COUNCIL COMMITTEE OF THE WHOLE AGENDA

JANUARY 15, 2019 - 6:00 P.M.

CITY HALL COUNCIL CHAMBERS - 15 LOOCKERMAN PLAZA, DOVER, DELAWARE

PUBLIC COMMENTS ARE WELCOMED ON ANY ITEM AND WILL BE PERMITTED AT APPROPRIATE TIMES. WHEN POSSIBLE, PLEASE NOTIFY THE CITY CLERK (736-7008 OR E-MAIL AT CITYCLERK@DOVER.DE.US) SHOULD YOU WISH TO BE RECOGNIZED.

PARKS, RECREATION, AND COMMUNITY ENHANCEMENT COMMITTEE

AGENDA ADDITIONS/DELETIONS

1. **PRESENTATION - INCLUSIVE PLAYGROUNDS** (COMMITTEE ACTION NOT REQUIRED)

2. **ADJOURNMENT OF PARKS, RECREATION, AND COMMUNITY ENHANCEMENT COMMITTEE MEETING**

UTILITY COMMITTEE

AGENDA ADDITIONS/DELETIONS

1. **EVALUATION OF PROPOSALS - TREE TRIMMING**
   (STAFF RECOMMENDS AWARDING A CONTRACT TO ASPLUNDH TREE EXPERT LLC AS PER THE PROPOSAL SUBMITTED IN RESPONSE TO RFP #19-001EL)

2. **ADJOURNMENT OF UTILITY COMMITTEE MEETING**

LEGISLATIVE, FINANCE, AND ADMINISTRATION COMMITTEE

AGENDA ADDITIONS/DELETIONS

1. **REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS FOR THE FISCAL YEAR ENDING JUNE 30, 2018**
   (STAFF RECOMMENDS ACCEPTANCE OF THE REPORT)

2. **COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) FOR THE FISCAL YEAR ENDING JUNE 30, 2018**
   (STAFF RECOMMENDS ACCEPTANCE OF THE REPORT)

3. **PROPOSED ORDINANCE #2019-02 - AMENDING CHAPTER 70 - OFFENSES AND MISCELLANEOUS PROVISIONS, SECTION 70-7 - REGISTERED SEXUAL OFFENDERS**
   (STAFF RECOMMENDS ADOPTION OF THE ORDINANCE)

4. **ADJOURNMENT OF LEGISLATIVE, FINANCE, AND ADMINISTRATION COMMITTEE MEETING**

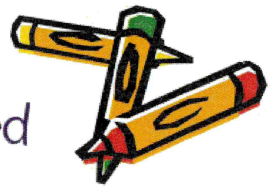
ADJOURNMENT OF THE COUNCIL COMMITTEE OF THE WHOLE MEETING

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THE AGENDA ITEMS AS LISTED MAY NOT BE CONSIDERED IN SEQUENCE. PURSUANT TO 29 DEL. C. §10004(E)(2), THIS AGENDA IS SUBJECT TO CHANGE TO INCLUDE THE ADDITION OR THE DELETION OF ITEMS, INCLUDING EXECUTIVE SESSIONS, WHICH ARISE AT THE TIME OF THE MEETING.

Can-Do PLAYGROUND At Milford

Where Dreams Are Never Disabled



Home
The Need
What?
Who?
Newsletter
Timeline
Photo Album
Get Involved
Sponsors

Rotary District 7630

TIMELINE

- In 2007 six Wilmington area Rotary Clubs, partnering with Delaware State Parks, developed the first "Can-Do" playground in the State of Delaware. The playground was constructed in Alapocas Run State Park. In the three years since it opened, it has been extremely popular, attracting an estimated 60,000 plus visitors. Anecdotal review has shown that visitors have traveled up to three hours just to have their children play at this unique playground.
- In 2009, the project leaders from the Northern Delaware Can-Do Playground met with Assistant Rotary Governor Peggy Anderson to consider expanding the Can-Do Playground effort to lower Delaware.
- Six Central and Southern Delaware area Rotary clubs of area 4, District 7630 accepted the challenge of developing a Can-Do Playground at Milford and initiated the project:
  - HUB (Harrington, Greenwood, Felton) Centennial Rotary
  - Lewes-Rehoboth Rotary
  - Milford Rotary
  - Milford Mispillion Rotary
  - Nanticoke-Seaford Rotary
  - Rehoboth Sunrise Rotary
- In 2009 the project team joined with The City of Milford and The Department of Parks and Recreation, which have provided the land, will complete all site preparation and will maintain the playground once it is constructed.
- In 2009, The Rotarians organized a board of directors, an advisory board and several working committees of volunteers who have been designing and developing this project and engaging in raising funds. David Rutt was chosen as the project leader. At this point, the committees set about their work in formulating plans.
- In 2010, area residents and the Project team met with Boundless Playgrounds to conceptualize the wants, dreams and design for the playground.
- In the early part of 2011, the Can-Do Playground at Milford was granted status as a 501c3 charitable organization, ensuring that all donations are tax deductible.
- As of June 5 2012, charitable donations reached the level of $480,203, which represents 60% of the project's goal.
- Groundbreaking ceremony: June 11, 2012
- June, 2013 - Site preparation begins
- September, 2013 - Equipment installation begins
- Fall, 2013 - Donation goal of $850,000 achieved
- December 4, 2013 - Ribbon Cutting - Can-Do Playground opens
- Friday, May 9, 2014 (11am) - Dedication Ceremony

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Can-Do PLAYGROUND At Milford

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Rotary District 7630

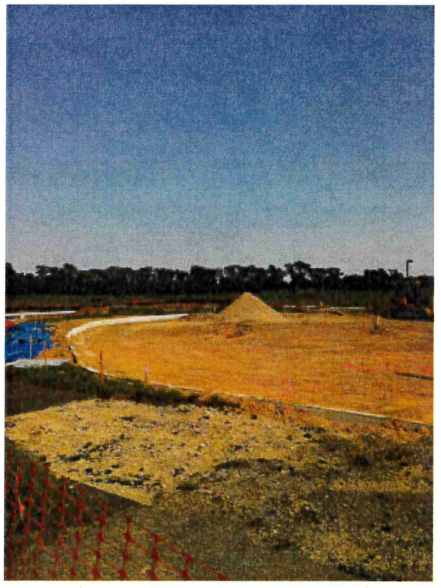
PHOTO ALBUM

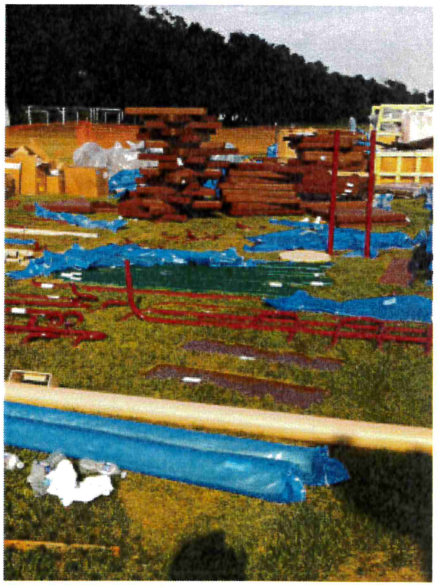
Playground site being graded





The Playground equipment is delivered!

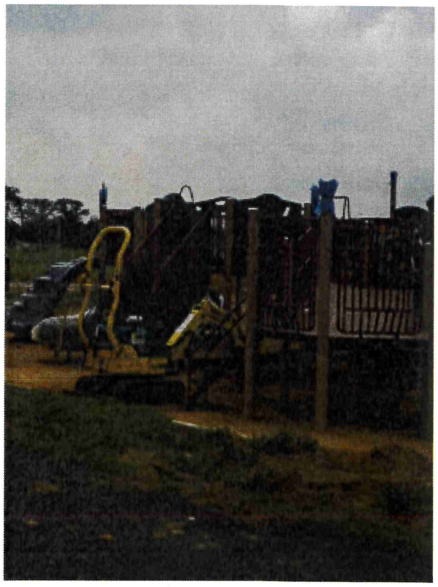


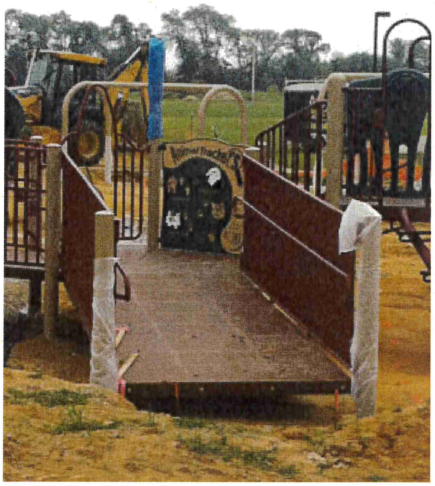




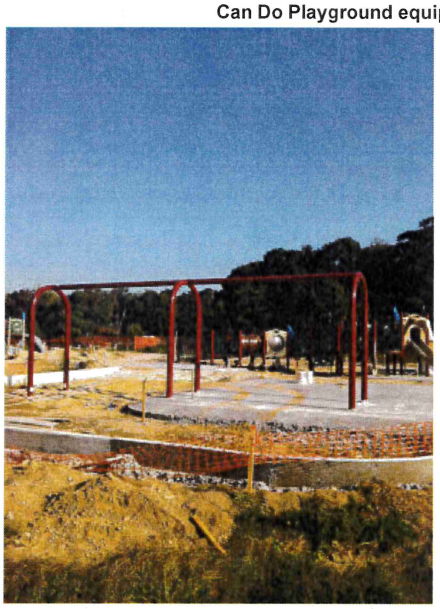
Early stages of Playground Equipment Construction

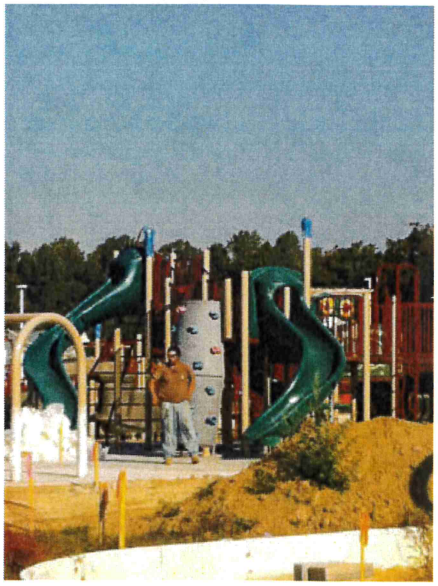






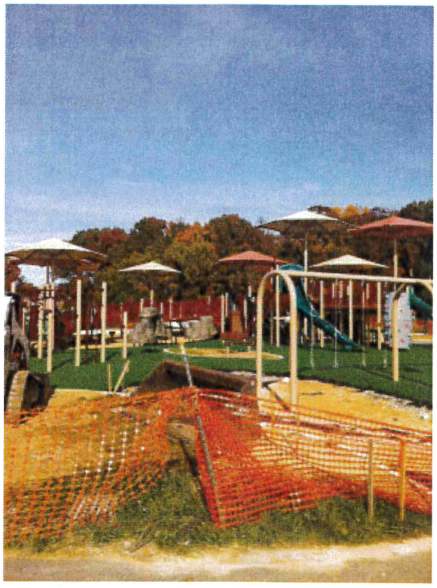
Can Do Playground equipment installation takes shape





Work nears completion



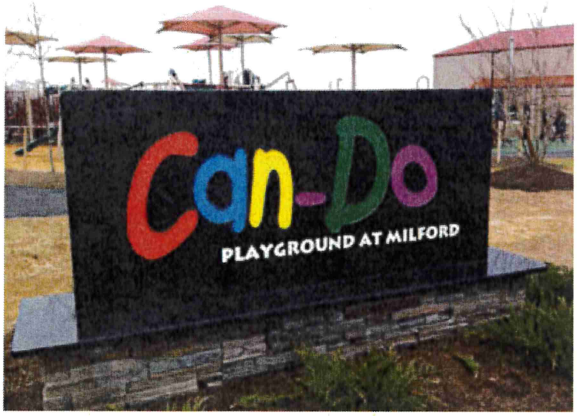


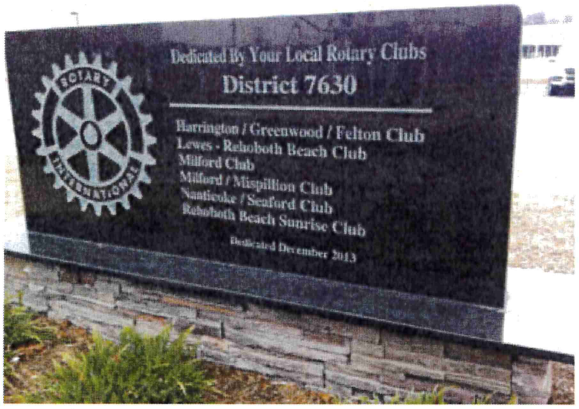
Ribbon Cutting Ceremony: December 4, 2013



Playground is Completed




Can-Do
PLAYGROUND AT MILFORD


Dedicated By Your Local Rotary Clubs
District 7630
Harrington / Greenwood / Felton Club
Lewes - Rehoboth Beach Club
Milford Club
Milford / Mispillion Club
Nanticoke / Seaford Club
Rehoboth Beach Sunrise Club
Dedicated December 2013









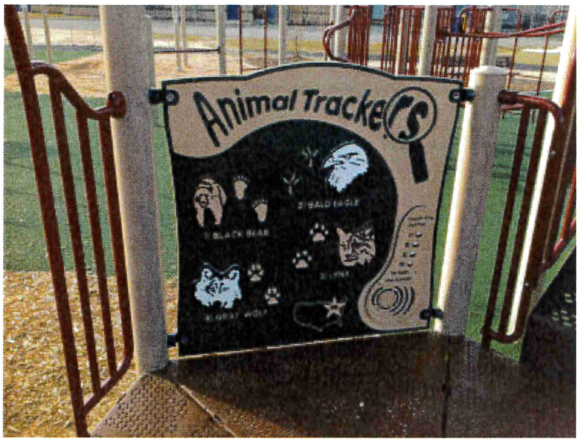











Animal Tracker



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ACTION FORM

PROCEEDING: Committee of the Whole (Utility)	**AGENDA ITEM NO.:**
DEPARTMENT OF ORIGIN: Electric	**DATE SUBMITTED**: 12/27/2018
PREPARED BY: James S. Robinson, Electric Director	
SUBJECT: Evaluation of Proposals – Tree Trimming	
REFERENCE: N/A	
RELATED PROJECT: N/A	
APPROVALS: City Manager, Controller	
EXHIBITS: N/A	
EXPENDITURE REQUIRED: Not to exceed $350,000 (*) per year	**AMOUNT BUDGETED**: $350,000 per year
FUNDING SOURCE (Dept/Page in CIP & Budget): Funding is provided under "Contractual Services" for primarily T & D division operations budget account # 410-42-82-99-000-53031.	
TIMETABLE: Contract to be executed within two (2) weeks of Council Approval.	
RECOMMENDED ACTION: Staff recommends awarding a contract to Asplundh Tree Expert LLC as per the proposal submitted in response to RFP #19-001EL	

(*) Final yearly expenditure will be the actual amount of time and equipment billed monthly.

BACKGROUND AND ANALYSIS

The Electric Department maintains blanket contracts with potential contractors to ensure that the bidding rules are adhered to for contractors that are hired to perform work for the Department. These contracts are priced as a "time and material" contract and may exceed $25,000 annually. This proposal is for a tree trimming contract used to maintain clearance around the city's overhead transmission and distribution electric lines. This is the single most important maintenance project as it relates to the reliability of our overhead system. Typically, there are two (2) full-time crews working throughout the system to perform this maintenance. Additionally, this company has crews available to assist during storm events and this proposal includes pricing for these potential events.

Bids were solicited and advertised according to the City policy by the City's Contract and Procurement Manager under Bid #19-0011EL and bids were received from three (3) potential vendors. The proposals were evaluated using the following criteria: past performance on similar size and scope projects, technical qualifications, incident rates, working plan, other available resources, corporate wide OSHA violations, corporate wide FLSA violations, Department of Justice violations and overall cost. A bid summary sheet was created using the unit prices for the standard crews utilized by the Electric Department, which indicated that Asplundh Tree Expert LLC. is the low bidder and the highest scorer using the evaluation criteria. The other two bidders did not provide the required working plan and their pricing was higher than Asplundh. Additionally, Asplundh has performed exceptionally well during the last 5 years of the current contract. The duration of the bid is a three (3) year contract with the possibility of fourth (4^{th}) and fifth (5^{th}) year extensions dependent upon satisfactory performance.

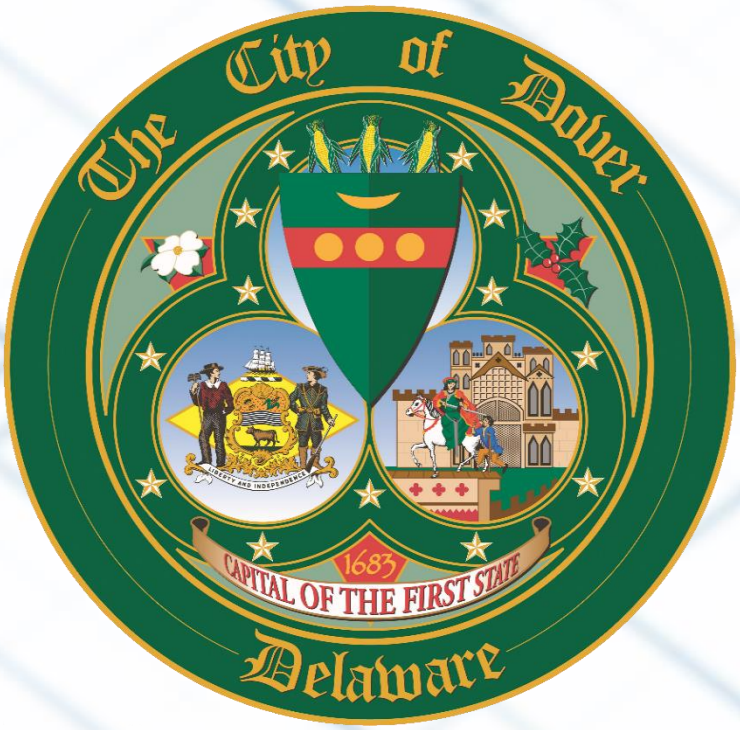
Pricing estimates are as follows:

Bidder Name	Yearly Total 2019	Yearly Total 2020	Yearly Total 2021	Yearly Total 2022	Yearly Total 2023	5 Year Contract Total
Asplundh Tree Expert Co. *	$313,944.88	$323,379.69	$333,085.58	$343,057.57	$353,364.91	$1,666,832.64
Marathon Resource Management Group LLC	$532,248.00	$532,248.00	$532,248.00	$532,248.00	$532,248.00	$2,661,240.00
Pro Cut Tree	$504,000.00	$504,000.00	$504,000.00	$504,000.00	$504,000.00	$2,520,000.00

* Asplundh claimed local vendor preference (3%)

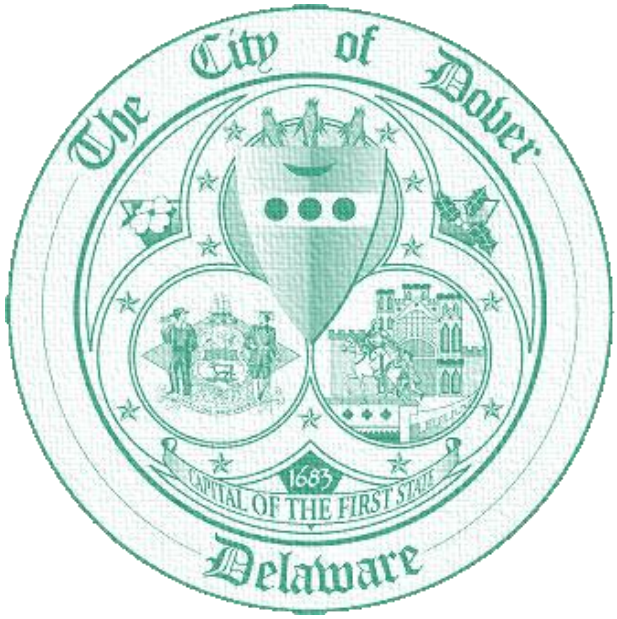
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended June 30, 2018



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Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2018



Prepared by the Finance Department
Lori Peddicord, Controller/Treasurer

ACKNOWLEDGEMENTS

THE CITY OF DOVER'S COMPREHENSIVE ANNUAL FINANCIAL REPORT WAS PREPARED BY THE FINANCE DEPARTMENT

TRACEY LISIECKI
FINANCIAL REPORTING & ACCOUNTING MANAGER

JEFFREY DILL
ACCOUNTANT II

JENNIFER HELMS
ACCOUNTANT II

SHARON DANIEL
ACCOUNT CLERK II

JENNIFER GUZMAN-PEREZ
PAYROLL SPECIALIST

DEBBIE O'BRIEN
ADMINISTRATIVE ASSISTANT

SPECIAL APPRECIATION IS EXTENDED TO MRS. DONNA S. MITCHELL, CITY MANAGER, AND ALL PERSONNEL THROUGHOUT THE CITY FOR THEIR CONTINUED SUPPORT OF THE FINANCE DEPARTMENT.

City of Dover, Delaware

Comprehensive Annual Financial Report
Fiscal Year 2018

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ORGANIZATION CHART

VISION

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City of Dover

December 31, 2018

The Honorable Mayor,
Honorable Council President,
Members of the City Council
and Citizens of the City of Dover
Dover, Delaware 19901

Ladies and Gentlemen:

I am pleased to submit the Comprehensive Annual Financial Report of the City of Dover for the fiscal year ended June 30, 2018. This report is published to comply with the provisions of Article IV, Section 46 of the City Charter. It is also intended to provide financial data to the tax and ratepayers, bondholders, trustees, banks, federal and state agencies and the financial community at large.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The financial statements in this report have been audited by CliftonLarsonAllen LLP, an independent firm of certified public accountants as required by Section 46 of the City Charter. CliftonLarsonAllen LLP has provided an unmodified opinion on the City of Dover financial statements for the year ended June 30, 2018. The report of independent public accountants is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it. Our MD&A can be found immediately following the report of our independent auditors.

THE REPORTING ENTITY AND ITS SERVICES

The City of Dover was incorporated in 1829 under a Charter granted by the General Assembly. Dover is the Capital of the State of Delaware and is located in the central part of the State. It is home to the State Governor's office, legislative offices, and is the County seat for Kent County.

The City currently occupies a land area of 23.74 square miles and serves a population of approximately 38,422. Dover's governing body is composed of a Mayor and nine Council Members, with one Council Member elected by Council to serve as Council President. Two members of City Council are elected from each of the four districts; the ninth Council member of Council and the Mayor are elected at-large. The Council is responsible for all matters of policy and is the authority for levying taxes, securing revenues, authorizing expenditures of City funds and incurring City debts. The City of Dover operates under a Council – Manager form of government.

The City provides a full range of services as mandated by the Charter or adopted by the City Council. They include police protection, street and sanitation maintenance, recreation, library, community development, economic development, public improvements, planning and zoning, safety inspections, electric power generation and distribution, water and wastewater services, legislative services and general administration.

Within the City is a volunteer fire company that is autonomous. Under established criteria, the operations of the Robbins Hose Fire Company are not a part of this report. However, the City provides financing for dispatching, personnel costs, most of the building and equipment maintenance, supplies, and contractual services. The City also provides funding to Robbins Hose for payments on several pieces of firefighting apparatus. These payments are grouped under the Fire Department and are included in the General Fund.

The Fire Chief is elected by the volunteer members of the Fire Company. The City Council traditionally adopts the election and officially appoints the Fire Chief for a one-year term. Therefore, the position of Fire Chief is included in the City organization chart.

The Capital School District does not meet the established criteria for inclusion in the reporting entity and, accordingly, is excluded from this report.

The City Council shall, on or before the second Monday of June in each year, adopt a budget for the succeeding fiscal year. This annual budget serves as the foundation for the City of Dover's financial planning and control. The budget is prepared by fund and department. With approval of the City Manager and Controller/Treasurer, Department Heads may transfer resources within or between departments, with the exception of capital project budgets. Transfers between funds and transfers of capital project budgets, however, need special approval from the City Council.

ECONOMIC CONDITION AND FUTURE GROWTH

The City of Dover is distinguished as the dominant center of employment, commerce, educational opportunity, and cultural activity in Central Delaware. Economic growth appears to be occurring in Dover, as evidenced by the level of building permit activity and the high value of construction during the fiscal year 2018 (July 2017-June 2018).

Residential growth remains steady and major institutions and commercial entities continue to expand to meet the demands of the regional population and economy. The commercial corridor areas of U.S. Route 13, Bay Road, and DE Route 8 have continued to be the center of commerce in Dover. Significant new projects have commenced in the past year specifically to renovate and expand commercial services in the U.S. Route 13 corridor. Efforts to revitalize the traditional urban core of downtown Dover and its adjacent residential neighborhoods have continued through the efforts of multiple groups in the designated Downtown Development District area.

Total value of construction was estimated at $159.8 million during fiscal year 2018. This significant increase from $41.6 million in fiscal year 2017 is related to a large student housing project at Delaware State University and several other large commercial and office building projects. It is encouraging to see investment across all sectors and throughout the City. Building permits issued during this period total 2,528 permits which keeps pace with the previous year's permit levels. The City of Dover issued 4,345 Business Licenses in fiscal year 2018

Growth and development trends during fiscal year 2018 are further discussed and summarized below:

Population Growth

The 2010 U.S. Decennial Census, which was conducted in April 2010, found that 36,047 people reside in Dover. The Delaware Population Consortium estimates that the City of Dover's population as of July 1, 2017 was 38,102, a population increase of 5.7% over the decennial Census. Recent residential building permit numbers suggest that the current estimates may be low, not fully reflecting recent growth.

Residential Development

The City's growth in the residential sector is focused in two areas: the build-out of previously platted subdivisions and the development of new multi-family units as apartment complexes. Subdivision build-out is primarily one-family detached dwelling units with some townhouse unit construction. Construction continues in such existing developments as Clearview Meadow PND, Village of Westover Phase VI, Village of Cannon Mill PND, Patriot Village, and Seskinore. For multi-family (apartment units), the City is seeing the reconstruction/rehabilitation of existing complexes such as Liberty Court and Whatcoat Village. However, the increase in the apartment unit type is occurring in the on-going construction of new units in the developments of Tall Pines, Leander Lakes

Apartments, Blue Hen Apartments Phase 2, The Arbors, and a fourth building at The Grande. These projects and others are expected to have a positive influence on the City's annual rate of growth.

Downtown Dover Redevelopment

Downtown revitalization continues to occur in both the commercial and residential sectors. Through the Downtown Development District designation, the work of the Downtown Dover Partnership, and the efforts of those involved in the Restoring Central Dover program, new businesses have opened on Loockerman Street and new owner-occupied housing is rapidly changing the appearance and appeal of formerly blighted areas. The City, NCALL, Habitat for Humanity and others are involved in street lighting initiatives, sponsoring Downtown events, and creating a much more positive image for Dover's historic central business district and the adjacent residential areas. After being named in 2015 as one of the initial Downtown Development Districts in the State, the City's Planning Office continues to make the Downtown Dover Development District's various City incentives, the project cost rebates offered by the State (managed by the Delaware State Housing Authority), and the other incentives more widely known. In the fiscal year 2018 timeframe, seventeen (17) residential properties and four (4) commercial properties qualified for City incentives and are working to bring their development projects to life.

Retail/Commercial Development

Construction in the retail sector continues to show improvement during fiscal year 2018, particularly along the DuPont Highway/Route 13 corridor. The restaurants of Panera Bread and Longhorn Steakhouse constructed new buildings helping to redevelop a former 'big-box' retail site. Construction also began on the Capital Station site, a multi-building shopping complex, where the former Playtex industrial site was demolished, and Brownfield remediation activities were completed. Office building construction was also initiated along the Bay Road corridor and on North Street. The first commercial building of the Eden Hill Farm TND Neighborhood Commercial District saw occupancy by its first tenant, the new medical office of Nemours Pediatrics. Chesapeake Utilities/Eastern Shore Natural Gas also began construction of a Dover Campus on Energy Lane in the North Gate Center to consolidate and expand their headquarters offices and warehouse/work yard facilities

Institutional Development

The Dover economy is continuing to be well balanced with a solid mix of military, health, governmental, educational and industrial components. The health care sector saw the new skilled nursing facility of the Center at Eden Hill open on Banning Street and construction commence on the Post-Acute Medical Rehabilitation Hospital on McKee Road. Delaware State University began construction of a major student housing project of 600 beds to replace several aging dormitory buildings on its campus. Wesley College, Del-Tech and Wilmington University continue to show solid student enrollment growth.

Infrastructure

The City has several large water and sewer projects underway to upgrade pump stations, distribution and transmission mains. These projects will improve water quality and reduce the inflow/infiltration in our sewer system. The City continues to upgrade the electric transmission and distribution system with systematic upgrades to substations and the transfer of overhead distribution lines to underground lines in the electric territory subdivisions. The City has ongoing street and sidewalk rehabilitation programs and has completed several water and sewer improvement projects prior to street projects. Also, in this timeframe, the West Dover Connector project, now known as the POW-MIA Parkway was completed connecting North Street/Saulsbury Road to points south thus alleviating some of the thru traffic going through the Downtown area.

Summary

Fiscal year 2018 saw continued and meaningful growth in the state capital. Dover remains a center for commerce, as evidenced by the retail expansions seen during fiscal year 2018 as well as growth in commercial/retail, office and health care services and a renewed interest in the buildout of existing residential communities. Dover is well positioned to support continued growth and redevelopment; and the investment associated with the State's Downtown Development District program creates an optimistic future for the City of Dover.

LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

The City Council continues its focus on replacing or upgrading old infrastructure in order to improve the quality and reliability of our utility systems. In FY18, the City invested $0.8 million in street improvements, upgrades to the Silver Lake Dam - $0.3 million, and $0.2 million in stormwater improvements.

The water and wastewater capital improvements $2.3 million were completed. This included the completion of Bradford Street and William Street water main replacements, Rolling Acres pump station replacement, Westover pump station and force main, and emergency improvements to Pump Station 7.

The electric utility completed capital improvements of $4.7 million in fiscal year 2018. The major initiatives completed by our Transmission and Distribution crews was the transition of overhead to underground in the Town Pointe neighborhood, several new service request in the commercial sector, and the switchgear replacement program. On the generation assets, an overhaul of the VanSant generating unit was completed, as well as capital maintenance improvements on the McKee 3 unit.

The City maintains a five-year Capital Investment Plan which serves as its planning and budgeting tool to program upgrades and replacements to its equipment, facilities, and infrastructure. As part of this process, operating expenses are identified, and funding

sources are determined. Managers are required to rank capital expenditures by criticality based on the impacts on customer service and revenue losses. The fiscal year 2018/2019 Capital Investment Plan includes $1.9 million for vehicles and equipment and $17.6 million of infrastructure and utility improvement projects. The Capital Investment Plan is presented to City Council each year during the budget workshops, and the final plan is approved by City Council along with the annual budget.

In fiscal year 2019, the budget includes $1.5 million of improvements for the Public Works operations and yard relocation, as well as the cleanup of the previous operations yard. Another $0.2 million is included for streetscape improvements. The City completed Master Plans for two major parks in FY18. The budget also includes a new Administration Building for the Parks and Recreation staff, as well as some improvements as outlined in the Master Plans for a total cost of $0.5 million.

In fiscal year 2019, the water and wastewater budgets include an upgrade and overhaul of the Water Treatment Plant for approximately $7 million. This project will carry over into FY20. Also included are replacements of the Delaware Tech, Silver Lake and Walker Woods pump stations. The City is continuing the inflow/infiltration improvement program for our sewer system as well as various water quality improvements.

The Electric Fund is projecting $6.3 million in capital improvements for FY19. New developments encompass $0.9 million of projected improvements. The enterprise resource planning solution (ERP) project will be in its second year of implementation, an overhaul of the HVAC system at Weyandt Hall is scheduled for completion, as well as various capital maintenance improvements on McKee Unit 3. The City will be performing a GIS audit of all street lights in order to bid out the changeover to LED lighting City-wide.

FINANCIAL POLICIES AND FINANCIAL PLANNING

Unassigned fund balances in the General Fund (17.5%) exceeded the policy guidelines of a minimum of 8% and maximum of 12% of current year operating revenues as approved by City Council in the City of Dover financial policies. This overage was attributed to lower than budgeted expenditures along all functions of the government due to attrition and vacancies, and as a result, the fiscal year 2019 budget will be adjusted to address the overage.

The water and wastewater utility guidelines are to maintain a minimum budget balance of at least 8% and no greater than 17% (two months) of the current year operating revenues. The water and wastewater utility ended the year with a combined budget balance greater than the 17% at 18.2%. The current budget balances as of June 30, 2018 for the utilities are water at 27.0% of the actual water revenues and wastewater at 11.4% of the actual wastewater revenues. The overages will be addressed in the fiscal year 2019 budget.

The electric utility is to maintain a minimum budget balance of at least 12% (45 days) of the current year operating revenues less the Distribution of Earnings – PCA Credit. If the

balances fall below the established percentages, the City Manager is required to submit budgets to bring the balances up to minimum within three years. The electric utility ended the year with a budget balance greater than the 12% at 19.1%. This was attributed to lower than projected power supply and generation cost and higher than anticipated direct base sales. The fiscal year 2019 budget will include a distribution of prior year earnings to the electric customers in the form of a negative power cost adjustment.

The City policies also require non-recurring revenues to be set aside for capital improvements as designated by City Council (reserve accounts) and a $700,000 contingency reserve in the General Fund, $250,000 each for the Water/Wastewater Fund contingency reserves and $750,000 contingency in the Electric Revenue Fund to address unforeseeable natural disasters and insurance losses. All major funds meet the contingency reserve requirements.

The water and wastewater utilities impose impact fees, which are reserved by ordinance, on new developments or facilities to assist with financing future expansion projects. The electric utility maintains depreciation and future capacity reserves to assist with asset replacements and system expansions. Financial policies require the electric utility to maintain a minimum of $10.0 million in each of these reserves, with replenishment over seven years when used to finance projects.

The City's financial policies also include an Electric Rate Stabilization Reserve account. The purpose of this reserve is to level off the fluctuations in the wholesale power supply market and in turn provide stable rates to the City's customers. The reserve balance shall be maintained at a minimum of 10% not to exceed 20% of the purchase power cost in any given year. If the reserve balance exceeds the 20% maximum, a credit will be applied to the power cost adjustment.

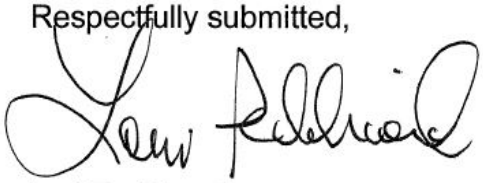
AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Dover, Delaware for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2017. This was the thirty-third (33) consecutive year that the City of Dover has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Finance Department extends our thanks to you for your continued interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner. I also express my appreciation to the many City employees for their assistance and cooperation during the year in preparation of this report. My appreciation is extended to Mrs. Dawn Melson-Williams, Principal Planner for her assistance with the preparation of the local economy section, and Mrs. Debbie O'Brien for her support in the preparation of the annual report. Special appreciation is extended to the employees of the Finance Department, whose pride and dedicated service continues to make this report and each year a success.

Respectfully submitted,



Lori Peddicord
Controller/Treasurer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Dover

Delaware

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO

MAYOR AND MEMBERS OF COUNCIL



Mayor
Robin R. Christiansen



Timothy A. Slavin
At-Large



William F. Hare
2nd District



Tanner Wm. Polce
1st District



Scott W. Cole
3rd District



David L. Anderson
4th District



Brian E. Lewis
2nd District



Matthew J. Lindell
1st District



Fred A. Neil
3rd District



Roy Sudler, Jr.
4th District

LIST OF ELECTED OFFICIALS

June 30, 2018

Title/Name	Length of Service	Term Expires
MAYOR		
Robin R. Christiansen	4 Years	May 2019
CITY COUNCIL		
At Large		
Timothy A. Slavin *	5 Years	May 2021
First District		
Matthew J. Lindell	1 Year	May 2019
Tanner Wm. Polce	1 Year	May 2021
Second District		
William F. Hare	7 Years	May 2021
Brian E. Lewis	3 Years	May 2019
Third District		
Scott W. Cole	3 Years	May 2019
Fred A. Neil	3 Years	May 2021
Fourth District		
David L. Anderson	7 Years	May 2021
Roy Sudler, Jr.	3 Years	May 2019

* Council President

Note: length of service does not reflect previous, non-consecutive service or interim appointment prior to permanent appointment

LIST OF APPOINTED OFFICIALS

June 30, 2018

Title/Name	Length of Time in Position	Length of Time with the City
City Clerk/Assistant Treasurer – Traci A. McDowell	12 Years	30 Years
City Manager/Civil Defense Director – Donna S. Mitchell	6 Months	17 Years
City Solicitor – Nicholas H. Rodriguez	50 Years	50 Years
Deputy City Solicitor – William W. Pepper	28 Years	28 Years
Council President – Timothy A. Slavin	3 Years	5 Years
City Assessor – Cheryl A. Bundek	9 Years	26 Years
City Building Inspector – David S. Hugg, III	6 Months	11 Months
City Planner – David S. Hugg, III	6 Months	11 Months
Controller/Treasurer – Lori Peddicord	5 Months	3 Years
Fire Chief – Carleton Carey, Jr.	2 Years	-
Fire Marshal – Jason A. Osika	2 Years	16 Years

Note: length of service does not reflect previous, non-consecutive service or interim appointment prior to permanent appointment

LIST OF COMMITTEES, COMMISSIONS & BOARDS

As of June 30, 2018

Awards Committee
Peggy Angel
Ronald R. Gough
Georgia Van Sant

Bicycle and Pedestrian Subcommittee
James A. Hutchinson, III, P.E., Chair
Chris Asay, Vice Chair
Jayce Lesniewski
Dave Moses
Gerry Pennington
Fran Riddle
Andy Seigel

Board of Adjustment
K.C. Sheth, Chair
Arthur G. Ericson, Vice Chair
William A. Hufnal
James N. Keller
Richard D. Senato

Board of Assessment Appeals
William Garfinkel, Undesignated, Chair
Thomas Burns, Real Estate Brokerage of Sales
James Galvin, Undesignated
John Kelly, Accounting
Todd Stonesifer, Real Estate Brokerage of Sales
Vacancy, Property Appraisal/Assessments

Compensation Commission
Vacancy
Vacancy
Vacancy
Vacancy
Vacancy
Controller/Treasurer, Donna S. Mitchell
Human Resources Director, Kimberly Hawkins

Construction and Property Maintenance Code Board of Appeals
Councilman David L. Anderson, Chair
Councilman Brian E. Lewis
Councilman Fred A. Neil
Charles Martin
Vacancy

Dover Fourth of July Celebration Committee
Greg Patterson, President/Vice Chair
Mayor Robin R. Christiansen, Chair
Andrea Maucher, Vice-President
Jennifer Helms, Treasurer/Secretary
Susan Betts
Carolyn D. Courtney
Gail Nemcic
Vacancy
Sarah Zimmerman

Dover Housing Authority
Mark Harmon
Enrico LePore
Robert F. Merritt
Audrey Daniels
Phillip McGinnis
Sandra Taylor
Rufus Mincey, Interim Executive Director/Secretary

Dover Public Library Advisory Commission
Councilman Scott W. Cole
Zachery C. Carter
Gertrude Jackson
Beth Petit De Mange
Jill B. Street
Robert S. Wetherall

Dover/Kent County MPO Council
Mayor Robin R. Christiansen

Downtown Dover Partnership Board of Directors
Anita Evans (President)
City Manager, Donna S. Mitchell
City Planner, David S. Hugg III
Councilman David L. Anderson
Councilman William F. Hare

Downtown Dover Partnership Board of Directors (Continued)
Councilman Fred A. Neil
Mayor Robin R. Christiansen
State of Delaware Representative - Vacancy
Diane Laird, Office of Economic Development
Timothy A. Slavin, Office of the Secretary of State
Brian Bushweller, State Senator - 17th District
Sean M. Lynn, State Representative - 31st District
Lucy Findlay
Michael Harrington
Maxine Lewis
Mitch May
Gregory V. Moore
Todd Stonesifer
Erin L. Thwaites
Wendie Vestfall
Chief Executive Officer of Bayhealth Foundation, Vacancy
President of Wesley College, Robert E. Clark, II

Economic Development Committee
Mayor Robin R. Christiansen, Chair
City Manager, Donna S. Mitchell
Councilman William F. Hare
Councilman Scott W. Cole
Anita Evans
City Planner, David S. Hugg III
Clayton E. Hammond II
Vacancy

Election Board
At Large: Vacancy
First District: Anita L. McDowell Boyer
Second District: Cherritta L. Matthews
Third District: Vacancy
Fourth District: M. Milford Caldwell
Traci A. McDowell, City Clerk (Liaison Member)

Ethics Commission
Thomas C. Jackson, Chair
Robin F. Case
Gary Coy
Lisa M. Enright
Nancy J. Shevock

General Employee Pension Plan Board of Trustees
Councilman David L. Anderson
Councilman Brian E. Lewis
City Manager, Donna S. Mitchell
Controller/Treasurer, Lori Peddicord
Robert Gedney
Kristen Mullaney
Ronald P. Swaggard

Greater Dover Arts Council
Chevis Anderson, Chair
Sydney Arntz
N. Taylor Collins
Caroline Greene
Charles Guerin
Paul Janiga
Tracey Miller
Cheryl Scheir
Cynthia Witt
Sarah Zimmerman

Historic District Commission
Joseph McDaniel (Chair) Business Rep./Resident
Ann Baker Horsey, (Vice-Chair) Professional/Resident
Eric S. Czerwinski, Professional
Mary Terry Mason, Resident
Jonathan N.H. Street, Professional

Human Relations Commission
At-Large: Sara Herbert
First District: Paul Fleming
First District: Gerald Rocha, Sr.
Second District: Vacancy
Second District: Theodore Henderson, Chair
Third District: Alan Gaddis
Third District: Wanda Mullen
Fourth District: Rita Mishoe Paige
Fourth District: Vacancy

Kent County Tourism Board of Directors
Councilman Fred A. Neil

Kent Economic Partnership Board of Directors
Councilman David L. Anderson

Legislative, Finance, and Administration Committee
Councilman William F. Hare, Chair
Daniel T. Shevock
Courtney Stewart

Other Post-Employment Benefits (OPEB) Board
Councilman Scott W. Cole
Councilman Matthew J. Lindell
City Manager, Donna S. Mitchell
Controller/Treasurer, Lori Peddicord
Human Resources Director, Kimberly Hawkins

Parks, Recreation and Community Enhancement
Councilman Roy Sudler, Jr., Chair
M. Milford Caldwell, Jr.
Kim Warfield

Planning Commission
At-Large: Dr. Bobby Jones
First District: Kathleen Welsh, Vice Chair
First District: Deborah L. Edwards
Second District: Thomas Holt
Second District: Andrea Maucher
Third District: Dean Holden
Third District: Fred Tolbert, Chair
Fourth District: John H. Baldwin, Sr.
Fourth District: Kenneth Roach

Police Pension Plan - Retirement Committee
Councilman David L. Anderson
Councilman Brian E. Lewis
City Manager, Donna S. Mitchell
Chief of Police, Marvin C. Mailey
(Ret. Lt.) Timothy Mullaney, Sr., Chair
(Ret. Captain) Larry Gray
(Ret. Sgt.) Steve Rogers

Public Advisory Committee of the Dover/Kent County MPO
Dr. Carlton L. Cannon, Jr.
Jonathan Contant
Karen McGloughlin
Vacancy (At-Large Alternate)

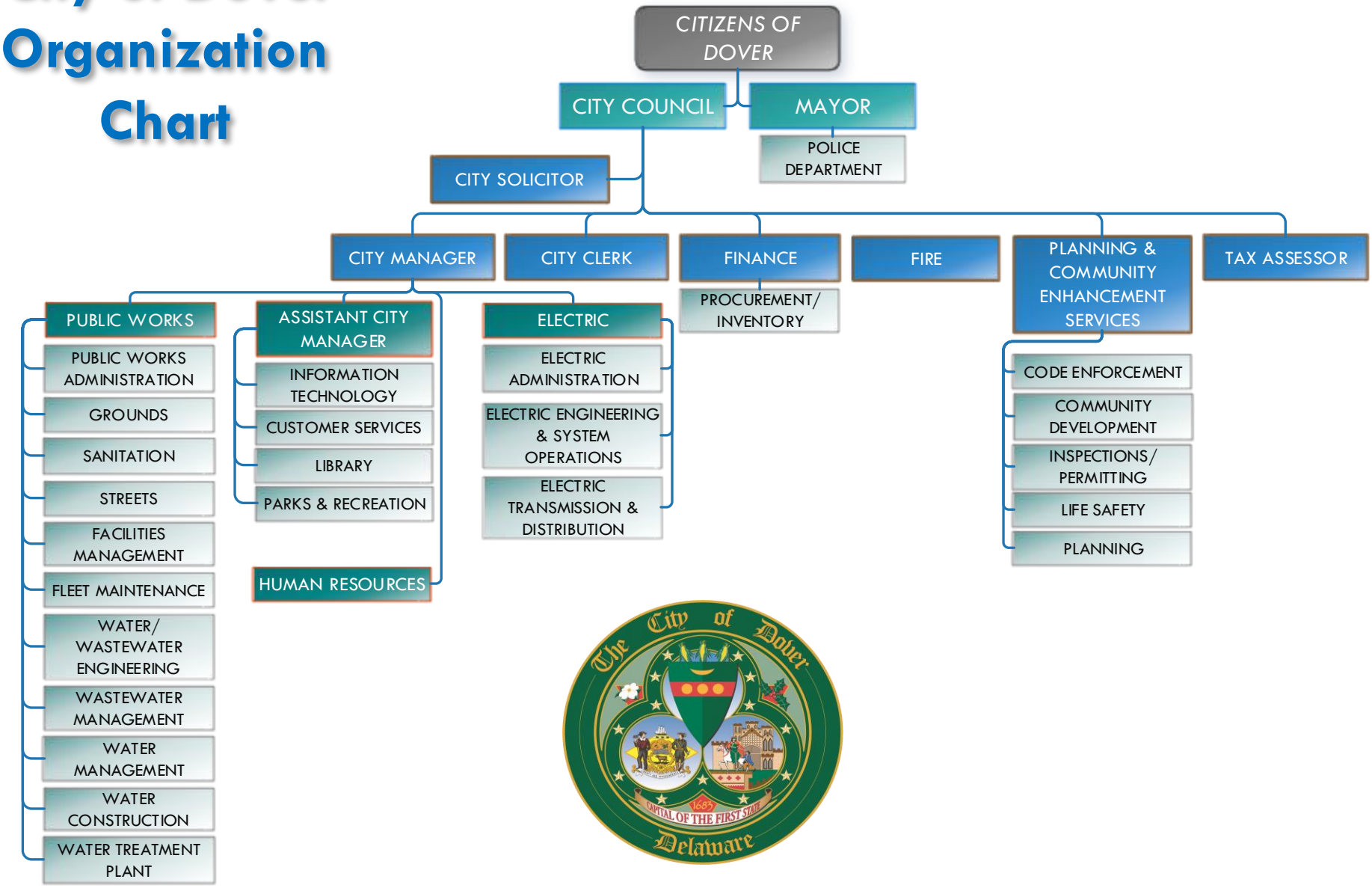
Safety Advisory and Transportation Committee
Councilman Brian E. Lewis, Chair
William T. Garfinkel
Dana Shelton

Silver Lake Commission
Dean Holden, Chair
Nicholas Adams
Tricia Arndt
James Burcham
Zachery C. Carter
Lyle Allen Jones
Vacancy

St. Jones Greenway Commission
James Burcham
Michael P. Mercer
City Parks and Recreation Director, Margery Cyr

Utility Committee
Councilman Scott W. Cole, Chair
Kathleen Doyle
Margaret A. Scarborough

City of Dover Organization Chart



For the Fiscal Year Ended June 30, 2018

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.

