COUNCIL COMMITTEE OF THE WHOLE

The Council Committee of the Whole met on October 9, 2018 at 6:00 p.m., with Council President Slavin presiding. Members of Council present were Mr. Anderson, Mr. Sudler, Mr. Neil, Mr. Lewis, Mr. Cole, Mr. Polce, Mr. Hare, and Mr. Lindell (arrived at 6:02 p.m.). Mayor Christiansen was also present. Civilian members present for their Committee meetings were Mrs. Doyle (*Utility*). Ms. Scarborough (*Utility*), and Mr. Shevock and Dr. Stewart (*Legislative, Finance, and Administration*) were absent.

UTILITY COMMITTEE

The Utility Committee met with Chairman Cole presiding.

AGENDA ADDITIONS/DELETIONS
Mr. Hare moved for approval of the agenda, seconded by Mr. Neil and unanimously carried.

Evaluation of Bids - Lakewood Place Water Main Replacement
Mrs. Donna Mitchell, City Manager, reviewed the background and analysis for the evaluation of bids for the Lakewood Place Water Main Replacement.

Staff recommended awarding the contract to Teal Construction, Inc., for the City of Dover, Lakewood Place Water Main Replacement Project, Bid #19-0005PW, for the amount of $164,094.00.

Mr. Hare moved to recommend approval of staff's recommendation, seconded by Mr. Neil and unanimously carried.

Mr. Hare moved for adjournment of the Utility Committee meeting. The motion was seconded by Mr. Neil and unanimously carried.

Meeting adjourned at 6:02 p.m.

LEGISLATIVE, FINANCE, AND ADMINISTRATION COMMITTEE

The Legislative, Finance, and Administration Committee met with Chairman Hare presiding.

AGENDA ADDITIONS/DELETIONS
Mr. Neil moved for approval of the agenda, seconded by Mr. Cole and unanimously carried.

Proposed Amendments to the Purchasing Policy and Procedures
Mrs. Donna Mitchell, City Manager, reviewed the proposed amendments to the Purchasing Policy and Procedures. She advised members that some of the amendments were related to the new ERP system the City is implementing. Mrs. Mitchell noted that there were also major changes proposed to Section 2 - Ethics in Purchasing, and Chapter 30 - Standards of Ethical Conduct and Ethics Commission was added as Appendix A. She explained that the cover letter for all bids that go out will include a link to the City's Purchasing Policy and reference Appendix A, and vendors will be

required to make sure that they are aware of the provisions of the Policy. Mrs. Mitchell stated that the amendment includes new language that "Vendors participating in the City procurement will be disqualified from the procurement if the employee, official or vendor is found to be in violation of the City's ethical standards and a referral of the matter will be presented to the Ethics Commission. Failure to familiarize oneself with the provisions of this policy and appendices will not be accepted."

Mrs. Mitchell advised that she was recommending an amendment to Section 3.10 - Change Orders. She explained that she thought that giving someone authority to make a change order for 25% of the original purchase price was a lot, and she thought it should be 15% across the board.

Mrs. Mitchell, referring to page 13, advised that she had recommended striking Section 6.7 - Minority Owned Vendor Preference, and Section 6.8 - Local Vendor Preference, from the Policy. She stated that it was her understanding from the City's Purchaser, that a lot of entities in the State had gone away from this because they were not getting the competitiveness out of the bid process. Mrs. Mitchell explained that those entities were not getting the number of bids that they would expect for certain contracts since they do not have the minority or local vendors in those areas. She stated that she was not strongly recommending this change, however, she wanted members to be aware and discuss it.

Mr. Anderson expressed concern regarding the amendment to the minority and local vendor preferences. He stated that he did not know how this worked for the State but that it did work for the City because the City seemed to get more bidders. Mr. Anderson advised that before the City had enticement for local businesses, there were projects that were tens of millions of dollars and no local contractors or subcontractors. He noted that the preference rarely comes into play where it affects the outcome of a bid, however, it has increased the competition in the City's bidding process and seems to have increased local involvement from minority businesses over the last six (6) to seven (7) years. Mr. Anderson stated that he hoped that this was something that the City would keep.

Mr. Polce thanked Mrs. Mitchell for taking on this task that he had requested, explaining that his objective was to provide clarification regarding ethical guidelines and standards for when requests for proposals go out to bid and come back to the Committee and Council for comment. He stated that Mr. Anderson had made very valid points regarding the minority and local vendor preferences and asked if Mrs. Mitchell would leave those items in the Policy since she did not have a strong objection. Mr. Polce stated that he thought that the amendments had captured the overall objective and indicated that he thought that the revised Policy would bring some ease moving forward, especially in regard to some of the larger projects that the City is hoping to tackle.

Mr. Neil stated that he thought even if minority and local preferences are not working in other areas, he believed the City should set the standard. He indicated that even if the City does not get those types of bid submissions, he would prefer to keep the preferences in the Policy to provide the incentive for people to participate.

Mr. Lindell stated that he concurred with Mr. Anderson and Mr. Neil regarding the vendor preferences, noting that he thought it was important for the City to consider local businesses. Referring to Section 2 - Ethics in Purchasing, he asked if the proposed amendment pertaining to disqualifying vendors from the procurement would cause any undue delay in looking at the various

bids. Responding, Mrs. Mitchell stated that she did not think that there would be any delay because the intention is that staff would disqualify the vendors, refer the matter to the Ethics Commission, and move forward with the remaining qualified bids.

