LEGISLATIVE, FINANCE, AND ADMINISTRATION COMMITTEE

The Legislative, Finance, and Administration Committee meeting was held on March 12, 2012 at 6:02 p.m. with Councilman Hare presiding in the absence of Chairman McGlumphy. Members present were Mr. Anderson (arrived at 6:23 p.m.), Dr. Jones, and Mr. Shevock. Members of Council present were Mr. Bonar, Mr. Hutchison, Mr. Lynn (departed at 6:37 p.m.), and Mrs. Williams.

AGENDA ADDITIONS/DELETIONS

Dr. Jones moved for approval of the agenda, as presented, seconded by Mr. Shevock and unanimously carried.

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

Mrs. Donna Mitchell, Controller/Treasurer, reported that during their meeting of February 9, 2012, the Civilian Pension Board considered a Cost of Living Adjustment (COLA) for current retirees and surviving spouses, with the following motion being made by Mr. Lester Blakeman:

> 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.

It was noted that although the motion did not specifically include surviving spouses, this was the intent of the maker, and that Mr. Blakeman's calculation of the increase presented to the Board was $126,335, which included all retirees, not only those retired on or before June 30, 2007.

Mrs. Mitchell noted that no funding sources for a COLA have been identified by staff at this time. However, she advised members that Mr. Blakeman had provided the Pension Board with three (3) recommendations for funding the increase, as follows: 1) a one-half cent increase in electric rates; 2) collection of property tax receivables; and 3) use of excess budget balance.

Mrs. Mitchell also advised members that staff could not support an automatic cost of living provision. She stated that staff understood the rationale behind the motion; however, she indicated that retirement plans have been moving away from this provision in general, as demonstrated by the City's other retirement plans. She indicated that all of the State of Delaware Pension Plans with these provisions are now closed.

Should Council approve the 4% Cost of Living Adjustment for the Civilian Pension Plan, staff recommended that the City Manager be directed to budget each year for the cost of the COLA as follows: General Fund $52,400, Water/Wastewater Fund $5,300, and Electric Fund $40,800. Mrs. Mitchell explained that these amounts would fund a COLA only for the individuals who retired on or before June 30, 2007, as stated in Mr. Blakeman's motion.

Responding to Mr. Hare, Mrs. Mitchell stated that, as indicated in the minutes of the Civilian Pension Board Meeting of February 8, 2012, the motion failed by a roll call vote of four (4) no

(Dr. McGlumphy, Mr. Bonar, Mr. Koenig, and Mrs. Mitchell) and three (3) yes (Mr. Blakeman, Mr. Clendaniel, and Mrs. Hettinger).

In response to Dr. Jones, Mrs. Mitchell stated that retirees received a stipend in 2009. She explained that, at that time, $100,000 was allocated to retirees based on age and, as a result, older retirees received higher amounts.

Mr. Lynn questioned the cost of providing a one-time COLA to retirees. Responding, Mrs. Mitchell indicated that a one-time 4% COLA for retirees would cost $98,500; however, she explained that if a 4% COLA were added to the base pension for retirees, the City would be required to budget for this additional $98,500 each year. Prior to 2009, the last adjustment provided to retirees was in 2006.

In response to Mr. Shevock, Mrs. Mitchell stated that in January 2012, the State of Delaware provided a 2% COLA to their retirees and that the last COLA provided by the State was in 2006.

As mentioned by Mr. Hare, Mrs. Mitchell confirmed that the State of Delaware pensioners are not provided with Medicare Part B reimbursement.

Mrs. Williams questioned the cost of the retirees' Medicare Part B reimbursement benefit as compared to the cost of a COLA. Mrs. Mitchell stated that she did not have that information readily available and it would require calculations; however, she offered to provide it to members at a later date. *(Clerk's Office Note: Following the meeting, Mrs. Mitchell advised the City Clerk's Office that the current cost of Medicare Part B premium reimbursements for all City of Dover retirees is $117,500 annually and the cost of a 4% COLA increase for employees who retired prior to 2007 would be $98,500.)*

