director~~Controller/Treasurer are each authorized to retain accountants or other consultants to perform verification calculations as well as an escrow agent to act on behalf of the owners of the refunded bonds, if required.

6. Upon entering into a contract to issue and sell the Series 2013 Bonds the Mayor shall promptly inform Council of the terms thereof whereupon Council shall adopt a Resolution confirming the terms thereof.

7. The City covenants for the benefit of the owners of the Series 2013 Bonds (i) that no use of the proceeds of the Series 2013 Bonds or the earnings thereon will be made, and no other action will be taken, which would cause the Series 2003 Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Internal Revenue Code of 1986 (the “Code”), (ii) that all action with respect to the Series 2013 Bonds required to be taken to avoid characterization of the Series 2013

Bonds as "arbitrage bonds" under Section 148 of the Code shall be taken, (iii) that the City will take all reasonable steps to ensure that interest on the Series 2013 Bonds is not included in gross income of the owner of any Series 2013 Bond for purposes of federal income taxation and (iv) that the City will take no action to cause the Series 2013 Bonds to become "private activity bonds" as that term is used in Section 141(a) of the Code. The Mayor and Council are authorized and directed to take all appropriate action to maintain the exclusion from gross income of interest on the Series 2013 Bonds for federal income tax purposes including the payment of any arbitrage rebate to the United States, if required, and the establishment of special accounts in connection therewith.

8. The City hereby covenants (the "Continuing Disclosure Covenant") for the benefit of holders of the Series 2013 Bonds that, so long as any Series 2013 Bonds are outstanding, it will file, or cause to be filed, all financial information, operating data and notices of events, actions or failure to act, with such persons and entities and at such times as may be necessary to comply with the requirements of Rule 15c2-12(b)(5) of the Securities Exchange Commission with respect to the Series 2013 Bonds.

9. The City Clerk shall forthwith cause to be published once in a newspaper published in the City a notice in substantially the following form:

"NOTICE

"NOTICE IS HEREBY GIVEN that the City Council of The City of Dover, Delaware, on _____, 2013, pursuant to Chapter 111, Volume 52, Delaware Laws, as amended, adopted a resolution entitled as follows:

'A RESOLUTION AUTHORIZING THE SALE OF UP TO $~~_____~~6,500,000 WATER AND SEWER REVENUE BONDS OF THE CITY OF DOVER'

"The purpose of the issuance of said bonds is to provide funds (approximately $~~_____~~4,000,000) to pay a portion of the cost of certain improvements to the City's Water and Sewer System and to provide funds (approximately $~~_____~~2,000,000) to refund some portion or all of the City's outstanding water and sewer revenue bonds.

"Any action or proceeding to contest the validity of said resolution or any of its provisions must be commenced within thirty (30) days after the publication of this notice. After the expiration of such period of limitation, no right of action or defense founded upon the invalidity of said resolution or any of its provisions shall be asserted, nor shall the validity of said resolution or any of its provisions be open to question in any court upon any ground whatever, except in an action or proceeding commenced within such period.

"By order of the City Council of The City of Dover, Delaware.

_____"
City Clerk

10. The 2013 Bonds are expected to be issued before ~~_____~~July 31, 2013. ~~By that~~At the time the ~~City expects~~Budget Ordinance was approved, the City expected to have advanced funds, available on a temporary basis only, to pay costs of the 2013 Projects incurred up to that time. Accordingly, the City reasonably expects that proceeds of the Series 2013 Bonds will be applied on the date of issuance to reimburse such costs. Pursuant to the City's budgetary and financial policies, no funds, other than the proceeds of the Series 2013 Bonds, are, or are reasonably expected to be, reserved, allocated on a long term basis, or otherwise set aside by the City to pay the aforesaid costs that are expected to be reimbursed.

11. The Mayor, ~~Finance Director~~Controller/Treasurer and Clerk of Council are hereby authorized and directed to take all action deemed by them as necessary and appropriate to carry out the intent of this ~~resolution~~Resolution.

12. This ~~resolution~~Resolution shall take effect immediately upon its passage and approval by the Mayor.

PASSED AND ADOPTED on ___ day of _____, 2013

APPROVED:

_____
Mayor

Attest:

_____
City Clerk

Document comparison by Workshare Compare on Thursday, May 30, 2013 7:41:13 PM

Input:	
Document 1 ID	interwovenSite://DMS-EAST/DMEAST/16882388/3
Description	#16882388v3<DMEAST> - Water Sewer Bond Project Resolution 2013
Document 2 ID	interwovenSite://DMS-EAST/DMEAST/16882388/4
Description	#16882388v4<DMEAST> - Water Sewer Bond Project Resolution 2013
Rendering set	Standard

Legend:	
Insertion	
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Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	47
Deletions	59
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	106

~~C~~ITY OF DOVER PROPOSED ORDINANCE #2013-08

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

That Chapter 70 - Offenses and Miscellaneous Provisions, Section 70-7 - Registered Sexual Offenders, Subsection (b) - Prohibition on Residency and Employments, Paragraph (2) of the Dover Code be amended by inserting the text indicated in bold, blue, italics and deleting the text indicated in red strikeout as follows:

(b) Prohibition on residency and employments.

(1) Sex offenders assigned as Risk Assessment Tier II or Tier III under the provisions of 11 Del. C., c. 41, § 4120, shall be prohibited from residence or employment within 500 feet of a day care center as defined in Appendix B—Zoning, Article 12—Definitions, of the Dover Code.

(2) Any sex offender assigned as Risk Assessment Tier II or Tier III who ~~maintains~~ ***maintained a*** residence or ***was*** ~~employment~~ ***employed*** within 500 feet of a day care center on ***April 9, 2012,*** the date of adoption of this section***,*** shall ~~comply with the provisions of the section within 12 months.~~ ***be permitted to maintain that residence or employment. Any subsequent change of residence or employment would be subject to the prohibitions of section (b)(1).***

(3) Any sex offender who is under 18 years of age and resides with a parent or legal guardian shall be exempt from the provision of subsection (b)~~(2)~~ ***(1)*** of this section.

ADOPTED: *

S:\ORDINANCES\2013\Draft\2013-08 Amending Ch 70 - Offenses and Miscellaneous Provisions, Sec 70-7 Registered Sexual Offenders.wpd

SYNOPSIS

This amendment would remove the requirement for offenders residing or employed within 500 feet of a day care center at the time of adoption of the ordinance (April 9, 2012) to move or resign their employment.

(SPONSORS: CITY COUNCIL MOTION - SPECIAL COUNCIL MEETING OF MAY 28, 2013)

Actions History

June 10, 2013 - Scheduled for Introduction at the Legislative, Finance, and Administration Committee

Draft

SPONSOR: Rep. Paradee

HOUSE OF REPRESENTATIVES
147th GENERAL ASSEMBLY

HOUSE BILL NO.

AN ACT TO AMEND TITLES 9 AND 22 OF THE DELAWARE CODE RELATING TO ELECTED OFFICIALS OF A MUNICIPALITY OR COUNTY.

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

Section 1. Amend Title 22 of the Delaware Code by making insertions as shown by underlining as follows:

§116 Leave of absence of elected officials of a municipality.

(a) If an elected official of a municipality is ordered to military service, the official is entitled to a leave of absence for the duration of the military service during such elected official's term of office.

(b) No leave of absence shall extend the term of office of the elected official ordered to military service.

(c) A municipality may appoint an acting official to serve in the position of the elected official ordered to military service subject to the rights of the elected official to be restored to office upon returning from military service.

(d) Upon returning from a leave of absence for military service, the returning elected official is entitled to be restored to office for the unexpired term immediately upon the official's request after being released from the ordered military service.

Section 2. Amend Title 9 of the Delaware Code by making insertions as shown by underlining as follows:

§350 Leave of absence of elected officials of a county government.

(a) If an elected official of a county government is ordered to military service, the official is entitled to a leave of absence for the duration of the military service during such elected official's term of office.

(b) No leave of absence shall extend the term of office of the elected official ordered to military service.

(c) A county government may appoint an acting official to serve in the position of the elected official ordered to military service subject to the rights of the elected official to be restored to office upon returning from military service.

(d) Upon returning from a leave of absence for military service, the returning elected official is entitled to be restored to office for the unexpired term immediately upon the official's request after being released from the ordered military service.

