SPECIAL COUNCIL MEETING - BUDGET REVIEW
A G E N D A
(Continuation of Recessed Meeting of May 24, 2011)

June 6, 2011

Council Chambers - City Hall - City of Dover

AGENDA ADDITIONS/DELETIONS

MONDAY, JUNE 6, 2011 - 6:00 P.M. (Adjourn by 9:00 P.M.)
The first twenty (20) minutes of each meeting will be set aside to allow for public comment. If the public comment time is utilized, the agendas will be adjusted accordingly.

1. 2011/2012 Budget - Updated Staff Proposal. . . . . (6:00 - 7:15 p.m.)

   Break - 15 Minutes.. . . . . (7:15 - 7:30 p.m.)

2. Discussion - 2011/2012 Budget - Updated Staff Proposal. . . . . (7:30 - 9:00 p.m.)

3. Adjourn by 9:00 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.



CITY OF DOVER

FISCAL YEAR 2011/2012 PROPOSED BUDGET AS AMENDED JUNE 6, 2011

PREPARED BY: DONNA MITCHELL, CONTROLLER/TREASURER &
TERESA TIEMAN, SENIOR CITY ADMINISTRATOR

THREE STAGES IN RECOVERY

- Bridging – get through the immediate crisis and create breathing room to make more sustainable reforms
- Reform – carry out the short-term recovery plan and develop and implement long-term strategies
- Transform – institutionalize long-term financial planning and become more resistant to financial distress and adaptable to a changing environment

STAGE 1 - BRIDGING

- As discussed with Council President Leary and Councilman McGlumphy the Proposed FY11/12 Budget for the City of Dover has been amended for Council's consideration.
  - These changes maintain City policies and procedures across all Funds.
  - The General Fund is balanced with the General Fund transfer policy change, no rate or fee increases (page 5), temporary cost reductions (page 6), further reduction of strategic budgets (page 7), and capital outlay reductions (page 8). Temporary cost reductions were consistently applied to all Funds.
  - IUE & IBEW Contractual pay increases are maintained at 2%.
  - No pay increases, promotions, or pay grade changes for non-bargaining. (see first bullet on page 6)
  - No Law Enforcement across the board pay increases, career ladder increases are maintained.
  - Budget Balances are all within the policy range of 8% to 12%. Any amounts over the policy minimum are recommended to be maintained while working towards next year's budget.
  - Interest Earnings on reserves that are over their minimum balance are being credited to their respective operating funds.

FINANCIAL POLICY CHANGE

- Revenue Policy – Section 11

  - *Upon satisfying all rate covenants the City will provide operating transfers to the General Fund. From the Water/Wastewater Utility no greater than 4.5% ($424,508) of operating revenues . ~~or $750,000~~. From the Electric Utility no greater than ~~6.5%~~ 8.0% ($7,876,288) of operating revenues. ~~or $7,250,000 of the utility operating revenues~~. Both transfer calculations will exclude the carry forward budget balance, County Sewer Fees, and State Utility Tax. The Utility transfers will not exceed 25% of the General Fund Revenues. (Amended Budget FY11/12 = 23.8%)*

  - The electric transfer percentage change increases the transfer by $1,538,288
  - An Action Form for policy change will be included with Budget Ordinance.

GENERAL FUND REVENUE ADJUSTMENTS

- Beginning Budget Balance adjustment $16,642
- Demolition & Grass Cutting adjustment $100,000
- Investment Income on reserve added $23,100
- Interfund Service Billings for Administrative Divisions reduced $239,142
- Electric Fund Transfer additional $1,538,288

- Net Revenue Adjustments $1,438,888

GENERAL FUND COST REDUCTIONS

- Removal of non-contractual raises, temporary employees, new/vacant positions (Grounds 1; Library 1.5; Emergency Planning Coordinator 1; Temporary Code Enforcement 1;), upgrades, or promotions – Total $306,527 reduction
- Police – Reduced terminal leave by $50,000
- Overtime - $72,670 or 10% reduction
- Education Assistance - $63,497; Full reduction unless current personnel are receiving this benefit. Other budgets were reduced to be more reflective of actual expenses last two years.
- Computer Hardware - $95,692; 50% reduction except server equipment
- Subscriptions & Dues - $19,365 reduction or 50%, except Assessor Office (20%) to maintain IAAO, Marshals & Swift, and AAS Designation and Electric Administration – DEMEC membership .
- Training, Conference & Travel - $45,065 reduction of 50%; includes Mayor's strategic program $2,900
- Vehicle Maintenance & Program Expenses $58,964
- Transfer to Capital Asset Reserve $50,000 (per Financial Policy)
- Transfer to Inventory Write-offs $116,800
- Nuisance Reserve $112,000
- Transfer to CDBG $6,000

- Total cost reductions as above $996,580

STRATEGIC PLAN/PROGRAM REDUCTIONS

- Assessor $3,800 for publishing property card on the internet
- Fire Department $81,440 pagers, radios, and software
- Life Safety $4,000 reduction for Police Academy Training
- Planning $18,500 placeholder for any cost related to storm water compliance permit; Maintains staffing for permit work;
- Facilities Management $7,800 energy audit
- Code Enforcement $480 air card
- City Manager $50,000 legal fees for labor negotiations
- Human Resources $2,000 recruitment
- All upgraded radios for FCC requirements were kept in applicable budgets

