ATTACHMENT #1
LF&A Committee Meeting of 02/28/2011

FISCAL YEAR 2010-2011 LATEST ESTIMATE

February 2011

Please Note: This presentation is to be viewed in conjunction with the Fiscal Year 2010-2011 Latest Estimate

Introduction

- Latest Estimate of Fiscal Year 2010-2011 Budget
- Factors in known changes since budget approved
- Major changes include:
  - Increase to Transfer Tax
  - Decrease to Trash Fees Revenue
  - Revised Power Supply and Generation Expense and Sales
  - Changes in revenue per the December Revenue Report

Fund Balances

- General Fund – expected to exceed minimum
  - Equal to10.3 percent of revenue
  - $3.7 million
  - $829,245 projected over minimum
- Water Wastewater Fund
  - In aggregate projected to fall short $7,376 of minimum requirement
  - This is due to the deficit in KCSA of $1.8 million
  - Water equal to 35 percent of revenue or $1.7 million
  - Wastewater equal to 43 percent of revenue or $1.4 million

Fund Balances - continued

- Electric Fund – expected to exceed minimum
  - Equal to 11 percent of revenue
  - $11.2 million
  - $3.2 million projected over minimum

General Fund

- Revenue Highlights
- Going up:
  - Fines and Police Revenue - $57,387
  - Grass Cutting - $11,500
  - Franchise Fees - $34,000
  - Recreation Grant -$51,000
  - Homeland Security Grants, FEMA - $172,061 & Security and Safety - $16,000
  - Transfer Tax - $750,000
  - Civil Traffic Penalties - $70,000

General Fund

- Revenue Highlights
- Going down:
  - Investment Income - $108,000
  - Permits and Other Licenses - $42,000
  - Trash Fees - $194,511
  - Interfund Service Fees - $48,076
  - Police Grants - $58,350

General Fund

- Expenditure Highlights
  - Salary adjustments made to reflect actual & projected thru June expenditures
  - Tax Assessor legal expenses for tax appeals - $88,000
  - Parks & Recreation Silver Lake Watershed Coordinator - $51,000 grant expense
  - Life Safety, enhanced security - $16,000 grant expense
  - Code Enforcement increased temporary help (approved by Council) - $26,132 and increased grass cutting - $5,000

General Fund

- Expenditure Highlights - continued
  - Inspections expenditures for demolitions - $65,000
  - Streets expenditures associated with snow removal - $39,092
  - Sanitation increased salary and benefits for transferring position from Grounds - $10,281 (Grounds reduced by $23,668) and reduced expense for landfill fees - $59,786
  - City Manager Office salary - $6,743 and legal fees - $11,200
  - Information Technologies adjusted upward $13,802 to reflect accounting correction
  - Finance reduced - $22,000 to reflect contractual and materials and supplies savings

General Fund

- Expenditure Highlights - continued
  - Fleet Maintenance reduced $30,297 to reflect repair savings
  - Human Resources reduced $12,500 to reflect salary and consulting fee savings
  - Transfer to Contingency reimbursement of $172,061 for 2010 snow storms
  - Uncollectible reserve increased $100,000 based on auditor recommendations

Governmental Capital Projects Fund

- Revenue Highlights
  - Police grants increased for FBI grant - $20,000
- Expense Highlights
  - Reduced to reflect vehicle purchase savings:
    - Grounds - $17,158
    - Streets - $26,579
    - Sanitation - $33,656
    - Police - $12,352
- Police increased $20,000 - grant to refurbish assembly room
- Information Technologies reduced $5,000 - postponed server replacement
- Transfer to Community Transportation - $25,000 transferred to cover paving of Susan Place
- Current year balance increased $69,745

Water/Wastewater Fund

- Revenue Highlights
  - Interest earnings increased - $18,285
  - No other revenue was adjusted
- Expense Highlights
  - Salary adjustments made to reflect actual & projected thru June expenditures
  - Uncollectible reserve increased $71,000 based on auditor recommendations
  - Interfund Service Fees were adjusted down $140,756 to cover changes in allocation methods and adjustments to allocated divisions