DRAFT

LC : WGB : RAY
1901470736

Ssynopsis

This bill provides that elected officials of a municipality or county government shall be extended a leave of absence from office if such person is ordered to military service. The leave of absence shall not extend beyond the elected official's term of office. A municipality or county may fill the elected official's office with an acting official until the return of the elected official serving in the military. Upon returning from a leave of absence for military service, a returning elected county or municipal official is entitled to be restored to office for the unexpired term. This change in the Delaware Code does not apply to the General Assembly or statewide elected offices.

DRAFT

LC : WGB : RAY
1901470736

ACTION FORM

PROCEEDING: City Council	**AGENDA: 06/24/2013**
DEPARTMENT OF ORIGIN: Finance	**DATE SUBMITTED: 6/20/13**
PREPARED BY: Donna Mitchell, Controller/Treasurer	
SUBJECT: Electric Rates & Tariffs	
RELATED PROJECT: Cost of Service Study – Burns & McDonnell dated May 29, 2013	
APPROVALS: City Council	
EXHIBITS: Exhibit 1 – Current & Proposed Rates (Burns & McDonnell);	
TIMETABLE: To be implemented July 1, 2013	
RECOMMENDED ACTION: Staff recommends Council approval of the proposed electric rates and tariffs as provided by Mr. Ted Kelly of Burns & McDonnell on May 29, 2013.	

Due to the continuing decline in power supply cost the City requested Burns and McDonnell to revise the City's electric tariffs for Fiscal Year 2014. The study was completed with consideration of the forecasted power supply and presented to City Council on May 29, 2013. The revised rates and tariffs are attached for implementation on July 1, 2013.

It is important to note, that these rates were forecasted to cover the years FY14, FY15 and FY16. In doing so, the City will be required to use forecasted budget balances over the 8% policy in addition to funds in the rate stabilization reserve as a means of balancing the budget for the Electric Operating Fund. The financial forecast puts the Electric Revenue Fund within the policy requirement (8% - 12%) at the end of the third year.

RESIDENTIAL SERVICE CLASSIFICATION
"R"

This rate is available throughout the City of Dover electric service area for household related services in a single private dwelling and incidental service outside of the home through the same meter, provided such incidental service does not exceed 20 KW of connected load. Service size cannot exceed 600 amps.

CHARACTER OF SERVICE
Secondary voltage, 60 cycle, alternating current, single phase service

Customer Charge	
Per bill	5.00
Energy Charge	
All kwh - per kwh	0.12040

MINIMUM MONTHLY BILL
The minimum monthly bill shall be the Customer Charge.

PURCHASE POWER ADJUSTMENT
All kilowatt-hours billed under this rate shall be subject to the Purchase Power Clause included in this schedule.

PUBLIC UTILITY TAX
In addition to the charges provided in this service classification a surcharge will apply in accordance with any tax imposed by governmental authority upon sales of electricity.

RENEWABLE ENERGY CHARGE
All kilowatt hours billed under this rate shall be subject to the "GEF" Rider.

RULES AND REGULATIONS
The General Rules and Regulations of the City of Dover for electric service shall apply to service rendered under this service classification.

Effective Date: July 1, 2013

SMALL COMMERCIAL SERVICE CLASSIFICATION
"C and C1"

AVAILABILITY

This rate is available throughout the City of Dover electric service area for small commercial and industrial purposes through a single meter. The maximum monthly usage must not exceed 3,500 KWH per month or have instrument rated metering. If there is a major change in the character of service or if the KWH usage exceeds 3,500 KWH for two (2) consecutive billing months, the account will be automatically transferred to the Medium Commercial Service Classification. If the customer's usage does not exceed 3,500 KWH after a period of one (1) year, the customer may be returned to the Small Commercial Service Classification.

CHARACTER OF SERVICE

Secondary voltage, 60 cycle, alternating current, single or three phase service. Other voltages may be applicable where available and at the option of the City.

Customer Charge	
Per bill - Single Phase Service	5.00
Per bill - Three Phase Service	15.00
Energy Charge	
Per KWH	0.10010

MINIMUM MONTHLY BILLING

The minimum monthly billing shall be the Customer Charge.

PURCHASE POWER ADJUSTMENT

All kilowatt-hours billed under this rate shall be subject to the Purchase Power Clause included in this schedule.

PUBLIC UTILITY TAX

In addition to the charges provided for in this service classification, a surcharge will apply in accordance with any tax imposed by governmental authority upon sales of electricity.

RENEWABLE ENERGY CHARGE

All kilowatt hours billed under this rate shall be subject to the "GEF" Rider.

RULES AND REGULATIONS

The General Rules and Regulations of the City of Dover for electric service shall apply to service rendered under this service classification.

Effective Date: July 1, 2013

MEDIUM COMMERCIAL SERVICE CLASSIFICATION
"C2 and C3"

AVAILABILITY

This rate is available throughout the City of Dover electric service area for commercial and industrial purposes through a single meter having monthly usages of more than 3,500 KWH for two (2) consecutive months. If the customer has a major change in the character of service and falls below the above criteria, the customer may be returned to the Small Commercial Service Classification.

CHARACTER OF SERVICE

Secondary voltage, 60 cycle, alternating current, single or three phase service. Other voltages may be applicable and at the option of the City.

Customer Charge	
Per Bill - Single Phase Service	5.00
Per Bill - Three Phase Service	15.00
Demand Charge	
All KW, per KW	13.95
Energy Charge	
All KWH, per KWH	0.06470

DETERMINATION OF DEMAND

The Billing Demand will be the maximum fifteen (15) minute demand during the month, determined by a block demand meter.

MINIMUM MONTHLY BILLING

The minimum monthly bill shall be the Customer Charge and a Demand Charge based on sixty percent (60%) of the greatest Billing Demand established during any month of the 12-month period ending with the current billing month.

PURCHASE POWER ADJUSTMENT

All kilowatt-hours billed under this rate shall be subject to the Purchase Power Clause included in this schedule.

PUBLIC UTILITY TAX

In addition to the charges provided for in this service classification, a surcharge will apply in accordance with any tax imposed by governmental authority upon sales of electricity.

RENEWABLE ENERGY CHARGE

All kilowatt hours billed under this rate shall be subject to the "GEF" Rider.

RULES AND REGULATIONS

The General Rules and Regulations of the City of Dover for electric service shall apply to service rendered under this service classification.

Effective Date: July 1, 2013

LARGE COMMERCIAL SERVICE CLASSIFICATION
"C5"

AVAILABILITY
This rate is available throughout the City of Dover electric service area for commercial and industrial purposes having instrument rated metering. If there is a significant change in the character of service, the City will, at its option on a case by case basis, temporarily transfer the account to another tariff.

CHARACTER OF SERVICE
Secondary voltage, 60 cycle alternating current, single or three phase service. Other voltages may be applicable when available and at the option of the City.

Customer Charge	
Per bill - single or three phase service	15.00
Demand Charge	
All kW - per kW	13.90
Energy Charge	
All kwh - per kwh	0.06470

DETERMINATION OF DEMAND
The Billing Demand will be the maximum fifteen (15) minute demand during the month, determined by a block demand meter. In any month in which the average power factor at the delivery point is greater or less than ninety-five percent (95%) the measured demand shall be corrected in accordance with the following formula:

$$\text{Billing Demand} = \frac{\text{Measured demand X .95}}{\text{Average Power Factor}}$$

The city measures both leading and lagging power factor, treating both as non-unity power factors, and the customer is billed accordingly.

MINIMUM MONTHLY BILLING
The minimum monthly bill shall be the Customer Charge and a Demand Charge based on sixty percent (60%) of the greatest Billing Demand established during any month of the 12-month period ending with the current billing month.

PURCHASE POWER ADJUSTMENT
All kilowatt-hours billed under this rate shall be subject to the Purchase Power Clause included in this schedule.

PUBLIC UTILITY TAX
In addition to the charges provided for in this service classification, a surcharge will apply in accordance with any tax imposed by governmental authority upon sales of electricity.

RENEWABLE ENERGY CHARGE
All kilowatt hours billed under this rate shall be subject to the "GEF" Rider.

RULES AND REGULATIONS
The General Rules and Regulations of the City of Dover for electric service shall apply to service rendered under this service classification.

Effective Date: July 1, 2013

PRIMARY SERVICE CLASSIFICATION
"P"

AVAILABILITY

This rate is available throughout the City of Dover electric service area for commercial and industrial customers taking delivery at the primary voltage available, and where the transforming and protective apparatus is furnished, owned and maintained by the customer.