Mr. Sudler stated that he concurred with his Council colleagues. He expressed his hope that there may be more incentives to attract some of the minority contractors in the future, noting that he had heard from a lot of them that it is difficult to get a contract from the City. Mr. Sudler stated that, as a contractor, he had never bid for any City jobs and he does not know the validity of the concerns that had been relayed to him; however, he hoped to look into this with Mrs. Mitchell in the near future.

Mayor Christiansen stated that he concurred with members' comments regarding the vendor preferences, noting that although the State had done away with these preferences, he thought that the City should set the standard. He stated that he thought there should also be a provision for female-owned companies or gender specific companies. Responding, Mr. Anderson indicated that a provision was previously included for women under the Minority Owned Vendor Preference.

Mr. Lewis moved to recommend approval of the proposed amendments to the Purchasing Policy and Procedures, with the changes recommended by Mr. Anderson to keep Section 6.7 - Minority Owned Vendor Preference and Section 6.8 - Local Vendor Preference. The motion was seconded by Mr. Neil.

Mayor Christiansen, referring to Section 6.7 - Minority Owned Vendor Preference, asked if the State still maintained the Office of Minority and Women Business Enterprises and whether the certification directory for minority ownership was still subject to their oversight. In response, Mr. Polce stated that he believed the Department of Human Resources, which is a separate entity, now had oversight but asked Mrs. Mitchell to check that information.

The motion to recommend approval of the proposed amendments to the Purchasing Policy and Procedures, with the changes recommended by Mr. Anderson to keep Section 6.7 - Minority Owned Vendor Preference and Section 6.8 - Local Vendor Preference (Attachment #1) was unanimously carried.

Review of Pension Benefits - Cost of Living Adjustment (COLA) (2018 Budget Hearing)
During their Regular Meeting of August 27, 2018, City Council accepted the Committee's action to table this matter for consideration at a future date when Mrs. Donna Mitchell, City Manager, has gathered the appropriate data, and that it be communicated to Mr. Lester Blakeman and the retirees in advance so they can be a part of the discussion.

Mrs. Mitchell reviewed the FY17 funding liability, percentages of payroll, and FY18 medical premium expense related to General and Police Pension and Other Post-Employment Benefits (OPEB), as well as the Government Finance Officers Association (GFOA) Advisory regarding "Responsible Management and Design Practices for Defined Benefit Pension Plans." She noted that the GFOA recommends not doing ad hoc cost of living increases.

Mrs. Mitchell reminded members that her recommendation during the Council Committee of the Whole meeting of July 24, 2018 was that future ad hoc cost of living increases for the participants

of the Defined Benefit Plan be taken under consideration in years where the Pension Plan is fully funded; however, as a compromise, she would recommend Council review future ad hoc cost of living increases for the participants of the Defined Benefit Plan every five (5) years. She explained that, as the City Manager, she sees this from a different perspective because she sees the financial liabilities as well as the physical assets, the liabilities in the infrastructure, and all of the things that the City needs to make improvements to. Mrs. Mitchell advised that some of these affect the City's employees, some affect the citizens, and some affect both. She stated that she thought that it seemed cumbersome to address this every year.

Staff recommended that future ad hoc cost of living increases for the participants of the Defined Benefit Plan be taken under consideration in years where the pension plan is fully funded or every five (5) years.

Mr. Anderson stated that he thought that Mrs. Mitchell's compromise to review this matter every five (5) years had a lot of wisdom. He noted that prior to 2018, Council had not approved a COLA since 2006 and he was concerned with not looking at it.

Mr. Neil stated that he receives a pension, Social Security, and a state pension from the State of Maryland. He advised that the State of Maryland had decided that retirees will no longer receive a benefit from a subsidized insurance plan for prescriptions and now have to utilize Medicare Part D, which will increase the cost of medication for those retirees. Mr. Neil explained that one of the things that attracted employees to those State jobs was that they were guaranteed to have medical, dental, and prescription insurance and, although they were not going to be paid top dollar, those benefits would be important as employees got older because the cost would go up if they were independent. He noted that the benefits become extremely important in order to get and keep employees. Mr. Neil stated that he thinks it's fate on the City's part to maintain those benefits for those people who have retired. He advised that the principle insurance for retirees is Social Security and the additional insurance comes from pension, and while some retirees may be able to live on Social Security, others might not and retirees will certainly not have as good a life if they do not have both.

Mr. Neil advised that retirees also deal with inflation and although there is currently a period of very low inflation, when it increases all of a sudden it puts a lot of burden on the retirees. He stated that he would really like to make sure that the City's retirees are going to be looked after and let them know that the City cares about them and the service that they have provided.

Mr. Slavin noted that there are 210 non-police members in the Defined Benefit Plan and asked what the age range was of those members. In response, Mrs. Mitchell stated that she did not know the ages; however, she informed members that there are both spouses and retirees in the Plan and she thought that some of the spouses were probably older than the retirees. Responding to Mr. Slavin, Mrs. Mitchell confirmed that this is not a liability, it is an expense that the City has to plan for over many years. She noted that because the City has had a lot of baby boomers retiring, she thought the average age of Plan members had gone down.

