

City of Dover

Fiscal Year 2020

Recommended Budget

Budget Highlights & Discussion Points

May 29, 2019

The Vision

The City of Dover is a place where people want to live! Through the team effort of its elected officials, employees, and citizens, Dover is a clean and safe community, with a future of balanced growth and opportunity where all citizens are heard, enjoy a high quality of life, and diversity is valued.

The Vision

...Dover is a clean and safe community, ...enjoy a high quality of life...

This budget document reflects a spending plan for FY20, that reestablishes critical service levels and starts a path towards enhanced maintenance of our infrastructure to support the City's taxpayers and citizens beyond FY20.

- This budget increases staffing to revitalize programs in Divisions that have fallen below prior service levels and have areas that have been subject to deferred maintenance. Such as ditch maintenance, streets, stormwater culverts, catch basins, vegetation/tree maintenance, building inspections and code enforcement.
- This budget considers the growth of the City over the past twenty years and provides enhanced service levels to support the growth in population, environmental and labor regulations, infrastructure and land mass.
- This budget continues with long range plans to address our aging facilities with a path towards a building replacements, parking improvements, park improvements and to upgrade HVAC systems in City facilities.
- Kicks off the public discussion on a Stormwater Utility to address stormwater infrastructure maintenance and operational requirements as required by Federal and State regulations for water quality and stewardship over the assets.

Mission – Planning for the Future

- Create economic opportunities – three prongs
 - ❖ New Business
 - ❖ Existing Business
 - ❖ Citizens of Dover and local communities with quality jobs

- City buildings and infrastructure
 - ❖ Address space and energy efficiencies
 - ❖ Address code compliance for City structures
 - ❖ Create opportunities to reduce operating cost and centralize staff

- Quality of Life and Collaboration with Partners
 - ❖ Restore Central Dover
 - ❖ Safe streets and neighborhoods
 - ❖ Cadet Program & School Resource Officers
 - ❖ Park amenities for families
 - ❖ Create opportunities for home ownership and affordable housing

- Utilities
 - ❖ Continue to address water quality
 - ❖ Continue to address aging water & wastewater infrastructure
 - ❖ Develop a stormwater strategy
 - ❖ Opportunities for partnerships in new generation technologies and renewables

Executive Summary

- General Fund
 - ✓ Property Tax Increase \$.035; \$1,111,500 additional receipts
 - ✓ Several new positions recommended to enhance service levels and quality
 - ✓ Addresses our challenges as provided in the FY19 Budget Overview and the January 25, 2019 Council Workshop
 - ✓ Development of a Stormwater Utility for FY21 consideration
- Water Utility – separate Fund for FY20
 - ✓ No proposed rate changes for FY20
 - ✓ Cost of service and rate design proposed to determine future revenue requirements for operations and capital maintenance
 - ✓ To be implemented in FY21
- Wastewater Utility – separate Fund for FY20
 - ✓ No City of Dover proposed rate changes for FY20
 - ✓ Kent County Treatment fee increase \$.24 per T/gal (10.3%)
 - ✓ Cost of service and rate design proposed to determine future revenue requirements for operations and capital maintenance
 - ✓ To be implemented in FY21
- Electric Fund
 - ✓ Cost of service and rate design analysis refreshed with recent energy and capacity contracts and decommissioning of McKee 3 during FY20
 - ✓ Continuation of PCA Credit (\$.00382)

Policy Compliance

- Revenue Policy
 - #7 – The City will project current revenues on a conservative basis so the actual revenues will consistently meet or exceed budgeted revenues. Revenues greater or less than the original budget will flow through to the audited Ending Budget Balance.
- Expenditure Policy
 - #2 – The City will adopt a balanced budget, by fund, for all funds maintained by the City, in which total anticipated revenues must equal or exceed the budgeted expenditures. The Beginning Budget Balance will not be considered a revenue source.
- Budget Balance Policy – General Fund
 - #1 – The City will strive to maintain a minimum Budget Balance, of at least 8% and no greater than 12% of the current year operating revenues for the General Fund, excluding the carry forward balance. (8.33% = 1 month, 12% = 45 days)
- Budget Balance Policy – Water Fund
 - #1 – The City will strive to maintain a minimum Budget Balance, of at least 8% and no greater than 17% of the current year operating revenues for the Water Fund, excluding the carry forward balance. (17% = 2 months)
- Budget Balance Policy – Wastewater Fund
 - #1 – The City will strive to maintain a minimum Budget Balance, of at least 8% and no greater than 17% of the current year operating revenues for the Wastewater Fund, excluding the carry forward balance. (17% = 2 months)
- Budget Balance Policy – Electric Fund
 - #1 – The City will strive to maintain a minimum Budget Balance, of at least 12% of the current year operating revenues for the Electric Fund, excluding the carry forward balance.

Policy Compliance as Recommended

	General Fund	Water Utility	Wastewater Utility	Electric Fund *
Revenues	\$45,063,700	\$6,544,000	\$9,276,800	\$84,968,800
Expenses	(43,601,200)	(5,679,500)	(8,674,200)	(77,899,400)
Capital Fund Transfers	(3,261,600)	(1,500,000)	(900,000)	(6,816,000)
Surplus/(Deficit)	(\$1,799,100)	(\$635,500)	(\$297,400)	\$253,400
Ending Budget Balance	\$3,749,800	\$851,500	\$741,300	\$10,927,700
% of Revenue	8.3%	13.0%	8.0%	12.9%
Beginning Budget Balance	\$5,548,900	\$1,487,000	\$1,038,700	\$13,548,100
Less PCA Credit				(2,873,800)
Adjusted Beginning Budget Balance				\$10,674,300

Revenue Policy	✓	✓	✓	✓
Budget Balance Policy	✓	✓	✓	✓
Expenditure Policy	✓	✓	✓	✓

* The Electric Fund Revenue does not include the distribution of prior fiscal year earnings, The FY19 Beginning Budget Balance is reduced \$2.9 million to rebate prior year revenues through a Power Cost Adjustment (PCA) credit;

City of Dover
Recap of Budget Review - Major Funds
Fiscal Year 2019/2020

	<u>2018/19</u> <u>APPROVED</u>	<u>2019/20</u> <u>REQUESTED</u>	<u>2019/20</u> <u>RECOMMENDED</u>
Operating Budgets			
Expenditures less Capital Transfers			
General Fund	\$42,804,900	\$44,480,300	\$43,601,200
Water Fund	5,036,300	5,707,000	5,679,500
Wastewater Fund	7,307,300	8,674,200	8,674,200
Electric Revenue Fund	<u>73,581,400</u>	<u>73,351,400</u>	<u>72,899,400</u>
Total Operating Budgets	\$128,729,900	\$132,212,900	\$130,854,300
Capital Budgets			
General Fund	\$3,794,400	\$5,880,200	\$4,904,000
Water Fund	4,515,300	2,314,600	1,520,100
Wastewater Fund	2,505,200	2,477,600	2,302,600
Electric Revenue Fund	<u>6,897,700</u>	<u>7,626,000</u>	<u>6,816,000</u>
Total Capital Budgets	\$17,712,600	\$18,298,400	\$15,542,700
Grand Total Major Funds	<u>\$146,442,500</u>	<u>\$150,511,300</u>	<u>\$146,397,000</u>

**City of Dover
Major Rate & Fee Trends**

GENERAL FUND	Actual 2010/11	Actual 2011/12	Actual 2012/13	Actual 2013/14	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19	Proposed 2019/20
Property Tax Rate Approved	\$0.3378	\$0.3378	\$0.3378	\$0.3378	\$0.3378	\$0.4050	\$0.4050	\$0.4050	\$0.4050	\$0.4400
Proposed Property Tax Rate Increase						\$0.0551				\$0.0350
Trash Fees (in City)	\$11.70	\$11.70	\$17.00	\$17.00	\$17.00	\$17.00	\$17.00	\$21.00	\$21.00	\$21.00
Trash Fees (outside City)	\$42.75	\$42.75	\$42.75	\$42.75	\$42.75	\$42.75	\$42.75	\$54.00	\$0.00	\$0.00
Transfer from Electric Utility	8.0%	8.0%	\$8 million	\$8 million	\$10 million	\$10 million	\$10 million	\$10 million	\$10 million	\$10 million
% of Electric Fund Revenues			8.3%	9.6%	12.5%	12.2%	12.3%	12.2%	12.2%	11.8%
% of General Fund Revenues			22.3%	22.5%	25.7%	23.9%	23.7%	23.4%	23.4%	22.1%
Transfer from Water/Wastewater Utility	0.0%	4.5%	\$500,000	\$500,000	\$500,000	\$850,000	\$875,000	\$900,000	\$1,000,000	\$1,000,000
% of Water/Wastewater Fund Revenues			3.7%	3.6%	3.4%	5.7%	5.7%	5.8%	5.8%	6.3%
% of General Fund Revenues			1.4%	1.1%	1.3%	2.0%	2.1%	2.1%	2.1%	2.2%
WATER/WASTEWATER FUND										
Water per 1,000 gal	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Water per 1,000 gal (Outside City)	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50
Water Customer Charge	\$1.25	\$1.25	\$1.25	\$1.25	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50
Wastewater per 1,000 gal. Charge	\$2.65	\$2.65	\$2.65	\$2.65	\$2.65	\$2.65	\$2.65	\$2.65	\$2.65	\$2.65
Wastewater per 1,000 gal (Outside City)	\$3.98	\$3.98	\$3.98	\$3.98	\$3.98	\$3.98	\$3.98	\$3.98	\$3.98	\$3.98
Wastewater Customer Charge	\$1.25	\$1.25	\$1.25	\$1.25	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50
Kent County Sewer Treatment Fee - Rate set by County	\$2.34	\$2.34	\$2.34	\$2.34	\$2.34	\$2.34	\$2.34	\$2.34	\$2.34	\$2.58
Kent County Sewer Adjustment (I & I flows)	\$1.05	\$1.05	\$1.05	\$1.05	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50
ELECTRIC FUND										
Residential Rates	\$0.1407	\$0.1364	\$0.1316	\$0.1204	\$0.1204	\$0.1203	\$0.1203	\$0.1203	\$0.1206	\$0.1206
Increase %	-3.0%	-3.1%	-3.5%	-8.5%	0.0%	-0.1%	0.0%	0.0%	0.2%	0.2%
Power Cost Adjustment							(\$0.00252)	(\$0.00855)	(\$0.00382)	(\$0.00382)
Electric Fund Customer Charge	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$7.50	\$7.50	\$7.50	\$8.46	\$8.46
Reconnect Fees	\$50 - \$100	\$50 - \$100	\$50 - \$100	\$50 - \$100	\$50 - \$100	\$50 - \$100	\$50 - \$100	\$50 - \$100	\$50 - \$100	\$50 - \$100
Return Check Fees	\$25	\$25	\$25	\$25	\$25	\$40	\$40	\$40	\$40	\$40

Major Operating Funds

Personnel

- Consideration given to staffing request
- Pay increases and progression steps in accordance with collective bargaining agreements; Non-Bargaining increases of 3% include
- No health care premium increase at the time of budget preparation
- Reduction in General Fund OPEB contributions – decreased overall budget \$1.1M
- Employee contract changes –
 - Education Assistance Request FY19 \$216,800 FY20 \$94,300
 - Vacation Sell Back Request FY19 \$348,600 FY20 \$17,900
 - In the past, these monies were budgeted in other employment expense, FY20 they are budgeted in the personnel budget. FY20 = \$112,200
- Retirement payouts are recommended to be absorbed by attrition and new hires put on hold until such time the budget will cover the position. Exceptions will be reviewed by the City Manager, Controller/Treasurer and Department Head.