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FINANCIAL SECTION

THIS SECTION INCLUDES THE FOLLOWING:

PART A
REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

PART B
MANAGEMENT'S DISCUSSION AND ANALYSIS

PART C
BASIC FINANCIAL STATEMENTS
Government-wide Financial Statements
Fund Financial Statements
Notes to Financial Statements

PART D
REQUIRED SUPPLEMENTARY INFORMATION

PART E
SUPPLEMENTARY INFORMATION
Combined Fund Statements
Budgetary Schedules

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FINANCIAL SECTION

PART A

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

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CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Members of the
City Council of Dover, Delaware
Dover, Delaware

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dover, Delaware (the City), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

A member of Nexia International

The Honorable Mayor and Members of the
City Council of Dover, Delaware

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the General fund-schedule of revenues, expenditures, and changes in fund balance-budget and actual; the schedules of changes in net pension liability, related ratios for the police pension plan and the general employee pension plan; the schedule of employer contribution for the police pension plan and the general employee pension plan, the schedule of the City of Dover's proportionate share of the net pension liability for the county and municipal police and firefighters pension plan; the schedule of the City of Dover's contributions for the county and municipal police and firefighters pension plan; and the schedule of changes in net OPEB liability, related ratios for the OPEB plan and schedule of City Contributions for the other post-employment plan be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund schedules, budgetary comparison schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund schedules and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund schedules and budgetary comparison schedules is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Honorable Mayor and Members of the
City Council of Dover, Delaware

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.



CliftonLarsonAllen LLP

Baltimore, Maryland
December 28, 2018

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FINANCIAL SECTION

PART B

MANAGEMENT'S DISCUSSION AND ANALYSIS

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The City of Dover
Management's Discussion and Analysis
For the Year Ended June 30, 2018

The following is a discussion and analysis of the City of Dover's (the City's) financial activities for the fiscal year ended June 30, 2018. Readers are encouraged to consider the information presented here in conjunction with additional information provided in our letter of transmittal, which can be found on pages 3-10 of this report, and the City's financial statements which follow this section.

Financial Highlights

The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $198.7 million (net position). Included in this amount is a, ($14.1) million deficit in "unrestricted net position". The total Net Position represents the funds available to meet the City's ongoing obligations to citizens and creditors. The general government reported an unrestricted deficit of $36.8 million and the business-type activities, Water/Wastewater and Electric funds, reported a positive $22.7 million unrestricted net position. The difference between the unrestricted amounts and the total net position is $212.8 million, of which $47.7 million is restricted primarily for debt and capital construction purposes, and $165.1 million is net investment in capital assets. Total Assets increased for both the governmental and business-type activities in the amounts of $1.2 million and $3.1 million respectively. Deferred Outflows for the governmental and business-type activities both decreased $1.6 million and $0.5 million respectively. Deferred Inflows increased for both the governmental and Business-type activities by $1.4 million and $0.4 million respectively. Liabilities for both the governmental and business-type activities also decreased by $8.6 million and $3.1 million respectively.

- For governmental activities, the City reported: a decrease of $1.2 million invested in capital assets, an increase in restricted net assets of $0.7 million, and an increase of $7.3 million in unrestricted net position. As a result of its operations, the City recognized a positive change in net position of governmental activities of $6.8 million. The current year's change in net position is $1.9 million less than the previous years' change in net position and is primarily due to increases in expenses across all functions of government totaling $3.5 million with an offsetting increase in revenues, from the prior year, of $2.2 million.

- For business-type activities the City reported: an increase of $1.2 million invested in capital assets, an increase in restricted net position of $2.5 million and an increase of $1.6 million in unrestricted net position. As a result of its operations, the City recognized positive net position of business-type activities of $5.3 million. The current year's change in net position is $10.6 million less than the previous years' change in net position and is primarily due to a $9.4 million increase in Electric expenses resulting from a $3.7 million increase in purchased power; a $5.0 million increase in distributions to Customers – PCA Credit; and a $1.1 million increase in Retiree Health Care expense.

Overview of the Financial Statements

This discussion and analysis section is intended to serve as an introduction to the City's Comprehensive Annual Financial Report (CAFR). The CAFR consists primarily of three *required* components: 1) management's discussion and analysis (this section), 2) the basic financial statements; and 3) required supplementary information. The CAFR also includes *optional* supplementary information that provides summary and detail level information, and a statistical section.

The basic financial statements are presented in two categories that present different views of the City's financial condition:

- The two *government-wide financial statements* (pages 47-48) provide both long-term and short-term information about the City's overall financial position and operations.

- The remaining (pages 49-57) *fund financial statements* focus on specific activities of City government, reporting the City's operations in more detail than the government-wide statements. The City financial statements can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

  - The governmental fund statements (pages 49-52) tell how general government services, like community services, planning, public safety, and public works, were financed in the short term as well as what remains for future spending.

  - Proprietary fund statements (pages 53-55) offer short and long-term financial information about the activities the government operates like businesses, which for the City of Dover are the Electric and Water/Wastewater Funds.

  - The Fiduciary fund statements (pages 56-57) provide information about the financial relationships in which the City acts solely as a trustee or agent for the benefit of others, to whom the resources belong. The City is the trustee, or fiduciary, for its Employee and Police Pension plans and Other Post-Employment Benefits plan and acts in an agency capacity for the Dover Downtown Partnership and Fourth of July Celebration Committee, none of which are considered to be component units of the City. All of the City's Fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. We exclude these activities from the City's other financial statements because the City may not use these assets to finance its operations. The City is responsible for insuring that the assets reported in these funds are used for their intended purposes.

The financial statements also include notes (pages 59-117) that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information (pages 119-130) that further explains and supports the information in the financial statements. Other supplementary information includes details on non-major funds and other information that can be found on pages 131 through 154.

The following page summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and content of each of the statements:

Major Features of City's Government-wide and Fund Financial Statements

	Government-wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	***Entire City government (except fiduciary funds)***	***The activities of the City that are not proprietary or fiduciary, such as public safety and public works***	***Activities the City operates similar to private businesses, such as electric, water and wastewater funds***	***Instances in which the City is the trustee or agent for someone else's resources***
Required financial statements	• **Statement of net position** • **Statement of activities**	• **Balance sheet** • **Statement of revenues, expenditures, and changes in fund balances**	• **Statement of net position** • **Statement of revenues, expenses and changes in net position** • **Statement of cash flows**	• **Statement of fiduciary net position** • **Statement of changes in fiduciary net position**
Accounting basis and measurement focus	***Accrual accounting and economic resources focus***	***Modified accrual accounting and current financial resources focus***	***Accrual accounting and economic resources focus***	***Accrual accounting and economic resources focus***
Type of asset/deferred outflows of resources/liability/ deferred inflows of resources information	**All assets deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, and short-term and long-term**	**Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter, no capital assets, or long-term liabilities included**	**All assets deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, and short-term and long-term**	**All assets and liabilities, both short-term and long-term**
Type of inflow/outflow information	***All revenues and expenses during the year, regardless of when cash is received or paid***	***Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter***	***All revenues and expenses during the year, regardless of when cash is received or paid***	***All revenues and expenses during the year, regardless of when cash is received or paid***

Government-wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the City of Dover's assets, liabilities, and deferred inflows and outflows of resources with the difference reported as net position. Net position is one way to measure the City's financial health or position. Over time, increases or decreases in the City's net position is an indicator of whether its financial health is improving or deteriorating, respectively. To assess the overall health of the City, one needs to consider additional non-financial factors such as changes in the City's property tax base and the condition of the City's physical assets and infrastructure. The government-wide financial statements of the City are divided into two categories:

- *Governmental activities*—Most of the City's basic services are included here, such as general government, public safety, planning and code enforcement, public works, library and recreation, community and economic development, central services and financial administration. Property taxes, business licenses, permits, sanitation fees, fines, utility transfers and state and federal grants finance most of these activities.

- *Business-type activities*—The City charges fees to customers to help it cover the costs of certain services it provides. The City's electric, water, and wastewater services are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds—not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by State law and by covenants. The City Council may also establish other funds to control and manage money for particular purposes.

The City has three kinds of funds:

- *Governmental Funds* - Most of the City's basic services are included in governmental funds, which focus on (1) how cash, and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Since this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on a separate page, which explains the relationship (or differences) between them.

- Governmental Fund Balance classifications are reported to the extent to which they are constrained as promulgated by Governmental Accounting Standards Board Statement No. 54.

- The City's General Fund is the only governmental fund considered to be a major fund under the requirements of Governmental Accounting Standards Board Statement No. 34.

- *Proprietary Funds* – Services, for which the City charges customers a fee, are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short-term financial information.

  - The City's enterprise funds (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.

  - The City's two enterprise funds are both considered major funds under the requirements of GASB Statement No. 34.

- *Fiduciary Funds* – The City is responsible for assets that because of a trust arrangement can be used only for the trust beneficiaries. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the City's government-wide financial statements because the City cannot use these assets to finance its operation.

Financial Analysis of the City as a Whole

The City produces government-wide financial statements using the full accrual basis of accounting and economic resource management focus. As year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the City as a whole.

The Net Position, of the City of Dover, as of June 30, 2017 and 2018 are as follows (presented in millions of dollars):

	Governmental Activities		Business-Type Activities		Total	
	2017	2018	2017	2018	2017	2018
Assets						
Non-Capital Assets	$ 15.2	$ 17.8	$ 96.4	$ 99.9	$ 111.6	$ 117.7
Capital Assets	60.5	59.1	139.9	139.5	200.4	198.6
Total Assets	75.7	76.9	236.3	239.4	312.0	316.3
Deferred Outflow of Resources	4.7	3.1	1.3	0.8	6.0	3.9
Liabilities						
Current Liabilities	3.4	7.5	7.9	11.4	11.3	18.9
Non-Current Liabilities	57.7	45.0	51.1	44.5	108.8	89.5
Total Liabilities	61.1	52.5	59.0	55.9	120.1	108.4
Deferred Inflow of Resources	8.7	10.1	2.6	3.0	11.3	13.1
Net Position						
Net investment in Capital Assets	54.4	53.2	110.7	111.9	165.1	165.1
Restricted	0.3	1.0	44.2	46.7	44.5	47.7
Unrestricted	(44.1)	(36.8)	21.1	22.7	(23.0)	(14.1)
Total Net Position	$ 10.6	$ 17.4	$ 176.0	$ 181.3	$ 186.6	$ 198.7

The Changes in Net Position, for the City of Dover, as of June 30, 2017 and 2018 are as follows (presented in millions of dollars):

	Governmental Activities		Business-Type Activities		Total	
	2017	2018	2017	2018	2017	2018
Revenues:						
Program Revenues						
Charges for Services	$ 10.7	$ 12.2	$ -	$ -	$ 10.5	$ 12.2
Water/Wastewater Charges for Services	-	-	16.0	16.3	15.0	16.3
Electric Charges for Services	-	-	83.6	83.9	80.7	83.9
Operating Grants and Contributions	2.0	2.2	-	-	2.7	2.2
Capital Grants and Contributions	0.4	0.3	1.2	-	0.7	0.3
General Revenues						
Property Taxes	12.9	13.1	-	-	12.8	13.1
Transfer Taxes	1.6	2.0	-	-	2.2	2.0
Earnings on Investments-Other	0.1	0.1	0.4	0.2	1.4	0.3
Total Revenues	27.7	29.9	101.2	100.4	126.0	130.3
Expenses						
General Government	4.5	4.6	-	-	4.5	4.6
Public Safety	14.9	17.5	-	-	14.9	17.5
Public Works	7.6	8.4	-	-	7.6	8.4
Library and Recreation	2.9	3.1	-	-	2.9	3.1
Community and Economic Development	0.4	0.5	-	-	0.4	0.5
Central Services	1.4	1.6	-	-	1.4	1.6
Financial Administration	3.1	3.4	-	-	3.1	3.4
Interest Charges	0.1	0.1	-	-	0.1	0.1
Plus (less) Indirect Expense Allocation	(5.0)	(5.2)	5.0	5.2	-	-
Water/Wastewater	-	-	9.8	10.0	9.8	10.0
Electric	-	-	59.6	69.0	59.6	69.0
Total Expenses	29.9	34.0	74.4	84.2	104.3	118.2
Change in Net Position before Transfers	(2.2)	(4.1)	26.8	16.2	16.4	12.1
Transfers	10.9	10.9	(10.9)	(10.9)	-	-
Change in Net Position	8.7	6.8	15.9	5.3	16.4	12.1
Net Position, beginning of year	33.0	10.6	174.6	176.0	207.6	186.6
Prior Period Adjustment - Net OPEB Liability	(31.1)	-	(14.5)	-	(45.6)	-
Net Position, Beginning of Year restated	1.9	10.6	160.1	176.0	162.0	186.6
Net Position, End of Year	$ 10.6	$ 17.4	$ 176.0	$ 181.3	$ 186.6	$ 198.7

Governmental Activities

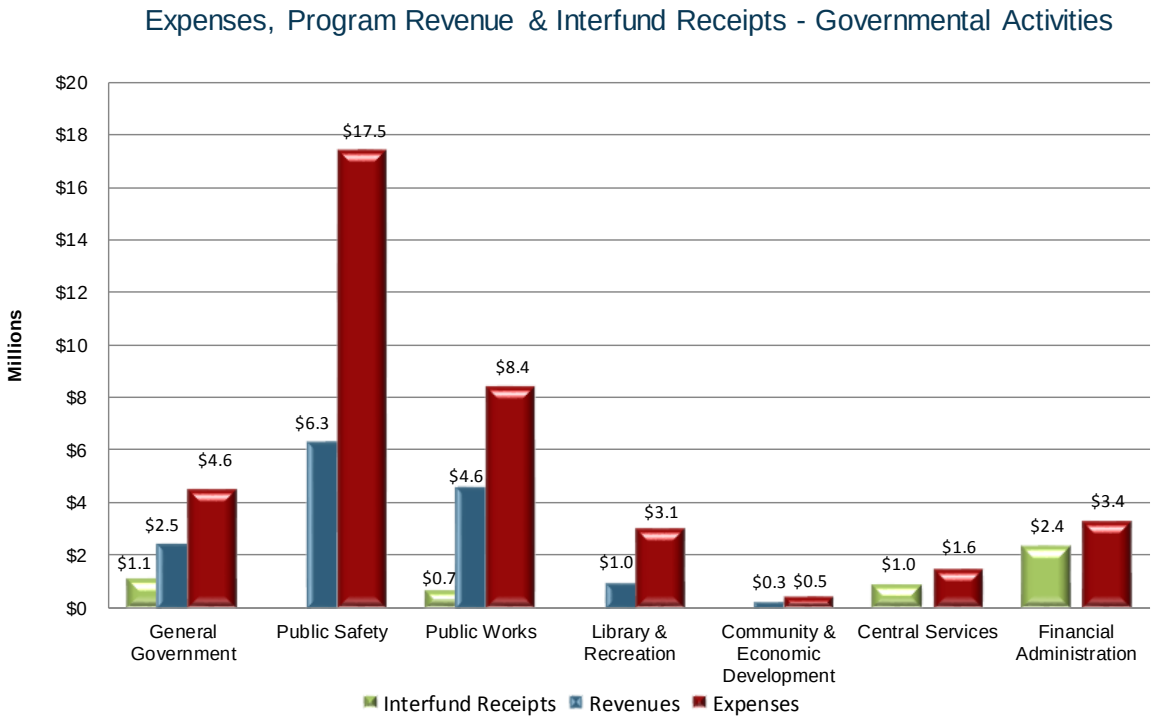
The preceding table shows changes in net position for the year ended June 30, 2018 compared to the year ended June 30, 2017. Governmental net position increased by $6.8 million; this is a decrease of $1.9 million from the prior years' positive change in net position of $8.7 million.

The beginning net position for year ended June 30, 2017 was restated by ($31.1) million, to adjust the OPEB Obligation to the Net OPEB liability for early implementation of GASB 75. In the past, the OPEB expense was the amount of the employer contribution. Current reporting provides a more comprehensive measure of OPEB expense which is more reflective of the benefit amounts employees earned during the year.

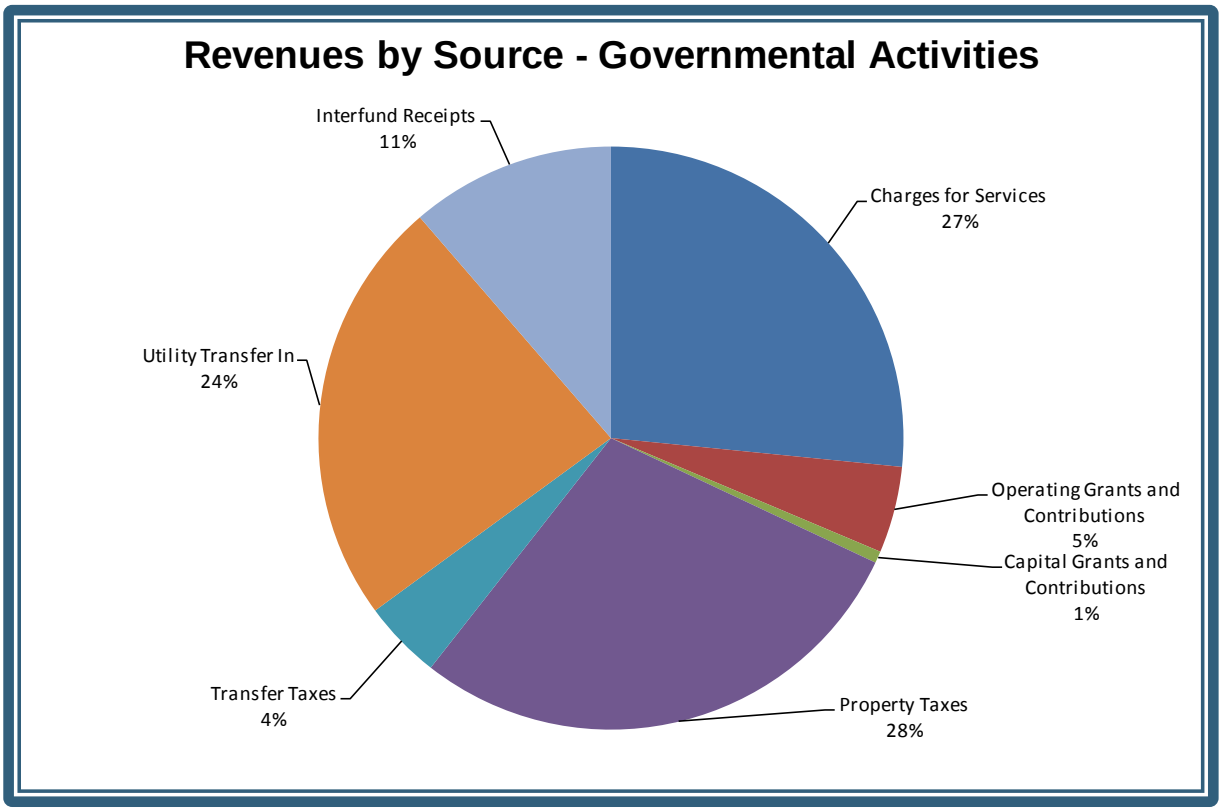
Total revenues of $29.9 million were more than the prior year by $2.2 million. The increase in revenues is due to increases in: charges for services, operating grants and contributions, property taxes and transfer taxes totaling $2.3 million. The increases were offset by a decrease in capital grants and contributions of $0.1 million and earnings on investments-other remained constant.

Total expenses in the amount of $34.0 million reflects an increase from the prior year of $4.1 million across all functions of government with interest charges remaining constant. The largest increases were in public safety in the amount of $2.6 million and in public works in the amount of $0.8 million attributed mainly to the increased costs for pension and OPEB. Additionally, the current year had an increase in expense for a budgeted general pension appropriation in the amount of $0.6 million.

The chart that follows allocates revenues to program costs as applicable. It shows that some City functions are in part self-supporting either through customer charges or inter-fund receipts through the utilities (presented in millions of dollars):



The following chart shows the sources of funding for program costs for the last fiscal year. As can be seen, a substantial portion of funding for governmental operations is provided by property taxes, charges for services and transfers from the utilities.



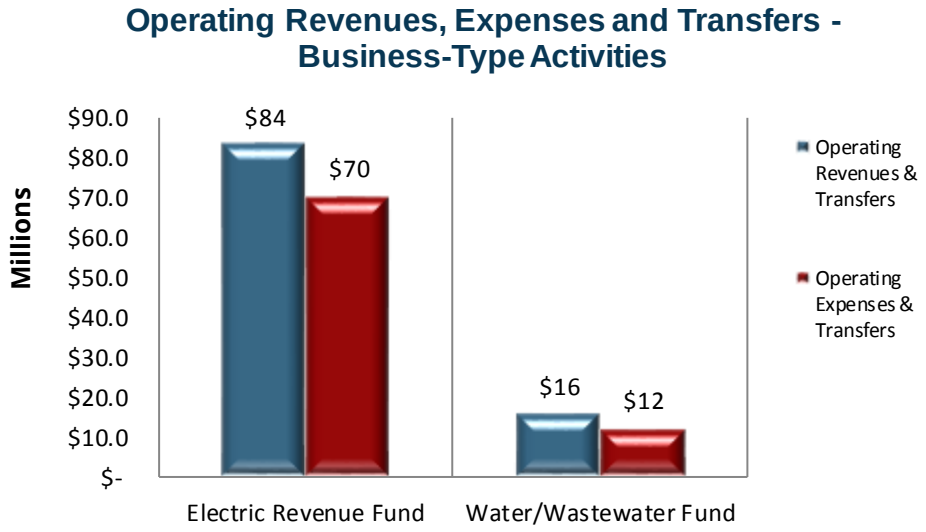
Business-Type Activities

The business-type activities saw an increase in net position of $5.3 million. Both the water/wastewater and electric utilities combined experienced an increase in charges for services of $0.3 million. The indirect expense allocation increased by $0.2 million as well as the expense for the water/wastewater utility in the amount of $0.2 million. The expense for the electric utility increased by $9.4 million which resulted in a combined net increase in expense of $9.8 million. Transfers out to the general fund included $0.9 million from the water/wastewater utility and $10.0 million from the electric utility.

The beginning net position for year ended June 30, 2017 was restated by ($14.5) million, to adjust the OPEB Obligation to the Net OPEB Liability for early implementation of GASB 75. In the past, the OPEB expense was the amount of the employer contribution. Current reporting provides a more comprehensive measure of Net OPEB liability and expense which is more reflective of the benefit amounts employees earned during the year.

The water/wastewater utility realized a positive change in net position of $3.7 million. The utility experienced an increase in operating income of $0.3 million from the previous year. The increase in operating income was due to an increase in water fees, sewer fees, groundwater inflow adjustment fees and sewer treatment fees. Expenses in the water/wastewater fund increased by $0.4 million. Both the depreciation expense and general administration expense for water/wastewater increased by $0.2 million. Finally, the transfers out decreased by $0.2 million since there was no budgeted transfer to the electric fund this year to cover the new city-wide ERP system.

The electric utility realized a positive change in net position of $1.5 million. The revenues increased by $0.1 million attributed to an increase in power usage by customers offset by decreases in general service billing for installation of electrical infrastructure and meters to private companies, other miscellaneous revenues and rent revenue. Expenses in the Electric Fund increased in total by $8.6 million including power supply and generation in the amount of $3.6 million, discount to customers in the amount of $4.5 million, engineering expense in the amount of $0.2 million, system operations in the amount of $0.1 million, general administration in the amount of $0.1 million, the net decrease in fair value of investments in the amount of $0.3 million and retiree's healthcare in the amount of $1.1 million. The offsetting decreases were attributed to the following: $0.4 million for the Transmission and Distribution function, $0.7 million for depreciation, $0.1 million for utility tax, and $0.1 million for the metering function.



Financial Analysis of the City's Funds

Governmental Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Government funds focus on expendable resources and near-term inflows and outflows of those resources. As such, fund balance is generally a good indicator of net resources available for spending at the end of the fiscal year, subject to any stated restrictions on its use.

The combined fund balance of the City's governmental funds as of June 30, 2018, was $12.9 million. This represented an increase of $2.5 million during the year. Approximately 54% of the combined fund balances, $7.7 million, constitutes unassigned fund balance, which is available to meet the City's current and future needs. The remainder of fund balance is non-spendable, restricted, committed or assigned to indicate that it is not available for operational spending because it is constrained by legally enforceable contracts, other governmental agreements and legislation, City Council resolution or it is not convertible to cash within a reasonable period of time. Further detail of fund balances is presented in the Notes to the Basic Financial Statements in Note 7.

The General Fund is the primary operating fund of the City, accounting for such activities as general government, public safety, public works, library, recreation, planning, community and economic development, central services and financial administration. The General Fund balance as of June 30, 2018, was $11.9 million. Revenue increased by $1.0 million due to increases in licenses and permits of $0.2 million, sanitation of $0.6 million, property taxes of $0.2 million and court of chancery fees of $0.2 million, offset by decreases totaling $0.2 million in fines, library revenue-county reimbursement, franchise fees, miscellaneous services and investment income. Expenditures increased by $0.5 million due to increases in: library services, recreation services, street/sanitation services, engineering services, retiree healthcare and an appropriation to the employee pension. Offsetting decreases are in: the general government function, general

public works function, and principal retirement of bond issues totaling $0.7 million. Other decreases were across the public safety and law enforcement, financial administration, garage and stores and street lights expense. The previously mentioned decreases were offset by small increases across the following two functions: insurance and interest and fiscal charges.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government- wide financial statements, but in more detail.

As of June 30, 2018, the water/wastewater fund has a net position of $59.2 million, of which $4.1 million is unrestricted. The fund's net position increased $3.7 million during the year as explained on page 38. As of June 30, 2018, the electric revenue fund has a net position of $122.1 million, of which $18.6 million is unrestricted. This fund experienced an increase in net position of $1.5 million during the year as explained on page 38.

General Fund Budgetary Highlights

During this fiscal year, the City Council amended the budget one time. This budget amendment or supplemental appropriation ordinance was primarily for the following purposes:

1. To re-appropriate budget balances for ongoing capital projects.

2. To amend the grant budgets, reserve accounts for the actual results from the prior fiscal year and all carried forward budget balances for the major operating funds from the prior fiscal year, as well as program revenues and expenses based on changes in program revenues, expenses based on actual amounts.

The General Fund financials in the Governmental Funds Balance Sheet (page 49) and Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds (page 51) include both the General Fund operating activities and the Governmental Capital Project Fund activities.

The General Fund – Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget & Actual is included in Part D – Required Supplementary Information (pages 121-122).

The Governmental Capital Projects Fund – Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual is included in Part E – Supplementary Information (page 136).

The Combining Statements – Combining General Fund Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balances of the General Fund and the General Capital Projects Fund is included in Part E – Supplementary Information (page 134-136).

The Final General Fund Budget incorporated an increase in beginning budget balance of $1.5 million carried forward from the prior fiscal year.

Budgeted expenditures were revised to reflect an aggregate increase of $1.1 million. The increases were reflective of an appropriation to the Capital Asset Reserve in the amount of $0.2 million, an increase in appropriation to General Pension Fund of $0.6 million, an increase to

appropriation to police pension fund $0.1 million, an increase to streets department of $0.1 million to clean up Schutte Park and $0.1 million to cover increased legal fees and contractual services in the City Manager department. The net result of these changes was a $0.4 million increase in the revised budget balance over the original budget balance (on a non-GAAP basis).

Actual revenues and other financing sources received were above the final budgeted amounts in the General Fund by $1.2 million for the current fiscal year. The more significant positive variances were in permits and other licenses, transfer taxes, and court of chancery fees. These revenue increases were offset with revenue decreases in Fines & Police Revenue, inter-fund Services Receipts for Water/Wastewater and Electric and miscellaneous grant receipts. Expenditures were approximately $2.0 million under budget a result of all operating departments experiencing personnel savings through attrition. The General Fund budget balance carry forward was $3.2 million higher than budgeted a result of the above variances.

Capital Asset and Debt Administration

At the end of the current fiscal year, the City's governmental and proprietary funds had invested $59.1 million and $139.5 million, respectively, in a variety of capital assets and infrastructure, as reflected in the following schedule, which is a net decrease of $1.4 million for governmental activities and a net decrease of $0.4 million for the business-type activities. The decrease in Governmental Activities is because current year depreciation was more than capitalized assets for the year. The decrease in Business-Type Activities is due to capitalization of projects that had been sitting in CIP on both Water/Wastewater Fund and the Electric Fund, and are subsequently being depreciated. Additional detailed data for all capital assets of the City is presented in the Notes to the Basic Financial Statements in Note 4. The following schedule is presented in millions of dollars.

	Governmental Activities		Business-Type Activities		Total	
	2017	2018	2017	2018	2017	2018
Depreciable Assets, Net						
Buildings	$ 23.6	$ 23.0	$ -	$ -	$ 23.6	$ 23.0
Equipment	2.5	2.5	-	-	2.5	2.5
Vehicles	1.7	1.5	-	-	1.7	1.5
General Infrastructure	26.8	26.3	-	-	26.8	26.3
Utility, Plant, Buildings, and Infrastructure	-	-	134.9	134.0	134.9	134.0
Other	0.5	0.4	-	-	0.5	0.4
Non-depreciable Assets						
Land	4.7	4.7	1.6	1.6	6.3	6.3
Construction in Progress	0.7	0.7	3.4	3.9	4.1	4.6
	$ 60.5	$ 59.1	$ 139.9	$ 139.5	$ 200.4	$ 198.6

The chart below shows that the Net OPEB Liability for the Governmental Activities decreased by $5.9 million, and the Net OPEB Liability for the Business-Type Activities decreased as well by $2.7 million. Additional detailed data for all debt of the City is presented in the Notes to the Basic Financial Statements in Note 5.

The City Charter limits the amount of general obligation debt the City can issue in any one year to .25% of the taxable assessed value of real property within the City. The aggregate of amounts borrowed for which the full faith and credit of the City is pledged cannot exceed 5.0% of assessed value of real property within the City boundaries. The City has used 3.7% of its debt limit. The City of Dover's non-current liabilities as of June 30, 2017 and 2018 are as follows (presented in millions of dollars):

	Governmental Activities		Business-Type Activities		Total	
	2017	2018	2017	2018	2017	2018
Non-current liabilities						
Liability for Compensated Absences	$ 2.4	$ 2.3	$ 0.7	$ 0.7	$ 3.1	$ 3.0
Bonds (Net of Discount/Issuance Cost)	6.2	5.9	30.7	29.2	36.9	35.1
Net OPEB Liability	32.1	26.2	8.2	5.5	40.3	31.7
Net Pension Liability	17.0	14.7	11.5	10.9	28.5	25.6
	$ 57.7	$ 49.1	$ 51.1	$ 46.3	$ 108.8	$ 95.4

Economic Factors and Next Year's Budgets and Rates

The City developed the fiscal year 2018 budget in accordance with the City's financial policies ensuring all budgets are balanced and reserve requirements were adhered to. The following changes over fiscal year 2018 were incorporated into the fiscal year 2019 budget.

- Property taxes remained the same as the prior fiscal year.
- A power cost adjustment credit was decreased from $0.00855 to $0.00382 for the electric utility due to higher power supply cost.
- The City's headcount increased by 4 full-time positions and 3 part-time positions. Overall an increase of 7 positions were as follows: Parks and Recreation increased by 4 full-time positions, Procurement and Inventory increased by 2 full-time positions, Electric Administration decreased by 2 full-time positions, Water Management increased by 1 full-time position and Wastewater Management reduced by 1 full-time position. City Clerk increased by 1 part-time position, Library increased by 1 part-time position, Human Resources increased by 2 part-time positions and Electric Engineering reduced by 1 part-time position.
- Increases in wages based on collective bargaining agreements were included.
- A 3.0% wage increase was included for non-bargaining employees.
- Residential electric rate changed from $0.1203 to $0.1206.
- Residential electric flat rate changed from $7.50 to $8.46.
- Discontinued out of city trash pickup.
- Funded the capital investment plan with a commitment to providing dollars for necessary infrastructure and utility improvements.

The General Fund operating revenues are projected to increase by 2.4% or $1.0 million and expenditures increasing by 6.9% or $3.0 million. The net increase was made up of increases in: interfund service receipts $0.2 million, transfer taxes $0.3 million, property taxes $0.2 million, water/wastewater utility transfer $0.1 million, court of chancery $0.1 million and police pension grant $0.1 million. The increased expenditures were attributed to increases in transfer to capital project fund $1.6 million to clean up PWII and FY 19 Street program was eliminated, wages and benefits $0.9 million, street division $0.3 million for disposal of street debris and MS4 permit

related items and police department $0.1 million for materials, supplies and training. The following were decreases in expense: appropriation to police pension and pension grant, retiree health insurance and other employment expenses totaling $0.2 million.

The Water/Wastewater Fund operating revenues are projected to be $15.5 million which is an increase $51,600 or .3% over the prior years original budget of $15.4 million and expense projections increased 5.5% or $0.8 million. The revenue increases are for impact fees of $430,000 due to building permit increases and slight increases in miscellaneous service fees, water tank space leasing and interest earned with offsetting decreases in water/wastewater service fees of $384,800 due to usage. The increase in expenses are related to the following: program supplies for the high volume of water meter replacements or repairs $0.1 million, consulting services for rate study and interfund services totaling $0.1 million, the transfer to the general fund $0.1 million and transfer to the capital project fund $0.7 million which includes a transfer to the electric capital fund for the city-wide ERP system. Additional increases to expense are for: OPEB unfunded liability $41,400 and other employment expenses $4,100. The offsetting decreases to expense are in Kent County treatment charge $0.2 million, debt service and retiree's health care expense totaling $32,400.

The Electric Fund overall revenues are projected to increase by 1.9% or $1.6 million and expense projections decreased by 4.0% or $3.5 million. Revenue increases are due to Customer sales of $1.5 million attributed to higher sales and increases in residential rates and utility tax is projected to increase by $0.1 million. Offsetting decreases in revenue are slight and affects miscellaneous revenue, green energy revenue and interest earnings. Expenses are decreasing by $3.5 million mainly due to decreases in the transfer to the Rate Stabilization reserve of $5.2 million, appropriation to OPEB unfunded liability $1.0 million, pension appropriation for unfunded liability $1.0 million, power supply $1.4 million and wages and benefits $0.1 million. Offsetting increases are to: Generation $0.3 million, operating expenses $0.1 million due to increased repairs at Weyandt Hall and training, conference and travel, contractual and legal expenses related to the IRP $0.1 million and internal service allocations $0.2 million. The City also budgeted a distribution of earnings to customers of $2.9 million or 3.45% of revenue, a result of lower cost of service than projected for fiscal year 2017.

The electric power supply cost increased $7.0 million but was offset by a $7.2 million decrease in generation expense, netting a decrease in power supply cost of $0.2 million. Transfers to the capital project fund and depreciation reserve were included in the current budget for a total increase of $3.9 million. Other increases in expense are to: the appropriation to the capital project fund $1.4 million, appropriation to OPEB $1.0 million due to an increase in the Net OPEB Liability and the appropriation to the Pension $1.0 million due to an increase in the Pension Liability. Capital projects are budgeted to be financed with a $6.4 million transfer from operating income, and $0.5 million of developer charges for new development projects.

The City continues to closely monitor the local economy and its impact on growth and revenues. Revenue enhancements, rate increases, and potential cost reductions will continue to be reviewed in order to maintain the City's financial policies.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Ms. Lori Peddicord, Controller/Treasurer at 302-736-4452 (TTY/TDD Operator 1-800-855-1155).