CHARACTER OF SERVICE

Primary voltage, 60 cycle, alternating current, single phase or three phase service.

Customer Charge	
Per bill - single or three phase	10.00
Demand Charge	
All KW - per KW	11.25
Energy Charge	
All kwh - per kwh	0.06450

DETERMINATION OF DEMAND

The Billing Demand will be the maximum sixty (60) minute demand during the month, determined by a block demand meter. In any month in which the average power factor at the delivery point is greater or less than ninety-five (95%), the measured demand shall be corrected in accordance with the following formula:

$$\text{Billing Demand} = \frac{\text{Measured demand x .95}}{\text{Average Power Factor}}$$

The City measures both leading and lagging power factor, treating both as non-unity power factors and the customers are billed accordingly.

MINIMUM MONTHLY BILL

The minimum monthly bill shall be the Customer Charge and a Demand Charge which shall be based on the greater of three hundred kilowatts (300 KW) or 60% of the greatest Billing Demand established during any month of the 12 month period ending with the current billing month.

PURCHASE POWER ADJUSTMENT

All kilowatt hours billed under this rate shall be subject to the Purchase Power Clause approved by the Council of the City of Dover.

PUBLIC UTILITY TAX

In addition to the charges provided for in this service classification, a surcharge will apply in accordance with any tax imposed by governmental authority upon sales of electricity.

RENEWABLE ENERGY CHARGE

All kilowatt hours billed under this rate shall be subject to the "GEF" Rider.

RULES AND REGULATIONS

The General Rules and Regulations of the City of Dover for electric service shall apply to service rendered under this service classification. If a customer who is on the Primary Service Classification wishes to switch to the Large Commercial Service Classification, the customer may do so at the customer's choice. If such a change occurs, the City will determine on a case-by-case basis which portion, if any, of the customer-owned electrical equipment will be maintained by the City provided, however, that any equipment transferred to City ownership will be so transferred at no cost to the City.

Effective Date: July 1, 2013

TRANSMISSION VOLTAGE
"T"

AVAILABILITY
This rate is available by special contract throughout the City of Dover electric service area to customers located where Dover's existing facilities are adequate to supply the character of service as specified below.

CHARACTER OF SERVICE
The electric power delivered hereunder shall be three phase, 60 cycle, alternating current at a nominal potential of sixty-nine thousand (69,000) volts.

Demand, energy and power factor will be metered at the point of delivery of service. All transformation, circuiting and protective apparatus beyond the point of delivery shall be installed, owned and maintained by the customer. Service shall be supplied and metered at 69,000 volts, and the customer is required to own and maintain all transforming, switching and protective equipment.

Demand Charge	
All KW - per KW	10.50
Energy Charge	
All KWH, per KWH	0.06090

DETERMINATION OF DEMAND
The measured demand shall be the average of the four (4) greatest sixty (60) minute demands measured on separate days of each month. In any month in which the average power factor at the delivery point is greater or less than ninety-eight and one half percent (98.5%), the measured demand shall be corrected in accordance with the following formula:

$$\text{Billing Demand} = \frac{\text{Measured demand x .985}}{\text{Average Power Factor}}$$

The City measures both leading and lagging power factor, treating both as non-unity power factors and the customers are billed accordingly.

MINIMUM MONTHLY BILL
The minimum monthly charge shall be seventy-five percent (75%) of the greatest Billing Demand during the preceding 11 months and energy equal to three hundred (300) hours' use of that demand.

PURCHASE POWER ADJUSTMENT
All kilowatt hours billed under this rate shall be subject to the Purchase Power Clause included in this schedule.

PUBLIC UTILITY TAX
In addition to the charges provided for in this service classification, a surcharge will apply in accordance with any tax imposed by governmental authority upon sales of electricity.

RENEWABLE ENERGY CHARGE
All kilowatt hours billed under this rate shall be subject to the "GEF" Rider.

RULES AND REGULATIONS
The General Rules and Regulations of the City of Dover for electric service shall apply to service rendered under this service classification.

Effective Date: July 1, 2013

OUTDOOR DEVELOPMENT LIGHTING RATE
(Residential Area Lighting Only)
"OL"

AVAILABILITY
This rate is available throughout the City of Dover service area for residential developments/mobile home park lighting.

CHARACTER OF SERVICE
Secondary voltage, 60 cycle alternating current, single phase.

TERMS OF SERVICE
The association and/or owner shall install and maintain all lighting and associated equipment. This rate applies to one metering point. If multiple metering points are required to reduce voltage drop, a totalized bill will be rendered. The metering point(s) will be governed by the City of Dover.

The initial term for lighting service shall be for one (1) year with automatic month to month extension until either party terminated this agreement via letter. Billing will be monthly. If this contract is terminated prior to the one year agreement, the customer shall reimburse the City of Dover for all expenses incurred.

Customer Charge	
Per Bill	8.00
Energy Charge	
All kwh - per kwh	0.1090

MINIMUM MONTHLY CHARGE
The minimum monthly bill shall be the Customer Charge.

PURCHASE POWER ADJUSTMENT
All kilowatt-hours billed under this rate shall be subject to the Purchase Power Clause included in this schedule.

PUBLIC UTILITY TAX
In addition to the charges provided for in this service classification, a surcharge will apply in accordance with any tax imposed by governmental authority upon sales of electricity.

RENEWABLE ENERGY CHARGE
All kilowatt hours billed under this rate shall be subject to the "GEF" Rider.

RULES AND REGULATIONS
The General rules and Regulations of the City of Dover for electric service shall apply to service rendered under this service classification.

Effective Date: July 1, 2013

PRIVATE OUTDOOR LIGHTING
SERVICE CLASSIFICATION

AVAILABILITY

This rate is available throughout the City of Dover electric service area for all-night outdoor lighting service for lighting of outdoor areas on private property.

CHARACTER OF SERVICE

UNMETERED - This will be the standard installation practice. The lights under this classification shall be fed directly from the City of Dover's energy source.

METERED - This classification will be available at the City of Dover's discretion and only when it is not feasible to install the lighting service from an unmetered source. These lights will have the energy supplied through the customers meter and the monthly rental fee shall be reduced to reflect this customer expense.

TERMS OF SERVICE

The equipment supplied will be the type of fixture currently being furnished by the City at the time of installation as described below in the Classifications of Security Lights, Decorative Lighting, and Roadway/Area Lighting. Lighting shall be from dusk to dawn each day.

The initial term for lighting service shall be for two (2) years. The City may require a fee if the installation is removed prior to the two (2) year term.

Where service is not associated with a metered service, a Customer Charge of $5.00 for residential lights and $10.00 for commercial lights will be added to cover the associated costs of billing and related consumer costs not reflected in the lighting schedule.

Unmetered - The City shall maintain, relamp, and supply the energy to the lighting equipment that it owns.
Metered - The City shall also maintain and relamp the lighting equipment it owns where energy is not supplied.

The City will perform relamping, repair, and/or maintenance during normal working hours within a reasonable period following notification by the Customer.

Customers requiring unique or unusual lighting service different than outlined below may obtain such service under a mutually agreeable contractual arrangement.

SECURITY LIGHTS

Includes a 2' (+/-) arm, pole not included. If a pole needs to be installed, the location shall be accessible to truck traffic via driveway, roadway, alleyway, or other public accessible parking areas. If a pole must be installed and the location is not truck accessible, a decorative lighting fixture may be installed at the applicable rated.

	Unmetered Monthly Charge	Est. Monthly KWH	Metered Monthly Rental Charge
100 watt HPS	7.48	47	2.64
175 watt MV	8.82	68	2.25
The following style is not available after February 28, 1997.			
70 watt HPS	6.50	33	

DECORATIVE LIGHTING

Includes a 18' fiberglass pole (15' above ground). The electrical service to these poles shall be underground; therefore, the installation location shall be accessible to trencher traffic.

	Unmetered Monthly Charge	Est. Monthly KWH	Metered Monthly Rental Charge
70 watt HPS w/o ladder rest	11.31	33	6.22
150 watt HPS w/o ladder rest	14.09	62	6.39
250 watt HPS w/o ladder rest	19.72	101	8.18

The following styles are not available after February 28, 1997:

	Monthly Charge	Est. Monthly KWH
175 watt MV w/o ladder rest	13.76	68
175 watt MV contemporary	14.38	68

ROADWAY/AREA LIGHTING

Includes choice of bracket from 8' to 16' if the fixture is accessible to truck traffic via driveway, roadway, alleyway, or other public accessible parking areas. If not accessible to trucks a 2' (+/-) arm shall be used. Pole not included.