Personnel Request

<u>REQUESTED STRATEGIC POSITIONS</u>			<u>RECOMMENDED STRATEGIC POSITIONS</u>		
<u>DEPARTMENT</u>	<u>POSITION</u>	<u>SALARY/BENEFITS</u>	<u>DEPARTMENT</u>	<u>POSITION</u>	<u>SALARY/BENEFITS</u>
GROUND	LABORER II STEP 1	\$ 50,900.00	GROUND	ARBORIST STEP 1	\$ 59,300.00
GROUND	ARBORIST STEP 1	\$ 59,300.00	CODE ENFORCEMENT	CE INSPECTOR I STEP 1	\$ 56,900.00
LIBRARY	LIBRARIAN I	\$ 60,300.00	INSPECTIONS	BLD INSPECTOR I STEP 1	\$ 56,900.00
	LESS: LIBRARY ASSISTANT	\$ (51,400.00)	STREETS	SW MOTOR EQUIPMENT OPERATOR I STEP 1	\$ 49,400.00
RECREATION	PLAYGROUND LEADER I (1)	\$ 10,500.00	STREETS	S MOTOR EQUIPMENT OPERATOR II STEP 1	\$ 54,000.00
RECREATION	PLAYGROUND LEADER I (2)	\$ 10,500.00	STREETS	SW MOTOR EQUIPMENT OPERATOR II STEP 1 (1)	\$ 54,000.00
LIFE SAFETY	LS INSPECTOR I STEP 1	\$ 56,900.00	STREETS	S SIGN/STREET PAINTER STEP 1	\$ 54,000.00
CODE ENFORCEMENT	CE INSPECTOR I STEP 1	\$ 56,900.00	STREETS	SW EQUIPMENT OPERATOR III STEP 1	\$ 57,200.00
PLANNING	PLANNER I	\$ 55,300.00	CITY MANAGER	GRANT WRITER	\$ 61,200.00
PLANNING	OFFICE ASSISTANT I	\$ 44,300.00	HUMAN RESOURCES	HUMAN RESOURCES COORDINATOR	\$ 73,200.00
INSPECTIONS	BLD INSPECTOR I STEP 1	\$ 56,900.00	MAYOR	ADMINISTRATIVE ASSISTANT	\$ 51,000.00
STREETS	SW MOTOR EQUIPMENT OPERATOR I STEP 1	\$ 49,400.00	POLICE CIVILIAN	SEU ADMIN ASSISTANT	\$ 49,800.00
STREETS	S MOTOR EQUIPMENT OPERATOR II STEP 1	\$ 54,000.00	PW ADMIN	MOTOR EQUIPMENT OPERATOR II STEP 1 (1)	\$ 51,400.00
STREETS	SW MOTOR EQUIPMENT OPERATOR II STEP 1 (1)	\$ 54,000.00			
STREETS	SW MOTOR EQUIPMENT OPERATOR II STEP 1 (2)	\$ 54,000.00	Count = 13		\$ 728,300.00
STREETS	S SIGN/STREET PAINTER STEP 1	\$ 54,000.00			
STREETS	SW EQUIPMENT OPERATOR III STEP 1	\$ 57,200.00			
SANITATION	SAN MOTOR EQUIPMENT OPERATOR III STEP 1	\$ 57,800.00			
CITY MANAGER	GRANT WRITER	\$ 61,200.00			
HUMAN RESOURCES	HUMAN RESOURCES COORDINATOR	\$ 73,200.00			
MAYOR	ADMINISTRATIVE ASSISTANT	\$ 51,000.00			
POLICE CIVILIAN	SEU ADMIN ASSISTANT	\$ 49,800.00			
POLICE	(1) PD OFFICERS	\$ 73,300.00			
POLICE	(2) PD OFFICERS	\$ 73,300.00			
POLICE	(3) PD OFFICERS	\$ 73,300.00			
POLICE	(4) PD OFFICERS	\$ 73,300.00			
PW ADMIN	SW MOTOR EQUIPMENT OPERATOR I STEP 1	\$ 51,400.00			
Count = 24		\$ 1,370,600.00			

Personnel Budget Summary

Fiscal Year 2019/2020 Recommended Budget Personnel Recap

	Budget Fiscal Year 2018/2019	Base Budget Fiscal Year 2019/2020	Requested Fiscal Year 2019/2020	Recommended Fiscal Year 2019/2020	FY18/19 vs. FY19/20	% Change
Base Pay	\$ 21,756,000	\$ 22,911,100	\$ 24,278,300	\$ 23,462,100	\$ 1,706,100	7.8%
Overtime	909,200	988,900	1,021,600	995,100	85,900	9.4%
Part-time Labor	825,000	808,800	858,500	839,100	14,100	1.7%
Total Labor Cost	23,490,200	24,708,800	26,158,400	25,296,300	1,806,100	7.7%
FICA	1,792,100	1,888,800	2,000,200	1,934,100	142,000	7.9%
Medical	4,367,400	4,463,300	4,912,100	4,625,500	258,100	5.9%
Life & Disability Ins.	98,200	105,800	113,600	109,100	10,900	11.1%
Worker's Compensation	917,300	974,300	1,019,200	989,900	72,600	7.9%
Education Assistance	-	119,900	94,300	94,300	94,300	n/a
Pension	4,398,300	4,613,700	4,725,300	4,661,600	263,300	6.0%
OPEB	2,296,500	1,153,100	1,227,700	1,184,200	(1,112,300)	-48.4%
Total Benefit Cost	13,869,800	13,318,900	14,092,400	13,598,700	(271,100)	-2.0%
Total Personnel Cost	\$ 37,360,000	\$ 38,027,700	\$ 40,250,800	\$ 38,895,000	\$ 1,535,000	4.1%
Increase over FY19		\$ 667,700	\$ 2,890,800	* \$ 1,535,000		

* Of the Recommended Budget is approximately \$719,900 for new positions with the remainder being pay increases or 3.3% of the Base Pay increase

By Fund

General Fund	\$ 29,506,700	\$ 29,718,400	\$ 31,941,500	\$ 30,585,700
Water & Wastewater Utilities	2,752,300	3,004,900	3,004,900	3,004,900
Electric Fund Utility	4,981,000	5,210,900	5,210,900	5,210,900
Grant Funds	120,000	93,500	93,500	93,500
	\$ 37,360,000	\$ 38,027,700	\$ 40,250,800	\$ 38,895,000

By Fund Increase over FY19

General Fund	\$ 211,700	\$ 2,434,800	* \$ 1,079,000
Water & Wastewater Utilities	\$ 252,600	\$ 252,600	\$ 252,600
Electric Fund Utility	\$ 229,900	\$ 229,900	\$ 229,900
Grant Funds	\$ (26,500)	\$ (26,500)	\$ (26,500)

* Included in the General Fund Recommended Budget is \$402,800 of personnel cost related to the Stormwater Division

Major Fund Highlights

Fiscal Year 2019/2020 Budget Hearing
May 29, 2019



City of Dover Budget Fiscal Year 2019-2020

General Fund

General Fund

Public Safety, General & Community Services

Police * Fire * Life Safety * Code Enforcement
Planning * Public Inspections * Library * Recreation
Streets * Stormwater * Sanitation * Tax Assessor

Support Services for all City Operations

Mayor * City Council * City Clerk * City Manager
Finance * Customer Service * Human Resources
Information Technology * Procurement & Inventory
Public Works Administration * Grounds
Facilities Management * Fleet Maintenance

General Fund Revenues

- Revenue increased as compared to the FY19 Original Budget
 - \$1,084,200 or 2.5%
- Major increases affecting revenues
 - Property Tax increase at \$.035, \$1,111,500
 - Property Tax increase related to new construction \$211,300
 - Interfund Service Receipts \$109,800
 - Court of Chancery Fees \$35,500
 - Transfer Taxes \$65,700
 - Civil Traffic Penalties \$35,900
 - Police Extra Duty \$55,000 (*Corresponding increase in expense*)
- Major decreases affecting revenues
 - Fines & Police Revenues \$174,200
 - Kent County Book Reimbursement \$25,000
 - Permits and Inspections \$245,000
 - Franchise Fees \$40,600
 - Rent & Investment Income \$36,700
 - Grants \$46,000

General Fund Expenditures

- Expense increase over FY19 Original Budget
 - \$1,044,100 or 2.3%
- Major increases/(decreases) affecting expenditures
(see Division summaries for details)
 - Transfer to the Capital Project Fund \$247,800
 - Includes \$936,000 Street Program
 - No FY19 General Fund Street Program due to PWII Clean Up
 - Wages & Benefits \$1,079,000
 - Added positions and new Stormwater Division
 - Tax Assessor – Reassessment Contract \$150,000
 - Recreation – Temp Help hours and contractual service
 - Life Safety – Decrease in Ambulance Services (\$130,000)
 - Police – Wages & Benefits \$501,500
 - Streets – Decrease (\$598,500) transfer to Stormwater (see wages & benefits)
 - Stormwater – Increase \$859,000 for new Division (see wages & benefits)
 - Public Works/Engineering – Silver Lake Emergency Action Plan \$175,700
 - Fleet Maintenance – Adjusted to cover Police Vehicles and creation of Supervisor position approved during FY19 \$218,700
 - Customer Service (\$129,600) staff reduction
 - Other Employment Expenses (\$500,000) Reduction in vacation sell back & payouts
 - Uncollectible Receivable Write Offs – (\$100,000) Reserve balance sufficient
 - Transfer to Capital Project Fund \$247,800

Property Taxes

PROPERTY ASSESSMENT PROJECTION

2015 BASE YEAR

TAXABLE ASSESSED VALUE AS OF JANUARY 9 2019		\$ 3,210,031,900
Annual Appeals (Exemption Requests that have been submitted)	Estimate Only	(6,172,900)
Annual Appeals Estimate of Appeals (will have a better estimate by end of April 2019-when appeals are filed)	Estimate Only	(8,000,000)
Added Assessment (Supplemental Bill for April plus open permits)	Estimate Only	2,000,000
Senior Citizen/Disability Exemption (approx 425 approved; revenue loss \$89,100-based on .405/\$100 tax rate)	Estimate Only	(22,000,000)
TOTAL TAXABLE ASSESSED VALUE		\$ 3,175,859,000

BID ASSESSMENTS

BID1	\$42,512,800
BID2	\$69,841,400
BID3	\$41,864,100

CITY OF DOVER PROJECTED PROPERTY TAX RECEIPTS ACCRUAL METHOD OF ACCOUNTING 7/01/19 - 6/30/20

Using a tax of \$0.440 per \$100 of assessment, the estimated gross 7/01/19 billing will be:	\$ 13,973,700.00
Penalties	70,000.00
Estimated Quarterly Billing	<u>28,000.00</u>

PROJECTED PROPERTY TAX RECEIPT SUBTOTAL **\$ 14,071,700.00**

PROJECTED BID RECEIPT TOTAL

<u>Pay In Lieu of Taxes</u>	
Luther Towers; State of Delaware; Milford Housing; Delaware State Housing; Dower Housing Authority; Whatcoat Village; Del State Housing (Liberty Court)	525,000.00

