LEGISLATIVE, FINANCE, AND ADMINISTRATION COMMITTEE
A G E N D A

MARCH 12, 2012 - 6:00 P.M.

CITY HALL COUNCIL CHAMBERS
15 LOOCKERMAN PLAZA
DOVER, DELAWARE

Public comments are welcomed on any item and will be permitted at appropriate times. When possible, please notify the City Clerk (736-7008 or e-mail at CityClerk@dover.de.us) should you wish to be recognized.

AGENDA ADDITIONS/DELETIONS

1. Recommendation of Civilian Pension Board - Cost of Living Adjustment (COLA)

2. Approval of Transfer of Additional Reciprocal Borrowing Funds

3. Proposed Ordinance #2012-09 - Budget Amendments for Fiscal Year 2012

4. Public Comment Period

5. Adjournment by 7:00 P.M.

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THE AGENDA ITEMS AS LISTED MAY NOT BE CONSIDERED IN SEQUENCE. THIS AGENDA IS SUBJECT TO CHANGE TO INCLUDE THE ADDITION OR THE DELETION OF ITEMS, INCLUDING EXECUTIVE SESSIONS.

ACTION FORM

PROCEEDING: Legislative, Finance & Administration Committee
DEPARTMENT OF ORIGIN: Finance **DATE SUBMITTED**: 3/12/12
PREPARED BY: Donna Mitchell, Controller/Treasurer
SUBJECT: Civilian Pension Plan Retiree Pension – Cost of Living Adjustment
REFERENCE: N/A
APPROVALS: City Council
EXHIBITS: Minutes of Civilian Pension Board Meeting – February 8, 2012
EXPENDITURE REQUIRED: $98,500 annually **AMOUNT BUDGETED**: $0 **FUNDING SOURCE (Dept./Page in CIP & Budget)**: None identified
RECOMMENDED ACTION: Staff's recommendation is that if Council approves the 4% Cost of Living Adjustment for the Civilian Pension Plan that the City Manager will be directed to budget each year the for the cost of the cost of living adjustment as follows: General Fund $52,400, Water/Wastewater Fund $5,300, and Electric Fund $40,800.

The Civilian Pension Board met on February 9, 2012 to review a Cost of Living Adjustment for current retiree's and surviving spouses. The following motion was made by Board Member Lester Blakeman.

That all members for the Civilian Pension Plan who retired on or before June 30, 2007 will receive a four percent Cost of Living Adjustment effective January 1, 2013;

And that, the retirement income of a retired member of the Civilian Pension Plan shall be increased by two percent per annum every January 1. This increase in retirement pay shall be cumulative and the previous year's increase shall be included in the retired member's retirement income for the purposes of calculating the annual two percent increase. The first two percent increase would be on January 1, 2014.

Please note, the motion did not specifically include surviving spouses, however that is the intent of the maker. Also, Mr. Blakeman's calculation of the increase presented to the Board was $126,335 which included all retiree's and not only those retired on or before June 30, 2007. The lower amount in the recommended action coincides with the motion.

Staff cannot support an automatic cost of living provision. While we can understand the retiree's rational, retirement plans have been moving away from this provision as demonstrated by the City's other retirement plans. All of the State of Delaware Pension Plans with these provisions are now closed.

February 10, 2012

To: ALL CIVILIAN RETIREES and ACTIVE EMPLOYEES OF THE GENERAL EMPLOYES PENSION PLAN

FROM: YOUR ELECTED REPRESENTATIVES

MRS. HETTINGER (Fran) - Mr Clendaniel (Ken) – Mr Blakeman (Les)

Last night (Feb. 9th) at a meeting of the Civilian Pension Board the only item on the agenda was a review of a Cost of Living Adjustment (COLA).

On your behalf, a motion was made to have a four (4) percent COLA effective January 1, 2013 and an annual two (2) percent COLA adjustment. The Police retirees have been getting a 2% COLA each January for many years. We only ask that we receive equal treatment, after all in retirement, we all are equal and should be treated the same.

The motion made last night was rejected by a vote of 4 to 3 with Councilmen McGlumphy and Bonar and City Manager Koenig and Controller/Treasurer Mitchell voting no and Mrs. Hettinger, Mr. Clendaniel and Mr. Blakeman voting yes. If this motion had passed it would have been sent to City Council as a recommendation for their approval. We have been informed that the motion and the resulting vote will be reviewed by the Legislative and Finance Committee on ~~February 27~~, 2012. It would be great if each of you could attend this meeting. March 12 KC

I am enclosing three of the documents that we passed out last night. As you can see from these documents, we have not received a COLA increase for the last five years and it looks like we may not get one for the 2012-2013 budget year. This means it will be at least six years with no adjustment.

We will continue to work for the automatic two percent increase each year! Going back to the City Council each year with a request for a COLA increase does not work!!

302-399-0351

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Fran Hettinger

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Les Blakeman 116kjb@verizon.net
Les Blakeman

CIVILIAN PENSION BOARD

A Meeting of the Civilian Pension Board was held on February 8, 2012, at 4:03 p.m. with Dr. McGlumphy presiding. Members present were Mr. Bonar, Mr. Blakeman, Mr. Clendaniel, Mrs. Hettinger, Mr. Koenig, and Mrs. Mitchell. Mr. Hare and Mayor Carey were also present.

AGENDA ADDITIONS/DELETIONS

Mr. Bonar moved for approval of the agenda as presented, seconded by Mr. Blakeman and unanimously carried.

ANNUAL REVIEW OF PENSION BENEFITS PAID TO ALL CIVILIAN RETIREES

During their meeting of January 27, 2000, members directed the City Clerk to maintain a permanent pending agenda item to review a Cost of Living Adjustment (COLA) for City of Dover retirees prior to the third week of February each year.

Mr. Blakeman provided members with a list of retirement payments being issued to members of the Civilian Pension Plan as of December 2011 ***(Attachment #1)***. He stated his concern that more than 74% of those employees listed were receiving between $2,400 and $23,837 per year.

Mr. Blakeman provided members with the City of Dover Finance Department Pay Plan and Benefit Comparisons - Contract Wage Increase ***(Attachment #2)***. He indicated that this document was adapted from a document reviewed by the Salary and Benefits Compensation Comparison Committee at their meeting of December 6, 2012 and that he had added information regarding increases for retired FOP and General Fund Civilian Employees. Mr. Blakeman provided members with a COLA History ***(Attachment #3)*** and explained that Civilian Pension Plan retirees had not received an increase since June 26, 2006. Mr. Blakeman noted that during the period between July 1, 2007 and June 30, 2012, active non-bargaining employees received salary increases which ranged from 9% to18.7%, FOP employees received 16%, IUE employees 13.5%, IBEW employees 15.5%, and FOP retirees 10%; however, retirees paid from the General Fund received no increases during this time. He informed members that the City's Municipal Code provides for an automatic 2% annual increase for retirees in the Police Pension Plan.

Mr. Blakeman provided members information regarding Historical Inflation ***(Attachment #4)*** and a History of Automatic Cost-of-Living Adjustments from the Social Security Administration ***(Attachment #5)*** for their review.

Mrs. Hettinger stated her feeling that there was a lack of equity in that retirees in the Police Pension Plan receive an annual increase but Civilian Pension Plan retirees do not.

Mr. Blakeman moved that all members of the Civilian Pension Plan who retired on or before June 30, 2007 receive a 4% cost of living adjustment effective January 1, 2013, that the retirement income of a retired member of the Civilian Pension Plan shall be increased by 2% per annum every January 1, and that this increase in retirement pay shall be cumulative and the previous year's increase shall be included in the retired member's retirement income for the purposes of calculating the annual 2% increase, and that the first 2% increase would be effective on January 1, 2014. The motion was seconded by Mrs. Hettinger.

Mr. Blakeman noted that language in the motion regarding an automatic annual increase mirrors language in the City of Dover Code regarding the Police Pension Plan (Chapter 62 - Law Enforcement, Article III, Pension Plan, Division 1 - Generally, Section 62-76 (b) Increase).

Referring to the City of Dover Finance Department Pay Plan and Benefit Comparison - Contract Wage Increase ***(Attachment #2)***, Dr. McGlumphy clarified that figures listed in the "G.F. Retired" column refer to all individuals in the City of Dover organization other than the police.

In response to Mr. Hare, Mr. Clendaniel explained that Police Pension Plan participants who retired prior to 2009 continue to receive Medicare Part B reimbursement.

Mr. Bonar acknowledged the need of the retirees and the validity of the information presented; however, stated he could not support the motion due to the City's current dire financial situation.

In response to Mr. Bonar, Mr. Blakeman stated that a 4% increase would cost approximately $126,534.60 per year; however, if it were implemented on January 1, 2013, the cost would be reduced by one-half to approximately $63,267.30. He offered several suggestions for funding the increase, as follows:

1) Increase kilowatt hour (kWh) sales by one-half cent. Mr. Blakeman stated that this would spread the cost among all users, not just property owners, and would generate $3.5M in revenue per year. He estimated the monthly impact to electric consumers as follows:

500 kWh	$2.50
1,000 kWh	$5.00
1,500 kWh	$7.50
2,000 kWh	$10.00
2,500 kWh	$12.50
5,000 kWh	$25.00
10,000 kWh	$50.00

2) As of February 8, 2011, there were 32 property owners who owed the City a total of more than $300,000 in property taxes. He stated that collecting these taxes would more than fund an increase.

3) As of December 31, 2010, the City's reserve accounts had over $2,729,910 in excess of the minimum balance, some of which could be used to fund a COLA.

Mr. Hare stated his concurrence with Mr. Bonar's assessment of the City's financial position; however, he indicated that retirees should be treated similarly to employees. He felt that if employees receive a raise this year, retirees should also receive an increase; however, he advised members that he could not support a 4% raise for retirees if employees do not receive an increase.

Mrs. Mitchell stated that the last time a COLA was approved, the actuary calculated the cost of the COLA and the City budgeted money to cover this expense. She stressed the importance of

examining the long-term implications of any increase, noting that the issue is not to fund it just for one year but to fund it over the entire amortization period.

Mr. Hare stated his reluctance to guarantee an annual COLA but stated he would be willing to consider a one-time increase that would be subject to review every year.