Mr. Blakeman, 209 Falmouth Way, member of the Civilian Pension Board, thanked the Director/Controller and the City Clerk's Office for their support and assistance. He provided members with several documents ***(Attachment #1)***, as follows: A) List of Retirement Payments Being Issued to Members of the Civilian Pension Plan; B) Reasons for Unfunded Liability (Council President Leary advised members that at one point in the 1990s, the pension fund was almost fully funded.); C) City of Dover Finance Department Pay Plan and Benefit Comparisons - Contract Wage Increase (Mr. Blakeman noted that the addition of the far left column reflects Consumer Price Index increases and the far right column reflects Social Security increases); D) General Pension Plan Cost of Living Adjustment History; E) Example of Effects of a 2% COLA for Police and 0% COLA for Civilians, which included an excerpt from the Comprehensive Annual Financial Report (CAFR) as to when these pension plans started and a Statement of Changes in Pension Trust Fund Net Assets (He noted that the average pension for General Fund retirees is $16,371 and that the average pension for Police Fund retirees is $30,336.); F) Electric Revenue - Sample Increases by Year and Costs to Customers; G) Real Estate Transfer for Sample Revenue Increases; and H) An Excerpt from State Law (77 Del. Laws, c. 130, §3, which states the City's ability to create a pension and includes a paragraph mentioning the City's authority to institute a property transfer tax. Mr. Blakeman felt that, due to the paragraph being located within the text granting the City the ability to create a pension,

it would not be inappropriate to utilize general revenue from the property transfer tax to fund the pension plan.) Mr. Blakeman explained that this information was distributed to members to provide them additional facts to consider during their deliberations of this matter.

Mr. Shevock noted that there are several residents who could not afford any increase in electric rates, and that there would be many complaints from local realtors if there were an increase in the transfer tax, explaining that attempts are being made to bring businesses to the area and that an increase would be a deterrent. Responding, Mr. Blakeman stated his understanding of such concerns; however, he reminded members that police retirees receive an annual COLA and that civilian retirees questioned why police retirees would be treated differently. Although 75% of the COLA for police retirees is paid by the State, he noted that the City budgets for the remaining 25%. He advised members that there are several retirees who receive a very small pension amount each month and that this problem for them is compounded each year that a COLA is not provided.

Mr. Shevock felt that additional information should be provided regarding the City's deficit prior to making any decision regarding the possibility of a COLA.

Mr. Hutchison reiterated that no current police officer will retire under the City's plan and receive a 2% COLA. Confirming, Mr. Blakeman stated that the City's Police Pension is a closed plan; however, he noted that current members will continue to receive a 2% COLA each year. He reminded members that employees who retired in 1970 and who have been without a COLA for the past several years have seen their pensions eroded by the cost of living.

Noting that the Civilian Pension Board had two (2) parts to their motion, Dr. Jones questioned if members would be receptive to a one-time COLA adjustment. Responding, Mr. Blakeman stated that retirees would be grateful for any action in this regard, explaining that retirees are also affected by the economic times. He reiterated that it was also the desire of the civilian members of the Pension Board to bring to Council's attention the disparity between the two (2) pension plans. In addition, he reminded members that prior to the last one (1) or two (2) years, active employees have been provided substantial salary increases.

Mr. Bonar applauded Mr. Blakeman for his work on this matter and the retirees for their attendance and participation at the Pension Board Meeting; however, he noted the difficult economic times for the City. He felt that approval of an automatic COLA at this time would be irresponsible of City Council. However, he felt that a one-time COLA might be an acceptable solution.

Mr. Hutchison felt that Council has the responsibility to review this matter and make decisions. He reminded members that Council would be holding their Annual Retreat on March 26, 2012 and suggested the possibility of further discussion regarding this matter at that time.

Mr. Anderson also relayed appreciation to Mr. Blakeman for the research provided and stated that he was "disturbed" that the City had not provided retirees with an increase for several years. Although he stated he could not support a 4% COLA at this time, he felt that once the City has moved through the next fiscal year, Council should take action to address this matter. It was his

feeling that it was unfair for retirees to bear the brunt of the budgetary shortfall when others were not subjected to it for the past several years.

Mrs. Mitchell advised members that the concerns of staff were not in regard to providing a COLA but in regard to ensuring that it is funded. The funding source would be a decision required of Council.

Mr. Hare suggested that such a COLA be "tied to" another system, such as the State or Federal governments and that the City should negotiate for the COLA by eliminating Medicare Part B reimbursement.