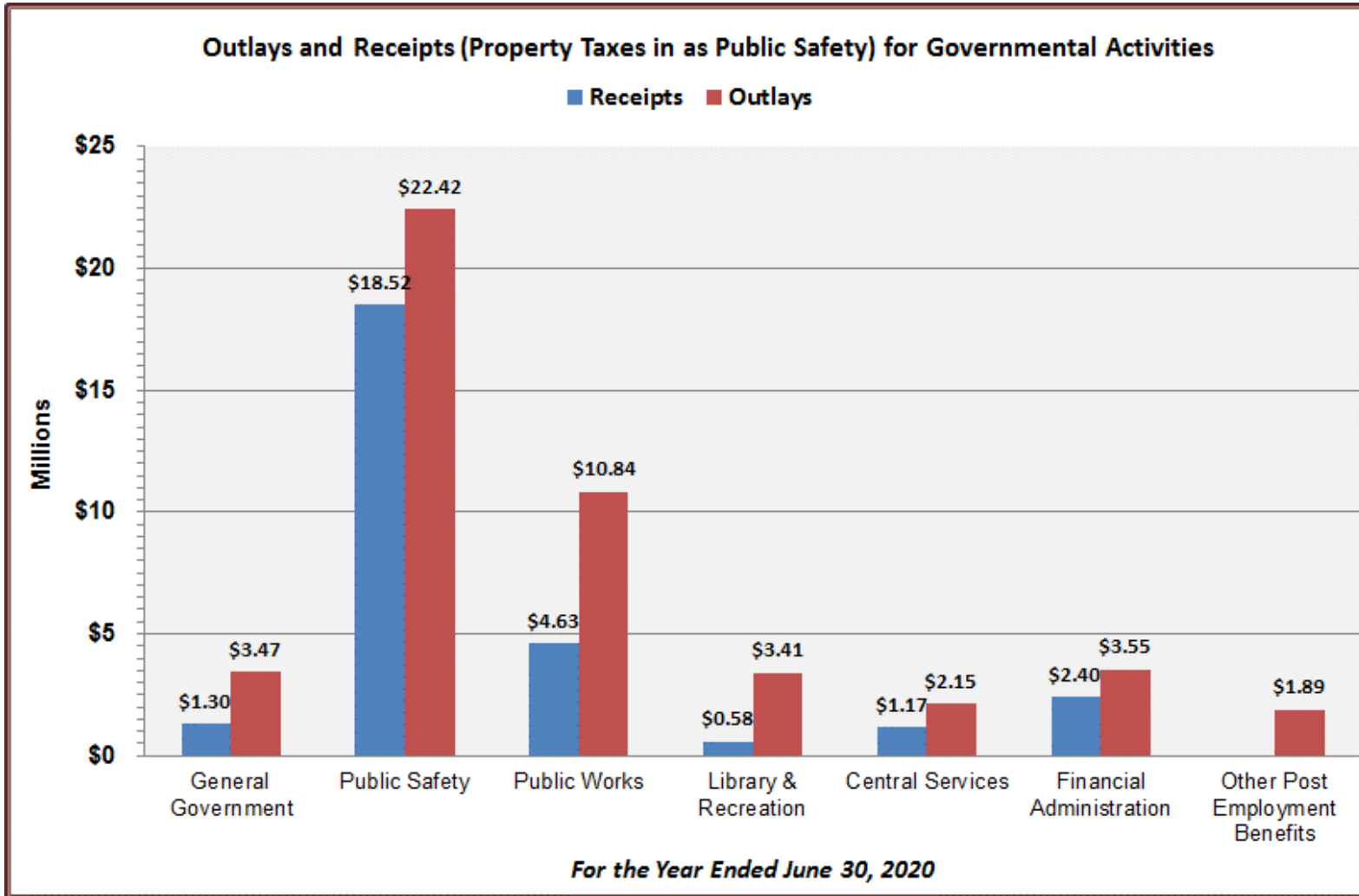
PROJECTED PROPERTY TAX RECEIPTS FOR FY 2017 **\$ 14,596,700.00**

\$0.01 of tax \$ 317,585.90

**Municipal
Tax Assessment and Calculation Survey
5/2/2019**

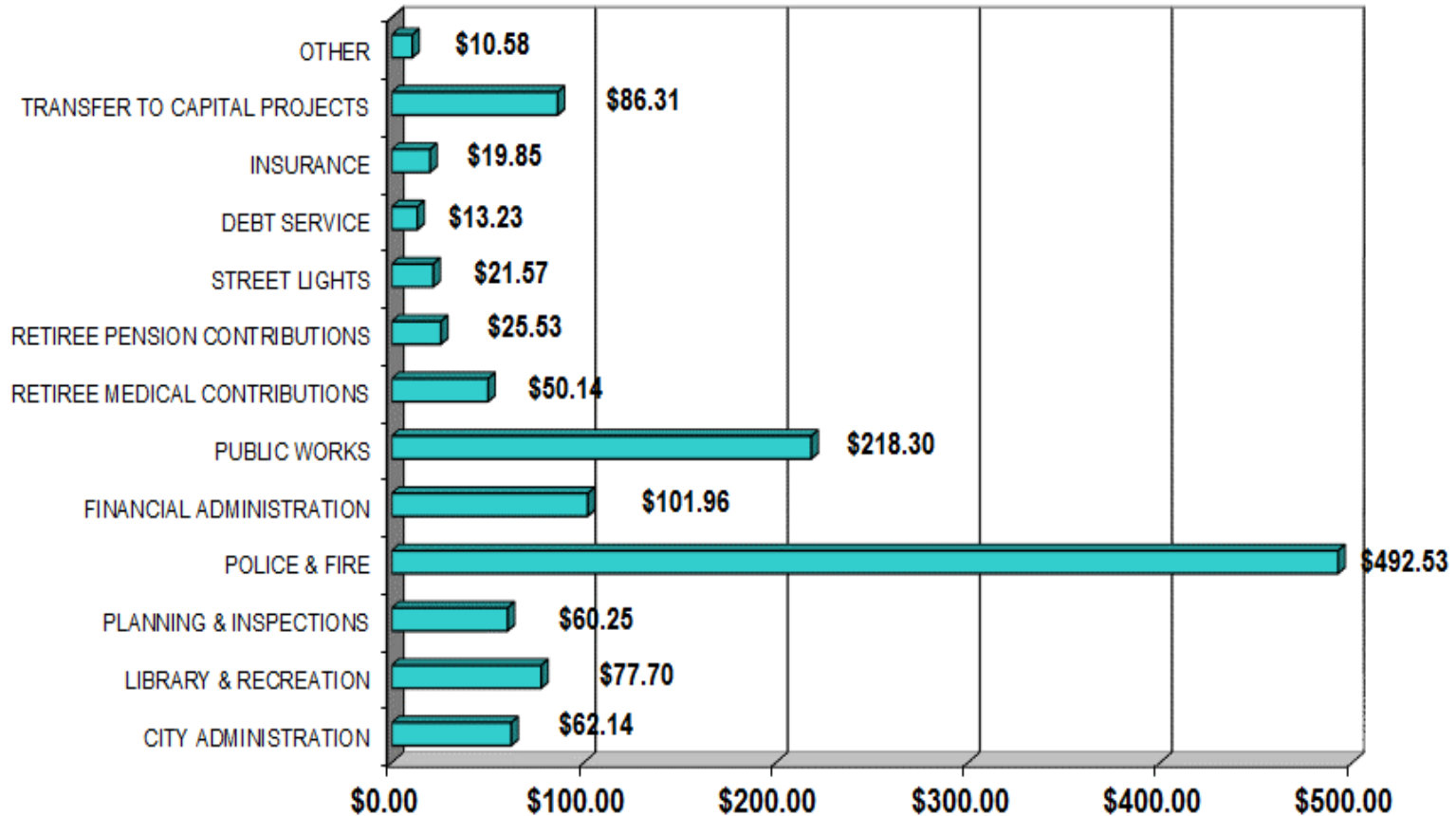
Municipality	Assessed Value of all taxable property within incorporated limits	Average Residential Assessed Value	Tax Billing for Average Residential Assessed Value	Tax Rate	Comments	Dover Proposed Tax Rate
						\$0.44
Dagsboro	\$47,365,622	\$77,776.06	\$472.06	.56 per \$100/Assessed value (100%)	We utilize our own tax assessor - not county values - each year those properties that are improved will be reassessed	\$342.21
Delaware City	\$65,708,018	\$48,000.00	\$523.20	1.19 per \$100 of assessed value		\$211.20
Dover	\$3,260,797,900	\$141,500.00	\$573.08	.405 per \$100/Assessed Value (100%)	Taxable property = all property - exemptions and farm land. (senior citizen/disability exemptions and Abatements have not been subtracted from this number) Last City Wide Reassessment was 2015	\$622.60
Elsmere	\$118,595,709	\$42,395.49	\$447.95 base tax \$347.32 Mill Rate for a total of \$795.27	A base tax of 447.95 is applied then a Mill Tax of .875 per 100	New Castle County Assessed value is used. Last re-assessment was in 1983.	\$186.54
Fenwick Island	\$36,463,440	\$40,888.00	\$815.48	\$1.92/\$100 assessed value	Assessed value = 50% Appraised Value. Last Assessment was 1976. New assessment is underway. Preliminary estimate for total assessed value is \$401,346,520. No formal or informal appeals have been made.	\$179.91
Georgetown	\$50,694,823	\$16,950.00	\$537.32	\$3.17 per \$100/Assessed value	Sussex County assessed value is used. The assessment is 50% of a 1974 appraised value.	\$74.58
Harrington	\$102,740,450	\$59,500.00	\$630.70	1.06 per \$100/Assessed value (100%)	Kent County assessed value is used. Last assessment for Kent County was 1987.	\$261.80
Henlopen Acres	\$13,719,926	\$59,028.63	\$1,546.55	2.62 per \$100/Assessed Value	Based on Sussex County Assessment	\$259.73
Laurel	\$38,572,892	\$19,500.00	\$550.00	2.87 per \$100/Assessed Value	Sussex County Tax Assessment 1974	\$85.80
Milford	\$1,087,030,059	\$95,666.60	\$440.07	.46 per \$100/Assessed Value (100%)	Charter requires city wide reassessment every 10 years; last performed FY12 therefore current values are based on FY12; Quarterly assessments performed when there are qualifying property changes.	\$420.93
Millville	\$100,151,800	\$50,302.26	\$251.52	\$0.50 per \$100 of Sussex County's Assessed Value	As of 5/1/19 for our FY '20. Sussex County's Assessed values are used. Includes both improved and unimproved properties.	\$221.33
Newark	\$861,694,282	\$74,648.00	\$600.32	\$0.8042 per \$100/Assessed value	As of 4/1/2019. Tax rate effective 7/1/2019. Based on New Castle County property assessments from 1983. Gross assessment is \$1,563,660,720. 45% of Newark gross assessment is exempt.	\$328.45
New Castle	\$290,188,550	\$43,804.00	\$525.64	\$1.20 per \$100/assessed value	New Castle County value is used. Last re-assessment was in 1983	\$192.74
Newport	\$55,416,136	\$38,000.00	\$405.00	\$1.0712 per \$100/Assessed Value	We use NCC assessment rolls. NCC tax rolls note exemptions that we do not count, so taxable property figure is loosely accurate.	\$167.20
Ocean View	\$866,057,908	\$497,483.00	\$641.93	\$0.2478 per \$100 of Assessed Value	1. OV Charter requires a full reassessment every 5 years - current property taxes are based on an assessment done in late 2017. 2. Residential value includes both improved and unimproved properties.	\$2,188.93
Selbyville	\$32,400,868	\$16,500.00	\$305.25	\$1.85 per \$100/Assessed value	Sussex County assessed value is used. The assessment is 50% of a 1974 appraised value.	\$72.60
Smyrna	\$1,070,841,344	\$170,000.00	\$714.00	.42 per \$100/Assessed value (100%)	Smyrna, last assessment was 2006.	\$748.00
South Bethany	\$40,259,950	\$30,356.02	\$394.63	\$1.30 per \$100/Assessed Value	Sussex County Assessment - 1974	\$133.57