- Total strategic reductions $168,020

GENERAL FUND CAPITAL OUTLAY REDUCTIONS

- Fire $28,234 for 50% of Holmatro equipment
- Grounds $44,720 vehicle
- Recreation $50,000 playground improvements and splash pad
- Police $201,534 vehicles and station parking lot repaving
- Street Division $621,210
  - Salt Storage Building $50,000
  - Brine System $27,825
  - Vehicles & Equipment $163,385
  - Street & Sidewalk Program $380,000
- Sanitation $232,084 automated trash truck
- Information Technology $66,600 server replacements
- Public Services Administration $18,000 mobile solutions
- Central Services $30,670 forklift
- Mayor $33,000 downtown security cameras

- Capital outlay reductions $1,326,052

GENERAL FUND CAPITAL OUTLAY ADDITIONS

- Capital Project Fund - Street Program $2,000,000
  - Included in amendments to be financed through a "proposed" bond issue; Bond resolution *authorizing* the issuance of bonds would be submitted to City Council before starting project;
  - To cover FY12 and FY13 programs
  - No General Fund monies are included for any sidewalk and street improvements
  - Will create a future debt service payment estimated at $150,000

SUMMARY OF GENERAL FUND ADJUSTMENTS

	Amount
Proposed Budget - Ending Budget Balance	($980,022)
Revenue Adjustments	1,438,888
General Fund Cost Reductions	996,580
Strategic Adjustments	168,020
Capital Outlay Adjustments	1,326,052
Transfer to Capital Project Fund	(147,191)
Ending Budget Balance as presented	$2,802,327

GENERAL FUND FUTURE BUDGETS

- Worker's Compensation $505,000 (based on FY11 payroll)
- Ladder Truck Payment $153,000
- Library additional operating cost approximately $400,000 when fully operational
- Fully funding OPEB $5.9 million as compared to FY12 funding of $1.1 million
- Health Insurance premiums did not increase in FY12; FY13 ?
- Future debt service payments and capital asset replacements is dependent on affordability

SUMMARY OF UTILITY FUND ADJUSTMENTS

	Water/ Wastewater	Electric
Proposed Budget - Ending Budget Balance	$2,961,479	$13,385,521
Revenue Adjustments & Reserve Transfers	---	1,036,048
Cost Reductions	67,459	181,416
Strategic Adjustments	---	125,005
Interfund Service Charges	49,508	185,486
Power Supply (reclass rate stabilization transfer)	---	(1,000,000)
General Fund Transfer	---	(1,538,288)
Ending Budget Balance as presented	$3,078,446	$12,375,188

GENERAL FUND
CASH RECEIPT SUMMARY

	2010/11 REVISED	2011/12 BUDGET	2011/12 AMENDED	$ DIFFERENCE BUDGET VS AMENDED	% DIFFERENCE BUDGET VS AMENDED
RECEIPTS					
BEGINNING BALANCE	2,655,562	3,305,663	3,322,305	16,642	0.5%
					0.0%
FINES AND POLICE REVENUE	578,889	579,000	579,000	-	0.0%
911 FEE	60,000	60,000	60,000	-	0.0%
INVESTMENT INCOME	116,000	192,800	215,900	23,100	12.0%
LIBRARY REVENUES	44,100	44,100	44,100	-	0.0%
KENT COUNTY BOOK REIMBURSEMENT	390,900	390,900	390,900	-	0.0%
BUSINESS LICENSES	1,470,000	1,523,675	1,523,675	-	0.0%
PERMITS AND OTHER LICENSES	892,000	934,000	934,000	-	0.0%
LIEN REVENUE	-	20,000	-	(20,000)	-100.0%
MISCELLANEOUS CHARGES	65,750	45,750	165,750	120,000	262.3%
POLICE EXTRA DUTY	300,000	300,000	300,000	-	0.0%
PROPERTY TAXES	10,982,634	11,133,367	11,133,367	-	0.0%
BID REVENUE	52,692	51,821	51,821	-	0.0%
RECREATION REVENUE	141,500	152,000	152,000	-	0.0%
FRANCHISE FEE	520,000	520,000	520,000	-	0.0%
TRASH FEES	2,050,000	2,050,000	2,050,000	-	0.0%
DSWA TRASH FEE REBATE	141,635	-	-	-	0.0%
RENT REVENUE - GARRISON FARM	87,000	87,000	87,000	-	0.0%
COURT OF CHANCERY FEES	715,000	690,000	690,000	-	0.0%
RECEIPTS SUBTOTAL	**18,608,100**	**18,774,413**	**18,897,513**	**123,100**	**0.7%**
INTERFUND SERVICE RECEIPTS					
INTRAFUND SERVICE RECEIPTS WATER/WASTEWATE	944,580	1,042,049	988,393	(53,656)	-5.1%
INTRAFUND SERVICE RECEIPTS ELECTRIC	3,293,025	3,556,264	3,370,778	(185,486)	-5.2%
INTERFUND SERVICE RECEIPTS SUBTOTAL	**4,237,605**	**4,598,313**	**4,359,171**	**(239,142)**	**-5.2%**
GRANTS:					
POLICE RELATED	80,000	60,000	60,000	-	0.0%
CAPITAL SCHOOL DISTRICT REVENUE	73,500	73,500	73,500	-	0.0%
POLICE PENSION GRANT	620,000	620,000	620,000	-	0.0%
RECREATION GRANTS	51,000	-	-	-	0.0%
HOMELAND SECURITY GRANT	188,061	-	-	-	0.0%
GRANTS SUBTOTAL	**1,012,561**	**753,500**	**753,500**	**-**	**0.0%**
TRANSFERS FROM:					
TRANSFER TAX	1,400,000	900,000	900,000	-	0.0%
MUNICIPAL STREET AID	526,814	526,814	526,814	-	0.0%
CIVIL TRAFFIC PENALTIES	1,000,000	1,000,000	1,000,000	-	0.0%
WATER/WASTEWATER	-	424,508	424,508	-	0.0%
ELECTRIC	8,856,000	6,338,000	7,876,288	1,538,288	24.3%
TRANSFERS FROM SUBTOTAL	**11,782,814**	**9,189,322**	**10,727,610**	**1,538,288**	**16.7%**
TOTAL REVENUES	**35,641,080**	**33,315,548**	**34,737,794**	**1,422,246**	**4.3%**
TOTAL BEGINNING BALANCE & REVENUE	**38,296,642**	**36,621,211**	**38,060,099**	**1,438,888**	**3.9%**