	Unmetered Monthly Charge	Est. Monthly KWH	Metered Monthly Rental Charge
100 watt HPS	8.94	47	3.63
175 watt MV	10.00	68	3.11
250 watt HPS	13.87	101	3.91
250 watt MV	13.87	101	3.91
400 watt MV	18.60	154	4.09
400 watt HPS	18.69	155	4.15

POLE CHARGES PER MONTH

For each wood pole required exclusively for the support of lighting fixtures or lighting circuits under this service classification a per pole charge will be assessed as follows:

	Monthly Charge
Poles installed through February 28, 1997	2.03
Poles installed or changed out after February 28, 1997	3.13

PURCHASE POWER ADJUSTMENT

This rate will not be subject to the Purchase Power Clause.

PUBLIC UTILITY TAX

In addition to the charges provided for in this service classification, a surcharge will apply in accordance with any tax imposed by governmental authority upon sales of electricity.

RULES AND REGULATIONS

The General Rules and Regulations of the City of Dover for electric service shall apply to service rendered under this service classification.

Effective Date: July 1, 2013

FIRST READING

CITY OF DOVER PROPOSED ORDINANCE #2013-08

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

That Chapter 70 - Offenses and Miscellaneous Provisions, Section 70-7 - Registered Sexual Offenders, Subsection (b) - Prohibition on Residency and Employments, Paragraph (2) of the Dover Code be amended by inserting the text indicated in bold, blue, italics and deleting the text indicated in red strikeout as follows:

(b) Prohibition on residency and employments.

(1) Sex offenders assigned as Risk Assessment Tier II or Tier III under the provisions of 11 Del. C., c. 41, § 4120, shall be prohibited from residence or employment within 500 feet of a day care center as defined in Appendix B—Zoning, Article 12—Definitions, of the Dover Code.

(2) Any sex offender assigned as Risk Assessment Tier II or Tier III who ~~**maintains**~~ ***maintained a*** residence or ***was*** ~~**employment**~~ ***employed*** within 500 feet of a day care center on ***April 9, 2012,*** the date of adoption of this section***,*** shall ~~**comply with the provisions of the section within 12 months.**~~ ***be permitted to maintain that residence or employment. Any subsequent change of residence or employment would be subject to the prohibitions of section (b)(1).***

(3) Any sex offender who is under 18 years of age and resides with a parent or legal guardian shall be exempt from the provision of subsection (b)~~**(2)**~~ ***(1)*** of this section.

ADOPTED: *

S:\ORDINANCES\2013\Draft\2013-08 Amending Ch 70 - Offenses and Miscellaneous Provisions, Sec 70-7 Registered Sexual Offenders-1st Rdg.wpd

SYNOPSIS

This amendment would remove the requirement for offenders residing or employed within 500 feet of a day care center at the time of adoption of the ordinance (April 9, 2012) to move or resign their employment.

(SPONSORS: CITY COUNCIL MOTION - SPECIAL COUNCIL MEETING OF MAY 28, 2013)

Actions History

June 24, 2013 - Scheduled for First Reading at Council

June 10, 2013 - Introduced at the Legislative, Finance, and Administration Committee

Draft

FINAL READING

CITY OF DOVER ORDINANCE # 2013-09
2013-2014 BUDGET ORDINANCES

GENERAL FUND
REVENUES AND BUDGET FOR 2013-2014

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

The amount hereinafter named aggregating Thirty Nine Million Seven Hundred Thirty Three Thousand Two Hundred dollars ($39,733,200) 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, 2013 and ending June 30, 2014:

	2012/13 REVISED	2013/14 BUDGET
BEGINNING BALANCE	$ 3,752,200	$ 3,455,200
REVENUES		
FINES AND POLICE REVENUE	668,000	666,000
INVESTMENT INCOME	75,000	75,000
LIBRARY REVENUES	66,200	66,600
KENT COUNTY BOOK REIMBURSEMENT	405,900	400,000
BUSINESS LICENSES	1,455,000	1,460,000
PERMITS AND OTHER LICENSES	1,053,300	1,167,500
MISCELLANEOUS CHARGES	70,900	63,300
POLICE EXTRA DUTY	636,100	650,000
PROPERTY TAXES	11,039,200	11,120,000
BID REVENUE	51,600	49,500
RECREATION REVENUE	130,000	133,000
FRANCHISE FEE	600,000	606,200
TRASH FEES	2,676,500	2,676,500
RENT REVENUE - GARRISON FARM	117,200	118,500
COURT OF CHANCERY FEES	807,200	863,200
REVENUES SUBTOTAL	19,852,100	20,115,300
INTERFUND SERVICE RECEIPTS		
INTRAFUND SERVICE RECEIPTS WATER/WASTEWATER	1,045,800	1,134,900
INTRAFUND SERVICE RECEIPTS ELECTRIC	3,177,100	3,319,400
INTERFUND SERVICE RECEIPTS SUBTOTAL	4,222,900	4,454,300
GRANTS		
POLICE RELATED	112,100	110,000
POLICE PENSION GRANT	500,000	500,000
GREEN ENERGY GRANT	98,500	98,500
MISCELLANEOUS GRANTS	25,000	25,000
GRANTS SUBTOTAL	735,600	733,500
TRANSFERS FROM		
TRANSFER TAX	1,370,000	1,315,500
MUNICIPAL STREET AID	527,400	527,400
CIVIL TRAFFIC PENALTIES	350,000	600,000
WATER/WASTEWATER	500,000	500,000
ELECTRIC	8,000,000	8,000,000
OTHER RESERVES	11,000	32,000
TRANSFERS FROM SUBTOTAL	10,758,400	10,974,900
TOTAL REVENUES	35,569,000	36,278,000
TOTALS	**$ 39,321,200**	**$ 39,733,200**

2013-2014 BUDGET ORDINANCES - CONTINUED

GENERAL FUND - EXPENDITURES AND BUDGET BALANCE FOR 2013-2014

DEPARTMENT EXPENSES	2012/13 REVISED	2013/14 BUDGET
CITY CLERK	$ 326,900	$ 334,400
COUNCIL	114,200	107,800
TAX ASSESSOR	187,500	198,300
FIRE	645,200	692,100
GROUNDS MAINTENANCE	980,400	948,500
LIBRARY	1,225,400	1,330,400
RECREATION	674,900	708,200
LIFE SAFETY	451,800	468,200
CODE INFORCEMENT	323,100	377,100
PLANNING	416,100	444,800
INSPECTIONS	577,100	540,300
ECONOMIC DEVELOPMENT	231,100	215,200
POLICE	13,431,900	13,571,800
POLICE EXTRA DUTY	748,200	760,000
STREETS	772,200	603,700
SANITATION	2,072,000	2,153,800
CITY MANAGER	420,000	457,300
INFORMATION TECHNOLOGY	633,300	660,500
FINANCE	879,500	906,500
PUBLIC SERVICES - ADMINISTRATION	401,200	425,800
FACILITIES MANAGEMENT	660,600	632,600
CENTRAL SERVICES	578,700	517,600
FLEET MAINTENANCE	678,500	720,700
CUSTOMER SERVICES	866,900	1,109,400
HUMAN RESOURCES	310,800	334,300
MAYOR	82,400	83,300
DEPARTMENT SUBTOTALS	28,689,900	29,302,600
OTHER EXPENSES		
DEBT SERVICE	474,200	557,300
CONTRIBUTION TO DDP	180,000	162,400
MISCELLANEOUS GRANT RELATED EXPENSES	25,000	25,000
INSURANCE	600,000	658,900
RETIREES HEALTH CARE	1,620,600	1,636,500
OTHER EMPLOYMENT EXPENSES	94,700	400,000
PENSION UNFUNDED LIABILITY	1,693,500	1,159,100
POLICE PENSION FUND - STATE GRANT	500,000	500,000
POLICE PENSION FUND - UNFUNDED LIABILITY	495,000	307,400
UNCOLLECTIBLES - TRASH AND OTHER	10,000	10,000
STREET LIGHTS	869,700	836,000
OTHER EXPENSE SUBTOTAL	6,562,700	6,252,600
TRANSFERS		
TRANSFER TO CAPITAL FUND - PROJECTS	613,400	1,278,300
TRANSFERS SUBTOTAL	613,400	1,278,300
TOTAL EXPENDITURES	35,866,000	36,833,500
CURRENT YEAR BALANCE	3,455,200	2,899,700
TOTALS	**$ 39,321,200**	**$ 39,733,200**