FY20 Proposed Budget - General Fund Program Receipts & Expenditures



FY 2020 ANNUAL OPERATING BUDGET - DOVER, DELAWARE

PROJECTED COST PER CAPITA BY FUNCTION Fiscal Year 2019-2020



Total per capita based on population estimate of 37,790 = \$1,240.08

General Fund

Capital Investment Plan

Fiscal Year 2020 - 2024

Parks & Recreation

Update on Master Plans & Maintenance Crew Activities

City Parks & Open Space

- Acorn Farms Open Space
- Bicentennial Playground
- City Hall Plaza
- Constitution Park
- Continental Park
- Dover Park
- Dover Street Park
- Fox Hall Open Space
- The Green
- The Hamlet Open Space
- The Hamlet Park
- Heatherfield East Park
- Holden Park
- Kent Road & Rt. 8 Open Space
- Kirkwood Street Park
- Mallard Pond Park
- Mary Street Park
- Mayfair Park
- Memorial Park
- Millcreek Park
- Orville Myers Park
- Richardson Park
- Saulsbury Park
- Schutte Park
- Silver Lake Park
- Turner Drive Park
- Westfield Park
- Westwind Meadows
- Williams Park
- Woodbrook Park

Note – Mowing and litter collection will still be performed by Grounds Division

Schutte Park Master Plan - 2017

- Capital Investment Plan \$9,217,000
 - Phase I 2018 - \$3,897,000
 - Parking lot, trail construction, trail lighting, tree planting, and stormwater management facilities
 - Phase II 2019 - \$2,793,000
 - Athletic turf fields and additional lighting around the fields
 - Phase III 2021 - \$1,863,000
 - Additional parking lot and trail improvements, addition of a new bathroom facility
 - Phase IV 2023 - \$664,000
 - Skate park and pavilion improvements based on available construction data and size of skate park

Dover Park Master Plan - 2018

FINAL PREFERRED CONCEPT - DOVER PARK CAPITAL IMPROVEMENT LIST				
Phase 1 (0-5 yrs.)				
Phase	Quantity	Improvement	Approximate Unit Cost	Total Cost
Pathways, Trails, and Circulation				
1	0.75 Miles	Asphalt Paved Trail	\$45,000 per 1/4 mile	\$135,000
1	0.25 Miles	Gravel/crushed stone trail (8' wide)	\$15,000 per 1/4 mile	\$30,000
1	5	Park Entrance Enhancements	\$7,000 each	\$35,000
sub-total				\$200,000
Athletic Facilities				
1	3	Resurface Tennis Courts	\$10,000 each	\$30,000
1	2	Resurface Basketball Courts	\$10,000 each	\$20,000
sub-total				\$50,000
Vegetation Management				
1	6	Clearing Undergrowth	\$8,000 per acre	\$60,000
1	5	Remove Large Specimen Trees	\$3,000 each	\$15,000
sub-total				\$75,000
Park Security				
1	3	Security Cameras	\$7,500 camera + \$7,500 pole	\$45,000
sub-total				\$45,000
Total Improvements				\$370,000
Estimated Engineering costs (15%)				\$60,000
5 year maintenance costs (includes current costs)				\$70,000
Approximate Phase I Cost				\$500,000

Menu of Potential Additional Improvements	
Splash Pad (accommodates 20-30 Kids)	\$250,000
Can-Do Playground	\$195,000
Indoor Classroom with Restrooms	\$165,000
Linear Skate Obstacles (1000 SF)	\$65,000
Nature Play Area	\$40,000
Community Garden (with fence)	\$35,000
Park benches (10)	\$20,000
Pond Enhancement/Enjoyment Area	\$20,000
Wildlife enhancements (i.e. birdhouses, bat boxes, view scopes)	\$6,000
Fix and Maintain Frisbee Golf Course	\$6,000

Anticipated Available Funding Phase 1	
FY 2018-2019	\$140,000
FY 2019-2020	\$125,000
FY 2020-2021	\$125,000
FY 2021-2022	\$125,000
FY 2022-2023	\$125,000
total	\$640,000

Dover Park Master Plan – 2018

HIGH PRIORITY FACILITIES

Short Term (0-5 years) Element Sections	
Element	Description
Paved Loop Trail System	Public feedback favored a loop trail system but there was concern for the amount of asphalt trails and disturbance within the wooded areas. For the final concept, an ADA accessible asphalt loop trail was selected with crushed stone/gravel secondary connection trails. The asphalt trail from the main entrance to the existing playground was eliminated, the main trail in the evergreen forest was moved along the perimeter to minimize forest impacts, and the alignment within the hardwood forest was adjusted to use the existing abandoned asphalt area and avoid crossing the ditch. Potential for bicycle racks, fitness stations, benches, etc. to be added along trail and at intersections.
Resurface Existing Courts	Public feedback encouraged preserving and enhancing existing facilities within the park. Resurface and repaint existing tennis courts (3) and basketball courts (2). Repaint tennis court lines to include pickleball. Repair or replace broken nets, if any.
Park Entrances and Enhancements	Due to the amount of vegetation clearing for a new parking lot and an asphalt trail from Acorn Lane and the park currently having adequate parking, the parking lot addition was not selected for final design. A pedestrian access point and crushed/stone trail was selected to provide access from Acorn Lane to minimize environmental impacts. Similar trail treatments were selected for access points from Mapleton Square and Manchester Square. Trim and remove of vegetation around entrances and on fencing to improve visibility to park. Replace main entrance sign. Add smaller park signs for all other entrances.
Vegetation Management	This action is a top priority for safety and better utilization of the park. Thinning of undergrowth and clearing of invasive vegetation near the existing entrances, all proposed entrances, along proposed trails and through the middle of the park to improve user visibility.
Security Camera	At least three security cameras funded, placed and monitored by Dover Police Department.

Parks – Capital Investment Plan

		<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>Total</u>
Project							
Schutte Park - Master Plan	PR1402	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$375,000
Dover Park - Master Plan	PR1701	125,000	125,000	125,000	125,000	-	500,000
Park & Playground Improvement Program	PR2001	66,000	-	66,000	-	66,000	198,000
Small Park Improvements	PR2003	15,000	15,000	15,000	15,000	15,000	75,000
Dover Park - Can Do Park	PR2002	195,000	-	-	-	-	195,000
Dover Park - Splash Pad & Bathrooms	PR2100	-	310,000	-	-	-	310,000
Silver Lake Park - Master Plan	PR2101	-	70,000	80,000	-	-	150,000
Total Project Cost		\$476,000	\$595,000	\$361,000	\$215,000	\$156,000	\$1,803,000
Funding Sources							
General Fund		\$248,000	\$250,000	\$288,000	\$215,000	\$123,000	\$1,124,000
Parkland Reserve		-	-	-	-	-	-
State Grant		33,000	35,000	73,000	-	33,000	174,000
Grants & Donations		195,000	310,000	-	-	-	505,000
Total Funding Sources		\$476,000	\$595,000	\$361,000	\$215,000	\$156,000	\$1,803,000

Discussion Items

- Recreation Needs Assessment approved in August 2015
 - Surveys received = 506
- Schutte Park Master Plan
 - Developed by in-house staff throughout 2016, including a public workshop on July 20, 2016
- Dover Park Master Plan
 - Surveys received = 34 (*27% in walking distance*)
 - Optional Amenities
 - Prioritization and funding of park improvements
- Dog Parks



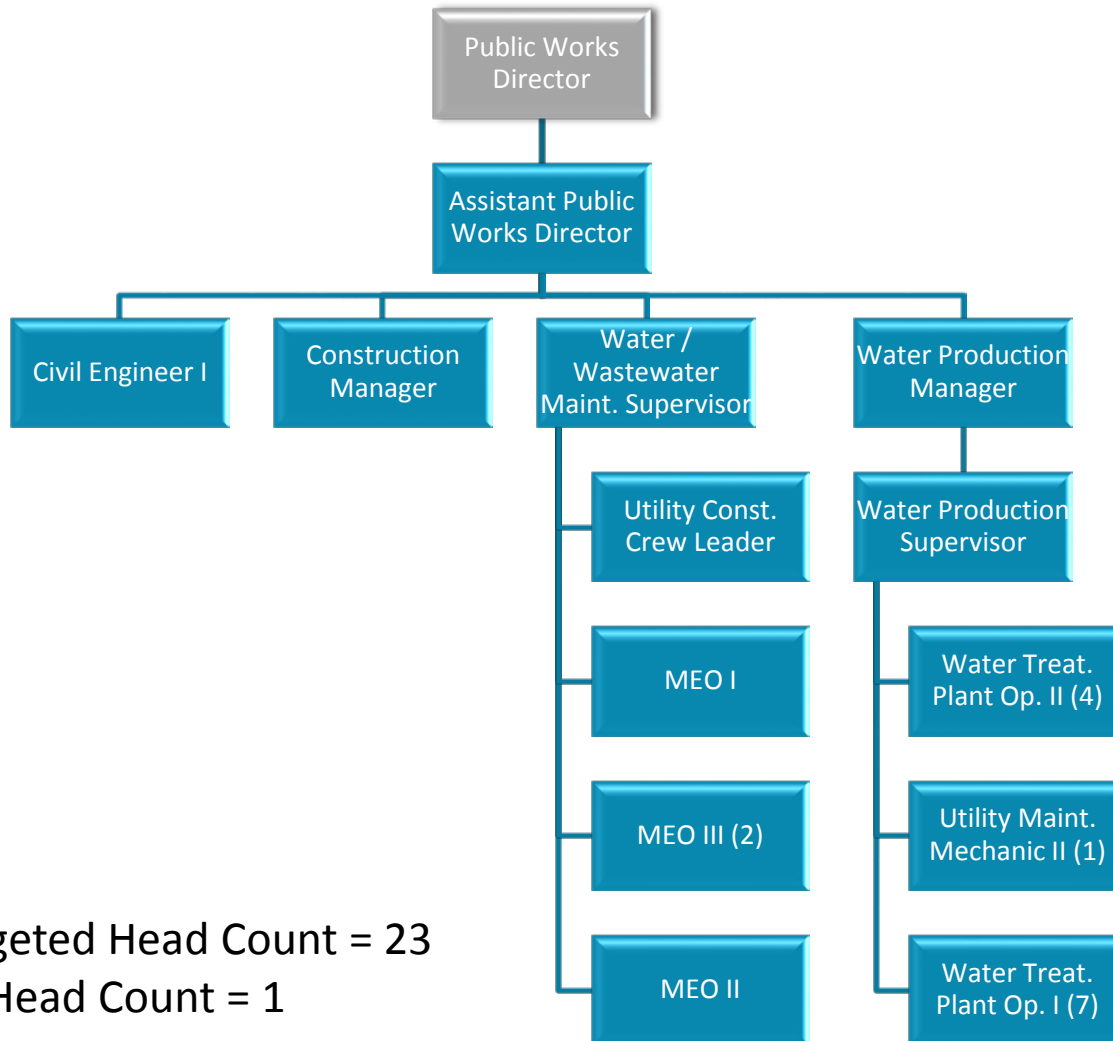
City of Dover Budget Workshop Fiscal Year 2019-2020

Water & Wastewater Funds

Water Fund Operations

- Accomplishments in FY19
 - Completed Water / Wastewater Rate Study.
 - Established and filled Water Production Manager position.
 - Established and filled Assistant Public Works Director position.
 - Filled all vacancies within Water Fund Divisions.
 - Completed Lead & Copper Rule sampling and reporting.
 - Completed Delaware Drinking Water Needs Assessment System Report.
- Accomplishments planned in FY20
 - Increase head count by one (1) for additional Civil Engineer I.
 - Completion of Unregulated Contaminant Monitoring Rule Phase 5 sampling and reporting.
 - Completion of integrating water meters geospatially into GIS.
 - Completion of allocation permit renewal through DNREC.
 - Integration of new billing and work order system with Tyler Munis.

