EXHIBIT #1

Agreement for
Interconnection and Water Sales / Purchase

THIS AGREEMENT, entered into this _____ day of _____, 2004, between the City of Dover, hereinafter called "The City," and Tidewater Utilities, Inc., hereinafter called "Tidewater."

WHEREAS, Tidewater desires to establish a water system interconnection with The City on Beechwood Avenue adjacent to Tidewater's Lakeland Service Area in Kent County, Delaware, ("Interconnection Location") for the purpose of purchasing water for fire protection purposes from The City; and

WHEREAS, The City desires to establish a water system interconnection with Tidewater at the interconnection location for the purpose of selling water for fire protection purposes to Tidewater.

NOW, THEREFORE, in consideration of the following mutual covenants herein the parties hereto agree as follows:

1) Supply of Water. The City agrees to supply water to Tidewater in such quantities as described in this agreement. The supply of water shall be delivered at a rate of flow of not less than 1,000 gallons per minute at twenty (20) pounds per square inch residual pressure. No special improvements have been made to The City's distribution system for the interconnection. The supply shall be delivered through a metered service connection to be located at or near the Interconnection Location.

2) Service Connection Construction. Tidewater agrees to construct at Tidewater's expense a designated length of water line from Highview Avenue to the interconnection site, the service connection, a double check backflow prevention device, a valve and a meter vault in accordance with The City's review and specifications. The meter shall be installed and maintained by Tidewater. Tidewater agrees to annually test the double check backflow prevention device and provide a report to The City. In the event, the meter becomes inoperable and needs replacement due to age or other malfunction which cannot be repaired, Tidewater agrees to replace the meter at Tidewater's expense immediately when so directed by The City. The water line extension from Highview Avenue shall become the sole property of The City. The City shall provide Tidewater's contractor with all pipe material, fittings, sleeves, bends, etc. necessary to construct the water line from Highview Avenue to the service connection point. The City will not provide backfill, street repair, casing pipe materials or funds for the labor and design costs associated with the water line extension or the service connection construction.

3) Rates. The City agrees to supply water at its published "in city" rate. It is understood that this rate may change from time to time, but will always be the "in city" rate. Billing shall be on a monthly basis. The billing shall have two components: First, the consumptive reading on the meter, if any; and second, a facilities charge. In consideration, for The City providing the "in city" rate for this interconnection, Tidewater agrees to pay The City a facilities charge of $697.13 per quarter as dictated by Tidewater's rate tariff. If this charge is corrected in future adjustments to the Tidewater's rate tariff, The City agrees to accept the adopted rate in the adjusted tariff.

4) Quantity of Supply. The intent of the interconnection is to provide the necessary quantity of water to the Lakeland service area in the event of fire. No special improvements have been made to The City's distribution system to provide an enhanced pressure or flow for the purposes of fire protection in this area. TUI understands the limits of The City's supply. This connection is not intended to be used for domestic supply at the time of execution of this agreement. If this interconnection uses more than 50,000 gallons of water per month for any three (3) consecutive months during the terms of this agreement, TUI agrees to enter into a minimum purchase agreement with The City; however, if TUI informs the City of a flow test, or if there is an actual fire, the metered amount during this period shall be monitored and not count towards the above referenced 50,000 gallons. Until such time as the minimum purchase agreement is executed, TUI agrees to a 20% surcharge on all usage over 50,000 gallons in a monthly billing cycle after the aforementioned three (3) month period.

5) Terms of Agreement. The initial term of this agreement shall be five (5) years from the date of execution of the agreement. This agreement may be extended in five (5) year option periods; however, the Quantity of Supply will monitored monthly by The City. A written request must be received from Tidewater within ninety (90) days of the expiration of the initial five (5) year term if Tidewater desires to execute an amendment to the agreement for an option period. If this agreement is not extended, The City reserves the right to shut off the valve adjacent to the interconnection site.

6) Liability of The City for Discontinuance or Discontinuity of Service. In case of breakdown, emergency or for any other unavoidable cause, The City shall have the right to temporarily cut off the water supply to the interconnection in order to make necessary repairs, connections or minimize the emergency situation. In such case, The City shall not be liable for any damage or inconvenience suffered by Tidewater or its customers. In addition, The City shall not be liable for any claim against

The City at any time for an interruption in service, lessening of supply, inadequate pressure or any other causes beyond The City's control. This same rule shall apply if The City is directed to discontinue service pursuant to any other city, county or state code or law. The City shall notify Tidewater of service shut downs as referenced under this paragraph.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year first written above.

TIDEWATER UTILITIES, INC.