Mr. Slavin stated that when the City does a cost of living adjustment (COLA) of 2%, which previously cost $88,000, which at the end of the budget process could be found in that budget; however, he noted that the cost would continue as an incremental adjustment in the budget every

year until the last person in the Plan is alive. He asked if the City has the ability to give a one-time stipend, that would not go to the base rate of the retiree, in a year where the City may find an additional amount of cash. He noted that this would not increase the City's liability; however, it would put cash in the hands of the retiree. Responding, Mrs. Mitchell stated that she thought that the City could do a one-time stipend because it would be reported on the retirees 1099 and would not be considered part of the base that grows every year. Mr. Slavin asked if this would be an option that the City could explore in off years if the Plan is not fully funded and the City is concerned about the liability growing. Mrs. Mitchell stated that it would be better if this came out of the General Fund and utility monies rather than the Pension Fund.

Mr. Sudler thanked Mrs. Mitchell for her insight and acknowledging the complexities that she and members of Council are facing.

Mr. Polce asked if any City retirees currently had step or fixed increases. Responding, Mrs. Mitchell advised that the old Police Pension Plan has an automatic 2% COLA and the City is reimbursed by the State Pension Office for the COLA increase each year from State grant money. She indicated that the new State Police Pension Plan does not have an automatic increase. In response to Mr. Polce, Mrs. Mitchell stated that she thought that the old Police Pension Plan had less than 50 members now. She confirmed that the City sends the State an affidavit of the cost and they subsidize it. Mrs. Mitchell stated that the State does an actuarial study and sends it to the City.

Mr. Lester Blakeman, Sr., 209 Falmouth Way, reviewed information he compiled and provided to members regarding the civilian pension plan **(Attachment #2)**, including pages from Comprehensive Annual Financial Reports (CAFR's), and spreadsheets that he created depicting revenue sources for the pension plan, and payments from the pension plan. Mr. Blakeman also provided a notebook of additional information he compiled related to the civilian pension plan **(Attachment #3)**. He noted that the Comprehensive Annual Financial Report (CAFR) pages that he provided were from 2003 through 2017, and he started with 2003 for consistency because there was a change in the way the information was reported beginning in 2003. Referring to his spreadsheet regarding the revenue sources for the pension plan, Mr. Blakeman noted that it had taken five (5) years to increase the fund by $2,000,000 and with an unfunded liability of $20,000,000, it would take 45 years to fully fund the plan at that rate. He expressed concern that the unfunded balance would increase since payments are made from the fund and staff had recommended that COLA's be considered once the plan is fully funded.

Mr. Blakeman stated that there are essentially three (3) pension plans, the police plan, the civilian plan, and the Defined Contribution Plan. He noted that the police plan receives a 2% COLA every year. Mr. Blakeman stated that it was his understanding the employees in the Defined Contribution Plan contribute a percentage of their annual salary and receive a matching contribution from the City up to a certain percentage. He explained that he thought that these employees were getting a pension increase as well, since the pension contributions continually increase as the employees receive pay increases. In response, Mrs. Mitchell advised that if employees get a pay raise, their percentage of pension contribution will increase as well, noting that this is the same for employees in the Defined Benefit Plan as it is for those in the 401 Plan. She explained that the City employees in the 401 receive whatever contributions were invested over their lifetime plus their earnings; whereas, the payments for those in the Defined Benefit Plan are based on their last three (3) highest year earnings.

Mr. Blakeman noted that there is a trust fund for the Defined Benefit Plan; however, it is not really a trust fund because it is used to make pension payments. He explained that when the Other Post-Employment Benefits (OPEB) Trust Fund was created there was a restriction that the money in the Fund could not be used to pay current expenses. He stated that he would like a restriction to be added to the Defined Benefit Plan trust fund so the money cannot be used to pay current pensions, explaining that when you draw it down, the unfunded liability goes up. Responding, Mrs. Mitchell explained that the City contributions are not intended to equal the pension payments. She stated that employee contributions and investment earnings are supposed to cover the payments and create a surplus for future retirees. Mrs. Mitchell advised that the OPEB Trust was developed like a legal document through the City Solicitor for a Trust Fund. She stated that the pension trusts were done years ago and are ordinances; however, they are trust funds in all aspects. She explained that the pension payments for retirees come out of the pension trust fund and the OPEB payments, for retiree medical benefits, come out of the OPEB trust. Mrs. Mitchell advised that the City has two (2) bank accounts, an investment account with Wells Fargo and a cash account with M&T Bank, and staff transfers the City's appropriation toward retirees' medical benefits to the checking account because the premiums are paid out of the checking account. She explained that it would not make sense to transfer the money to the investment account and then transfer it back to the checking account to pay the premiums, so you never see the monies go through the Wells Fargo account but it is budgeted for in the operating funds and comes out of the OPEB trust fund.

Mr. Sudler thanked Mr. Blakeman for his initiative and trying to help the City.

Mr. Neil moved to recommend approval of staff's recommendation that future ad hoc cost of living increases for the participants of the Defined Benefit Plan be taken under consideration in years where the pension plan is fully funded, seconded by Mr. Slavin.

Mr. Polce stated that he thought that Mrs. Mitchell's suggestion regarding a five-year review had a lot of merit; however, it was his understanding that the motion was to recommend that future ad hoc cost of living increases for the participants of the Defined Benefit Plan be taken under consideration in years where the pension plan is fully funded, which is undefined. Mr. Polce encouraged members to define the recommendation to five (5) years. Responding, Mr. Slavin stated that he would be amenable to changing the wording of the motion.