DPW Water Fund Org Chart



Total Budgeted Head Count = 23
Strategic Head Count = 1

Water Fund Budget

- Revenue decrease over FY19 Original Budget \$236,800 or -3.5%
- Expense increase over FY19 Original Budget \$343,200 or 5.0%
- Major increases/(decreases) affecting revenues
 - Water/Wastewater Service fees (\$366,600) due to lower usage
 - Impact Fee increase \$120,000 based on average trend of permits
- Major increases/(decreases) affecting expenses
 - Transfer of Assistant Public Works Director from the General Fund Budget to the Water Fund
 - Increase in materials and supplies for chemicals and well house repairs
 - Increase in contractual services for Water Tank painting
 - Increased debt service attributed to funding projects with State Revolving Fund loans \$239,500
 - Interfund Services \$170,300 attributed to allocations
 - Capital Project Appropriation reduction (\$300,000)

Planning for the future - Water

- Implementation of cost of service rates and modeling
 - Public workshops July – December 2019, with proposed changes presented to City Council in January 2020. (Tentative timing)
- Customer Service enhancements
 - Advance Metering Infrastructure (AMI)
 - Roll out of new billing system with Tyler Munis
 - Continue water quality improvements with flushing program and water main replacements
- Capacity improvements
 - Evaluating future well installation
 - Denney's Road Water Tower

Water Capital Investment Plan

CAPITAL PROJECTS	Revised 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	5 Yr Projctd Total
<u>Water, Water Construction & Water Treatment</u>							
Vehicles & Equipment - Water	\$ 160,800	\$ 70,300	\$ 267,300	\$ 115,000	\$ 64,400	\$ -	\$ 517,000
Meter Reading - Radio Read Meters (Split W/WW 50%)	-	-	350,000	350,000	-	-	700,000
Economic Develop Prog	25,000	-	-	-	-	-	-
N. State Street Water Main Replacement	90,000	-	-	-	-	-	-
Denney's Road (Water Tower?) - Design	-	-	84,000	1,495,000	1,495,000	-	3,074,000
Bulk Water Station - William Street	42,400	-	-	-	-	-	-
Future Well Installation	-	-	687,000	687,000	-	-	1,374,000
Wellhead Redevelopment	90,000	75,000	75,000	75,000	75,000	75,000	375,000
Water Quality Improvements	294,900	773,000	1,050,000	1,092,000	980,000	1,264,800	5,159,800
Emergency Repairs - line breaks	88,000	85,000	85,000	85,000	85,000	85,000	425,000
Treatment Plant Improvements	6,468,200	516,800	-	-	-	-	516,800
Total Water	\$ 7,259,300	\$ 1,520,100	\$ 2,598,300	\$ 3,899,000	\$ 2,699,400	\$ 1,424,800	\$ 12,141,600

FUNDING SOURCES	Revised 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	5 Yr Projctd Total
I & E Fund Budget Balance - Water	\$ 5,672,600	\$ 4,298,700	\$ 4,319,500	\$ 3,260,200	\$ 1,909,900	\$ 1,954,700	
Transfer from Operating Fund - Water	1,800,000	1,500,000	800,000	1,000,000	1,200,000	1,500,000	6,000,000
Transfer from Impact Fee Reserve - Water	40,400	30,900	729,000	43,700	39,200	50,600	893,400
State Loan Fund - Water	4,000,000	-	-	1,495,000	1,495,000	-	2,990,000
Interest Income - Water	45,000	10,000	10,000	10,000	10,000	10,000	50,000
Total Funding Sources - Water	\$ 5,885,400	\$ 1,540,900	\$ 1,539,000	\$ 2,548,700	\$ 2,744,200	\$ 1,560,600	\$ 9,933,400
Water - Ending Budget Balance	\$ 4,298,700	\$ 4,319,500	\$ 3,260,200	\$ 1,909,900	\$ 1,954,700	\$ 2,090,500	

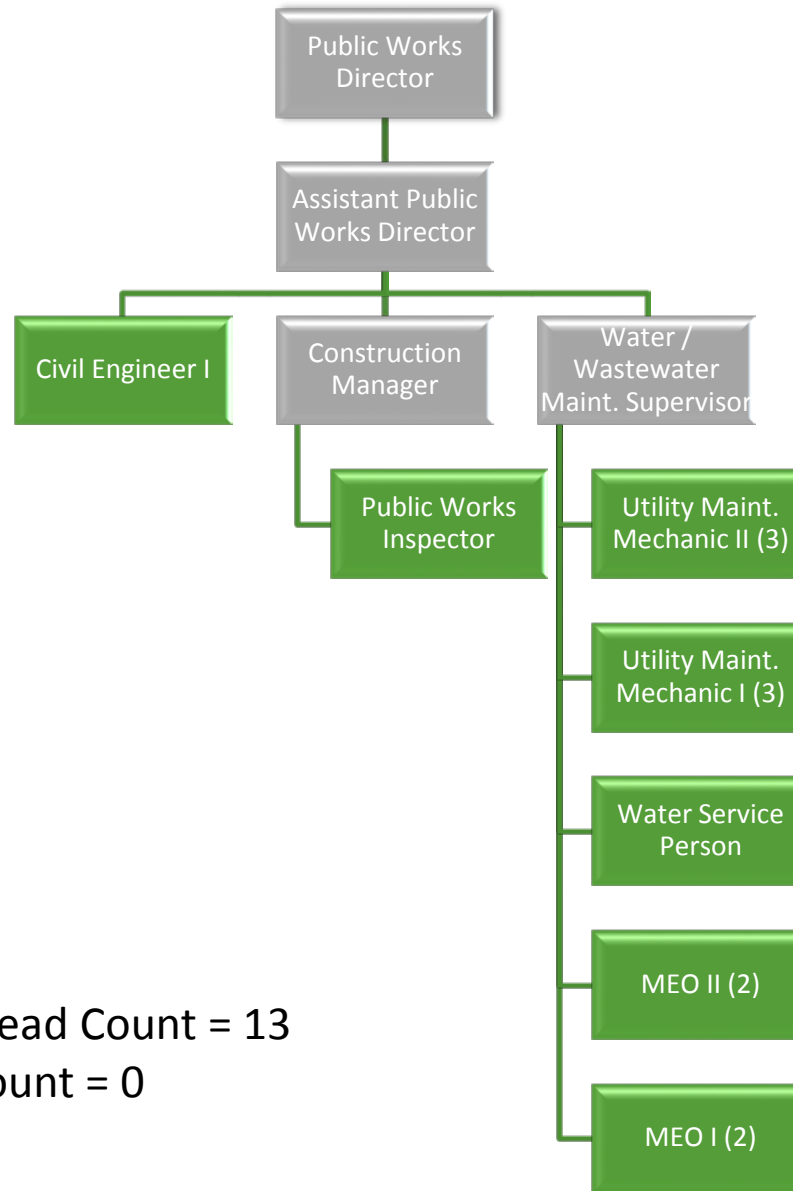
Water Fund Forecast

	Revised 2019	Projection 2020	Projection 2021	Projection 2022	Projection 2023	Projection 2024
Net Income - Water						
Water Fees	\$ 5,463,000	\$ 5,530,800	\$ 5,558,500	\$ 5,586,300	\$ 5,614,200	\$ 5,642,300
Miscellaneous Income - Water	407,000	433,200	441,700	450,200	458,900	467,500
Impact Fees - Water	620,600	570,000	570,000	570,000	570,000	570,000
Total Revenue	6,490,600	6,534,000	6,570,200	6,606,500	6,643,100	6,679,800
Operating Expenses - Water	(3,975,700)	(4,385,200)	(4,507,300)	(4,633,400)	(4,762,700)	(4,896,500)
Operating Transfers - Out	(649,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
Total Operating Expenses	(4,624,700)	(4,885,200)	(5,007,300)	(5,133,400)	(5,262,700)	(5,396,500)
Operating Income	1,865,900	1,648,800	1,562,900	1,473,100	1,380,400	1,283,300
Non-Oper. Rev. - Interest on Operating	15,000	10,000	10,000	10,000	10,000	10,000
Non-Oper. Rev. - Interest on Reserves	16,400	16,300	16,100	10,800	10,500	10,200
Income Available For Debt Service	1,897,300	1,675,100	1,589,000	1,493,900	1,400,900	1,303,500
Interest for Long-Term Debt	(154,200)	(222,700)	(208,500)	(193,900)	(238,100)	(220,200)
Cash From Operations	1,743,100	1,452,400	1,380,500	1,300,000	1,162,800	1,083,300
Depreciation Expense	(1,483,100)	(1,581,100)	(1,746,000)	(1,924,400)	(2,061,500)	(2,152,700)
Net Income (\$)	\$ 260,000	\$ (128,700)	\$ (365,500)	\$ (624,400)	\$ (898,700)	\$ (1,069,400)
Debt Service Coverage						
Income Avail. for Debt Service	\$ 1,897,300	\$ 1,675,100	\$ 1,589,000	\$ 1,493,900	\$ 1,400,900	\$ 1,303,500
Total Debt Service	\$ 520,500	\$ 760,000	\$ 762,800	\$ 761,800	\$ 942,700	\$ 944,700
Debt Service Coverage Ratio	3.65	2.20	2.08	1.96	1.49	1.38
Transfer to I & E Fund - Water	\$ 1,800,000	\$ 1,649,000	\$ 800,000	\$ 1,000,000	\$ 1,200,000	\$ 1,500,000
Transfer to Impact Fee Reserve - Water	100,100	-	-	-	-	-
Reinvestment of Reserve Interest	16,400	16,300	16,100	10,800	10,500	10,200
Debt Service Principal	366,300	537,300	554,300	567,900	704,600	724,500
Total Cash Budget Requirements	2,282,800	2,202,600	1,370,400	1,578,700	1,915,100	2,234,700
Net Positive/(Negative Cash)	\$ (539,700)	\$ (750,200)	\$ 10,100	\$ (278,700)	\$ (752,300)	\$ (1,151,400)

Wastewater Fund Operations

- Accomplishments in FY19
 - Completed Water / Wastewater Rate Study.
 - Established and filled Assistant Public Works Director position.
 - Completed additional Pump Station Mechanic training.
 - Completed Pump Station Maintenance Program evaluation.
 - Completed Delaware Wastewater Study System Report.
- Accomplishments planned in FY20
 - Fill all vacancies within Wastewater Fund Divisions.
 - Continuation of sanitary sewer main video inspection and evaluation.
 - Evaluation of jet truck program locations and frequency.
 - Upgrade of SCADA hardware at pump stations.
 - Integration of new billing and work order system with Tyler Munis.