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FINANCIAL SECTION

PART C

BASIC FINANCIAL STATEMENTS

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City of Dover, Delaware
Statement of Net Position
June 30, 2018

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and Cash Equivalents	$ 3,583,679	$ 13,637,142	$ 17,220,821
Investments	11,480,008	28,083,833	39,563,841
Receivables, Net	1,328,920	5,182,582	6,511,502
Internal Balances	542,693	(542,693)	-
Due from Other Governments	116,360	-	116,360
Inventory	110,455	4,253,523	4,363,978
Prepaid Items	266,914	934,225	1,201,139
Restricted Cash and Cash Equivalents	401,432	3,243,344	3,644,776
Restricted Investments	18,649	45,058,019	45,076,668
Capital Assets, Not Being Depreciated	5,426,930	5,537,020	10,963,950
Capital Assets, Net of Depreciation	53,689,989	133,951,459	187,641,448
Total Assets	76,966,029	239,338,454	316,304,483
Deferred Outflows of Resources:			
Pension related Deferred Outflows	3,100,686	756,289	3,856,975
Liabilities:			
Accounts Payable and Accrued Liabilities	3,020,753	6,234,622	9,255,375
Unearned Revenue	156,630	446,187	602,817
Customer Deposits	-	2,317,040	2,317,040
Other	242,494	525,738	768,232
Liabilities Due within One Year	4,123,513	1,862,109	5,985,622
Non-Current Liabilities			
Due in more than One Year	4,030,845	28,044,945	32,075,790
Due in more than One Year - OPEB	26,216,057	5,543,420	31,759,477
Due in more than One Year - Pension	14,751,596	10,876,169	25,627,765
Total Liabilities	52,541,888	55,850,230	108,392,118
Deferred Inflows of Resources:			
Pension related deferred inflows	1,342,563	351,511	1,694,074
OPEB related Deferred Inflows	8,753,539	2,621,753	11,375,292
Total Deferred Inflows of Resources	10,096,102	2,973,264	13,069,366
Net Position:			
Net Investment in Capital Assets	53,239,906	111,894,357	165,134,263
Restricted for:			
Capital Projects	662,352	46,693,086	47,355,438
Public Safety Grants	286,254	-	286,254
Verizon Grant	8,517	-	8,517
Library Grant	1,865	-	1,865
Community Development Grants	2,013	-	2,013
Other State Grants	100	-	100
Unrestricted	(36,772,282)	22,683,806	(14,088,476)
Total Net Position	$ 17,428,725	$ 181,271,249	$ 198,699,974

The notes to financial statements are an integral part of this statement.

City of Dover, Delaware
Statement of Activities
For the Year Ended June 30, 2018

			Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	**Expenses**	**Indirect Expenses Allocation**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business Type Activities**	**Total**
Governmental Activities								
General Government	$ 4,591,236	$ (1,147,641)	$ 2,456,576	$ 2,482	$ -	$ (984,537)	$ -	$ (984,537)
Public Safety	17,441,023	-	5,367,450	955,752	-	(11,117,821)	-	(11,117,821)
Public Works	8,448,969	(712,614)	3,714,187	665,325	246,061	(3,110,782)	-	(3,110,782)
Library and Recreation	3,106,031	-	640,061	283,081	98,500	(2,084,389)	-	(2,084,389)
Community and Economic Development	513,857	-	-	283,506	-	(230,351)	-	(230,351)
Central Services	1,547,386	(957,540)	-	-	-	(589,846)	-	(589,846)
Financial Administration	3,358,688	(2,394,637)	-	-	-	(964,051)	-	(964,051)
Interest Charges	129,723	-	-	-	-	(129,723)	-	(129,723)
Total Governmental Activities	39,136,913	(5,212,432)	12,178,274	2,190,146	344,561	(19,211,500)	-	(19,211,500)
Business Type Activities								-
Water/Wastewater	10,055,883	1,672,857	16,319,193	-	-	-	4,590,453	4,590,453
Electric	69,013,744	3,539,575	83,883,757	-	-	-	11,330,438	11,330,438
Total Business Type Activities	79,069,627	5,212,432	100,202,950	-	-			
Total Primary Government	$ 118,206,540	$ -	$ 112,381,224	$ 2,190,146	$ 344,561	(19,211,500)	15,920,891	(3,290,609)
General Revenues								
Taxes								
Property Taxes						13,065,098	-	13,065,098
Transfer Taxes						2,022,165	-	2,022,165
Earnings on Investments						100,903	208,800	309,703
Total General Revenues						15,188,166	208,800	15,396,966
Transfers						10,900,000	(10,900,000)	-
Total General Revenues and Transfers						26,088,166	(10,691,200)	15,396,966
Changes in Net Position						6,876,666	5,229,691	12,106,357
Net Position Beginning						10,552,059	176,041,558	186,593,617
Net Position Ending						$ 17,428,725	$ 181,271,249	$ 198,699,974

The notes to financial statements are an integral part of this statement.

City of Dover, Delaware
Governmental Funds Balance Sheet
June 30, 2018

	General Fund	Total Nonmajor Funds	Total Governmental Funds
Assets:			
Cash and Cash Equivalents	$ 3,028,321	$ -	$ 3,028,321
Restricted Cash and Cash Equivalents	-	401,432	401,432
Investments	10,053,473	-	10,053,473
Restricted Investments	18,649	-	18,649
Receivables, Net			
Accounts	641,106	643,699	1,284,805
Taxes	39,115	-	39,115
Due from Other Funds	617,582	375	617,957
Temporary Advances	5,000	-	5,000
Due from Other Governments	-	116,360	116,360
Prepaid Items	127,208	9,990	137,198
Inventory	110,455	-	110,455
Total Assets	$ 14,640,909	$ 1,171,856	$ 15,812,765
Liabilities:			
Accounts Payable	$ 2,128,512	$ 133,814	$ 2,262,326
Unearned Revenue	154,464	2,166	156,630
Due to Other Funds	4,907	70,357	75,264
Temporary Advances	-	5,000	5,000
Other	242,494	-	242,494
Total Liabilities	2,530,377	211,337	2,741,714
Deferred Inflows of Resources:			
Unavailable Revenue	141,642	-	141,642
Total Deferred Inflows of Resources	141,642	-	141,642
Fund Balances:			
Non-Spendable	259,258	9,990	269,248
Restricted	10,572	950,529	961,101
Committed	1,111,182	-	1,111,182
Assigned	2,865,373	-	2,865,373
Unassigned	7,722,505	-	7,722,505
Total Fund Balances	11,968,890	960,519	12,929,409
Total Liabilities, Deferred Inflows and Fund Balances	$ 14,640,909	$ 1,171,856	$ 15,812,765

The notes to financial statements are an integral part of this statement.

City of Dover, Delaware
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
June 30, 2018

Amounts reported for governmental activities in the statement of net position (page 47) are different because:

Total fund balances for governmental funds (Page 49)			$ 12,929,409
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			59,116,919
Other assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.			
Deferred inflows of resources	$	141,642	141,642
The Net Pension Liability & OPEB Liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:			
Deferred Outflows - Pension	$	3,100,686	
Deferred Inflows - Pension		(1,342,563)	
Deferred Inflows - OPEB		(8,753,539)	(6,995,416)
An internal service fund (page 53) is used by the City to charge the cost of the workers' compensation fund. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.			1,508,954
Accrual basis of bond interest paid			(772)
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities both current and long-term are reported in the statement of net position.			
Compensated absences represent amounts accrued for sick leave for those employees who are vested and accrued vacation for all employees.			
The Net Pension Liability and OPEB Liability are not a use of current financial resources, and therefore, are not reported in the governmental funds.			
Current-			
General Obligation Bonds	$	(2,964,263)	
Compensated Absences		(1,159,250)	
Police Officer separation agreement		(150,000)	
		(4,273,513)	
Long-Term-			
General Obligation Bonds	$	(2,912,750)	
Compensated Absences		(1,118,095)	
Net Pension Liability		(14,751,596)	
Net OPEB Liability		(26,216,057)	
		(44,998,498)	(49,272,011)
Total net position of governmental activities (Page 47)			$ 17,428,725

The notes to financial statements are an integral part of this statement.

City of Dover, Delaware
Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds
For the Year Ended June 30, 2018

	General Fund	Total Nonmajor Funds	Total Governmental Funds
Revenues			
Fines	$ 613,090	$ 508,045	$ 1,121,135
Library Revenue - General	117,178	-	117,178
Library Revenue County Reimbursement	274,930	-	274,930
Licenses and Permits	3,786,167	-	3,786,167
Sanitation Fees and Rebates	3,133,360	-	3,133,360
Recreation	-	87,125	87,125
Miscellaneous Services	1,630,153	580,827	2,210,980
Property Taxes	13,103,164	-	13,103,164
Transfer Taxes	-	2,022,165	2,022,165
Grants Received	584,822	1,949,885	2,534,707
Court of Chancery Fees	1,496,520	-	1,496,520
Investment Income	87,063	6,688	93,751
Total Revenues	24,826,447	5,154,735	29,981,182
Expenditures			
Current:			
General Government	1,710,100	-	1,710,100
Library Services	1,680,176	301,025	1,981,201
Public Safety and Law Enforcement	20,743,903	274,478	21,018,381
Public Works	1,681,536	236,937	1,918,473
Recreational Services	821,613	-	821,613
Streets and Sanitation Services	4,637,145	-	4,637,145
Engineering Services	263,930	-	263,930
Financial Administration	762,860	-	762,860
Garage and Stores	499,289	-	499,289
Insurance	302,258	-	302,258
Retiree Health Care	2,063,000	-	2,063,000
Employee Pension	619,000	-	619,000
Community and Economic Development	150,000	363,857	513,857
Street Lights	803,924	-	803,924
Debt Service:			
Principal Retirement	332,355	-	332,355
Interest and Fiscal Charges	128,455	-	128,455
Total Expenditures	37,199,544	1,176,297	38,375,841
Excess (deficiency) of Revenues over Expenditures	(12,373,097)	3,978,438	(8,394,659)
Other Financing Sources (Uses)			
Transfers In	14,220,407	-	14,220,407
Transfers Out	-	(3,320,407)	(3,320,407)
Total other Financing Sources (Uses)	14,220,407	(3,320,407)	10,900,000
Net Change in Fund Balances	1,847,310	658,031	2,505,341
Fund Balances at Beginning of Year	10,121,580	302,488	10,424,068
Fund Balances at End of Year	$ 11,968,890	$ 960,519	$ 12,929,409

The notes to financial statements are an integral part of this statement.

City of Dover, Delaware
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2018

Amounts reported for governmental activities in the statement of activities (page 48) are different because:		
Net change in fund balances--total governmental funds (Page 51)		$ 2,505,341
Governmental fund reports capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded		
Capitalization of net capital asset expenditures including CIP	$ 2,066,950	
Loss on assets disposed of during the year	(14,201)	
Current year depreciation	(3,496,182)	(1,443,433)
Governmental funds report the repayment of principal of general long-term debt as an expenditure but the repayment reduces the liability in the statement of net position.		332,355
Revenues that are not available to pay for current period expenditures are not reported as revenues in the funds.		(87,188)
Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employer contributions is reported as pension expense		2,252,199
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		(777,362)
Decreases in operating expenses due to the decrease in OPEB expense for the amortization of deferred outflows and inflows of resources related to the net OPEB liability.		(2,193,482)
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for the transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, assets are not recognized in governmental funds unless they represent current financial resources but are recognized in the statement of activities as they accrue. The following differences, therefore, occur		
Decrease in compensated absences	$ 82,409	
Police separation agreement payout	40,000	
Bond interest accrual	(1,267)	
Increase in OPEB Liability	5,904,420	6,025,562
An internal service fund is used by the City to charge the costs of workers' compensation insurance to individual funds. The change in net position of the internal service fund is transferred to the governmental funds and amounts attributable to internal charges are then allocated to functional expenditures. Net revenue is allocated back to respective functions and business type activities, as appropriate.		262,674
Change in net position of governmental activities (Page 48)		$ 6,876,666

The notes to financial statements are an integral part of this statement.

City of Dover, Delaware
Statement of Net Position - Proprietary Funds
Proprietary Funds
June 30, 2018

	Business-type Activities			Governmental Activities
	Water/ Wastewater Fund	Electric Revenue Fund	Total Enterprise Funds	Internal Service Fund
Assets				
Current Assets:				
Cash and Cash Equivalents	$ 4,067,833	$ 9,569,309	$ 13,637,142	$ 555,358
Investments	7,910,126	20,173,707	28,083,833	1,426,535
Receivables, Net	632,964	4,549,618	5,182,582	5,000
Due from Other Funds	27,818	3,822	31,640	-
Inventory	104,699	4,148,824	4,253,523	-
Prepaid Items	1,732	932,493	934,225	129,716
Total Current Assets	12,745,172	39,377,773	52,122,945	2,116,609
Non-Current Assets:				
Restricted Assets				
Cash	923,774	2,319,570	3,243,344	-
Investments	6,300,037	38,757,982	45,058,019	-
Capital Assets, Not Being Depreciated	1,075,643	4,461,377	5,537,020	-
Capital Assets, Net of Depreciation	58,139,863	75,811,596	133,951,459	-
Total Non-Current Assets	66,439,317	121,350,525	187,789,842	-
Total Assets	79,184,489	160,728,298	239,912,787	2,116,609
Deferred Outflows of Resources:				
Pension Related Deferred Outflows	77,010	679,279	756,289	-
Liabilities				
Current Liabilities:				
Accounts Payable and Accrued Expenses	1,367,588	4,867,034	6,234,622	607,655
Due to Other Funds - Charges	183,055	391,278	574,333	-
Unearned Revenue	-	446,187	446,187	-
Accrued Interest Payable	102,012	423,726	525,738	-
Customer Deposits	-	2,317,040	2,317,040	-
Revenue Bonds Payable	824,960	765,000	1,589,960	-
Liability for Compensated Absences	89,469	182,680	272,149	-
Total Current Liabilities	2,567,084	9,392,945	11,960,029	607,655
Non-Current Liabilities:				
OPEB Liability	2,128,196	3,415,224	5,543,420	-
Net Pension Liability	3,647,263	7,228,906	10,876,169	-
Revenue Bonds Payable	10,487,439	17,125,000	27,612,439	-
Liability for Compensated Absences	141,132	291,374	432,506	-
Total Non-Current Liabilities	16,404,030	28,060,504	44,464,534	-
Total Liabilities	18,971,114	37,453,449	56,424,563	607,655
Deferred Inflows of Resources:				
Pension Related Deferred Inflows	84,850	266,661	351,511	-
OPEB Related Deferred Inflows	1,016,942	1,604,811	2,621,753	-
Total Deferred Inflows of Resources	1,101,792	1,871,472	2,973,264	-
				-
Net Position				
Net Investment in Capital Assets	49,511,384	62,382,973	111,894,357	-
Restricted for Capital Construction	5,615,534	41,077,552	46,693,086	-
Unrestricted	4,061,675	18,622,131	22,683,806	1,508,954
Total Net Position	$ 59,188,593	$ 122,082,656	$ 181,271,249	$ 1,508,954

The notes to financial statements are an integral part of this statement.

City of Dover, Delaware
Statement of Revenues, Expenses and
Changes in Fund Net Position - Proprietary Funds
For the Year Ended June 30, 2018

	Business-type Activities			Governmental Activities
	Water/ Wastewater Fund	Electric Revenue Fund	Total Enterprise Funds	Internal Service Fund
Operating Revenues				
Charges for Services	$ 13,810,690	$ 82,749,450	$ 96,560,140	$ -
Miscellaneous Services/Income	2,501,095	1,131,942	3,633,037	830,105
Total Operating Revenues	16,311,785	83,881,392	100,193,177	830,105
Operating Expenses				
Water	370,080	-	370,080	-
Wastewater	930,237	-	930,237	-
Water Treatment Plant	1,317,408	-	1,317,408	-
Water/Wastewater Engineering	296,285	-	296,285	-
Kent County Wastewater Treatment	3,985,933	-	3,985,933	-
General Administrative	1,904,684	5,957,816	7,862,500	396,169
Power Supply	-	47,221,198	47,221,198	-
Transmission/Distribution	-	2,559,819	2,559,819	-
Engineering	-	1,034,690	1,034,690	-
Metering	-	204,400	204,400	-
Systems Operations	-	542,032	542,032	-
Utility Tax	-	1,255,094	1,255,094	-
Depreciation	2,359,886	4,772,651	7,132,537	-
Contractual Services	-	-	-	15,829
Taxes	-	-	-	40,949
Retirees Health Care	242,200	1,820,300	2,062,500	-
Self Insurance-Workers' Compensation	-	-	-	121,636
Total Operating Expenses	11,406,713	65,368,000	76,774,713	574,583
Operating Income/Loss	4,905,072	18,513,392	23,418,464	255,522
Non-Operating Revenues (Expenses)				
Interest Earned:				
Operating Funds	140,852	353,782	494,634	-
Reserve Funds	107,453	650,956	758,409	27,999
Net Decrease in Fair Value of Investments	(211,787)	(832,456)	(1,044,243)	(20,847)
Interest and Fiscal Charges	(322,027)	(848,204)	(1,170,231)	-
Distribution of Earnings - PCA Credit	-	(6,337,115)	(6,337,115)	-
Gain on Sale of Assets	7,408	2,365	9,773	-
Total Non-Operating Revenue (expenses)	(278,101)	(7,010,672)	(7,288,773)	7,152
Income before Contributions and Transfers	4,626,971	11,502,720	16,129,691	262,674
Transfers Out	(900,000)	(10,000,000)	(10,900,000)	-
Total transfers	(900,000)	(10,000,000)	(10,900,000)	-
Change in Net Position	3,726,971	1,502,720	5,229,691	262,674
Total Net Position--Beginning	55,461,622	120,579,936	176,041,558	1,246,280
Total Net Position--Ending	$ 59,188,593	$ 122,082,656	$ 181,271,249	$ 1,508,954

The notes to financial statements are an integral part of this statement.

City of Dover, Delaware
Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2018

	Business-type Activities			Governmental Activities
	Water Wastewater Fund	Electric Revenue Fund	Total Enterprise Funds	Internal Service Fund
Cash Flows from Operating Activities				
Receipts from Customers	$ 16,622,141	$ 84,756,355	$ 101,378,496	$ -
Payments to Suppliers (including Purchased Power)	(5,923,089)	(52,041,726)	(57,964,815)	(289,114)
Payments to Employees	(2,284,683)	(4,536,228)	(6,820,911)	-
Payments of Personnel Related Costs	(1,444,664)	(2,422,623)	(3,867,287)	782,229
Internal Activity-Payments from (to) Other Funds	(3,150)	(177,864)	(181,014)	-
Other Receipts (Payments) including Claims Paid	(43,244)	(1,290,129)	(1,333,373)	(506,305)
Net Cash Provided by (used for) Operating Activities	6,923,311	24,287,785	31,211,096	(13,190)
Cash Flows from Noncapital Financing Activities				
Transfers Out	(900,000)	(10,000,000)	(10,900,000)	-
Distribution to Customers - PCA Credit	-	(6,337,115)	(6,337,115)	-
Net Cash Used for Noncapital Financing Activities	(900,000)	(16,337,115)	(17,237,115)	-
Cash Flows from Capital and Related Financing Activities				
Acquisition and Construction of Capital Assets	(2,210,177)	(4,474,270)	(6,684,447)	-
Principal Paid on Revenue Bond Maturities	(798,689)	(730,000)	(1,528,689)	-
Interest Paid on Capital Debt	(322,027)	(848,204)	(1,170,231)	-
Net Cash Used for Capital and Related Financing Activities	(3,330,893)	(6,052,474)	(9,383,367)	-
Cash Flows from Investing Activities				
Interest on Investments	140,852	353,782	494,634	-
Redemption of Investment Securities	455,995	696,573	1,152,568	-
Purchase of Investment Securities	(1,693,755)	(1,619,470)	(3,313,225)	5,104
Interest on Restricted Cash	107,453	650,956	758,409	-
Net Cash Provided by (used for) Investing Activities	(989,455)	81,841	(907,614)	5,104
Net Increase/Decrease in Cash and Cash Equivalents	1,702,963	1,980,037	3,683,000	(8,086)
Cash and cash equivalents June 30 (incl. $422,798 for W/WW fund and $2,518,854 for Electric fund reported in restricted accounts)	3,288,644	9,908,842	13,197,486	563,444
Cash and cash equivalents July 1 (including $923,774 for W/WW fund and $2,319,570 for Electric fund reported in restricted accounts)	$ 4,991,607	$ 11,888,879	$ 16,880,486	$ 555,358
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:				
Operating Income	$ 4,905,072	$ 18,513,392	$ 23,418,464	$ 255,522
Adjustments to Reconcile Operating Income to Net Cash provided by (Used for) Operating Activities:				
Depreciation Expense	2,359,887	4,772,650	7,132,537	-
Effect of Changes in Operating Assets and Liabilities:				
Receivables	327,798	789,862	1,117,660	6,956
Due from Other Funds	(17,442)	15,407	(2,035)	-
Inventory	20,120	562,260	582,380	-
Prepaid Items	(1,732)	(459,267)	(460,999)	(115,966)
NPA for pension	-	-	-	-
Deferred outflow of resources	35,537	64,632	100,169	-
Accounts payable and accrued expenses	151,614	1,453,809	1,605,423	(159,702)
Deferred revenue	-	(48,995)	(48,995)	-
Due to other funds	(3,150)	72,136	68,986	-
Customer Deposits	-	118,689	118,689	-
Liability for Compensated Absences	51,321	(85,164)	(33,843)	-
Net OPEB Liability	(1,011,400)	(1,575,928)	(2,587,328)	-
Net pension liability	(211,011)	(383,777)	(594,788)	-
Deferred inflow of resources Pension	(59,037)	(107,374)	(166,411)	-
Deferred inflow of resources OPEB	375,734	585,453	961,187	-
Net Cash Provided by Operating Activities	$ 6,923,311	$ 24,287,785	$ 31,211,096	$ (13,190)
Non-Cash Investing, Capital and Financing Activities:				
Change in Fair Value of Investments	$ (211,787)	$ (832,456)	$ (1,044,243)	$ (20,847)

The notes to financial statements are an integral part of this statement.

City of Dover, Delaware
Statement of Net Position
Fiduciary Funds
June 30, 2018

	Pension and Other Postemployment Benefit Trust Funds	Agency Funds
Assets		
Cash and Cash Equivalents	$ 3,911,534	$ 704,061
Investments at Fair Value - Mutual Funds	87,449,427	-
Receivables	-	52,918
Prepaid Items	-	9,842
Total Assets	91,360,961	766,821
Liabilities		
Vouchers Payable & Deposit Payable	1,250	109,547
Due to Agencies	-	657,274
Total Liabilities	1,250	$ 766,821
Net Position		
Net Position Restricted for Pension and Retiree Health Benefits	$ 91,359,711	

The notes to financial statements are an integral part of this statement.

City of Dover, Delaware
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended June 30, 2018

	Pension and Other Postemployment Benefit Trust Funds
Additions:	
Net Investment Income	$ 5,960,638
City's Contribution-Payroll Based	4,710,961
City's Contribution-Lump Sum	6,599,800
Employee Contribution	195,102
State Grants	481,840
Other	1,410
Total Additions	17,949,751
Deductions:	
Benefit Payments	8,221,076
General Administration	30,355
Total Deductions	8,251,431
Change in Net Position	9,698,320
Net Position - Beginning	81,661,391
Net Position - Ending	$ 91,359,711

The notes to financial statements are an integral part of this statement.

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NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

1. FINANCIAL REPORTING ENTITY

A. The City of Dover, Delaware

The City of Dover, Delaware (the City) was incorporated in 1829 and is a municipal corporation governed by an elected mayor and a nine-member council. The accompanying financial statements present the financial position and operating results for fiscal year ended June 30, 2018.

B. Reporting Entity

In evaluating how to define the reporting entity, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit was made by applying the criteria set forth in Generally Accepted Accounting Principles in the United States of America (GAAP). The criterion used is that set forth by Statement of Governmental Accounting Standards (GASB) number 14 and as updated by GASB 61 which defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Based upon this criterion, the following is a brief review of each potential component unit addressed in defining the government's reporting entity.

Included within the reporting entity:
The City provides many services as follows - police protection, street maintenance, sanitation, recreation, library, community development, public improvements, planning, safety inspections, electric generation and distribution, water and wastewater services, legislative services and general administration, including employee benefits. These functions are part of the City's daily operations and therefore are not legally separate component units.

Not included within the reporting entity:
The City has joined the State of Delaware Police Pension Plan for uniformed police officers employed by the City after September 1, 1982. The plan is completely managed by the State of Delaware and, therefore, is not included in the financial statements.

The Robbins Hose Volunteer Fire Company and the Capital School District are not included within the financial reporting entity because they do not meet the criteria for inclusion set forth by GAAP.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City conform to generally accepted accounting principles as applicable to governments. A summary of the more significant policies follows:

A. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Individual funds are not displayed but the statements distinguish governmental activities, generally funded by taxes and other City revenue, from business-type activities (BTAs), generally funded in whole or in part with fees charged to external users. Eliminations have been made for the doubling-up effect of certain internal activities.

The government-wide statement of activities presents a comparison between direct program expenses and program revenues for each function of the City's governmental activities and for each of the City's identifiable business-type activities. Direct expenses are those that are specifically associated with a program, function or activity. Program revenues include a) charges paid by the recipients or beneficiaries of goods or services offered by the programs and b) grants and contributions that are restricted for meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

The City allocates the costs of certain governmental services to the costs of business-type activities (indirect expense allocation). These costs include allocated amounts of city management, centralized budgetary formulation and oversight, accounting, financial reporting, payroll, fleet and building maintenance, procurement contracting and oversight, investing and cash management, personnel services, etc. The allocations are charged to the BTAs based on the use of these services. As a matter of policy, the costs of certain governmental functions are not allocated to the business-type activities such as tax assessor, planning and zoning, public safety, library and recreation and community services.

Fund Financial Statements: The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows/outflows, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The fund financial statements provide information about the City's funds, including fiduciary funds. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The City reports the following major governmental fund:

General Fund
The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

The City reports the following major proprietary funds:

Water/Wastewater Fund
This fund accounts for transactions related to water and wastewater services, including the payment of fees to Kent County for the treatment of sewage. The City also holds lease agreements with cell phone companies for equipment placed on City water towers.

Electric Revenue Fund
This fund incorporates all transactions related to the generation, transmission and distribution of electricity. The City has contracted with both The Energy Authority and North American Energy Services to manage the City's power supply and generation assets.

The City reports the following non-major funds:

Internal Service Fund
The City has created one internal service fund to account for the activities related to self-insured Workers' Compensation. Receipts are provided from contributions by the City's three major funds. Expenses are related to payment of claims, premiums, and administration costs. Actuarial analyses are completed every three years to insure sufficient reserves for claims for the Workers' Compensation Fund.

Special Revenue Funds
The City has eight Special Revenue Funds to account for proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Fiduciary Funds
Fiduciary funds consist of trust and agency funds and are used to report assets held by the City in a trustee or agency capacity for other purposes. These funds are, therefore, not available to support City programs.

The City is the trustee for the City's two pension plans, the Police Pension Fund and the Employee Pension Fund, as well as, the Other Post-Employment Benefit Trust. The activity of these plans is accounted for in the Basic Financial Statements.

Agency funds are used to account for assets held by the City as an agent for individuals, private organizations or other governments. The City has two agency funds.

The City acts as the receiving and paying agent for the Downtown Dover Partnership and the Fourth of July Celebration Committee.

B. Basis of Accounting and Measurement Focus

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Their revenues are recognized when they become measurable and available as net current assets.

Revenues that are susceptible to accrual include property taxes, grants and billable service charges. All other revenues are accounted for when they are received.

Property taxes are recognized in the fiscal period for which they are levied provided they are "available"- i.e., they are collected in the current period or are expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The City considers all

revenues reported in the governmental funds to be available if the revenues are collected within sixty-days after year-end, except for trash collection, which has a thirty-day collection period.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. The exception to this general rule is principal and interest on general long-term debt which is recognized when due. Also, claims and judgments and compensated absences are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The government-wide financial statements as well as all proprietary and fiduciary trust funds are accounted for using the accrual basis of accounting and the economic resources measurement focus. Agency funds have no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

A reconciliation of the governmental fund financial statements prepared on the modified accrual basis of accounting to the government-wide financial statements prepared on the accrual basis of accounting is also provided on pages 50 & 52. The types of transactions included in program revenues in the government-wide statement of activities include charges for services, operating grants and capital grants.

Operating income reported in the proprietary fund financial statements includes revenue and expenses related to the continuing operations of the fund. Principal operating revenue for proprietary funds is charges to customers for sales and services.

Principal operating expenses are the costs of providing goods and services, which include purchased power, administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

C. New Pronouncements

GASB Statement No. 83, “Certain Asset Retirement Obligations” was issued in November 2016 and is effective for periods beginning after June 15, 2018. This Statement will enhance comparability of financial statements among governments by establishing uniform criteria for governments to recognize and measure certain AROs, including obligations that may not have been previously reported. This Statement also will enhance the decision-usefulness of the information provided to financial statement users by requiring disclosures related to those AROs.

GASB Statement No. 84, “Fiduciary Activities” was issued in January 2017 and is effective for periods beginning after December 15, 2018. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhance the value provided by the information reported in financial statements for assessing government accountability and stewardship.

GASB Statement No. 85, “Omnibus 2017” was issued in March 2017 and is effective for periods after June 15, 2017. The requirements of this Statement will enhance consistency in the

application of accounting and financial reporting requirements. Consistent reporting will improve the usefulness of information for users of state and local government financial statements.

GASB Statement No. 86, "Certain Debt Extinguishment Issues" was issued in May 2017 and is effective for periods after June 15, 2017. The requirements of this Statement will increase consistency in accounting and financial reporting for debt extinguishments by establishing uniform guidance for derecognizing debt that is defeased in substance, regardless of how cash and other monetary assets placed in an irrevocable trust for the purpose of extinguishing that debt, were acquired. The requirements of this Statement also will enhance consistency in financial reporting of prepaid insurance related to debt that has been extinguished. In addition, this Statement will enhance the decision-usefulness of information in notes to financial statements regarding debt that has been defeased in substance.

GASB Statement No. 87, "Leases" was issued in June 2017 and is effective for periods after December 15, 2019. This Statement will increase the usefulness of governments' financial statements by requiring reporting of certain lease liabilities that currently are not reported. It will enhance comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model. This Statement also will enhance the decision-usefulness of the information provided to financial statement users by requiring notes to financial statements related to the timing, significance, and purpose of a government's leasing arrangements.

The City is currently evaluating the impact of these statements.

D. Capital Assets and Long-Term Liabilities

Capital assets used in Governmental Fund type operations (general capital assets) are accounted for in the government-wide financial statements rather than in the funds. Public domain ("infrastructure") general capital assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, are capitalized in the government-wide financial statements along with other general capital assets. The capitalization threshold for the City's assets is $5,000. Personal computers and related hardware valued under $5,000 are manually controlled by the Information Technology Department. All capital assets are valued at historical cost and donated capital assets are shown at acquisition value based on the developers' cost of the infrastructure. Depreciation has been provided on general capital assets and is shown in Note 4. Depreciation has been provided over the estimated useful lives using the straight-line method. Estimated useful lives are as follows:

Buildings	20	-	50	years
Infrastructure	20	-	50	years
Vehicles	5	-	7	years
Equipment, Furniture & Fixtures	5	-	15	years

Long-term liabilities expected to be financed from governmental funds and the long-term estimated liabilities for compensated absences are accounted for in the government-wide financial statements, but not in the governmental funds.

Depreciation of all exhaustible capital assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is shown in Note 4 of this section.

Depreciation in the proprietary funds has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are presented below:

Buildings, Mains & Plant	25	-	90	years
Improvements	15	-	20	years
Equipment	5	-	15	years
Vehicles	5	-	7	years

Capital assets are maintained substantially and reported in accordance with the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission (FERC) for the Electric Fund and the National Association of Regulatory Utility Commissioners (NARUC) for the Water/Wastewater Fund.

E. Budget Procedures

Legally adopted budgets are prepared for the General Fund, Water/Wastewater Fund, Electric Revenue Fund, the Internal Service Fund and the following non-major special revenue funds: Municipal Street Aid Fund, Electronic Red-Light Safety Program Fund, Community Development Block Grant Fund (Federal), State Department of Transportation Grants Fund (Community Transportation), Police Grant Funds, Substance Abuse Prevention Program Fund, Realty Transfer Tax Fund and Library Grants Fund.

The General Governmental Capital Projects Fund provides for separate budgets to cover the planning and control of capital items for the governmental programs. The financial transactions of this fund are included in the financial statements of the General Fund. The Electric Improvement and Extension Fund and the Water/Wastewater Improvement and Extension Fund are sections of each utility enterprise. These sections are required by bond resolutions. Separate budgets for these funds cover the planning and control of only the capital items of the utilities. The financial transactions of these funds are included in the financial statements of the Electric Revenue Fund and the Water/Wastewater Fund.

The City prepares the budget for the General Fund revenues on a modified accrual basis. The expenditures are accounted for when the purchase orders are issued. The budget and actual schedule in the legal budget format (non-GAAP), adopted by the City for the General Fund, the City's major governmental fund, is presented in the required supplementary information section of this report.

Budgets for the Electric Revenue Fund, Water/Wastewater Fund and Internal Service Fund are prepared on an accrual basis. Budgets are prepared under the assumption that the principal redemption of long-term debt must be assumed by Enterprise Fund activity in conformity with the bond ordinance.

The Combining General Fund Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balances of the General Fund as well as the budget and actual schedules of the other funds are also presented in the supplementary information section of this report because they are not required to be presented elsewhere.

According to the City's procedures, the preceding year's ending net budgetary balances are considered as resources for the following year. The beginning balances become operating items of revenues in the budgets. Estimated ending budgetary balances provide the balancing amount

for each budget. In accordance with the City's financial policies, adopted by City Council, the General and Water/Wastewater funds are required to maintain an 8% minimum ending budget balance and the Electric fund is required to maintain a 12% minimum. These percentages are expressed as a percentage of operating revenues, excluding the beginning budget balance.

Unassigned fund balances as a percentage of current year operating revenues for the General Fund, Water/Wastewater Fund and Electric Fund are 17.5%, 18.2% & 21.2% respectively and all are exceeding the financial policy maximum for each fund. Per the Financial policy, these overages will be addressed in the next year's budget.

F. Major Transfers

The Electric Revenue Fund and Water/Wastewater Fund annually transfer a budgeted portion of their revenues to the General Fund. Transfers are also made from the Realty Transfer Tax Fund, Municipal Street Aid Fund, Electronic Red-Light Safety Program (ERLSP) Fund and Police Grant Funds to the General Fund. The purpose of these transfers is to provide routine subsidies to the General Fund for operating functions, capital project expenditures and debt service requirements.

Several Special Revenue Funds represent a pass-through of State collected revenues on behalf of the City or other State revenues provided for in the State of Delaware Code. These receipts are thereafter transferred to the General Fund in support of public safety, City maintenance of State roads and other public services.

Several transfers between the General Fund and the non-major governmental funds are netted in the government-wide financial statements.

G. Inventories and Prepaid Items

Both inventories and prepaid items are accounted for using the consumption method. Inventories are treated as operational expenditures at the time of use rather than at the time of purchase for both the governmental and proprietary funds. Prepaid expenses are reflective of insurance policies and commitments due on July 1 for the following fiscal year.

The warehouse inventories, consisting mostly of parts and supplies, are maintained on a perpetual inventory basis. Inventories of all funds are valued at cost and net of reserves, utilizing a weighted moving average method of valuation. The City maintains inventory reserves to charge off any damaged or obsolete items.

The Electric Revenue Fund maintains fuel inventory for the generating assets on a perpetual basis and utilizes the weighted moving average method of valuation.

H. Cash and Investments

The City's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Investments consist of United States Government and its agencies notes and bonds, corporate bonds and common stocks and open-end mutual funds. The fair value of investments is determined by GASB 72 *Fair Value Measurements*.

I. Accounts Receivable

Allowances for uncollectible accounts are maintained and uncollectible accounts are charged off against these allowances. The authority to write off accounts is vested with the City Council. Current balances of allowances are as follows:

General Fund	$375,911
Water/Wastewater Fund	102,961
Electric Revenue Fund	1,362,252

J. Restricted Assets

Certain assets are restricted because their use is limited by bond covenants, endowments, or other similar third-party restrictions.

Restricted assets as of June 30, 2018 total $48,721,444 including cash and cash equivalents of $3,644,776 and $45,076,668 in investments. Of this amount, $420,081 is attributed to governmental activities and $48,301,363 is attributable to business-type activities.

K. Unbilled Service Receivables

The City follows a policy of billing for services in accordance with billing cycle procedures. All known services rendered are billed and incorporated in the books at the end of the fiscal year.

L. Bond Accounts/Issuance Costs

The City recognizes bond discounts and issuance costs in governmental funds, as well as the proprietary funds, as a current period expense in accordance with GASB 65. All unamortized bond discounts and issuance costs held by the general fund and the proprietary funds have been expensed in prior years.

M. Deferred Outflows/Inflows of Resources

The statement of financial position, in addition to reporting assets and liabilities, reports a separate section for deferred outflows / inflows of resources. Deferred outflows / inflows of resources represent either a consumption or acquisition of net position that applies to a future period(s) and will not be recognized as an outflow / inflow (expense / revenue) of resources until that period.

The City's deferred outflows / inflows of resources are reported on the government-wide statement of net position and proprietary funds statement of net position for pension and Other Post-Employment Benefit (OPEB). For purposes of measuring the OPEB and pension liability, deferred outflows of resources and deferred inflows of resources related to OPEB and pensions, and OPEB and pension expense, information about the fiduciary net position of the OPEB and pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the City of Dover's OPEB Trust and pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The OPEB and pension systems report investments at fair value. Deferred inflows of resources related to OPEB and pensions are explained in Notes 16 and 18, respectively.

The City also reports unavailable revenue only in the governmental funds balance sheet, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. The governmental funds report unavailable revenues from property taxes, demolitions, general billings, grass cutting, police extra-duty, and State grants.

N. Fund Balances and Net Position

Governmental fund balances are reported based on a hierarchy of constraints on the nature or specific purpose to which the funds can be spent. The classifications of fund balance are as follows:

- The non-spendable fund balance classification includes amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.
- The restricted fund balance classification includes amounts that can be spent only for specific purposes because of the City Charter, the City Code, State or Federal laws, or externally imposed conditions by grantors or creditors.
- The committed fund balance classification includes amounts that can be used only for specific purposes determined by the formal action by City Council through a motion or an adopted City Ordinance which is approved by City Council's majority vote the highest level of decision-making authority.
- The assigned fund balance classification includes amounts authorized and established by City Council. The City's financial policies as adopted by City Council includes the purpose and description of all classes of fund balance. Modifications require City Council approval.
- The unassigned fund balance classification includes amounts that have not met the criteria of the afore-mentioned fund balance classifications. The unassigned fund balance is available for expenditures as they are incurred. The general fund is the only fund that reports a positive unassigned fund balance amount.

The City considers restricted, committed, or assigned amounts to have been spent when a related expenditure is incurred.

Proprietary funds report net position in three categories:

1) Net investment in capital assets;
2) Restricted
3) Unrestricted

Fund balances and net position are further explained in Note 7.

O. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

P. Net Position Flow Assumption

Sometimes the City will fund outlays for a specific purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted and unrestricted net position and fund balance in the government-wide, proprietary fund, and governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

3. DEPOSITS AND INVESTMENTS

A. Cash in Bank and Cash Equivalents

Custodial credit risk – deposits. The bank collateralizes the City of Dover's deposits over and above those covered by the $250,000 FDIC Insurance limit with specific securities, which are 'marked to market' daily against the aggregate balances. The market value of the collateral is at a minimum of or equal to 102% of the amount of applicable deposits. Collateral consists solely of either full faith and credit obligations of the United States Government or fixed rate obligations of agencies or instruments of the United States Government.

On June 30, 2018, the carrying amount of unrestricted cash and cash equivalents totaled $17,220,821, and the bank cash balances totaled $18,078,761. The carrying amount of restricted cash totaled $3,644,776 and the bank cash balances on restricted accounts totaled $3,639,864, $1,905,189 of the bank balance was exposed to custodial credit risk because it was uninsured and uncollateralized. Fiduciary funds cash and cash equivalents carrying value of $4,615,595 included $4,415,990 of cash deposits, $672,541 of the bank balance was exposed to custodial credit risk because it was uninsured and uncollateralized. The restricted deposits are held by the City for bond related transactions, special purpose operating and capital grants.

B. Investments

The City Council has adopted an investment policy which is reviewed every two years and updated as needed for best practices. The Pension Boards have their own distinct investment policy over the Pension Trust funds since the objectives differ from those of the City. The City investments are segregated from the Pension Trust investments for clarity. As of June 30, 2018, the City had the following investments:

i. Investments Held by Third Party Custodian

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The City's government wide investments are held in several different investment capacities from mutual funds and certificate of deposit with a significant investment in debt securities.

- Level 1 – Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets;

- Level 2 – Valuations based on quoted prices for similar assets or liabilities in active markets or identical assets or liabilities in less active markets, such as dealer or broker markets; and

- Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer or broker-traded transactions.

The City recorded the following investments as of June 30, 2018:

Investment Type	Weighted Average Maturity (Years)	June 30, 2018	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Government-Wide:				
Investments by fair value level				
Debt securities:				
U.S. Government Treasuries	3.71	$ 15,257,057	$ -	$ 15,257,057
Federal Agency Bond / Note	1.67	7,241,697	2,292,965	4,948,732
Municipal Obligations	1.32	4,838,267	-	4,838,267
Corporate Bonds	2.44	34,852,235	-	34,852,235
U.S. Government CMO's	1.28	8,241,479	-	8,241,479
Federal Agency Mortgage-Backed Security	9.67	1,830,617	-	1,830,617
Total Investments by fair value level		$ 72,261,352	$ 2,292,965	$ 69,968,387
Other Investments, at amortized cost:				
Accrued Interest Earned		-		
Money Market Mutual Funds & Equity Stock		154,339		
Commercial Paper		993,840		
Certificate of Deposit		11,230,978		
Total other investments		12,379,157		
Total Government-Wide Investments		84,640,509		

Interest rate risk: As a means of limiting its exposure to fair value losses arising from rising interest rates the City's investment policy limits U.S. Government securities and most other investments to a maximum maturity of 10 years from the date of purchase. Commercial Paper, Bankers' Acceptances and Repurchase Agreements all have a much shorter investment period ranging from 365 days to 90 days. Short-term cash flow balances are invested up to one year. The portfolio's weighted average maturity is 2.44 years.

Credit risk: The City's investment policy is to apply the prudent-person rule. Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital and, in general, avoid speculative investments. As of June 30, 2018, the City's fixed income and short-term investments had the following risk characteristics as compared to the Standard & Poor's:

Authorized Investments	Policy Minimum Rating Category	Portfolio Ratings	Percent Allocation
U.S. Government	N/A	AA+	18.57%
U.S. Government Agency	N/A	AA+	18.31%
Certificates of Deposit and	Short-Term A-1	Short-Term A to A-1+	13.64%
Time Deposits	Long-Term AA	Long-Term AA-	
Corporate Debt	Issued by a US Corporation		
Commercial Paper	A-1	A-1 to A-1+	1.21%
Corporate Notes/Bonds	A	A to AAA	42.38%
Repurchase Agreements	Short-Term A-1 Long-Term AA	N/A	
Registered Investment Companies (money market funds)	AAAm	AAAm	
Municipal Obligations	A	A+ to AA	5.88%

Concentration of credit risk: As of June 30, 2018, United States Treasury Notes represented 18.5% of the portfolio, Federal Home Loan Bank represented 5.9% of the portfolio and Federal National Mortgage Association represented 9.8% of the portfolio. No other issuer exceeded 5% of the portfolio.

ii. Investments Held by Trustee for Post-Employment Benefits & Pensions

The Pension Trusts and OPEB Trust have their investments exclusively in open-end mutual funds. The fair value is measured using the net asset value (NAV) as quoted in active markets in a manner consistent with the measurement principles for investment companies calculated as of June 30, 2018.