Mr. Hare suggested the possibility of reviewing this matter every three (3) years and, if the pension plan is not fully funded in the first three (3) years, members could consider making a stipend payment, and then review the matter three (3) years later and, if it's fully funded, possibly provide an increase at that time. In response, Mrs. Mitchell advised that she would not recommend scheduling ad hoc COLA's, noting that, because of the GASB pronouncements, the City would run into all kinds of problems with unfunded liabilities. She stated that the best approach would be for members to make a decision when they review it. Mr. Hare suggested reviewing this matter every three (3) years, noting that he liked Mr. Slavin's suggestion regarding a stipend.

Mr. Neil stated that he agreed with Mr. Hare and was not sure what the procedure would be to include the stipend suggested by Mr. Slavin in the motion.

Mr. Neil and Mr. Slavin withdrew the motion to recommend approval of staff's recommendation that future ad hoc cost of living increases for the participants of the Defined Benefit Plan be taken under consideration in years where the pension plan is fully funded.

Mr. Slavin moved to recommend that future ad hoc cost of living increases for the participants of the Defined Benefit Plan be taken under consideration every three (3) years, seconded by Mr. Lindell.

Mr. Anderson asked if the three-year review would include stipend considerations. Responding, Mr. Slavin stated that it would include any options that are available.

Mr. Cole stated that he thought that the stipend could be discussed during the three-year review, noting that he did not think members should have anything set for what they plan to do.

The motion to recommend that future ad hoc cost of living increases for the participants of the Defined Benefit Plan be taken under consideration every three (3) years was unanimously carried.

Mr. Neil moved for adjournment of the Legislative, Finance, and Administration Committee meeting. The motion was seconded by Mr. Anderson and unanimously carried.

Meeting adjourned at 6:50 p.m.

Mr. Anderson moved for adjournment of the Council Committee of the Whole meeting. The motion was seconded by Mr. Hare and unanimously carried.

Meeting adjourned at 6:51 p.m.

Timothy A. Slavin
Council President

TAS/TM/dd/jt
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Attachments
Attachment #1 - Proposed Amendments to the Purchasing Policy and Procedures, as revised to reflect CCW/LF&A recommendation
Attachment #2 - Information compiled by Mr. Lester Blakeman regarding the civilian pension plan
Attachment #3 - A notebook of additional information compiled by Mr. Lester Blakeman related to the civilian pension plan