On a call for the question by Mr. Bonar, the motion that all members of the Civilian Pension Plan who retired on or before June 30, 2007 receive a 4% cost of living adjustment effective January 1, 2013, that the retirement income of a retired member of the Civilian Pension Plan shall be increased by 2% per annum every January 1, and that this increase in retirement pay shall be cumulative and the previous year's increase shall be included in the retired member's retirement income for the purposes of calculating the annual 2% increase, and that the first 2% increase would be effective on January 1, 2014 failed by a roll call vote of four (4) no and three (3) yes (Mr. Blakeman, Mr. Clendaniel, and Mrs. Hettinger).

Mr. Mike Karia, 54 Merion Road (former City of Dover Finance Director), stated that his purpose in attending the meeting was to request a list of the names, mailing addresses, email addresses, and phone numbers of City of Dover retirees so that he could visit and offer assistance to them. However, he stated that, after hearing the discussion regarding a COLA for retirees, he felt compelled to share his point of view. Mr. Karia noted that City Council, the Finance Director, the City Manager, the Human Resources Director, the Mayor, and the actuaries did not consider the long-term effect on the unfunded liability when salary increases were granted to management employees over the last 7-10 years, yet this was considered to be a concern during the discussion of an increase for retirees on small, limited incomes. Mr. Karia explained that there are four (4) factors that contribute to the City's unfunded liability, including: 1) a decline in the economic market; 2) the fact that retirees are living longer than previously; 3) payments that are made to retirees (increases add to the unfunded liability); and 4) raises received by current employees every year, including management employees who have received increases up to 18%. He commended members for voting their consciences regarding the COLA because of the City's dire financial situation; however, he requested that members investigate the causes of this situation, including bonds, the new library project which will require more staff and cause higher electric bills, and salaries paid over the last few years under the Pay for Performance system. Mr. Karia requested that members consider the non-management employees and retirees who have given their lives for the City and stated his hope that this type of request would be considered favorably in the future.

Mr. Bonar expressed his respect for Mr. Karia and acknowledged that management and top-level employees have received significant pay raises over the past ten years; however, he stated that this had not happened during the last two (2) years. He indicated that he did not believe that raises would be granted during the next fiscal year unless arbitrated and expressed his hope that the City would not negotiate. Mr. Bonar stated that if the economy improves in the future, he would like to see a unanimous vote in favor of granting a COLA, but felt the City was not in a position to do so at this time. He noted that the budget process would be very difficult and painful this year.

Mr. Koenig stated that there has been a great deal of hostility expressed regarding the Pay for Performance system; however, he noted that this was a publicly vetted system that was reviewed through the budget process and approved by a majority of Council. In addition, he noted that not all

employees affect the unfunded liability, as those in the deferred compensation plan have no impact. He suggested that further discussion on this topic could be held in conjunction with the budget process for FY 2013. This would provide time to estimate and plan for this cost and would allow for the matter to be publicly vetted through the budget system.

Mrs. Hettinger noted that she had been a Pension Board member for many years and that previously Board members met with all employees when they retired and had a voice in their retirement process. She stated that the Board now meets only in regard to investments and she indicated that she was not in favor of this change. Mrs. Hettinger also stated that the Board previously tried to incorporate raises in the budget for those who retired in the 1970s and 1980s. She stated that a plan was developed to allow incremental percentage raises for retirees based on their date of retirement, from earliest to latest retired (proposed raises were not equivalent), and employees who retired during the previous five (5) years would not have been eligible to receive raises because they had received higher salaries. Mrs. Hettinger indicated that she was informed at the time that the City Solicitor determined this approach was discriminatory; however, she felt that a second opinion should be solicited to determine if staggered COLAs are discriminatory. She noted a recent encounter with a 93-year-old City retiree whose job had been to clean City Hall and stated that she was working on behalf of former employees such as this who "built this City" and retired many years ago.

Mr. Bonar suggested that Mr. Blakeman discuss a COLA with Mrs. Mitchell to determine if an appropriate allocation for this purpose could be worked into the budget for eventual review by Council. He indicated that this matter could be brought before the Legislative, Finance, and Administration Committee.

Dr. McGlumphy suggested reviewing the Solicitor's previous opinion regarding staggered COLAs. He noted that the budget hearings would proceed within the next month.

Mr. Hare explained that contact information for retirees could not be released to the public due to Privacy Act protections; however, the City could assist in the distribution of mailings to these individuals.

By unanimous consent, the meeting adjourned at 5:06 P.M.

William P. McGlumphy
Chairman

WPM/JS/dd/tm
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Attachments
Attachment #1 - List of Retirement Payments to Members of the Civilian Pension Plan as of December 2011
Attachment #2 - City of Dover Finance Department Pay Plan and Benefit Comparisons - Contract Wage Increase
Attachment #3 - COLA History
Attachment #4 - Historical Inflation Rates
Attachment #5 - History of Automatic Cost-of-Living Adjustments from the Social Security Administration

Sheet2

	Monthly Gross Payment	Annual Gross Payment	Payment Type Desc	Retirement Date
1	$200.00	$2,400.00	PERIODIC DEATH BENEFIT	02/21/2008
2	$200.00	$2,400.00	PERIODIC DEATH BENEFIT	04/29/2006
3	$217.59	$2,611.08	PERIODIC DEATH BENEFIT	10/25/1985
4	$217.59	$2,611.08	PENSION BENEFIT	07/24/1989
5	$217.59	$2,611.08	PERIODIC DEATH BENEFIT	01/01/1970
6	$217.59	$2,611.08	PERIODIC DEATH BENEFIT	05/01/1993
7	$217.59	$2,611.08	PERIODIC DEATH BENEFIT	06/01/1989
8	$223.84	$2,686.08	PENSION BENEFIT	08/29/1986
9	$225.91	$2,710.92	PERIODIC DEATH BENEFIT	10/18/2002
10	$226.37	$2,716.44	PENSION BENEFIT	07/06/1988
11	$272.45	$3,269.40	PENSION BENEFIT	12/19/1974
12	$276.21	$3,314.52	PERIODIC DEATH BENEFIT	12/14/1995
13	$293.06	$3,516.72	PENSION BENEFIT	02/23/2000
14	$293.39	$3,520.68	PERIODIC DEATH BENEFIT	01/01/2008
15	$314.79	$3,777.48	PERIODIC DEATH BENEFIT	10/01/1978
16	$321.01	$3,852.12	PERIODIC DEATH BENEFIT	08/27/1999
17	$328.71	$3,944.52	PERIODIC DEATH BENEFIT	05/01/1995
18	$332.04	$3,984.48	PERIODIC DEATH BENEFIT	11/09/1996
19	$347.81	$4,173.72	PENSION BENEFIT	08/24/2007
20	$368.99	$4,427.88	PENSION BENEFIT	03/29/1994
21	$396.50	$4,758.00	PENSION BENEFIT	03/01/1983
22	$400.35	$4,804.20	PERIODIC DEATH BENEFIT	07/14/2010
23	$412.26	$4,947.12	PERIODIC DEATH BENEFIT	10/07/2010
24	$416.76	$5,001.12	PENSION BENEFIT	05/16/1995
25	$426.75	$5,121.00	PENSION BENEFIT	02/10/1990
26	$428.00	$5,136.00	PERIODIC DEATH BENEFIT	10/23/2003
27	$428.13	$5,137.56	PERIODIC DEATH BENEFIT	12/30/1989
28	$428.48	$5,141.76	PENSION BENEFIT	10/21/2005
29	$481.35	$5,776.20	PERIODIC DEATH BENEFIT	03/07/1997
30	$506.45	$6,077.40	PERIODIC DEATH BENEFIT	12/22/2002
31	$508.01	$6,096.12	PENSION BENEFIT	05/06/2001
32	$510.16	$6,121.92	PENSION BENEFIT	04/07/2000
33	$513.48	$6,161.76	PENSION BENEFIT	08/23/1998
34	$518.80	$6,225.60	PENSION BENEFIT	10/27/1987
35	$549.85	$6,598.20	PENSION BENEFIT	09/20/1987
36	$574.39	$6,892.68	PENSION BENEFIT	09/17/1999
37	$589.59	$7,075.08	PERIODIC DEATH BENEFIT	02/01/1999
38	$590.65	$7,087.80	PENSION BENEFIT	01/17/1991
39	$594.79	$7,137.48	PERIODIC DEATH BENEFIT	08/01/2003
40	$600.64	$7,207.68	PERIODIC DEATH BENEFIT	09/01/2002
41	$608.99	$7,307.88	PERIODIC DEATH BENEFIT	11/17/2003
42	$618.73	$7,424.76	PENSION BENEFIT	10/03/1992
43	$643.24	$7,718.88	PENSION BENEFIT	10/16/2006
44	$685.08	$8,220.96	PENSION BENEFIT	04/14/1995
45	$689.39	$8,272.68	PERIODIC DEATH BENEFIT	05/15/2010
46	$708.19	$8,498.28	PERIODIC DEATH BENEFIT	06/16/1999
47	$715.09	$8,581.08	PENSION BENEFIT	05/04/1994
48	$718.66	$8,623.92	PENSION BENEFIT	05/25/1995
49	$727.08	$8,724.96	PENSION BENEFIT	09/25/1991
50	$739.01	$8,868.12	PENSION BENEFIT	09/26/1993
51	$739.48	$8,873.76	PENSION BENEFIT	06/30/1990
52	$742.61	$8,911.32	PENSION BENEFIT	08/31/2011
53	$743.81	$8,925.72	PERIODIC DEATH BENEFIT	01/23/1988
54	$751.64	$9,019.68	PENSION BENEFIT	12/20/2003
55	$753.26	$9,039.12	PENSION BENEFIT	01/04/2006
56	$771.09	$9,253.08	PENSION BENEFIT	01/04/1995
57	$777.70	$9,332.40	PENSION BENEFIT	06/01/1993
58	$779.58	$9,354.96	PENSION BENEFIT	10/18/1984
59	$780.00	$9,360.00	PERIODIC DEATH BENEFIT	06/02/2010
60	$785.98	$9,431.76	PENSION BENEFIT	02/05/2000
61	$797.59	$9,571.08	PENSION BENEFIT	04/24/1986
62	$840.68	$10,088.16	PENSION BENEFIT	01/01/1993
63	$846.63	$10,159.56	PENSION BENEFIT	05/22/1990
64	$865.40	$10,384.80	PENSION BENEFIT	09/25/1987
65	$869.30	$10,431.60	PENSION BENEFIT	01/04/1995
66	$885.37	$10,624.44	PENSION BENEFIT	08/13/1991
67	$887.54	$10,650.48	PENSION BENEFIT	07/01/1996
68	$892.48	$10,709.76	PENSION BENEFIT	12/23/2006
69	$911.86	$10,942.32	PENSION BENEFIT	01/06/1997
70	$917.25	$11,007.00	PENSION BENEFIT	04/11/1993
71	$979.19	$11,750.28	PENSION BENEFIT	01/03/2008
72	$999.80	$11,997.60	PENSION BENEFIT	10/31/1996