GENERAL FUND
EXPENSE SUMMARY

	2010/11 REVISED	2011/12 BUDGET	2011/12 AMENDED	$ DIFFERENCE BUDGET VS AMENDED	% DIFFERENCE BUDGET VS AMENDED
DEPARTMENT EXPENSES:					
CITY CLERK	278,868	312,624	296,393	(16,231)	-5.2%
COUNCIL	128,944	134,724	120,699	(14,025)	-10.4%
TAX ASSESSOR	269,721	234,144	213,175	(20,969)	-9.0%
FIRE	665,732	768,902	684,725	(84,177)	-10.9%
GROUNDS MAINTENANCE	1,029,824	1,034,030	979,922	(54,108)	-5.2%
LIBRARY	1,064,547	1,237,181	1,159,087	(78,094)	-6.3%
RECREATION	811,261	807,255	789,701	(17,554)	-2.2%
LIFE SAFETY	512,792	540,368	449,226	(91,142)	-16.9%
CODE INFORCEMENT	293,540	299,980	284,969	(15,011)	-5.0%
PLANNING	409,937	469,045	422,781	(46,264)	-9.9%
INSPECTIONS	561,668	468,737	553,907	85,170	18.2%
ECONOMIC DEVELOPMENT	229,938	237,030	223,717	(13,313)	-5.6%
POLICE	12,245,023	13,185,890	12,955,807	(230,083)	-1.7%
POLICE EXTRA DUTY	449,516	430,600	430,600	-	0.0%
STREETS	837,040	792,648	782,810	(9,838)	-1.2%
SANITATION	2,253,529	2,360,413	2,330,976	(29,437)	-1.2%
CITY MANAGER	576,782	694,023	622,127	(71,896)	-10.4%
INFORMATION TECHNOLOGY	688,969	726,403	685,871	(40,532)	-5.6%
FINANCE	802,269	882,992	852,283	(30,709)	-3.5%
PUBLIC SERVICES - ADMINISTRATION	367,646	486,131	472,692	(13,439)	-2.8%
FACILITIES MANAGEMENT	926,252	971,180	952,693	(18,487)	-1.9%
CENTRAL SERVICES	648,859	708,329	693,339	(14,990)	-2.1%
FLEET MAINTENANCE	730,432	716,059	695,422	(20,637)	-2.9%
CUSTOMER SERVICES	866,691	940,709	928,112	(12,597)	-1.3%
HUMAN RESOURCES	336,035	396,420	384,758	(11,662)	-2.9%
MAYOR	88,335	90,929	81,154	(9,775)	-10.8%
DEPARTMENT SUBTOTALS	**28,074,150**	**29,926,746**	**29,046,946**	**(879,800)**	**-2.9%**
OTHER EXPENDITURES:					
DEBT SERVICE	331,800	327,270	327,270	-	0.0%
TRANSFER TO CONTINGENCY	172,061	-	-	-	0.0%
INSURANCE	550,000	550,000	550,000	-	0.0%
RETIREES HEALTH CARE	1,297,509	1,374,709	1,374,709	-	0.0%
PENSION UNFUNDED LIABILITY	1,449,978	1,450,000	1,450,000	-	0.0%
POLICE PENSION FUND	620,000	620,000	620,000	-	0.0%
POLICE PENSION UNFUNDED LIABILITY	95,000	95,000	95,000	-	0.0%
UNCOLLECTIBLES - TRASH AND OTHER	110,000	10,000	10,000	-	0.0%
STREET LIGHTS	960,000	960,000	960,000	-	0.0%
OTHER EXPENSE SUBTOTAL	**5,586,348**	**5,386,979**	**5,386,979**	**-**	**0.0%**
TRANSFERS					
TRANSFER TO CAPITAL ASSET RESERVE	-	250,000	200,000	(50,000)	-20.0%
TRANSFER TO CAPITAL FUND - PROJECTS	1,307,839	1,802,708	623,847	(1,178,861)	-65.4%
TRANSFER TO CDBG FUND	6,000	6,000	-	(6,000)	-100.0%
TRANSFER TO NUISANCE IMPRMT RESERVE ACCT		112,000	-	(112,000)	-100.0%
TRANSFER TO INVENTORY WRITE-OFFS	-	116,800	-	(116,800)	-100.0%
TRANSFERS SUBTOTAL	**1,313,839**	**2,287,508**	**823,847**	**(1,463,661)**	**-64.0%**
TOTAL EXPENDITURES	**34,974,337**	**37,601,233**	**35,257,772**	**(2,343,461)**	**-6.2%**
BUDGET BALANCE	**3,322,305**	**(980,022)**	**2,802,327**	**3,782,349**	**-385.9%**
TOTAL BUDGET BALANCE & EXPENDITURES	**38,296,642**	**36,621,211**	**38,060,099**	**1,438,888**	**3.9%**