By: _____

ATTEST:

_____

CITY OF DOVER

By: _____
Mayor

ATTEST:

_____
City Clerk

EXHIBIT #2

CITY OF DOVER
DEPARTMENT OF FINANCE
PROCEDURE MANUAL

TITLE: Municipal Vehicle Use Procedure

PROCEDURE # F362
DATE: April 6, 2004

PURPOSE: Establishes the official vehicle use procedures for the employees and officials of the municipal government of Dover, Delaware. Vehicles exempt from this policy are listed in Appendix C

SCOPE: The procedure applies to any person operating a vehicle for the purpose of conducting official functions of the municipal government.

PROCEDURE ARTICLES:

1. City vehicles will be parked at the employee's residence during the off-duty period. During the off-duty period, the assigned vehicle will not be used for personal convenience.
2. Employees may be assigned after hour duties in accordance with the contents of their assigned job description, or employment contract.
3. Employees assigned a city vehicle by employment contract are permitted personal use, however they must report their personal use to the Finance Department as outlined below for compliance with the Internal Revenue Service regulations.
4. Use of City general-purpose vehicles will be in accordance with applicable federal, state, and local statutes, regulations, and city municipal codes. The employee is required to live in Kent County.
5. No employee shall request or be permitted the use of City general-purpose vehicles for personal convenience when such vehicles are provided for use in the conduct of official business as a matter of policy.

   A. Each employee shall endeavor to pursue a course of conduct, which will not raise suspicion among the public that they are engaging in acts which are in violation of the public trust and which will reflect unfavorably upon the City. No employee or official shall use his public office to secure unwarranted privileges or perquisites during the use of City general-purpose vehicles, or use the vehicle for political purposes.

   B. No City general-purpose vehicle shall be operated for the purpose of travel to a residence, store or restaurant for any meal, unless it is in route to the job site.

   C. No City general-purpose vehicle shall be operated for providing travel for passengers in such vehicle for the purpose of any meal at a residence or restaurant. This principal does not apply to public works and utility vehicles that are utilized to transport work crews to and from job sites.

   D. City general-purpose vehicles may be authorized, on a case-by-case basis, for the operator and passengers to travel to and from appropriate meals when performing official municipal government business. Prior approval of the operator's immediate supervisor is required.

E. Any personal convenience use of a city general-purpose vehicle will be reimbursed to the city. The manner of the valuation of such expense shall be determined by the Finance Director.

F. City general-purpose vehicles authorized for commuting shall be charged at the rate of $1.50 for each one-way commute trip.

1. Authorized commuting charges will be a taxable compensation and included in the employee's gross salary.

2. Employees performing on-call duties will incur the commute charge when a general-purpose vehicle is used to commute, unless required in their job description.

6. The Finance Department will prepare an annual analysis of the expenses of City general-purpose vehicles used for commuting purposes (see Appendix D).

A. The analysis shall set forth a standard cost rate per mile of travel encompassing all expenses incurred in the operation of general-purpose vehicles.

B. The standard rate will be the comparative rate used for cost analysis to qualify alternative proposals to achieve the most cost effective solution of general-purpose vehicle proposals and considerations.

C. No costs associated with an employee's wages or benefits will be included in the calculation for the standard cost rate per mile of travel.

7. The Finance Department has prescribed a form to record the detail factors associated with the daily use and monthly use of general-purpose vehicles to conduct city business including Commute Trip Mileage. The forms are included in Appendix E & F. Appendix F is the form prescribed by the Internal Revenue Service for daily use. The employee may choose which form is conducive to their personal use, both forms are not required. The forms are implemented to insure proof of compliance with applicable federal regulations.

A. As an alternative, the approved form may be contained in a computerized format and printed at the time of need.

B. The records of general-purpose vehicle travel will be maintained by the Payroll Office and will be readily available to City Council, City management staff, and the general public.

C. Employees failing to submit properly completed vehicle travel forms timely will be taxed at the current mileage reimbursement rate as outlined in the City's travel policy times an estimated mileage as determined by the Finance Department. (Currently $.375 per mile)

D. Employees are required to enter their odometer reading in the Gas Boy system at the time of refueling the vehicle at the Central Services. The Fleet Maintenance Manager will provide monthly reports from the Gas Boy system to the employee and the Finance Department. These reports will provide assistance to persons responsible for completing the travel log. The recorded mileage will be reconciled by Finance Department staff to the daily commute mileage that was submitted to the Finance Department for tax purposes. Discrepancies will be brought to the attention of the Department Head for their investigation and response.