(INFORMATION PROVIDED BY MR. LES BLAKEMAN)

1	$1,002.06	$12,024.72	PENSION BENEFIT	01/04/2005
2	$1,005.20	$12,062.40	PENSION BENEFIT	06/21/2002
3	$1,011.23	$12,134.76	PERIODIC DEATH BENEFIT	10/12/2010
4	$1,026.48	$12,317.76	PENSION BENEFIT	10/16/1987
5	$1,055.58	$12,666.96	PERIODIC DEATH BENEFIT	11/30/1999
6	$1,066.61	$12,799.32	PENSION BENEFIT	01/01/2008
7	$1,073.00	$12,876.00	PENSION BENEFIT	05/04/1995
8	$1,080.13	$12,961.56	PERIODIC DEATH BENEFIT	06/01/2009
9	$1,111.05	$13,332.60	PENSION BENEFIT	11/22/1984
10	$1,121.94	$13,463.28	PENSION BENEFIT	06/15/1996
11	$1,130.60	$13,567.20	PENSION BENEFIT	12/04/1998
12	$1,132.09	$13,585.08	PENSION BENEFIT	03/26/1999
13	$1,142.54	$13,710.48	PENSION BENEFIT	10/08/1993
14	$1,149.11	$13,789.32	PENSION BENEFIT	09/01/1988
15	$1,153.62	$13,843.44	PENSION BENEFIT	06/17/1993
16	$1,162.32	$13,947.84	PENSION BENEFIT	10/11/1996
17	$1,166.43	$13,997.16	PENSION BENEFIT	03/13/1999
18	$1,172.18	$14,066.16	PENSION BENEFIT	03/20/1995
19	$1,188.40	$14,260.80	PENSION BENEFIT	09/18/2009
20	$1,198.10	$14,377.20	PENSION BENEFIT	11/01/2008
21	$1,198.80	$14,385.60	PENSION BENEFIT	07/21/2007
22	$1,221.72	$14,660.64	PENSION BENEFIT	04/02/2002
23	$1,266.82	$15,201.84	PENSION BENEFIT	05/17/2002
24	$1,272.39	$15,268.68	PENSION BENEFIT	08/09/2001
25	$1,280.43	$15,365.16	PENSION BENEFIT	05/27/2010
26	$1,297.40	$15,568.80	PENSION BENEFIT	09/04/2003
27	$1,299.32	$15,591.84	PENSION BENEFIT	03/30/1999
28	$1,331.62	$15,979.44	PENSION BENEFIT	01/03/2002
29	$1,349.75	$16,197.00	PENSION BENEFIT	03/30/2001
30	$1,365.80	$16,389.60	PENSION BENEFIT	10/30/2004
31	$1,368.88	$16,426.56	PENSION BENEFIT	04/24/1993
32	$1,379.04	$16,548.48	PENSION BENEFIT	11/01/1996
33	$1,383.40	$16,600.80	PENSION BENEFIT	07/07/2009
34	$1,386.25	$16,635.00	PENSION BENEFIT	11/11/2004
35	$1,443.68	$17,324.16	PENSION BENEFIT	05/20/2000
36	$1,463.89	$17,566.68	PENSION BENEFIT	09/10/1991
37	$1,475.60	$17,707.20	PENSION BENEFIT	06/03/2005
38	$1,476.79	$17,721.48	PENSION BENEFIT	03/01/2001
39	$1,497.18	$17,966.16	PENSION BENEFIT	07/17/1993
40	$1,514.26	$18,171.12	PENSION BENEFIT	06/01/2004
41	$1,553.00	$18,636.00	PENSION BENEFIT	11/30/2007
42	$1,562.24	$18,746.88	PENSION BENEFIT	02/03/1992
43	$1,576.10	$18,913.20	PENSION BENEFIT	01/14/1994
44	$1,579.57	$18,954.84	PENSION BENEFIT	06/21/2003
45	$1,603.91	$19,246.92	PENSION BENEFIT	02/02/2002
46	$1,611.64	$19,339.68	PENSION BENEFIT	11/21/2009
47	$1,645.64	$19,747.68	PENSION BENEFIT	02/10/2003
48	$1,656.74	$19,880.88	PENSION BENEFIT	05/04/2000
49	$1,657.93	$19,895.16	PENSION BENEFIT	09/08/1993
50	$1,675.09	$20,101.08	PENSION BENEFIT	04/15/2005
51	$1,700.89	$20,410.68	PENSION BENEFIT	08/23/1998
52	$1,731.62	$20,779.44	PENSION BENEFIT	07/19/2000
53	$1,736.19	$20,834.28	PENSION BENEFIT	01/01/1999
54	$1,752.17	$21,026.04	PENSION BENEFIT	05/19/1999
55	$1,781.69	$21,380.28	PENSION BENEFIT	01/28/2010
56	$1,786.69	$21,440.28	PENSION BENEFIT	05/19/1994
57	$1,816.03	$21,792.36	PENSION BENEFIT	06/30/1995
58	$1,829.05	$21,948.60	PENSION BENEFIT	02/02/1998
59	$1,837.67	$22,054.44	PENSION BENEFIT	06/25/2011
60	$1,849.02	$22,188.24	PENSION BENEFIT	07/15/1998
61	$1,860.54	$22,326.48	PENSION BENEFIT	09/25/2004
62	$1,864.47	$22,373.64	PENSION BENEFIT	06/26/2010
63	$1,865.02	$22,380.24	PENSION BENEFIT	08/02/2004
64	$1,873.23	$22,478.76	PENSION BENEFIT	03/19/1988
65	$1,877.84	$22,534.08	PENSION BENEFIT	01/18/2000
66	$1,881.24	$22,574.88	PENSION BENEFIT	01/25/2003
67	$1,894.79	$22,737.48	PENSION BENEFIT	05/13/1996
68	$1,903.91	$22,846.92	PENSION BENEFIT	08/16/1991
69	$1,926.60	$23,119.20	PENSION BENEFIT	03/07/2009
70	$1,937.52	$23,250.24	PENSION BENEFIT	08/01/2009
71	$1,957.26	$23,487.12	PENSION BENEFIT	08/15/1997
72	$1,968.82	$23,625.84	PENSION BENEFIT	02/22/2009
73	$1,974.60	$23,695.20	PENSION BENEFIT	10/10/2009
74	$1,986.48	$23,837.76	PENSION BENEFIT	02/01/2008

(INFORMATION PROVIDED BY MR. LES BLAKEMAN)

1	$2,016.04	$24,192.48	PENSION BENEFIT	01/03/2001
2	$2,018.84	$24,226.08	PENSION BENEFIT	03/29/2008
3	$2,037.12	$24,445.44	PENSION BENEFIT	11/01/1993
4	$2,046.68	$24,560.16	PENSION BENEFIT	08/06/2009
5	$2,059.72	$24,716.64	PENSION BENEFIT	01/24/1999
6	$2,073.34	$24,880.08	PENSION BENEFIT	12/20/2004
7	$2,074.50	$24,894.00	PENSION BENEFIT	11/22/2007
8	$2,116.87	$25,402.44	PENSION BENEFIT	10/28/1997
9	$2,121.50	$25,458.00	PENSION BENEFIT	01/01/2010
10	$2,141.64	$25,699.68	PENSION BENEFIT	01/01/2005
11	$2,157.52	$25,890.24	PENSION BENEFIT	12/10/2002
12	$2,168.57	$26,022.84	PENSION BENEFIT	01/05/2010
13	$2,181.21	$26,174.52	PENSION BENEFIT	08/01/1998
14	$2,187.85	$26,254.20	PENSION BENEFIT	11/21/2002
15	$2,204.47	$26,453.64	PENSION BENEFIT	04/01/1996
16	$2,205.80	$26,469.60	PENSION BENEFIT	08/29/2009
17	$2,216.09	$26,593.08	PENSION BENEFIT	09/26/2009
18	$2,257.57	$27,090.84	PENSION BENEFIT	05/01/2010
19	$2,263.20	$27,158.40	PENSION BENEFIT	04/01/2010
20	$2,268.55	$27,222.60	PENSION BENEFIT	08/08/1995
21	$2,305.67	$27,668.04	PENSION BENEFIT	03/27/2010
22	$2,340.69	$28,088.28	PENSION BENEFIT	03/01/2000
23	$2,345.58	$28,146.96	PENSION BENEFIT	10/16/1991
24	$2,364.32	$28,371.84	PENSION BENEFIT	09/06/2000
25	$2,412.70	$28,952.40	PENSION BENEFIT	04/25/1998
26	$2,417.42	$29,009.04	PENSION BENEFIT	11/17/2010
27	$2,424.92	$29,099.04	PENSION BENEFIT	07/15/2000
28	$2,433.50	$29,202.00	PENSION BENEFIT	05/17/2006
29	$2,487.75	$29,853.00	PENSION BENEFIT	07/02/2000
30	$2,494.11	$29,929.32	PENSION BENEFIT	09/18/2003
31	$2,510.14	$30,121.68	PENSION BENEFIT	04/15/2000
32	$2,521.26	$30,255.12	PENSION BENEFIT	03/19/2005
33	$2,566.91	$30,802.92	PENSION BENEFIT	06/01/2001
34	$2,589.53	$31,074.36	PENSION BENEFIT	04/24/2000
35	$2,679.89	$32,158.68	PENSION BENEFIT	06/01/2000
36	$2,694.96	$32,339.52	PENSION BENEFIT	03/01/2007
37	$2,697.85	$32,374.20	PENSION BENEFIT	06/01/2001
38	$2,797.51	$33,570.12	PENSION BENEFIT	05/17/2000
39	$2,864.80	$34,377.60	PENSION BENEFIT	01/04/2003
40	$2,873.57	$34,482.84	PENSION BENEFIT	08/01/1989
41	$2,971.21	$35,654.52	PENSION BENEFIT	09/30/2006
1	$3,090.78	$37,089.36	PENSION BENEFIT	02/10/2003
2	$3,578.61	$42,943.32	PENSION BENEFIT	09/01/2011
1	$4,212.43	$50,549.16	PENSION BENEFIT	01/03/2001
2	$4,551.87	$54,622.44	PENSION BENEFIT	01/29/2005
1	$5,393.20	$64,718.40	PENSION BENEFIT	06/11/2011
	$267,934.97	$3,215,219.64		

(INFORMATION PROVIDED BY MR. LES BLAKEMAN)

SALARY AND BENEFITS COMPENSATION COMPARISON COMMITTEE
December 6, 2011

City of Dover Fianance Department Pay Plan & Benefit Comparisons

Contract Wage Increase:

	Non-Bargaining	FOP	IUE	IBEW	FOP RETIRED	G. F. RETIRED
7-1-07//6-30-08	2.0% - 6.5%	3.5%	3.5%	3.0%	2.0%	0%
7-1-08//6-30-09	3.5% - 4.0%	4.0%	3.5%	3.5%	2.0%	0%
7-1-09//6-30-10	3.5%	3.5%	3.5%	4.0%	2.0%	0%
7-1-10//6-30-11	0.0% - 4.7%	3.0%	3.0%*	3.0%**	2.0%	0%
7-1-11//6-30-12	0.0%	2.0%#	2.0%	2.0%	2.0%	0%
SUM	9.0% - 18.7%	16.0%	13.5%	15.5%	10.0%	0%

* 8-15-10

** 1-25-11 plus $50

\# 1-1-12 judgement

FOP Retired and General Fund Retired added to orginal report.