RESERVE BALANCES	2010/11 REVISED	2011/12 BUDGET	2011/12 AMENDED	$ DIFFERENCE BUDGET VS AMENDED	% DIFFERENCE BUDGET VS AMENDED
CONTINGENCY	725,554	748,654	725,554	(23,100)	2% OF REVENUE

GOVERNMENTAL CAPITAL PROJECTS

FUND SUMMARY

	2010/11 REVISED	2011/12 BUDGET	2011/12 AMENDED	$ DIFFERENCE BUDGET VS AMENDED	% DIFFERENCE BUDGET VS AMENDED
BEGINNING BALANCE - PROJECTS	227,592	195,191	195,191	-	0.0%
REVENUES					
STATE GRANTS	4,232,348	5,597,505	5,597,505	-	0.0%
INTEREST EARNINGS	10,900	10,900	10,900	-	0.0%
RECREATION GRANTS	34,583			-	0.0%
POLICE GRANTS	38,000	-	-	-	0.0%
LIBRARY BOND ISSUE/CONTRIBUTIONS	1,000,000	4,396,566	2,334,889	(2,061,677)	-46.9%
TRANSFER FROM GENERAL FUND FOR PROJECTS	1,307,839	1,802,708	623,847	(1,178,861)	-65.4%
TRANSFER FROM LIBRARY RESERVE	2,363,732	1,200,938	3,262,615	2,061,677	171.7%
PARKLAND RESERVE RECEIPT	36,872			-	0.0%
PROPOSED BOND ISSUE - Street Program	-	-	2,000,000	2,000,000	0.0%
TOTAL REVENUES	9,024,274	13,008,617	13,829,756	821,139	6.3%
TOTAL BEGINNING BALANCE & REVENUES	**9,251,866**	**13,203,808**	**14,024,947**	**821,139**	6.2%

	2010/11 REVISED	2011/12 BUDGET	2011/12 AMENDED	$ DIFFERENCE BUDGET VS AMENDED	% DIFFERENCE BUDGET VS AMENDED
EXPENDITURES					
FIRE	223,700	273,054	244,820	(28,234)	-10.3%
GROUNDS MAINTENANCE	46,517	44,720	-	(44,720)	-100.0%
LIBRARY	7,630,663	11,195,009	11,195,009	-	0.0%
RECREATION	81,872	80,000	30,000	(50,000)	-62.5%
POLICE	322,830	266,534	65,000	(201,534)	-75.6%
STREETS	454,476	821,237	1,230,027	408,790	49.8%
SANITATION	212,419	368,584	136,500	(232,084)	-63.0%
INFORMATION TECHNOLOGY	7,000	73,000	6,400	(66,600)	-91.2%
PUBLIC SERVICES - ADMINISTRATION	-	18,000	-	(18,000)	-100.0%
CENTRAL SERVICES	-	30,670	-	(30,670)	-100.0%
MAYOR	52,198	33,000	-	(33,000)	-100.0%
DEPARTMENT SUBTOTAL	**9,031,675**	**13,203,808**	**12,907,756**	**(296,052)**	**-2.2%**
TRANSFERS					
TRANSFER TO COMMUNITY TRANS FUND 318	25,000	-	-	-	0.0%
TRANSFERS SUBTOTAL	**25,000**	**-**	**-**	**-**	**0.0%**
TOTAL EXPENDITURES	**9,056,675**	**13,203,808**	**12,907,756**	**(296,052)**	
BUDGET BALANCE - BOND PROCEEDS			1,000,000	1,000,000	0.0%
BUDGET BALANCE -PROJECTS	195,191	-	117,191	117,191	0.0%
TOTAL BUDGET BALANCE & EXPENDITURES	**9,251,866**	**13,203,808**	**14,024,947**	**821,139**	6.2%

RESERVE BALANCES	2010/11 REVISED	2011/12 BUDGET	2011/12 AMENDED	$ DIFFERENCE BUDGET VS AMENDED	% DIFFERENCE BUDGET VS AMENDED
CAPITAL ASSET RESERVE	256,645	514,145	464,145	(50,000)	See note
LIBRARY RESERVE (FY11 Revised = Current balance)	3,262,615	126,541	126,541	-	N/A
PARKLAND/RECREATION	191,522	197,272	197,272	-	N/A

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

WATER/WASTEWATER FUND

REVENUES

	2010/11 REVISED	2011/12 BUDGET	2011/12 AMENDED	$ DIFFERENCE BUDGET VS AMENDED	% DIFFERENCE BUDGET VS AMENDED
BEGINNING BALANCE - WATER	1,236,546	2,385,027	2,385,027	-	0.0%
BEGINNING BALANCE - WASTEWATER	902,366	1,741,242	1,741,242	-	0.0%
BEGINNING BALANCE - KCSA	(1,872,081)	(1,757,484)	(1,757,484)	-	0.0%
BASE REVENUE:					
WATER FEES	4,800,000	4,603,400	4,603,400	-	0.0%
WASTEWATER FEES	3,500,000	3,756,700	3,756,700	-	0.0%
WASTEWATER ADJUSTMENT FEES	3,000,000	3,090,900	3,090,900	-	0.0%
GROUNDWATER INFLOW ADJUSTMENT	1,350,000	1,386,900	1,386,900	-	0.0%
WATER TANK SPACE LEASING	299,400	307,600	307,600	-	0.0%
SEWER IMPACT FEES	323,000	323,000	323,000	-	0.0%
WATER IMPACT FEES	357,000	357,000	357,000	-	0.0%
INTEREST - WATER	8,886	10,600	10,600	-	0.0%
INTEREST - WASTEWATER	10,914	17,200	17,200	-	0.0%
MISCELLANEOUS SERVICE FEE	58,000	58,000	58,000	-	0.0%
TOTAL REVENUES	**13,707,200**	**13,911,300**	**13,911,300**	-	**0.0%**
TOTAL BEGINNING BALANCE & REVENUES	**13,974,031**	**16,280,085**	**16,280,085**	-	**0.0%**