After much discussion, Mr. Bonar suggested that this matter be tabled by the Committee and that staff be requested to add this for Council's consideration for discussion during the Council Retreat consideration of possible funding to provide a one-time COLA.

Mr. Anderson moved to recommend tabling consideration of a Cost of Living Adjustment (COLA) for retirees and that staff include this item to be discussed during the Council Retreat to consider possible funding to provide a one-time COLA. The motion was seconded by Dr. Jones and unanimously carried.

Approval of Transfer of Additional Reciprocal Borrowing Funds

Members were advised that Kent County collects a special Library Tax from each County property owner who does not reside within 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.

Mrs. Donna Mitchell, Controller/Treasurer, advised members that 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 the City's allotment 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 recommended approval of a transfer in the amount of $15,000 from the General Fund (contributed by Kent County residual reciprocal borrowing funds) to the Library Reserve Fund for the capital project. It was noted that this item has been included in the proposed budget amendment scheduled to be considered later in the evening and that if it was not approved, it would be removed from the proposed budget amendment.

Dr. Jones moved to recommend approval of staff's recommendation to transfer $15,000 (residual reciprocal borrowing funds contributed by Kent County) from the General Fund to the Library Reserve Fund, seconded by Mr. Anderson and unanimously carried.

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

Members reviewed Proposed Ordinance #2012-09 - Budget Amendments for Fiscal Year 2012. Mrs. Donna Mitchell, Controller/Treasurer, advised members that the proposed budget amendment included adjustments to the Beginning Budget Balances for the major operating and capital funds now that the City's audit has been completed. It also included a transfer to the Other Post-Employment Benefits (OPEB) Trust toward the unfunded liabilities in the following amounts, as approved by Council action on September 12, 2011: General Fund $239,532; Water/Wastewater Fund $372,417; Electric Fund $573,547. Members were provided details regarding additional adjustments included in the proposed ordinance.

In response to Mr. Anderson, Mrs. Mitchell confirmed that there was a shortfall of 7.8%; however, there are several vacant positions which will result in more than enough savings to cover the shortfall. She explained that the proposed amendments affect only the operating funds and that no projects will be affected.

Mr. Shevock moved to recommend adoption of proposed Ordinance #2012-09 - Budget Amendments for Fiscal Year 2012 *(Attachment #2)*, seconded by Mr. Anderson and unanimously carried.

Public Comment Period

There was no one present wishing to address members.

Mr. Anderson moved for adjournment, seconded by Dr. Jones and unanimously carried.

Meeting Adjourned at 6:40 P.M.

William F. Hare
Acting Chairman

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Attachments to Original
Attachment #1 - Research Information Provided by Mr. Lester Blakeman (Lettered A-G)
Attachment #2 - Proposed Ordinance #2012-09 - Budget Amendments for Fiscal Year 2012

Sheet2

#1

	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

37.5%

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

38,590

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
21.3% 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
2.5% 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		

B

CITY OF DOVER
General Employees Pension Plan

REASONS FOR UNFUNDED LIABILITY

1
longevity has increased

2
return on investments has gone
down in actuarial calculations

3
civilian employees pension members
salaries have gone way up in the last
five years

4
change in accounting guide lines requiring
full funding of pension obligations

5
no dedicated funding source
to meet pension obligations

C

SALARY AND BENEFITS COMPENSATION COMPARISON COMMITTEE
December 6, 2011

#2

City of Dover Fianance Department Pay Plan & Benefit Comparisons

Contract Wage Increase:

% C.P.I.		Non-Bargaining	FOP	IUE	IBEW	FOP RETIRED	G. F. RETIRED % 5.5
2.85	7-1-07//6-30-08	2.0% - 6.5%	3.5%	3.5%	3.0%	2.0%	0% 3.3
3.85	7-1-08//6-30-09	3.5% - 4.0%	4.0%	3.5%	3.5%	2.0%	0% 2.3
-.34	7-1-09//6-30-10	3.5%	3.5%	3.5%	4.0%	2.0%	0% 5.8
1.64	7-1-10//6-30-11	0.0% - 4.7%	3.0%	3.0%*	3.0%**	2.0%	0% 0
3.16	7-1-11//6-30-12	0.0%	2.0%#	2.0%	2.0%	2.0%	0% 0
11.2%	SUM	9.0% - 18.7%	16.0%	13.5%	15.5%	10.0%	0% 11.4
	C.P.I.	-2.2 +7.5	+4.8	+2.3	+4.3	-1.2	-11.2