8. When not in use or assigned a City vehicle, all general purpose vehicles will parked at a municipal government parking location.

9. City general-purpose vehicles may be authorized for commuting use when:

   A. A general-purpose vehicle will be authorized for commuting purposes when the employee person has been assigned responsibility for on-call duties or emergency response. On-call and emergency response use does not constitute a federal or state taxable benefit.

   B. The City Manager may authorize vehicle use for Non-Emergency Use provided the employee can demonstrate that the actual number and nature of call-ins during the previous year warrants such approval for the benefit of the citizens and not the personal convenience of the municipal person. An authorization form must be completed and signed by the City Manager. Non-Emergency use constitutes a federal and state taxable benefit for both the City and employee.

   C. The Director of the employee(s) being assigned on-call or emergency status is responsible for maintaining and providing updated lists of all personnel assigned City vehicles to the Human Resources Director. The list shall contain the following elements:

      1. identification of the municipal person authorized to commute,
      2. the one way mileage between the municipal person's residence and normal place of work,
      3. the control information of the authorized general purpose vehicle,
      4. the normal duty hours of the authorized municipal person,
      5. the telephone contact information of the authorized municipal person,
      6. the designation of the employee's use – on-call, emergency, or commute.

   D. The Finance Department shall receive from Human Resources a master list of all employees and the vehicle assigned that are authorized use of City vehicles. For those employees applicable, the appropriate fiscal procedures will be followed in a timely manner to assess the cost of the commute to the employee's gross wages. The Payroll section will notify each employee with approved use of a city general-purpose vehicle for commuting. The notification will include the amounts to be charged to gross salary, the rule allowing the charge, and the method of determining the charged value.

10. Employee(s) assigned City general-purpose vehicles will care for vehicles in a responsible manner.

   A. Failure to provide responsible care can result in disciplinary action.

   B. The use of any tobacco products is prohibited when accompanied by non-smoking passengers in any take-home vehicle.

   C. All persons shall wear seat belts while operating or riding in any City vehicle.

   D. The employee shall provide written disposition of the assigned vehicle while on extended vacation to their immediate supervisor.

E. When operating a City vehicle, the employee must have in his/her possession or the vehicle the vehicle registration, insurance card, a City issued identification card, and a valid driver's license.

F. Employees are required to close vehicle windows and lock doors when the vehicle is not in use. This measure will help ensure that the vehicle is not stolen as well as safeguarding the contents of the vehicle. Vehicle keys must be removed and properly secured when the vehicle is in use. The City is not responsible for personal property in the vehicle.

11. All City over-the-road vehicles, except those used as surveillance cars, shall have permanently affixed to each front door an official City emblem. (Requested by some members of Council)

12. To provide internal control and audit documentation with policies and procedures, each employee that is assigned a city vehicle for commute purposes will have on file in the Payroll Office the following:

A. "Authorization to Use a City Vehicle" (see Article 6) to be used by the Finance Department to report on W-2 forms the value of daily commuting as an employee fringe benefit.

B. "Statement of Personal Usage for City Provided Vehicles" (see Article 7) to validate personal mileage and insure compliance with federal and state regulations.

C. These forms are to be provided to the Finance Department on or before the deadline specified in an annual memorandum issued by the Payroll Office. The annual memorandum will also provide a date in which the employee's pay will be assessed additional taxes on the value of the fringe benefit. For federal and state tax purposes, vehicle use is calculated on a calendar year.

D. **For those employees that follow the commute rule:** The City has elected to tax the benefit and pay the respective taxes on each bi-weekly payroll period, based on the calculation in the Authorization Form (see Appendix D).

E. **For those employees that follow the per mile or lease value rule:** An employer may treat the value of the benefits provided during the last two months of the calendar year as paid during the subsequent calendar year. The City has adopted this policy. In 2004, the City will report the value of the personal use of a vehicle for the period of January 1 to October 31. In subsequent years, the value of the benefit is calculated for the period November 1 (of previous year) to October 31 (of current year).

13. Policy exemptions and exceptions:

A. Robbins Hose Company No. 1 vehicles are not owned by the City of Dover, and therefore the City is not required to ensure compliance with the Internal Revenue Code.

B. The City currently has three employees with Fire Marshal duties. All three employees are assigned a clearly marked emergency response vehicle for rotation of on-call duties. When one or more Fire Marshal employees are not on call, the City owned vehicle is not to be used for commuting purposes, except for the Chief Fire Marshal. Any other exceptions must be substantiated with historical records of experience.

14. In consideration of these guidelines and policies, one's interpretation should be on a strict, rather than loose, construction basis, and obviously, the objective should not be to rationalize ways and means for circumvention of this policy.