WATER/WASTEWATER FUND

EXPENSE SUMMARY

	2010/11 REVISED	2011/12 BUDGET	2011/12 AMENDED	$ DIFFERENCE BUDGET VS AMENDED	% DIFFERENCE BUDGET VS AMENDED
DIRECT EXPENSES:					
ENGINEERING & INSPECTION	540,099	634,347	622,230	(12,117)	-1.9%
WATER CONSTRUCTION	400,439	455,849	440,088	(15,761)	-3.5%
WATER DEPARTMENT	374,920	387,349	382,655	(4,694)	-1.2%
WATER TREATMENT PLANT	1,475,704	1,555,249	1,543,114	(12,135)	-0.8%
WASTEWATER DEPARTMENT	945,296	982,487	959,735	(22,752)	-2.3%
KENT COUNTY TREATMENT CHARGE	4,235,403	4,235,400	4,235,400	-	0.0%
DIRECT EXPENDITURE SUBTOTAL	**7,971,861**	**8,250,681**	**8,183,222**	**(67,459)**	**-0.8%**
OTHER EXPENSES:				-	0.0%
DEBT SERVICE - WATER	244,000	320,853	320,853	-	0.0%
DEBT SERVICE - WASTEWATER	216,000	416,083	416,083	-	0.0%
RETIREES HEALTH CARE	177,427	190,830	190,830	-	0.0%
OPEB	-	-	-	-	0.0%
UNCOLLECTIBLES	71,000	5,000	5,000	-	0.0%
PENSION UNFUNDED LIABILITY	372,000	228,400	228,400	-	0.0%
INTRAFUND SERVICE FEES	1,117,897	1,278,104	1,228,596	(49,508)	-3.9%
INVENTORY/FIXED ASSET WRITEOFFS	-	10,000	10,000	-	0.0%
OTHER EXPENSES SUBTOTAL	**2,198,324**	**2,449,270**	**2,399,762**	**(49,508)**	**-2.0%**
TRANSFER TO:					
GENERAL FUND FROM WATER	-	238,842	238,842	-	0.0%
GENERAL FUND FROM WASTEWATER	-	185,666	185,666	-	0.0%
WATER IMP AND EXT	500,000	750,000	750,000	-	0.0%
WASTEWATER IMP AND EXT	500,000	1,000,000	1,000,000	-	0.0%
SEWER IMPACT FEE RESERVE	107,000	-	-	-	0.0%
WATER IMPACT FEE RESERVE	113,000	36,147	36,147	-	0.0%
TRANSFER TO CONTINGENCY WASTEWATER	18,000	8,000	8,000	-	0.0%
CAPITAL ASSET RESERVE WATER	100,000	100,000	100,000	-	0.0%
CAPITAL ASSET RESERVE WASTEWATER	100,000	300,000	300,000	-	0.0%
TRANSFER TO SUBTOTAL	**1,438,000**	**2,618,655**	**2,618,655**	-	**0.0%**
TOTAL EXPENSES	**11,608,185**	**13,318,606**	**13,201,639**	**(116,967)**	**-0.9%**
BUDGET BALANCES					
BUDGET BALANCE WATER	2,383,557	2,674,997	2,738,400	63,403	2.4%
BUDGET BALANCE WASTEWATER	1,739,773	1,801,566	1,855,130	53,564	3.0%
BUDGET BALANCE KCSA	(1,757,484)	(1,515,084)	(1,515,084)	-	0.0%
BUDGET BALANCE SUBTOTALS	**2,365,846**	**2,961,479**	**3,078,446**	**116,967**	**3.9%**
TOTAL BUDGET BALANCES & EXPENSES	**13,974,031**	**16,280,085**	**16,280,085**	-	**0.0%**

	2010/11 REVISED	2011/12 BUDGET	2011/12 AMENDED	$ DIFFERENCE BUDGET VS AMENDED	POLICY
RESERVE BALANCES					
CONTINGENCY - WATER/WASTEWATER	284,839	282,845	282,845	-	2% OF REVENUE

WATER/WASTEWATER IMPROVEMENT & EXTENSION FUND SUMMARY

	2010/11 REVISED	2011/12 BUDGET	2011/12 AMENDED	$ DIFFERENCE BUDGET VS AMENDED	% DIFFERENCE BUDGET VS AMENDED
BEGINNING BALANCE - WATER	1,840,910	1,139,872	1,139,872	-	0.0%
BEGINNING BALANCE - WASTEWATER	(45,575)	303,476	303,476	-	0.0%
BEGINNING BOND PROCEEDS WATER	2,404,017	-	-	-	0.0%
BEGINNING BOND PROCEEDS - WASTEWATER	3,797,956	-	-	-	0.0%
REVENUES					
STATE LOAN FUND - WASTEWATER	765,060	1,800,000	1,800,000	-	0.0%
TRANS FR WATER/WASTEWATER FOR WATER	500,000	750,000	750,000	-	0.0%
TRANS FR WATER/WASTEWATER FOR WASTEWATER	500,000	1,000,000	1,000,000	-	0.0%
TRANSFER FROM IMPACT FEE RESERVE	516,781	262,840	262,840	-	0.0%
FEDERAL/STATE GRANTS	28,877	-	-	-	0.0%
TOTAL REVENUES	**2,310,718**	**3,812,840**	**3,812,840**	**-**	0.0%
TOTAL BEGINNING BALANCES & REVENUES	**10,308,026**	**5,256,188**	**5,256,188**	-	**-49.0%**