Investment Type	June 30, 2018			
Other Postemployment Benefits (OPEB) & Pension Funds (Trustee held):	**Employee's Plan**	**Police Plan**	**OPEB Trust**	**Total**
Investments measured at the net asset value (NAV)				
Money market funds	$ 1,953,737	$ 551,127	$ 685,670	$ 3,190,534
Fixed Income:				
Short-term bond funds	1,090,109	553,543	2,064,368	3,708,020
Intermediate-term bond funds	2,183,554	623,684	1,720,198	4,527,436
Long-term bond funds	2,182,892	692,686	1,722,134	4,597,712
Inflation protected bond funds	2,185,325	693,503	1,379,372	4,258,200
High Yield bond funds	2,601,478	756,870	2,052,764	5,411,112
Nontraditional bond funds	2,171,582	689,171	1,713,471	4,574,224
Total Fixed Income	12,414,940	4,009,457	10,652,307	27,076,704
Equities:				
Large cap value funds	4,733,911	1,502,276	4,189,558	10,425,745
Large cap growth funds	5,901,809	1,872,831	4,344,208	12,118,848
Mid-cap value funds	1,284,295	407,578	2,364,480	4,056,353
Mid-cap blend funds	1,271,842	403,626	-	1,675,468
Small value funds	2,989,466	948,978	3,033,821	6,972,265
Foreign large growth funds	2,506,936	795,368	1,647,762	4,950,066
World stock funds	2,551,577	809,681	1,677,516	5,038,774
Diversified emerging market funds	3,772,806	1,196,961	2,975,652	7,945,419
Real estate funds	3,580,477	1,136,548	2,472,760	7,189,785
Total Equities	28,593,119	9,073,847	22,705,757	60,372,723
Total investments measured at the NAV	$41,008,059	$13,083,304	$33,358,064	$87,449,427

The City recorded the following OPEB and Pension investments as of June 30, 2018:

Investment Type	**June 30, 2018**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**
Other Postemployment Benfits (OPEB) & Pension Funds		
Investments by fair value level		
Mutual Funds	$ 87,449,427	$ 87,449,427
Other Investments at amortized Cost		
Money Market Mutual Funds	3,190,534	
	$ 90,639,961	$ 87,449,427

Limits on investments are as follows:

Category Allocation	**Target Percentage**		
	Employee's Plan	Police Plan	OPEB Trust
Cash & Short Term Bonds	7.00%	8.00%	8.00%
Non-traditional Bonds	5.00%	5.00%	5.00%
Inflation Protected Bonds	5.00%	5.00%	4.00%
Intermediate Term Bonds	5.00%	4.50%	5.00%
Long Term Bonds	5.00%	5.00%	5.00%
High Yield Bond	6.00%	5.50%	6.00%
Large Cap Value	11.00%	11.00%	12.00%
Large Cap Growth	14.00%	14.00%	13.00%
Mid Cap	6.00%	6.00%	7.00%
Small Cap	7.00%	7.00%	9.00%
Real Estate Investment	8.00%	8.00%	7.00%
Foreign Equity	12.00%	12.00%	10.00%
Emerging Markets	9.00%	9.00%	9.00%
	100.00%	100.00%	100.00%

Custodial Credit Risk-investments: For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. To avoid custodial credit risk, it is the City's policy to have its investments held at a third-party custodian in the City's name.

Interest Rate Risk is the risk that changes in market interest rates that will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Pension and OPEB Plan's investment policies do not formally address interest rate risk. As of June 30, 2018, the Pension

and OPEB plans had $27,076,704 in fixed income investments. The weighted average maturity for $24,215,951 of its fixed income funds was 8.54 years, the remaining balance of $2,860,753 was not available.

Credit Risk: The OPEB Plan's investments are exposed to both market risk, the risk arising from changes in fair value, and credit risk, the risk of failure by another party to perform according to the terms of a contract. The Pension and OPEB Plan's investment balances at June 30, 2018 consisted of open ended mutual funds.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributable to the magnitude of an investment in a single issuer. The Pension and OPEB Plan's investment policies do not formally address concentration of credit risk. The Pension and OPEB Plan's held no positions of five percent or more in securities of a single issuer at June 30, 2018.

Foreign Currency Risk is the risk that changes in the exchange rate of investments will adversely affect the fair value of an investment. As of June 30, 2018, the Pension and OPEB had no investments that were denominated in foreign currency.

4. CAPITAL ASSETS

A summary of the capital asset activity for the year ended June 30, 2018 is presented below and on the following page:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	$ 4,688,301	$ -	$ -	$ 4,688,301
Construction in progress	713,347	601,118	575,836	738,629
Total capital assets, not being depreciated	5,401,648	601,118	575,836	5,426,930
Capital assets, being depreciated:				
Buildings	29,337,075	-	16,017	29,321,058
Furniture and fixtures	826,322	-	4,644	821,678
Equipment	8,531,068	354,456	156,428	8,729,096
Vehicles	5,689,333	308,355	502,017	5,495,671
Lights	655,647	-	-	655,647
Improvements other than buildings	53,880,316	1,378,857	-	55,259,173
Total capital assets, being depreciated	98,919,761	2,041,668	679,106	100,282,323
Less accumulated depreciation for:				
Buildings	(5,699,983)	(623,788)	15,605	(6,308,166)
Furniture and fixtures	(483,016)	(65,337)	4,644	(543,709)
Equipment	(5,987,895)	(409,103)	156,428	(6,240,570)
Vehicles	(3,994,580)	(482,732)	488,228	(3,989,084)
Lights	(508,375)	(11,530)	-	(519,905)
Improvements other than buildings	(27,087,208)	(1,903,692)	-	(28,990,900)
Total accumulated depreciation	(43,761,057)	(3,496,182)	664,905	(46,592,334)
Total capital assets, being depreciated, net	55,158,704	(1,454,514)	14,201	53,689,989
Governmental activities capital assets, net	$ 60,560,352	$ (853,396)	$ 590,037	$ 59,116,919

(Continued)

(Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Electric Revenue Fund				
Capital assets, not being depreciated				
Land	$ 1,458,066	$ -	$ -	$ 1,458,066
Construction in progress	1,926,837	3,670,325	2,593,851	3,003,311
Total capital assets, not being depreciated	3,384,903	3,670,325	2,593,851	4,461,377
Capital assets, being depreciated				
Buildings	14,480,088	-	-	14,480,088
Vehicles and Equipment	28,007,915	319,012	60,824	28,266,103
Transformers, Meters, T&D & Fiber Optic	63,034,454	873,726	-	63,908,180
SS, Switch Yards, Switchgears	36,140,486	429,970	19,467	36,550,989
Boiler, Turbo Generators, Cap Int - VS	37,325,396	1,796,793	-	39,122,189
Other (Streets, EST, Swr Lines, Wells, Eng &	7,662,501	-	-	7,662,501
Total capital assets, being depreciated	186,650,840	3,419,501	80,291	189,990,050
Less accumulated depreciation for:				
Buildings	(9,949,503)	(365,013)	-	(10,314,516)
Vehicles and Equipment	(22,833,249)	(650,403)	60,824	(23,422,828)
Transformers, Meters, T&D & Fiber Optic	(33,735,766)	(1,763,981)	-	(35,499,747)
SS, Switch Yards, Switchgears	(13,659,290)	(968,544)	130	(14,627,704)
Boiler, Turbo Generators, Cap Int - VS	(23,352,034)	(852,760)	-	(24,204,794)
Other (Streets, EST, Swr Lines, Wells, Eng &	(5,936,915)	(171,950)	-	(6,108,865)
Total accumulated depreciation	(109,466,757)	(4,772,651)	60,954	(114,178,454)
Total capital assets, being depreciated, net	77,184,083	(1,353,150)	19,337	75,811,596
Total electric revenue fund capital assets, net	80,568,986	2,317,175	2,613,188	80,272,973
Water/Wastewater Fund				
Capital assets, not being depreciated				
Land	163,240	-	-	163,240
Construction in progress	1,473,896	1,370,904	1,932,397	912,403
Total capital assets, not being depreciated	1,637,136	1,370,904	1,932,397	1,075,643
Capital assets, being depreciated				
Plant, wells, pumping stations, and storage	23,487,843	928,532	34,212	24,382,163
Distribution mains, hydrants, and accessories	23,426,960	866,751	-	24,293,711
Sewage plant mains, and pumping stations	40,518,716	891,883	-	41,410,599
Vehicles and equipment	5,749,594	106,947	39,363	5,817,178
Total capital assets, being depreciated	93,183,113	2,794,113	73,575	95,903,651
Less accumulated depreciation for:				
Plant, wells, pumping stations, and storage	(8,572,526)	(669,251)	19,176	(9,222,601)
Distribution mains, hydrant, and accessories	(7,806,942)	(448,311)	-	(8,255,253)
Sewage plant mains, and pumping stations	(15,144,861)	(970,390)	-	(16,115,251)
Vehicles and equipment	(3,938,112)	(271,934)	39,363	(4,170,683)
Total accumulated depreciation	(35,462,441)	(2,359,886)	58,539	(37,763,788)
Total capital assets, being depreciated, net	57,720,672	434,227	15,036	58,139,863
Total water/wastewater fund capital assets, net	59,357,808	1,805,131	1,947,433	59,215,506
Total Business-type Activities	$ 139,926,794	$ 4,122,306	$ 4,560,621	$ 139,488,479
Capital Assets, not being depreciated	$ 5,022,039	$ 5,041,229	$ 4,526,248	$ 5,537,020
Capital Assets, being depreciated	134,904,755	(918,923)	34,373	133,951,459
Total	$ 139,926,794	$ 4,122,306	$ 4,560,621	$ 139,488,479

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:		
General government	$	10,432
Central services		98,180
Public safety		492,227
Public works		2,245,279
Library and recreation		615,755
Financial administration		34,309
Total depreciation expense - governmental activities	$	3,496,182

During the fiscal year there were impaired assets across the following departments/functions:

- Water and Wastewater Fund Pump/Motor Well #12 and Well #12 maintenance totaling $15,036.
- Electric Fund Switchgear Replacement – Kent County Administration Building totaling $19,337.
- General Fund totaled vehicle and miscellaneous building improvement assets totaling $14,201.

5. LONG -TERM OBLIGATIONS

A. Summary of Bonded Indebtedness by Issue

	Original	Remaining	Interest	Maturity	Arbitrage	Purpose
Governmental Activities						
2012 General Obligation Bonds	$ 3,500,000	$ 2,781,263	2.60%	6/25/13 - 5/25/19	No	Construction of New Library, Street Paving Program
2014 General Obligation Bonds Series A	$ 3,660,000	$ 3,095,750	Variable = (65% of Daily LIBOR rate) plus .666%	11/14/14 - 5/14/22	No	Street and storm water infrastructure at the Garrison Oak Technology Park, police and fire radios, and firefighter's breathing apparatus
Business Type Activities						
Water/Wastewater Bonds						
2000 State of Delaware - Revolving Loan Fund - Municipal Revenue	$ 750,000	$ 101,259	3.60%	10/1/00 - 4/1/20	No	Wastewater Pump Station # 7 - Leipsic
2009 State of Delaware - Revolving Loan Fund - Municipal Revenue	$ 5,581,059	$ 4,088,158	2.00%	12/1/12 - 12/1/31	No	Pump station replacements/upgrades and sanitary sewer main relining
2010 State of Delaware - Revolving Loan Fund - Municipal Revenue	$ 2,404,017	$ 1,710,844	2.47%	4/1/12 - 10/1/30	No	Water quality improvements and main replacements
2011 State of Delaware - Revolving Loan Fund - Municipal Revenue	$ 765,060	$ 617,138	2.00%	6/1/12 - 12/1/31	No	Pump station replacements/upgrades and sanitary sewer main relining
2013 Revenue Bonds	$ 6,125,000	$ 4,795,000	3.58%	7/1/14 - 7/1/33	Yes	Water and Wastewater capital project financing, refund 2003 Series WWW bonds
(Coverage ratio on Water/Wastewater Bonds requires net revenues to be at least 1.2 times the maximum annual debt service)						
Electric Revenue Bonds						
2008 Revenue Bonds	$ 22,200,000	$ 17,890,000	4.81%	7/1/09 - 7/1/33	Yes	Expansion and upgrades of electric system
(Coverage ratio on Electric Bonds requires net revenues to be at least 1.25 times the maximum annual debt service)						

B. Status as of June 30, 2018 – General Obligation Bonds

Long-term indebtedness of the City of Dover consists of the following general-purpose General Obligation Bonds:

2012 Series	$ 2,781,263
2014 Series A	3,095,750
	$ 5,877,013

The total General Obligation Bonds outstanding amount includes $2,964,263 payable within one year.

C. Change in Long-Term Debt

The following tables summarize the debt transactions for the year ended June 30, 2018:

i. General Long-Term Debt

Item	Balance 7/01/17	Additions	Reductions	Balance 6/30/18	Payable within One Year
Compensated Absences	$ 2,359,754	$ 1,562,248	$ 1,644,657	$ 2,277,345	$ 1,159,250
General Obligation Bonds	6,209,368	-	332,355	5,877,013	2,964,263
Net OPEB Liability	32,120,477	-	5,904,420	26,216,057	-
Net Pension Liability	17,003,794	-	2,252,198	14,751,596	-
Sub-total of General Long-Term Debt	$ 57,693,393	$ 1,562,248	$ 10,133,630	$ 49,122,011	$ 4,123,513

ii. Enterprise Funds Debt – Water/Wastewater Fund

Item	Balance 7/01/17	Additions	Reductions	Balance 6/30/18	Payable within One Year
Compensated Absences	$ 179,280	$ 125,586	$ 74,265	$ 230,601	$ 89,469
Revenue Bonds-Water and Wastewater	5,135,000	-	340,000	4,795,000	355,000
State of Delaware Municipal Revenue Bond - Wastewater	5,150,852	-	344,297	4,806,555	352,563
State of Delaware Municipal Revenue Bond - Water	1,825,236	-	114,392	1,710,844	117,397
Net OPEB Liability	3,139,596	-	1,011,400	2,128,196	-
Net Pension Liability	3,858,274	-	211,011	3,647,263	-
Sub-total of Water/ Wastewater Fund	$ 19,288,238	$ 125,586	$ 2,095,365	$ 17,318,459	$ 914,429

iii. Enterprise Funds Debt – Electric Revenue Fund

Item	Balance 7/01/17	Additions	Reductions	Balance 6/30/18	Payable within One Year
Compensated Absences	$ 559,217	$ 273,088	$ 358,251	$ 474,054	$ 182,680
Revenue Bonds	18,620,000	-	730,000	17,890,000	765,000
Net OPEB Liability	4,991,152	-	1,575,928	3,415,224	-
Net Pension Liability	7,612,683	-	383,777	7,228,906	-
Sub-total of Electric Revenue Fund	31,783,052	273,088	3,047,956	29,008,184	947,680
Sub-total of Enterprise Fund Debt	51,071,290	398,674	5,143,321	46,326,643	1,862,109
Grand Totals of Long-Term Debt	$ 108,764,683	$ 1,960,922	$15,276,951	$ 95,448,654	$ 5,985,622

The City does not receive reimbursement for debt service from any other governmental units. The City does not have any special assessment debt or defeased bonds as of June 30, 2018.

D. Debt Service Requirements

The following are the debt service requirements to maturity on the City's general obligation bonds and revenue bonds.

i. Governmental Activities:

Fiscal Year	2012 General Obligation Bonds		2014 General Obligation Bonds Series A		
	Principal	Interest	Principal	Interest	Total
2019	2,781,263	65,567	183,000	24,031	3,053,861
2020	-	-	183,000	22,632	205,632
2021	-	-	183,000	21,111	204,111
2022	-	-	2,546,750	18,038	2,564,788
Total	$ 2,781,263	$ 65,567	$ 3,095,750	$ 85,812	$ 6,028,392

ii. Business-type Activities

Water/Wastewater Fund

Fiscal Year	2000 Municipal Revenue Bonds (Wastewater)		2009 Municipal Revenue Bonds (Wastewater)		2010 Municipal Revenue Bonds (Water)		2011 Municipal Revenue Bonds (Wastewater)		2013 Revenue Bonds Water/Wastewater	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2019	49,727	3,202	266,611	80,437	117,397	43,892	36,225	21,900	355,000	157,219
2020	51,532	1,396	271,970	75,078	120,481	40,808	37,541	20,584	360,000	146,493
2021	-	-	277,437	69,611	123,646	37,643	38,905	19,219	375,000	135,469
2022	-	-	283,013	64,035	126,895	34,395	40,318	17,806	385,000	124,069
2023	-	-	288,702	58,346	130,228	31,061	41,783	16,341	395,000	112,369
2024	-	-	294,505	52,543	133,649	27,640	43,302	14,823	410,000	100,294
2025	-	-	300,424	46,624	137,160	24,129	44,875	13,250	215,000	90,919
2026	-	-	306,463	40,585	140,764	20,526	46,505	11,619	220,000	84,256
2027	-	-	312,623	34,425	144,461	16,828	48,195	9,930	225,000	77,106
2028	-	-	318,906	28,142	148,257	13,033	49,946	8,178	235,000	69,281
2029	-	-	325,316	21,732	152,151	9,138	51,761	6,364	245,000	60,269
2030	-	-	331,855	15,193	156,148	5,141	53,642	4,483	255,000	50,269
2031	-	-	338,526	8,522	79,607	1,039	55,592	2,534	265,000	39,869
2032	-	-	171,807	1,718	-	-	28,548	514	275,000	29,069
2033	-	-	-	-	-	-	-	-	285,000	17,869
2034	-	-	-	-	-	-	-	-	295,000	6,084
Total	$ 101,259	$ 4,598	$ 4,088,158	$ 596,991	$ 1,710,844	$ 305,273	$ 617,138	$ 167,545	$ 4,795,000	$ 1,300,904

(Continued)

ii. Business-type Activities (Continued)

Water/Wastewater/Electric Revenue Funds

Fiscal Year	2008 Revenue Bonds Electric Principal	2008 Revenue Bonds Electric Interest	Business-Type Activities
2019	765,000	831,580	2,728,190
2020	800,000	798,706	2,724,589
2021	840,000	763,856	2,680,786
2022	880,000	726,756	2,682,287
2023	925,000	686,694	2,685,524
2024	970,000	644,056	2,690,812
2025	1,015,000	599,394	2,486,775
2026	1,065,000	551,928	2,487,646
2027	1,120,000	501,400	2,489,968
2028	1,175,000	446,125	2,491,868
2029	1,230,000	386,000	2,487,731
2030	1,290,000	323,000	2,484,731
2031	1,355,000	256,875	2,402,564
2032	1,420,000	187,500	2,114,156
2033	1,485,000	114,875	1,902,744
2034	1,555,000	38,875	1,894,959
Total	$ 17,890,000	$ 7,857,620	$ 39,435,330

6. RESTRICTED NET POSITION

In the government-wide financial statements the restricted net position of the governmental activities and business type activities are as follows:

Governmental Activities		
Grants-capital projects	This represents the State DOT grant reported in the non-major special revenue funds.	$ 662,352
Grants-public safety	These represent the Police grants, ERLSP grant and Substance Abuse Prevention grant in the special revenue type funds.	286,254
Other Purposes	These represent all other funds reported in the special revenue type, except the grants reserved for capital construction and public safety. Also included is the interest from an endowment from Mary Elizabeth Paton and the verizon reserve.	12,495
Total Restricted Net Position		$ 961,101
Business Type Activities		
Net restricted position for construction purposes - expendable		
Water/Wastewater	Restrictions on investments imposed by bond covenants	$ 5,615,534
Electric	Restrictions on investments imposed by bond covenants	41,077,552
Total Restricted Net Position		$ 46,693,086

7. FUND BALANCES & NET POSITION

In the governmental fund financial statements, fund balances are reported based on a hierarchy of constraints on the specific purposes for which the funds can be spent. Non-spendable fund balances represent items that are not in spendable form and not expected to be converted to cash. This criterion also applies to the corpus of permanent funds, which would include the Mary Elizabeth Paton library endowment.

Restricted fund balances represent amounts that have externally imposed restrictions by creditors, grantors, enabling legislation or laws and regulations of other governments. The fund balances of the City's grant funds fall into this category, as well as a couple of accounts that have contractual restrictions imposed by a third party.

Committed fund balances represent amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of City Council through a motion or an adopted city ordinance. These amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action to which it previously committed the amount.

Assigned fund balances represent amounts constrained by the City's intent to be used for specific purposes. These amounts represent the City's capital asset appropriations. The constraints placed on assigned fund balances are implemented through internal processes such as a budget ordinance or motion of City Council. Therefore, assigned fund balances do not have the same restrictive nature as a restricted fund balance.

Unassigned fund balance is the residual amount that has not met the criteria for the previously mentioned classifications. The unassigned fund balance is available for expenditures as they are incurred. The General Fund is the only fund that reports a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The composition of the City fund balances as of June 30, 2018 is as follows:

	General Fund	Other Governmental Funds	Total
Fund balances:			
Nonspendable:			
Inventory & Prepaids	$ 237,664	$ 9,990	$ 247,654
Patronage Stock	16,594	-	16,594
Library Endowment	5,000	-	5,000
Subtotal Nonspendable:	259,258	9,990	269,248
Restricted for:			
Library Endowment Interest	2,055	-	2,055
Verizon cable franchise	8,517	-	8,517
Highway resurfacing	-	662,162	662,162
ERLSP	-	100	100
CDBG	-	2,013	2,013
Substance Abuse Prevention	-	84,833	84,833
Municiple Street Aid	-	100	100
Police Grants	-	201,321	201,321
Subtotal Restricted for:	10,572	950,529	961,101
Committed to:			
Contingency	755,483	-	755,483
Parkland	355,699	-	355,699
Subtotal Committed to:	1,111,182	-	1,111,182
Assigned to:			
Capital Projects	2,865,373	-	2,865,373
Unassigned	7,722,505	-	7,722,505
Total fund balances	$ 11,968,890	$ 960,519	$ 12,929,409

As noted in the Introductory section of this report (page 8), the City has established the "City of Dover, Delaware Financial Policies" booklet which is a standardized set of principles that the City follows and the Finance Department manages, to ensure that the minimum fund balance policies are followed.

8. PROPERTY TAXES

Property taxes are levied under the authority of the City Charter on all real property located within the City limits. The City assessor oversees the property assessments and the City Council levies the property tax rate. The following table provides important dates with reference to property taxes.

Beginning of fiscal year for taxes	July 1
Tax rate levied	2nd Council Meeting in June
Taxes billed	July 1
Taxes due and payable at par	July 31
Penalty of one and one-half percent starts	August 1
Lien established on property for property taxes	July 1
Tax sales of property with unpaid taxes	2 years from date of billing

As of June 30, 2018, there were no material delinquent taxes.

9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2018 is as follows:

A. Due to/from other funds – Charges and Allocations

Receivable Fund	Payable Fund	Amount
General Fund	Non-Major Governmental Funds	$ 70,357
	Water/ Wastewater Fund	183,055
	Electric Revenue Fund	364,170
		617,582
Water/ Wastewater Fund	General Fund	710
	Electric Revenue Fund	27,108
		27,818
Electric Revenue Fund	General Fund	3,822
Non-Major Governmental Funds	General Fund	375
Total		$ 649,597

B. Due to/from other funds – Temporary advances

Receivable Fund	Payable Fund	Amount
General Fund	Non-major governmental funds	$ 5,000

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

C. Interfund Transfers

	Transfers In -
Transfers Out	General Fund
Non-Major Governmental Funds	$ 3,320,407
Water/ Wastewater Fund	900,000
Electric Revenue Fund	10,000,000
Total	$ 14,220,407

Transfers are generally made to provide operating capital or debt service subsidies to the receiving fund in accordance with City policy.

10. RENTAL INCOME

The City currently has two lease agreements at the Garrison Oak Technical Park (GOTP) that are included in miscellaneous revenue in the General Fund. The first lease is with LS Power – White Oak Solar Energy LLC, which generated $64,580 in rental income, and the second lease is with Garrison Energy Center which generated $33,454 in rental income.

The City's Electric Revenue Fund owns a professional office building which houses the City's Customer Service, Finance and Information Technology Departments. During the year, the last office space rental lease ended November 30, 2017. Lease revenue is $132,419 in the Electric Revenue Fund consisting of office space rental of $19,776, substation rental of $30,000 and pole attachment rentals of $82,643.

The City maintains several water tower leases for a group of telecommunications companies. These are recorded as revenue of the Water/Wastewater Fund and total $390,643 in the current fiscal year.

11. MATERIAL COMMITMENTS

A. The City is the guarantor on one loan for the Dover Fire Department, a separate entity from the City of Dover. The City also budgets monies to assist the volunteer fire company with payments on firefighting apparatus. The current fiscal year includes $145,614 in expenditures for Ladder #1 in the Governmental Capital Projects Fund budget.

B. The City entered into a three-year management contract with The Energy Authority effective July 1, 2016 to provide a market-based approach for power supply management. The Energy Authority manages energy purchases and utilizes the City's generating assets to provide a level of rate stability as necessary to mitigate the effects of rising and volatile energy prices.

C. The City also entered into a management contract with North American Energy Services (NAES) to operate and maintain the generating assets of the electric utility in May 2006. The City extended the contract with NAES through June 30, 2020. The City has incorporated the budgets and financial activity of the plant into its procedures used for all other divisions of the electric utility. These procedures include a line item budget and adherence to City policies. All personnel are employed by NAES and personnel costs are billed to the City bi-weekly. Any capital improvements are included in the City's capital improvement plan. The contract also provides for a monthly management fee and a performance incentive based on budget and plant performance. The fiscal year 2018 annual

cost for management and estimated incentives are $759,607 and is included in the plant-operating budget.

D. The City is the guarantor on two $1.3 million loans held by the Downtown Dover Partnership. The loans are secured by two parcels in the downtown business district that the Downtown Dover Partnership is marketing for its redevelopment initiative. The principal and interest on both loans is paid monthly from rental receipts the Partnership receives from its current tenants on the properties.

E. The City owes $150,000 to a former employee of the City due to a separation agreement. The former employee is owed this money over the next 4 years.

12. FORWARD CONTRACTS

Pursuant to the July 1, 2011 Energy Management Agreement between the City and The Energy Authority (TEA), the City has formed an Executive Risk Management Committee (ERMC). The ERMC has adopted a Governing Policy for Energy Commodity Risk Management (Policy) aimed at addressing the energy commodity risks and the Procedures and Controls Manual for Energy Commodity Risk Management (Procedures Manual). The Procedures Manual further describes the risk management philosophy under which TEA, the City's designated provider of energy risk management services conducts its activities.

The Procedures Manual authorizes TEA to enter into physical forward transactions which shall be governed by Edison Electric Institute (EEI), North American Energy Standards Board (NAESB), or similar agreements with counterparties approved by the City.

These agreements will enable the City to hedge the forward price of purchased power, natural gas or fuel oil for delivery as needed to meet its load requirements. No speculative transactions for volumes in excess of forecasted power and fuel needs are permitted. TEA also provides advisory services to the City for financial hedges in determining if they would be beneficial to mitigate market and credit risk. These contracts meet the definition of a derivative instrument as defined by GASB Statement No. 53, *Accounting and Reporting for Derivative Instruments* (GASB 53). However, these contracts meet the normal purchases and sales exemption of GASB 53 as the City intends to use the physical commodity in its normal utility operations to supply energy to its customers. Accordingly, these contracts are not within the scope of GASB 53 and are not recorded on the City's Statement of Net Position.

Under the Procedures manual the City will not extend credit to any potential counterparty that has a credit rating below investment grade (defined as BBB as rated by Standard & Poor's or Baa2 as rated by Moody's). Any counterparty that is unrated by either S & P or Moody's must be approved by the ERMC prior to the execution of any trading activities.

Credit risk is mitigated using collateral thresholds, credit limits, maximum nominal exposure and term limitations. A collateral threshold is the amount of unsecured credit granted to the counterparty. Unsecured credit exposure includes amounts owed by the counterparty, whether billed or not, and the marked-to-market differences in value of any collateral held. Any net exposure above the collateral threshold will require the posting of collateral by the counterparty. Collateral thresholds, term limitations and credit exposure limits are subject to maximums as established by the ERMC.

A summary of the contracts outstanding as of June 30, 2018 are as follows:

Counterparty Credit Risk (in 1,000's)

Counterparty	Counterparty or Guarantor Credit Rating	Counterparty Threshold	Line Availability	Maximum Amount of Loss due to Credit Risk w/o Respect to Collateral ($)	Collateral Description
AEP Energy Partners, Inc.	BBB	$10,000	$9,638	$362	No Collateral if exposure under specified threshold
Barclays Bank, PLC	BBB+	$10,000	$10,000	$0	No Collateral if exposure under specified threshold
BP Energy Company	A-	$15,000	$14,424	$576	No Collateral if exposure under specified threshold
EDF Trading North America, LLC	BBB	$18,000	$18,000	$0	Threshold is $18 million unless guarantor's credit rating falls below Baa3
Exelon Generation Company, LLC	BBB	$30,000	$29,743	$257	No Collateral if exposure under specified threshold
Macquarie Energy, LLC	A	$15,000	$14,105	$895	Up to $15,000 is guaranteed by Macquarie Bank Limited
Morgan Stanley Capital Group, Inc	BBB+	$10,000	$6,662	$3,338	Unlimited guaranty from Morgan Stanley, threshold set by table in contract
NextEra Energy Marketing, LLC.	BBB+	$10,000	($996)	$10,996	Unlimited guaranty from Morgan Stanley, threshold set by table in contract
NJR Energy Services Company	NR	No threshold	$0	$178	No Specified threshold
PJM Settlement, Inc.	AA	No threshold	$0	$21	No Specified threshold
Sequent Energy Management, L.P.	BBB+	$5,000	$5,000	$0	Unlimited guaranty from AGL Resources, threshold is $5,000

13. SUBSEQUENT EVENTS

A. On July 20, 2018, the Robbins Hose Company No. 1 of Dover, Delaware (Dover Fire Department), a separate entity from the City of Dover, closed on a $635,300 loan which the City of Dover has guaranteed.

B. On August 22, 2018, the City of Dover closed on a $15,700,000 Refunding Bond Issue (Series 2018). The proceeds of the sale of the Bonds are to be used (i) to refund on a current refunding basis, the Series 2008 Bonds, and (ii) the costs of issuing the Bonds.

C. On September 21, 2018, the City of Dover closed on an $881,400 Water and Sewer Revenue Bond with the Delaware Water Pollution Control Revolving Fund to make improvements to the following pump stations (i) Delaware Tech Pump Station (ii) Silver Lake Pump Station (iii) Walker Woods Pump Station.

D. On November 16, 2018, the City of Dover closed on a $4,000,000 Water Treatment Improvement Bond with the Delaware Drinking Water State Revolving Fund (Series 2018A-SRF). The proceeds of the sale of the Bonds are to provide funds to finance all or a portion of (i) the costs associated with the costs of certain upgrades and improvements to the Borrower's water system, and (ii) the costs of issuing the Bonds.

14. INSURANCE

A. Health Insurance – State of Delaware

The City participates in the State of Delaware Health Insurance Program. The State offers four health plan options. The administration of benefits is coordinated with Aetna and Blue Cross Blue Shield of Delaware. Pre-determined premiums consisting of the City and employee contributions are subsequently paid to the State of Delaware.

B. Workers' Compensation Fund – Self-Insurance

On July 1, 1990, the City began self-insuring its Workers' Compensation insurance. For this purpose, the City has established a separate fund. Claims are processed and administered by a third-party administrator. The City manages the revenue and expenditures in this fund and maintains all the records. The City maintains a fund balance to cover any incurred but not reported claims.

AMI Risk Consultants completed an updated valuation in fiscal year 2014. As of June 30, 2018, there is $598,030 reserved for open claims in this fund. An appropriate umbrella policy for the excess coverage has been purchased and is in effect as of June 30, 2018.

Workers' Compensation activity is recorded in the General Fund as follows:

	2018	2017
Claims payable, beginning of year	$ 751,659	$ 547,958
Claims incurred	239,594	786,684
Payment of claims	(393,223)	(582,983)
Claims payable, end of year	$ 598,030	$ 751,659

C. Other than Health or Workers' Compensation Insurance

The City purchases commercial insurance policies to cover risks not insured through self-insurance funds. The City has designated a contingency account to provide for uninsured losses (See Note 7). There have been no significant reductions or settlements exceeding coverage in the past five fiscal years.

15. COMPENSATED ABSENCES

The City grants a specific number of vacation days with pay to its employees. Upon termination or retirement, an employee is paid for accumulated vacation days. The City also grants one paid sick day per month to all employees, with the exception of employees covered by the International Brotherhood of Electric Workers (IBEW) contract. The IBEW employees are granted eleven sick days per year.

The City of Dover follows a terminal leave policy which varies with each of the four unions as well as the non-bargaining group. The maximum accumulated sick days paid upon retirement is 150 days for 25 years of service. No accrued sick leave is paid when an employee is terminated.

In the government-wide and proprietary fund financial statements, unpaid compensated absences are recorded as a liability as the vested employees' benefits accrue, to the extent it is probable that the employee will be paid for sick benefits at retirement.

In governmental funds, compensated absences are recorded as expenditures as payments become due; accordingly, no liability is recorded in the Governmental Funds statement. Typically, the General Fund has been used in prior years to liquidate the liability for compensated absences recorded in governmental activities.

16. OTHER POST-EMPLOYMENT BENEFITS

Plan Description
On May 11, 2009, the City of Dover Other Post-Employment Benefits Trust (OPEB Trust) was established pursuant to Section 115 of the Internal Revenue Code. Policy for and management of the OPEB benefits provided to retirees are the responsibility of the City of Dover. No stand-alone financial report is issued for the OPEB Trust.

The City of Dover OPEB Plan is a post retirement employee benefit program established for the purpose of funding retiree health care as provided for in Chapter 80, Article IV, Division 5 of the City Ordinances.

The OPEB Trust is a single-employer defined benefit plan. The OPEB Trust provides retirement medical coverage to pensioners and their eligible dependents in the City of Dover defined benefit and defined contribution pension plans.

Plan Administration
Management of the plan investments are fully vested with the City of Dover OPEB Board as established in the City Code, which consists of seven members - three elected by plan members, two Council members appointed by the Council President, the City Controller/Treasurer, and the City Manager. The City Controller/Treasurer serves as an ex-officio member. Milliman of Albany, New York provides asset management advisory and consulting services to the Board.

The City purchases health insurance from the State of Delaware through a cooperative purchasing arrangement permitted by State Code. The State Office of Benefits provides the City with the medical insurance premiums by type of coverage and carrier during the budget cycle each year. The City also pays a five percent risk premium and contract administration fee for each contract in addition to the premium. Any premiums paid over or under the benefits paid out for City employees revert to the State.

Membership of the plan consisted of the following at June 30, 2018:

Retirees and beneficiaries receiving benefits	210
Terminated plan members entitled to but not yet receiving the benefits	11
Active plan members	371
Total	592

Substantially all City employees become eligible for post-retirement benefits if they reach retirement age while working for the City. The costs of providing these benefits are shared between the City and the retired employee.

Employee Benefits and Contributions

The City maintains contracts with each of the following collective bargaining units.

- The International Brotherhood of Electric Workers (IBEW) union contract period is July 1, 2017 through June 30, 2020.
- The American Federation of State, County, and Municipal Employees (AFSCME), Council 81 contract period is July 1, 2017 through June 30, 2020.
- The Fraternal Order of Police Lodge #15 (FOP) union contract period is July 1, 2015 through June 30, 2018. The new contract has been negotiated and is awaiting final signatures from FOP at time of issuance of this report.
- The Dover Organization of Employees (DOE) union contract period is July 1, 2018 through June 30, 2021.

The eligibility provisions for early retirement are as follows:

SUMMARY OF PRINCIPAL PLAN PROVISIONS

Benefits for Civilians:

A. Covered Groups: Full-time DOE (formerly IUE), IBEW, AFSCME and non-union employees and their dependents are covered.

B. Eligibility: Satisfaction of either of the following eligibility requirements:

1. Unreduced Retirement: Attainment of the earlier of the following conditions:
   a. Later of attainment of age 65 and completion of 10 years of service.
   b. If hired prior to May 1, 1994, later of attainment of age 50 and completion of 20 years of service.
   c. If hired prior to May 1, 1994, completion of 25 years of service.

(Continued)

SUMMARY OF PRINCIPAL PLAN PROVISIONS
(Continued)

d. If hired on or after May 1, 1994, later of attainment of age 55 and completion of 80 points (age plus service).

2. Reduced Retirement: For DOE, AFSCME and non-union members hired prior to July 1, 1994, attainment of age 55 and completion of 10 years of service. Other members who meet this condition have the option to pay 100% of the premiums for coverage.

3. Vested Termination: For DOE, AFSCME and non-union members hired prior to July 1, 1994, completion of 10 years of service. Coverage commences upon attainment of age 65. Coverage is not available to other members.

4. Active Death: Surviving spouses of members eligible for an unreduced pension upon death or for DOE and non-union members hired prior to July 1, 1994, completion of 10 years of service.

C. Premium Cost Sharing: Cost-sharing varies by employee group, date of retirement and/or date of hire as follows:

1. Non-Union Employees:
   a. None if retired prior to July 1, 1991
   b. 0% for individual coverage and 25% for spouse coverage if retired on or after July 1, 1991 and prior to July 1, 2012
   c. 15% for individual and spouse coverage if retired on or after July 1, 2012

2. DOE Employees:
   a. None if retired prior to September 1, 1991
   b. 0% for individual coverage and 25% for spouse coverage if retired on or after September 1, 1991 and prior to June 1, 2013
   c. 15% for individual and spouse coverage if hired prior to December 22, 2015, upon direct retirement with an unreduced pension
   d. 20% for individual coverage if hired on or after December 22, 2015, upon direct retirement with an unreduced pension. The retiree will have the option to purchase dependent coverage under the City's group rate plan at full cost to the employee/retiree.

3. IBEW Employees:
   a. 0% for individual coverage and 25% for spouse coverage if hired prior July 1, 1986
   b. 0% for individual coverage and 100% for spouse coverage if hired on or after July 1, 1986 and prior to July 1, 2014
   c. 20% for individual coverage and 100% for spouse coverage if hired on or after July 1, 2014

4. AFSCME Employees:
   a. 0% for individual coverage and 25% for spouse coverage if retire prior to July 1, 2015
   b. 15% for individual and spouse coverage if hired prior to May 20, 2014 and retire on or after July 1, 2015
   c. 20% for individual coverage and 100% for spouse coverage if hired on or after May 20, 2014

D. Benefit Duration: Retiree coverage is provided for lifetime. Spouse coverage is provided for the spouse's lifetime.

E. Medicare Part B Reimbursement: Eligible retirees receive reimbursement of the Medicare Part B premium. The Medicare Part B average premium was $109, and the standard premium was $134 for 2017; for 2018 the average premium is $111, and the standard premium is $134. Spouses are not eligible for the reimbursement. Eligible retirees are:

1. Non-union and AFSCME employees who were hired prior to July 28, 2009.
2. IBEW employees who retired prior to July 1, 2009.
3. DOE employees who retired prior to January 31, 2010.

Benefits for Police Officers:

A. Covered Groups: Full-time FOP employees and their dependents are covered. Only provisions for members hired on after September 1, 1982 are shown.

B. Eligibility: Satisfaction of either of the following eligibility requirements:

1. Unreduced Retirement: Attainment of the earlier of the following conditions:
   a. Later of attainment of age 62 and completion of 10 years of service.
   b. Completion of 20 years of service.
   c. Later of completion of 10 years of service and 75 points (age plus service).
2. Reduced Retirement: Not applicable.
3. Vested Termination: None.
4. Active Death: Surviving spouses of members eligible for an unreduced pension upon death.

C. Premium Cost Sharing:

1. None if retired prior to July 1, 1991
2. 0% for individual coverage and 25% for spouse coverage if retired on or after July 1, 1991 and prior to July 1, 2012
3. 15% for individual and spouse coverage if retire on or after July 1, 2012.
4. Employees hired on or after October 9, 2015, contribute 20% for individual coverage. The retiree will have the option to purchase dependent coverage under the City's group rate plan at full cost to the employee/retiree.

D. Benefit Duration: Retiree coverage is provided for lifetime. Spouse coverage is provided for the spouse's lifetime.

E. Medicare Part B Reimbursement: Eligible retirees receive reimbursement of the Medicare Part B premium. The Medicare Part B average premium was $109, and the standard premium was $134 for 2017; for 2018, the average premium is $111, and the standard premium is $134. Spouses are not eligible for the reimbursement. Eligible retirees are members who retired prior to September 30, 2006.

Employer Contributions:
The City of Dover funds the other post-employment benefits for current retirees on a pay-as-you-go basis along with funding for future benefits at a rate that is approved in the annual budget, but not actuarially determined. Additional funding has also been provided on an ad hoc basis. The employer contributions towards retiree health care premiums this fiscal year are as follows:

General Government	$ 3,750,427
Water/Wastewater Fund	100,197
Electric Revenue Fund	1,871,171
Total Benefit Provided	$ 5,721,795

Transactions are recorded in the OPEB Trust for the payment of administrative and investment expenses and financed through investment earnings. City appropriations and other employer contributions for health care are recorded in the OPEB Trust. The OPEB Board of Trustees is responsible for the management of the trust investments.

Contributions
The contribution rates for the employer are established annually by the budgeting process of the City. Those rates include an employer contribution based on projected pay-as-you-go financing requirements as a percent of premiums, with an additional amount to prefund benefits, which is not actuarially determined. For the year ended June 30, 2018, the City's average contribution rate was 29.2% of covered payroll of $19,578.050.