Police Pension Plan

Sec. 62-76 Amount of retirement income (b) Increase.

The retirement income of a retireed member of the plan shall be increased by two percent per annum every January 1. This increase in retirement pay shall be clumulative and the previous year's increasse shall be included in the retired member's retirement income for the purposes of calculating the annual two percent increase.

(INFORMATION PROVIDED BY MR. LES BLAKEMAN)

COLA History

January 1, 1983	less than 3 years 3 to 15 years more than 15 years	0% 5.7% 10.5%
July1, 1986	all retirees	2%
July 1, 1988	all retirees prior to 6/30/88	5%
July 1, 1989	all retirees prior to 6/30/89	2%
1993	$60/year - max $600 based on years of service	0%
July 1, 1996	years of service & pension amount - minimum $100	
July 1, 2000	all retirees $20 per month - increase minimum monthly amount to $200	
July 1, 2002	all retirees prior to December 31, 2000	2%
July 1, 2003	all retirees	1.5%
July 1, 2005	all retirees prior to December 31, 2004	2%
June 26, 2006	all retirees prior to January 1, 2006	1%
July 2007	None - $75,00 set aside for July 2008	

(INFORMATION PROVIDED BY MR. LES BLAKEMAN)

Ads by Google CPI Inflation Inflation US Historical Price Index

Top 10 Stocks for 2012

These 10 stocks are set to crush the market in 2012. In fact, Warren Buffett just bought 9.3 million shares of one of these stocks. Click here for more on these stocks.

Historical Inflation

The following table provides all the Inflation data from 1914 to the Present. For the current inflation rate data just since the year 2000, see Inflation page. The Inflation rate is calculated from the Consumer Price Index (CPI-U) which is compiled by the Bureau of Labor Statistics and is based upon a 1982 Base of 100. To view the actual Consumer Price Index data that this inflation data is calculated from, go to the Historical CPI table.

Today's 50 Top Trending Stocks

Blank Cells = Data not available because it has not been released by the Bureau of Labor Statistics. You can click a column heading to sort by that column.

Historical CPI-U data from 1913 to the present

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
12													
2011	1.63 %	2.11 %	2.68 %	3.16 %	3.57 %	3.56 %	3.63 %	3.77 %	3.87 %	3.53 %	3.39 %	2.96 %	3.16 %
2010	2.63 %	2.14 %	2.31 %	2.24 %	2.02 %	1.05 %	1.24 %	1.15 %	1.14 %	1.17 %	1.14 %	1.50 %	1.64 %
2009	0.03 %	0.24 %	-0.38 %	-0.74 %	-1.28 %	-1.43 %	-2.10 %	-1.48 %	-1.29 %	-0.18 %	1.84 %	2.72 %	-0.34 %
2008	4.28 %	4.03 %	3.98 %	3.94 %	4.18 %	5.02 %	5.60 %	5.37 %	4.94 %	3.66 %	1.07 %	0.09 %	3.85 %
2007	2.08 %	2.42 %	2.78 %	2.57 %	2.69 %	2.69 %	2.36 %	1.97 %	2.76 %	3.54 %	4.31 %	4.08 %	2.85 %
2006	3.99 %	3.60 %	3.36 %	3.55 %	4.17 %	4.32 %	4.15 %	3.82 %	2.06 %	1.31 %	1.97 %	2.54 %	3.24 %
2005	2.97 %	3.01 %	3.15 %	3.51 %	2.80 %	2.53 %	3.17 %	3.64 %	4.69 %	4.35 %	3.46 %	3.42 %	3.39 %
2004	1.93 %	1.69 %	1.74 %	2.29 %	3.05 %	3.27 %	2.99 %	2.65 %	2.54 %	3.19 %	3.52 %	3.26 %	2.68 %
2003	2.60 %	2.98 %	3.02 %	2.22 %	2.06 %	2.11 %	2.11 %	2.16 %	2.32 %	2.04 %	1.77 %	1.88 %	2.27 %
2002	1.14 %	1.14 %	1.48 %	1.64 %	1.18 %	1.07 %	1.46 %	1.80 %	1.51 %	2.03 %	2.20 %	2.38 %	1.59 %
2001	3.73 %	3.53 %	2.92 %	3.27 %	3.62 %	3.25 %	2.72 %	2.72 %	2.65 %	2.13 %	1.90 %	1.55 %	2.83 %
2000	2.74 %	3.22 %	3.76 %	3.07 %	3.19 %	3.73 %	3.66 %	3.41 %	3.45 %	3.45 %	3.45 %	3.39 %	3.38 %
1999	1.67 %	1.61 %	1.73 %	2.28 %	2.09 %	1.96 %	2.14 %	2.26 %	2.63 %	2.56 %	2.62 %	2.68 %	2.19 %
1998	1.57 %	1.44 %	1.37 %	1.44 %	1.69 %	1.68 %	1.68 %	1.62 %	1.49 %	1.49 %	1.55 %	1.61 %	1.55 %
1997	3.04 %	3.03 %	2.76 %	2.50 %	2.23 %	2.30 %	2.23 %	2.23 %	2.15 %	2.08 %	1.83 %	1.70 %	2.34 %
1996	2.73 %	2.65 %	2.84 %	2.90 %	2.89 %	2.75 %	2.95 %	2.88 %	3.00 %	2.99 %	3.26 %	3.32 %	2.93 %
1995	2.80 %	2.86 %	2.85 %	3.05 %	3.19 %	3.04 %	2.76 %	2.62 %	2.54 %	2.81 %	2.61 %	2.54 %	2.81 %
1994	2.52 %	2.52 %	2.51 %	2.36 %	2.29 %	2.49 %	2.77 %	2.90 %	2.96 %	2.61 %	2.67 %	2.67 %	2.61 %
1993	3.26 %	3.25 %	3.09 %	3.23 %	3.22 %	3.00 %	2.78 %	2.77 %	2.69 %	2.75 %	2.68 %	2.75 %	2.96 %
1992	2.60 %	2.82 %	3.19 %	3.18 %	3.02 %	3.09 %	3.16 %	3.15 %	2.99 %	3.20 %	3.05 %	2.90 %	3.03 %
1991	5.65 %	5.31 %	4.90 %	4.89 %	4.95 %	4.70 %	4.45 %	3.80 %	3.39 %	2.92 %	2.99 %	3.06 %	4.25 %
1990	5.20 %	5.26 %	5.23 %	4.71 %	4.36 %	4.67 %	4.82 %	5.62 %	6.16 %	6.29 %	6.27 %	6.11 %	5.39 %
1989	4.67 %	4.83 %	4.98 %	5.12 %	5.36 %	5.17 %	4.98 %	4.71 %	4.34 %	4.49 %	4.66 %	4.65 %	4.83 %
1988	4.05 %	3.94 %	3.93 %	3.90 %	3.89 %	3.96 %	4.13 %	4.02 %	4.17 %	4.25 %	4.25 %	4.42 %	4.08 %
87	1.46 %	2.10 %	3.03 %	3.78 %	3.86 %	3.65 %	3.93 %	4.28 %	4.36 %	4.53 %	4.53 %	4.43 %	3.66 %
1986	3.89 %	3.11 %	2.26 %	1.59 %	1.49 %	1.77 %	1.58 %	1.57 %	1.75 %	1.47 %	1.28 %	1.10 %	1.91 %

(INFORMATION PROVIDED BY MR. LES BLAKEMAN)

ATTACHMENT #5
Civilian Pension Board Meeting of February 8, 2012

Social Security

The Official Website of the U.S. Social Security Administration

Cost-Of-Living Adjustment

- **COLA Home**
- **Cost-of-Living Adjustments (Fact sheet)**
- **Prior Cost-Of-Living Adjustments**
- **History of Automatic Cost-Of-Living Adjustments**

History Of Automatic Cost-Of-Living Adjustments

Automatic benefit increases, also known as cost-of-living adjustments or COLAs, have been in effect since 1975.

The 1975-82 COLAs were effective with Social Security benefits payable for June (received by beneficiaries in July) in each of those years. After 1982, COLAs have been effective with benefits payable for December (received by beneficiaries in January).

COLAs received in 1975-2012 are shown below.

Automatic Cost-Of-Living Adjustments

July 1975 -- 8.0%	January 1995 -- 2.8%
July 1976 -- 6.4%	January 1996 -- 2.6%
July 1977 -- 5.9%	January 1997 -- 2.9%
July 1978 -- 6.5%	January 1998 -- 2.1%
July 1979 -- 9.9%	January 1999 -- 1.3%
July 1980 -- 14.3%	January 2000 -- 2.5%(1)
July 1981 -- 11.2%	January 2001 -- 3.5%
July 1982 -- 7.4%	January 2002 -- 2.6%
January 1984 -- 3.5%	January 2003 -- 1.4%
January 1985 -- 3.5%	January 2004 -- 2.1%
January 1986 -- 3.1%	January 2005 -- 2.7%
January 1987 -- 1.3%	January 2006 -- 4.1%
January 1988 -- 4.2%	January 2007 -- 3.3%
January 1989 -- 4.0%	January 2008 -- 2.3%
January 1990 -- 4.7%	January 2009 -- 5.8%
January 1991 -- 5.4%	January 2010 -- 0.0%
January 1992 -- 3.7%	January 2011 -- 0.0%
January 1993 -- 3.0%	January 2012 -- 3.6%
January 1994 -- 2.6%	

(1) The COLA for December 1999 was originally determined as 2.4 percent based on CPIs (Consumer Price Indexes) published by the Bureau of Labor Statistics. Pursuant to Public Law 106-554, however, this COLA is effectively now 2.5 percent.