ATTACHMENTS:

Appendix A – Definitions

Appendix B – City of Dover Related Policies

Appendix C – Explanation of Regulations

Appendix D – Authorization of Vehicle Use Form

Appendix E – Statement of Personal Usage for City Provided Vehicles Form (Monthly Use Log)

Appendix F – Vehicle Mileage Log (Daily Use Log)

APPENDIX B

CITY OF DOVER RELATED POLICIES

The following in an excerpt from the City of Dover Employee Handbook:

USE OF CITY SUPPLIES AND EQUIPMENT

City equipment, materials, tools and supplies shall not be available for personal use nor be removed from City property except in the conduct of official City business.

Vehicles owned by the City shall be cared for by an employee in the same responsible way that an employee would care for their personal vehicle. Lack of care can result in disciplinary procedures. Such vehicles are to be used exclusively for official City business, except when by special approval. Use of vehicles for commuting to and from work shall usually be limited to an employee who is subject to an emergency call back to work.

No individual shall operate or ride in a City vehicle except as is required for the conduct of City business.

The following is an excerpt of Division 4 – Code of Conduct, Section 2-10, Prohibitions Relating to Conflicts of Interest, Subsection (f) – Abuse of Office, Paragraph (3), of the Dover Code:

(3) No city official or employee shall request or permit the use of city owned vehicles, equipment, materials, or property for personal convenience or profit, except when such services are available to the public generally or are provided for the use of such official or employee in the conduct of official business as a matter of municipal policy.

APPENDIX C

EXPLANATION OF APPLICABLE REGULATIONS

FEDERAL LAW

Under IRS (IRC ss 274(d)) regulations, the imputed value of personal use of an employer-provided vehicle must be included in the employee's gross pay and is taxable for income and social security purposes. Employees and employers are required to keep records substantiating the personal use of an employer-provided vehicle and the business use of the vehicle.

Even if an individual is exempt under state law from the state reimbursement requirement, the amount of the benefit that is added to an employee's gross pay is still considered a taxable fringe benefit for IRS purposes. However, the reimbursement to the City can reduce the imputed value of personal use of the employer-provided vehicle by the amount of reimbursement.

The Internal Revenue Service has issued rules and regulations detailing how employees will be taxed on employer provided vehicles used for commuting purposes.

The value of employer-provided road vehicles used by State employees for commuting and personal use are fringe benefits and must be included in wages for Income Tax and Social Security tax purposes. However, when the employee pays the employer the fair market value for the personal use of the vehicle, no income results to the employee. Partial payment reduces the employee's income by the amount of the payment. The amount added to wages is not considered salary for the purposes of computing retirement benefits. The term "road vehicle" means any motorized wheeled vehicle manufactured primarily for use on public streets, roads, and highways.

The following employer-provided vehicles are to be excluded:

a) Clearly marked police and fire vehicles;
b) Delivery trucks with seating only for the driver, or only for the driver plus a folding jump seat;
c) Flatbed trucks; any vehicles designed to carry cargo with a loaded gross vehicle weight over 14,000 pounds;
d) Passenger buses used as such with a capacity of at least 20 passengers
e) Ambulances used as such or hearses used as such;
f) Bucket trucks ("cherry pickers");
g) Cranes and derricks;
h) Forklifts;
i) Cement mixers;
j) Dump trucks (including garbage trucks);
k) Refrigerated trucks;
l) Tractors and other special purpose farm vehicles;
m) Combines
n) School buses used as such;
o) Qualified moving vans;
p) Qualified specialized utility repair trucks (other than a van or pick-up truck)
q) Officially authorized uses of unmarked vehicles by law enforcement officers or arson investigators who are full-time employees, authorized to carry firearms, execute search warrants and make arrests.
r) Such other vehicles the (IRS) commissioner may, from time to time, designate.

Under the regulations, the employer is exempt from withholding taxes, other than Social Security, if the employer notifies the employee that the employer is not withholding and the employer includes the value in the employee's W-2. The regulations also allow payment of Social Security Taxes annually.

An employer may treat the value of the benefits provided during the last two months of the calendar year as paid during the subsequent calendar year.

RECORDKEEPING REQUIREMENTS

The law implements the record-keeping standard of "adequate records or sufficient evidence" to support any credit or deduction claimed for business use for an employer-provided vehicle. Examples of acceptable substantiation would be account books, diaries, logs, receipts, bills, trip sheets, expense forms or statements by disinterested witnesses. Records must substantiate the time, date, place, purpose and cost of travel with written evidence having more probative value than oral substantiation.