The components of the Net OPEB liability of the City at June 30, 2018, are as follows:

Other Post Employment Benefits Fund
Changes in Net OPEB Liability

Changes in Net OPEB Liability	**Total OPEB Liability (a)**	**Increase (Decrease) Plan Fiduciary Net Position (b)**	**Net OPEB Liability (a) - (b)**
Balances as of June 30, 2017	$ 69,305,071	$ 29,053,846	$ 40,251,225
Changes for the year:			
Service cost	1,221,869	-	1,221,869
Interest	4,497,757	-	4,497,757
Differences between expected and actual exp	(6,202,130)	-	(6,202,130)
Benefit payments	(2,703,928)	(2,703,928)	-
Employer contributions	-	5,721,795	(5,721,795)
Net investment income	-	2,294,949	(2,294,949)
Trust administrative expenses	-	(7,500)	7,500
Balances as of June 30, 2018	$ 66,118,639	$ 34,359,162	$ 31,759,477

Actuarial Methods and Significant Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2017 with liabilities projected to the June 30, 2018 measurement date, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Rate of return. For the year ended June 30, 2018, the annual money-weighted rate of return on investments, net of investment expense, was 7.87%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Actuarial cost method	Entry Age Normal Level % of Salary
Amortization method	Level Dollars
Amortization period	30 years
Asset valuation method	Fair Market Value
Actuarial assumptions:	
Investment rate of return	6.5%
Discount rate	6.5%
Inflation	2.5% per year included in payroll growth
Healthcare cost trend rates	
Pre-65 Medical / Rx	Initial rate of 8.5% decreasing by 0.5% annually to an ultimate rate of 4.5%
Post-65 Medical / Rx	Initial rate of 7.5% decreasing by 0.5% Annually to an ultimate rate of 4.5%
Mortality SOA RPH-2016 Total Dataset Mortality	Table fully generational using Scale MP-2016 for all employees

Changes in Actuarial Assumptions or Methods

The long term expected rate of return on OPEB plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2018 are summarized in the following table:

OPEB Trust
Long-Term Expected Rate of Return

Asset Class	Target Allocation*	Long-Term Expected Real Rate of Return
Cash	2.00%	0.50%
Fixed Income	31.00%	3.55%
Equity	60.00%	8.26%
Real Estate	7.00%	7.96%
Long-Term Expected Rate of Return		6.60%

*The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per Milliman's investment consulting practice.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.5%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability, calculated using the discount rate of 6.50%, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.50%) or 1 percentage point higher (7.50%) than the current rate.

Other Post-Employment Benefits

	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net OPEB liability	$ 40,823,264	$ 31,759,477	$ 24,370,995

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability as of June 30, 2018, calculated using the health care trend rates assumed and what it would be using 1% higher and 1% lower health care trend rates:

Health Care Trend Rates Assumptions

	1% Decrease	Current Trend Rate	1% Increase
Net OPEB liability	$ 23,453,178	$ 31,759,477	$ 42,032,238

- The current health care trend rate starts at an initial rate of 8.5% decreasing to an ultimate rate of 5.0%.
- The 1% decrease in health care trend rates would assume an initial rate of 7.5%, decreasing to an ultimate rate of 4.0%.
- The 1% increase in health care trend rates would assume an initial rate of 9.5%, decreasing to an ultimate rate of 6.0%.

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the City recognized OPEB expense of $384,716 as calculated in the following chart:

OPEB Expense

Service cost	$ 1,221,869
Interest	4,497,757
OPEB plan administrative expenses	7,500
Projected earnings on OPEB plan investments	(1,984,797)
Current period recognition of deferred outflows/(inflows) of resources	
Differences between expected and actual experience	(1,898,267)
Differences between projected and actual earnings on plan investments	(351,796)
Changes of assumptions	(1,107,550)
Total OPEB Expense	$ 384,716

At June 30, 2018, the City reported deferred inflows of resources related to OPEB from the following sources:

	OPEB Trust
Deferred Inflows of Resources	
Differences between expected and actual experience	$ 6,935,224
Changes in assumptions	3,322,648
Net difference between projected and actual earnings on OPEB plan investments	1,117,420
Total Deferred Inflows of Resources	$ 11,375,292

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	
2019	$ (3,357,613)
2020	(3,357,613)
2021	(3,357,609)
2022	(1,302,457)
2023	-
Thereafter	-

Separate Other Postemployment Benefit fund financial statements have not been issued; accordingly, they are presented as required by GASB Statement No. 34, as follows:

The City of Dover, Delaware
Schedule of Other Postemployment Benefits Trust Fund Net Position
June 30, 2018

	Other Postemployment Benefit Trust Fund
ASSETS:	
Cash and cash equivalents	$ 1,002,348
Investments at Fair Value - Mutual Funds	33,358,064
Total Assets	34,360,412
LIABILITIES:	
Accounts Payable	1,250
Total Liabilities	1,250
NET POSITION:	
Net Position Restricted for Retiree Health Benefits	$ 34,359,162

The City of Dover, Delaware
Schedule of Changes in Other Postemployment Benefits Trust Fund Net Position
June 30, 2018

	Other Postemployment Benefit Trust Fund
ADDITIONS:	
Net Investment Income	$ 2,294,949
City's Contribution-Payroll Based	1,939,295
City's Contribution-Lump Sum	3,782,500
Total Additions	8,016,744
DEDUCTIONS:	
Benefit Payments	2,703,928
General Administration	7,500
Total Deductions	2,711,428
Change in Net Position	
Net Position - Beginning	5,305,316
Net Position - Ending	29,053,846
	$ 34,359,162

17. DEFERRED COMPENSATION PLAN

Effective November 14, 1983, the City added a self-directed 457 Deferred Compensation Plan to its employee benefit options. The plan is administered by the International City Management Retirement Corporation (RC). The assets are held in the name of each participant with the ICMA (International City/County Management Associations) Retirement Trust. Employees are eligible to make contributions to the plan not to exceed the ceiling set by federal regulations. The City later added an alternative investment firm for the Deferred Compensation Plan with Nationwide Retirement Solutions.

In May 1994, the City offered the 457 Deferred Compensation Plan to employees as their pension plan in lieu of participation in the General Employee Pension Plan. At that time 41 employees opted out of the Defined Benefit Pension Plan and enrolled in the Deferred Compensation Plan. The ICMA 457 Deferred Compensation Plan has assets of $8,930,028 (market value) as of June 30, 2018, with 131 active employees contributing $444,636. The Nationwide plan has assets of $3,484,151 (market value) as of June 30, 2018 with 17 active employees contributing $69,155. Quarterly statements are mailed to each participant by the plan administrators. All administration fees are borne by the participants. All contributions are 100% vested upon election of the plan. Employees are eligible to withdraw or rollover to another plan the employer and employee benefits upon separation of service. Withdrawals prior to age 59½ could be subject to penalty.

Employees who participate in the defined benefit plan are also eligible for the 457 Deferred Compensation Plan. No matching employer contribution is made to the 457 Deferred Compensation Plan. As of June 30, 2018, there are 371 employees eligible to enroll in the 457 Deferred Compensation Plan.

18. RETIREMENT PLANS

The City participates and/or manages four retirement plans on behalf of its employees. Three of the pension plans are defined benefit plans and one is a defined contribution plan. Two of the defined benefit plans are closed to new hires. All full-time employees are required to enroll in a pension plan. During fiscal year 2018 the total wages were $22.2 million, and the total pensionable wages were $18.1 million for all full-time employees. The number of employees eligible for pension benefits as of June 30, 2018 is 371.

A. Defined Contribution Plan

Effective July 1, 2000, the City implemented an IRC 401a Money Purchase Plan "401a Plan," a self-directed defined contribution plan, as an alternative choice for pension benefits. The contribution and funding requirements of the plan are both established and amended by the City. The plan is administered by the International City Management Retirement Corporation (RC). The assets are held in the name of each participant with the ICMA (International City/County Management Associations) Retirement Trust. Quarterly statements are mailed to each participant by RC. All administration fees are borne by the participants.

The City provides a 3% match of the employees required contribution to the 401a Plan, and up to an additional 3% to the 401a Plan for a potential total contribution of 6%, if the employee contributes up to an additional 3% to their 457 Plan (see note 17 – Deferred Compensation Plan).

The Dover Organization of Employees (DOE) union contract renewed effective July 1, 2015 through June 30, 2018. The contract changed the mandatory minimum employee contribution (MMEC) as well as the City's minimum matching contribution as follows:

Effective Date	Minimum Employee Contribution	City's Match (Up To)
March 27, 2016	4%	7%
July 1, 2016	5%	8%

The 401a Plan and 457 Plan contributions are calculated on base wages plus on-call pay, pay adjustments, and scheduled overtime. All full-time regular employees are eligible, excluding law enforcement personnel. Personnel that have elected the defined contribution plan are not eligible for the defined benefit plan. All contributions are 100% vested upon election of the plan. To be eligible for benefit payments, the participant must meet the same eligibility requirements as the participants in the defined benefit plan. Employees are eligible to withdraw or rollover to another plan the employer and employee benefits upon separation of service. Withdrawals prior to age 59 ½ could be subject to penalty.

As of June 30, 2018, there were 141 full-time employees enrolled in the 401a plan. The City contributed a total of $386,498 on wages of approximately $6.4 million. Employees contributed $275,176 to the 401a Money Purchase Plan. The market value of the 401a plan assets totaled $6,409,410 as of June 30, 2018.

B. Defined Benefit Plans

The City participates in three defined benefit pension plans: City of Dover Police Pension Plan (closed), City of Dover General Employee Pension Plan (closed), and State of Delaware County and Municipal Police Pension Plan. The City of Dover Police Pension Plan, a single employer defined benefit plan, covers all uniformed police officers hired prior to September 1, 1982. The City of Dover General Employee Pension Plan, a single employer defined benefit plan, covers all eligible full-time permanent employees, other than police officers hired prior to September 29, 2009. The State of Delaware County and Municipal Police Pension Plan, a multi-employer cost sharing defined benefit plan, covers all uniformed police officers hired on or after September 1, 1982. The City makes employer contributions to all three plans.

The City holds on behalf of the Pension Boards of Trustees the assets of the two single-employer defined benefit plans and, accordingly, is required to prepare pension trust fund financial statements using the accrual basis of accounting. Investments are reported at fair value based on quoted market prices. Receivables and payables represent year end accruals of short-term receipts or charges. The administration of plan assets for both the Police Pension Plan and the General Employee Pension Plan is conducted by the Pension Boards as described in the subsequent disclosures.

Separate pension fund financial statements for the City Police Pension and General Employees' Pension Plan have not been issued; accordingly, they are presented as required by GASB Statement No. 34, as follows:

The City of Dover, Delaware
Combining Schedule of Pension Trust Fund Net Position
June 30, 2018

	Police Pension	General Pension	Totals
ASSETS:			
Cash and cash equivalents	$ 816,825	$ 2,092,361	$ 2,909,186
Investments at fair value - Mutual Funds	13,083,304	41,008,059	54,091,363
Total Assets	13,900,129	43,100,420	57,000,549
Net position held in trust for pension benefits	$ 13,900,129	$ 43,100,420	$ 57,000,549

The City of Dover, Delaware
Combining Schedule of Changes in Pension Trust Fund Net Position
For the Year Ended June 30, 2018

	Police Pension	General Pension	Totals
Additions			
Net investment income	$ 908,413	$ 2,757,276	$ 3,665,689
City's contribution - payroll based	-	2,771,666	2,771,666
City's contribution - lump sum	811,500	2,005,800	2,817,300
Employee contribution	-	195,102	195,102
State contributions	481,840	-	481,840
Other	1,410	-	1,410
Total Additions to Net Position	2,203,163	7,729,844	9,933,007
Deductions			
Benefit payments	1,540,946	3,976,202	5,517,148
General administration	5,207	17,648	22,855
Total Deductions From Net Position	1,546,153	3,993,850	5,540,003
Change in net position	657,010	3,735,994	4,393,004
Net Position - Beginning	13,243,119	39,364,426	52,607,545
Net Position - Ending	$ 13,900,129	$ 43,100,420	$ 57,000,549

Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due, pursuant to formal commitments, to provide contributions. Benefits or refunds are recognized when due and payable in accordance with the terms of each plan. Investment management and consultant fees are paid from the Pension Trust Funds. All actuarial costs are paid from other City funds.

i. City of Dover Police Pension Plan

Plan Description
This contributory pension plan began on January 1, 1970 under the authority of the City Code, Chapter 62, Article III, Pension Plan, Section 62-71 through 62-84. The contribution and funding requirements of the plan are established by the City and may be amended by the City Council. It is a closed plan. The last active employee retired June 29, 2006. An officer's pension right is vested upon the completion of 15 years of continuous service. As of June 30, 2018, there are 47 retirees and beneficiaries receiving benefits.

Fully vested employees who have completed 20 to 25 years of continuous service are entitled to annual benefits equal to 2.5% of their average earnings for each year of continuous service. The maximum benefit is 62.5% of average earnings. If a participant terminates after completing 15 years of service, the participant will be eligible for a deferred benefit commencing at age 60 with a benefit accrued at the date of termination. In place of this vesting, participants may elect to receive their accumulated contributions.

Disability benefits are paid to a participant who is totally or partially disabled in the performance of his or her duties. The total duty-connected disability benefit is payable monthly and equal to 75% of the monthly rate of earning at the time of disability. The partial duty-connected disability benefit is the accrued benefit at the date of disability if not less than 50% of average earnings. Disability benefits cease if the participant recovers or dies. If the disabled participant reaches his normal retirement date, the benefit is reduced by one-third.

Survivor's benefits are payable monthly in an amount equal to 75% of the participant's rate of earnings, for a duty related death. Survivor's benefits are payable monthly in an amount not to exceed 25% of the participant's rate of earnings, for a non-duty related death, if the participant has completed 10 years of service. If a retired participant dies, his or her spouse receives 50% of the benefit. All benefits under the plan, including survivor's benefits, are increased 2% per annum.

There have been no changes in benefits during the valuation period by City Council.

Plan Administration
Management of the plan investments are fully vested with the City of Dover Police Pension Board as established in the City Code, which consists of seven members - three elected by plan members, two Council members appointed by the Council President, the Chief of Police, and the City Manager. The City Controller/Treasurer serves as an ex-officio member. Milliman of Albany, New York provides asset management advisory and consulting services to the Board.

Funding Policy
The City intends to continue to fund the actuarial determined contributions (ADC) as provided for in the actuarial valuation. The current year contributions are based on the parameters set forth in the actuarial valuation report as of June 30, 2018 in accordance with GASB Statement No. 67/68. The funding may be impacted by differences in actual experience and the actuarial assumptions. The employer contributions are considered by the actuaries in their determination of the actuarial determined contribution. In addition, the City has adopted in its financial policies to have any surplus in the budget balances of the prior year be transferred to the retirement benefit plans to further reduce the net pension liability.

The State contributes to the pension fund on behalf of the City based on 1) an allocation to the City based on a 0.25% surcharge on insurance policies issued in the state and the number of officers employed and 2) 75% matching grant for the annual cost of living increase (COLA) granted to police retirees on January 1 each year. For the fiscal year ending June 30, 2018, the State contributed $481,840.

The ADC conforms to the entry age method as defined in GASB Statement No. 67/68. The City has interim valuations completed each year between the required biennial valuations to monitor the funding progress. The City's actuary is Nyhart of Indianapolis, Indiana. The ADC is being amortized using a level dollar method. The amortization period is 7 years for the 2018 fiscal year and will decline by 1 each year until 1 year.

Total contributions to the plan for the fiscal year ending June 30, 2018 were $1.3 million, which is 107.4% of the ADC.

The Actuarially Determined Contribution is based on a closed 10-year level dollar amortization of the Unfunded Actuarial Accrued Liability (UAAL). The Schedule of Changes in the Net Pension Liability, and a Schedule of Employer Contributions are presented as Required Supplementary Information (RSI) following the notes to the financial statements.

Net Pension Liability

The total pension liability was determined by an actuarial valuation as of July 1, 2016 with liabilities projected to the June 30, 2018 measurement date. As of June 30, 2018, the plan was 73.95% funded. The total pension liability for benefits was $18.8 million, and the fiduciary net position was $13.9 million, which resulted in a net pension liability (NPL) of $4.9 million for the primary government. There are no active officers, therefore there is no covered payroll or ratio of the net pension liability to cover payroll. Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, are presented below:

Rate of return. For the year ended June 30, 2018, the annual money-weighted rate of return on investments, net of investment expense, was 7.16%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Actuarial Methods and Significant Assumptions

Valuation date	July 1, 2016
Actuarial cost method	Entry Age Method
Amortization method	Level Dollars
Amortization period	Closed
Asset valuation method	Fair Market Value
Actuarial assumptions:	
Investment rate of return	6.5%
Discount rate	6.5%
Projected salary increases	none, no remaining active participants
Includes inflation at	2.5%
Automatic Cost of living (retirees)	2.0%
Mortality	RP-2014 Blue Collar with generational improvements from 2006 based on assumptions from the 2017 Social Security Admin Trustee's Report

Changes in Actuarial Assumptions or Methods

The long term expected rate of return on pension plan investments was determined using a building block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These expected future real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2018 are summarized in the following table:

Police Pension Fund
Long-Term Expected Rate of Return

Asset Class	Target Allocation*	Long-Term Expected Real Rate of Return
Cash and Equivalents	6.50%	2.26%
Fixed Income	27.50%	3.62%
Real Estate	5.00%	7.25%
Stocks	61.00%	7.73%
Long-Term Expected Rate of Return	100.00%	6.22%

*The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per Milliman's investment consulting practice.

Police Pension Fund
Changes in Net Pension Liability

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of June 30, 2017	$ 19,185,974	$ 13,243,119	$ 5,942,855
Changes for the year:			
Interest on total pension liability	1,197,008	-	1,197,008
Effect of assumptions changes or inputs	(44,440)	-	(44,440)
Benefit payments	(1,540,946)	(1,540,946)	-
Employer contributions	-	1,294,750	(1,294,750)
Net investment income	-	908,413	(908,413)
Administrative expenses	-	(5,207)	5,207
Balances as of June 30, 2018	$ 18,797,596	$ 13,900,129	$ 4,897,467

Discount Rate

The discount rate used to measure the total pension liability was 6.5%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity Analysis of Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using the discount rate of 6.50%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.50%) or 1 percentage point higher (7.50%) than the current rate.

	Police Pension Fund		
	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net pension liability	$ 6,775,556	$ 4,897,467	$ 3,297,647

Pension Expense, Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2018, the City recognized pension expense of $379,906 calculated in the following chart:

Police Pension Expense

	July 1, 2017 to June 30, 2018
Interest on total pension liability	$ 1,197,008
Projected earnings on pension plan investments	(852,632)
Administrative expenses	5,207
Member contributions	-
Current period recognition of deferred outflows/(inflows) of resources	
Changes of assumptions	(44,440)
Differences between projected and actual earnings on plan investments	74,763
Total Pension Expense	$ 379,906

As of June 30, 2018, the City reported deferred outflows/(inflows) of resources related to pension from the following sources:

	Police Pension Plan
Deferred Inflows of Resources	
Net difference between projected and actual earnings	$ (117,277)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Police Pension Plan
Fiscal Year Ending June 30:	
2019	$ 74,761
2020	(39,298)
2021	(141,583)

ii. City of Dover General Employee Pension Plan

Plan Description

The City of Dover General Employee Pension Plan started on July 1, 1967, under the authority of the City Council, Municipal Code, Chapter 2, Article IV, Division 7, General Employee Pension Plan, Sections 2-321 through 2-370, and was made contributory on July 1, 1983. Employees contribute 3.5% of gross salary, exclusive of unscheduled overtime. An employee's pension right is vested upon completion of 10 years of continuous service. As of the valuation date, July 1, 2018, 95 employees and 210 retirees participate in the plan. The General Employee Pension Plan is comprised of the following:

Retired and beneficiaries currently receiving benefits	210
Active employees	
Fully Vested	95
Non-Vested	16
Deferred vested	17

The percentage of covered payroll which employees contribute is stated in the City Code and is considered by the actuaries in their determination of the actuarial determined contribution for service cost. For the year ended June 30, 2018, gross payroll earnings of $5.6 million were reported to and covered by this plan.

An employee hired before May 1, 1994 is eligible for normal retirement benefits under this plan, when they attain the age of 65 with 10 years of continuous service. This same employee is eligible for early retirement when he/she attains the age of 50 with 20 years of continuous service or has completed 25 years of service. Employees hired on or after May 1, 1994 who attained age 55 and whose attained age plus years of continuous service is equal to or greater than 80 are eligible for early-unreduced retirement benefits under this plan.

The monthly benefits are 1/50 of the average actual monthly earnings multiplied by years and months of credited service upon retirement (highest 36 consecutive months in his/her final 10 years of continuous service). The monthly benefit shall not be less than $200 per month. Benefits are paid for the lifetime of the participant. Upon the death of the participant, 50% of the payments to which the participant was or would have been entitled shall be made to their eligible survivor.

An employee may also take an early-reduced retirement on any date following the attainment of age 55 and the completion of 10 years of continuous service. However, the early retirement benefit is calculated in the same manner as the normal retirement benefit, at a reduced rate of one-half percent for each month computed from the date of early retirement to age 65 years. If an employee terminated before becoming vested in the plan, they are eligible to withdraw this total contribution with interest compounded annually.

Survivor's benefits are payable to eligible survivors of a participant who dies after completing 10 years of continuous service. The amount of the death benefit is equal to 50% of the retirement benefit the participant would have received had he retired the day before he died. A participant is vested in the pension plan after completing 10 years of continuous service, with survivor benefits commencing when the employee would have attained the age of 65. The benefit is calculated using the normal retirement benefit formula and service at date of termination.

Effective September 29, 2009 the City Council voted to close the General Employees' Pension plan to new hires. There have been no changes in benefits during the valuation period by City Council.

Plan Administration

Management of the plan investments are fully vested with the City of Dover Employees' Pension Board as established in the City Code, which consists of three elected by plan members, two Council members appointed by the Council President, the City Controller/Treasurer, and the City Manager. Milliman of Albany, New York provides asset management advisory and consulting services to the Board.

Funding Policy

The City intends to fund the actuarial determined contributions (ADC) as provided for in the actuarial valuation. The City uses the percentage of payroll determined by the actuary for its contributions. The funding may be impacted by differences in actual experience and the actuarial assumptions. The employer contributions are considered by the actuaries in their determination of the actuarial determined contribution. In addition, the City has adopted in its financial policies to have any surplus in the personnel related budget balances of the prior year be transferred to the retirement benefit plans to further reduce the net pension obligation.

The City makes payroll-based contributions for active members in the plan. The Actuarially Determined Contribution is based on a closed 15-year level dollar amortization of the Unfunded Actuarial Accrued Liability (UAAL). The Schedule of Changes in the Net Pension Liability, and a Schedule of Employer Contributions are presented as Required Supplementary Information (RSI) following the notes to the financial statements.

Net Pension Liability

The total pension liability was determined by an actuarial valuation as of July 1, 2018 with liabilities projected to the June 30, 2018 measurement date. As of June 30, 2018, the plan was 68.46% funded. The total pension liability for benefits was $63.0 million, and the fiduciary net position was $43.1 million, which resulted in a net pension liability (NPL) of $19.9 million for the primary

government. The covered payroll (annual payroll of active employees covered by the plan) was $5.6 million and the ratio of the NPL to the covered payroll was 357.05%.

Rate of return. For the year ended June 30, 2018, the annual money-weighted rate of return on investments, net of investment expense, was 7.12%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Key methods and assumptions used in calculating the total pension liability are presented in the following chart:

Actuarial Methods and Significant Assumptions

Valuation date	July 1, 2018
Actuarial cost method	Entry Age
Amortization method	Level Dollar
Amortization period	Closed; 15-year of the Unfunded AAL
Asset valuation method	Fair Market Value
Actuarial Assumptions:	
Investment rate of return	6.5%
Discount rate	6.5%
Projected salary increases	3.0%
Includes inflation at	2.5%
Mortality	RP-2014 with fully generational improvements from 2006 based on 2017 SS Admin Trustee's Report

Changes in Actuarial Assumptions or Methods

The long-term expected rate of return on pension plan investments was determined using a building block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These expected future real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2018 are summarized in the following table:

General Employee Pension Plan
Long-Term Expected Rate of Return

Asset Class	Target Allocation*	Long-Term Expected Real Rate of Return
Cash	5.50%	2.26%
Fixed Income	28.50%	3.63%
Stocks	61.00%	7.73%
Real Estate	5.00%	7.25%
Long-Term Expected Rate of Return	100.00%	6.24%

*The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per Milliman's investment consulting practice.

General Employee Pension Fund
Changes in Net Pension Liability

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of June 30, 2017	$ 60,465,041	$ 39,364,426	$ 21,100,615
Changes for the year:			
Service cost	406,344	-	406,344
Interest on total pension liability	3,827,413	-	3,827,413
Changes of benefit terms	829,609	-	829,609
Effect of economic/demographic gains or losses	1,504,660	-	1,504,660
Effect of assumptions changes or inputs	(99,483)	-	(99,483)
Benefit payments	(3,976,202)	(3,976,202)	-
Employer contributions	-	4,777,466	(4,777,466)
Member contributions	-	195,102	(195,102)
Net investment income	-	2,757,276	(2,757,276)
Administrative expenses	-	(17,648)	17,648
Balances as of June 30, 2018	$ 62,957,382	$ 43,100,420	$ 19,856,962

Discount Rate

The discount rate used to measure the total pension liability was 6.5%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity Analysis of Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using the discount rate of 6.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.50%) or 1 percentage point higher (7.50%) than the current rate.

	General Employee Pension Fund		
	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net pension liability	$ 27,391,639	$ 19,856,962	$ 13,587,496

Pension Expense, Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2018, the City recognized pension expense of $3,395,305 as calculated in the following chart:

General Employee Pension Expense

	July 1, 2017 to June 30, 2018
Service cost	$ 406,344
Interest on total pension liability	3,827,413
Changes of benefit terms	829,609
Administrative expenses	17,648
Member contributions	(195,102)
Projected earnings on pension plan investments	(2,590,496)
Current period recognition of deferred outflows/(inflows) of resources	
Differences between expected and actual experience	374,555
Differences between projected and actual earnings on plan investments	132,340
Changes of assumptions	592,994
Total Pension Expense	$ 3,395,305

As of June 30, 2018, the City reported deferred outflows/(inflows) of resources related to pension from the following sources:

	General Employee Pension Plan
Deferred Outflows of Resources	
Changes in assumptions	$ 600,306
Differences between expected and actual experience	1,023,452
Total Deferred Outflows of Resources	$ 1,623,758
Deferred Inflows of Resources	
Changes in assumptions	$ (66,322)
Differences between expected and actual experience	(66,787)
Net difference between projected and actual earnings	(502,901)
Total Deferred Inflows of Resources	$ (636,010)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	General Employee Pension Plan
Fiscal Year Ending June 30:	
2019	$ 844,269
2020	620,716
2021	(443,881)

iii. Delaware Public Employee Retirement System - County and Municipal Police and Firefighters' Pension Plan

Plan Description and Contribution Information

The City participates in the "County and Municipal Police and Firefighters' Pension Plan" (the Plan) is a cost sharing multiple-employer defined-benefit plan established in the Delaware code. The City's uniformed police officers whose employment with the City started on or after September 1, 1982 under the authority of the City Code, Chapter 62, Article III, Pension Plan, Section 62-71 can participate in this plan.

The General Assembly is responsible for setting benefits, contributions and amending plan provisions; administrative rules and regulations are adopted and maintained by the Board of Pension Trustees (the Board).

The management of the Plan is the responsibility of the Board. The Board is comprised of five members appointed by the Governor and confirmed by the State Senate, plus two ex-officio members. The daily operation is the responsibility of the Office of Pensions. Although most of

the assets of the plan are commingled with other Plans for investment purposes, the Plan's assets may be used only for the payment of benefits to the members of the Plan in accordance with the terms of the Plan.

The Plan's service benefits calculation is 2.5% of final average monthly compensation multiplied by years of credited service up to 20 years, plus 3.5% of final average monthly compensation multiplied by years of service in excess of 20 years. For this plan, final average monthly compensation is the monthly average of the highest three consecutive years of compensation. Vesting is at five years of credited service and retirement age is 62 with five years of service; age plus credited service (but not less than 10 years) equals 75; or 20 years of credited service.

As of June 30, 2018, city membership in this plan is comprised of the following:

Retired and beneficiaries currently receiving benefits	60
Active employees:	
Fully Vested 5 years	71
Non-Vested	28

The following are brief descriptions of the Plan. For a more complete description, please refer to the DPERS CAFR on the web at http://accounting.delaware.gov/2017cafr.pdf.

County and Municipal Police and Firefighters' Pension Plan

Retirement
Age 62 with 5 years of service; age plus credited service (but not less than 10 years) equals 75; or 20 years of credited service.

Disability Benefits
Duty – Total Disability – 75% of final average compensation plus 10% for each dependent not to exceed 25% for all dependents.

Duty – Partial Disability – Calculated the same as Service Benefits, subject to minimum 50% of final average compensation.

Non-Duty – Same as Service Benefits, total disability subject to a minimum 50% of final average monthly compensation plus 5% of each dependent not to exceed 20% for all dependents. Partial disability is subject to a minimum of 30% of final average monthly compensation.

Survivor Benefits
If employee is receiving a pension, then eligible survivor receives 50% of pension; if employee is active, eligible survivor receives 50% of pension the employee would have received at age 62. If the member is killed in the line of duty, the eligible survivor receives 75% of the member's compensation.

Contributions:
Employer – Determined by Board of Pension Trustees. Employer contributions were 13.6%, 13.77% and 13.8% of earnings for the Fiscal Year 2018, 2017 and 2016, respectively. The City's contributions to the plan for years ended June 30, 2018, 2017 and 2016 were $827,827, $980,117

and $977,587, respectively, and were equal to the required contributions for each year. Total eligible full-time wages covered by the State plan were $7.0 million this fiscal year.

Member – 7% of compensation.

Basis of Presentation

The DPERS financial statements are prepared on the accrual basis of accounting, whereby expenses are recorded when the liability is incurred, revenues are recorded in the accounting period in which they are earned and become measurable, and investment purchases and sales are recorded as of the related trade date. Plan member contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer has a legal requirement to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the DPERS Plan and additions to/deductions from DPERS's fiduciary net position have been determined on the same basis as they are reported by DPERS.

Employer Allocation Percentage Methodology

The amounts assigned to each employer in the Schedule of Pension Amounts by Employer is each employer's proportional share of the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense (the Collective Pension Amounts) determined in accordance with Governmental Accounting Standards Board No. 68, *Accounting and Financial Reporting for Pensions (GASB 68).* Management has elected to allocate the employer's proportionate shares of the collective pension amounts based on the percentage of actual employer contributions as documented in the Schedule of Employer Allocations. The City's proportionate share percentage is 8.6629% for the current fiscal year, 9.0042% for the prior year and the change is a decrease of 0.3413%.

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions

At June 30, 2018, the City reported a net pension liability of $873,336 for its proportionate share of the collective net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the percentage of actual employer contributions. The components of the proportionate share of the net pension liability of the Plan as of June 30, 2018 were as follows (dollar values expressed in thousands):

County and Municipal Police & Firefighter's Pension Plan
(dollar values expressed in thousands)

Year	(1) Total proportionate share of the pension liability	(2) Plan fiduciary proportionate share of the net position	(3) The Employers' proportionate share of the net pension liability (asset) (1)-(2)
2017	$ 29,103	$ 28,230	$ 873
2016	27,030	25,599	1,431

The City recognized pension expense of $910,825 for the year ended June 30, 2018, associated with membership within the Delaware State Police Pension Plan. As of June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	County and Municipal Police & Firefighter's Pension Plan
Deferred Outflows of Resources	
Differences between expected and actual experience	$ 208,988
Projected and actual plan investment differences	445,137
Change in proportion	13,937
Changes of assumptions	737,328
City contributions subsequent to the measurement date	827,827
Total Deferred Outflows of Resources	$ 2,233,217
Deferred Inflows of Resources	
Differences between expected and actual experience	$ (532,597)
Changes in assumptions	(321,803)
Change in proportion	(86,387)
Total Deferred Inflows of Resources	$ (940,787)

The City's contributions of $827,827 are subsequent to the measurement date and therefore are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2019.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	County and Municipal Police & Firefighter's Pension Plan
Fiscal Year Ending June 30:	
2019	$ 90,974
2020	90,974
2021	90,974
2022	90,974
2023	90,974

The components of collective pension expense for the year ending June 30, 2017 are as follows:

County and Municipal Police & Firefighter's Pension Expense

	June 30, 2017
Service cost	$ 1,266,603
Member contributions	(514,490)
Administrative expenses	13,341
Interest on the total pension liability	1,918,313
Projected earnings on plan investments	(1,803,009)
Recognition of deferred outflow and inflows of resources:	
Changes in assumptions in the measurement of total pension liability	41,676
Differences between expected and actual experience	(35,951)
Differences between projected and actual earnings on plan investments	24,343
Total Pension Expense	$ 910,825

The proportionate share of the total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of June 30, 2016, with update procedures used to roll forward the total pension liability to June 30, 2017. These actuarial valuations used the following actuarial assumptions:

Actuarial Assumptions	
Investment rate of return/Discount rate[1]	7.0%
Projected salary increases[1]	2.5% + Merit
Cost-of-living adjustments	0.0%

Inflation is included at 2.5%, the total pension liabilities are measured based on assumptions pertaining to the interest rates, inflation rates, and employee demographic behavior in future years. The assumptions used were based on the results of an actuarial experience study conducted in 2016. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality assumptions are based on the RP – 2014 tables with gender adjustments for healthy annuitants and disabled retirees and an adjusted version on MP-2015 mortality improvement scale on a fully generational basis.

Projected benefit payments do not include the effects of projected ad hoc cost-of-living adjustments (ad hoc COLAs) as they are not substantively automatic. The primary considerations relevant to making this determination include the historical pattern of granting the changes and the consistency in the amounts of the changes.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by an asset allocation percentage, which is based on the nature and mix of current and expected plan investments, and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Plan's current and expected asset allocation are summarized in the following table:

County and Municipal Police & Firefighter's Pension Plan
Long-Term Expected Rate of Return

	Long-Term Expected Real Rate of Return	Asset Allocation
Asset class:		
Domestic equity	5.7%	33.5%
International equity	5.7	13.7
Fixed income	2.0	26.6
Alternative investments	7.8	22.7
Cash and equivalents	-	3.5

Discount Rate

The discount rate for all plans used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at rates determined by the Board of Pension Trustees, actuarially determined. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity Analysis of Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability (asset) of the Plan, calculated using the discount rate of 7.0%, as well as what the Plans' net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate (dollar values expressed in thousands):

County and Municipal Police & Firefighter's Pension Plan
(dollar amounts expressed in thousands)

1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
City of Dover's proportionate share of the net		

Separately issued financial statements for DPERS are available from the pension office at:

McArdle Building, Suite 1
860 Silver Lake Blvd
Dover, DE 19904

Or at the following web address: www.delawarepensions.com

Following is the total of the City of Dover's pension liabilities, pension assets, deferred outflows of resources and deferred inflows of resources related to pensions, and the pension expense and expenditures for the fiscal year ended June 30, 2018:

	2018			
	Police	**General**	**DPERS**	**Total**
Net Pension Liabilities	4,897,467	19,856,962	873,336	25,627,765
Deferred Outflows of Resources	-	1,623,758	2,233,217	3,856,975
Deferred Inflows of Resources	117,277	636,010	940,787	1,694,074

FINANCIAL SECTION

PART D

REQUIRED SUPPLEMENTARY INFORMATION

SERVICES TO OUR RESIDENTS AND CUSTOMERS

Animal Control

Beautification Building

Bulky Trash Collection

Community Development/Housing

Community Policing

Elections

Electricity

Economic Development

Emergency Preparedness

Fire Protection

Inspections & Code Enforcement

Leaf Collection

Library

Parks & Recreation

Planning & Zoning

Police Protection

Snow Removal

Street Maintenance/Cleaning

Trash Collection

Tree Maintenance

Water & Wastewater

CITY OF DOVER, DELAWARE

GENERAL FUND

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)

For the Year Ended June 30, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Beginning Balance	$ 4,597,100	$ 6,072,200	$ 6,072,201	$ 1
REVENUES:				
Fines & Police Revenue	683,300	687,100	549,754	(137,346)
911 Fee	63,300	63,300	63,337	37
Interest Earnings	138,000	138,000	201,978	63,978
Library Revenues - General	100,000	100,000	117,178	17,178
Library Revenues - County Reimb.	300,000	300,000	274,930	(25,070)
Business Licenses	1,467,000	1,467,000	1,473,259	6,259
Permits & Other Licenses	1,956,000	1,956,000	2,255,258	299,258
Miscellaneous Revenues	57,000	57,000	83,216	26,216
Police Extra Duty Fees	500,000	500,000	517,798	17,798
Property Taxes	13,025,600	13,025,600	13,065,098	39,498
Franchise Fees	688,100	688,100	656,325	(31,775)
Recreation Revenue	150,000	150,000	137,914	(12,086)
Sanitation Fees	3,080,400	3,080,400	3,133,360	52,960
Garrison Farm Rent	96,900	96,900	98,034	1,134
Court of Chancery Fees	1,350,000	1,350,000	1,496,520	146,520
Interfund Service Receipts Electric	3,660,100	3,660,100	3,539,575	(120,525)
Interfund Service Receipts Water/Wastewater	1,716,100	1,716,100	1,672,856	(43,244)
Transfer Tax	1,209,300	1,209,300	2,023,143	813,843
Grants:				
Green Energy Grant	98,500	98,500	98,500	-
Miscellaneous Grants	31,500	31,500	2,000	(29,500)
Police Pension Grant	415,000	415,000	481,840	66,840
Cable EG Grant	-	-	2,482	2,482
Transfer from Police Grant Funds	60,000	100,000	123,140	23,140
Transfer from Municipal Street Aid	673,100	673,100	666,079	(7,021)
Transfer from Civil Traffic Penalties	511,800	511,800	508,045	(3,755)
Transfer from Water/Wastewater Fund	900,000	900,000	900,000	-
Transfer from Electric Fund	10,000,000	10,000,000	10,000,000	-
Total Revenues	42,931,000	42,974,800	44,141,619	1,166,819
TOTAL BEGINNING BALANCE & REVENUES	$ 47,528,100	$ 49,047,000	$ 50,213,820	$ 1,166,820

(Continued)

(Continued)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
EXPENDITURES:				
Tax Assessor	$ 238,500	$ 241,200	$ 237,671	$ 3,529
Fire	774,900	774,900	767,468	7,432
Library	1,708,300	1,715,800	1,680,176	35,624
Recreation	764,200	811,500	748,020	63,480
Life Safety	499,600	500,900	462,967	37,933
Code Enforcement	449,700	452,100	415,016	37,084
Planning Commission	563,400	568,000	538,419	29,581
Public Inspections	721,000	724,800	591,796	133,004
Police	17,043,900	17,384,400	16,754,381	630,019
Streets	1,119,400	1,217,000	1,005,848	211,152
Sanitation	2,563,900	2,519,000	2,362,937	156,063
Engineering	277,700	278,800	263,930	14,870
Allocated Expenditures:				
City Clerk	436,700	440,700	380,060	60,640
Council	155,100	145,100	112,166	32,934
Grounds Maintenance	1,142,000	1,101,600	1,007,439	94,161
City Manager	751,500	821,600	760,963	60,637
Information Technology	777,400	781,200	726,290	54,910
Finance	1,038,900	1,041,400	944,141	97,259
Public Services-Administration	718,300	720,100	717,385	2,715
Facilities Management	629,700	640,500	640,333	167
Procurement and Inventory	605,100	610,600	615,390	(4,790)
Fleet Maintenance	838,200	865,200	841,439	23,761
Customer Services	1,169,500	1,174,700	1,028,360	146,340
Human Resources	436,600	538,600	435,336	103,264
Mayor	119,300	119,300	125,004	(5,704)
Insurance	735,000	735,000	704,561	30,439
Budget Appropriations				
Contribution to Downtown Dover Partnership	150,000	150,000	150,000	-
Miscellaneous Grant Expense	25,000	25,000	1,930	23,070
Other Employment Expenses	367,500	-	-	-
Bank & Credit Card Fees	21,000	21,000	19,008	1,992
Retiree Benefits	2,063,000	2,063,000	2,063,000	-
Subtotal	38,904,300	39,183,000	37,101,434	2,081,566
Debt Service - Principal and Interest	443,100	443,100	460,810	(17,710)
Transfer to Capital Asset Reserve	-	214,700	214,700	-
Transfer to Capital Fund for Projects	1,368,700	1,368,700	1,368,700	-
Transfer to Police Pension Fund	415,000	415,000	481,840	(66,840)
Transfer to Uncollectible Reserve	100,000	100,000	100,000	-
Transfer to Inventory Reserve	10,000	10,000	10,000	-
Transfer to Cable Franchise Reserve	-	-	2,482	(2,482)
Appropriation to Police Pension Fund	761,500	811,500	811,500	-
Appropriation to General Pension Fund	48,400	619,000	619,000	-
Street Lights	810,000	810,000	803,924	6,076
Total Expenditures	42,861,000	43,975,000	41,974,390	2,000,610
Budget Balance	4,667,100	5,072,000	8,239,430	(3,167,430)
Total Budget Balance & Expenditures	$ 47,528,100	$ 49,047,000	$ 50,213,820	$ (1,166,820)
Budget Balance - Working Capital			$ 8,239,430	
Perspective and GAAP (Non-GAAP) Differences:				
Fair Value of Investment Adjustment			(137,619)	
Deferred Revenues - Non-spendable			(141,642)	
Inventory & Prepaids - Non-spendable			(237,664)	
Unassigned Fund Balance			7,722,505	

Police Pension Fund
Schedule of Changes in Net Pension Liability, Related Ratios (in Thousands)

	Fiscal Year Ending June 30,				
	2018	**2017**	**2016**	**2015**	**2014**
Total Pension Liability					
Interest on total pension liability	$ 1,197	$ 1,211	$ 1,281	$ 1,311	$ 1,325
Effect of economic/demographic (gains) or losses	-	-	(836)	286	25
Effect of assumption changes or inputs	(44)	116	-	932	-
Benefit payments	(1,541)	(1,528)	(1,528)	(1,557)	(1,548)
Net change in total pension liability	(388)	(201)	(1,083)	972	(198)
Total pension liability, beginning	19,186	19,387	20,471	19,499	19,697
Total pension liability, ending (a)	$ 18,798	$ 19,186	$ 19,388	$ 20,471	$ 19,499
Fiduciary Net Position					
Employer contributions	$ 1,295	$ 1,118	$ 1,093	$ 1,386	$ 1,229
Investment income net of investment expenses	908	1,433	279	283	1,583
Benefit payments	(1,541)	(1,528)	(1,528)	(1,557)	(1,548)
Administrative expenses	(5)	(4)	(4)	(6)	(20)
Net change in plan fiduciary net position	657	1,019	(160)	106	1,244
Fiduciary net position, beginning	13,243	12,225	12,385	12,279	11,035
Fiduciary net position, ending (b)	$ 13,900	$ 13,244	$ 12,225	$ 12,385	$ 12,279
Net pension liability, ending = (a) - (b)	$ 4,898	$ 5,942	$ 7,163	$ 8,086	$ 7,220
Fiduciary net position as a % of total pension liability	73.95%	69.03%	63.05%	60.50%	62.97%

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

Police Pension Fund
Schedule of Employer Contributions

Fiscal Year Ended June 30	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2018	$ 1,205,092	$ 1,294,750	$ (89,658)	$ -	N/A
2017	1,176,462	1,118,346	58,116	-	N/A
2016	1,212,000	1,093,278	118,722	-	N/A
2015	1,176,422	1,385,789	(209,367)	-	N/A
2014	1,155,110	1,229,363	(74,253)	-	N/A
2013	1,155,796	1,074,599	81,197	-	N/A
2012	979,132	668,274	310,858	-	N/A
2011	1,082,956	633,636	449,320	-	N/A
2010	786,436	496,587	289,849	-	N/A
2009	520,505	725,492	(204,987)	-	N/A
2008	358,807	721,202	(362,395)	-	N/A

Police Pension Plan
Net Pension Liability

	June 30, 2018	June 30, 2017
Total pension liability	$ 18,797,596	$ 19,185,974
Fiduciary net position	13,900,129	13,243,119
Net pension liability	4,897,467	5,942,855
Fiduciary net position as a % of total pension liability	73.95%	69.03%
Covered payroll	-	-
Net pension liability as a % of covered payroll	N/A	N/A

The total pension liability was determined by an actuarial valuation as of July 1, 2016 with liabilities projected to the June 30, 2018 measurement date using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified. Any significant changes during this period have been reflected as prescribed by GASB 67 and 68.