CITY OF DOVER

PURCHASING POLICY & PROCEDURES

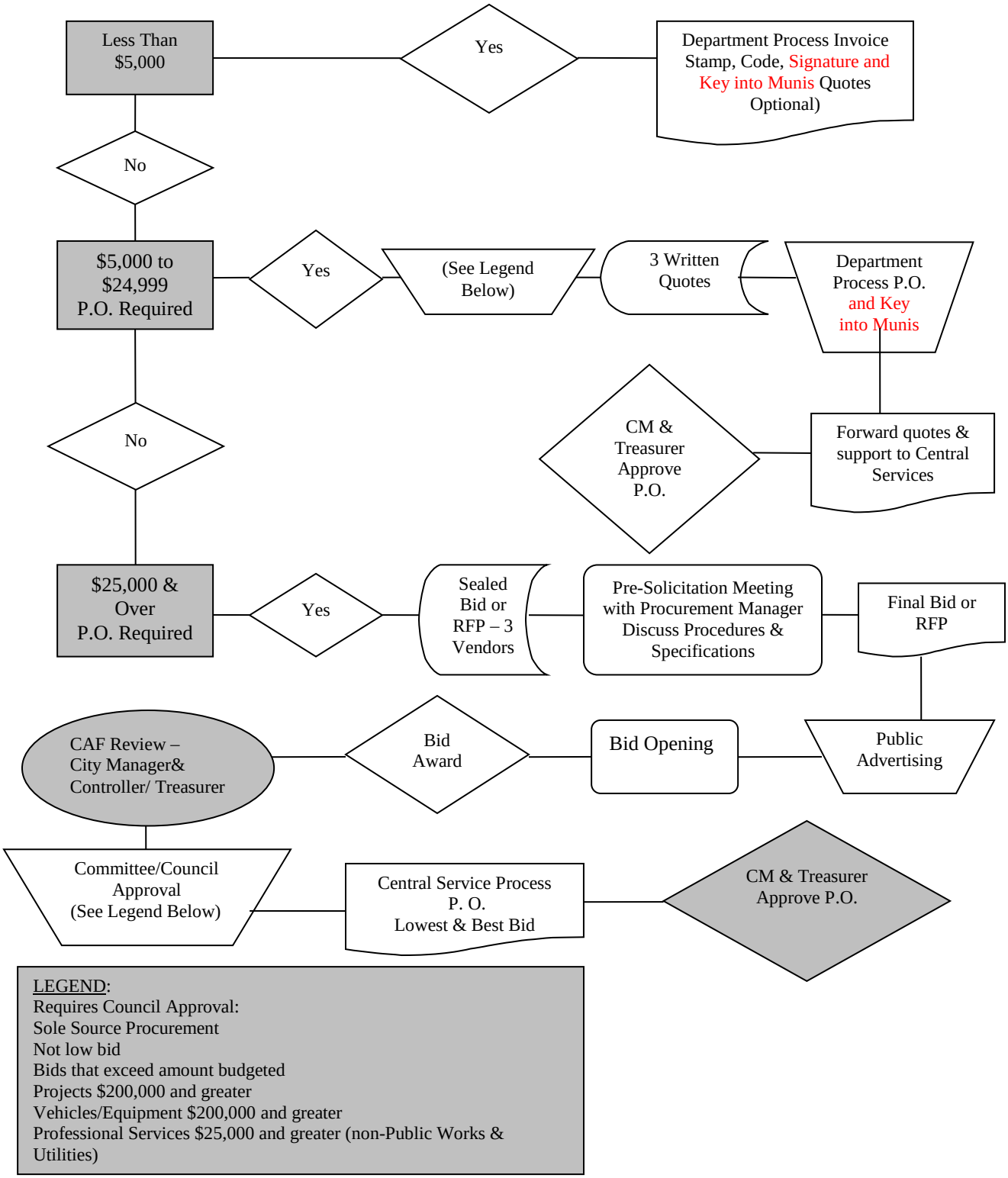
ISSUED BY: FINANCE & CENTRAL SERVICES

~~**EFFECTIVE DATE DECEMBER 8, 2008**~~
~~**AMENDED FEBRUARY 28, 2011**~~

Purchasing Policy & Procedures
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Purchasing Flow Chart



CITY OF DOVER
PURCHASING POLICY

SECTION 1 - THE PURPOSE

The purpose of the adoption of a purchasing policy is to establish the authority, limits and procedures relating to the purchasing of materials, supplies, equipment, construction, Public Works type contracts, and professional services.

SECTION 2 - ETHICS IN PURCHASING

Public employees and elected officials must discharge their duties impartially to assure competitive access to governmental procurement by responsible contractors. Moreover, they should conduct themselves in such a manner as to foster public confidence in the integrity of City procurement. Dover Code Article II Section 30 (Appendix A), establishes standards of ethical conduct among public officials and employees. Vendors participating in the City procurement will be disqualified from the procurement if the employee, official or vendor is found to be in violation of the City's ethical standards and a referral of the matter will be presented to the Ethics Commission. Failure to familiarize oneself with the provisions of this policy and appendices will not be accepted.

~~2.1 Public employees must discharge their duties impartially so as to assure competitive access to governmental procurement by responsible contractors. Moreover, they should conduct themselves in such a manner as to foster public confidence in the integrity of City procurement.~~

~~2.2 Acceptance of any gift items or any free services for personal use is PROHIBITED.~~

~~2.3 While purchasing goods and services for the City, the procedures and guidelines which are described in this purchasing policy are to be strictly followed. All purchasing related records must be kept in the Central Services Department for the period prescribed in the State Bureau of Archives Retention Schedule. These records may include, but are not limited to, request for proposals, vendor proposals, analysis of proposals, change orders and a copy of the purchase order(s).~~

~~2.4 The Information Technology Department is to provide a technical review of all specifications for computer software and hardware purchases regardless of cost. The applicable Information Technology personnel should be consulted on all bid evaluations for computer hardware, software, or other related equipment.~~

~~2.5 No agreement or contract shall be entered into, nor expense incurred by any division, which will result in an obligation in excess of the appropriation made to the division. It is the division's responsibility to see that funds are in the proper accounts before obligating or expending funds. If the funds are not in the proper account, the transaction will not be processed. The department must request a transfer of funds through the Finance~~

~~Department. Override of funds availability must be approved by either the Treasurer or the City Manager.~~

2.6 ~~Pursuant to Dover Code, Chapter 30, Section 30-33, No city employee or official may participate on behalf of the city in the review or disposition of any matter pending before the city in which he has a personal or private interest. No city employee or official shall benefit from any contract with the city, nor solicit any contract, and shall not enter into any contract with the city (other than an employment contract). No person who has served as a city employee or official shall represent or otherwise assist any private enterprise on any matter involving the city, for a period of two years after termination of his employment or elected or appointed status with the city, if he gave an opinion, conducted an investigation or otherwise was directly and materially responsible for such matter in the course of his official duties as a city employee or official. All parties hereto declare and affirm that no officer, member, or employee of the City, and no member of its governing body, and no other public official of the City who exercises any functions or responsibilities in the review or approval of the undertaking described in this contract, or the performing of services pursuant to this contract, shall participate in any decision relating to this contract which affects his or her personal interest, or any corporation, partnership, or association in which he or she is directly or indirectly interested; nor shall any employee of the City, nor any member of its governing body, have any interest, direct or indirect, in this contract or the proceeds thereof.~~

SECTION 3 - PURCHASING LIMITS & AUTHORITY

3.1 GENERAL GUIDELINES

This section outlines the purchasing limits and guidelines for materials and supplies based on the purchase amount. No department or employee shall commit the expenditure of City funds until the procedures of this section have been complied. No employee or official shall have purchases shipped directly to their home.

For this policy, the purchase amount is considered the purchase order total. Warehouse stock must be reduced to the item's reorder level prior to using open market purchases as authorized by this policy.

While purchasing goods and services for the City, the procedures and guidelines which are described in this purchasing policy are to be strictly followed. All purchasing related records must be kept in the Central Services Department for the period prescribed in the State Bureau of Archives Retention Schedule. These records may include, but are not limited to, request for proposals, vendor proposals, analysis of proposals, change orders and a copy of the purchase order(s).

The Information Technology Department is to provide a technical review of all specifications for computer software and hardware purchases regardless of cost. The applicable Information Technology personnel should be consulted on all bid evaluations for computer hardware, software, or other related equipment.