The city has a policy that city-owned vehicles cannot be used for personal use except for commuting purposes.

TAXATION RETURN QUESTIONS

Compliance is tracked by the IRS through a series of questions included on tax return forms. Taxpayers are required to state the amount of personal use of an employer-provided vehicle and that business use can be substantiated. Employees must provide this information to their employers who in turn are required to keep those reports on file for corroborative purposes. Audits are also conducted by the IRS to track compliance.

CALCULATING VALUE AND REPORTING FOR GOVERNMENT CONTROL EMPLOYEES

Governmental control employees = elected officials or any employee whose compensation equals or exceeds $110,700.

These officials may not use the commuting value method but can determine the value of the benefit using the annual lease value rule or the vehicle cents-per mile rule.

CALCULATING VALUE AND REPORTING FOR GOVERNMENT NON-CONTROL EMPLOYEES

A City employee who is (1) provided a City-owned vehicle to drive to and from work for valid business reasons (ability to respond to emergency calls); (2) prohibited from using the vehicle for personal use; except for commuting, and (3) not a governmental control employee as defined above may use the vehicle cents-per-mile method, the $1.50 per commute method, or the annual lease value method.

Once either method is adopted, the employer and the employee must use this valuation technique for all subsequent periods until circumstances change. The types of excluded vehicles listed on pages 1 and 2 of this appendix are exempt from taxation. An employee provided with any other type of vehicle is subject to taxation on the commuting value.

See the Finance Department for examples of each method of calculation.

Appendix D

City of Dover
Authorization of Vehicle Use

Employee's Name	Department/Division	License Number/State/Expiration

Vehicle #	Year/Make/Model	

Calculation of City Cost

Maintenance Costs: gasoline, oil, tires, batteries, parts, service, labor, and depreciation expressed as a cost per mile in accordance with federal regulations	0.166	Rate per Mile
	785.40	Projected Annual Mileage
	130.38	Total Maintenance (A)
Overhead: Insurance and administrative expressed as a cost per mile at 15% of maintenance rate	0.0249	Rate per Mile
	785.40	Projected Annual Mileage
	19.56	Total Overhead (B)
Social Security & Medicare taxes paid on the greater of cost per mile calculation or daily commute calculation at 7.65%	54.62	Additional cost of City contribution for FICA (C)
	$ 204.55	Total City Cost (A,B & C)

Calculation of Fringe Benefit

260	Total workdays
(12)	Less Holidays
(10)	Less Vacation Days
238	Total days for calculated fringe benefits
$ 3.00	Times $1.50 Commute Rate (at two daily commutes)
$ 714.00	Annual Benefit
$ 27.46	Bi-weekly Pay Adjustment/26 wks

Decision Factor
The selection method will be based on the most advantageous financial position for the City of Dover.

City Code Section 2 - 10 (f) (3)

No City official or employee shall request or permit the use of city owned vehicles, equipment, materials, or property for personal convenience or profit, except when such services are available to the public generally or are provided for the use of such official or employee in the conduct of official business as a matter of municipal policy.

City Manager's Signature

I certify that I have read the above and understand my responsibilities for use of a City vehicle. A copy of the City of Dover Vehicle Use Policy has been provided to me.

Employee Signature

Form# 101

City of Dover
Statement of Vehicle Personal Usage

Employee's Name: _____ **Calendar Year:** _____

Vehicle #: _____ **Vehicle Year/Make/Model:** _____

	Beginning Mileage	Ending Mileage	Total Miles	Personal Commute	Business Commute	# of Commutes
January						
February						
March						
April						
May						
June						
July						
August						
September						
October						
November						
December						

Form# 101

_____
Signature of Employee/Official

Employee Name_____ Vehicle Mileage Log Appendix F

Assigned Vehicle #_____
Year_____ Make _____
Model _____

Month		Year			Odometer Reading					
Day	Desinations	Bus	Pers	Purpose	Begin	End	Trip	MPG's & Cost	Parking & Toll Costs	Misc. Expense
Forward the balances from the previous page if it is for the same month										
					Subtotal of the page					
					Total for the month					

BUS/PERS: Please check the appropiate box as to whether this trip is Business (BUS) or Personal (PERS).
Trip: This is the difference between "Begin" and "End" Odometer Readings.
MPG's & Cost: This column is to be used for gasoline purchased from somewhere other than at the City of Dover Warehouse, that you would put in for reimbursement.