	2010/11 REVISED	2011/12 BUDGET	2011/12 AMENDED	$ DIFFERENCE BUDGET VS AMENDED	% DIFFERENCE BUDGET VS AMENDED
EXPENSES					
WATER	3,605,055	766,240	766,240	-	0.0%
WASTEWATER	5,259,623	3,404,900	3,404,900	-	0.0%
WATER TREATMENT PLANT	-	22,900	22,900	-	0.0%
WATER CONSTRUCTION	-	30,100	30,100	-	0.0%
TOTAL EXPENSES	**8,864,678**	**4,224,140**	**4,224,140**	**-**	**0.0%**
BUDGET BALANCE - WATER	1,139,872	1,070,632	1,070,632	-	0.0%
BUDGET BALANCE - WASTEWATER	303,476	(38,584)	(38,584)	-	0.0%
TOTAL BUDGET BALANCES & EXPENSES	**10,308,026**	**5,256,188**	**5,256,188**	-	**0.0%**

RESERVE BALANCES	2010/11 REVISED	2011/12 BUDGET	2011/12 AMENDED	$ DIFFERENCE BUDGET VS AMENDED	% DIFFERENCE BUDGET VS AMENDED
CAPITAL ASSET RESERVE-WATER	336,064	452,146	452,146	-	MINIMUM $500,000
CAPITAL ASSET RESERVE-WASTEWATER	168,470	473,524	473,524	-	MINIMUM $500,000

ELECTRIC REVENUE

FUND SUMMARY

	2010/11 REVISED	2011/12 BUDGET	2011/12 AMENDED	$ DIFFERENCE BUDGET VS AMENDED	% DIFFERENCE BUDGET VS AMENDED
BEGINNING BALANCE	13,537,864	11,867,003	11,867,003	-	0.0%
BASE REVENUE:					
DIRECT SALES TO CUSTOMER	97,917,206	95,675,500	95,675,500	-	0.0%
PURCHASE POWER ADJUSTMENT	(2,293,603)	(6,012,000)	(6,012,000)	-	0.0%
UTILITY TAX	1,965,000	1,966,100	1,966,100	-	0.0%
GREEN ENERGY	128,600	129,000	129,000	-	0.0%
MISCELLANEOUS REVENUE	891,200	919,000	919,000	-	0.0%
RENT REVENUE	186,816	225,000	225,000	-	0.0%
TRANSFER FROM RATE STABILIZATION		-	1,000,000	1,000,000	0.0%
INTRAFUND SERVICE RECEIPTS WATER/WASTEWATER	173,317	236,055	240,203	4,148	1.8%
INTEREST EARNINGS	965,500	233,000	264,900	31,900	13.7%
TOTAL REVENUES	**99,934,036**	**93,371,655**	**94,407,703**	**1,036,048**	**1.1%**
TOTAL BEGINNING BALANCE & REVENUES	**113,471,900**	**105,238,658**	**106,274,706**	**1,036,048**	**1.0%**