Electric Revenue Fund

- Revenue Highlights
  - Based on new PACE volume projections
  - Direct Sales to customers increased $1.3 million
  - Purchase Power Adjustment credit increased $25,000
  - Utility Tax increased $100,200
  - Interfund Service Receipts decreased to cover changes in allocation methods and adjustments to allocated divisions
  - Interest earnings increased $44,600

Electric Revenue Fund

- Expense Highlights
  - Total Power Supply and Generation expenses increased $465,563
    - Based on new PACE volume projections
  - Salary adjustments made to reflect actual & projected thru June expenditures
  - Electric Administration, city building and HVAC maintenance, increased $54,750 for work at 5 East Reed Street
  - Utility tax increased $100,200 and reflects changes to sales based on PACE volume projections offset by revenue

Electric Revenue Fund

- Expense Highlights - continued
  - Uncollectible reserve increased $175,000 based on auditor recommendations
  - Interfund Service Fees were adjusted down $33,445 due to adjustments to allocated divisions
  - Debt service decrease $468,810 to reflect refinancing savings
  - Transfer to contingency returns the $301,070 removed from the reserve for the Ward Transformer

Electric Contingency Fund

- Transfer of $301,070 is returned from Electric Revenue Fund, funds not needed for Ward Transformer case settlement

Electric Improvement & Extension Fund

- Revenue and expense of $91,000 is added for state reimbursement project to realign Wyoming Mill Road

Community Transportation Improvement Fund

- Revenue and expense of $25,000 added for paving Susan Place

QUESTIONS /COMMENTS?

Estimated Savings from Proposed PCA Calculation

Refunding Additional $1.4 million over 15 months April 2010 - June 2011

as of February 28, 2010

	Current PCA	Proposed PCA April - June 2010	Additional Credit
	$ (0.00280)	$ (0.00430)	$ (0.00150)

	Monthly Average kWh	Estimated Annual kWh based on average	Using PCA of $.0043 credit: Estimated Savings Apr - June 2010	Using PCA of $.0043 credit: Estimated Annualized Savings
Residential	1,000	12,000	$ (12.90)	$ (51.60)
Small Commercial	1,190	14,280	$ (15.35)	$ (61.40)
Medium Commercial	4,168	50,016	$ (53.77)	$ (215.07)
Large Commercial	27,820	333,840	$ (358.88)	$ (1,435.51)
Primary	253,900	3,046,800	$ (3,275.31)	$ (13,101.24)
Industrial	5,628,404	67,540,848	$ (72,606.41)	$ (290,425.65)

Latest Estimate Calculations for Electric Revenue
As of 2/03/11

Purchase Power Forecast from PACE Document *Power Supply and Generation (ReSet Budget) January 31, 2011*

	Budget Fiscal Year	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Budget	Budget	Budget	Budget	Budget
Megawatts		Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11
Load Forecast	752,412	83,163	78,755	66,782	56,452	54,396	63,566	60,136	54,199	56,334	52,554	58,744	67,331

Calculation for the PCA Refunding $1.4 million over 15 months

	Megawatts
Total current year buget	752,412
April	52,554
May	58,744
June	67,331
15 Month Total estimated Megawts	931,041
kWh	931,041,000

	Dollars
kWh PCA for $1.4 m	$ 0.00150
Current PCA	$ 0.00280
Estimated PCA APR - JUN 10	$ 0.00430

NOTES

Line loss is not subtracted out of the load.
Last calculated line loss available equals 5.69%

Residential rate	$ 0.14500
Residential rate with new PCA	$ 0.14070
Based on 1000 kWh per month savings	$ 1.50
Based on 1000 kWh per year savings	$ 18.04

CITY OF DOVER PROPOSED ORDINANCE #2011-07

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

That Chapter 46 Fire Prevention and Protection, Article III - Fire Codes, Section 46-126 - Fire Prevention Permit, be amended by inserting the text indicated in bold, blue, italics and deleting the text indicated in red strikeout as follows:

Sec. 46-126. Fire prevention permit.

(a) *Required*. It shall be unlawful to construct, enlarge, alter or demolish a fire protection system without obtaining a fire prevention permit.