* 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.

only 2 defined benefits plans
one of which gets 2% increase every year
75% grants 25% City funds

D

Sheet2

GENERAL PENSION PLAN
COST OF LIVING ADJUSTMENT
HISTORY
July 1st

Att. #3

CONSUMER PRICE INDEX	SOCIAL SECURITY COLA	YEAR	
3.22%		1983	0 – 3 years 0%, 3 - 5 years 5.7%, 15+ years 10.5% January 1st
4.30%	3.50%	1984	
3.55%	3.50%	1985	
1.91%	3.10%	1986	all retirees 2%
3.66%	1.30%	1987	
4.08%	4.20%	1988	all retirees prior to 6/30/88 5%
4.83%	4.00%	1989	all retirees prior to 6/30/89 2%
5.39%	4.70%	1990	
4.25%	5.40%	1991	
3.03%	3.70%	1992	
2.96%	3.00%	1993	$60/year – max $600 based on years of service
2.61%	2.60%	1994	
2.81%	2.80%	1995	
2.93%	2.60%	1996	years of service & pension amount – minimum $100
2.34%	2.90%	1997	
1.55%	2.10%	1998	
2.19%	1.30%	1999	
3.38%	2.50%	2000	all retirees $20 per month - increase minimum monthly amount to $200
2.83%	3.50%	2001	
1.59%	2.60%	2002	all retirees prior to December 31, 2000 2%
2.27%	1.40%	2003	all retirees 1.5%
2.68%	2.10%	2004	
3.39%	2.70%	2005	all retirees prior to December 31, 2004 2%
3.24%	4.10%	2006	all retirees prior to January 1, 2006 1%
2.85%	3.30%	2007	None - $75,000 set aside for July 2008
3.85%	2.30%	2008	stipend of ~~$448~~ to $815 based on age of retiree (not added to pension)
-0.34%	5.80%	2009	$339
1.64%	0.00%	2010	
3.16%	0.00%	2011	
	3.60%	2012	? - ? - ? - ?

E

Sheet1

			POLICE PENSION 2%/YR	GENERAL PENSION 0%/YR
	2007		$12,000	$12,000
1	2008	102.00%	$12,240	$12,000
2	2009	104.04%	$12,485	$12,000
3	2010	106.12%	$12,734	$12,000
4	2011	108.24%	$12,989	$12,000
5	2012	110.41%	$13,249	$12,000
6	2013	112.62%	$13,514	$12,000
7	2014	114.87%	$13,784	$12,000
8	2015	117.17%	$14,060	$12,000
9	2016	119.51%	$14,341	$12,000
10	2017	121.90%	$14,628	$12,000

ii. City of Dover General Employee Pension Plan

The City of Dover General Employee Pension Plan started on July 1, 1967, under the authority of the City Code, Chapter 2, Article IV, Division 7, General Employee Pension Plan, Sections 2-321 through 2-370, and was made contributory on July 1, 1983. The contribution and funding requirements of the plan are established by the City and may be amended by the City. Employees contribute 3.5% of gross salary, exclusive of unscheduled overtime. An employee's pension right is vested upon completion of 10 years of continuous service. Participation in the plan became mandatory for employees hired after July 1, 1991. At the present time, 177 employees and 188 retirees participate in the plan, while 91 employees are enrolled in the defined contribution plan, which began July 1, 2000. Current membership in the General Employee Pension Plan as of June 30, 2011, is comprised of the following:

Retired and beneficiaries currently receiving benefits		188
Active employees:	Fully Vested	94
	Non-Vested	83
Deferred Vested:		14

Avg. Pension $16,371

i. City of Dover Police Pension Plan

This contributory pension plan began on January 1, 1970 under the authority of the City Code, Chapter 62, Article III, Pension Plan, Section 62-71 through 62-84. The contribution and funding requirements of the plan are established by the City and may be amended by the City. It is a closed plan. The last active employee retired June 29, 2006. An officer's pension right is vested upon the completion of 15 years of continuous service. As of June 30, 2011, there are 48 retirees and beneficiaries receiving benefits.