ELECTRIC REVENUE

FUND SUMMARY

	2010/11 REVISED	2011/12 BUDGET	2011/12 AMENDED	$ DIFFERENCE BUDGET VS AMENDED	% DIFFERENCE BUDGET VS AMENDED
EXPENSES:					
POWER SUPPLY	47,634,363	42,047,430	42,047,430	-	0.0%
POWER SUPPLY MANAGEMENT	2,321,562	1,170,000	1,170,000	-	0.0%
PJM CHARGES - LOAD	13,363,432	15,043,396	15,043,396	-	0.0%
CAPACITY CHARGES	12,302,392	8,506,512	8,506,512	-	0.0%
CONTRACTUAL SERVICES	-	115,000	115,000	-	0.0%
RATE STABILIZATION CREDIT	-	(1,000,000)	-	1,000,000	-100.0%
SUB-TOTAL POWER SUPPLY	**75,621,749**	**65,882,338**	**66,882,338**	1,000,000	1.5%
PLANT OPERATIONS	6,155,046	6,089,822	5,964,817	(125,005)	-2.1%
GENERATIONS FUELS	3,244,977	664,641	664,641	-	0.0%
PJM CREDITS	(5,553,404)	(1,285,675)	(1,285,675)	-	0.0%
CAPACITY CREDITS	(11,419,723)	(7,388,283)	(7,388,283)	-	0.0%
GENERATION SUBTOTAL	**(7,573,104)**	**(1,919,495)**	**(2,044,500)**	(125,005)	6.5%
POWER SUPPLY & GENERATION SUBTOTAL	**68,048,645**	**63,962,843**	**64,837,838**	**874,995**	1.4%
DIRECT EXPENDITURES					
TRANSMISSION/DISTRIBUTION	3,035,144	3,261,972	3,162,026	(99,946)	-3.1%
ELECTRICAL ENGINEERING	1,745,105	1,222,523	1,177,060	(45,463)	-3.7%
ADMINISTRATION	974,959	629,724	602,715	(27,009)	-4.3%
METER READING	205,915	222,206	215,208	(6,998)	-3.1%
SYSTEMS OPERATIONS	492,493	475,895	473,895	(2,000)	-0.4%
UTILITY TAX	1,965,000	1,966,100	1,966,100	-	0.0%
DIRECT EXPENDITURE SUBTOTALS	**8,418,616**	**7,778,420**	**7,597,004**	**(181,416)**	-2.3%
OTHER EXPENSES:					
ALLOW FOR UNCOLLECTIBLES	310,000	150,000	150,000	-	0.0%
RETIREES HEALTH CARE	639,110	646,510	646,510	-	0.0%
TRANSFER TO PENSION UNFUNDED LIABILITY	833,000	1,110,500	1,110,500	-	0.0%
OPEB	1,200,000	1,115,300	1,115,300	-	0.0%
GREEN ENERGY PAYMENT TO DEMEC	128,600	129,000	129,000	-	0.0%
INTRAFUND SERVICE FEES	3,293,025	3,556,264	3,370,778	(185,486)	-5.2%
INTEREST ON DEPOSITS	54,500	54,500	54,500	-	0.0%
INVENTORY WRITE OFFS	175,000	175,000	175,000	-	0.0%
DEBT SERVICE	3,589,904	3,336,800	3,336,800	-	0.0%
OTHER EXPENSES SUBTOTAL	**10,223,139**	**10,273,874**	**10,088,388**	**(185,486)**	-1.8%
TRANSFER TO:					
IMPROVEMENT & EXTENSION	3,500,000	3,500,000	3,500,000	-	0.0%
GENERAL FUND	8,856,000	6,338,000	7,876,288	1,538,288	24.3%
TRANSFER TO DEPRECIATION RESERVE	1,250,000	-	-	-	0.0%
RATE STABILIZATION RESERVE	1,300,000	-	-	-	0.0%
TRANSFER TO SUBTOTAL	**14,906,000**	**9,838,000**	**11,376,288**	**1,538,288**	15.6%
TOTAL EXPENSES	**101,596,400**	**91,853,137**	**93,899,518**	**2,046,381**	**2.2%**
BUDGET BALANCE - WORKING CAPITAL	**11,875,500**	**13,385,521**	**12,375,188**	**(1,010,333)**	-7.5%
TOTAL BUDGET BALANCE & EXPENSES	**113,471,900**	**105,238,658**	**106,274,706**	**1,036,048**	1.0%

RESERVE BALANCES	2010/11 REVISED	2011/12 BUDGET	2011/12 AMENDED	$ DIFFERENCE BUDGET VS AMENDED	POLICY
CONTINGENCY RESERVE	1,039,766	1,110,496	1,110,496	-	1% Revenues
INSURANCE RESERVE	408,430	420,730	350,000	(70,730)	$350K Min.
RATE STABILIZATION RESERVE	6,219,819	5,406,419	5,406,419	-	3%-10% of PP

ELECTRIC IMPROVEMENT & EXTENSION

FUND SUMMARY

	2010/11 REVISED	2011/12 BUDGET	2011/12 AMENDED	$ DIFFERENCE BUDGET VS AMENDED	% DIFFERENCE BUDGET VS AMENDED
BEGINNING BALANCE	3,429,624	2,561,096	2,561,096	-	0.0%
BEGINNING BALANCE BOND	415,585	-	-	-	0.0%
REVENUES					
INTEREST EARNINGS	40,700	38,400	38,400	-	0.0%
RECEIPT FROM DEPRECIATION RESERVE	-	300,000	300,000	-	0.0%
STATE REIMBURSEMENT FOR GOVS AVE	254,757	-	-	-	0.0%
STATE REIMBURSEMENT FOR WYOMING MILL R	91,000			-	0.0%
FEDERAL GRANTS	151,523	-	-	-	0.0%
INSURANCE CLAIM PROCEEDS	280,000	-	-	-	0.0%
TRANSFER FROM INSURANCE STABILIZATION	-	-	70,730	70,730	0.0%
TRANSFER FROM ELECTRIC	3,500,000	3,500,000	3,500,000	-	0.0%
TOTAL REVENUES	**4,317,980**	**3,838,400**	**3,909,130**	**70,730**	**0.0%**
TOTALS	**8,163,189**	**6,399,496**	**6,470,226**	70,730	0.0%

	2010/11 REVISED	2011/12 BUDGET	2011/12 AMENDED	$ DIFFERENCE BUDGET VS AMENDED	% DIFFERENCE BUDGET VS AMENDED
ELECTRIC GENERATION	2,106,427	1,810,410	1,810,410	-	0.0%
TRANSMISSION AND DISTRIBUTION	739,000	748,337	748,337	-	0.0%
ELECTRICAL ENGINEERING	1,756,666	1,840,716	1,840,716	-	0.0%
METER READING	-	20,000	20,000	-	0.0%
TRANSFER TO DEPRECIATION RESERVE	1,000,000	-	-	-	0.0%
TOTAL EXPENSES	**5,602,093**	**4,419,463**	**4,419,463**	**-**	**-**
BUDGET BALANCE	**2,561,096**	**1,980,033**	**2,050,763**	**70,730**	**0.0%**
TOTAL BUDGET BALANCE & EXPENSES	**8,163,189**	**6,399,496**	**6,470,226**	70,730	0.0%

	2010/11 REVISED	2011/12 BUDGET	2011/12 AMENDED	$ DIFFERENCE BUDGET VS AMENDED	POLICY
RESERVE BALANCES					
DEPRECIATION RESERVE	10,511,755	10,018,155	10,018,155	-	$10Million Min.
FUTURE CAPACITY RESERVE	9,294,628	10,073,428	10,073,428	-	$10Million Min.