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: June 24, 2013

2013-2014 BUDGET ORDINANCES - CONTINUED

GENERAL FUND CONTINGENCY
CASH RECEIPTS/REVENUES AND BUDGET FOR 2013-2014

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

The amount hereinafter named aggregating Seven Hundred Forty Four Thousand Six Hundred dollars ($744,600) 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, 2013 and ending June 30, 2014:

CASH RECEIPTS

	2012/13 REVISED	2013/14 BUDGET
BEGINNING BALANCE	$ 721,200	$ 732,100
INTEREST EARNED	10,900	12,500
TOTALS	**$ 732,100**	**$ 744,600**

EXPENSE SUMMARY

	2012/13 REVISED	2013/14 BUDGET
TRANSFER TO OPERATING ACCOUNT	$ -	$ 21,000
CARRY FORWARD TO NEXT YEAR	$ 732,100	$ 723,600
TOTALS	**$ 732,100**	**$ 744,600**

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: June 24, 2013

2013-2014 BUDGET ORDINANCES - CONTINUED

GOVERNMENTAL CAPITAL PROJECTS FUND
REVENUES AND BUDGET FOR 2013-2014

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

The amount hereinafter named aggregating One Million Five Hundred Fifty Four Thousand Eight Hundred dollars ($1,554,800) 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 2,2013 and ending June 30, 2014:

REVENUES

	2012/13 REVISED	2013/14 BUDGET
BEGINNING BALANCE	$ 156,000	$ 166,500
REVENUES		
STATE GRANTS - OTHER	158,000	15,000
BOND PROCEEDS - STREET PROGRAM	2,000,000	-
INCOME FROM SALE OF ASSETS	43,000	-
POLICE GRANTS	33,800	-
TRANSFER FROM GENERAL FUND FOR PROJECTS	613,400	1,278,300
TRANSFER FROM PARKLAND RESERVE	-	95,000
TRANSFER FROM FUTURE CAPACITY RESERVE	2,000,000	-
SUBTOTAL PROJECT RECEIPTS	4,848,200	1,388,300
STATE GRANTS - LIBRARY	1,746,000	-
TRANSFER FROM THE LIBRARY FOUNDATION	71,000	-
INCOME FROM SALE OF ASSETS - LIBRARY	1,200,000	-
CONSTRUCTION LOAN FOR LIBRARY	648,500	-
KENT COUNTY CONTRIBUTIONS	250,000	-
DEMEC GRANT	166,700	-
FRIENDS OF THE LIBRARY DONATION	102,400	-
SUBTOTAL LIBRARY PROJECT RECEIPTS	4,184,600	-
TOTAL REVENUES	9,032,800	1,388,300
TOTAL BEGINNING BALANCE AND REVENUES	**$ 9,188,800**	**$ 1,554,800**

EXPENSE SUMMARY

DEPARTMENT EXPENSES	2012/13 REVISED	2013/14 BUDGET
FIRE	$ 238,500	$ 238,500
GROUNDS MAINTENANCE	112,000	50,100
LIBRARY	4,089,100	-
RECREATION	30,000	95,000
CODE ENFORCEMENT	-	30,000
POLICE	217,000	257,300
STREETS	3,558,700	251,500
SANITATION	150,000	402,100
INFORMATION TECHNOLOGY	107,000	7,000
FACILITIES MAINTENANCE	395,000	17,800
PROCUREMENT & INVENTORY	-	55,000
MAYOR	33,000	-
DEPARTMENT SUBTOTAL	8,930,300	1,404,300
BOND ISSUANCE COSTS	32,000	-
TRANSFER TO COMMUNITY TRANSP FUND	60,000	-
CURRENT YEAR BALANCE	166,500	150,500
TOTALS	**$ 9,188,800**	**$ 1,554,800**

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: June 24, 2013

GENERAL CAPITAL ASSET RESERVE
CASH RECEIPTS/REVENUES AND BUDGET FOR 2013-2014

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

The amount hereinafter named aggregating Five Hundred Twelve Thousand dollars ($512,000) 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, 2013 and ending June 30, 2014:

CASH RECEIPTS

	2012/13 REVISED	2013/14 BUDGET
BEGINNING BALANCE	$ 498,500	$ 504,000
RECEIPTS		
INTEREST EARNINGS	5,500	8,000
TOTAL RECEIPTS	5,500	8,000
TOTALS	**$ 504,000**	**$ 512,000**

EXPENSE SUMMARY

	2012/13 REVISED	2013/14 BUDGET
CARRY FORWARD TO NEXT YEAR	$ 504,000	$ 512,000
TOTALS	**$ 504,000**	**$ 512,000**

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: June 24, 2013

PARKLAND/RECREATION RESERVE
CASH RECEIPTS/REVENUES AND BUDGET FOR 2013-2014

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

The amount hereinafter named aggregating Two Hundred FiveThousand dollars ($205,000) 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, 2013 and ending June 30, 2014:

OPERATING REVENUES

	2012/13 REVISED	2013/14 BUDGET
PRIOR YEAR BALANCE	$ 199,300	$ 202,500
INTEREST INCOME	3,200	2,500
TOTALS	**$ 202,500**	**$ 205,000**

OPERATING EXPENSES

	2012/13 REVISED	2013/14 BUDGET
TRANSFER TO CAPITAL PROJECTS FUND	$ -	$ 95,000
CURRENT YEAR BALANCE	202,500	110,000
TOTALS	**$ 202,500**	**$ 205,000**

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: June 24, 2013

2013-2014 BUDGET ORDINANCES - CONTINUED

WATER/WASTEWATER FUND
REVENUES AND BUDGET FOR 2013-2014

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

The amount hereinafter named aggregating Fifteen Million One Hundred Twenty Two Thousand Two Hunded dollars ($15,122,200) 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, 2013 and ending June 30, 2014:

	2012/13 REVISED	2013/14 BUDGET
BEGINNING BALANCE - WATER	$ 1,075,800	$ 770,800
BEGINNING BALANCE - WASTEWATER	991,100	412,600
BEGINNING BALANCE - KCSA	(626,400)	141,600
TOTAL BEGINNING BALANCES	1,440,500	1,325,000
BASE REVENUE		
WATER FEES	4,730,700	4,730,700
WASTEWATER FEES	3,642,700	3,642,700
WASTEWATER ADJUSTMENT FEES	2,980,400	2,980,300
GROUNDWATER INFLOW ADJUSTMENT	1,324,600	1,324,600
WATER TANK SPACE LEASING	313,500	333,800
SEWER IMPACT FEES	380,000	323,000
WATER IMPACT FEES	350,000	357,000
INTEREST - WATER	7,400	9,100
INTEREST - WASTEWATER	11,500	14,000
MISCELLANEOUS SERVICE FEE	81,400	82,000
TOTAL REVENUES	13,822,200	13,797,200
TOTAL BEGINNING BALANCES AND REVENUES	**$ 15,262,700**	**$ 15,122,200**