Related Information

- COLA, tax, benefit and earning amounts for 2012
- The Story of COLAs
- Actuarial resources
- Press Release: Social Security Announces 3.6 Percent Increase For 2012
- Effect of COLA on Social Security Benefits

Last reviewed or modified 10/19/2011

(INFORMATION PROVIDED BY MR. LES BLAKEMAN)

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Finance Department
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MEMORANDUM

To: Legislative, Finance & Administrative Committee

From: Donna Mitchell, Controller/Treasurer

Copy: Mayor, City Council, City Manager, & City Clerk

Date: March 1, 2012

Subject: Cost of Living Adjustments for City Pension Retiree's & Surviving Spouses

Attached are several items of additional information in relation to the agenda item for a Cost of Living Adjustment "COLA" for Retiree's and Surviving Spouses.

1. History of Pension adjustments – the COLA History provided did not include the stipend that was paid during Fiscal Year 2009. The history shows that in July 2007 $75,000 was set aside for July 2008, which is incorrect. The Fiscal Year 2009 budget included funding of $100,000 (allocated among the three major funds) for a stipend based on the age of the retiree. The payments ranged from $339 to $815. The City issued two checks on 7/15/2008 and 11/12/2008. These checks were not issued by the Pension Plan but rather from the operating funds similar to a bonus. An excerpt of the minutes from the Budget Meeting is included on page 2.

2. The City has four pension plans, of which one provides for an automatic cost of living adjustment.

    a. General Employee Pension Plan – No automatic COLA provision, non-law enforcement personnel hired prior to September 30, 2009. Employee contributes 3.5% as of 5/1/94.
    b. Defined Contribution Plan 401(a) – No COLA provision, for those who elected to transfer from the General Employee Pension Plan as of May 1, 1994 and those hired after September 29, 2009. Employee contributes 3%, City match up to 6%.
    c. State of Delaware – County & Municipal Police & Firefighters' Plans – No automatic COLA provision. This plan covers all law enforcement officers hired after September 1, 1982. Ad Hoc COLA's can be approved by the State Legislature. Employee contributes 7.0%.
    d. City of Dover – Police Pension Plan – Automatic 2% COLA provision on January 1 each year. Minutes attached on page 3. The State maintains a separate COLA Fund for police plans that provide COLA's. The City receives State monies equal to 75% of the actuarial determined value of the COLA after we certify we have contributed the actuarial determined 25%. We budget a place holder of $95,000 for the match each year. Attached is a handout from a recent meeting I attended that provides background on the COLA Fund. Employee contributes 4.0%.

3. The General Employee Plan Schedule of Funding Progress is provided on the following page.

Excerpt from Budget Meeting of May 21, 2008

Discussion - COLA Increase for Retirees

Mr. DePrima reminded members that during their Regular Meeting of April 14, 2008, City Council considered a recommendation of the Civilian Pension Board (from their meeting of February 29, 2008) that City Council fund a $100,000 one-time stipend to retirees to be provided based on the age of the retiree, to be distributed July 15th and November 15th. Although there was a motion to approve a stipend for current retirees, including those that retired from the Deferred Compensation Plan, with funding to be provided from the excess carry forward balance in the Worker's Compensation Fund, members tabled the matter to allow for its consideration by City Council during the Budget Hearings.

Noting that there is no adjustment to the pension benefits being recommended, Mr. Hogan reiterated that although there is reference to a COLA, the recommendation is to provide for a one-time stipend to retirees. For informational purposes, Council President Hogan advised members that on July 7th, there will be a workshop meeting held on the pension and COLA issues.

Responding to Mr. Leary, Mrs. Mitchell stated that $100,000 has been included in the draft budget for fiscal year 2008/2009 to provide the stipend to retirees.

There being no objections, Council President Hogan declared a brief recess.

Fiscal Year 2011 Comprehensive Annual Financial Report – Schedule of Funding Progress

General Employee Pension Fund
Required Supplementary Information
Schedule of Funding Progress

Valuation Date	Plan Assets	Actuarial Accrued Liability	Unfunded Accrued Liability	Funded Ratio	Payroll	Unfunded as a Percent of Payroll
7/1/05	$ 16,277,640	$ 39,860,241	$ 23,582,601	40.8%	$ 7,380,629	319.5%
7/1/06	$ 15,712,605	$ 41,103,526	$ 25,390,921	38.2%	$ 7,612,121	333.6%
7/1/07	$ 17,616,172	$ 42,335,142	$ 24,718,970	41.6%	$ 8,006,103	308.8%
7/1/08	$ 19,381,391	$ 43,800,212	$ 24,418,821	44.2%	$ 8,716,361	280.1%
7/1/09	$ 19,880,033	$ 45,525,384	$ 25,645,351	43.7%	$ 8,786,981	291.9%
7/1/10	$ 19,963,426	$ 52,462,693	$ 32,499,267	38.1%	$ 8,256,751	393.6%

(continued on Page 3 – Police Pension prior minutes)

Minute excerpts from 1969 & 1982 – Police Pension Plan

1969 - POLICE PENSION PLAN
On motion of Mr. Hayes, seconded by Mr. Biggs, Council by unanimous vote adopted the following Retirement Plan for the City of Dover Police effective January 1, 1970.
RETIREMENT PLAN FOR CITY OF DOVER POLICE
ARTICLE 2 - MEMBERSHIP
2.1 An Employee who was a Member of the City of Dover Employee's Pension Plan prior to January 1, 1970 will continue to be covered under this Plan.
2.2 Each new Employee hired on or after January 1, 1970 shall participate in this Plan on the first day of the month coincident with or next following the date on which he was hired.
ARTICLE 3 - CONTRIBUTIONS
3.1 For each year while a Member of the Plan, a Member shall contribute by payroll deductions an amount equal to 4% of his Earnings.
ARTICLE 5 - AMOUNT OF RETIREMENT INCOME
5.1 The Retirement Income to which a Member is entitled on his Retirement Date shall be equal to 2% of his Average Earnings, multiplied by his full years of Service, including fractions of a year to the nearest 1/12th year.
5.2 If the rate of Earnings payable to Employees on active duty of equivalent rank of that held by the Member immediately prior to his Retirement Date are increased, the Retirement Income of the retired Member shall be increased effective as of the first day of the month following the date of such Earnings increase. The increased amount of Retirement Income shall be in the same proportion as the increase in rate of Earnings of such active Employees is to the rate of Earnings of the retired Member immediately prior to his Retirement Date.

1982 - PUBLIC HEARING - ORDINANCE AMENDMENT TO POLICE PENSION PLAN
A public hearing was duly advertised for this time and place to consider an ordinance that would amend certain provisions of the Police Pension Plan. Mayor McDonough declared the hearing open. By motion of Mr. Boaman, seconded by Mr. Carey, Council by a unanimous roll call vote, adopted the following amendments to the Police Pension Ordinance, effective January 1, 1982:
BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:
The Code of Ordinances, City of Dover is hereby amended by deleting Article II, PENSION PLAN, of Chapter 18, POLICE DEPARTMENT in its entirety and by substituting therefore the following:
Sec. 18-24. Contributions
(a) For each year while a member of the Plan, a member shall contribute by payroll deductions an amount equal to four percent of his earnings.
Sec. 18-26. Amount of Retirement Income.
(a) The retirement income to which a member is entitled on his retirement date shall be equal to two and one-half percent of his average earnings, multiplied by his full years of service, including fractions of a year to the nearest one-twelfth year. However, this amount shall not exceed 62 and one-half percent of his average earnings.
(b) The retirement income of a retired member of this plan shall be increased by two percent per annum every January 1st. This increase in retirement pay shall be cumulative and the previous year's increase shall be included in the retired member's retirement income for the purposes of calculating the annual two percent increase.

County/Municipal Police and Firefighters COLA Fund

- Established in 1990 under **18 Del. C. §708**
- Insurance Tax of .25% of gross premiums is paid to each police department based on number of active officers
- See listing for FY10 and FY11 payments
- Portion that should be paid to the State Police pension plan is used as revenue for the COLA Fund

COLA Fund (cont.)

- Assets are divided among participating employers based on number of retirees in their closed plan
- Wilmington, New Castle County, Dover ,and the Town of New Castle are the current employers participating
- When an employer provides an increase in their closed plan the State will pay 75% of the cost and the employer will pay 25%

Post Retirement Increases in the County/Municipal Police and Firefighters Pension Plan

- 7/1/2000 2%
- 7/1/2001 2%
- 9/1/2003 2%
- 7/1/2004 2%
- 7/1/2005 2%
- 7/1/2006 2%
- 1/1/2012 2%

Replicates COLA's for other State Plans

All increases amortized over a 5 year period

Post Retirement Increases Granted

- ❑ Wilmington, amortized over a 13 year period
  - 1991
  - 1997
  - 2001
  - 2003
  - 2006
- ❑ Dover and New Castle County annual increases
- ❑ Town of New Castle 2002

Revenues into COLA Fund

Driven by insurance premiums in State of DE

FY02	$2,254,724
FY03	$2,072,179
FY04	$2,659,494
FY05	$2,545,617
FY06	$2,982,774
FY07	$3,148,992
FY08	$2,905,327
FY09	$2,963,367
FY10	$2,900,530
FY11	$3,103,771