No agreement or contract shall be entered into, nor expense incurred by any division, which will result in an obligation more than the appropriation made to the division. It is the division's responsibility to see that funds are in the proper accounts before obligating or expending funds. If the funds are not in the proper account, the transaction will not be processed. The department must request a transfer of funds through the City Manager's Office and Finance Department. Override of funds availability must be approved by ~~either~~ the Controller/Treasurer ~~or~~ and the City Manager.

3.1 SUBDIVIDING PURCHASES:

Multiple purchase orders issued by a department for the same items during the same time frame in an attempt to negate the purchasing policy restrictions will be considered a clear violation of the purchasing policy; also considered subdividing purchases.

3.2 FLEET VEHICLES & ASSOCIATED EQUIPMENT:

Purchases of fleet vehicles and associated equipment shall not require Council approval when the purchases have been approved in the budget for the then current fiscal year. However, no vehicle designated as a replacement for any vehicle then currently owned by the City of Dover shall be purchased or ordered for purchase unless and until the then currently City-owned vehicle has been mechanically evaluated and determined by Fleet Maintenance to be no longer reliable for use in its then current capacity. All items within the amount budgeted must have a vehicle/equipment replacement request completed and forwarded to the City Manager for approval. Council approval is always required when the purchase is from sole source procurement, when the vendor is not the low bidder, or when the purchase price is higher than the budgeted amount for that vehicle and the overage cannot be made up through savings on other vehicles and equipment. To qualify as low bidder, the bid must meet the bid specifications. The City Purchasing Agent is authorized to purchase vehicles through the State of Delaware contract when in the best interest of the City.

3.3 EQUIPMENT PURCHASES $25,000 - $199,999:

Budgeted equipment specifically identified in the Capital Improvement Plan does not need Council approval unless the purchase is sole vendor, sole source procurement, or not low bid. The purchase does not require construction or ancillary services. Equipment purchases $200,000 or greater requires Council approval.

3.4 PURCHASING THRESHOLD TABLE

PURCHASING THRESHOLDS		
Less than $5,000	**$5,000 to $24,999**	**$25,000 & Over**
Open market; Department Head discretion to obtain quotes;	Department Head solicit no less than three (3) written quotations; If fewer than three (3) quotations, justification must be included;	Formal Invitation to Bid (ITB) or Request for Proposal (RFP/RFQ); No less than three (3) potential vendors supplied to Central Services;
Purchases will be made by designated personnel;	Quotations and support documentation to be maintained in Central Services files as public record; Use the quotation worksheet in Appendix E.	Pre-Solicitation Meeting required of the respective Department & Procurement Manager to discuss appropriate procedures and specifications;
Approved invoices sent to Accounts Payable for payment.	Requires requisition and purchase order through the financial system;	Public sealed bid or sealed proposal procedures as outlined in Appendix A;
Purchases under existing City contracts shall be made in accordance with the terms of such contract.	All purchases will be made by Central Services or the Police Department Purchase Coordinator by Purchase Order or Contract,	Public Advertising at least once a week for two (2) consecutive weeks in publication with circulation in each county of the State; Additional advertising discretionary;
Supplies available from City stock should not be procured from third party vendors.	Award shall be made to the lowest and the best quotation; Vendor references may be checked;	Lowest and/or most responsive bid will be accepted; Vendor references may be checked to verify ability to meet contract requirements;
Item numbers, quantities, unit cost, and extension must be completed on every purchase order for materials or paying for contracted labor at hourly rates;	Item numbers, quantities, unit cost, and extension must be completed on every purchase order for materials or paying for contracted labor at hourly rates;	Public Bid/Proposal Opening; Time and date of public bid opening shall be stated in the notice for bids; Delivered to Central Services, 710 William Street, Dover, DE 19904
Approval assigned at Department Head Level	Fax and email quotations are acceptable;	Bid Bond or certified check in the amount equivalent to ten percent (10%) of the bid amount for items/contracts over $25,000; Can be waived by Purchasing Agent and Department Head;
	Departmental approval assigned by Department Head; Electronic Approval – Asst. City Manager, City Manager & Controller/Treasurer	Performance Bond required for construction work;
	Purchase Order to include: Unit Cost $; Account number; project number if applicable; Brief description of item or service when not identifiable; Quotes from each vendor in comments;	Faxed bid is not acceptable for this category; Sealed bids may be emailed to bids@dover.de.us or as agreed to with the Department Head;
	NOTE – Changes to Purchase Orders are to be completed through the financial systems. Purchase Orders received with manual changes to amounts/unit cost will not be processed by the Finance Department.	Purchases exceeding $25,000 shall require Council approval for sole source procurement, greater than budget and not low bidder; Committee/Council Action Forms to include: Budget $, P. O. $ or Unit Cost $; Account number; project number; page number in budget; Bid/RFP number if applicable. If unit cost bid includes cost comparison. If blanket bid or proposal is for recurring services, provide average annual cost for past three years for the service. Description and recommended action.

3.5 COOPERATIVE PURCHASING:

The City of Dover is permitted to use state, county, municipal, and other government contracts to purchase material once it has been determined that the procedures outlined within this policy will not be violated. To use cooperative purchasing the quantities and timing of the materials must be coordinated with the partnering entity to insure cost savings through economies of scale. Any deviation from this policy for cooperative purchasing must be approved by the City Manger and Treasurer prior to entering into any purchase agreement. Cooperative Purchasing will not be permitted for any vehicles or equipment valued over $200,000. Sealed bids will be required.