City of Dover (IRS approved form)

Form# 101

EXHIBIT #3

ADDENDUM ADOPTED BY CITY COUNCIL APRIL 26, 2004
EMPLOYMENT AGREEMENT DATED NOVEMBER 5, 2001
CITY MANAGER, ANTHONY DEPRIMA

THIS ADDENDUM, made and entered into the _____ Day of _____, 2004, amend Sections 4, 7, 8, and 9 of the Employment Agreement dated November 5, 2001 between the City of Dover, Delaware, and Anthony J. DePrima, as follows:

Section 4 - Salary

City agrees to pay employee for his services rendered pursuant to a base salary of $85,000.00 annually.

In addition, City agrees to increase said base salary and/or other benefits of employee in such a manner and to the extent that the City Council may determine that it is desirable to do so on the basis of annual salary review of said employee.

The review will be conducted by the President of Council, in collaboration with the Chairman of all Standing Council Committees and input from members of Council. The annual review shall take place prior to June 30th of each year. Employee's annual increase will be addressed in the annual review to become effective July 1st, of the same year.

Section 7 - Dues and Subscriptions

The City agrees to budget and to pay the professional dues and subscriptions of employee necessary for his continuation and full participation in national, state, and local associations necessary and desirable for his continued professional participation, growth, and advancement and for the good of the City.

The City acknowledges the value of having the City Manager directly involved in local civic clubs or organizations. Accordingly, the City shall pay for the reasonable membership fees and/or dues to enable the City Manager to become an active member in local civic clubs or organizations.

Dues and subscriptions shall be paid in accordance with City policies and procedures.

Section 8 - Professional Development

A. The City hereby agrees to budget and pay the travel and related expenses of employee for professional and official travel, meetings, and occasions adequate to continue the professional development of employee and other functions for the City, including, but not limited to, the annual meetings of the state, and local city management associations, State League of Cities and other national, state and local government groups or committees, thereof on which employee serves as a member.

B. City also agrees to budget and pay for the travel and related expenses of employee for short courses, institutions, and seminars that are necessary for his professional development and the good of the City.

Payment for travel and related expenses shall be paid in accordance with City policies and procedures.

Section 9 - General Expenses

The City recognizes that certain expenses of a non-personal and job affiliated nature are incurred by employee and hereby agrees to reimburse or pay said general expenses.

Reimbursement or pay for general expenses (non-personal and job affiliated) shall be paid in accordance with City policies and procedures.

JAMES L. HUTCHISON
MAYOR

WILLIAM P. McGLUMPHY
COUNCIL PRESIDENT

ATTEST:

JANICE C. GREEN
CITY CLERK

ANTHONY J. DEPRIMA
EMPLOYEE

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EXHIBIT #4

FINAL READING

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET: The amounts hereinafter named in various City funds are changed from the currently approved revenues/receipts and appropriations to the revised revenues/receipts and revised appropriations for use by the various departments of the Municipal Government for the fiscal year beginning July 1, 2003 and ending June 30, 2004:

A. GENERAL FUND

RECEIPTS	Current Budgets	Additions (Reductions)	Revised Budgets
Beginning Balance	$ 1,919,152	$ 971,691	$ 2,890,843
Fines & Police Revenue	610,020	(34,000)	576,020
911 Fee	64,000	(6,000)	58,000
Interest Transfers and Earnings	125,000	25,000	150,000
Library Revenues - General	33,700	(400)	33,300
Business Licenses	1,269,000	(100,000)	1,169,000
Permits & Other Licenses	777,600	1,565	779,165
Miscellaneous Revenues	75,850	(7,515)	68,335
Right -of-Way Revenue/Franchise Fee	340,000	20,000	360,000
Transfer Tax	1,250,000	90,000	1,340,000
Trash Fees	885,000	35,000	920,000
DSWA-Trash Fee Rebate	160,000	(444)	159,556
Court of Chancery Fees	-	480,000	480,000
Internet Service Revenue	27,720	(6,720)	21,000
Intrafund Service Receipts Water/Wastewater	853,786	(1,833)	851,953
Intrafund Service Receipts Electric	3,210,934	(18,224)	3,192,710
Grants:			
Municipal Street Aid	800,000	(6,153)	793,847
Police Related	230,000	60,000	290,000
Recreation	-	20,000	20,000
Hurricane Isabel - FEMA	-	54,907	54,907
Transfer from Parkland Reserve	20,000	49,942	69,942
Transfer from Capital Asset Reserve	458,216	140,810	599,026
Net Adjustments		$ 1,767,626	

