

CITY OF DOVER

DRAFT OPERATING BUDGET

FOR
FISCAL YEAR 2005

“COMMUNITY EXCELLENCE THROUGH QUALITY SERVICE”

Published by:
Administrative Services Department
Teresa A. Tieman, Director

City of Dover

May 3, 2004

Honorable Mayor, Honorable Council President, and Members of City Council
City of Dover
Dover, DE 19901

Dear Mayor, Council President, City Council Members:

I am pleased to present the Fiscal Year 2004-2005 City of Dover Draft Operating Budget for your consideration and review. This budget reflects our firm commitment to efficiently deliver basic municipal services and to maintain and enhance the quality of life of our customers while sustaining the long-term fiscal health of the City.

The budget estimates total operating expenditures of \$91.1 million (excludes inter-fund transfers and current year balances). Our capital expenditure plan for Fiscal Year 2004-2005 totals \$7.8 million which includes \$631,716 in vehicular and equipment replacement.

This year's budget estimate was prepared during a time when the national economic environment is beginning to show signs of recovery, but was still not as favorable as in past years. Low interest rates have continued to reduce investment income. Higher health care costs have resulted in increased costs for health insurance. Poor performance in our pension plan resulted in increased pension contribution costs for the City. Although not a requirement at this time, the City continues to fund its unfunded retirement health care liability.

The budget provides sufficient revenues to pay for expenses, maintains fund balances and reserves according to our current financial policies, provides adequate monies for maintenance and improvements to our infrastructure, provides core customer services to our citizens, maintains a competitive compensation and benefits package for our employees, and requires no property tax increase. It also addresses the issues of brown water and increased costs associated with Kent County Sewer treatment.

This budget increases our workforce by four. We add an Assistant Finance Director, one new mechanic to Fleet Management, one GIS manager to Information Technologies, and one Engineering Fieldman to Electric Engineering. These positions were added to maintain service levels to our customers.

We are able to accomplish our goals through the receipt of two new revenue sources in the General Fund, by reducing expenses, by eliminating our declining block rate structure in water, by increasing wastewater rates 25 cents, and by adjusting the power cost adjustment to cover the cost of increased contractual power purchases. The fund summaries on pages 8-36 provide a complete overview of expenses and revenues including any rate increases for the various funds that make up our budget. They also highlight the major capital projects and operating programs planned.

As our Vision Statement says, "The City of Dover is a place where people want to live!". We are making this vision happen by providing our customers with highly efficient and superior quality service through City operations at fair and reasonable costs to the customers. We are confident that we will do well in the coming years. Dover is, and will continue to be, a place where people want to live!

Thanks and appreciation are extended to all the employees who helped prepare this budget. Special thanks go to Mrs. Donna Mitchell, Finance Director; Mrs. Teresa Tieman, Administrative Services Director; and Mrs. Julie Adams, Administrative Assistant, for their efforts in the preparation of this budget. Lastly, I want to thank the Mayor, Council President, and Council members for their continuous guidance and leadership in the City's budgetary issues.

Respectfully submitted,

Anthony J. DePrima
City Manager

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