Rate of return. For the year ended June 30, 2018, the annual money-weighted rate of return on investments, net of investment expense, was 7.16%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Actuarial Methods and Significant Assumptions

Valuation date	July 1, 2016
Actuarial cost method	Entry Age Method
Amortization method	Level dollar
Amortization period	Closed
Asset valuation method	Fair Market Value
Actuarial assumptions:	
Investment rate of return	6.5%
Discount rate	6.5%
Projected salary increases	none, no remaining active participants
Includes inflation at	2.5%
Automatic Cost of living (retirees)	2.0%
Mortality	RP-2014 Blue Collar with fully generational Improvements from 2006 based on assumptions from the 2017 Social Security Admin Trustee's Report

General Employee Pension Fund
Schedule of Changes in Net Pension Liability, Related Ratios (in Thousands)

	Fiscal Year Ending June 30				
	2018	**2017**	**2016**	**2015**	**2014**
Total Pension Liability					
Service cost	$ 406	$ 433	$ 401	$ 459	$ 484
Interest on total pension liability	3,827	3,729	3,719	3,861	3,810
Changes of benefit terms	830	-	-	-	-
Effect of economic/demographic (gains) or losses	1,504	41	(267)	(422)	111
Effect of assumption changes or inputs	(99)	1,200	-	1,956	-
Benefit payments	(3,976)	(3,746)	(3,718)	(3,700)	(3,654)
Net change in total pension liability	2,492	1,657	135	2,154	751
Total pension liability, beginning	60,465	58,808	58,673	56,519	55,768
Total pension liability, ending (a)	$ 62,957	$ 60,465	$ 58,808	$ 58,673	$ 56,519
Fiduciary Net Position					
Employer contributions	$ 4,777	$ 2,877	$ 3,090	$ 3,420	$ 3,473
Member contributions	195	202	202	209	212
Investment income net of investment expenses	2,757	4,351	850	955	4,153
Benefit payments	(3,976)	(3,746)	(3,718)	(3,700)	(3,654)
Administrative expenses	(18)	(18)	(16)	(19)	(20)
Net change in plan fiduciary net position	3,736	3,666	408	865	4,164
Fiduciary net position, beginning	39,364	35,699	35,291	34,426	30,263
Fiduciary net position, ending (b)	$ 43,100	$ 39,365	$ 35,699	$ 35,291	$ 34,427
Net pension liability, ending = (a) - (b)	$ 19,857	$ 21,100	$ 23,109	$ 23,382	$ 22,092
Fiduciary net position as a % of total pension liability	68.46%	65.10%	60.70%	60.15%	60.91%
Covered payroll	$ 5,561	$ 5,636	$ 5,504	$ 5,864	$ 5,971

General Employee Pension Plan
Schedule of Employer Contributions

Fiscal Year Ended June 30	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2018	$ 3,016,283	$ 4,777,466	$ (1,761,183)	$ 5,561,300	85.91%
2017	2,824,098	2,876,657	(52,559)	5,635,987	51.04%
2016	3,025,982	3,089,409	(63,427)	5,504,387	56.13%
2015	2,983,776	3,419,512	(435,736)	5,864,089	58.31%
2014	2,628,694	3,472,736	(844,042)	5,970,703	58.16%
2013	3,217,964	9,788,571	(6,570,607)	7,076,322	138.33%
2012	3,130,022	3,142,951	(12,929)	7,974,057	39.41%
2011	3,149,493	3,347,728	(198,235)	8,256,751	40.55%
2010	2,564,767	2,270,623	294,144	8,786,981	25.84%
2009	2,356,529	2,491,393	(134,864)	8,716,361	28.58%

General Employee Pension Plan
Net Pension Liability

	June 30, 2018	June 30, 2017
Total pension liability	$ 62,957,382	$ 60,465,041
Fiduciary net position	43,100,420	39,364,426
Net pension liability	19,856,962	21,100,615
Fiduciary net position as a % of total pension liability	68.46%	65.10%
Covered payroll	5,561,300	5,635,987
Net pension liability as a % of covered payroll	357.06%	374.39%

The total pension liability was determined by an actuarial valuation as of July 1, 2018 with liabilities projected to the June 30, 2018 measurement date using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified. Any significant changes during this period have been reflected as prescribed by GASB 67 and 68.

Rate of return. For the year ended June 30, 2018, the annual money-weighted rate of return on investments, net of investment expense, was 7.12%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Actuarial Methods and Significant Assumptions

Valuation date	July 1, 2018
Actuarial cost method	Entry Age
Amortization method	Level dollar
Amortization period	Closed; 15-year – Unfunded AAL
Asset valuation method	Fair Market Value

Actuarial Assumptions:

Investment rate of return	6.5%
Discount rate	6.5%
Projected salary increases	3.0%
Includes inflation at	2.5%
Mortality	RP-2014 with fully generational Improvements from 2006 based 2017 SS Admin Trustee's Report

County & Municipal Police and Firefighter's Pension Plan
Schedule of the City of Dover's Proportionate Share of the Net Pension Liability

	Fiscal Year Ending			
	2017	**2016**	**2015**	**2014**
City's proportion of the net pension liability(asset)	8.6629%	9.0042%	9.6070%	9.6334%
City's proportionate share of the net pension liability(asset)	$ 873,337	$1,431,281	$ (524,958)	$(1,042,117)
City's covered payroll	$6,996,159	$7,117,770	$ 7,060,453	$ 6,582,053
City's proportionate share of the net pension liability(asset) as a percentage of its covered payroll	12.48%	20.11%	(7.44%)	(15.83%)
Plan fiduciary net position as a percentage of the total pension liability	109.23%	105.59%	101.97%	104.47%

GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

County & Municipal Police and Firefighter's Pension Plan
Schedule of City of Dover's Contributions

	Fiscal Year Ending				
	2018	**2017**	**2016**	**2015**	**2014**
Contractually required contribution	$ 944,356	$ 951,199	$ 977,587	$ 933,750	$ 990,588
Contributions in relation to the contractually required contribution	(944,356)	(951,199)	(977,587)	(933,750)	(990,588)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
City's covered payroll	$6,843,159	$6,996,159	$ 7,117,770	$ 7,060,453	$ 6,582,053
Contributions as a percentage of covered payroll	13.80%	13.60%	13.73%	13.23%	15.05%

This schedule is presented to illustrate the requirement to show information for 10 years. However, information prior to June 30, 2014 is not available.

OPEB Trust Fund
Schedule of Changes in Net OPEB Liability, Related Ratios

	Fiscal Year Ending June 30	
	2018	**2017**
Total OPEB Liability		
Service cost	$ 1,222	$ 1,655
Interest	4,498	4,682
Effect of economic/demographic (gains) or losses	(6,202)	(2,871)
Effect of assumption changes or inputs	-	(4,833)
Benefit payments	(2,704)	(2,663)
Net change in total OPEB liability	(3,186)	(4,030)
Total OPEB liability, beginning	69,305	73,335
Total OPEB liability, ending (a)	$ 66,119	$ 69,305
Fiduciary Net Position		
Employer contributions	$ 5,722	$ 4,603
Investment income net of investment expenses	2,295	3,074
Benefit payments	(2,704)	(2,663)
Administrative expenses	(8)	(3)
Net change in plan fiduciary net position	5,305	5,011
Fiduciary net position, beginning	29,054	24,043
Fiduciary net position, ending (b)	$ 34,359	$ 29,054
Net OPEB liability, ending = (a) - (b)	$ 31,760	$ 40,251
Fiduciary net position as a % of total OPEB liability	52.00%	41.90%
Covered payroll	$ 19,578	$ 19,101
Net OPEB liability as a % of covered payroll	162.20%	210.70%

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

OPEB Trust Fund
Schedule of City's Contributions
(In Thousands)

	For the year ended June 30 2018	2017
Actuarially determined contribution (ADC)	$ 4,560	$ 4,644
Contributions in relation to the ADC	(5,722)	(4,603)
Contributions deficiency / (excess)	$ (1,162)	$ 41
Covered payroll	$ 19,578	$ 19,101
Contributions as a percentage of covered payroll	29.2	24.1%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Rate of return. For the year ended June 30, 2018, the annual money-weighted rate of return on investments, net of investment expense, was 7.87%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Actuarial Methods and Significant Assumptions

Valuation date	June 30, 2018
Actuarial cost method	Entry Age Normal Level % of Salary
Amortization method	Level Dollars
Remaining amortization period	30 years
Asset valuation method	Fair Market Value
Actuarial Assumptions:	
Investment rate of return	6.5%
Discount rate	6.5%
Inflation	2.5% per year included in payroll growth
Healthcare cost trend rates	
Pre-65 Medical / Rx	Initial rate of 9% decreasing by 0.5% annually to an ultimate rate of 4.5%
Post-65 Medical / Rx	Initial rate of 8% decreasing by 0.5% Annually to an ultimate rate of 4.5%
Mortality	SOA RPH-2016 Total Dataset Mortality Table fully generational using Scale MP-2016 for all employees

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

GOVERNMENTAL BUDGETS

Budgetary Basis of Accounting

The City prepares its budget for the General Fund revenue on a modified accrual basis. The expenditures are accounted for when the purchase orders are issued. Encumbrances are established when purchase orders are issued and accounted for as a reservation of fund balance at year-end and are not on a modified accrual basis. The budget is amended in the subsequent year for the outstanding encumbrances of the prior year. The modified accrual basis of accounting is used for the fund financial statements.

General Fund actual revenues were higher than the final budget by $1,166,821 with increases in interest earnings, library revenues – general, business licenses, miscellaneous revenues, police extra duty fees, permits and other licenses, property taxes, sanitation fees, garrison farm rent, court of chancery fees, transfer tax, police pension grant, cable grant and transfer from police grant funds. The sources of decreases in revenues was attributed to police fines, Library revenues – county reimbursement, franchise fees, recreation revenue, inter-fund transfer receipts, miscellaneous grants, transfers from municipal street aid and civil traffic penalties. Expenditures were lower than budget by $2,000,608 due to lower than budgeted expense across almost all functions a result of personnel reductions through attrition and retirements. The net result is an increase of $3,167,430 to the General Fund ending fund balance.

Budget Amendments

During this fiscal year, the City Council amended the budget one time. This budget amendment or supplemental appropriation ordinance was primarily for the following purposes:

1. To re-appropriate budget balances for ongoing capital projects.

2. To amend the grant budgets, reserve accounts for the actual results of the prior fiscal year, and all carried forward budget balances for the major operating funds from the prior fiscal year, as well as program revenues and expenses based on the analyses provided by a mid-year review.

3. To amend significant changes in program revenues, expenses and ending fund balances based on actual amounts.

The differences for the year ended June 30, 2018 were as follows:

Total revenues- budgetary basis	$ 44,141,621
Total expenditures- budgetary basis	41,974,392
Net Increase in fund balance- budgetary basis	2,167,229
Perspective differences	
Transfer to Reserves	217,182
General Fund Subfund Expense Activity for the Captial Project Fund	(2,042,474)
Intrafund Transfers to the General Fund- Capital Projects Fund	1,368,700
General Fund Subfund Revenue Activity for the Captial Project Fund	116,239
Fair Value of Investments	(66,754)
Deferred Revenue Adjustment	87,188
Net increase in fund balance - GAAP Basis	$ 1,847,310

FINANCIAL SECTION

PART E

SUPPLEMENTARY INFORMATION

Combined Fund Schedules
Budgetary Schedules

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FINANCIAL STATEMENTS
GENERAL FUND COMBINING SCHEDULES

The General Fund contains a sub-fund for capital projects which is separately budgeted. The combining schedules are presented in the supplementary information.

The budgetary comparison for the Governmental Capital Projects Fund has its own separate budget and is presented in this section to show legal compliance. The perspective difference between the basis of budgeting and GAAP is explained in the reconciliation of the basis of budgeting to GAAP.

The City of Dover, Delaware
Combining General Fund Balance Sheet
June 30, 2018

	General Fund	General Capital Projects Fund	Total General Funds
Assets:			
Cash and Cash Equivalents	$ 2,850,275	$ 178,046	$ 3,028,321
Restricted Cash and Cash Equivalents	-	-	-
Investments	6,818,144	3,235,329	10,053,473
Restricted Investments	18,649	-	18,649
Receivables, net			
Accounts	641,106	-	641,106
Taxes	39,115	-	39,115
Due from Other Funds	617,582	-	617,582
Temporary Advances	5,000	-	5,000
Prepaid Items	127,208	-	127,208
Inventory, at Cost	110,455	-	110,455
Total Assets	$ 11,227,534	$ 3,413,375	$ 14,640,909
Liabilities:			
Accounts Payable	$ 1,994,034	$ 134,478	$ 2,128,512
Deferred Revenue	96,639	57,825	154,464
Due to Other Funds	4,907	-	4,907
Other	242,494	-	242,494
Total Liabilities	2,338,074	192,303	2,530,377
Deferred Inflows of Resources:			
Unavailable revenue	141,642	-	141,642
Total Deferred Inflows of Resources	141,642	-	141,642
Fund Balances:			
Non-Spendable			
Inventory and Prepaids	237,664	-	237,664
Library Endowment	5,000	-	5,000
Patronage Stock	16,594	-	16,594
Restricted			
Library Endowment	2,055	-	2,055
Verizon Cable Franchise	8,517	-	8,517
Committed			
Contingency	755,483	-	755,483
Parkland Reserve	-	355,699	355,699
Assigned			
Capital Projects	-	2,865,373	2,865,373
Unassigned	7,722,505	-	7,722,505
Total Fund Balances	8,747,818	3,221,072	11,968,890
Total Liabilities and Fund Balances	$ 11,227,534	$ 3,413,375	$ 14,640,909

The City of Dover, Delaware
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances of the General Fund (Non-GAAP Basis)
For the Year Ended June 30, 2018

	General Fund	General Capital Projects Fund	Total General Funds
Revenues			
Fines	$ 613,090	$ -	$ 613,090
Library Revenue- General	117,178	-	117,178
Library Revenue County Reimbursement	274,930	-	274,930
Licenses and Permits	3,728,517	-	3,728,517
Sanitation Fees and Rebates	3,133,360	-	3,133,360
Miscellaneous Services	1,493,288	145,393	1,638,681
Property Taxes	13,065,098	-	13,065,098
Grants Received	584,822	-	584,822
Court of Chancery Fees	1,496,520	-	1,496,520
Investment Income	182,969	19,332	202,301
Total Revenues	24,689,772	164,725	24,854,497
Expenditures			
Current:			
General Government	1,553,912	156,188	1,710,100
Library Services	1,680,176	-	1,680,176
Public Safety and Law Enforcement	20,284,967	458,936	20,743,903
Public Works	1,652,543	28,993	1,681,536
Recreational Services	748,020	73,593	821,613
Streets and Sanitation Services	3,368,785	1,268,360	4,637,145
Engineering services	263,930	-	263,930
Financial Administration	706,454	56,404	762,858
Garage and Stores	499,289	-	499,289
Insurance	302,258	-	302,258
Retiree Health Care	2,063,000	-	2,063,000
Employee Pension	619,000	-	619,000
Community and Economic Development	150,000	-	150,000
Street Lights	803,924	-	803,924
Debt Service:			
Principal Retirement	332,355	-	332,355
Interest and Fiscal Charges	128,455	-	128,455
Total Expenditures	35,157,068	2,042,474	37,199,542
Excess (deficiency) of Revenues over Expenditures	(10,467,296)	(1,877,749)	(12,345,045)
Other Financing Sources and Uses			
Reserve Transfers	(217,180)	287,089	69,909
Interfund Transfers	12,851,705	1,368,700	14,220,405
Total other Financing Sources and Uses	12,634,525	1,655,789	14,290,314
Net Change in Fund Balances	2,167,229	(221,960)	1,945,269
Fund Balances at Beginning of Year	6,072,201	1,637,161	7,709,362
Fund Balances at End of Year	$ 8,239,430	$ 1,415,201	$ 9,654,631
Perspective and GAAP (Non-GAAP) Differences:			
Fair Value of Investment Adjustment	$ (137,619)	$ (65,282)	$ (202,901)
Deferred Revenues - Non-spendable	(141,642)	-	(141,642)
Inventory & Prepaids - Non-spendable	(237,664)	-	(237,664)
Capital Asset - Assigned	-	(1,349,919)	(1,349,919)
Unassigned Fund Balance	$ 7,722,505	$ -	$ 7,722,505

CITY OF DOVER, DELAWARE
GOVERNMENTAL CAPITAL PROJECTS FUND

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget & Actual (Non-GAAP Basis)
For the Year Ended June 30, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Beginning Balance - Working Capital	$ 412,900	$ 1,637,200	$ 1,637,161	$ (39)
REVENUES:				
State Grant - Other	33,000	63,000	-	(63,000)
Transfer from General Fund for Projects	1,368,700	1,368,700	1,368,700	-
Transfer from Parkland Reserve	205,000	235,800	19,235	(216,565)
Transfer from Capital Asset Reserve	418,300	418,300	300,702	(117,598)
Income from Sale of Assets	-	-	82,983	82,983
Interest Earnings	8,300	8,300	19,331	11,031
Miscellaneous Receipts	-	-	62,410	62,410
Total Revenues	2,033,300	2,094,100	1,853,361	(240,739)
TOTAL BEGINNING BALANCE & REVENUES	**$ 2,446,200**	**$ 3,731,300**	**$ 3,490,522**	**$ (240,778)**
EXPENDITURES:				
City Clerk	$ -	$ 156,200	$ 156,188	$ 12
Fire	145,700	145,700	145,614	86
Grounds Maintenance	62,500	62,500	-	62,500
Police	379,900	379,900	313,322	66,578
Recreation	271,000	331,800	73,593	258,207
Sanitation	-	40,000	39,994	6
Streets	1,070,000	1,949,900	1,228,366	721,534
Information Technology	36,600	63,600	56,404	7,196
Facilities Management	25,100	54,200	28,993	25,207
Subtotal	1,990,800	3,183,800	2,042,474	1,141,326
Transfer to Parkland Reserve	-	25,800	32,848	(7,048)
Total Expenditures	1,990,800	3,209,600	2,075,322	1,134,278
Budget Balance - Working Capital	455,400	521,700	1,415,201	(893,501)
Budget Balance & Expenditures	**$ 2,446,200**	**$ 3,731,300**	**$ 3,490,523**	**$ 240,777**
Budget Balance - Working Capital			$ 1,415,201	
Perspective and GAAP (Non-GAAP) Differences:				
Fair value of investment adjustment			(65,282)	
Assigned to Capital assets			1,515,454	
Committed to Parks & Recreation improvements			355,699	
Total Fund Balances			**$ 3,221,072**	

FINANCIAL STATEMENTS SPECIAL REVENUE FUNDS

Special Revenue Funds include the group of funds classified as grant funds and a Realty Transfer Tax Fund. The proceeds from specific revenue sources are restricted to specified expenditure purposes. The City adopts budgets for selected Special Revenue Funds. Combining and individual statements appear in this section.

POLICE GRANTS

The City of Dover Police Department receives various grants from the State of Delaware for public and highway safety and the U.S. Department of Justice for local law enforcement. All grant transactions are recorded in this fund.

LIBRARY GRANTS

The City of Dover Public Library receives various grants from the State of Delaware, Kent County, and the Federal Government. Activities associated with these grants are recorded in this fund.

MUNICIPAL STREET AID

The State of Delaware has passed legislation to share a portion of Delaware's motor fuel tax revenue with local municipalities through grants. The amount of the grant the City receives depends on its population and miles of streets maintained. The grant is used for street light expense within the City.

CDBG HOUSING GRANTS & NEIGHBORHOOD STABILIZATION PROGRAM

The City receives a U.S. Department of Housing and Urban Development Entitlement Grant for the Community Development Block Grant Program. This is to provide decent housing, a suitable living environment and expand economic opportunities primarily for people of low and moderate incomes. Combined with the CDBG Fund is the Neighborhood Stabilization Program (NSP) that provides assistance in the redevelopment of residential properties that have been abandoned and foreclosed upon to stabilize residential communities.

FINANCIAL STATEMENTS SPECIAL REVENUE FUNDS
(continued)

STATE OF DELAWARE DEPARTMENT OF TRANSPORTATION GRANTS

The State of Delaware Department of Transportation grants provide funds for specific street projects in the City. State law provides funds to the State's elected officials for suburban street aid, which officials can then provide to their respective districts. The City receives these funds for designated street projects and records all transactions for this fund.

SUBSTANCE ABUSE PREVENTION GRANT

The State of Delaware General Assembly Grant-In-Aid Program provides funds to implement a substance abuse prevention program for at-risk and/or disadvantaged youths in the City of Dover.

ELECTRONIC RED-LIGHT SAFETY PROGRAM (ERLSP)

The State of Delaware Department of Transportation provides a grant to municipalities that implement the Electronic Red-Light Safety Program. Under this program, the City is granted a portion of the fines collected from drivers who are ticketed for running red lights installed with electronic photo identification equipment within the City limits.

REALTY TRANSFER TAX

Delaware Code states that realty transfer tax realized by the City shall be segregated from the general fund and the funds shall be expended solely for the capital and operating costs of public safety services, economic development programs, public works services, capital projects and improvements, infrastructure projects and improvements and debt reduction.

CITY OF DOVER, DELAWARE
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2018

	POLICE GRANTS	LIBRARY GRANTS	MUNICIPAL STREET AID	CDBG/NSP HOUSING GRANTS	STATE D.O.T. GRANTS	SUBSTANCE ABUSE PREV. GRANT	ERLSP	REALTY TRANSFER TAX	TOTALS
ASSETS:									
Cash	$ 229,163	$ 13,385	$ 106	$ 2,712	$ 49,857	$ 101,117	$ 100	$ 4,992	$ 401,432
Receivables	-	-	-	-	643,699	-	-	-	643,699
Due from other funds-charges	375	-	-	-	-	-	-	-	375
Prepaid items	-	1,152	-	-	-	8,838	-	-	9,990
Due from other governments	4,601	-	-	67,832	-	-	43,927	-	116,360
TOTAL ASSETS	$ 234,139	$ 14,537	$ 106	$ 70,544	$ 693,556	$ 109,955	$ 44,027	$ 4,992	$ 1,171,856
LIABILITIES AND FUND BALANCE:									
Liabilities:									
Vouchers Payable	$ 12,676	$ 13,575	$ -	$ 60,075	$ 31,204	$ 16,284	$ -	$ -	$ 133,814
Deferred Revenue	2,166	-	-	-	-	-	-	-	2,166
Due to other funds-charges	17,976	-	6	3,456	-	-	43,927	4,992	70,357
Due to other funds-temporary advances	-	-	-	5,000	-	-	-	-	5,000
Total Liabilities	32,818	13,575	6	68,531	31,204	16,284	43,927	4,992	211,337
Fund Balances:									
Nonspendable	-	1,152	-	-	-	8,838	-	-	9,990
Restricted	201,321	(190)	100	2,013	662,352	84,833	100	-	950,529
Total Fund Balances	201,321	962	100	2,013	662,352	93,671	100	-	960,519
TOTAL LIABILITIES AND FUND BALANCES	$ 234,139	$ 14,537	$ 106	$ 70,544	$ 693,556	$ 109,955	$ 44,027	$ 4,992	$ 1,171,856

CITY OF DOVER
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN UNRESERVED FUND BALANCES
YEAR ENDED JUNE 30, 2018

	POLICE GRANTS	LIBRARY GRANTS	MUNICIPAL STREET AID	CDBG/NSP HOUSING GRANTS	STATE D.O.T. GRANTS	SUBSTANCE ABUSE PREV. GRANT	ERLSP	REALTY TRANSFER TAX	TOTALS
REVENUES:									
Grants received	$ 473,912	$ 283,081	$ 665,325	$ 259,082	$ 246,061	$ 22,424	$ -	$ -	$ 1,949,885
Recreation revenue	-	-	-	-	-	87,125	-	-	87,125
Police fines	-	-	-	-	-	-	508,045	-	508,045
Transfer taxes	-	-	-	-	-	-	-	2,022,165	2,022,165
Miscellaneous revenue	-	-	-	-	580,827	-	-	-	580,827
Investment income (loss)	3,468	-	754	-	1,488	-	-	978	6,688
TOTAL REVENUES	477,380	283,081	666,079	259,082	828,376	109,549	508,045	2,023,143	5,154,735
EXPENDITURES:									
Program expenditures	274,478	301,025	-	260,539	236,937	103,318	-	-	1,176,297
TOTAL EXPENDITURES	274,478	301,025	-	260,539	236,937	103,318	-	-	1,176,297
Excess (deficiency) of revenues over (under) expenditures	202,902	(17,944)	666,079	(1,457)	591,439	6,231	508,045	2,023,143	3,978,438
OTHER FINANCING SOURCES (USES):									
Transfers-out	(123,140)	-	(666,079)	-	-	-	(508,045)	(2,023,143)	(3,320,407)
Net Change in fund balances	79,762	(17,944)	-	(1,457)	591,439	6,231	-	-	658,031
FUND BALANCE AT BEGINNING OF YEAR	121,559	18,906	100	3,470	70,913	87,440	100	-	302,488
FUND BALANCE AT END OF YEAR	$ 201,321	$ 962	$ 100	$ 2,013	$ 662,352	$ 93,671	$ 100	$ -	$ 960,519

CITY OF DOVER, DELAWARE
POLICE GRANTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
UNRESERVED FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Beginning balance	$ 72,400	$ 121,600	$ 121,559	$ (41)
Interest earned	-	-	3,468	3,468
Grants received	358,000	671,900	473,912	(197,988)
TOTAL REVENUES & BEGINNING BALANCE	430,400	793,500	598,939	(194,561)
EXPENDITURES:				
Personnel	13,500	13,500	13,372	(128)
Program expenses/supplies	312,000	365,900	217,560	(148,340)
Telephone/fax	20,000	20,000	18,603	(1,397)
Training/Conference/Food/Travel	15,000	25,000	15,500	(9,500)
Consulting/audit fees	1,000	1,000	-	(1,000)
Contractual services	-	210,000	9,443	(200,557)
TOTAL EXPENDITURES	361,500	635,400	274,478	(360,922)
Other financing uses:				
Operating transfers - out	(60,000)	(100,000)	(123,140)	(23,140)
BALANCE CARRIED TO NEXT YEAR	$ 8,900	$ 58,100	$ 201,321	$ 143,221

CITY OF DOVER, DELAWARE
LIBRARY GRANTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
UNRESERVED FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Beginning balance	$ -	$ 18,900	$ 18,906	$ 6
Grants received: State	281,700	280,800	281,271	471
Grants received: Federal	2,500	1,800	1,810	10
TOTAL REVENUES & BEGINNING BALANCE	284,200	301,500	301,987	487
EXPENDITURES:				
Program expenditures/supplies (Fed Grant)	2,500	2,700	1,600	(1,100)
Program expenditures/supplies (State Grant)	23,500	25,500	30,897	5,397
Office Supplies	30,000	28,000	27,154	(846)
Printing/duplicating	13,000	13,700	12,151	(1,549)
Postage	100	200	98	(102)
Books	126,400	128,800	130,384	1,584
Furniture/Fixtures	1,500	5,500	7,001	1,501
Audio visual supplies	74,700	79,000	77,667	(1,333)
Training/conference/food/travel	2,500	4,200	5,200	1,000
Office equipment repairs	4,900	4,000	888	(3,112)
Office equipment lease	2,000	2,100	2,002	(98)
Computer software	2,100	2,500	1,888	(612)
Computer hardware	1,000	5,300	4,095	(1,205)
TOTAL EXPENDITURES	284,200	301,500	301,025	(475)
BALANCE CARRIED TO NEXT YEAR	$ -	$ -	$ 962	$ 962

CITY OF DOVER, DELAWARE
MUNICIPAL STREET AID FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
UNRESERVED FUND BALANCE-BUDGET (NON-GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Beginning balance	$ 100	$ 100	$ 100	$ -
State Grant - Operations	673,100	673,100	665,325	(7,775)
Interest Earned	-	-	754	754
TOTAL REVENUES & BEGINNING BALANCE	673,200	673,200	666,179	(7,021)
Other financing uses:				
Operating transfers-out	(673,100)	(673,100)	(666,079)	7,021
BALANCE CARRIED TO NEXT YEAR	$ 100	$ 100	$ 100	$ -

CITY OF DOVER, DELAWARE
HOUSING PROGRAMS - CDBG & NSP
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
UNRESERVED FUND BALANCE-BUDGET (NON-GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Beginning balance CDBG	$ 2,100	$ 2,100	$ 2,013	$ (87)
Beginning balance NSP	-	-	6,304	6,304
Federal grant received	216,700	332,700	198,890	(133,810)
Revenue from NSP	-	-	55,345	55,345
TOTAL REVENUES & BEGINNING BALANCE	218,800	334,800	262,552	(72,248)
EXPENDITURES:				
Prior year closing cost/down payment program	-	11,800	11,793	7
Prior year MHDC home repair	-	15,000	14,917	83
Prior year Milford housing H/O rehab	-	35,900	17,942	17,958
Prior year Connection Community Supply	-	6,800	5,781	1,019
Prior year administrative expense	-	18,800	17,861	939
Current year closing cost/down payment program	60,000	84,000	82,207	1,793
Current year Connection Community Suppt	3,000	3,000	-	3,000
Current year Dover interfaith ministry	24,000	24,000	22,646	1,354
Current year MHDC home repair	25,000	26,000	18,319	7,681
Current year Habitat for Humanity	21,300	21,300	-	21,300
Current year Milford housing H/O rehab	40,000	40,000	-	40,000
Current year administrative expense	43,400	46,100	7,424	38,676
NSP salaries	-	-	3,649	(3,649)
NSP expense	-	-	58,000	(58,000)
TOTAL EXPENDITURES	216,700	332,700	260,539	72,161
CDBG BALANCE CARRIED TO NEXT YEAR	$ 2,100	$ 2,100	$ 2,013	$ 87
NSP BALANCE CARRIED TO NEXT YEAR	$ -	$ -	$ -	$ -

CITY OF DOVER, DELAWARE
STATE OF DELAWARE DEPARTMENT OF TRANSPORTATION GRANTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
UNRESERVED FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Beginning balance	$ 85,200	$ 70,900	$ 70,913	$ 13
Grants received: State	500,000	500,000	246,061	(253,939)
Miscellaneous Revenues	-	-	580,827	580,827
Interest earned	-	-	1,488	1,488
TOTAL REVENUES & BEGINNING BALANCE	585,200	570,900	899,289	328,389
EXPENDITURES:				
Program expenditures grant related	500,000	500,000	236,937	(263,063)
TOTAL EXPENDITURES	500,000	500,000	236,937	263,063
BALANCE CARRIED TO NEXT YEAR	$ 85,200	$ 70,900	$ 662,352	$ 591,452

CITY OF DOVER, DELAWARE
SUBSTANCE ABUSE PREVENTION PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
UNRESERVED FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Beginning balance	$ 45,300	$ 45,300	$ 87,440	$ 42,140
Grants revenue	28,000	28,000	22,424	(5,576)
Recreation revenue	33,000	33,000	87,125	54,125
TOTAL REVENUES & BEGINNING BALANCE	106,300	106,300	196,989	90,689
EXPENDITURES:				
Temporary help/benefits	67,700	67,700	65,137	(2,563)
Program expenditures/supplies	35,000	35,000	38,181	3,181
TOTAL EXPENDITURES	102,700	102,700	103,318	618
BALANCE CARRIED TO NEXT YEAR	$ 3,600	$ 3,600	$ 93,671	$ 90,071

FINANCIAL SCHEDULES PROPRIETARY FUND TYPES ENTERPRISE FUNDS

The following schedules pertaining to the major enterprise funds are not required under GAAP, but are included for public review of budgetary compliance. Accordingly, no reconciliation to the GAAP financial statements is provided.

WATER/WASTEWATER FUND

The Water/Wastewater Fund accounts for all operating activity of the Water/Wastewater Utility. This includes service revenues, investment earnings on operating accounts, direct and indirect operating expenses, sewerage treatment fees, debt service, and transfers to other funds and the Improvement and Extension Fund.

The Water/Wastewater Improvement and Extension Fund is used to account for all capital project and equipment purchases. The City utilizes revenue and expenditure accounts to record capital project receipts, transfers from the operating fund, and project costs.

The funds are combined for GAAP reporting purposes with assets capitalized.

ELECTRIC REVENUE FUND

The Electric Revenue Fund accounts for all operating activity of the electric utility. This includes service revenues, investment earnings on operating accounts, direct and indirect operating expenses, purchased power cost, debt service, and transfers to other funds and the Improvement and Extension Fund.

The Electric Improvement and Extension Fund is used to account for all capital project and equipment purchases. The City utilizes revenue and expenditure accounts to record capital project receipts, transfers from the operating fund, and project costs.

The funds are combined for GAAP reporting purposes with assets capitalized.

CITY OF DOVER, DELAWARE
WATER/WASTEWATER FUND
SCHEDULE OF REVENUES AND EXPENSES
BUDGET (NON-GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Beginning Balance - Water	$ 1,330,900	$ 1,680,500	$ 1,680,473	$ (27)
Beginning Balance - Wastewater	1,166,800	1,399,700	1,399,659	(41)
TOTAL BEGINNING BALANCES	2,497,700	3,080,200	3,080,132	(68)
REVENUES:				
Water fees	5,914,600	5,914,600	5,584,474	(330,126)
Wastewater fees	3,768,000	3,768,000	3,612,194	(155,806)
Wastewater Treatment Fees	2,952,900	2,952,900	2,813,867	(139,033)
Groundwater adjustment	1,899,700	1,899,700	1,800,156	(99,544)
Miscellaneous services	61,000	61,000	45,745	(15,255)
Water tank space rent	391,400	391,400	390,643	(757)
Interest earnings	11,400	11,400	38,525	27,125
Sewer Impact Fees	209,000	209,000	962,684	753,684
Water Impact Fees	231,000	231,000	1,069,673	838,673
Total Revenues	15,439,000	15,439,000	16,317,961	878,961
TOTAL BEGINNING BALANCES & REVENUES	**$ 17,936,700**	**$ 18,519,200**	**$ 19,398,093**	**$ 878,893**
EXPENSES:				
Engineering & Inspection	$ 517,800	$ 523,300	$ 422,740	$ 100,560
Water	635,700	660,300	537,553	122,747
Water Treatment Plant	1,780,500	1,791,100	1,743,610	47,490
Wastewater	962,800	991,000	979,610	11,390
Kent County Treatment Fee	3,926,500	3,926,500	3,985,933	(59,433)
Interfund Service Fees	1,716,100	1,716,100	1,672,856	43,244
Retirees Health Care	242,200	242,200	242,200	-
Debt Service - Water	524,600	524,600	524,593	7
Debt Service - Wastewater	612,800	612,800	612,842	(42)
Other Employment Expenses	25,900	4,000	-	4,000
Bank & CC Fees	26,000	26,000	28,206	(2,206)
Bond Issuance Cost	40,000	40,000	-	40,000
Other Appropriations:				
Approp to Pension Fund	7,500	152,300	152,300	-
Transfer to Water I/E	1,600,000	1,576,500	1,576,500	-
Transfer to Wastewater I/E	1,600,000	1,576,500	1,576,500	-
Transfer to Impact Fee Reserve - Water	-	-	706,720	(706,720)
Transfer to Impact Fee Reserve - Wastewater	-	-	770,094	(770,094)
Transfer to General Fund from Water	500,000	500,000	500,000	-
Transfer to General Fund from Wastewater	400,000	400,000	400,000	-
Total Expenses	15,118,400	15,263,200	16,432,257	(1,169,057)
Budget Balance - Water	1,575,600	1,849,400	1,912,846	(63,446)
Budget Balance - Wastewater	1,242,700	1,406,600	1,052,990	353,610
Total Budget Balances - Working Capital	2,818,300	3,256,000	2,965,836	290,164
TOTAL BUDGET BALANCES & EXPENSES	**$ 17,936,700**	**$ 18,519,200**	**$ 19,398,093**	**$ (878,893)**

CITY OF DOVER, DELAWARE
WATER/WASTEWATER IMPROVEMENT & EXTENSION FUND
SCHEDULE OF REVENUES AND EXPENSES
BUDGET (NON-GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Beginning Balance -Water	$ 2,042,000	$ 4,836,100	$ 4,836,082	$ (18)
Beginning Balance -Wastewater	1,195,100	1,008,500	1,008,471	(29)
TOTAL BEGINNING BALANCES	3,237,100	5,844,600	5,844,553	(47)
REVENUES:				
Miscellaneous Receipts	-	32,400	32,350	(50)
Interest earnings	100,800	100,800	109,193	8,393
Investment Management Fees	(7,600)	(7,600)	(6,867)	733
Income from sale of assets	-	-	7,408	7,408
Transfer from Water WW for Water	1,600,000	1,576,500	1,576,500	-
Transfer from Water WW for Wastewater	1,600,000	1,576,500	1,576,500	-
Total Revenues	3,293,200	3,278,600	3,295,084	16,484
TOTAL BEGINNING BALANCES & REVENUES	**$ 6,530,300**	**$ 9,123,200**	**$ 9,139,637**	**$ 16,437**
EXPENSES:				
Water	$ 1,608,400	$ 1,652,000	$ 795,947	$ 856,053
Wastewater	1,543,000	2,624,300	1,507,198	1,117,102
Water Treatment Plant	-	2,483,400	15,113	2,468,287
Total Expenses	3,151,400	6,759,700	2,318,258	4,441,442
Budget Balance - Water	2,080,200	2,340,000	5,672,564	(3,332,564)
Budget Balance - Wastewater	1,298,700	23,500	1,148,815	(1,125,315)
Total Budget Balances - Working Capital	3,378,900	2,363,500	6,821,379	(4,457,879)
TOTAL BUDGET BALANCES & EXPENSES	**$ 6,530,300**	**$ 9,123,200**	**$ 9,139,637**	**$ (16,437)**

CITY OF DOVER, DELAWARE
ELECTRIC REVENUE FUND
SCHEDULE OF REVENUES AND EXPENSES
BUDGET (NON-GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Beginning Balance - Working Capital	$ 20,290,200	$ 22,252,500	$ 22,252,513	$ 13
REVENUES:				
Direct base sales	79,656,000	79,656,000	81,494,356	1,838,356
Distribution of Earnings - PCA Credit	(6,176,700)	(6,176,700)	(6,337,115)	(160,415)
Rental income	104,500	104,500	132,419	27,919
Miscellaneous services	531,200	531,200	514,230	(16,970)
Utility tax	1,236,200	1,236,200	1,255,094	18,894
Green Energy	130,000	130,000	133,301	3,301
Interest earned - operating	216,300	216,300	218,664	2,364
Total Revenues	75,697,500	75,697,500	77,410,949	**1,713,449**
TOTAL BEGINNING BALANCE & REVENUES	**$ 95,987,700**	**$ 97,950,000**	**$ 99,663,462**	**$ 1,713,462**
EXPENSES:				
Power Supply & Generation				
Hedged Energy	$ 22,807,900	$ 22,557,900	$ 19,701,668	$ 2,856,232
Power Supply Management	835,000	835,000	834,996	4
Capacity Charges	10,482,500	10,482,500	10,649,519	(167,019)
Dover Sun Park Energy	2,661,300	2,661,300	2,423,597	237,703
Solar Renewal Energy Credits	371,200	371,200	385,119	(13,919)
Renewable Energy Credits	578,300	578,300	392,928	185,372
RGGI	64,000	64,000	-	64,000
PJM Charges - Energy	6,024,400	6,024,400	8,362,584	(2,338,184)
PJM Charges - Transmission & Fees	6,900,200	6,900,200	6,799,982	100,218
Total Power Supply	50,724,800	50,474,800	49,550,393	924,407
Plant Operations	6,146,500	6,146,500	5,612,090	534,410
Generation Fuels	817,400	817,400	1,877,977	(1,060,577)
Capacity Credits	(7,120,100)	(7,120,100)	(7,110,514)	(9,586)
PJM Spot Market Energy	(958,100)	(958,100)	(2,509,822)	1,551,722
PJM Credits	(535,400)	(535,400)	(491,496)	(43,904)
Total Generation	(1,649,700)	(1,649,700)	(2,621,765)	972,065
Utility Tax	1,236,200	1,236,200	1,255,094	(18,894)
Administration	797,000	775,000	514,959	260,041
Transmission/Distribution	3,599,600	3,690,300	3,406,665	283,635
Electrical Engineering	1,226,400	1,249,900	1,090,938	158,962
Systems Operations	644,700	656,700	671,848	(15,148)
Meter Reading	392,500	393,500	392,969	531
Contractual Services - Power Supply	100,000	250,000	189,181	60,819
Legal Expenses	25,000	125,000	55,633	69,367
Provision for Uncollectible	250,000	250,000	250,000	-
Retirees Health Care	820,300	820,300	820,300	-
OPEB Trust Contribution	1,000,000	1,000,000	1,000,000	-
Pension Trust Contribution	1,000,000	1,234,500	1,234,500	-
Green Energy Payment to DEMEC	130,000	130,000	133,301	(3,301)
Bank & CC Fees	295,000	295,000	324,282	(29,282)
Interest on Deposits	21,000	21,000	17,068	3,932
Intrafund Service Fees	3,660,100	3,660,100	3,539,575	120,525
Other Appropriations:				
Electric Capital Project Fund	5,000,000	5,000,000	5,000,000	-
General Fund	10,000,000	10,000,000	10,000,000	-
Debt Service	1,605,500	1,605,500	1,613,204	(7,704)
Rate Stabilization Fund	5,200,000	5,200,000	5,200,000	-
Other Employment Expenses	105,200	-	-	-
TOTAL EXPENSES	**86,183,600**	**86,418,100**	**83,638,145**	**2,779,955**
Budget Balance - Working Capital	9,804,100	11,531,900	16,025,317	(4,493,417)
TOTAL BUDGET BALANCE & EXPENSES	**$ 95,987,700**	**$ 97,950,000**	**$ 99,663,462**	**$ (1,713,462)**

CITY OF DOVER, DELAWARE
ELECTRIC IMPROVEMENT AND EXTENSION FUND
SCHEDULE OF REVENUES AND EXPENSES
BUDGET (NON-GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Beginning Balance - Working Capital	$ 6,600,300	$ 10,365,700	$ 10,365,652	$ (48)
TOTAL BEGINNING BALANCES	6,600,300	10,365,700	10,365,652	(48)
REVENUES:				
Transfer from Electric Revenue Fund	5,000,000	5,000,000	5,000,000	-
Interest Earnings	109,800	109,800	135,117	25,317
Income from Sale of Assets	-	-	2,365	2,365
General Service Billing	370,000	370,000	351,993	(18,007)
Total Revenues	5,479,800	5,479,800	5,489,475	9,675
TOTAL BEGINNING BALANCES & REVENUES	**$ 12,080,100**	**$ 15,845,500**	**$ 15,855,127**	**$ 9,627**
EXPENSES:				
Power Plant	$ 2,328,000	$ 2,816,600	$ 2,150,352	$ 666,248
Transmission/Distribution	1,725,500	1,597,800	956,760	641,040
Engineering	1,315,000	1,612,800	655,508	957,292
Meter Reading	-	36,000	35,986	14
Administration	8,500	8,500	-	8,500
ERP System	1,500,000	2,441,700	932,631	1,509,069
Total Expenses	6,877,000	8,513,400	4,731,238	3,782,162
Budget Balance - Improvement & Extension Fund	5,203,100	7,332,100	11,123,889	(3,791,789)
Total Budget Balances - Working Capital	5,203,100	7,332,100	11,123,889	(3,791,789)
TOTAL BUDGET BALANCES & EXPENSES	**$ 12,080,100**	**$ 15,845,500**	**$ 15,855,127**	**$ (9,627)**

FINANCIAL SCHEDULES PROPRIETARY FUND TYPES
INTERNAL SERVICE FUNDS

WORKERS' COMPENSATION INSURANCE FUND

The City has created this fund to account for the revenues and expenses related to a self-insured Workers' Compensation Fund. The revenues are received from the City's various funds. These funds contribute to the Workers' Compensation Fund an amount based on salaries at a pre-determined assessment rate. Claims paid, reinsurance cost and third-party administrator's fees are charged to this fund.