The percentage of covered payroll, which employees contribute, is stated in the City Code, and is considered by the actuaries in their determination of the actuarial requirement for employer normal cost.

The City of Dover, Delaware
Statement of Changes in Pension Trust Fund Net Assets
For the Year Ended June 30, 2011

	Police Pension	General Pension	Totals
Additions			
Net investment income/loss	$ 2,013,005	$ 3,776,674	$ 5,789,679
City's contribution - payroll based	95,000	415,273	510,273
City's contribution - lump sum	-	2,932,455	2,932,455
Employee contribution	-	293,546	293,546
State contributions	538,136	-	538,136
Other	500	-	500
Total Additions to Net Assets	2,646,641	7,417,948	10,064,589
Deductions			
Benefit payments	1,456,162	3,077,877	4,534,039
General administration	15,330	26,670	42,000
Refund of pension contribution	-	10,374	10,374
Total Deductions From Net Assets	1,471,492	3,114,921	4,586,413
Changes in net assets	1,175,149	4,303,027	5,478,176
Net assets - beginning	10,378,602	17,705,888	28,084,490
Net assets - ending	$ 11,553,751	$ 22,008,915	$ 33,562,666

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

The City's total payroll for all eligible full-time regular employees for the year ended June 30, 2011, was $20,895,216. Of this amount $14,490,259 in total payroll earnings was reported to and covered by the two active defined benefit pension plans.

i. City of Dover Police Pension Plan

This contributory pension plan began on January 1, 1970 under the authority of the City Code, Chapter 62, Article III, Pension Plan, Section 62-71 through 62-84. The contribution and funding requirements of the plan are established by the City and may be amended by the City. It is a closed plan. The last active employee retired June 29, 2006. An officer's pension right is vested upon the completion of 15 years of continuous service. As of June 30, 2011, there are 48 retirees and beneficiaries receiving benefits. Avg. Pension $30,336

The percentage of covered payroll, which employees contribute, is stated in the City Code, and is considered by the actuaries in their determination of the actuarial requirement for employer normal cost.

F

Sheet1

June 30th	2001 Dover System sales	2002 Dover System sales	2003 Dover System sales	2004 Dover System sales	2005 Dover System sales	2006 Dover System sales	2007 Dover System sales	2008 Dover System sales	2009 Dover System sales	2010 Dover System sales	Totals
KWH	711,570,587	722,908,715	748,260,252	741,523,091	731,535,019	738,810,231	734,072,008	731,024,065	719,949,121	711,907,207	
$.0025	$1,778,926	$1,807,272	$1,870,651	$1,853,808	$1,828,838	$1,847,026	$1,835,180	$1,827,560	$1,799,873	$1,779,768	$18,228,9
$.0050	$3,557,853	$3,614,544	$3,741,301	$3,707,615	$3,657,675	$3,694,051	$3,670,360	$3,655,120	$3,599,746	$3,559,536	$36,457,8
$.0075	$5,336,779	$5,421,815	$5,611,952	$5,561,423	$5,486,513	$5,541,077	$5,505,540	$5,482,680	$5,399,618	$5,339,304	$54,686,7
$.0100	$7,115,706	$7,229,087	$7,482,603	$7,415,231	$7,315,350	$7,388,102	$7,340,720	$7,310,241	$7,199,491	$7,119,072	$72,915,6

cost per month	$.0025	$.0050	$.0075	$.0100
500 kwh	$1.25	$2.50	$3.75	$5.00
1,000kwh	$2.50	$5.00	$7.50	$10.00
1,500kwh	$3.75	$7.50	$11.25	$15.00
2,000kwh	$5.00	$10.00	$15.00	$20.00
2,500kwh	$6.25	$12.50	$18.75	$25.00
5,000kwh	$12.50	$25.00	$37.50	$50.00
10,000kwh	$25.00	$50.00	$75.00	$100.00