DPW Wastewater Fund Org Chart



Total Budgeted Head Count = 13
Strategic Head Count = 0

Wastewater Fund Budget

- Revenue decrease over FY19 Original Budget \$569,000 or 6.5%
- Expense increase over FY19 Original Budget \$466,900 or 5.1%
- Major increases/(decreases) affecting revenues
 - Kent County Treatment fees \$447,700 due to rate increase
 - Impact Fee increase \$60,000 based on average trend of permits
- Major increases/(decreases) affecting expenses
 - Increase in wages and benefit expenses
 - Increase in materials and supplies for pump stations and safety
 - Increase in electricity for pump stations due to increased run hours and new pump stations
 - Increased debt service attributed to funding projects with State Revolving Fund loans \$61,300
 - Interfund Services (\$122,600) attributed to allocations
 - Capital Project Appropriation reduction (\$900,000)
 - *In order to balance the budget, the decrease in the Capital appropriation was necessary to offset the increase in County Treatment fees*

Planning for the future - Wastewater

- Implementation of cost of service rates and modeling
 - Public workshops July – December 2019, with proposed changes presented to City Council in January 2020. (Tentative timing)
- Customer Service enhancements
 - Advance Metering Infrastructure (AMI)
 - Roll out of new billing system with Tyler Munis
 - Continue inflow & infiltration improvements with relining program and sewer main replacements
- Capacity improvements
 - Continuation of pump station replacements and upgrades
- Technology updates to SCADA equipment and systems

Wastewater Capital Investment Plan

CAPITAL PROJECTS	Revised 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	5 Yr Projctd Total
Wastewater							
Vehicles & Equipment - Wastewater	\$ -	\$ 43,200	\$ 168,000	\$ 310,400	\$ 427,200	\$ 42,000	\$ 990,800
Sanitary Sewer Video Kit	-	166,000	-	-	-	-	166,000
Meter Reading - Radio Read Meters (Split W/WWW 50%)	-	-	350,000	350,000	-	-	700,000
Economic Develop Prog	25,000	-	-	-	-	-	-
Tar Ditch Interceptor Upgrade (Meeting House Branch)	250,000	-	-	-	-	-	-
Tumberly Pump Station	-	-	14,000	67,000	-	600,000	681,000
DelTech Pump Station Replacement	402,300	-	-	-	-	-	-
Lepore Road Sanitary Sewer upgrade	-	-	50,000	-	317,000	-	367,000
Sliver Lake Pump Station Replacement	489,500	-	-	-	-	-	-
Walker Woods Pump Station Replacement	563,200	-	-	-	-	-	-
College Road Pump Station Replacement	-	12,000	65,000	-	580,000	-	657,000
Heatherfield Pump Station Replacement	-	-	-	16,000	69,000	-	85,000
Cedar Chase Pump Station Replacement	-	-	-	-	18,000	71,000	89,000
Laurel Drive Pump Station Replacement	-	-	-	-	-	20,000	20,000
Puncheon Run Pump Station Upgrade/Repair	70,000	643,000	-	-	-	-	643,000
US Rt. 113 East PS # 7 Repair - Controller	43,400	280,400	-	-	-	-	280,400
SCADA Equipment & Technology Upgrade	-	308,000	-	-	-	-	308,000
Location/Pump Station to be Determined							
Inflow/Infiltration Removal/System Improvements	639,700	750,000	770,000	800,000	830,000	850,000	4,000,000
Misc. Sewer System Improvements	155,000	100,000	100,000	100,000	100,000	100,000	500,000
Total Wastewater	\$ 2,638,100	\$ 2,302,600	\$ 1,517,000	\$ 1,643,400	\$ 2,341,200	\$ 1,683,000	\$ 9,487,200

FUNDING SOURCES	Revised 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	5 Yr Projctd Total
I & E Fund Budget Balance - Wastewater	\$ 1,148,800	\$ 1,110,700	\$ 365,900	\$ 390,500	\$ 490,300	\$ 175,900	
Transfer from Operating Fund - Wastewater	1,100,000	900,000	1,500,000	1,700,000	1,750,000	1,800,000	7,650,000
Transfer from Impact Fee Reserve - Wastewater	421,100	4,800	31,600	33,200	266,800	192,000	528,400
State Loan Fund - Wastewater	1,033,900	643,000	-	-	-	-	643,000
Interest Income - Wastewater	45,000	10,000	10,000	10,000	10,000	10,000	50,000
Total Funding Sources - Wastewater	\$ 2,600,000	\$ 1,557,800	\$ 1,541,600	\$ 1,743,200	\$ 2,026,800	\$ 2,002,000	\$ 8,871,400
Total Sources of Funds (incl. Budget Balances)	\$ 15,306,800	\$ 8,508,100	\$ 7,766,000	\$ 7,942,600	\$ 7,171,200	\$ 5,693,200	
Wastewater - Ending Budget Balance	\$ 1,110,700	\$ 365,900	\$ 390,500	\$ 490,300	\$ 175,900	\$ 494,900	

Wastewater Fund Forecast

	Revised 2019	Projection 2020	Projection 2021	Projection 2022	Projection 2023	Projection 2024
Net Income - Wastewater						
Wastewater Fees	\$ 3,794,600	\$ 3,654,700	\$ 3,673,000	\$ 3,691,400	\$ 3,709,900	\$ 3,728,400
Treatment Fees - Kent County	2,970,000	3,267,000	3,332,300	3,398,900	3,466,900	3,536,200
Groundwater Inflow Adjustment	1,901,200	1,841,900	1,920,300	1,929,900	1,939,500	1,949,200
Miscellaneous Income - Wastewater	6,300	23,200	23,200	23,400	23,500	23,500
Impact Fees - Wastewater	574,200	480,000	480,000	480,000	480,000	480,000
Total Revenue	9,246,300	9,266,800	9,428,800	9,523,600	9,619,800	9,717,300
Treatment Expense - Kent County	(4,627,300)	(5,101,900)	(5,203,900)	(5,308,000)	(5,414,200)	(5,522,500)
Operating Expenses - Wastewater	(2,402,100)	(2,365,600)	(2,418,200)	(2,487,700)	(2,559,400)	(2,633,100)
Operating Transfers - Out	(649,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
Total Operating Expenses	(7,678,400)	(7,967,500)	(8,122,100)	(8,295,700)	(8,473,600)	(8,655,600)
Operating Income	1,567,900	1,299,300	1,306,700	1,227,900	1,146,200	1,061,700
Non-Oper. Rev. - Interest on Operating	15,000	10,000	10,000	10,000	10,001	10,002
Non-Oper. Rev. - Interest on Reserves	39,400	36,500	36,700	36,800	36,800	35,000
Income Available For Debt Service	1,622,300	1,345,800	1,353,400	1,274,700	1,193,001	1,106,702
Interest for Long-Term Debt	(152,500)	(161,300)	(161,700)	(149,900)	(137,800)	(132,100)
Cash From Operations	1,469,800	1,184,500	1,191,700	1,124,800	1,055,201	974,602
Depreciation Expense	(1,277,200)	(1,390,600)	(1,504,200)	(1,647,400)	(1,832,400)	(1,934,200)
Net Income (\$)	\$ 192,600	\$ (206,100)	\$ (312,500)	\$ (522,600)	\$ (777,199)	\$ (959,598)
Debt Service Coverage						
Income Avail. for Debt Service	\$ 1,622,300	\$ 1,345,800	\$ 1,353,400	\$ 1,274,700	\$ 1,193,001	\$ 1,106,702
Total Debt Service	\$ 611,200	\$ 672,500	\$ 659,900	\$ 659,500	\$ 659,000	\$ 682,700
Debt Service Coverage Ratio	2.65	2.00	2.05	1.93	1.81	1.62
Transfer to I & E Fund - Wastewater	\$ 1,100,000	\$ 1,049,000	\$ 1,500,000	\$ 1,700,000	\$ 1,750,000	\$ 1,800,000
Reinvestment of Reserve Interest	39,400	36,500	36,700	36,800	36,800	35,000
Debt Service Principal	458,700	511,200	498,200	509,600	521,200	550,600
Total Cash Budget Requirements	\$ 1,598,100	\$ 1,596,700	\$ 2,034,900	\$ 2,246,400	\$ 2,308,000	\$ 2,385,601
Net Positive/(Negative Cash)	\$ (128,300)	\$ (412,200)	\$ (843,200)	\$ (1,121,600)	\$ (1,252,799)	\$ (1,410,999)



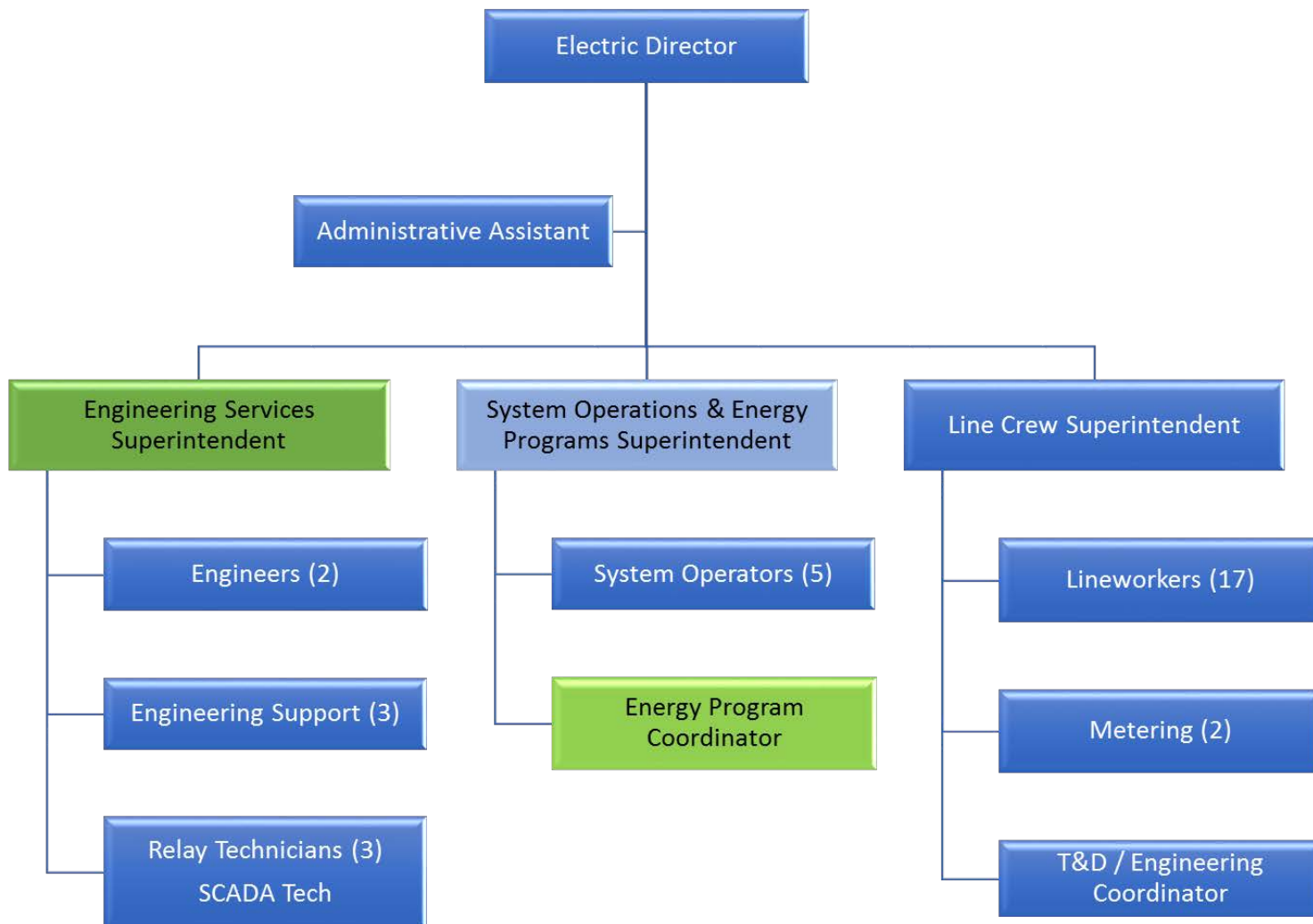
City of Dover Budget Workshop Fiscal Year 2019-2020