Budgetary schedule is included for public review of budgetary compliance.

CITY OF DOVER, DELAWARE
INTERNAL SERVICE FUND - WORKERS' COMPENSATION

SCHEDULE OF REVENUES AND EXPENSES
BUDGET (NON-GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
OPERATING REVENUES:				
Beginning Balance	$ 1,487,800	$ 1,257,700	$ 1,259,284	$ 1,584
Interest Earned	22,500	22,500	28,000	5,500
City Contribution	904,300	904,300	782,228	(122,072)
Miscellaneous Revenue	-	-	47,877	47,877
TOTAL REVENUES	$ 2,414,600	$ 2,184,500	$ 2,117,389	$ (67,111)
OPERATING EXPENSES:				
Program Expenses	$ 565,000	$ 565,000	$ 396,169	$ 168,831
Contractual Services	25,000	25,000	15,829	9,171
Insurance	110,800	110,800	121,636	(10,836)
State of Delaware - Self-Insurance Tax	39,000	39,000	40,949	(1,949)
TOTAL EXPENSES	$ 739,800	$ 739,800	$ 574,583	$ 165,217
BUDGET BALANCE - CARRY FORWARD	$ 1,674,800	$ 1,444,700	$ 1,542,806	$ (98,106)

FINANCIAL STATEMENTS FIDUCIARY FUND TYPES AGENCIES

DOWNTOWN DOVER PARTNERSHIP

The City established the Downtown Dover Partnership as an agency for the development of the downtown urban area.

FOURTH OF JULY CELEBRATION COMMITTEE

The Fourth of July Celebration Committee is designed to provide recreation enjoyment and educational events commemorating the birth of our nation.

CITY OF DOVER, DELAWARE
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2018

	BALANCE JUNE 30, 2017	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2018
DOWNTOWN DOVER PARTNERSHIP				
ASSETS:				
Cash	$ 698,410	$ 509,455	$ 535,324	$ 672,541
Receivables	3,579	53,195	3,856	52,918
Prepaid Items	987	342	987	342
Total Assets	$ 702,976	$ 562,992	$ 540,167	$ 725,801
LIABILITIES:				
Vouchers Payable	19,676	$ 297,653	$ 237,414	$ 79,915
Deposit Payable	27,432	-	-	27,432
Due to Agencies	655,868	-	37,414	618,454
Total Liabilities	$ 702,976	$ 297,653	$ 274,828	$ 725,801
4TH OF JULY CELEBRATION COMMITTEE				
ASSETS:				
Cash	$ 34,811	$ 21,935	$ 25,226	$ 31,520
Prepaid items	2,201	9,500	2,201	9,500
Total Assets	$ 37,012	$ 31,435	$ 27,427	$ 41,020
LIABILITIES:				
Vouchers Payable	$ -	$ 2,200		$ 2,200
Due to Agencies	37,012	21,935	20,127	38,820
Total Liabilities	$ 37,012	$ 24,135	$ 20,127	$ 41,020
TOTAL-ALL AGENCY FUNDS				
ASSETS:				
Cash & Investments	$ 739,730	$ 531,390	$ 560,550	$ 704,061
Receivables	3,579	53,195	3,856	52,918
Prepaid Items	4,889	9,842	3,188	9,842
Total Assets	$ 748,198	$ 594,427	$ 567,594	$ 766,821
LIABILITIES:				
Vouchers Payable	$ 19,676	$ 299,853	$ 237,414	$ 82,115
Deposit Payable	27,432	-	-	27,432
Due to Agencies	701,090	21,935	57,541	657,274
Total Liabilities	$ 748,198	$ 321,788	$ 294,955	$ 766,821

STATISTICAL SECTION

This section of the City of Dover's Comprehensive Annual Financial Report represents detailed information as a context for understanding what the statements, note disclosures and required supplementary information says about the Government's overall financial health.

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STATISTICAL SECTION

This part of the City of Dover's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

REVENUE CAPACITY

These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.

DEBT CAPACITY

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

OPERATING INFORMATION

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Table 1

City of Dover, Delaware
Net Position by Component
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental Activities										
Net investment in capital assets	$ 53,239,906	$ 54,350,984	$ 54,325,174	$ 51,485,408	$ 50,738,483	$ 49,577,021	$ 49,642,124	$ 38,839,995	$ 35,742,504	$ 35,752,624
Restricted	961,101	306,474	932,728	556,553	612,054	721,682	482,780	1,774,167	1,250,342	1,758,470
Unrestricted	(36,772,282)	(44,105,399)	(22,214,284)	(27,947,709)	(7,142,570)	(4,791,553)	(6,759,433)	(99,435)	4,820,682	9,536,614
Total governmental activities net position	17,428,725	10,552,059	33,043,618	24,094,252	44,207,967	45,507,150	43,365,471	40,514,727	41,813,528	47,047,708
Business-type activities										
Net investment in capital assets	111,894,357	110,779,002	110,647,045	108,565,514	101,670,949	100,079,972	98,303,263	97,270,906	96,660,480	91,471,776
Restricted	46,693,086	44,176,110	37,026,527	36,751,850	36,123,755	34,665,736	33,836,315	34,148,330	31,302,487	34,372,050
Unrestricted	22,683,806	21,086,446	26,876,166	21,732,221	36,098,998	39,534,763	33,947,753	23,286,232	19,318,633	18,614,907
Total business-type activities net position	181,271,249	176,041,558	174,549,738	167,049,585	173,893,702	174,280,471	166,087,331	154,705,468	147,281,600	144,458,733
Primary government										
Net investment in capital assets	165,134,263	165,129,986	164,972,219	160,050,922	152,409,432	149,656,993	147,945,387	136,110,901	132,402,984	127,224,400
Restricted	47,654,187	44,482,584	37,959,255	37,308,403	36,735,809	35,387,418	34,319,095	35,922,497	32,552,829	36,130,520
Unrestricted	(14,088,476)	(23,018,953)	4,661,882	(6,215,488)	28,956,428	34,743,210	27,188,320	23,186,797	24,139,315	28,151,521
Total primary government net position	$ 198,699,974	$ 186,593,617	$ 207,593,356	$ 191,143,837	$ 218,101,669	$ 219,787,621	$ 209,452,802	$ 195,220,195	$ 189,095,128	$ 191,506,441

NOTE
The fiscal years prior to 2015 show fund balances as they were reported prior to GASB No. 68.
The Change in Net Position for fiscal 2017 includes a prior period adjustment for the OPEB Liability associated with GASB No. 74 & 75.

Table 2

City of Dover, Delaware
Changes in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses										
Governmental activities:										
General government	$ 3,443,595	$ 3,456,943	$ 4,648,999	$ 3,374,955	$ 1,288,977	$ 1,474,045	$ 1,180,327	$ 1,248,124	$ 1,510,308	$ 1,855,983
Public safety	17,441,023	14,947,553	19,919,050	21,336,042	19,219,986	17,989,463	17,638,304	16,848,343	16,357,692	15,929,187
Public works	7,736,355	6,942,760	7,381,557	3,848,402	6,594,829	6,099,484	8,135,172	6,257,946	7,115,319	7,539,463
Library and recreation	3,106,031	2,866,441	2,183,802	3,079,426	2,942,800	2,313,048	2,377,363	2,731,492	2,265,205	2,417,236
Community and economic development	513,857	449,356	551,879	444,474	676,554	939,966	773,208	1,173,546	2,228,744	724,555
Central services	589,846	473,498	483,426	443,072	512,586	454,816	469,385	599,498	544,611	550,886
Financial administration	964,051	746,714	1,249,012	1,247,976	1,368,048	1,122,830	1,146,524	2,463,426	2,353,180	2,557,465
Other post-employment benefits	-	-	-	-	3,348,267	5,119,778	6,534,630	6,142,627	2,843,480	2,441,541
Interest on long-term debt	129,723	118,275	118,565	174,912	122,812	114,785	90,161	75,397	78,581	87,491
Total governmental activities expenses	33,924,481	30,001,540	36,536,290	33,949,259	36,074,859	35,628,215	38,345,074	37,540,399	35,297,120	34,103,807
Business-type activities										
Water and sewer	11,728,740	11,416,394	11,925,299	11,322,958	11,397,992	10,905,358	11,068,607	10,912,722	11,971,445	11,196,913
Electric	72,553,319	62,992,850	61,054,151	67,562,077	74,481,048	74,595,585	77,625,673	90,296,244	90,940,056	94,475,940
Total business-type activities	84,282,059	74,409,244	72,979,450	78,885,035	85,879,040	85,500,943	88,694,280	101,208,966	102,911,501	105,672,853
Total primary government expenses	118,206,540	104,410,784	109,515,740	112,834,294	121,953,899	121,129,158	127,039,354	138,749,365	138,208,621	139,776,660
Program Revenues										
Governmental activities:										
Charges for services:										
General government	2,456,576	2,362,123	2,336,389	2,116,233	2,137,574	2,463,437	4,043,168	1,503,243	1,307,296	1,426,972
Public safety	5,367,450	5,171,989	4,920,783	4,558,200	4,676,162	4,240,847	4,803,827	4,682,687	4,309,516	4,358,641
Public works	3,714,187	2,514,645	2,527,478	2,578,892	2,595,648	2,624,877	1,903,623	2,173,434	1,340,729	1,396,801
Library and recreation	640,061	602,873	667,996	696,179	699,622	656,001	632,824	632,861	650,283	715,404
Operating grants and contributions	2,190,146	2,025,522	2,759,367	2,298,936	2,159,616	2,914,696	2,654,051	5,032,926	3,813,842	2,758,194
Capital grants and contributions	344,561	360,538	675,784	166,379	1,226,559	2,107,444	6,292,303	856,338	169,130	1,090,838
Total governmental activities program revenues	14,712,981	13,037,690	13,887,797	12,414,819	13,495,181	15,007,302	20,329,796	14,881,489	11,590,796	11,746,850

(Continued)

(Table 2 Continued - Changes in Net Position)

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Program Revenues										
Business-type activities:										
Charges for services:										
Water and sewer	16,319,193	16,054,096	14,976,213	14,875,806	13,268,213	13,387,706	13,775,833	14,033,678	11,531,595	11,319,027
Electric	83,883,757	83,655,870	80,695,910	79,802,674	79,489,192	90,685,693	93,529,401	101,902,619	100,278,474	101,420,982
Capital contributions	-	1,201,963	44,955	1,516,932	401,947	-	441,285	997,750	392,855	-
Total business-type activities program revenues	100,202,950	100,911,929	95,717,078	96,195,412	93,159,352	104,073,399	107,746,519	116,934,047	112,202,924	112,740,009
Total primary government program revenues	114,915,931	113,949,619	109,604,875	108,610,231	106,654,533	119,080,701	128,076,315	131,815,536	123,793,720	124,486,859
Net (expense)/revenue:										
Governmental activities	(19,211,500)	(16,963,850)	(22,648,493)	(21,534,440)	(22,579,678)	(20,620,913)	(18,015,278)	(22,658,910)	(23,706,324)	(22,356,957)
Business-type activities	15,920,891	26,502,685	22,737,628	17,310,377	7,280,312	18,572,456	19,052,239	15,725,081	9,291,423	7,067,156
Total primary government net revenue (expense)	(3,290,609)	9,538,835	89,135	(4,224,063)	(15,299,366)	(2,048,457)	1,036,961	(6,933,829)	(14,414,901)	(15,289,801)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	13,065,098	12,895,597	12,846,774	11,176,763	11,094,479	11,126,395	11,050,198	10,904,908	10,029,584	10,075,401
Transfer taxes	2,022,165	1,634,707	2,191,915	1,713,505	1,543,626	1,107,686	1,373,103	1,461,983	867,692	1,197,425
Investment earnings	100,903	132,228	263,667	92,479	142,390	36,793	141,925	137,218	268,748	585,264
Transfers	10,900,000	10,875,000	16,295,503	10,500,000	8,500,000	10,491,718	8,300,796	8,856,000	7,306,120	5,533,055
Total governmental activities	26,088,166	25,537,532	31,597,859	23,482,747	21,280,495	22,762,592	20,866,022	21,360,109	18,472,144	17,391,145
Business-type activities:										
Investment earnings	208,800	379,160	1,058,028	544,624	832,919	112,402	630,420	554,787	837,564	1,748,376
Transfers	(10,900,000)	(10,875,000)	(16,295,503)	(10,500,000)	(8,500,000)	(10,491,718)	(8,300,796)	(8,856,000)	(7,306,120)	(5,533,055)
Total business-type activities	(10,691,200)	(10,495,840)	(15,237,475)	(9,955,376)	(7,667,081)	(10,379,316)	(7,670,376)	(8,301,213)	(6,468,556)	(3,784,679)
Total primary government	15,396,966	15,041,692	16,360,384	13,527,371	13,613,414	12,383,276	13,195,646	13,058,896	12,003,588	13,606,466
Change in Net Position										
Government activities	6,876,666	8,573,682	8,949,366	1,948,307	(1,299,183)	2,141,679	2,850,744	(1,298,801)	(5,234,180)	(4,965,812)
Business-type activities	5,229,691	16,006,845	7,500,153	7,355,001	(386,769)	8,193,140	11,381,863	7,423,868	2,822,867	3,282,477
Total primary government	$ 12,106,357	$ 24,580,527	$ 16,449,519	$ 9,303,308	$ (1,685,952)	$10,334,819	$14,232,607	$ 6,125,067	$ (2,411,313)	$ (1,683,335)

NOTE
The Change in Net Position for fiscal 2015 includes a prior period adjustment for the Net Pension Liability associated with GASB No. 68.

Table 3

City of Dover, Delaware
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General fund										
Reserved	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 315,580	$ 709,817
Unreserved	-	-	-	-	-	-	-	-	7,242,323	8,305,396
Non-spendable	259,258	187,294	195,134	202,620	207,884	227,457	198,175	191,567	-	-
Restricted	10,572	7,979	173,769	127,706	129,476	131,237	83,356	85,070	-	-
Committed	1,111,182	2,441,641	1,059,197	1,041,130	723,300	936,899	920,475	3,484,203	-	-
Assigned	2,865,373	1,956,061	2,735,602	3,839,571	3,163,431	3,519,012	658,890	614,559	-	-
Unassigned	7,722,505	5,528,605	4,995,522	3,991,442	3,435,079	3,391,714	3,007,983	3,385,209	-	-
Total general fund	11,968,890	10,121,580	9,159,224	9,202,469	7,659,170	8,206,319	4,868,879	7,760,608	7,557,903	9,015,213
All other governmental funds										
Special revenue funds										
Unreserved	-	-	-	-	-	-	-	-	872,309	881,332
Non-spendable	9,990	3,993	350	181	2,447	-	13,099	4,203	-	-
Restricted	950,529	298,495	758,959	428,847	482,578	590,445	399,424	764,512	-	-
Assigned	-	-	-	-	-	123,349	171,381	289,221	-	-
Total all other governmental funds	960,519	302,488	759,309	429,028	485,025	713,794	583,904	1,057,936	872,309	881,332
Total fund balances	$12,929,409	$10,424,068	$ 9,918,533	$ 9,631,497	$ 8,144,195	$ 8,920,113	$ 5,452,783	$ 8,818,544	$ 8,430,212	$ 9,896,545

NOTE
The fiscal years prior to 2011 show fund balances as they were classified and reported prior to GASB No. 54.

Table 4

City of Dover, Delaware
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues										
Fines	$ 1,121,135	$ 1,142,722	$ 1,128,211	$ 1,161,876	$ 1,011,156	$ 912,004	$ 1,202,615	$ 1,665,496	$ 1,418,354	$ 1,323,041
Library revenue	392,108	380,561	419,677	480,823	498,553	471,065	475,822	444,455	465,387	514,458
Licenses and permits	3,786,167	3,548,401	3,525,992	2,893,990	2,952,015	2,548,913	2,816,866	2,417,363	2,424,768	2,599,948
Sanitation fees and rebates	3,133,360	2,514,645	2,527,478	2,578,892	2,595,648	2,624,877	1,903,623	2,173,434	1,340,729	1,396,801
Recreation	87,125	53,301	65,145	66,038	49,144	40,446	44,522	44,292	36,100	47,079
Miscellaneous services	2,210,980	1,679,390	1,874,534	1,650,153	1,831,683	2,470,200	3,940,294	1,480,845	1,247,096	1,278,251
Taxes	15,125,329	14,564,304	15,085,481	12,930,532	12,655,035	12,333,520	12,462,532	12,366,891	10,897,276	11,272,826
Grants	2,534,707	2,386,060	3,449,238	2,489,239	3,416,319	5,119,089	8,909,758	5,551,175	4,482,259	3,513,365
Court of chancery fees	1,496,520	1,343,020	1,239,300	1,118,680	1,034,460	917,700	863,220	766,340	675,390	738,240
Investment income	93,751	123,234	234,885	77,769	122,490	45,198	117,405	112,722	237,631	513,873
Total revenues	29,981,182	27,735,638	29,549,941	25,447,992	26,166,503	27,483,012	32,736,657	27,023,013	23,224,990	23,197,882
Expenditures										
General government	1,710,100	2,026,568	2,116,749	1,425,786	1,271,523	1,107,122	1,093,772	1,348,911	1,525,854	1,661,742
Library services	1,981,201	1,926,561	1,720,021	1,675,989	1,697,982	5,514,217	13,518,569	4,369,578	1,951,347	2,150,585
Public safety	21,018,381	21,248,561	21,240,506	20,218,519	19,130,832	18,048,642	17,001,619	16,139,953	15,948,298	15,680,044
Public works	1,918,473	2,119,186	2,146,917	1,708,658	2,572,965	1,758,405	2,074,061	2,535,060	2,504,061	3,219,659
Recreational services	821,613	733,961	783,976	865,938	683,363	651,341	827,230	834,124	746,868	869,134
Streets and sanitation services	4,637,145	4,275,648	6,081,813	6,574,262	4,634,091	2,990,430	3,280,165	3,383,465	3,181,025	3,279,188
Engineering services	263,930	219,198	166,579	26,996	-	-	-	-	-	-
Financial administration	762,860	764,622	919,086	979,112	1,002,539	909,877	902,009	866,314	895,570	1,009,240
Garage and stores	499,289	501,559	465,843	419,597	415,593	431,542	503,036	490,113	526,286	491,450
Insurance	302,258	295,923	280,901	278,682	272,895	241,395	198,241	203,343	197,723	199,643
Retiree health care lump sum	2,063,000	2,039,700	1,567,700	1,636,500	1,636,500	1,620,600	1,614,241	1,297,509	1,006,397	3,265,857
Employee pension unfunded liability	619,000	-	594,300	543,000	121,000	1,693,500	1,545,000	1,544,978	-	-
Street lights	803,924	811,992	804,246	775,197	774,533	878,760	986,430	968,562	956,860	937,013
Community and economic development	513,857	449,356	551,879	444,474	676,554	939,966	773,208	1,173,546	2,228,744	724,555

(Continued)

Table 4 (Continued) - Changes in Fund Balances of Governmental Funds

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenditures										
Debt service										
Principal	332,355	573,497	553,824	848,069	429,239	296,003	275,000	270,000	260,000	365,000
Interest	128,455	118,771	118,565	114,243	122,812	73,071	52,734	65,225	68,410	77,319
Other charges (issuance of debt)	-	-	-	60,668	-	1,029	27,255	-	-	-
Total expenditures	38,375,841	38,105,103	40,112,905	38,595,690	35,442,421	37,155,900	44,672,570	35,490,681	31,997,443	33,930,429
Excess of revenues over(under) expenditures	(8,394,659)	(10,369,465)	(10,562,964)	(13,147,698)	(9,275,918)	(9,672,888)	(11,935,913)	(8,467,668)	(8,772,453)	(10,732,547)
Other financing sources (uses)										
Bond proceeds	-	-	-	4,135,000	-	2,648,500	851,500	-	-	-
Transfers in	14,220,407	13,885,445	14,339,821	13,500,366	11,458,445	12,666,208	10,959,204	12,420,329	9,156,575	12,683,925
Transfers out	(3,320,407)	(3,010,445)	(3,489,821)	(3,000,366)	(2,958,445)	(2,174,490)	(2,658,408)	(3,564,329)	(1,850,455)	(7,150,870)
Total other financing sources (uses)	10,900,000	10,875,000	10,850,000	14,635,000	8,500,000	13,140,218	9,152,296	8,856,000	7,306,120	5,533,055
Net change in fund balances	$ 2,505,341	$ 505,535	$ 287,036	$ 1,487,302	$ (775,918)	$ 3,467,330	$ (2,783,617)	$ 388,332	$ (1,466,333)	$ (5,199,492)
Debt service as a percentage of noncapital expenditures	1.27%	1.97%	1.96%	3.09%	1.74%	1.14%	1.07%	0.85%	1.05%	1.42%
Capital outlay included in total expenditures (1)	$ 2,066,950	$ 2,973,131	$ 5,753,588	$ 7,500,186	$ 3,777,578	$ 4,872,122	$13,927,288	$ 5,296,536	$ 2,434,391	$ 2,698,627

NOTES

(1) Capital outlay has been included in functional expenditures. Debt service as a percentage of non-capital expenditures excludes capital outlay expenditures.

Table 5

City of Dover, Delaware
Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	Property Tax	Transfer Tax	Total
2018	$ 13,065,098	$ 2,022,165	$ 15,087,263
2017	12,895,597	1,634,707	14,530,304
2016	12,846,772	2,191,915	15,038,687
2015	11,176,763	1,713,788	12,890,551
2014	11,094,479	1,543,626	12,638,105
2013	11,126,395	1,107,686	12,234,081
2012	11,050,198	1,373,103	12,423,301
2011	10,904,908	1,461,983	12,366,891
2010	10,029,584	867,692	10,897,276
2009	10,075,401	1,197,425	11,272,826

NOTES

1. Property Tax rate of $.4050 per $100 of 100% assessed value (See Table 6 for tax rates). Revenues include payments in lieu of taxes, farm land roll back and penalties.

2. Transfer Taxes equal 1.5% of the real property sales value.

Table 6

City of Dover, Delaware
Assessed and Estimated Actual Value
of Taxable Property
Last Ten Fiscal Years

REAL PROPERTY

Fiscal Year	Total Assessed Value	Less: Exempt Properties	Total Taxable Assessed Value	Estimated Actual Value	Ratio of Total Taxable Value to Total Assessed Value	Direct Tax Rate Per $100
2018	$ 4,553,536,100	$ 1,338,792,000	$ 3,214,744,100	$ 4,553,536,100	70.60%	$ 0.4050
2017	4,493,113,000	1,336,802,000	3,156,311,000	4,493,113,000	70.25%	0.4050
2016	4,443,188,600	1,335,276,500	3,107,912,100	4,443,188,600	69.95%	0.4050
2015	4,584,108,050	1,376,954,490	3,207,153,560	4,584,108,050	69.96%	0.3378
2014	4,525,547,960	1,365,654,100	3,159,893,860	4,525,547,960	69.82%	0.3378
2013	4,510,303,860	1,328,807,500	3,181,496,360	4,510,303,860	70.54%	0.3378
2012	4,469,369,160	1,300,061,400	3,169,307,760	4,469,369,160	70.91%	0.3378
2011	4,363,518,360	1,226,879,300	3,136,639,060	4,363,518,360	71.88%	0.3378
2010	4,139,869,700	1,232,858,580	2,907,011,120	4,139,869,700	70.22%	0.3300
2009	4,124,562,920	1,225,269,600	2,899,293,320	4,124,562,920	70.29%	0.3300

Source: Tax Assessor's Office, City of Dover.

NOTES

1. There is no tax on personal properties. Therefore, no figures are presented.

2. In 2010, the City property values were reassessed, effective for tax year 2011. The tax rate was increased from $ .330 to $ .3378 per $100. Had the tax rate been rolled back to a revenue neutral rate, the rate would have been $ .3108 per $100. The revised rate represents a $ .027 rate increase.

3. In 2015, the City property values were reassessed, effective for tax year 2016. The tax rate was increased from $ .3378 to $ .4050 per $100. Had the tax rate been rolled back to a revenue neutral rate, the rate would have been $ .3499 per $100. The revised rate represents a $ .0672 increase.

Table 7

City of Dover, Delaware

Property Tax Rates - All Direct and Overlapping Governments with the Capital School District
(Per $100 of Assessed Value)
Last Ten Fiscal Years

Fiscal Year	Direct: City of Dover	Overlapping: Kent County	Overlapping: Capital School District	Overlapping: Vo-Tech School District	Total Direct & Overlapping
2018	$ 0.4050	$ 0.300	$ 1.794	$ 0.1522	$ 2.651
2017	0.4050	0.300	1.807	0.1484	2.660
2016	0.4050	0.300	1.812	0.1415	2.658
2015	0.3378	0.300	1.822	0.1372	2.597
2014	0.3378	0.300	1.850	0.1372	2.625
2013	0.3378	0.300	1.909	0.1372	2.684
2012	0.3378	0.300	1.832	0.1351	2.605
2011	0.3378	0.300	1.832	0.1351	2.605
2010	0.3300	0.310	1.769	0.1304	2.539
2009	0.3300	0.310	1.543	0.1219	2.305

Sources: Tax Assessor's Office - City
Receiver of Taxes Office - Kent County

NOTES

1. Section 48 of the City of Dover charter provides that the amount of money to be raised through property taxes shall not exceed 2% of the total taxable assessment.
2. Kent County Property tax rates reflect the 1987 reappraisal of properties in Kent County.
3. In 2010, the City property values were reassessed, effective for tax year 2011. Tax rate increased to $.3378.
4. In 2015, the City property values were reassessed, effective for tax year 2016. Tax rate increased to $.4050.

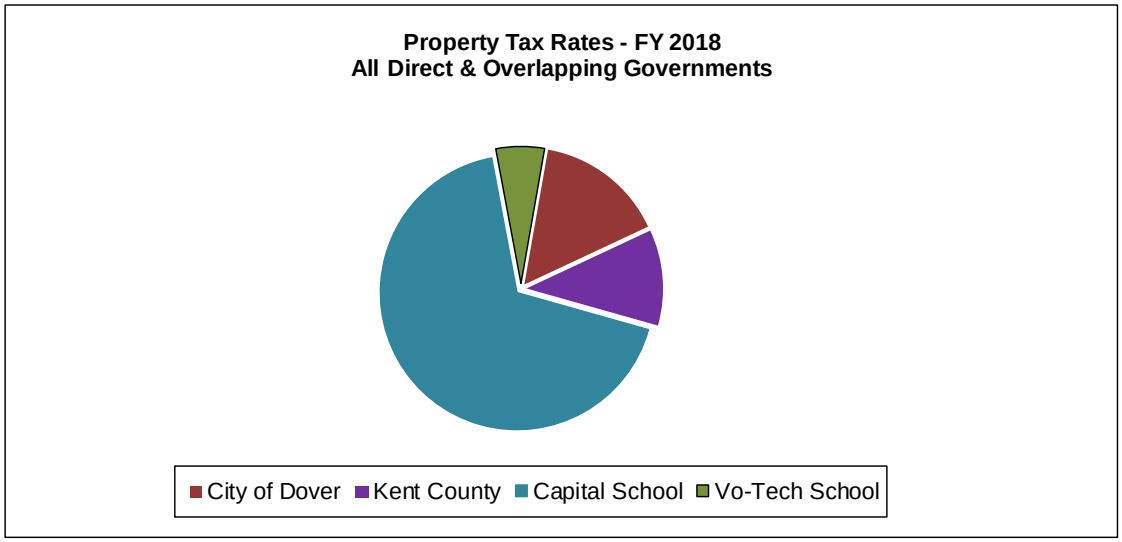


Table 8

Principal Tax Payers
Current Year and Nine Years Ago

TAX PAYERS	2018 ASSESSED VALUATION	RANK	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUATION	2009 ASSESSED VALUATION	RANK	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUATION
Dover Downs Prop, Inc.	$147,924,900	1	3.25%	$168,411,200	1	5.81%
Dover Mall LP/Dover Commons	81,943,600	2	1.80%	75,714,000	2	2.61%
Dover Medical Center	39,202,300	3	0.86%	24,887,600	3	-
CW Dover LLC FKA Dover South Coa	23,071,400	4	0.51%	14,470,300	8	0.50%
Kraft-General Foods Corp.	21,534,700	5	0.47%	20,624,800	4	0.71%
Leander Lakes LLC	22,687,700	6	0.50%	-	-	-
Onix Dover LLC	16,617,800	7	0.36%	8,951,100	-	0.31%
GM Country Club LLC	15,788,600	8	0.35%	11,415,800	-	0.39%
Multi Residential M LLC	14,415,500	9	0.32%	10,343,500	-	0.36%
Blue Hen Apt LLC	19,840,700	10	0.44%	-	-	-
Millers Dover Downs	-	-	-	14,837,900	7	0.51%
Dover Bay Court Plaza	-	-	-	19,107,300	5	0.66%
Berks City Real Estate LLC	-	-	-	18,034,400	6	0.62%
Dover East Estates	-	-	-	11,647,200	10	0.40%
Robino Cannon Mill Apts	-	-	-	11,650,000	9	0.40%
	$403,027,200		8.85%	$410,095,100		13.29%

Source: Tax Assessor's Office, City of Dover

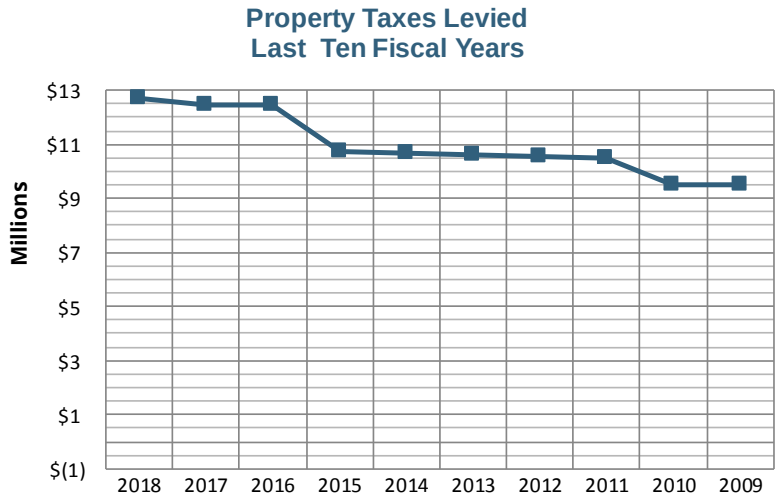
Total taxable assessed valuation for current year is	4,553,536,100
Total taxable assessed valuation for ten years ago is	2,899,293,320

Table 9

City of Dover, Delaware
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Collected Within the Fiscal Year of the Levy	Collection as Percentage of Levy	Collected in Subsequent Years	Total Collections to Date	Collection as Percentage of Levy
2018	$ 12,669,581	$ 12,628,024	99.7%	$ -	$ 12,628,024	99.67%
2017	12,478,630	12,401,338	99.4%	70,904	12,472,242	99.95%
2016	12,437,857	12,204,948	98.1%	232,197	12,437,145	98.13%
2015	10,737,703	10,612,272	98.8%	125,431	10,737,703	100.00%
2014	10,696,886	10,493,954	98.1%	202,932	10,696,886	100.00%
2013	10,594,623	10,398,888	98.2%	195,735	10,594,623	100.00%
2012	10,549,631	10,280,930	97.5%	268,701	10,549,631	100.00%
2011	10,481,734	10,166,681	97.0%	315,053	10,481,734	100.00%
2010	9,525,034	9,314,327	97.8%	210,707	9,525,034	100.00%
2009	9,512,522	9,206,158	96.8%	306,364	9,512,522	100.00%

Source: City of Dover Assessor & Customer Service Reports.



NOTES

1. Section 48 of the City of Dover charter provides that the maximum budget to be raised through property taxes shall not exceed 2% of the total taxable assessment.

2. Total Tax Levy represents the annual tax billings, quarterly billings and adjustments from tax appeals.

3. The table excludes payments in lieu of taxes and farm land roll back taxes.

Table 10

City of Dover, Delaware
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities	Business-type Activities					
Fiscal Year	General Obligation Bonds	Water/Sewer Revenue Bonds	Electric Revenue Bonds	Total Primary Government	Percentage of Personal Income	Per Capita	Population
2018	$ 5,877,013	$ 11,312,399	$ 17,890,000	$ 35,079,412	4.1%	921	38,102
2017	6,209,368	12,111,088	18,620,000	36,940,456	4.3%	978	37,786
2016	6,782,865	12,888,791	19,315,000	38,986,656	4.6%	1,041	37,618
2015	7,336,689	13,650,787	21,680,000	42,667,476	5.4%	1,137	37,540
2014	4,049,758	14,412,347	23,940,000	42,402,105	5.4%	1,130	36,722
2013	4,478,997	10,926,717	26,110,000	41,515,714	5.1%	1,138	36,492
2012	2,085,815	10,865,354	27,995,025	40,946,194	5.0%	1,129	36,267
2011	1,499,143	7,913,384	30,033,446	39,445,973	4.9%	1,070	37,341
2010	1,758,971	3,765,547	34,543,730	40,068,248	5.7%	1,112	36,559
2009	2,008,800	4,126,124	36,690,524	42,825,448	6.3%	1,200	36,107

Source: City of Dover Financial Records

Population Source: Delaware Population Consortium Annual Population Projections

Table 11

Ratio of Net General Obligation Bonded Debt
To Assessed Value and Net Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year	Population	Net Taxable Assessed Value	Gross Bonded Debt	Net Bonded Debt	Ratio of Net Bonded Debt To Assessed Value	Net Bonded Debt Per Capita
2018	38,102	$3,214,744,100	$5,877,013	$5,877,013	0.18%	154.24
2017	37,786	3,104,441,800	6,209,368	6,209,368	0.20%	164.33
2016	37,618	3,061,687,700	6,782,865	6,782,865	0.22%	180.31
2015	37,540	3,169,706,860	7,336,689	7,336,689	0.23%	195.44
2014	36,722	3,159,893,860	4,049,758	4,049,758	0.13%	110.28
2013	36,492	3,181,496,360	4,478,997	4,478,997	0.14%	122.74
2012	36,267	3,169,307,760	2,085,815	2,085,815	0.07%	57.51
2011	37,341	3,136,639,060	1,499,143	1,499,143	0.05%	40.15
2010	36,559	2,907,011,120	1,550,000	1,550,000	0.05%	42.40
2009	36,107	2,899,293,320	1,550,000	1,550,000	0.05%	42.93

Source: City of Dover Financial Records, Tax Assessor's Office and Delaware Population Consortium Annual Population Projections.

NOTES

1. This table includes all long-term general obligation bonded debt only. The Enterprise Funds have no general obligation debt.

2. Assessed value reflects the net billable tax base and does not include the exempt value, exemption for Senior Citizens and exemption for disability.

Table 12

City of Dover, Delaware
Ratio of Annual Debt Service Expenditures for
General Bonded Debt to Total General Expenditures
Last Ten Fiscal Years

Fiscal Year	Principal	Interest	Total Debt Service	Total General Expenditures[1]	Ratio of Debt Service to Total General Expenditures
2018	$ 332,355	$ 128,455	$ 460,810	$ 44,049,712	1.05%
2017	573,497	118,771	692,268	44,378,544	1.56%
2016	553,824	118,565	672,389	46,477,667	1.45%
2015	848,069	114,243	962,312	45,484,211	2.12%
2014	429,239	122,812	552,051	39,646,120	1.39%
2013	296,003	73,071	369,074	40,517,512	0.91%
2012	275,000	52,734	327,263	47,743,864	0.69%
2011	270,000	65,225	335,225	38,898,945	0.86%
2010	260,000	68,410	328,410	32,786,465	1.00%
2009	365,000	77,319	442,319	33,766,292	1.31%

Source: City of Dover Financial Records.

NOTES
1. The General Expenditures include all operating items, capital items and debt service.

Table 13

City of Dover, Delaware
Computation of Direct and Overlapping Debt
with the Capital School District
June 30, 2018

Jurisdiction	Net Debt Outstanding	Percentage Applicable to City of Dover	Amount Applicable to City of Dover
City of Dover	$ 5,877,013	100%	$ 5,877,013
Kent County (1)	53,748,634	0%	N/A
Capital School District (2)	51,016,775	N/A	N/A
TOTAL	$ 110,642,422		$ 5,877,013

Sources: City of Dover Financial Records, Kent County Levy Court - Accounting Department and Capital School District - Administration Department.

NOTES

1. Kent County: Total debt for Kent County is $53,748,634 as of June 30, 2018. Although Kent County's bonds are general obligation bonds, $49,910,955 is payable from the Kent County Sewer Fund(s) or other committed sources.

2. Capital School District: As of June 30, 2018, the net outstanding debt was $51,016,775. Percentage and amount is not applicable to the City of Dover.

Table 14

Computation of Legal Debt Margin
Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year									
	2018	2018	2016	2015	2014	2013	2012	2011	2010	2009
Debt Limit	$ 160,737	$ 157,816	$ 155,396	$ 158,485	$ 157,995	$ 159,075	$ 158,465	$ 156,832	$ 145,351	$ 144,965
Net (Taxable) Assessed Value on Books	3,214,744	3,156,311	3,107,912	3,207,154	3,159,894	3,181,496	3,169,308	3,136,639	2,907,011	2,899,293
Total net debt applicable to limit	5,877	6,209	6,783	7,337	4,050	4,479	1,550	1,820	2,080	2,445
Legal Debt Margin	$ 154,860	$ 151,606	$ 148,613	$ 151,149	$ 153,945	$ 154,596	$ 156,915	$ 155,012	$ 143,271	$ 142,520
Total Net Debt applicable to limit as a percentage of debt limit	3.66%	3.86%	4.36%	4.63%	2.56%	2.82%	0.98%	1.16%	1.43%	1.69%

Legal Debt Margin Calculation for Fiscal Year 2016

Net (Taxable) Assessed Value on Books	$ 3,214,744
Debt Limit - 5 Percent of Total Assessed Value	$ 160,737
DEBT (For which the City's full faith and credit has been pledged)	
Gross Bonded Debt	5,877
LEGAL DEBT MARGIN	$ 154,860

Source: City of Dover Financial Reports, City of Dover Charter, Section 50(b), and Tax Assessor's Office
July 2009 the Charter was amended and the debt limit was reduced from 25% of the total assessed value to 5%.