2013-2014 BUDGET ORDINANCES - CONTINUED

WATER/WASTEWATER FUND - EXPENDITURES AND BUDGET BALANCE FOR 2013-2014

	2012/13 REVISED	2013/14 BUDGET
DIRECT EXPENSES		
ENGINEERING & INSPECTION	$ 601,900	$ 664,400
WATER CONSTRUCTION	353,200	351,400
WATER DEPARTMENT	415,000	433,900
WATER TREATMENT PLANT	1,535,400	1,501,800
WASTEWATER DEPARTMENT	997,000	945,100
DIRECT EXPENDITURE SUBTOTAL	3,902,500	3,896,600
OTHER EXPENSES		
DEBT SERVICE - WATER	438,100	403,800
DEBT SERVICE - WASTEWATER	636,300	615,700
RETIREES HEALTH CARE	220,000	200,000
OTHER EMPLOYMENT EXPENSES	15,400	25,000
PENSION UNFUNDED LIABILITY	509,800	339,400
KENT COUNTY TREATMENT CHARGE	3,537,000	3,524,800
INTRAFUND SERVICE FEES	1,176,600	1,233,400
UNCOLLECTIBLES	5,000	-
INVENTORY/FIXED ASSET WRITEOFFS	5,000	-
OTHER EXPENSES SUBTOTAL	6,543,200	6,342,100
TRANSFER TO		
GENERAL FUND FROM WATER	250,000	250,000
GENERAL FUND FROM WASTEWATER	250,000	250,000
WATER IMP AND EXT	1,700,000	1,200,000
WASTEWATER IMP AND EXT	1,200,000	1,330,000
CAPITAL ASSET RESERVE WATER	70,000	-
CAPITAL ASSET RESERVE WASTEWATER	22,000	-
TRANSFER TO SUBTOTAL	3,492,000	3,030,000
TOTAL EXPENSES	13,937,700	13,268,700
CURRENT YEAR BALANCES		
CURRENT YEAR BALANCE WATER	770,800	1,056,400
CURRENT YEAR BALANCE WASTEWATER	412,600	797,100
CURRENT YEAR BALANCE KCSA	141,600	-
CURRENT YEAR BALANCE SUBTOTALS	1,325,000	1,853,500
TOTAL CURRENT YEAR BALANCES AND EXPENSES	**$ 15,262,700**	**$ 15,122,200**

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: June 24, 2013

WATER/WASTEWATER CONTINGENCY RESERVE
CASH RECEIPTS/REVENUES AND BUDGET FOR 2013-2014

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

The amount hereinafter named aggregating Two Hundred Ninety Seven Thousand One Hundred dollars ($297,100) 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, 2013 and ending June 30, 2014:

CASH RECEIPTS

	2012/13 REVISED	2013/14 BUDGET
BEGINNING BALANCE - WATER	$ 102,100	$ 103,800
BEGINNING BALANCE - WASTEWATER	$ 185,200	$ 188,300
TOTAL BEGINNING BALANCES	$ 287,300	$ 292,100
RECEIPTS		
INTEREST EARNINGS	4,800	5,000
TOTAL RECEIPTS	4,800	5,000
TOTALS	**$ 292,100**	**$ 297,100**

EXPENSE SUMMARY

EXPENSES	2012/13 REVISED	2013/14 BUDGET
TRANSFER TO OPERATING FUND/RESERVES	$ -	$ -
TOTAL EXPENSES	-	-
CURRENT YEAR BALANCE - WATER	103,800	105,600
CURRENT YEAR BALANCE - WASTEWATER	188,300	191,500
CURRENT YEAR BALANCE SUBTOTALS	292,100	297,100
TOTAL EXPENSES AND CURRENT YEAR BALANCES	**$ 292,100**	**$ 297,100**

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: June 24, 2013

2013-2014 BUDGET ORDINANCES - CONTINUED

WATER/WASTEWATER IMPROVEMENT & EXTENSION FUND
CASH RECEIPTS/REVENUES AND BUDGET FOR 2013-2014

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

The amount hereinafter named aggregating Five Million Two Hundred Twenty Five Thousand NIne Hundred dollars ($5,225,900) 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, 2013 and ending June 30, 2014:

CASH RECEIPTS

	2012/13 REVISED	2013/14 BUDGET
PRIOR YEAR BALANCE - WATER	$ 3,811,200	$ 1,620,000
PRIOR YEAR BALANCE - WASTEWATER	2,641,000	660,900
TOTAL BEGINNING BALANCES	6,452,200	2,280,900
RECEIPTS		
BOND PROCEEDS - WATER - 2013 ISSUE	2,000,000	-
BOND PROCEEDS - WASTEWATER - 2013 ISSUE	2,000,000	-
STATE LOAN-WATER 2010 ISSUE	142,700	-
STATE LOAN-WASTEWATER 2011 ISSUE	494,500	-
TRANS FROM OPERATING FUND FOR WATER	1,700,000	1,200,000
TRANS FROM OPERATING FUND FOR WASTEWATER	1,200,000	1,330,000
TRANSFER FROM WATER IMPACT FEE RESERVE	-	390,000
TRANSFER FROM WASTEWATER IMPACT FEE RESERVE	250,000	-
INTEREST INCOME	25,000	25,000
TOTAL RECEIPTS	7,812,200	2,945,000
TOTALS	**$ 14,264,400**	**$ 5,225,900**

EXPENSE SUMMARY

EXPENSES	2012/13 REVISED	2013/14 BUDGET
WATER	$ 5,971,600	$ 1,476,800
WASTEWATER	5,922,500	1,251,000
WATER TREATMENT PLANT	29,200	-
WATER CONSTRUCTION	31,000	90,000
ENGINEERING & INSPECTION	29,200	-
TOTAL EXPENSES	11,983,500	2,817,800
CURRENT YEAR BALANCE - WATER	1,620,000	1,655,700
CURRENT YEAR BALANCE - WASTEWATER	660,900	752,400
CURRENT YEAR BALANCE SUBTOTALS	2,280,900	2,408,100
TOTALS	**$ 14,264,400**	**$ 5,225,900**

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: June 24, 2013

WATER/WASTEWATER CAPITAL ASSET RESERVE
CASH RECEIPTS/REVENUES AND BUDGET FOR 2013-2014

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

The amount hereinafter named aggregating One Million Twenty Five Thousand Three Hundred dollars ($1,025,300) 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, 2013 and ending June 30, 2014:

CASH RECEIPTS

	2012/13 REVISED	2013/14 BUDGET
BEGINNING BALANCE - WATER	$ 427,100	$ 504,400
BEGINNING BALANCE - WASTEWATER	473,600	503,700
TOTAL BEGINNING BALANCES	900,700	1,008,100
RECEIPTS		
INTEREST EARNINGS - WATER	7,300	8,600
INTEREST EARNINGS - WASTEWATER	8,100	8,600
TRANSFER FROM WATER	70,000	-
TRANSFER FROM WASTEWATER	22,000	-
TOTAL RECEIPTS	107,400	17,200
TOTALS	**$ 1,008,100**	**$ 1,025,300**

EXPENSE SUMMARY

	2012/13 REVISED	2013/14 BUDGET
CURRENT YEAR BALANCE - WATER	$ 504,400	$ 513,000
CURRENT YEAR BALANCE - WASTEWATER	503,700	512,300
CURRENT YEAR BALANCE SUBTOTALS	1,008,100	1,025,300
TOTALS	**$ 1,008,100**	**$ 1,025,300**

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: June 24, 2013

ELECTRIC REVENUE FUND
REVENUES AND BUDGET FOR 2013-2014

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

The amount hereinafter named aggregating Ninety Million One Hundred Thirty Eight Thousand dollars ($90,138,000) 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, 2013 and ending June 30, 2014:

	2012/13 REVISED	2013/14 BUDGET
BEGINNING BALANCE	$ 14,567,100	$ 7,152,400
BASE REVENUE		
DIRECT SALES TO CUSTOMER	87,519,500	76,286,700
UTILITY TAX	1,498,900	1,492,200
MISCELLANEOUS REVENUE	985,700	602,000
RENT REVENUE	200,000	251,000
GREEN ENERGY	129,000	135,800
INTEREST EARNINGS	107,800	119,400
TRANSFER FROM RATE STABILIZATION	5,400,000	4,000,000
INTRAFUND SERVICE RECEIPTS WATER/WASTEWATER	130,800	98,500
TOTAL REVENUES	95,971,700	82,985,600
TOTALS	**$ 110,538,800**	**$ 90,138,000**