EXPENDITURES	Current Budgets	Additions (Reductions)	Revised Budgets
Tax Assessor	$ 152,713	$ -	$ 152,713
Grounds	923,477	(7,917)	915,560
Recreation	545,563	55,297	600,860
Planning	192,094	21,200	213,294
Public Inspections	840,621	(40,170)	800,451
Police	9,365,435	(46,880)	9,318,555
Streets	1,024,013	12,500	1,036,513
Sanitation	2,152,851	14,585	2,167,436
PW Administration	257,367	2,400	259,767
Facilities Management	932,203	140,810	1,073,013
Central Services	701,560	(5,355)	696,205
Administrative Services	843,975	(15,400)	828,575
Human Resources	282,375	(5,202)	277,173
Transfer to Post Retirement Benefit Reserves	135,286	743,366	878,652
Retirees Health Care	512,638	70,000	582,638
Street Lights	-	460,000	460,000
Merit Reserve	22,713	(22,713)	-
Transfer to CDBG	-	5,000	5,000
Budget Balance - Working Capital	1,654,816	386,105	2,040,921
Net Adjustments		$ 1,767,626	

B. WATER/WASTEWATER FUND

REVENUES	Current Budgets	Additions (Reductions)	Revised Budgets
Beginning Bal - Water	$ 867,101	$ 27,643	$ 894,744
Beginning Bal - Wastewater	558,403	(364,654)	193,749
Beginning Bal - County Adj	2,648	(2,648)	-
Water Fees	3,905,041	(130,793)	3,774,248
Wastewater Fees	2,632,047	(88,108)	2,543,939
County Sewer Adjustment	2,951,083	(98,787)	2,852,296
Water Tank Space Leasing	155,745	73,000	228,745
Interest Earnings	40,000	(20,000)	20,000
Hurricane Isabel - FEMA	-	9,912	9,912
State Grant - Master Plan	-	20,000	20,000
Transfer from Capital Asset Reserve	-	80,000	80,000
Net Adjustments		$ (494,435)	

EXPENSES	Current Budgets	Additions (Reductions)	Revised Budgets
Construction	$ 446,065	$ (11,592)	$ 434,473
Water	908,528	(15,609)	892,919
Wastewater	688,734	(19,587)	669,147
Kent County Fees	2,953,731	750,000	3,703,731
Intrafund Service Fees	853,786	(1,833)	851,953
Merit Reserve	3,785	(3,785)	-
Debt Service - Arbitrage Rebate	-	25,622	25,622
Transfer to Capital Asset Reserve	160,000	(160,000)	-
Transfer to Water I/E	513,559	(413,559)	100,000
Transfer to Wastewater I/E	87,804	(87,804)	-
Budget Balance - Water	809,048	312,532	1,121,580
Budget Balance - WW	800,146	(17,385)	782,761
Budget Balance - Kent County Fees	-	(851,435)	(851,435)
Net Adjustments		$ (494,435)	

C. WATER/WASTEWATER I & E FUND

REVENUES	Current Budgets	Additions (Reductions)	Revised Budgets
Beginning Balance - Water	$ 433,115	$ 220,554	$ 653,669
Beginning Balance - Wastewater	801,734	22,497	824,231
State Grant/Reimbursements	-	170,000	170,000
Interest Earned	-	10,000	10,000
Transfer from Water CIP	513,559	(413,559)	100,000
Transfer from Wastewater CIP	87,804	(87,804)	-
Transfer from Impact Fee Reserve	350,000	100,000	450,000
Net Adjustments		$ 21,688	

EXPENSES	Current Budgets	Additions (Reductions)	Revised Budgets
Water	$ 1,147,488	$ 59,295	$ 1,206,783
Wastewater	2,083,423	10,513	2,093,936
Budget Balance - Water	446,354	(262,632)	183,722
Budget Balance - Wastewater	268,283	214,512	482,795
Net Adjustments		$ 21,688	

D. ELECTRIC REVENUE FUND

REVENUES	Current Budgets	Additions (Reductions)	Revised Budgets
Beginning Balance	$ 3,986,103	$ 383,323	$ 4,369,426
Sales to Customers	54,480,118	998,118	55,478,236
Power Cost Adjustment	1,082,671	(43,492)	1,039,179
Duke Contract Revenue	-	491,922	491,922
Hurricane Isabel - FEMA	-	48,143	48,143
Net Adjustments		$ 1,878,014	