Distributions Paid from Special Tax on Gross Premiums for Benefit of Police

	FY10	FY11
Bethany Beach	39,643.65	42,010.86
Blades	(18.32)	18,308.28
Bridgeville	28,640.68	34,827.44
Camden	48,435.03	56,014.46
Cheswold	8,791.37	14,003.61
Clayton	35,238.80	30,522.77
Dagsboro	8,809.70	9,335.74
Delmar	55,069.79	56,014.46
Dewey Beach	35,238.80	37,342.97
Dover	398,629.76	411,135.97
Ellendale	-	-
Elsmere	44,048.50	53,498.92
Felton	17,619.40	18,671.49
Fenwick Island	22,024.25	23,339.36
Georgetown	85,903.73	75,049.17
Greenwood	11,021.28	2,515.55
Harrington	37,432.06	48,831.05
Laurel	72,689.18	61,045.55
Lewes	57,263.05	53,862.14
Middletown	127,777.29	139,672.95
Milford	134,357.08	140,036.17
Millsboro	63,879.49	58,530.00
Milton	37,432.06	42,010.86
New Castle	74,882.45	79,353.83
New Castle Co.	1,616,634.90	1,596,802.47
Newark	273,082.37	300,896.15
Newport	35,238.80	37,342.97
Ocean View	37,450.39	30,522.77
Rehoboth Beach	77,075.71	70,381.29
Seaford	118,930.95	119,212.34
Selbyville	33,045.54	39,495.31
Smyrna	96,906.70	102,693.18
South Bethany	26,429.10	28,007.23
Wilmington	1,374,148.25	1,580,229.41
Wyoming	19,830.99	18,671.49
	5,153,582.78	5,430,188.21
		-
DE State Police (paid to DPERS)	2,900,529.53	3,103,771.82
		-
Payment Total	8,054,112.31	8,533,960.03

ACTION FORM

PROCEEDING: Legislative, Finance and Administration Committee
DEPARTMENT OF ORIGIN: Parks, Recreation & Library **DATE SUBMITTED**: March 1, 2012
PREPARED BY: Margie Cyr, Library Director
SUBJECT: Approval of Transfer of Additional Reciprocal Borrowing Funds
REFERENCE: Library Financing Plan
RELATED PROJECT: New Dover Library Project
REVIEWED BY: Scott Koenig, City Manager & Donna Mitchell, Controller/Treasurer
EXHIBITS: Memo 2/14/12 Kent County Levy Court Commissioners
EXPENDITURE REQUIRED: N/A **AMOUNT BUDGETED**: N/A **FUNDING SOURCE (Dept./Page in CIP & Budget)**:
TIME TIMETABLE:
RECOMMENDED ACTION: Approval to transfer $15,000 from General Fund, contributed by Kent County to the Library Reserve Fund.

BACKGROUND AND ANALYSIS

Kent County collects a special Library Tax from each County property owner who does not reside in a municipality. This tax is used to reimburse the municipal libraries in the County for each item loaned to a County resident who is not a resident of a municipality.

In 2011, residual library tax was distributed at a rate of $30,000 to each municipal library to be used for capital purposes. The Dover City Council approved transfer of these funds to the Library Reserve Fund.

In 2012, residual tax was disbursed by the Kent County Levy Court at a rate of $15,000 per library. Staff recommends transfer of the $15,000 Kent County residual Reciprocal Borrowing funds to the Library Reserve Fund for the capital project.

Note – This item has been included in the proposed budget amendment included on this same Agenda. It this item is not approved, it will be removed from the proposed budget amendment.

MEMORANDUM

Department of Finance
555 Bay Road
Dover, DE 19901
Phone: (302) 744-2386

TO: Levy Court Commissioners
Mike Petit de Mange, County Administrator

FROM: Susan Durham, CPA
Director of Finance

DATE: February 14, 2012

RE: Distribution of Residual Library Tax

Purpose: Distribution of Residual Library Tax (Note: A residual balance is defined as unobligated funds remaining from funds collected for a designated purpose.)

History: The most recent distribution of residual library tax was In June 2010 and it was distributed at a rate of $30,000 per each of the four (4) municipal libraries (Dover, Smyrna, Harrington, & Milford) and $30,000 for Kent County Library for a total of $150,000. The purpose of these funds was for capital expenditures.

Distribution of Residual Library Tax:

On January 21, 2012 at the Kent County Levy Court Annual Retreat there was a discussion regarding the distribution of the residual library tax funds. The following facts and predictions were presented at the meeting. At the end of Fiscal Year 2011 the balance in the residual library tax is $214,754. In Fiscal Year 2012 the library tax rate was reduced from $.037 per $100 of tax assessed value to $.033 per $100 of tax assessed value. The prediction for the current fiscal year is that the reciprocal borrowing distribution to the four (4) municipal libraries will exceed the total tax collections. If this occurs, some of the residual library tax will be used to fill the gap.

Based on the information presented there was a consensus at the Retreat to bring forward for a vote a $15,000 distribution to the City of Dover Library, Town of Smyrna Library, City of Harrington Library, Town of Milford Library, and the Kent County Library for a total of $75,000. This will leave a balance of $139,754.

Distribution of Residual Library Tax
February 14, 2012

MOTION:

Move to approve the distribution of $75,000 in residual library tax in equal installments of $15,000 to each of the four municipal libraries – Dover, Smyrna, Harrington, Milford - and to the Kent County Public Library for the purpose of capital improvements or expenditures.

ACTION FORM

PROCEEDING: Legislative, Finance & Administration Committee	
DEPARTMENT OF ORIGIN: Finance	**DATE SUBMITTED: 03/12/2011**
PREPARED BY: Donna Mitchell, Controller/Treasurer	
SUBJECT: Proposed Budget Amendment for Fiscal Year 2012	
APPROVALS: City Council	
EXHIBITS: Draft Budget Ordinance #2012-09	
EXPENDITURE REQUIRED:	**Total:**
AMOUNT BUDGETED: N/A **FUNDING SOURCE**:	
TIMETABLE:	
RECOMMENDED ACTION: Staff recommends approval of the proposed Budget Amendment for Fiscal Year 2012.	

The proposed budget amendment includes the adjustments to the Beginning Budget Balances for the major operating and capital funds now that the City's audit has been completed. It also includes a transfer to the OPEB Trust towards the unfunded liabilities in these amounts as approved by Council action on September 12, 2011 as follows: General Fund $239,532; Water/Wastewater Fund $372,417; Electric Fund $573,547.

Additional adjustments are as follows:

- Kent County Book reimbursement - $15,000 additional reciprocal borrowing funds being recommended to transfer to the Library Project
- DEMA Reimbursements for Hurricane Irene ($80,806) and Downtown Cameras ($23,870) totaling $104,676; Expenses ($131,245) for Hurricane exceeded reimbursement by $48,499 reflected as a reduction in the Ending Budget Balance. The Budget Balance falls below the 8% policy requirement at 7.8%, however the savings from attrition this fiscal year should be able to cover the difference.
- Recreation Grant for Watershed Coordinator was not budgeted for, both revenue ($35,323) and expense ($33,443) are adjusted
- Municipal Street Aid - $131,760 additional funds for street capital improvements; being transferred to Community Transportation Fund to cover City's portion of street improvements; This amount along with the $15,000 for the Library project equals the $146,760 transfer to Capital Projects.
- The Water/Wastewater Improvement and Extension Fund reflects the final State Revolving Fund loan reimbursement for the 2009 Wastewater Loan now that the projects have been completed. The original loan amount authorized by Council was $5,942,480 based on the Engineer estimates and the project reimbursements totaled $5,581,058. This decreased the projected debt by $361,422.
- The Electric Fund includes an appropriation from the Current Year - Ending Budget Balance in the amount of $150,000 to complete the valuation study approved by City Council. The Budget Balance remains in compliance with the financial policy.

CITY OF DOVER ORDINANCE # 2012-09
2011-2012 BUDGET ORDINANCES

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:
The amount hereinafter named in various City funds are changed from the currently approved revenues and other funds for the use by several departments of the Municipal Government for the fiscal year beginning July 1, 2011 and ending June 30, 2012:

GENERAL FUND
REVENUES AND BUDGET FOR 2011-2012

	ORIGINAL 2011/12 BUDGET	1st Budget Adjustment	Proposed Budget Adj.	REVISED 2011/12 BUDGET
BEGINNING BALANCE	$ 3,322,305	$ -	$ 239,532	$ 3,561,837
REVENUES				
FINES AND POLICE REVENUE	579,000	-	-	579,000
911 FEE	60,000	-	-	60,000
INVESTMENT INCOME	215,900	-	-	215,900
LIBRARY REVENUES	44,100	-	-	44,100
KENT COUNTY BOOK REIMBURSEMENT	390,900	-	15,000	405,900
BUSINESS LICENSES	1,523,675	-	-	1,523,675
PERMITS AND OTHER LICENSES	934,000	-	-	934,000
MISCELLANEOUS CHARGES	165,750	-	-	165,750
POLICE EXTRA DUTY	300,000	-	-	300,000
PROPERTY TAXES	11,133,367	-	-	11,133,367
BID REVENUE	51,821	-	-	51,821
RECREATION REVENUE	152,000	-	-	152,000
FRANCHISE FEE	520,000	-	-	520,000
TRASH FEES	2,050,000	-	-	2,050,000
RENT REVENUE - GARRISON FARM	87,000	-	-	87,000
COURT OF CHANCERY FEES	690,000	-	-	690,000
REVENUES SUBTOTAL	18,897,513	-	15,000	18,912,513
INTERFUND SERVICE RECEIPTS				
INTERFUND SERVICE RECEIPTS WATER/WASTEWATER	988,393	-	-	988,393
INTRAFUND SERVICE RECEIPTS ELECTRIC	3,370,778	-	-	3,370,778
INTERFUND SERVICE RECEIPTS SUBTOTAL	4,359,171	-	-	4,359,171
GRANTS				
POLICE RELATED	60,000	-	-	60,000
CAPITAL SCHOOL DISTRICT REVENUE	73,500	-	-	73,500
DEMA HOMELAND SECURITY GRANT	-	-	104,676	104,676
POLICE PENSION GRANT	620,000	-	-	620,000
RECREATION GRANT	-	-	35,383	35,383
UNIVERSAL RECYCLING GRANT	-	79,873	-	79,873
GRANTS SUBTOTAL	753,500	79,873	140,059	973,432
TRANSFERS FROM				
TRANSFER TAX	900,000	-	-	900,000
MUNICIPAL STREET AID	526,814	-	131,760	658,574
CIVIL TRAFFIC PENALTIES	1,000,000	-	-	1,000,000
WATER/WASTEWATER	424,508	-	-	424,508
ELECTRIC	7,876,288	-	-	7,876,288
TRANSFERS FROM SUBTOTAL	10,727,610	-	131,760	10,859,370
TOTAL REVENUES	$ 34,737,794	$ 79,873	$ 286,819	$ 35,104,486
TOTAL BEGINNING BALANCE AND REVENUES	$ 38,060,099	$ 79,873	$ 526,351	$ 38,666,323