2013-2014 BUDGET ORDINANCES - CONTINUED

ELECTRIC REVENUE FUND - EXPENDITURES & BUDGET BALANCE FOR 2013-2014

	2012/13 REVISED	2013/14 BUDGET
EXPENSES		
POWER SUPPLY	$ 37,701,000	$ 23,832,000
SOLAR ENERGY	1,587,600	1,565,800
SOLAR RENEWAL ENERGY CREDITS	351,600	300,000
POWER SUPPLY MANAGEMENT	996,000	996,000
PJM CHARGES - ENERGY	5,697,700	12,812,900
PJM CHARGES - TRANSMISSION & FEES	6,100,700	4,740,000
CAPACITY CHARGES	11,817,200	15,787,200
SUB-TOTAL POWER SUPPLY	64,251,800	60,033,900
PLANT OPERATIONS	5,914,900	6,015,800
GENERATIONS FUELS	948,800	-
PJM SPOT MARKET ENERGY	(1,865,600)	(230,500)
PJM CREDITS	(488,400)	(397,000)
CAPACITY CREDITS	(14,318,600)	(15,079,800)
GENERATION SUBTOTAL	(9,808,900)	(9,691,500)
POWER SUPPLY & GENERATION SUBTOTAL	54,442,900	50,342,400
DIRECT EXPENDITURES		
TRANSMISSION/DISTRIBUTION	3,233,700	3,302,500
ELECTRICAL ENGINEERING	1,171,300	1,192,200
ADMINISTRATION	501,200	597,000
METER READING	212,500	220,300
SYSTEMS OPERATIONS	526,300	543,600
DIRECT EXPENDITURE SUBTOTALS	5,645,000	5,855,600
OTHER EXPENSES:		
UTILITY TAX	1,498,900	1,492,200
ALLOW FOR UNCOLLECTIBLES	150,000	200,000
CONTRACTUAL SERVICES - RFP'S	190,000	100,000
RETIREES HEALTH CARE	696,500	513,300
OTHER EMPLOYMENT EXPENSES	149,200	150,000
TRANSFER TO PENSION UNFUNDED LIABILITY	7,274,200	1,314,200
OPEB UNFUNDED LIABILITY	-	975,700
GREEN ENERGY PAYMENT TO DEMEC	129,000	135,800
INTRAFUND SERVICE FEES	3,177,100	3,319,400
INTEREST ON DEPOSITS	35,000	27,000
INVENTORY WRITE OFFS	175,000	-
TRANSFER TO WORKER'S COMPENSATION FUND	500,000	-
DEBT SERVICE	3,323,600	3,301,900
OTHER EXPENSES SUBTOTAL	17,298,500	11,529,500
TRANSFER TO		
IMPROVEMENT & EXTENSION	3,500,000	5,448,600
GENERAL FUND	8,000,000	8,000,000
FUTURE CAPACITY RESERVE	2,100,000	-
RATE STABILIZATION RESERVE	12,400,000	-
TRANSFER TO SUBTOTAL	26,000,000	13,448,600
TOTAL EXPENSES	103,386,400	81,176,100
CURRENT YEAR BALANCE	7,152,400	8,961,900
TOTALS	**$ 110,538,800**	**$ 90,138,000**

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: June 24, 2013

ELECTRIC UTILITY CONTINGENCY RESERVE
CASH RECEIPTS/REVENUES AND BUDGET FOR 2013-2014

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

The amount hereinafter named aggregating Eight Hundred Twenty Six Thousand Five Hundred dollars ($826,500) 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, 2013 and ending June 30, 2014:

CASH RECEIPTS

	2012/13 REVISED	2013/14 BUDGET
BEGINNING BALANCE	$ 1,070,800	$ 814,300
RECEIPTS		
INTEREST EARNINGS	16,100	12,200
TOTAL RECEIPTS	16,100	12,200
TOTALS	**$ 1,086,900**	**$ 826,500**

EXPENSE SUMMARY

EXPENSES	2012/13 REVISED	2013/14 BUDGET
TRANSFER TO INSURANCE STABILIZATION RESERVE	272,600	-
TOTAL EXPENSES	**272,600**	**-**
CURRENT YEAR BALANCE	814,300	826,500
TOTALS	**$ 1,086,900**	**$ 826,500**

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: June 24, 2013

ELECTRIC UTILITY INSURANCE STABLIZATION RESERVE
SOURCES AND USE OF FUNDS FOR 2013-2014

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

The amount hereinafter named aggregating Seven Hundred Thirty Nine Thousand dollars ($739,000) 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, 2013 and ending June 30, 2014:

CASH RECEIPTS

	2012/13 REVISED	2013/14 BUDGET
BEGINNING BALANCE	$ 337,300	$ 728,000
INTEREST EARNINGS	5,100	11,000
TRANSFER FROM ELECTRIC CONTINGENCY	272,600	-
TRANSFER FROM DEPRECIATION RESERVE	58,500	-
TRANSFER FROM FUTURE CAPACITY RESERVE	54,500	-
TOTALS	**$ 728,000**	**$ 739,000**

EXPENSE SUMMARY

	2012/13 REVISED	2013/14 BUDGET
TRANSFER TO ELECTRIC IMPROVEMENT & EXTENSION	$ -	$ -
CURRENT YEAR BALANCE	728,000	739,000
TOTALS	**$ 728,000**	**$ 739,000**

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: June 24, 2013

ELECTRIC UTILITY RATE STABLIZATION RESERVE
SOURCES AND USE OF FUNDS FOR 2013-2014

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

The amount hereinafter named aggregating Seventeen Million Six Hundred Forty Four Thousand dollars ($17,644,000) 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, 2013 and ending June 30, 2014:

CASH RECEIPTS

	2012/13 REVISED	2013/14 BUDGET
BEGINNING BALANCE	$ 10,230,100	$ 17,383,600
TRANSFER FROM ELECTRIC REVENUE FUND	12,400,000	-
INTEREST EARNINGS	153,500	260,400
TOTALS	**$ 22,783,600**	**$ 17,644,000**

EXPENSE SUMMARY

	2012/13 REVISED	2013/14 BUDGET
TRANSFER TO ELECTRIC FUND	$ 5,400,000	$ 4,000,000
CURRENT YEAR BALANCE	17,383,600	13,644,000
TOTALS	**$ 22,783,600**	**$ 17,644,000**

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: June 24, 2013

ELECTRIC UTILITY IMPROVEMENT AND EXTENSION FUND
CASH RECEIPTS/REVENUES AND BUDGET FOR 2013-2014

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

The amount hereinafter named aggregating Nine Million Four Thousand Eight Hundred dollars ($9,004,800) 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, 2013 and ending June 30, 2014:

CASH RECEIPTS

	2012/13 REVISED	2013/14 BUDGET
BEGINNING BALANCE	$ 3,534,600	$ 3,091,000
RECEIPTS		
TRANSFER FROM ELECTRIC	3,500,000	5,448,600
GENERAL SERVICE BILLING	91,100	440,000
INTEREST EARNINGS	40,700	25,200
TOTAL RECEIPTS	3,631,800	5,913,800
TOTALS	**$ 7,166,400**	**$ 9,004,800**

EXPENSE SUMMARY

EXPENSES	2012/13 REVISED	2013/14 BUDGET
ELECTRIC GENERATION	$ 1,236,600	$ 2,117,800
TRANSMISSION AND DISTRIBUTION	1,232,000	1,100,000
ELECTRICAL ENGINEERING	1,606,800	2,405,800
TOTAL EXPENSES	4,075,400	5,623,600
CURRENT YEAR BALANCE	3,091,000	3,381,200
TOTALS	**$ 7,166,400**	**$ 9,004,800**

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: June 24, 2013

2013-2014 BUDGET ORDINANCES - CONTINUED

ELECTRIC UTILITY DEPRECIATION RESERVE
SOURCES AND USE OF FUNDS FOR 2013-2014

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

The amount hereinafter named aggregating Nine Million Nine Hundred Seventy Seven Thousand One Hundred dollars ($9,977,100) 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, 2013 and ending June 30, 2014:

CASH RECEIPTS

	2012/13 REVISED	2013/14 BUDGET
BEGINNING BALANCE	$ 9,742,100	$ 9,829,700
INTEREST EARNINGS	146,100	147,400
TOTALS	**$ 9,888,200**	**$ 9,977,100**

EXPENSE SUMMARY

	2012/13 REVISED	2013/14 BUDGET
TRANSFER TO INSURANCE STABILIATION	$ 58,500	$ -
CURRENT YEAR BALANCE	9,829,700	9,977,100
TOTALS	**$ 9,888,200**	**$ 9,977,100**

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: June 24, 2013

2013-2014 BUDGET ORDINANCES - CONTINUED

ELECTRIC UTILITY FUTURE CAPACITY RESERVE
SOURCES AND USE OF FUNDS FOR 2013-2014

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 Thrity One Thousand Four Hundred dollars ($10,131,400) 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, 2013 and ending June 30, 2014:

CASH RECEIPTS

	2012/13 REVISED	2013/14 BUDGET
BEGINNING BALANCE	$ 9,805,500	$ 9,989,800
TRANSFER FROM OPERATING FUND	2,100,000	-
INTEREST EARNINGS	138,800	141,600
TOTALS	**$ 12,044,300**	**$ 10,131,400**