Electric Revenue Fund

Electric Fund Operations

- Accomplishments in FY19
 - Completed RFP for energy and capacity.
 - Entered into long-term contracts for energy and capacity in conjunction with the recommendations of the integrated resource plan.
 - Completed Organizational & Benchmarking Study by Avant Energy.
 - Filled Electric Director position.
 - Completion of the street light audit and photovoltaics.
- Accomplishments planned in FY20
 - Budget includes organizational structure as recommended in the Avant Energy report. Total staff remains the same as FY19.
 - Provide a more customer centric approach to our business model with outreach and programs geared toward energy efficiency and large customers.
 - Renewable energy RFP. Recommendation to increase renewable energy resources.
 - Incorporating results of the FY19 audited street light inventory into the City's GIS and billings systems.
 - Roll out of LED lighting program.
 - Action Plan for the decommissioning of McKee #3, currently estimated at \$10 million.
 - Integration of new billing system with Tyler Munis

Organization Chart



Electric Fund Budget

- Revenue increase over FY19 Original Budget \$1,525,900 or 1.8%
 - *Exclusive of revenue reduction for PPA credit (\$2.8) million or -3.4%*
 - *No rate changes; Maintains the FY19 PPA Credit (\$.00382)*
 - *Plans to update the cost of service model in FY20, in advance of FY21 Budget preparation*
- Expense increase over FY19 Original Budget \$2,234,000 or 2.7%
- Major increases/(decreases) affecting revenues
 - Customer sales increase \$1,493,800
- Major increases/(decreases) affecting expenses
 - Power Supply (\$178,900)
 - *Please note we hedge as far out as 5 years, we won't see the favorable results of recent power supply purchases for a couple of years*
 - Generation (\$685,300)
 - Wages & Benefits \$229,900
 - Operating expenses increased \$201,400 due to increased repairs at Weyandt Hall safety materials, contractual services, and training, conference and travel
 - Contractual and legal expenses related to the Renewable RFP \$50,000
 - Internal service allocations \$37,400
 - Capital Project Appropriation \$416,000
 - Transfers to other accounts as follows
 - Transfer to Depreciation Reserve \$2.5 million in light of decommissioning McKee #3 and dismantling of Power Plant.

Planning for the Future

- Integrated Resource Plan
 - Generation Plants - Challenges
 - Unit 3 McKee decommissioning and plant dismantling
 - *(to be added to Capital Investment Plan in FY21)*
 - *Extraordinary loss to be recognized for write off of Unit 3 in Financial Statements*
 - Future Capacity
 - Purchase Power Agreements
 - Structure as long-term or short-term as is done for energy
 - Joint Ownership in generation
 - Public Private Partnership (P3)
 - Solar Energy or other renewable options (e.g. Wind)
 - RFP posted
 - Batteries
 - Customer & System Enhancements
 - LED street lights
 - Advance Metering Infrastructure (AMI)
 - Substations
 - DAFB Replacement & Consolidation
 - Garrison Oak Business & Technical Park
 - *(to be added to Capital Investment Plan when need arises)*

Electric Capital Investment Plan

CAPITAL PROJECTS	Revised 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	FY20 - FY24 Total
Electric Engineering Projects							
Small Cell Wireless Pole Replacement	\$ -	\$ 25,000	\$ 30,000	\$ 30,000	\$ -	\$ -	\$ 85,000
Cross Arm Cut Out Replacement	-	43,000	-	-	-	-	43,000
Substation Battery Replacement	-	27,000	-	-	-	-	27,000
Clearview Meadows Tiepoint	-	148,000	-	-	-	-	148,000
McKee Run Plant Alternate Power	27,000	-	-	-	-	-	-
Townpoint Distribution Upgrades	507,000	-	-	-	-	-	-
Distribution System Upgrades - Unidentified	35,000	-	-	-	-	-	-
Substation Relay Upgrade	120,100	30,000	30,000	30,000	-	-	90,000
Lighting Project and Rehabilitation - LED	1,378,000	2,300,000	1,190,000	-	-	-	3,490,000
Transmission Line Maintenance Program	50,000	50,000	50,000	50,000	50,000	50,000	250,000
College Road Consolidation	-	110,000	-	-	-	-	110,000
Garrison Oak Substation	50,000	-	-	-	-	-	-
Distribution Capacitors - Overhead	25,000	25,000	25,000	-	-	-	50,000
Distribution Capacitors - Underground	25,000	25,000	25,000	-	-	-	50,000
Fault Indicators	-	10,000	-	-	-	-	10,000
69kv Substation Cable Replacement North Street	100,000	-	-	-	-	-	-
Dover Air Force Base Substation Consolidation	-	-	7,000,000	-	-	-	7,000,000
Advanced Metering Infrastructure (AMI)	-	500,000	1,500,000	1,500,000	1,500,000	1,500,000	6,500,000
Vehicles, Trucks, & Equipment	75,500	-	30,000	-	-	-	30,000
Subtotal Electric Engineering Division	\$ 2,392,600	\$ 3,293,000	\$ 9,880,000	\$ 1,610,000	\$ 1,550,000	\$ 1,550,000	\$ 17,883,000
Electric Transmission & Distribution Projects							
New Developments - UG Transformers	\$ 350,000	\$ 285,000	\$ 285,000	\$ 285,000	\$ 285,000	\$ 285,000	\$ 1,425,000
New Developments - UG Conductors/Devices	500,000	513,000	513,000	513,000	513,000	513,000	2,565,000
Meter Replacements & System upgrades	-	52,000	52,000	52,000	52,000	52,000	260,000
Economic Development Projects	50,000	-	-	-	-	-	-
Vehicles, Trucks, & Equipment	483,000	405,000	410,000	480,000	-	-	1,295,000
Subtotal Electric Transmission Division	\$ 1,383,000	\$ 1,255,000	\$ 1,260,000	\$ 1,330,000	\$ 850,000	\$ 850,000	\$ 5,545,000
Electric Generation Projects							
McKee Run & VanSant Preservation of Structures	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unit 3 Boiler Systems	515,000	60,000	60,000	-	-	-	120,000
Unit 3 Auxillary System Components	261,000	-	-	-	-	-	-
Unit 3 Turbine Outage - Inspections & Repairs	125,000	-	-	-	-	-	-
Unit 3 Turbine Repairs - Intercept Valves	438,000	-	-	-	-	-	-
VanSant Major Overhaul & Inspection	82,000	-	-	-	-	-	-
VanSant Component replacements	-	55,000	35,000	-	-	-	90,000
VanSant Fire Suppression System Upgrade	30,000	-	-	-	-	-	-
Safety & Compliance Improvements	132,000	-	-	-	-	-	-
Subtotal Electric Generation Division	\$ 1,658,000	\$ 115,000	\$ 95,000	\$ -	\$ -	\$ -	\$ 210,000

Electric Capital Investment Plan

CAPITAL PROJECTS	Revised 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	FY20 - FY24 Total
Electric Administration Projects							
Electric Administration Building Improvements	\$ -	\$ 318,000	\$ 19,000	\$ 128,000	\$ -	\$ -	\$465,000
Weyandt Hall Building Improvements	-	1,325,200	-	-	-	-	1,325,200
Subtotal Electric Administration Division	\$ -	\$ 1,643,200	\$ 19,000	\$ 128,000	\$ -	\$ -	\$ 1,790,200
Electric Metering Division							
Vehicles, Trucks, & Equipment	-	21,800	-	-	-	-	21,800
Subtotal Electric Administration Division	\$ -	\$ 21,800	\$ -	\$ -	\$ -	\$ -	\$ 21,800
ERP Consulting and Systems	1,027,200	488,000	-	-	-	-	488,000
Total Electric Improvements	\$ 6,460,800	\$ 6,816,000	\$ 11,254,000	\$ 3,068,000	\$ 2,400,000	\$ 2,400,000	\$ 25,938,000

	Revised 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	FY20 - FY24 Total
Funding Sources							
Electric I & E Fund Beginning Budget Balance	\$ 11,123,900	\$ 12,120,900	\$ 13,262,800	\$ 7,621,000	\$ 10,074,900	\$ 13,236,100	
Transfer from Operating Fund	6,400,000	6,816,000	5,000,000	5,000,000	5,000,000	5,000,000	26,816,000
Transfer from Other Funds - ERP	498,000	548,000	-	-	-	-	548,000
General Service Billing	450,000	400,000	400,000	400,000	400,000	400,000	2,000,000
Interest Earnings	109,800	193,900	212,200	121,900	161,200	211,800	901,000
Total Funding Sources	7,457,800	7,957,900	5,612,200	5,521,900	5,561,200	5,611,800	30,265,000
Total Beginning Balance & Funding Sources	\$ 18,581,700	\$ 20,078,800	\$ 18,875,000	\$ 13,142,900	\$ 15,636,100	\$ 18,847,900	
Electric I & E Fund Ending Budget Balance	\$ 12,120,900	\$ 13,262,800	\$ 7,621,000	\$ 10,074,900	\$ 13,236,100	\$ 16,447,900	

Electric Fund Forecast

	Revised 2019	Projected 2020	Projected 2021	Projected 2022	Projected 2023	Projected 2024
Net Income						
Revenue from Current Electric Rates	\$ 82,607,300	\$ 82,686,400	\$ 83,231,900	\$ 83,788,300	\$ 82,983,400	\$ 82,983,400
Utility Tax	1,320,700	1,322,000	1,330,800	1,339,700	1,326,400	1,326,400
Miscellaneous Receipts	1,208,800	1,165,400	1,167,000	1,169,000	1,266,000	1,268,000
Total Operating Revenue	85,136,800	85,173,800	85,729,700	86,297,000	85,575,800	85,577,800
Power Supply & Production	(48,350,100)	(47,485,900)	(47,590,000)	(53,435,300)	(53,554,000)	(54,915,500)
Operating Expenses	(13,880,000)	(14,245,800)	(14,297,600)	(14,687,401)	(15,068,502)	(15,476,803)
Operating Transfers - Out	(10,000,000)	(10,000,000)	(10,000,000)	(10,000,000)	(10,000,000)	(10,000,000)
Total Operating Expenses	(72,230,100)	(71,731,700)	(71,887,600)	(78,122,701)	(78,622,502)	(80,392,303)
Operating Income	12,906,700	13,442,100	13,842,100	8,174,299	6,953,298	5,185,497
Non-Oper. Rev. - Interest on Operating	304,800	388,900	374,200	285,000	323,000	373,600
Non-Oper. Rev. - Interest on Reserves	709,400	760,700	824,200	808,500	792,600	776,600
Income Available For Debt Service	13,920,900	14,591,700	15,040,500	9,267,799	8,068,899	6,335,699
Interest on Long-Term Debt	(819,700)	(629,500)	(593,600)	(553,500)	(511,300)	(467,000)
Cash From Operations	13,101,200	13,962,200	14,446,900	8,714,299	7,557,599	5,868,699
Other Non-Operating Income, Loss, & Transfers						
Distributor of Earnings - PCA Credit	(2,877,400)	(2,873,800)	(2,890,000)	(2,906,500)	(2,906,500)	(2,906,500)
Depreciation Expense	(6,045,300)	(6,406,800)	(6,801,600)	(7,105,100)	(7,258,200)	(7,382,587)
Net Income	\$ 4,178,500	\$ 4,681,600	\$ 4,755,300	\$ (1,297,301)	\$ (2,607,101)	\$ (4,420,388)

The above forecast has not been adjusted for future generation cost in concert with the decommissioning of Unit 3 as included in power supply and production for Fiscal Year 2022 – Fiscal Year 2024.