(b) *Fee*. Each applicant for a fire prevention permit, including, but not limited to, sprinkler systems, fire alarms, hood suppression units, and tank installation, shall pay unto the city a permit fee as provided for in Appendix F - Fees and Fines, before such permit shall be issued.

(c) *Reinspections*. There will be no charge for the first reinspection of a permit. The applicant shall pay a fee for subsequent reinspections as provided for in Appendix F--Fees and Fines.

(d) Fire Signaling System Inspection Fee. For each inspection of a fire alarm signaling system located within the jurisdiction of the City of Dover, and conducted by a licensed company pursuant to Delaware State Fire Prevention Regulations, the licensed company shall submit a copy of the certificate of inspection for each fire alarm system to the City of Dover Fire Marshals Office, along with a non-refundable fee as provided for in Appendix F - Fees and Fines.

(e) Fire Suppression System Inspection Fee. For each inspection of a fire suppression system located within the jurisdiction of the City of Dover and conducted by a licensed company pursuant to Delaware State Fire Prevention Regulations the licensed company shall submit a copy of the certificate of inspection for each sprinkler riser to the City of Dover Fire Marshals Office, along with a non-refundable fee as provided for in Appendix F - Fees and Fines.

~~(d)~~ ***(f)*** *Doubling of fees*. Fees established in subsection (b) of this section shall be doubled in the event that a permit is applied for after construction has commenced without the permission of the fire marshal. The fire marshal shall waive the doubling of fees in cases where the permit applicant is not a professional contractor and the work is not being done by a professional contractor.

BE IT FURTHER ORDAINED THAT:

Appendix F - Fees and Fines, Chapter 46 - Fire Prevention and Protection, Article III - Fire Codes, be amended by inserting the text indicated in bold, blue, italics, as follows:

Draft

Chapter 46 - Fire Prevention and Protection, Article III - Fire Codes				
Fees established in subsection (b) of this section shall be doubled in the event that a permit is applied for after construction has commenced without the permission of the fire marshal. The fire marshal shall waive the doubling of fees in cases where the permit applicant is not a professional contractor and the work is not being done by a professional contractor.				
Sec. 46-126	Fire Prevention Permit			
	Subsec. (b)	Fee; Each applicant for a fire prevention permit		$12.00 for each $1,000.00 of costs or multiple thereof of the fire protection system; provided that a minimum fee for each permit shall be $50.00
	Subsec. (c)	Reinspection		
			First reinspection	No charge
			Second reinspection	$25.00
			Third reinspection	$50.00
			Any subsequent reinspection	$100.00
	Subsec. (d)	***Fire Signaling System Inspection Fee***		
			Annual Fee - Five or less buildings per complex	***$25.00 each fire alarm system***
			Annual Fee - More than Five Buildings Per Complex	***$15.00 each fire alarm system up to a maximum of twenty (20) buildings. Maximum fee per complex not to exceed $300.00 for fire alarm systems***
	Subsec. (e)	***Fire Suppression System Inspection Fee***		
			Annual Fee - Five or less buildings per complex	***$25.00 each fire suppression system***

Draft

	Annual Fee - More than Five Buildings Per Complex	***$15.00 each fire suppression system up to a maximum of twenty (20) buildings. Maximum fee per complex not to exceed $300.00 for fire suppression systems***
Fines not paid within 14 days of the day the fine was issued, including the day the fine was issued, shall be automatically doubled in amount.		

ADOPTED: *

SYNOPSIS

Delaware State Fire Prevention regulations require periodic inspections, testing, and maintenance of fire alarm signaling, fire suppression, and any other fire protection systems, devices, and equipment in accordance with the National Fire Protection Association's Fire Codes and Standards. This amendment would enable the City to collect an administration fee for processing the required Certificates of Inspection.

Actions History

March 14, 2011 Scheduled for First Reading

February 23, 2011 - Considered by the Legislative, Finance, and Administration Committee

S:\ATTACHMENTS & EXHIBITS\Committee Attachments\2011\02-28-2011 LF&A\Ordinance 2011-07 Ch. 46, Art. III, Sec. 46-126 - Fire Prevention Permit.wpd

Draft