EXPENSE SUMMARY

	2012/13 REVISED	2013/14 BUDGET
TRANSFER TO GENERAL FUND	$ 2,000,000	$ -
TRANSFER TO INSURANCE STABILIZATION	54,500	-
CURRENT YEAR BALANCE	9,989,800	10,131,400
TOTALS	**$ 12,044,300**	**$ 10,131,400**

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: June 24, 2013

MUNICIPAL STREET AID FUND
CASH RECEIPTS/REVENUES AND BUDGET FOR 2013-2014

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

The amount hereinafter named aggregating Five Hundred Twenty Seven Thousand Five Hundred dollars ($527,500) 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, 2013 and ending June 30, 2014:

CASH RECEIPTS

	2012/13 REVISED	2013/14 BUDGET
BEGINNING BALANCE	$ 132,200	$ 100
STATE GRANT - OPERATIONS	527,400	527,400
STATE GRANT- CAPITAL	132,200	-
TOTALS	**$ 791,800**	**$ 527,500**

BUDGET SUMMARY

	2012/13 REVISED	2013/14 BUDGET
TRANSFER TO GENERAL FUND - OPERATIONS	$ 527,400	$ 527,400
TRANSFER TO GENERAL FUND - CAPITAL	264,300	-
CURRENT YEAR BALANCE	100	100
TOTALS	**$ 791,800**	**$ 527,500**

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: June 24, 2013

COMMUNITY TRANSPORTATION IMPROVEMENT FUND
CASH RECEIPTS/REVENUES AND BUDGET FOR 2013-2014

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

The amount hereinafter named aggregating Five Hundred Thousand Five Hundred dollars ($500,500) 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, 2013 and ending June 30, 2014:

OPERATING REVENUES

	2012/13 REVISED	2013/14 BUDGET
PRIOR YEAR BALANCE	$ 189,300	$ -
GRANTS REVENUE - DELDOT	300,000	500,000
TRANSFER FROM GENERAL CAPITAL FUND	60,000	-
INTEREST INCOME	500	500
TOTALS	**$ 549,800**	**$ 500,500**

OPERATING EXPENSES

	2012/13 REVISED	2013/14 BUDGET
PROGRAM EXPENSES - DELDOT	$ 324,500	$ 500,000
PROGRAM EXPENSES - CITY STREET PROGRAM	225,300	-
CURRENT YEAR BALANCE	-	500
TOTALS	**$ 549,800**	**$ 500,500**

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: June 24, 2013

WORKERS COMPENSATION FUND
CASH RECEIPTS/REVENUES AND BUDGET FOR 2013-2014

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

The amount hereinafter named aggregating One Million Seven Hundred One Thousand Nine Hundred dollars ($1,701,900) 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, 2013 and ending June 30, 2014:

OPERATING REVENUES

	2012/13 REVISED	2013/14 BUDGET
PRIOR YEAR BALANCE	$ 633,100	$ 1,200,600
INTEREST INCOME	25,000	10,600
PREMIUM FROM CITY	626,700	490,700
TRANSFER FROM ELECTRIC FUND	500,000	-
INSURANCE REFUND	4,600	-
TOTALS	**$ 1,789,400**	**$ 1,701,900**

OPERATING EXPENSES

	2012/13 REVISED	2013/14 BUDGET
PROGRAM EXPENSES/SUPPLIES - CLAIMS	$ 450,000	$ 450,000
INSURANCE	68,300	76,500
BANK FEES	1,500	600
STATE OF DEL - SELF INSURANCE TAX	37,000	37,000
CONTRACTUAL SERVICES	32,000	57,000
TOTAL EXPENSES	588,800	621,100
CURRENT YEAR BALANCE	1,200,600	1,080,800
TOTALS	**$ 1,789,400**	**$ 1,701,900**

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: June 24, 2013

2013-2014 BUDGET ORDINANCES - CONTINUED

LIBRARY GRANT FUND
CASH RECEIPTS/REVENUES AND BUDGET FOR 2013-2014

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:
The amount hereinafter named aggregating Two Hundred Seventy Thousand One Hundred dollars ($270,100) 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, 2013 and ending June 30, 2014:

OPERATING REVENUES

	2012/13 REVISED	2013/14 BUDGET
BEGINNING BALANCE	$ 12,700	$ -
STATE GRANT	270,100	270,100
FEDERAL GRANT	1,500	-
TOTALS	**$ 284,300**	**$ 270,100**

OPERATING EXPENSES

	2012/13 REVISED	2013/14 BUDGET
PROGRAM EXPENSES/SUPPLIES	$ 27,500	$ 28,000
OFFICE SUPPLIES	20,000	24,000
PRINTING/DUPLICATING	8,900	8,900
POSTAGE	100	100
BOOKS	120,900	124,900
FURNITURE	21,400	2,000
AUDIO VISUAL SUPPLIES	72,000	74,000
TRAINING/CONF/FOOD/TRAV	3,500	3,500
OFFICE EQUIPMENT/REPAIRS & MAINT	2,000	2,000
COMPUTER HARDWARE	8,000	2,700
SUBTOTAL EXPENSES	284,300	270,100
CURRENT YEAR BALANCE	-	-
TOTALS	**$ 284,300**	**$ 270,100**

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: June 24, 2013

POLICE GRANT FUNDS
CASH RECEIPTS/REVENUES AND BUDGET FOR 2013-2014

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

The amount hereinafter named aggregating Four Hundred Thirteen Thousand and One Hundred dollars ($413,100) 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, 2013 and ending June 30, 2014:

OPERATING REVENUES

	2012/13 REVISED	2013/14 BUDGET
BEGINNING BALANCE	$ 178,400	$ 100
GRANTS RECEIVED	505,100	413,000
TOTALS	**$ 683,500**	**$ 413,100**

OPERATING EXPENSES

	2012/13 REVISED	2013/14 BUDGET
PROGRAM EXPENSES/SUPPLIES	$ 129,100	$ 191,000
FURNITURE	16,500	-
COMPUTER SOFTWARE	1,400	-
COMPUTER HARDWARE	139,900	60,000
TELEPHONE/FAX	15,000	15,000
TRAINING/CONF/FOOD/TRAV	29,500	36,000
CONSULTING/AUDIT FEES	1,000	1,000
CONTRACTUAL SERVICES	161,900	-
VEHICLE PURCHASES	35,100	-
TRANSFER TO GENERAL FUND	154,000	110,000
SUBTOTAL EXPENSES	683,400	413,000
CURRENT YEAR BALANCE	100	100
TOTALS	**$ 683,500**	**$ 413,100**

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: June 24, 2013

CDBG FUND
CASH RECEIPTS/REVENUES AND BUDGET FOR 2013-2014

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

The amount hereinafter named aggregating Two Hundred Twenty Three Thousand Six Hundred dollars ($223,600) 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, 2013 and ending June 30, 2014:

OPERATING REVENUES

	2012/13 REVISED	2013/14 BUDGET
BEGINNING BALANCE	$ -	$ -
GRANTS RECEIVED	317,400	223,600
TOTALS	**$ 317,400**	**$ 223,600**

OPERATING EXPENSES

	2012/13 REVISED	2013/14 BUDGET
2010 CLOSING COST/DOWNPAYMENT PROG	$ 100	$ -
2012 CLOSING COST/DOWNPAYMENT PROG	5,900	-
2012 DOVER INTERFAITH MINISTRY	7,100	-
2012 HOMEOWNER REHAB ASSISTANCE	4,300	-
2012 FIRST STATE RC&D	7,000	-
CURRENT YEAR CLOSING COST/DOWNPAYMENT PROG	60,000	40,000
CURRENT YEAR DOVER INTERFAITH MINISTRY	27,500	27,500
CURRENT YEAR MHDC EMERGENCY HOME REPAIR	-	40,000
CURRENT YEAR FIRST STATE RC&D	35,000	-
CURRENT YEAR ELIZABETH W MURPHEY SCHOOL	32,800	32,700
CURRENT YEAR NCALL RESEARCH INC	7,800	6,000
CURRENT YEAR SERENITY PLACE	30,000	-
CURRENT YEAR MILFORD HOUSING H/O REHAB	52,800	32,700
CURRENT YEAR SALARIES	47,100	44,700
SUBTOTAL EXPENSES	317,400	223,600
CURRENT YEAR BALANCE	-	-
TOTALS	**$ 317,400**	**$ 223,600**

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: June 24, 2013