2011-2012 BUDGET ORDINANCES - CONTINUED
GENERAL FUND - REVENUES AND BUDGET FOR 2011-2012

		ORIGINAL 2011/12 BUDGET	1st Budget Adjustment	Proposed Budget Adj.	REVISED 2011/12 BUDGET
52	DEPARTMENT EXPENSES				
53	CITY CLERK	$ 296,393	$ -	$ -	$ 296,393
54	COUNCIL	120,699	-	-	120,699
55	TAX ASSESSOR	213,175	-	-	213,175
56	FIRE	684,725	-	-	684,725
57	GROUNDS MAINTENANCE	979,922	-	-	979,922
58	LIBRARY	1,159,087	-	-	1,159,087
59	RECREATION	789,701	-	33,443	823,144
60	LIFE SAFETY	449,226	-	23,870	473,096
61	CODE INFORCEMENT	284,489	-	-	284,489
62	PLANNING	422,781	-	-	422,781
63	INSPECTIONS	553,907	-	-	553,907
64	ECONOMIC DEVELOPMENT	223,717	-	-	223,717
65	POLICE	12,955,807	-	-	12,955,807
66	POLICE EXTRA DUTY	430,600	-	-	430,600
67	STREETS	782,810	-	131,245	914,055
68	SANITATION	2,330,976	79,873	-	2,410,849
69	CITY MANAGER	622,127	-	-	622,127
70	INFORMATION TECHNOLOGY	685,871	-	-	685,871
71	FINANCE	852,283	-	-	852,283
72	PUBLIC SERVICES - ADMINISTRATION	472,692	-	-	472,692
73	FACILITIES MANAGEMENT	952,693	-	-	952,693
74	CENTRAL SERVICES	693,339	-	-	693,339
75	FLEET MAINTENANCE	695,422	-	-	695,422
76	CUSTOMER SERVICES	928,112	-	-	928,112
77	HUMAN RESOURCES	384,758	-	-	384,758
78	MAYOR	81,154	-	-	81,154
79	DEPARTMENT SUBTOTALS	29,046,466	79,873	188,558	29,314,897
80	OTHER EXPENSES				
81	DEBT SERVICE	327,270	-	-	327,270
82	INSURANCE	550,000	-	-	550,000
83	RETIREES HEALTH CARE	1,374,709	-	-	1,374,709
84	OPEB UNFUNDED LIABILITY	-	-	239,532	239,532
85	PENSION UNFUNDED LIABILITY	1,450,000	-	-	1,450,000
86	POLICE PENSION FUND	620,000	-	-	620,000
87	POLICE PENSION UNFUNDED LIABILITY	95,000	-	-	95,000
88	UNCOLLECTIBLES - TRASH AND OTHER	10,000	-	-	10,000
89	STREET LIGHTS	960,000	-	-	960,000
90	OTHER EXPENSE SUBTOTAL	5,386,979	-	239,532	5,626,511
91	TRANSFERS				
92	TRANSFER TO CAPITAL FUND - PROJECTS	623,847	-	146,760	770,607
93	TRANSFER TO CAPITAL FUND - RESERVE	200,000	-		200,000
94	TRANSFERS SUBTOTAL	823,847	-	146,760	970,607
95	CURRENT YEAR BALANCE	$ 2,802,807	$ -	$ (48,499)	$ 2,754,308
96	TOTAL CURRENT YEAR BALANCE AND EXPENDITURES	$ 38,060,099	$ 79,873	$ 526,351	$ 38,666,323

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

GOVERNMENTAL CAPITAL PROJECTS FUND
REVENUES AND BUDGET FOR 2011-2012

REVENUES

	ORIGINAL 2011/12 BUDGET	1st Budget Adjustment	Proposed Budget Adj.	REVISED 2011/12 BUDGET
BEGINNING BALANCE - PROJECTS	$ 195,191	$ -	$ 61,201	$ 256,392
BEGINNING BALANCE - LIBRARY	-	100,962	-	100,962
REVENUES				
STATE GRANTS	5,597,505	1,519,678	-	7,117,183
DEMEC GRANT	-	215,000	-	215,000
BTOP & GREENHOUSE GAS REDUCTION GRANTS	-	90,000	-	90,000
KENT COUNTY LIBRARY CONTRIBUTION	-	1,000,000	-	1,000,000
LIBRARY GREEN ENERGY/BRIDGE LOAN	2,334,889	365,111	-	2,700,000
CONSTRUCTION LOAN FOR LIBRARY	-	274,961	-	274,961
TRANSFER FROM LIBRARY RESERVE	3,262,615	(671,831)	-	2,590,784
FRIENDS OF THE LIBRARY DONATION	-	210,000	-	210,000
LOAN PROCEEDS - STREETS, CITY HALL	2,000,000	-	-	2,000,000
TRANSFER FROM GENERAL FUND FOR PROJECTS	623,847	-	-	623,847
INTEREST EARNINGS	10,900	-	-	10,900
TOTAL REVENUES	$ 13,829,756	$ 3,002,919	$ -	$ 16,832,675
TOTAL BEGINNING BALANCE AND REVENUES	$ 14,024,947	$ 3,103,881	$ 61,201	$ 17,190,029

EXPENSE SUMMARY

DEPARTMENT EXPENSES	ORIGINAL 2011/12 BUDGET	1st Budget Adjustment	Proposed Budget Adj.	REVISED 2011/12 BUDGET
FIRE	$ 244,820	$ -	$ -	$ 244,820
LIBRARY	11,195,009	3,103,881	-	14,298,890
RECREATION	30,000	-	-	30,000
POLICE	65,000	-	-	65,000
STREETS	1,230,027	750,000	-	1,980,027
SANITATION	136,500	-	-	136,500
FACILITIES MAINTENANCE	-	220,000	-	220,000
INFORMATION TECHNOLOGY	6,400	-	-	6,400
LOAN ISSUANCE COSTS	-	30,000	-	30,000
EXPENSES SUBTOTAL	12,907,756	4,103,881	-	17,011,637
CURRENT YEAR BALANCE - LOAN PROCEEDS	1,000,000	(1,000,000)	-	-
CURRENT YEAR BALANCE	117,191	-	61,201	178,392
TOTAL CURRENT YEAR BALANCES AND EXPENSES	$ 14,024,947	$ 3,103,881	$ 61,201	$ 17,190,029

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.

WATER/WASTEWATER FUND
REVENUES AND BUDGET FOR 2011-2012

REVENUES

	ORIGINAL 2011/12 BUDGET	1st Budget Adjustment	Proposed Budget Adj.	REVISED 2011/12 BUDGET
BEGINNING BALANCE - WATER	$ 2,385,027	$ -	$ 182,145	$ 2,567,172
BEGINNING BALANCE - WASTEWATER	1,741,242	-	190,272	1,931,514
BEGINNING BALANCE - KCSA	(1,757,484)	-	514,241	(1,243,243)
TOTAL BEGINNING BALANCES	2,368,785	-	886,658	3,255,443
BASE REVENUE				
WATER FEES	4,603,400	-	-	4,603,400
WASTEWATER FEES	3,756,700	-	-	3,756,700
WASTEWATER ADJUSTMENT FEES	3,090,900	-	-	3,090,900
GROUNDWATER INFLOW ADJUSTMENT	1,386,900	-	-	1,386,900
WATER TANK SPACE LEASING	307,600	-	-	307,600
SEWER IMPACT FEES	323,000	-	-	323,000
WATER IMPACT FEES	357,000	-	-	357,000
INTEREST - WATER	10,600	-	-	10,600
INTEREST - WASTEWATER	17,200	-	-	17,200
MISCELLANEOUS SERVICE FEE	58,000	-	-	58,000
TOTAL REVENUES	13,911,300	-	-	13,911,300
TOTAL BEGINNING BALANCE AND REVENUES	$ 16,280,085	$ -	$ 886,658	$ 17,166,743

EXPENSE SUMMARY

DEPARTMENT EXPENSES	ORIGINAL 2011/12 BUDGET	1st Budget Adjustment	Proposed Budget Adj.	REVISED 2011/12 BUDGET
ENGINEERING AND INSPECTION	$ 622,230	$ -	$ -	$ 622,230
WATER CONSTRUCTION	440,088	-	-	440,088
WATER DEPARTMENT	382,655	-	-	382,655
WATER TREATMENT PLANT	1,543,114	-	-	1,543,114
WASTEWATER DEPARTMENT	959,735	-	-	959,735
KENT COUNTY TREATMENT CHARGE	4,235,400	-	-	4,235,400
TOTAL DEPARTMENT EXPENSES	8,183,222	-	-	8,183,222
OTHER EXPENSES				
DEBT SERVICE - WATER	320,853	-	-	320,853
DEBT SERVICE - WASTEWATER	416,083	-	-	416,083
RETIREES HEALTH CARE	190,830	-	-	190,830
UNCOLLECTIBLES	5,000	-	-	5,000
OPEB UNFUNDED LIABILITY	-	-	372,417	372,417
PENSION UNFUNDED LIABILITY	228,400	-	-	228,400
INTRAFUND SERVICE FEES	1,228,596	-	-	1,228,596
INVENTORY/FIXED ASSET WRITEOFFS	10,000	-	-	10,000
TOTAL OTHER EXPENSES	2,399,762	-	372,417	2,772,179
TRANSFER TO				
GENERAL FUND FROM WATER	238,842	-	-	238,842
GENERAL FUND FROM WASTEWATER	185,666	-	-	185,666
WATER IMP AND EXT	750,000	-	-	750,000
WASTEWATER IMP AND EXT	1,000,000	-	-	1,000,000
SEWER IMPACT FEE RESERVE	-	-	-	-
WATER IMPACT FEE RESERVE	36,147	-	-	36,147
TRANSFER TO CONTINGENCY WASTEWATER	8,000	-	-	8,000
CAPITAL ASSET RESERVE WATER	100,000	-	-	100,000
CAPITAL ASSET RESERVE WASTEWATER	300,000	-	-	300,000
TRANSFER TO SUBTOTAL	2,618,655	-	-	2,618,655
CURRENT YEAR BALANCE - WATER	2,738,400	-	-	2,738,400
CURRENT YEAR BALANCE - WASTEWATER	1,855,130	-	-	1,855,130
CURRENT YEAR BALANCE - KCSA	(1,515,084)	-	514,241	(1,000,843)
CURRENT YEAR BALANCE SUBTOTALS	3,078,446	-	514,241	3,592,687
TOTAL CURRENT YEAR BALANCES AND EXPENSES	$ 16,280,085	$ -	$ 886,658	$ 17,166,743

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.