3.6 STANDARD FORMS:

All purchasing related forms and bid documents are developed and standardized for the City of Dover by Central Services. No substitutions of the City of Dover purchase order form or other standardized forms will be permitted. Where applicable, unit(s) of measure and unit cost must be included in the purchase order. Purchase orders with the quantity of one (1) will not be accepted unless the quantity is truly one (1).

3.7 INSPECTION AND FULL PAYMENT:

Upon receiving materials and equipment and upon completion of construction, the City of Dover shall cause a detailed inspection. Full payments for the purchases will be made only upon the department head's complete satisfaction as to the fulfillment of all the conditions of the contract. The department will notify Central Services that the purchase order may be released for payment.

3.8 WARRANTIES:

The department requesting the material or service shall monitor and maintain all warranties.

3.9 AUTHORIZED PERSONNEL:

Only authorized personnel can purchase goods for the City of Dover. The authorized signature must appear on the purchase order and invoices. The original Authorized Signature Form must be ~~on record~~ kept in the Finance Office – Accounts Payable. This form must be updated if a new employee will be signing invoices and purchase orders. The Form can be found in Public Docs.

3.10 CHANGE ORDERS:

If, after a purchase contract is awarded, it becomes necessary to add items/work because of unforeseen findings or a scheduled change, a change order can be issued without Council approval as follows:

A) For purchases at $5,000 - $24,999 the Procurement Manager is authorized to sign purchase order changes up to and including 15% of the original purchase amount when the total dollar value of the purchase does not exceed $25,000 and the amount of the item is still

within the amount budgeted for that item.

B) For purchases at $25,000 or greater, the City Manager and Controller/Treasurer are authorized to approve change orders as follows:

~~i. 25% of the original purchase amount when the purchase is made on a unit cost basis, the purchase is within the approved (project) budget and/or the approved Council Action Form, and the purchase does not exceed $500,000.~~

ii. 15% of the original purchase amount when the purchase is made on a unit cost basis, the purchase is within the approved (project) budget and/or the approved Council Action Form~~, and the purchase is greater than $500,000 but less than $1,000,000~~.

~~iii. 10% of the original purchase amount when the purchase is made on a unit cost basis, the purchase is within the approved (project) budget and/or the approved Council Action Form, and the purchase is greater than $1,000,000.~~

SECTION 4 - PROFESSIONAL SERVICES GUIDELINES

Professional Services are normally solicited by use of a Request for Proposal. This section provides the guidelines and procedures for the procurement of professional services that are not covered by Section 5 – Public Works & Utility Type Contracts and Certain Professional Services.

Examples of the professional services covered under this section are consulting for rate studies; audit services, financial services, and computer related consulting. These are only examples, and the scope of the provisions of this section is not limited to these examples.

4.1 REQUEST FOR PROPOSALS

Evaluation of proposals must adhere to the following guidelines:

1. Determine what proposals are acceptable and unacceptable
2. A determination that a proposal is unacceptable shall be in writing, state the basis for the determination and be retained in the procurement file
3. The offeror shall not be afforded an opportunity to modify its offer

Negotiation with individual offerors

1. The department can negotiate with individual offerors after their proposals are opened.
2. The department shall develop formalized procedures to be consistently applied to each offer
3. Disclosure of one offerors price to another is prohibited
4. The department must send a written request for best and final offers setting forth the date, time, and place for submission of best and final offers
5. The department must inform the offerors that if they do not submit a notice of withdrawal or a best and final offer, their immediate previous offer will be construed as their best and final

Final Award

1. The contract shall be awarded within 90 days of the closing date.

2. The department shall award a contract to the offeror whose proposal is determined in writing to be most advantageous to the City
3. The determination shall explain the basis of the award
4. Central Services shall notify each unsuccessful offeror in writing of the award

4.2 TOTAL COST UP TO $7,500:

Professional services covered under this section may be obtained using open market prices. It is the Department Head's discretion to require written proposals from the service providers. The decision to award the contract for professional service shall be based on performance track records, fees, time schedule and known quality of work. Fax and email proposals are acceptable for this category.

4.3 TOTAL COST OVER $7,500 TO $25,000:

For procuring professional services covered under this section, the department shall use the "Request for Proposal" method and in conjunction with the Central Services Manager or authorized purchaser send requests for proposals to available service providers. The request for proposal will clearly include the following:

1. scope of work
2. schedule for work
3. request to provide fees, expenses and payment schedules;
4. last date for submitting the proposal
5. evaluation method
6. address, contact person and phone number.

The services procured under this provision must have the approval of the department head. A purchase order must be issued to include, but not limited to the above, for the total amount, providing details and a reference of the professional services agreement number, if any, and the location. Fax and email proposals are acceptable for this category.

4.4 TOTAL COST GREATER THAN $25,000:

For professional services with fees and expenses totaling more than $25,000, the City Council's approval is required. The requirements of 4.3 shall be applicable as a solicitation basis. Email ~~Fax~~ proposals are ~~NOT~~ acceptable for this category.

4.5 SUBDIVIDING THE PURCHASES OF SERVICES:

The City of Dover departments shall NOT subdivide the purchase or the contract for professional services to avoid the requirements of this purchasing policy.