Table 15

City of Dover, Delaware
Revenue Bond Coverage - Electric Revenue Bonds
Last Ten Fiscal Years

Fiscal Year	Gross Revenue	Operating Expenses	Available For Debt Service	Debt Service Requirements of Each Fiscal Year			
				Principal	Interest	Total	Coverage
2018	$ 84,235,174	$ 60,595,349	$ 23,639,825	$ 730,000	$ 847,454	$ 1,577,454	14.99
2017	83,943,882	54,748,915	29,194,967	695,000	883,954	1,578,954	18.49
2016	80,846,658	54,418,343	26,428,315	2,365,000	918,704	3,283,704	8.05
2015	79,769,994	66,521,873	13,248,121	2,260,000	1,036,954	3,296,954	4.02
2014	79,476,865	68,594,189	10,882,676	2,170,000	1,131,854	3,301,854	3.30
2013	90,876,162	68,546,508	22,329,654	2,110,000	1,205,554	3,315,554	6.73
2012	93,650,277	71,607,021	22,043,256	2,060,000	1,260,054	3,320,054	6.64
2011	102,734,764	84,195,802	18,538,962	2,370,000	1,609,192	3,979,192	4.66
2010	100,316,323	86,089,451	14,226,872	2,260,000	1,716,134	3,976,134	3.58
2009	101,562,292	89,853,449	11,708,843	1,840,000	1,753,447	3,593,447	3.26

Source: City of Dover Financial Records.

NOTES

1. Coverage required by the bond resolution is 1.25.

2. Calculation of gross revenue for fiscal year 2018 is as follows:

Gross Revenue:		
Operating Revenues	$	83,881,392
Interest Earned-Operating Funds		353,782
Total Gross Revenue	$	84,235,174

3. Direct operating expenses do not include depreciation expense.

4. Figures presented in this table compare the net revenue available for debt service to the debt service requirements of the same fiscal year.

5. In July 2008, the City issued Electric Revenue bonds in the amount of $22,200,000. Fiscal year 2009 includes $1,026,999 of interest related to this bond issue.

6. In November 2011, the City issued Electric Revenue Refunding Bonds in the amount of $8,810,000 to refund the 2014 Series. This refunding reduced the principal payable by $2,620,000.

Table 16

City of Dover, Delaware
Revenue Bond Coverage - Water/Wastewater Bonds
Last Ten Fiscal Years

Fiscal Year	Gross Revenue	Direct Operating Expenses	Net Revenue Available For Debt Service	Maximum Requirements: Maximum Debt Service Requirement	Actual Coverage
2018	$ 14,975,823	$ 9,046,827	$ 5,928,996	$ 1,132,806	5.23
2017	15,354,263	8,906,722	6,447,541	1,132,806	5.69
2016	15,005,695	9,621,676	5,438,408	1,132,806	4.80
2015	14,385,625	9,250,346	5,637,043	1,132,806	4.98
2014	13,307,253	9,326,405	3,980,848	1,132,806	3.51
2013	13,282,782	8,841,757	4,441,025	1,019,315	4.36
2012	13,647,145	9,063,553	4,583,592	993,837	4.61
2011	13,758,048	9,222,105	4,535,943	416,423	10.89
2010	11,204,911	10,319,728	885,183	416,423	2.13
2009	11,067,901	9,510,814	1,557,087	797,708	1.95

Source: City of Dover Financial Records.

NOTES

1. Coverage required by bond resolution is 1.20.
2. The maximum debt service requirement presented above covers all revenue bond requirements. Rates were increased in 2011 for debt service coverage on multi-year projects.
3. Direct operating expenses do not include depreciation expense for coverage purposes as per the bond indenture.
4. In Fiscal year 2013, various capital projects were completed. These capital projects were financed by three state revolving fund loans issued in 2009, 2010 & 2011 in the amount of $5.9 million, $2.4 million and $0.8 million, respectively, resulting in an increase in debt service.
5. In Fiscal year 2014, the City issued Water and Sewer Revenue Bonds in the amount of $6,125,000. These bonds were issued to refund the Series 2003 Water and Wastewater Revenue bonds and provided $4,005,960 for two capital projects.
6. Gross Revenue includes $16,311,785 Operating Revenue plus $140,852 Operating Interest less transfers to the Water & Sewer Impact Fee Reserves $1,476,814.

Table 17

City of Dover, Delaware
Top 10 Water and Wastewater Utility Customers
Fiscal Year Ended June 30, 2018

Customer	Water Consumption (Tgal)	% of Total Consumption	Revenue Billed	% of Total Revenue
Garrison Energy Center, LLC	112,788	6.7%	$ 338,364	6.24%
Procter & Gamble, Co.	34,318	2.0%	102,954	1.90%
Delaware State University	30,347	1.8%	91,089	1.68%
Dover Downs, Inc.	22,282	1.3%	66,846	1.23%
Kraft Foods Global, Inc.	19,945	1.2%	59,835	1.10%
Kent General Hospital	17,684	1.0%	53,052	0.98%
Sovereign Property Management	13,026	0.8%	39,078	0.72%
Bayhealth Medical Center	12,953	0.8%	38,859	0.72%
Dover Housing Authority	11,027	0.7%	33,155	0.61%
Dover East Estates, LLP	8,639	0.5%	25,917	0.48%
Totals for Top 10 Customers	283,009	16.7%	849,149	15.67%
All Other	1,409,398	83.28%	4,570,365	84.33%
Total for System	1,692,407	100.00%	$ 5,419,514	100.00%

Customer	Wastewater Consumption (Tgal)	% of Total Consumption	Revenue Billed	% of Total Revenue
Kraft Foods Global, Inc.	47,086	3.8%	$ 234,989	4.34%
Dover Downs, Inc.	41,181	3.4%	200,479	3.70%
Procter & Gamble, Co.	34,092	2.8%	170,210	3.14%
Kent General Hospital	26,310	2.1%	171,202	3.16%
Garrison Energy Center, LLC	26,175	2.1%	130,626	2.41%
Sovereign Property Management	19,566	1.6%	128,003	2.36%
Bayhealth Medical Center	19,461	1.6%	87,765	1.62%
Dover Housing Authority	19,312	1.6%	128,217	2.37%
Dover East Estates, LP	14,169	1.2%	98,986	1.83%
Delaware State University	8,772	0.7%	48,750	0.90%
Totals for Top 10 Customers	256,124	20.9%	1,164,238	21.48%
All Other	967,981	79.08%	7,132,554	78.52%
Total for System	1,224,105	100.00%	$ 8,296,792	100.00%

NOTES:

1. Both the Water and Wastewater revenue billed amounts for each vendor, do not include the monthly flat rate of $2.50.
2. The total Revenue amounts for both Water and Wastewater include the monthly flat rates.

Table 18

City of Dover, Delaware
Top 10 Electric Utility Customers
Fiscal Year Ended June 30, 2018

Customer	Kwh	% of Total Kwh	Revenue Billed	% of Total Revenue
Dover Air Force Base	95,726,778	12.9%	$ 3,763,988	4.7%
Kraft Foods Global Inc	54,055,640	7.3%	2,011,042	2.5%
Edgewell Personal Care Brands	50,793,828	6.8%	2,068,785	2.6%
Delaware State University	32,805,076	4.4%	1,317,295	1.6%
Bay Health/Kent General	31,145,188	4.2%	1,214,268	1.5%
Dover Downs Inc	29,306,458	3.9%	1,065,146	1.3%
State of Delaware	17,926,924	2.4%	870,366	1.1%
Proctor and Gamble Company	15,508,814	2.1%	579,981	0.7%
Capital School District	12,419,031	1.7%	625,183	0.8%
Wesley College	7,998,952	1.1%	355,370	0.4%
Totals for Top 10 Customers	347,686,689	46.8%	13,871,425	17.3%
All Other	394,553,947	53.2%	66,424,075	82.7%
Total for System	742,240,636	100.0%	$ 80,295,500	100.0%

Note: The revenue billed includes direct base sales and utility Tax.

Table 19

City of Dover, Delaware
Demographic and Economic Statistics
Last Ten Calendar Years

Year	Population	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2018	38,102	$ 865,182,114	$ 22,707	29.5	6,494	5.8%
2017	37,686	827,207,700	21,950	30.0	6,523	6.2%
2016	37,453	842,783,433	22,213	30.2	6,486	5.7%
2015	37,618	730,354,200	19,445	31.3	6,665	7.4%
2014	37,540	788,039,680	20,992	29.8	6,527	6.4%
2013	36,492	821,361,936	22,508	31.1	6,344	9.6%
2012	36,267	828,258,924	22,697	33.2	6,984	9.3%
2011	36,047	818,158,759	22,379	31.3	7,185	9.9%
2010	36,559	712,212,015	19,445	32.9	7,117	10.2%
2009	35,997	712,212,015	19,445	32.9	6,996	10.2%

Population Source: City Count

Personal Income Source: Estimation based on Population times Per Capita Personal Income

Per Capita Personal Income Source: U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates

Median Age Source: 2012-2016 American Community Survey 5-Year Estimates

Capital School Enrollment Source: Includes kindergarten through 12th grade, as of Summer 2018

Unemployment Rate Source: Delaware Department of Labor Statistics Not Seasonally Adjusted, June 2018

Table 20

City of Dover, Delaware
Major Employers
Current Year and Nine Years Ago

Name	2017 4th Quarter			2008 4th Quarter		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Government	18,463	1	27.8%	18,502	1	29.6%
Retail trade	9,739	2	14.7%	9,853	2	15.8%
Health care & social assistance	9,682	3	14.6%	7,761	3	12.4%
Accommodation & food services	5,537	4	8.3%	4972	4	8.0%
Manufacturing	5,032	5	7.6%	3502	5	5.6%
Arts, entertainment, & recreation	2,655	6	4.0%	2130	9	3.4%
Construction	2,504	7	3.8%	2632	6	4.2%
Transportation & warehousing	2,474	8	3.7%	2,126	7	3.4%
Admin and waste services	2,395	9	3.6%	2,316	8	3.7%
Professional & technical services	2,014	10	3.0%	1,370	10	2.2%
	60,495		91.0%	55,164		88.4%
Total - All Industries	66,465			62,433		

Source: Delaware Department of Labor/Office of Occupational and Labor Market Information/Payroll Data/Quarterly Census of Employment and Wages (Geography information is available by County only, not by City)

Note: The names of the top employers & number of employees is confidential and may not be disclosed to the public pursuant to 20 CFR (Code of Federal Regulations) Part 603. As a result, the employment information provided is by industry.

Table 21

City of Dover, Delaware
Full-time Equivalent City Government Employees by Function - Budgeted
Last Ten Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Assessor	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.5	4.5
City Clerk	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
City Manager	5.0	4.0	4.0	4.0	4.0	3.0	5.0	5.0	5.0	5.0
Customer Services	16.0	13.0	14.0	14.0	15.0	14.0	14.0	15.0	16.0	16.0
Facilities Management	5.0	5.0	7.0	7.0	7.0	9.0	12.0	13.0	13.0	13.0
Finance	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Fire	5.0	5.0	5.0	6.0	8.0	6.0	6.0	6.0	6.0	6.0
Fleet Maintenance	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Human Resources	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0
Information Technology	4.0	4.0	4.0	5.0	5.0	5.0	5.0	7.0	8.0	8.0
Library	13.0	13.0	13.0	14.0	13.0	13.0	12.0	17.5	18.0	18.0
Mayor	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Parks and Recreation	5.0	5.0	5.0	5.0	5.0	5.0	6.0	8.0	8.0	8.0
Police Civilian	33.0	33.0	33.0	31.0	31.0	29.0	29.0	29.0	29.0	29.0
Police Law Enforcement	101.0	101.0	101.0	93.0	93.0	93.0	93.0	91.0	90.0	93.0
Procurement & Inventory	3.0	3.0	3.0	3.0	4.0	4.0	6.0	6.0	8.0	8.0
Public Works, Administration	6.0	6.0	6.0	5.0	5.0	6.0	5.0	4.0	4.0	4.0
Planning, Inspections	6.0	6.0	6.0	6.0	6.0	7.0	7.0	7.0	7.0	7.0
Planning, Life Safety	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0
Economic Development	-	-	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Public Works, Engineering	3.0	3.0	3.0	3.0	-	-	-	-	-	-
Planning	6.0	6.0	6.0	5.0	4.5	4.5	5.0	5.0	6.0	6.0
Planning, Code Enforcement	5.0	5.0	5.0	5.0	5.0	4.0	4.0	4.5	5.0	5.0
Community Development	-	-	-	-	0.5	0.5	1.0	1.0	1.0	1.0
Public Works, Grounds Maintenance	13.0	13.0	13.0	13.0	14.0	14.0	14.0	15.0	16.0	16.0
Public Works, Sanitation	10.0	10.0	10.0	11.0	11.0	11.0	13.0	12.0	13.0	13.0
Public Works, Streets	8.0	8.0	8.0	8.0	8.0	10.0	11.0	11.0	11.0	11.0
General Fund Total	275.0	271.0	277.0	269.0	270.0	269.0	279.0	289.0	298.5	301.5
Public Utilities, Electric Administration	5.0	5.0	4.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0
Public Utilities, Electric Engineering	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	12.5	12.5
Public Utilities, Electric System OPS	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Public Utilities, Electric Meter Reading	4.0	4.0	4.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0
Public Utilities, Electric Transmission & Distribution	24.0	24.0	24.0	24.0	24.0	24.0	25.0	25.0	28.0	28.0
Electric Fund Total	48.0	48.0	47.0	45.0	45.0	45.0	47.0	47.0	53.5	53.5
Public Utilities, Construction	-	-	-	3.0	3.0	5.0	6.0	6.0	7.0	7.0
Public Utilities, Wastewater Engineering	5.0	5.0	5.0	5.0	5.0	6.0	6.0	6.0	8.0	8.0
Public Utilities, Wastewater Management	11.0	11.0	11.0	11.0	11.0	10.0	10.0	9.0	11.0	11.0
Public Utilities, Water Management	6.0	6.0	6.0	4.0	4.0	5.0	4.0	4.0	5.0	5.0
Public Utilities, Water Treatment Plant	13.0	13.0	13.0	11.0	11.0	10.0	10.0	10.0	10.0	10.0
Water Meter Reading	-	-	-	-	-	-	-	-	1.0	1.0
Water/Wastewater Fund Total	35.0	35.0	35.0	34.0	34.0	36.0	36.0	35.0	42.0	42.0
Total Full-Time Equivalents	358.0	354.0	359.0	348.0	349.0	350.0	362.0	371.0	394.0	397.0

Source: City of Dover Budget

Table 22

City of Dover, Delaware
Operating Indicators and Capital Assets Used in Operations
Last Ten Fiscal Years

	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009
Land area - Acres	15191.7	15191.7	15191.7	14914.5	14909.33	14,909.33	14,909.33	14,909.33	14,909.33	14,904.90
Land area - Square Miles	23.74	23.74	23.74	23.3	23.29	23.29	23.29	23.29	23.29	22.586
Total Miles of Street	170.33	169.08	168.01	167.78	164.49	164.08	162.81	158.94	159.62	159.62
City Maintained Miles of Streets	110.98	109.73	108.66	108.43	105.14	104.73	103.46	101.59	100.27	100.27
State Maintained Miles of Streets	59.35	59.35	59.35	59.35	53.35	59.35	59.35	57.35	59.35	59.35
Dover Population - U. S. Census data	36,047	36,047	36,047	36,047	36,047	36,047	36,047	36,047	32,043	32,043
Dover Population - City Count	38,102	37,786	37,618	37,540	36,722	36,492	36,267	37,341	36,559	36,107
Registered Voters	24,513	23,942	24,170	22,837	22,779	21,998	22,362	21,454	21,897	21,897
Electric Utility:										
Generating Units	2	2	4	4	4	4	4	4	4	4
Co-Generating Unit	0	0	0	1	1	1	1	1	1	1
Total Units	2	2	4	5	5	5	5	5	5	5
Generating Capacity	147 mw	147 mw	175 mw	175 mw	175 mw	175 mw	175 mw	175 mw	175 mw	175 mw
Co-Generating Capactiy	0 mw	0 mw	0 mw	175 mw	175 mw	175 mw	175 mw	175 mw	175 mw	175 mw
Area of Service	74.8 sq. mi.	67.77 sq. mi.	67.77 sq. mi.	67.77 sq. mi.	68 sq. mi.	68 sq. mi.	68 sq. mi.	68 sq. mi.	68 sq. mi.	68 sq. mi.
Substations	15	15	15	15	15	15.00	15.00	15.00	15	15
High Peak Load	162.87 mw	165.9 mw	158.5 mw	158 mw	164.162 mw	171 mw	172 mw	162.6 mw	164.082 mw	155.656 mw
Customers:										
Residential	20,545	20,155	20,065	20,143	19,900	19,990	19,908	19,782	19,785	19,682
Commercial	3,577	3,424	3,310	3,343	3,412	3,412	3,354	3,386	3,370	3,497
Primary	36	37	37	36	37	37	39	38	36	37
69 KV Industrial	5	5	5	4	5	4	4	4	4	4
Municipal - Total number of meters	0	0	0	0	0	0	0	0	0	0
Total Customers Sales $	$80,295,500	$79,413,094	$76,657,592	$78,406,554	$78,187,300	$88,329,610	$91,947,980	$99,513,157	$98,081,648	$99,642,490
Total Customers Sales kWh	742,240,636	737,014,329	705,214,632	715,001,017	714,150,305	723,106,532	710,327,722	734,102,972	708,530,322	719,949,121
PowerSupply										
$	$48,147,500	$43,406,314	$42,292,251	$49,645,951	$57,003,103	$55,367,147	$58,758,032	$68,852,937	$72,508,956	$73,549,910
kWh	711,603,000	773,550,000	740,871,000	756,867,000	762,254,000	752,869,000	738,190,000	768,254,000	751,250,000	751,171,000
Fire Department:										
Stations	2	2	2	2	2	2	2	2	2	2
Officers	8	8	8	8	8	8	8	8	8	8
Firemen - Membership (Volunteers-Active)	125	125	125	125	160	100	100	100	120	80
Equipment	14	10	10	16	15	15	15	14	14	14
Parks and Recreation:										
Major Parks	3	3	3	3	3	3	3	3	3	3
Small Parks	25	25	24	24	24	24	24	22	22	22

(Continued)

Table 22
Table 22 (Continued)

	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009
Police Department:										
Station	1	1	1	1	1	1	1	1	1	1
Uniformed Personnel	98	99	100	89	94	93	93	93	90	92
Automobiles	81	80	80	76	77	75	78	67	66	66
Motorcycles	7	7	7	7	7	7	7	7	7	7
Motor Boats	0	0	0	0	0	0	0	1	1	1
Bicycles	8	7	7	12	12	12	12	4	4	4
Specialty Vehicles	7	7	7	7	7	7	7	7	7	6
Trailers	4	3	2	2	2	2	2	3	3	3
Golf Carts	6	6	6	5	0	0	0	0	0	0
Public Library:										
Books	113,253	103,187	106,493	106,125	100,262	97,801	93,050	103,091	138,931	121,312
Audiovisual Materials (VCRs, DVDs, CDs, Cassettes, Recorded Books)	24,021	26,158	22,345	22,366	21,008	16,929	15,265	14,409	15,572	15,356
Members	32,256	40,412	41,221	41,348	37,531	34,308	32,717	33,466	36,534	39,354
Magazine Subscriptions	140	147	161	174	191	187	217	178	201	193
Newspapers	11	11	12	10	10	11	11	19	19	19
Circulation of Books	364,849	377,314	412,969	449,746	463,113	444,333	407,611	400,130	375,632	428,633
Electronic Downloads - Books	32,856	28,397	30,811	24,801	17,219	11,770	2,635	0	0	0
Water Utility:										
Supply - Wells	21	21	21	22	22	22	22	22	22	22
Storage Tanks	7	7	7	6	6	6	6	6	6	6
Total Storage Capacity (Gallons)	5,250,000	5,250,000	5,250,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000
Water Mains (miles)	226	225	225	225	223	222	217.5 miles	215.7 miles	215.7 miles	215.7 miles
Average Day (Gallons Pumped)	5,021,299	5,288,271	4,521,047	4,521,047	4,197,984	4,245,153	4,405,923	4,656,334	4,474,063	4,429,115
Peak Day (Gallons)	7,695,000	8,605,000	7,466,000	7,048,000	6,305,000	7,169,000	8,620,000	8,620,000	6,756,000	8,058,000
Total Water Production (Gallons Pumped)	1,832,774,000	1,930,219,000	1,833,877,000	1,650,329,000	1,532,264,000	1,553,727,000	1,608,161,895	1,699,562,000	1,633,033,000	1,616,627,000
Total Water Consumption (Gallons Billable)	1,692,407,000	1,766,064,000	1,648,819,000	1,441,559,000	1,374,855,000	1,410,424,000	1,459,923,000	1,539,590,000	1,466,943,000	1,531,526,000
Avearge Day (Gallons Billable)	4,636,732	4,838,531	4,517,312	3,949,476	3,766,726	3,864,175	3,988,861	4,218,055	4,019,022	4,195,962
Number of Metered Customers	12,729	12,556	12,376	12,365	12,341	12,373	12,385	12,330	13,863	13,375
Number of New Connections	173	180	11	24	0	0	55	0	488	146
Wastewater Utility:										
Pumping Stations	44	42	45	41	40	40	40	42	42	42
Sanitary Sewer Mains (Miles)	192.41 miles	191.00 miles	191.00 miles	191.00 miles	187.59 miles	186.87 miles	186.87 miles	185 miles	185 miles	185 miles
Average Day (Gallons Pumped)	4,785,079	4,592,821	4, 706,133	4,897,731	4,893,424	4,312,742	4,379,033	4,230,819	5,385,060	4,220,493
Wastewater Discharge (Gallons Pumped)	1,746,554,000	1,676,379,600	1,717,738,575	1,787,672,000	1,786,100,000	1,574,151,000	1,602,726,000	1,544,249,000	1,965,547,000	1,540,480,000
Wastewater Discharge (Gallons Billable)	1,224,105,000	1,274,087,000	1,258,961,000	1,264,140,000	1,246,804,000	1,242,238,000	1,316,656,000	1,303,587,000	1,328,195,000	1,410,347,000
Average Day (Gallons Billable)	3,353,712	3,490,649	3,449,208	3,463,397	3,415,901	3,403,392	3,607,277	3,571,471	3,638,890	3,863,964
Number of New Connections	169	179	0	22	0	5	55	0	488	146
Water Treatment Plant:										
Capacity	4.6 MGD	4.6 MGD	4.6 MGD	4.6 MGD	4.6 MGD	4.6 MGD	4.6 MGD	4.6 MGD	4.6 MGD	4.6 MGD
Sales to Customers:										
Water Fees	$5,584,474	$5,776,109	$5,457,061	$4,889,046	$4,459,808	$4,551,840	$4,707,918	$4,945,385	$4,274,966	$4,070,523
Wastewater Fees	$3,612,194	$3,718,736	$3,745,497	$3,735,855	$3,562,400	$3,564,615	$3,722,985	$3,694,020	$3,015,856	$2,351,885
Wastewater Treatment Fees	$2,813,867	$2,912,660	$2,936,831	$2,952,857	$2,930,333	$2,926,616	$3,050,127	$3,058,656	$3,100,547	$3,733,644
Inflow & Infiltration Surcharge	$1,800,156	$1,863,151	$1,878,057	$1,831,784	$1,316,209	$1,314,033	$1,290,968	$1,171,376	$0	$0

Sources: Various City departments

Table 23

City of Dover, Delaware
Summary of Insurance
As of June 30, 2018

TYPE OF COVERAGE	PROTECTION LIMIT IN DOLLARS	
Property		
Blanket Building & Contents		
(Special Form, RC, Agreed Amount)	$159,477,841	$10,000
Deductible		
Personal Property of Others	$ 250,000	
Earthquake	$2,000,000	$50,000
Deductible		
Flood Zones X or C	$2,000,000	$50,000
Deductible		
Flood Zones		
(Zones unidentifiable)		$100,000
Deductible		
Zones located A, B Shaded X, V &		
D are excluded		
Blanket Business Earnings & Expense	$200,000	
Business Income from Dependent Properties	$250,000	
Business Income from Dependent Properties Outside		
of Coverage Territory	$100,000	
Accounts Receivable	$250,000	
Civil Authority - 30 days		
Claims Data Expense	$25,000	
Covered Leasehold Interest	$100,000	
Debris Removal (Additional Amount)	$250,000	
Deferred Payments	$25,000	
EDP Data & Media	Included	
Employee Tools ($2,500 item)	$100,000	
Expediting Expenses	$250,000	
Exhibitions (Property Damage)	$50,000	
Extra Expense	$25,000	
Fine Arts	$250,000	
Fire Dept Services Charge	Included	
Fire Protective Equipment Discharge	Included	
Fungus, Wet Rot, Bacteria	$25,000	
Furs, Fur Garments	$25,000	
Jewelry, gold, Silver, Platinum	$25,000	
Green Bldg Alternatives	1% / Max. $100,000 each building	
Green Bldg Reengineering & Recertification	$25,000	
Loss of Master Key	$25,000	
Newly Acquired or Constructed		
-Buildings Each	$2,000,000 each building	
-Personal Property at each loc.	$1,000,000	

(Continued)

Table 23 – Continued

TYPE OF COVERAGE	PROTECTION LIMIT IN DOLLARS
Non-Owned Detached Trailers	$25,000
Ord & Law Coverage A	$250,000
Ord & Law Coverage B	$250,000
Ord & Law Coverage D	Included up to Extra Expense Limit
Outdoor Property	$250,000
Outside Signs –Described – Prem	$100,000
Personal Effects	$25,000
Personal Property at Undescribed Premises	$50,000
Personal Property in Transit out of Coverage Territory	$50,000
Pollution cleanup & removal	$100,000
Preservation of Property-Direct	$250,000
-Direct loss or damage to moved Prop.	Included
Reward Coverage	$25,000
Stamps, Tickets and Letters of Credit	$5,000
Stored Water	$25,000
Theft or Damage to Rented Property	Included
Undamaged Parts of Stock in Process	$50,000
Valuable Papers on Premises	$100,000
Valuable Papers off Premises	$100,000
Appurtenant Buildings and Structures	$100,000
Overseas Business Travel Personal Property	$25,000
Utility Service Direct Damage	$50,000
Confiscated Property	$100,000
Street Lights – Each Item	$2,500
Street Lights – Per Occur	$50,000
Street Signs – Each Item	$2,500
Street Signs – Per Occur	$50,000
Traffic Signs and Lights –Each	$2,500
Traffic Signs and Lights - Per Occur	$50,000
Stadium Lights – Each Item	$2,500
Stadium Lights – Per Occur	$50,000
Spoilage Coverage Extension	$250,000
Sewer or Drain Backup	$250,000
Boiler & Machinery	
Coverage Limit	Property Limit
Deductible	$10,000
Expediting Expenses	$250,000
Hazardous Substance	$250,000
Spoilage	$250,000
Ammonia Contamination	$250,000
Inland Marine	
Contractors Equipment – Replacement Cost - 90% Co-Insurance	
Employee Tools	$84,285

(Continued)

Table 23 – Continued

TYPE OF COVERAGE	PROTECTION LIMIT IN DOLLARS	
Unlisted Items/equipment	$100,000 Not to exceed $5,000 per item	
Leased or Rented Items	$100,000 Not to exceed $100,000 per item	
New Acquired contractors equipment	$250,000	
Rental Cost (per Item)	$5,000	
Loss to any one Replacement Item	$100,000	
Basic Deductible	$1,000	
Employee Tool Deductible	$250	
Flood Deductible	$50,000	
Earth Movement Deductible	$50,000	
Windstorm Deductible Unscheduled	$10,000	
Windstorm Deductible Scheduled	$1,000	
Crime		
Employee Theft per Loss	$500,000	$500 Deductible
Forgery or Alteration	$100,000	$1,000 Deductible
Inside the Premises – Theft of Money & Securities	$100,000	$500 Deductible
Robbery or Safe Burglary of Other Property	$100,000	$500 Deductible
Outside the Premises	$100,000	$500 Deductible
Computer Fraud	$100,000	$1,000 Deductible
Money Orders & Counterfeit Currency	$100,000	$1,000 Deductible
Funds Transfers Fraud	$100,000	$1,000 Deductible

Faithful Performance of Duty Coverage Endorsement – Governmental Employees- $500,000

Liability Coverage:

Commercial General Liability	
Each Occurrence Limit	$1,000,000
General Aggregate Limit	$3,000,000
Products Completed Operations Aggregate Limit	$3,000,000
Personal & Advertising Injury Each Person	$1,000,000
Damages to Premises Rented to You Limit (Any One Premises)	$100,000
Medical Expenses	$ 0
Sewer Back Up	$1,000,000 (resulting from negligence)
Failure to Supply	$1,000,000

(Continued)

Table 23 – Continued

TYPE OF COVERAGE	PROTECTION LIMIT IN DOLLARS
Each Abuse or Molestation Offense Limit	$1,000,000
Abuse or Molestation Aggregate Limit	$2,000,000
Statutory Cap Limits of Coverage Endorsement	
Delaware Each Occurrence Statutory Cap Limit	$300,000
Employee Benefit Plans Administration Liability - Claims Made	
Retroactive Date: None	
Aggregate Limit	$3,000,000
Each Employee Limit	$1,000,000
Deductible	$1,000
Law Enforcement Liability - Occurrence	
Aggregate Limit	$3,000,000
Each Wrongful Act Limit	$1,000,000
Each Wrongful Act Deductible	$15,000
Statutory Cap Limits of Insurance Endorsement	
Delaware Statutory Cap Limit	$300,000
Public Entity Management Liability - Claims Made	
Retroactive Date: 7/1/1996	
Aggregate Limit	$3,000,000
Each Wrongful Act Limit	$1,000,000
Deductible	$25,000
Employment Practices Liability - Claims Made	
Retroactive Date: 7/1/1996	
Aggregate Limit	$2,000,000
Each Wrongful Employment	
Practice Offense Limit	$1,000,000
Deductible	$25,000
Business Auto Policy	
Coverage:	
Automobile	
Liability	$1,000,000
Personal Injury Protection	$300,000
Uninsured/Underinsured Motorist	$40,000
(Physical Damage Applies to Police &	
Specified Electric & Sanitation Trucks)	$1,000 Comp Ded/$1,000 Collision Ded
Non-owned Liability	$1,000,000
Hired Auto Liability	$1,000,000
Employees as Additional Insured	

(Continued)

Table 23 – Continued

TYPE OF COVERAGE	PROTECTION LIMIT IN DOLLARS
Hired Auto Physical Damage	
Hired Car Physical Damage Deductibles	
Comprehensive Deductible	$250
Collision Deductible	$250
Statutory Cap Limits of Coverage Endorsement	
Delaware Statutory Cap Limit	$300,000

Excess Crime Policy
Coverage:

Excess Crime

Employee Theft per Loss (Over Policy# 630OB165227)	$500,000 excess of $500,000

Umbrella Excess Liability
Coverage:

Umbrella

General Aggregate Limit	$6,000,000
Each Wrongful Act Limit	$6,000,000
Each Wrongful Employment Practice Offense Limit	$6,000,000
Products & Completed Work Aggregate Limit	$6,000,000
Personal and Advertising Injury	
Any One Person or Organization Limit	$6,000,000
Each Occurrence Limit	$6,000,000
Retained Limit Any One Occurrence or Event	$10,000

Umbrella Underlying Policies:

General Liability	$1,000,000
Employment Benefits	$1,000,000
Auto Liability	$1,000,000
Law Enforcement Liability	$1,000,000
Public Entity Management	$1,000,000
Employment Practices Liability	
Employers Liability (Safety Nat'l)	$1,000,000

Cyber Liability
Coverage:

Cyber Liability – Claims Made

CyberEdge Liability Limits – Aggregate Limits (Continued)	$1,000,000

Table 23 – Continued

TYPE OF COVERAGE	PROTECTION LIMIT IN DOLLARS	
CyberEdge Security and Privacy Liability	$1,000,000	Retention: $10,000
• Retroactive Date: 12/1/2012		
CyberEdge Cyber Media Liability	$1,000,000	Retention: $10,000
• Retroactive Date: 12/1/2016		
CyberEdge Event Management Insurance	$1,000,000	Retention: $10,000
CyberEdge Network Interruption Insurance	$1,000,000	Retention: $10,000
CyberEdge Cyber Extortion Insurance	$1,000,000	Retention: $10,000
CrisisFund	$50,000	

Pollution Liability
Coverage:

Pollution Liability

Each Pollution Event Limit	$5,000,000
Aggregate Policy Limit	$10,000,000
Crisis Management Expense Aggregate Limit	$50,000
Green Mediation Aggregate Limit	$50,000
Green Standards Aggregate Limit	$50,000
Deductibles	$25,000 Each Pollution Event $100,000 Total For All Pollution Events

Covered locations include: 2 Power Plants- McKee Run Generating Station and Van Sant Generating Station
Claims Made
Retroactive Date 4/1/1997
Includes:
2 Underground Storage Tanks-710 Williams St., Dover, DE

-Each Pollution Event Limit (Storage Tank System)	$1,000,000
-Aggregate Policy Limit (Storage Tank System)	$1,000,000
-Each Pollution Event Claim Expense Limit	$250,000
-Aggregate Claim Expense Limit	$250,000

Excess Worker's Compensation
Coverage:

Employers Liability Limit:	$1,000,000
Specific Limit:	Statutory
Aggregate Excess Limit:	$3,000,000
$600,000 Retention (Police)	
$500,000 Retention (All Other)	

Worker's Compensation-TPA Services
(Continued)

Table 23 – Continued

TYPE OF COVERAGE	PROTECTION LIMIT IN DOLLARS	
(Charges based on claim count, this number could fluctuate)		
Travel Accident Policy		
Principal Sum:	$100,000	$0 Deductible

Covered Positions: The Mayor, HR Director, Police Chief, Police Major, Police Captains, IT Director, PW Director, Waste/Wastewater Manager, PW Operations Manager, Electric Director, Engineering and Systems Operations, Line Crew Foreman, City Manager, Assistant City Manager, Planning Director, Principal Planner, Fire Marshall, City Clerk, Assistant City Clerk, Controller, Assistant Finance Director, Library Director, Assistant Library Director, Tax Assessor, Economic Development Director, and Council Members of the Policyholder.

Bond-Self Insured Worker's Compensation - State of Delaware
Limit: $750,000

Bond – Public Officials Bond - Donna Mitchell – Treasurer
Limit: $100,000

Bond- Public Officials Bond - Traci McDowell – City Clerk/Assistant Treasurer
Limit: $100,000

Power Plants – Property & Boiler and Machinery (2 policies 50/50)

Locations: McKee Run Generating Plant

VanSant Station
Policy #1
XL Insurance Company – $50,000,000 per Occurrence (50% Carrier Capacity Limit of $100,000,000)

Coverages:

50% policy limit:	$50,000,000 Per Occurrence
	Agreed Amount, Special
Extra Expense:	$2,000,000
Errors & Omissions	$2,000,000
Expediting Cost:	$1,000,000
Property in the Course of Construction:	$5,000,000
Earthquake:	$20,000,000
Flood:	$10,000,000
Debris Removal	$2,500,000
Property in Transit	$2,500,000
Demolition & Increase Cost of Construction	$10,000,000

Deductibles: $750,000 per Occurrence, except;
$100,000 per Occurrence as respects Transit,

(Continued)

Table 23 – Continued

TYPE OF COVERAGE	PROTECTION LIMIT IN DOLLARS
In respect of Time Element loss (Extra Expense): 45 days per Occurrence, except; 72 hours per Occurrence in respect of Service Interruption	

Policy #2

Ace American Insurance Company – $50,000,000 per Occurrence (50% Carrier Capacity Limit of $100,000,000)

Coverages:

50% policy limit:	$50,000,000 Per Occurrence
	Agreed Amount, Special
Extra Expense:	$2,000,000
Errors & Omissions	$2,000,000
Expediting Cost:	$1,000,000
Property in the Course of Construction:	$5,000,000
Earthquake:	$20,000,000
Flood:	$10,000,000
Debris Removal	$2,500,000
Property in Transit	$2,500,000
Demolition & Increase Cost of Construction	$10,000,000

Deductibles: $750,000 per Occurrence, except;
$100,000 per Occurrence as respects Transit,
In respect of Time Element loss (Extra Expense):
45 days per Occurrence, except;
72 hours per Occurrence in respect of Service Interruption

CITY OF DOVER PROPOSED ORDINANCE #2019-02

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

That Chapter 70 - Offenses and Miscellaneous Provisions, Section 70-7 - Registered Sexual Offenders of the Dover Code be amended by deleting the text indicated in red strikeout and inserting the bold, blue text, as follows:

Sec. 70-7. - Registered sexual offenders.

(a) *Registration required*. Sex offenders, as defined under the provisions of 11 Del. C., c. 41, § 4120A, shall register their places of residence and employment as required under the provisions of 11 Del. C., c. 41, § 4120.

~~(b) Prohibition on residency and employments.~~

~~(1) Sex offenders assigned as Risk Assessment Tier II or Tier III under the provisions of 11 Del. C., c. 41, § 4120, shall be prohibited from residence or employment within 500 feet of a day care center as defined in Appendix B-Zoning, Article 12-Definitions, of the Dover Code.~~

~~(2) Any sex offender assigned as Risk Assessment Tier II or Tier III who maintained a residence or was employed within 500 feet of a day care center on April 9, 2012, the date of adoption of this section, shall be permitted to maintain that residence or employment. Any subsequent change of residence or employment would be subject to the prohibitions of section (b)(1).~~

~~(3) Any sex offender who is under 18 years of age and resides with a parent or legal guardian shall be exempt from the provision of subsection (b)(1) of this section.~~

~~(c) Prohibition on rentals and leaseholds.~~

~~(1) It is unlawful for a property owner to knowingly and intentionally with actual knowledge and after being made aware the person is a sexual offender let or rent any place, structure, or part thereof, to a sexual offender, with the knowledge that it will be used as a permanent or temporary residence, if such place, structure or part thereof, is located within 500 feet of any day care center. In any prosecution for a violation of this section it must be shown:~~

~~a. That the property owner knowingly and intentionally with actual knowledge and after being made aware the person is a sexual offender let or rented the premises to a person who was a registered sexual offender; and~~

~~b. The property owner had actual knowledge that the place, structure, or part thereof would be used by the registered sexual offender as a permanent or temporary residence of property located within the residential zoning classification.~~

~~Nothing herein shall be deemed to require the property owner to make any independent determination whether the person is a sexual offender.~~

~~(2) Exclusions. A sexual offender abiding, lodging, or residing in a permanent or temporary residence within 500 feet of any day care center does not commit a violation of this section provided the sexual offender is in full compliance with probation, parole, or conditional release, and does not commit another sexual offense, and is in compliance with the residency restrictions, if any of the following:~~

~~a. The sexual offender was a minor when committing the offense causing the designation as a sexual offender and was not sentenced as an adult for that offense.~~

~~b. The sexual offender is under the age of 18.~~

~~c. The day care center was opened or established after the sexual offender established the permanent residence; and the residence was reported and registered.~~

~~It is not the intent of this article to impair valid, existing and bona fide contract rights, provided however that the provisions of this article shall apply upon final termination. Extensions or renewals of any leasehold relationship is prohibited. When a person who is the subject of this article changes residences, this article shall fully apply to such persons.~~

~~(d) Measurement of distance. For purposes of measuring separation of a residence from a day care center, all distances shall be measured from the entrances and exits of the residence or place of employment running in a direct line to the outermost entrances and exits of the day care center.~~

(~~c~~ b) *Prohibited activities for sexual offenders.*

(1) It is unlawful for any sexual offender to participate in a holiday event or practice involving children under 18 years of age, such as distributing candy or other items to children on Valentine's Day, Halloween, Christmas, or any other holiday or event. Participation is to be defined as attendance at, or taking part of, or cooperation with an event.

(2) It is unlawful for any sexual offender to wear costumes for the primary purpose of entertaining, attracting, or encouraging interaction with children.

(3) Any person designated a sexual offender shall be required on October thirty-first of each year or any other day upon which Halloween is celebrated to:

a. Avoid all Halloween related contact with children;
b. Post a sign at his/her residence stating, "No candy or treats at this residence." Such signs shall be in letters at least two inches high and shall be legible from the street or road adjacent to the residence;
c. Except for lighting provided on a year round basis by a sexual offender or the owner or manager of a multi-family residential unit for the purpose of security or walkway or hallway illumination, all outside residential lighting shall be off during the evening

hours after 5:00 p.m., and no exterior holiday decorations shall be exhibited on the sexual offender's residence or on the property upon which the residence is located.

(4) Holiday events or practices in which the sexual offender is the parent or guardian of the child or children involved, and where no non-familial children are present, are exempt from this section.

(f) *Penalties*. Any person who violates this section shall be fined in accordance with Appendix F-Fees and Fines, section 70-7. Every day that a violation occurs shall constitute a separate offense.

(Ord. No. 2012-08, 4-9-2012; Ord. No. 2013-08, 7-8-2013)

ADOPTED: *

S:\ORDINANCES\2019\DRAFT\ORDINANCE #2019-02-CHPT 70-OFFENSES AND MISCELLANEOUS PROVISIONS\Ordinance #2019-02-Chpt 70-Offenses, Sec. 70-7-Registered sexual offenders.wpd

Ssynopsis

The amendment will bring the Dover Code into compliance with recently adopted State legislation.

(SPONSORS: HARE AND MCDOWELL)

Actions History

01/14/2019 - Introduction - Council Committee of the Whole/Legislative, Finance, and Administration Committee

Draft

SPONSOR: Rep. J. Johnson & Sen. Ennis
Reps. Baumbach, Kowalko

HOUSE OF REPRESENTATIVES
149th GENERAL ASSEMBLY

HOUSE BILL NO. 357

AN ACT TO AMEND TITLE 22 OF THE DELAWARE CODE RELATING TO MUNICIPALITIES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

Section 1. Amend Chapter 1, Title 22 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows and redesignating accordingly:

§ 117. Limitation on residency and location restrictions for sex offenders.

No municipality of this State shall enact or enforce any law, ordinance, or regulation prohibiting or restricting the residency or movements of persons deemed to be a sex offender pursuant to § 4121 of Title 11 that is more restrictive than the requirements imposed by § 1112 of Title 11.

SYNOPSIS

The Department of Corrections sometimes has difficulty tracking sex offenders coming out of prison because overly restrictive local ordinances can severely restrict the availability of appropriate housing. Homeless sex offenders are less likely to comply with registration requirements and are less able to access required treatment and comply with other supervision conditions. This may contribute to recidivism and detract from public safety.

This bill restricts the power of municipalities to impose broader residency and proximity restrictions on sex offenders than those that apply under state law. Specifically, 11 Del. C. 112, prohibits sex offenders from residing or loitering within 500 feet of school property.

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