CITY OF DOVER
DEPARTMENT OF FINANCE
PROCEDURE MANUAL

TITLE: Budget Administration - Guidelines for Operating Departments

PROCEDURE # F306
DATE: July 10, 2006
REVISED: June 23, 2008

This policy is intended to permit the redistribution of funds in departmental budgets. It establishes the procedure to be followed when the approval of a supplemental appropriation is requested. It restricts the redistribution of capital outlay accounts.

1. Definitions, as used in this policy:

   "Fund": In governmental accounting, a fund is a fiscal and accounting entity with a self-balancing set of accounts, created and maintained for a particular purpose and having transactions subject to legal or administrative restrictions. A separate budget is provided for each fund.

   "Department": Departments are the major organizational sub-divisions. They have a broad overall purpose. The City of Dover is organized into twelve (12) departments: Administrative Services, Parks, Recreation, & Library, Police, Public Services Group, Public Utilities, City Clerk, City Manager, Information Services, Finance, Human Resources, Central Services, and Tax Assessor.

   "Division": Is the major operational areas of the City. Each Division has been assigned to one of the Departments listed above according to the type of activity it performs. For example, the Electric Engineering Division is part of the Electric Department.

   "Category": Within each division, each expenditure line item is grouped into a category of related expenditures. The budget for each line item is listed by categorical total. Examples of a category include personnel services, materials & supplies, administrative expenditures, capital outlay, project accounts, and depreciation.

2. Department Managers may redistribute monies "within" a group of accounts in a particular category, except salary/benefits, and capital outlay accounts. Form COD #98 shall be used to request the transfer of funds. The monies shall not be encumbered until the Finance Director has returned a copy of Form COD #98 advising the manager that the redistribution has been entered into the budget software.

3. Transfers between categories material/supplies and administrative may be made with the City Manager's approval. A copy of the change must be submitted to the Finance Department for verification and confirmation, and then forwarded to the City Manager. Confirmation of the change will be made to the originating department by the Finance Department once the change has been approved.

4. Transfers from salary and benefit accounts are permitted with approval of the City Manager to cover unanticipated expenses created by vacancies. Examples are advertising, agency labor, contract services, and recruiting agencies.

5. No funds authorized in capital outlay may be encumbered unless said purchase was detailed in the "approved" budget.

   Any CIP deferrals due to cost over-runs in other CIP items shall be communicated to the Council and the Controller.

   The City Manager may approve transfers of savings from completed CIP items to non-completed CIP items. Any transfers that cause the particular item or project to exceed its original budget 25% or greater will be communicated to Council and the Controller.

   To request an exception in capital outlay or project categories, submit a written memorandum explaining the request and attach a copy of the original budget submission. The memorandum must explain the reason for not purchasing the authorized items. A copy noting the action taken on the request by the City Manager will be returned to the respective department. Council and the Controller will be copied on all exception request approvals.

   All capital outlay change requests must be accompanied by a Capital Improvement Project (CIP) worksheet in the following instances:
   - Scrap a CIP and create a new CIP
   - Reduce approved CIP and create a new CIP
   - New funded CIP (grant)

   The Controller will adjust project budgets each year to include prior year project balances before finalizing the Carry Forward Budget Balances for multi-year projects or projects not completed due to unforeseen circumstances. This process will be followed only on projects that were approved by City Council in a prior year CIP.

6. The City Manager may approve intra-fund transfers (i.e., within the General Fund) of up to five percent per annum, Form COD #98, with the exception of line items associated with salary and benefits.

7. All personnel positions will receive and be adhered to, the documented increases as approved through the budget process. Any exceptions require Council approval.

8. Budget amendments exceeding that authorized above or that affect budget balances shall be referred to the City Council.

CITY OF DOVER

COST CENTER REQUEST FOR BUDGET AMENDMENT

Department: _____ Fiscal Year: _____

From Account #: _____ Date of Request: _____

To Account #: _____ (Check Only One)

☐ Change Within Budget

☐ Supplemental Appropriation

☐ Departmental Transfers

By: _____

(Signature)

	Element Object	Account Name	Original Budget	Net Previous Changes	Current Revised Budget		Requested Change or Supplement	Adjusted Budget	YTD Expense
FROM				-	$ -			$ -	
			$ -	-	$ -		-	$ -	$ -
			$ -	-	$ -		-	$ -	$ -
			$ -	-	$ -		-	$ -	$ -
			$ -	-	$ -		-	$ -	$ -
TO				-				$ -	
			$ -	-	$ -		-	$ -	$ -
			$ -	-	$ -		-	$ -	$ -
			$ -	-	$ -		-	$ -	$ -
			$ -	-	$ -		-	$ -	$ -
	1	2	3	4	5		6	7	8

Request Justification: _____

_____

_____

_____

Instructions: Complete all appropriate items. Figures in columns four and seven must be preceded by a "plus" or a "minus" sign. Round all figures to nearest dollar. Use the reverse side of this form if additional space is needed to justify request. Form must bear the live signature(s) of cost center manager(s). Before submitting request to Finance Department for consideration, obtain verification from the accounting department that all all figures are correct. Submit copy of request to the City Manager. A copy will be returned noting the action taken.

Approval: _____ _____

City Manager Finance Director

Date of Action: _____

Approved as: Requested ☐ Approved as Modified ☐ Denied ☐

Deferred Until: _____

For Finance Department Use Only **Processed:** _____ **By:** _____

COD FINANCE FORM 98