EXPENSES	Current Budgets	Additions (Reductions)	Revised Budgets
Purchased Power - DLD	$ 38,406,939	$ (1,045,803)	$ 37,361,136
Transmission/Distribution	2,802,835	(39,904)	2,762,931
Electrical Engineering	1,540,996	(14,639)	1,526,357
Meter Reading	258,857	(8,912)	249,945
Merit Reserve	13,570	(13,570)	-
Retirees Health Care	415,635	(10,000)	405,635
Post Retirement Benefits Reserve	253,131	383,323	636,454
Interest on Deposits	25,000	5,000	30,000
Intrafund Service Fees	3,210,934	(18,224)	3,192,710
Other Appropriations:			
Improvement/Extension	1,630,000	2,500,000	4,130,000
Street Light	490,000	(490,000)	-
Rate Stabilization Reserve	-	491,922	491,922
Budget Balance - Working Capital	2,876,612	138,821	3,015,433
Net Adjustments		$ 1,878,014	

E. ELECTRIC I & E FUND

REVENUES	Current Budgets	Additions (Reductions)	Revised Budgets
Beginning Balance	$ 7,045,367	$ (1,498,258)	$ 5,547,109
Trsfr from Electric Rev Fund	1,630,000	2,500,000	4,130,000
Trsfr from Deprec. Reserve	1,891,815	1,134,698	3,026,513
Trsfr from Future Cap. Reserve	1,170,000	1,575,883	2,745,883
Net Adjustments		$ 3,712,323	

EXPENSES	Current Budgets	Additions (Reductions)	Revised Budgets
Budget Balance - Working Capital	$ 910,824	$ 3,712,323	$ 4,623,147
Net Adjustments		$ 3,712,323	

F. GENERAL FUND CONTINGENCY RESERVE

REVENUES	Current Budgets	Additions (Reductions)	Revised Budgets
Beginning Balance	$ 954,163	$ 21,636	$ 975,799
Net Adjustments		$ 21,636	

EXPENSES	Current Budgets	Additions (Reductions)	Revised Budgets
Budget Balance - Working Capital	$ 982,788	$ 21,636	$ 1,004,424
Net Adjustments		$ 21,636	

G. ELECTRIC I&E - DEPRECIATION RESERVE

REVENUES	Current Budgets	Additions (Reductions)	Revised Budgets
Beginning Balance	$ 15,188,096	$ 2,321,582	$ 17,509,678
Net Adjustments		$ 2,321,582	

EXPENSES	Current Budgets	Additions (Reductions)	Revised Budgets
Transfer to Impr. Ext. Fund	$ 1,891,815	$ 1,134,698	$ 3,026,513
Budget Balance - Working Capital	13,591,281	1,186,884	14,778,165
Net Adjustments		$ 2,321,582	

H. ELECTRIC I & E - FUTURE CAPACITY

REVENUES	Current Budgets	Additions (Reductions)	Revised Budgets
Beginning Balance	$ 10,529,665	$ 84,350	$ 10,614,015
Net Adjustments		$ 84,350	

EXPENSES	Current Budgets	Additions (Reductions)	Revised Budgets
Transfer to Impr. Ext. Fund	$ 1,170,000	$ 1,575,883	$ 2,745,883
Budget Balance - Working Capital	9,604,665	(1,491,533)	8,113,132
Net Adjustments		$ 84,350	

I. ELECTRIC I & E – INSURANCE RESERVE

REVENUES	Current Budgets	Additions (Reductions)	Revised Budgets
Beginning Balance	$ 722,268	$ (9,725)	$ 712,543
Net Adjustments		$ (9,725)	

EXPENSES	Current Budgets	Additions (Reductions)	Revised Budgets
Budget Balance - Working Capital	$ 744,268	$ (9,725)	$ 734,543
Net Adjustments		$ (9,725)	

J. TRANSPORTATION ENHANCEMENT GRANT

REVENUES	Current Budgets	Additions (Reductions)	Revised Budgets
General Fund - Hanson House (1)	$ 20,000	$ (20,000)	$ -
Net Adjustments		$ (20,000)	

EXPENSES	Current Budgets	Additions (Reductions)	Revised Budgets
Timothy Hanson House	$ 180,000	$ (20,000)	$ 160,000
Net Adjustments		$ (20,000)	

K. COMMUNITY TRANSPORTATION IMPROVEMENT FUND

REVENUES	Current Budgets	Additions (Reductions)	Revised Budgets
Beginning Balance	$ 116,349	$ 222,557	$ 338,906
Grant Revenue	500,000	250,000	750,000
Interest	-	1,500	1,500
Net Adjustments		$ 474,057	

EXPENSES	Current Budgets	Additions (Reductions)	Revised Budgets
Program Expenses	$ 866,349	$ 474,057	$ 1,340,406
Net Adjustments		$ 474,057	