Electric Debt Coverage

	Revised 2019	Projected 2020	Projected 2021	Projected 2022	Projected 2023	Projected 2024
Debt Service Coverage						
Income Avail. for Debt Service	\$ 13,920,900	\$ 14,591,700	\$ 15,040,500	\$ 9,267,799	\$ 8,068,899	\$ 6,335,699
Total Debt Service	\$ 1,584,700	\$ 1,379,500	\$ 1,378,600	\$ 1,373,500	\$ 1,376,300	\$ 1,377,000
Debt Service Coverage Ratio	8.78	10.58	10.91	6.75	5.86	4.60
Debt Service Coverage Requirement	1.25	2.25	1.25	2.25	3.25	4.25
<i>Debt Service Coverage Requirement Status</i>	<i>Met</i>	<i>Met</i>	<i>Met</i>	<i>Met</i>	<i>Met</i>	<i>Met</i>



City of Dover Budget Workshop Fiscal Year 2019-2020

Stormwater Utility Recommendation

Municipal Separate Storm Sewer Systems (MS4)

- Urban stormwater runoff is commonly transported through Municipal Separate Storm Sewer Systems (MS4s), and is often discharged, untreated, into local waterbodies.
- As the City of Dover is the owner / operator of most of the storm sewer system within city limits, the City is required to have a National Pollutant Discharge Elimination System (NPDES) permit, as well as develop a storm sewer management program, to prevent harmful pollutants from being washed and dumped into our MS4. The Program Administrator is the Planner to insure stormwater is managed through the land use and development ordinances. Public Works staff is responsible for the operations of the storm sewer systems.
- The City of Dover is a Phase II permit holder. DNREC issued the first cycle of Phase II MS4 permits in 2003 and requires regulated small MS4s in urbanized areas (populations under 100,000) to obtain NPDES permit coverage for their stormwater discharges.

Permit and Budget Components

- Key components included in the permit required Stormwater Pollution Prevention and Management Program, and within the budget, are as follows:
- Current Requirements:
 - Public Education and Public Interaction (public education and outreach program to increase knowledge and change behavior)
 - Illicit Discharge Detection and Elimination (IDDE) Program and Inventory Collection (program to detect and eliminate prohibited discharge and to develop/maintain system inventory)
 - Stormwater Management During Construction (partnership with KCD for program to control the quantity and quality of stormwater runoff during construction)
 - Post Construction Stormwater Controls (program to control the quantity and quality of stormwater runoff after construction)
 - Pollution Prevention and Good Housekeeping (program to prevent and/or minimize pollutant discharges from City of Dover operations)
- Forthcoming Requirements with Future Permit Revision:
 - Total Maximum Daily Load (TMDL) Reduction (program to test for pollutants and address pollutant sources)
 - Performance Monitoring Plan (program to monitor performance of stormwater related best management practices)

Stormwater Feasibility Study

- Stormwater Feasibility Study completed by AECOM in Fiscal Year 2016
- Study results presented to the Utility Committee on July 12, 2016
- The 2016 Study included the City taking over the responsibilities of the Kent Conservation District and built the cost of service around those parameters. Our proposal is to maintain the partnership we have with KCD.
- Services provided by KCD
 - Design reviews
 - Works with the City on inspections and maintenance of City facilities; Disposes of debris collected through their maintenance efforts;

City of Dover Storm Sewer System Assets & Services

- Assets*
 - 146 miles Storm Sewer Pipes
 - 7,125 Catch Basins / Inlets
 - 975 Outlets
 - 880 Manholes
 - 181 Junction Boxes
 - 21 City Maintained Stormwater Management Ponds
 - 227 Ditches / Swales
 - Tax Ditches – White Oak and McKee
- Leaf Collection
- Street Sweeping

* An inventory of the City's storm sewer system assets is currently underway and will be complete December 31, 2019.

Stormwater - Current Challenges

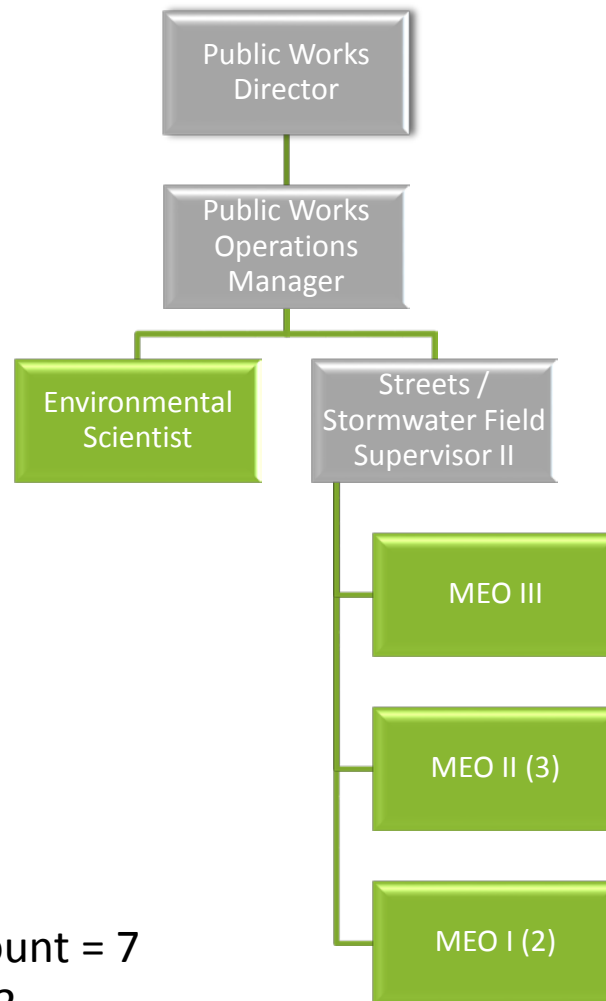
- The Federal and State requirements have created challenges for all local governments with the biggest impact on the General Fund Budgets –
 - Ability to provide for funds needed to maintain City facilities and capital investments
 - HVAC replacements and repairs in several City buildings; air quality
 - Reduced or zero dollars for street repaving and maintenance
 - Cost increases associated with the proper disposal of street debris to mitigate watershed contamination
- Operating challenges –
 - Meeting House Branch VCA with DNREC – FY19 Project
 - Maintenance of tax ditches and Silver Lake and the Dam
 - Stormwater retention pond inspections and maintenance – responsibility of both the City and HOA's
 - Flooding issue mitigation in downtown Dover and several developments
 - Projected annual cost \$2.0 million - \$2.5 million with capital improvements to start
 - Maintain as a General Fund program would require continued property tax increases for cost of service.

Stormwater Drainage Concerns – Monitoring

Either Raised by Constituents or flagged by staff

- Meeting House Branch Improvements – DNREC VCA
- 13 Freedom Drive
- 196 Mifflin Road
- 102/108 Meeting House Lane
- 440 Northdown Drive
- Fulton Street (West of Railroad)
- Heatherfield Development
- Madison Avenue/Pennsylvania Avenue
- Winged Foot Court
- Puncheon Run Basin – vegetation management
- Saulsbury Road
- Sunset Drive
- Woodburn Circle
- Slaughter Street
- Reed & Bradford Street Flooding
- Bay Tree stormwater improvements
 - *Currently working on application to FEMA for a revised LOMR*
- Stoney Creek stormwater improvements
- Tax Ditches – State College & White Oak Road

DPW Stormwater Fund Org Chart



Total Budgeted Head Count = 7
Strategic Head Count = 3

Stormwater

DESCRIPTION	2018-2019 BUDGET	2019-2020 REQUESTED	2019-2020 RECOMMENDED	% CHANGE
PERSONNEL COSTS	-	-	402,800	0%
MATERIALS & SUPPLIES	-	-	148,100	0%
ADMINISTRATIVE EXPENDITURES	-	-	308,100	0%
OPERATING EXPENDITURES	-	-	859,000	0%
CAPITAL OUTLAY	-	-	365,000	0%
TOTAL EXPENDITURES	\$ -	\$ -	\$ 1,224,000	0%

Highlights:

Personnel would include 7 workers in total: 3 MEO's (Strategic Personnel), 3 MEO's moved over from Streets, & an Engineer moved over from Public Works.

Materials and Supplies will be made up of expenses previously budgeted as part of Streets.

Administrative expenses will entail previous Street Division duties: ditch cleanout and/or maintenance, street sweeping, & leaf mulch disposal.

Capital Outlay would consist of a new truck, a new leaf vac, emergency storm water repairs, Mirror lake/East Lake Garden drainage basin improvements, & West Street flooding improvements.

Stormwater Capital Investment Plan

Department	Project #		FY 20	FY 21	FY 22	FY 23	FY 24	Total
Public Works - Stormwater								
Storm Water Proposed Vehicle	20Veh#XXX		40,000					40,000
2002 Old Dominion Leaf Vac #361	21Veh#361		80,000					80,000
2006 Sterling Vac Track #350	22Veh#350				300,000			300,000
2009 Old Dominion Leaf Vac #363	23 Veh#363					76,500		76,500
2001 Int'l Dump Truck (322)	23Veh# 322					150,800		150,800
2006 Old Dominion Leaf Vac #365	23Veh#365					76,500		76,500
2006 International Sweeper #356	24Veh#356						285,700	285,700
Miscellaneous Emergency Storm Sewer Repairs	ST2002		76,000	79,000	82,000	85,000	88,000	410,000
Mirror Lake Drainage Basin Improvements	ST2004		75,000		350,000			425,000
East Lake Garden Drainage Basin Improvements	ST2005		80,000		500,000			580,000
West Street Flooding Improvements	ST2006		14,000	60,000		600,000		674,000
Bradford Street Drainage Basin Improvements	ST2103			1,200,000				1,200,000
Persimmon Park Place Basin Improvements	ST2104			900,000				900,000
Water Street Flooding Improvements	ST2206				14,000	60,000		74,000
The Greens of Dover/Lamplighter Ln Stormwater Imp	ST2305					16,000	65,000	81,000
Lynnhaven Drive Flooding Improvements	ST2405						18,000	18,000
Public Works - Stormwater Total			365,000	2,239,000	1,246,000	1,064,800	456,700	5,371,500