WATER/WASTEWATER IMPROVEMENT & EXTENSION FUND
REVENUES AND BUDGET FOR 2011-2012

REVENUES

	ORIGINAL 2011/12 BUDGET	1st Budget Adjustment	Proposed Budget Adj.	REVISED 2011/12 BUDGET
BEGINNING BALANCE - WATER	$ 1,139,872	$ -	$ 397,902	$ 1,537,774
BEGINNING BALANCE - WASTEWATER	303,476	-	36,197	339,673
TOTAL BEGINNING BALANCES	1,443,348	-	434,099	1,877,447
REVENUES				
STATE LOAN-WATER 2010 ISSUE	-	1,923,489	-	1,923,489
STATE LOAN-WASTEWATER 2009 ISSUE	1,800,000	(178,728)	(361,422)	1,259,850
STATE LOAN-WASTEWATER 2011 ISSUE	-	765,060	-	765,060
TRANS FR WATER/WASTEWATER FOR WATER	750,000	-	-	750,000
TRANS FR WATER/WASTEWATER FOR WASTEWATER	1,000,000	-	-	1,000,000
TRANSFER FROM IMPACT FEE RESERVE	262,840	604,192	-	867,032
FEDERAL/STATE GRANTS	-			-
TOTAL REVENUES	3,812,840	3,114,013	(361,422)	6,565,431
TOTAL BEGINNING BALANCE AND REVENUES	$ 5,256,188	$ 3,114,013	$ 72,677	$ 8,442,878

EXPENSE SUMMARY

DEPARTMENT EXPENSES	ORIGINAL 2011/12 BUDGET	1st Budget Adjustment	Proposed Budget Adj.	REVISED 2011/12 BUDGET
WATER	$ 766,240	$ 2,320,228	$ -	$ 3,086,468
WASTEWATER	3,404,900	813,076	-	4,217,976
WATER TREATMENT PLANT	22,900	-	-	22,900
WATER CONSTRUCTION	30,100	-	-	30,100
TOTAL DEPARTMENT EXPENSES	4,224,140	3,133,304	-	7,357,444
CURRENT YEAR BALANCE - WATER	1,070,632	(396,739)	397,902	1,071,795
CURRENT YEAR BALANCE - WASTEWATER	(38,584)	377,448	(325,225)	13,639
TOTAL CURRENT YEAR BALANCES	1,032,048	(19,291)	72,677	1,085,434
TOTAL CURRENT YEAR BALANCES AND EXPENSES	$ 5,256,188	$ 3,114,013	$ 72,677	$ 8,442,878

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.

ELECTRIC UTILITY FUND
REVENUES AND BUDGET FOR 2011-2012

REVENUES

	ORIGINAL 2011/12 BUDGET	1st Budget Adjustment	Proposed Budget Adj.	REVISED 2011/12 BUDGET
BEGINNING BALANCE	$ 11,867,003	$ -	$ 573,547	$ 12,440,550
BASE REVENUES				
DIRECT SALES TO CUSTOMERS	95,675,500	-	-	95,675,500
PURCHASE POWER ADJUSTMENT	(6,012,000)	-	-	(6,012,000)
UTILITY TAX	1,966,100	-	-	1,966,100
GREEN ENERGY	129,000	-	-	129,000
MISCELLANEOUS REVENUE	919,000	-	-	919,000
RENT REVENUE	225,000	-	-	225,000
TRANSFER FROM RATE STABILIZATION	1,000,000	-	-	1,000,000
INTRAFUND SERVICE RECEIPTS WATER/WASTEWATER	240,203	-	-	240,203
INTEREST EARNINGS	264,900	-	-	264,900
TOTAL REVENUES	94,407,703	-	-	94,407,703
TOTALS	$106,274,706	$ -	$ 573,547	$106,848,253

EXPENSE SUMMARY

EXPENSES	ORIGINAL 2011/12 BUDGET	1st Budget Adjustment	Proposed Budget Adj.	REVISED 2011/12 BUDGET
POWER SUPPLY	$ 42,047,430	$ -	$ -	$ 42,047,430
POWER SUPPLY MANAGEMENT	1,170,000	-	-	1,170,000
PJM CHARGES - LOAD	15,043,396	-	-	15,043,396
CAPACITY CHARGES	8,506,512	-	-	8,506,512
CONTRACTUAL SERVICES	115,000	-	150,000	265,000
SUB-TOTAL POWER SUPPLY	66,882,338	-	150,000	67,032,338
PLANT OPERATIONS	5,964,817	-	-	5,964,817
GENERATIONS FUELS	664,641	-	-	664,641
PJM CREDITS	(1,285,675)	-	-	(1,285,675)
CAPACITY CREDITS	(7,388,283)	-	-	(7,388,283)
GENERATION SUBTOTAL	(2,044,500)	-	-	(2,044,500)
TOTAL EXPENSES	64,837,838	-	150,000	64,987,838
DIRECT EXPENDITURES				
TRANSMISSION/DISTRIBUTION	3,162,026	-	-	3,162,026
ELECTRICAL ENGINEERING	1,177,060	-	-	1,177,060
ADMINISTRATION	602,715	-	-	602,715
METER READING	215,208	-	-	215,208
SYSTEMS OPERATIONS	473,895	-	-	473,895
UTILITY TAX	1,966,100	-	-	1,966,100
DIRECT EXPENDITURES SUBTOTAL	7,597,004	-	-	7,597,004
OTHER EXPENSES				
ALLOW FOR UNCOLLECTIBLES	150,000	-	-	150,000
RETIREES HEALTH CARE	646,510	-	-	646,510
TRANSFER TO PENSION UNFUNDED LIABILITY	1,110,500	-	-	1,110,500
OPEB UNFUNDED LIABILITY	1,115,300	-	573,547	1,688,847
GREEN ENERGY PAYMENT TO DEMEC	129,000	-	-	129,000
INTRAFUND SERVICE FEES	3,370,778	-	-	3,370,778
INTEREST ON DEPOSITS	54,500	-	-	54,500
INVENTORY WRITE OFFS	175,000	-	-	175,000
DEBT SERVICE	3,336,800	-	-	3,336,800
OTHER EXPENSES SUBTOTAL	10,088,388	-	573,547	10,661,935
TRANSFER TO				
IMPROVEMENT AND EXTENSION	3,500,000	-	-	3,500,000
GENERAL FUND	7,876,288	-	-	7,876,288
DEPRECIATION RESERVE	-	-	-	-
RATE STABILIZATION RESERVE	-	-	-	-
TRANSFER TO SUBTOTAL	11,376,288	-	-	11,376,288
CURRENT YEAR BALANCE	12,375,188	-	(150,000)	12,225,188
TOTALS	$106,274,706	$ -	$ 573,547	$106,848,253

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.

ELECTRIC UTILITY IMPROVEMENT AND EXTENSION FUND
REVENUES AND BUDGET FOR 2011-2012

REVENUES

	ORIGINAL 2011/12 BUDGET	1st Budget Adjustment	Proposed Budget Adj.	REVISED 2011/12 BUDGET
BEGINNING BALANCE	$ 2,561,096	$ 87,045	$ 527,234	$ 3,175,375
REVENUES				
INTEREST EARNINGS	38,400	-	-	38,400
RECEIPT FROM DEPRECIATION RESERVE	300,000	-	-	300,000
TRANSFER FROM INSURANCE STABILIZATION	70,730	-	-	70,730
TRANSFER FROM ELECTRIC	3,500,000	-	-	3,500,000
TOTAL REVENUES	3,909,130	-	-	3,909,130
TOTALS	$ 6,470,226	$ 87,045	$ 527,234	$ 7,084,505

EXPENSE SUMMARY

EXPENSES	ORIGINAL 2011/12 BUDGET	1st Budget Adjustment	Proposed Budget Adj.	REVISED 2011/12 BUDGET
ELECTRIC GENERATION	$ 1,810,410	$ 87,045	$ -	$ 1,897,455
TRANSMISSION AND DISTRIBUTION	648,337	-	-	648,337
ELECTRICAL ENGINEERING	1,790,716	-	-	1,790,716
METER READING	20,000	-	-	20,000
TOTAL EXPENSES	4,269,463	87,045	-	4,356,508
CURRENT YEAR BALANCE	2,200,763	-	527,234	2,727,997
TOTAL CURRENT YEAR BALANCE AND EXPENSES	$ 6,470,226	$ 87,045	$ 527,234	$ 7,084,505

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COMMUNITY TRANSPORTATION IMPROVEMENT FUND
REVENUES AND BUDGET FOR 2011-2012

REVENUES

	ORIGINAL 2011/12 BUDGET	1st Budget Adjustment	Proposed Budget Adj.	REVISED 2011/12 BUDGET
BEGINNING BALANCE	$ 312,651	$ -	$ 122,509	$ 435,160
REVENUES				
GRANTS REVENUE - Streets & Lincoln Park	1,900,000	-	-	1,900,000
TRANSFER FROM GENERAL FUND	350,000	(350,000)	131,760	131,760
LOAN PROCEEDS - STREETS	-	1,750,000	-	1,750,000
INTEREST INCOME	2,800	-	-	2,800
TOTAL REVENUES	2,252,800	1,400,000	131,760	3,784,560
TOTAL BEGINNING BALANCE AND REVENUES	$ 2,565,451	$ 1,400,000	$ 254,269	$ 4,219,720

EXPENSE SUMMARY

EXPENSES	ORIGINAL 2011/12 BUDGET	1st Budget Adjustment		REVISED 2011/12 BUDGET
PROGRAM EXPENSES - STREETS	$ 1,300,000	$ 875,000	$ 131,760	$ 2,306,760
LINCOLN PARK/CLARENCE STREET PROJECT	900,000	-	-	900,000
TOTAL EXPENSES	2,200,000	875,000	131,760	3,206,760
CURRENT YEAR BALANCE - BOND PROCEEDS	-	875,000	-	875,000
CURRENT YEAR BALANCE	365,451	(350,000)	122,509	137,960
TOTAL CURRENT YEAR BALANCES AND EXPENSES	$ 2,565,451	$ 1,400,000	$ 254,269	$ 4,219,720

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