Sheet1

year	real property sales value	transfer tax 1.5%*	one half of one percent=	one quarter of one percent=
2002	$80,482,733	$1,207,241	$402,414	$201,207
2003	$177,597,533	$2,663,963	$887,988	$443,994
2004	$108,478,133	$1,627,172	$542,391	$271,195
2005	$158,636,533	$2,379,548	$793,183	$396,591
2006	$203,204,267	$3,048,064	$1,016,021	$508,011
2007	$200,558,067	$3,008,371	$1,002,790	$501,395
2008	$234,361,467	$3,515,422	$1,171,807	$585,904
2009	$79,828,333	$1,197,425	$399,142	$199,571
2010	$57,846,133	$867,692	$289,231	$144,615
2011	$97,465,533	$1,461,983	$487,328	$243,664
	$1,398,458,733	$20,976,881	$6,992,294	$3,496,147

*2011 CAFR page 132 Table 5

2011 pension cost $3,153,204
2% = $63,064

Whenever it shall be necessary for any municipal purpose to condemn any real property or personal property under this Charter, except as is herein otherwise specifically provided, the Council must follow applicable State Law.

77 Del. Laws, c. 130, § 3

Sec. 3. Employee pension, benefit and retirement systems authorized.

The City of Dover is hereby authorized, empowered and permitted to establish a system of pensions or benefits through group insurance or otherwise as may be found proper and necessary, providing for life, accident, health, hospitalization and death benefits, or any or either of them, for the regular employees of the said "The City of Dover." The said "The City of Dover" is hereby authorized, empowered and permitted

to enter into an agreement or agreements with one or more insurance companies to provide a group insurance plan or plans, as may be required or proper to carry out such system of pensions or benefits. The election to exercise such authority on the part of the city shall be evidenced by an ordinance or resolution duly adopted by the Council of The City of Dover as other ordinances or resolutions are adopted, and the same shall be recorded in the official minutes of the said council. Such ordinance or resolution shall provide for and establish a fund for the payment of the costs of such pension system or benefits by making appropriations out of the treasury of the said "The City of Dover," or by requiring contributions payable from time to time by the employees included in such plan or plans, or by a combination of both, or by any other method not prohibited by law. The participation in any plan adopted shall be deemed to be mandatory by the City of Dover and made a condition of employment and continuing employment.

The city council shall have power to enact ordinances for a pension or retirement system for the police of the City of Dover, and to set aside a special fund for that purpose which fund shall be administered in accordance with ordinances made and provided in that behalf and the laws of the State of Delaware.

Notwithstanding any statute to the contrary, the City of Dover shall have the power by ordinance to impose and collect a tax, to be paid by the transferor or transferee as determined by council, upon the transfer of real property within the city not to exceed one and a half percent (1.5%) or as amended by State law of the value of the real property as represented by the document transferring the property. The provisions of Section 5401 and Section 5403 of Chapter 54, Title 30 of the Delaware Code shall apply with respect to any realty transfer tax imposed by the City of Dover pursuant to the authority granted herein. The Council of the City of Dover may adopt an ordinance or ordinances to provide for the effective administration and regulation of any tax adopted pursuant to the authority conferred herein. If the taxing power and authority granted herein shall be exercised by way of a stamp affixed to a document, the recorder of deeds in and for Kent County shall not receive for record documents subject to said tax unless stamps provided by the City of Dover are affixed thereto showing payment of the tax.

77 Del. Laws, c. 130, § 4

ARTICLE II. MAYOR AND COUNCIL

Section 4. General Powers and Duties.

All powers of the city shall be vested in the city council, except as otherwise provided by law or this Charter, and the council shall provide for the exercise thereof and for the performance of all duties and obligations imposed on the city by law.

77 Del. Laws, c. 130, § 5

Sec. 5. Council to be legislative body; size; districts; terms of mayor and councilmen; qualifications.

The council shall be the legislative body of the city and composed of nine (9) members nominated and elected as herein provided.

In order that the members of council shall be distributed over the city, the city shall be divided into four (4) election districts, the district boundaries of which shall be established by council so that the districts are nearly equal in population as shown by the most recent federal decennial census. The district boundaries established for municipal elections shall continue in effect until the next succeeding federal decennial census is made available for use by municipalities in the State of Delaware, at which time council shall redistrict the city so that the districts shall be nearly equal in population in accordance with said census, which redistricting shall be used for the next regular municipal election, which procedure shall be followed by

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

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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

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.

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

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.