4.6 DOCUMENTATION:

If a firm/consultant under contract to the City of Dover issues a bid/proposal as part of their contract, the original documents must be provided to the City. The final determination for all awards shall rest with the City.

4.7 CHANGE ORDERS:

The same procedures as outlined in paragraph 3.10 will apply to professional services regarding change orders.

SECTION 5 - PUBLIC WORKS & UTILITY TYPE CONTRACTS AND CERTAIN PROFESSIONAL SERVICES

"Public Works Contract" means any contract for the construction, reconstruction, alteration or repair of any public building, road, street, highway, water utility, wastewater utility, electric utility or other public improvement, the cost of which will be paid with public funds. Any project materials and supplies purchased by the City, and not a Contractor or Service Provider, are to be procured under Section 3 of this policy.

"Certain Professional Services" means those services within the scope of the practice of architecture, professional engineering, professional land surveying, landscape architecture and geology.

All Public Works and Utility contracts entered for less than $200,000 that are specifically identified in the Capital Improvement Plan does not need Council approval unless the purchase is sole vendor, sole source procurement, or not low bid. Procurement $200,000 or greater requires Council approval.

Public Works & Utilities		
Less than $25,000	**$25,000 - $199,999**	**$200,000 & Over**
Open market	Solicit three (3) written quotations – MANDATORY	Formal Bidding – Purchaser
$0 - $10,000 quotations optional	Letters Bids/Contract Admin. discretionary	Public Advertising
$10,001 - $25,000; Solicit three (3) phone quotes (attach to purchase order)	Specifications and/or plans discretionary	Specifications and/or plans
Specifications and/or plans discretionary	Bid bond discretionary	Bid Bond discretionary
Record quotations on quotation summary form (attach to purchase order)	Public Opening discretionary	Public Opening
	Formal Contract discretionary	Formal Contract
	Performance Bond discretionary	Performance Bond
Purchase Order to include: Unit Cost $; Account number; project number if applicable; Brief description of item or service when not identifiable; Quotes from each vendor in comments		
Committee/Council Action Forms to include: Budget $, P. O. $ or Unit Cost $; Account number; project number; page number in budget; Bid/RFP number if applicable. If unit cost bid includes cost comparison. If blanket bid or proposal is for recurring services, provide average annual cost for past three years for the service. Description and recommended action.		
Footnote – When a project is partially or wholly funded by the State of Delaware: prevailing wage rates apply to projects over $15,000 for repairs, alterations, rehabs, demolition, or reconstruction or $100,000 for new construction.		

Public Works & Utilities – Certain Professional Services		
Less than $50,000		**$50,000 & Over**
Open Market		Formal RFP Process

Use same procedure as Section 4.2		Public Advertising; use same procedure as Section 4.4
Professional Services for Public Works & Utilities includes services within the scope of practice of architectural, professional engineering, professional land surveying, landscape architectural services and geology.		

PRE-QUALIFICATION OF BIDDERS

Prequalification of Bidders is permitted to screen potential vendors in which such factors as financial capability, reputation and management are considered to develop a list of qualified vendors. The vendors should provide background information on their company, implementation methods, and references. Once the list of qualified vendors is established a Request for Proposal will be developed to include clear specifications, expectations and clearly outlined evaluation criteria. A price range may be requested but is not necessary. Detailed information will be provided during the RFP process.

SECTION 6 - EXCEPTIONS

6.1 Sole Source Procurement:

Sole source procurement is not permissible unless a requirement is available from only a single supplier/manufacturer. A requirement for a propriety item does not justify sole source procurement if there is more than one potential bidder or offeror for that item. The following are examples of circumstances which could necessitate sole source procurement:

- Where the compatibility of equipment, accessories, or replacement parts is the paramount consideration; items of comparable quality and equal function are not to be considered under sole source procurement.
- Where the sole supplier's item is needed for trial use or testing;

If the purchase is over $25,000 however, it must be presented to Council for approval. Sole suppliers/manufacturers must be justified in writing by the Department Director and the justification must accompany the procurement request to Central Services and approved by the City Manager.

6.2 Warehouse Stock:

Items placed on annual or multi-year contracts for warehouse stock shall not be subject to Council approval as these items are purchased as individual units and not in blocks. Procurement of items specifically procured for projects through non-stock contracts shall be approved by the City Manager and Treasurer. Increases in unit prices greater than 15% shall be communicated to the respective Department Heads, the City Manager and Controller/Treasurer.

6.3 Negotiations:

Negotiations are authorized during the Request for Proposal evaluation process, when sole source has been pre-approved or when a material specification or scope of work change occurs after the award of a competitively bid contract.

6.4 Used Materials and Equipment:

For the purchase of used or surplus materials or equipment, the provisions of this policy may not apply. Purchases of $25,000 or greater must be presented to Council for their approval.

6.5 Continuity of Service:

When there is an abrupt discontinuation of service due to breakdown, accident, or other similar event and it is necessary to obtain materials or equipment to continue service to the citizens, the provisions of this policy may be waived by the City Manager. For no other reason should a purchase order be issued for this exception.

6.6 Emergency:

An emergency condition is a situation which creates a threat to public health, welfare, or safety such as may arise. The existence of such condition creates an immediate and serious need for supplies, services, or construction that cannot be met through normal procurement methods and the lack of which would seriously threaten:

1. The functioning of the City government.
2. The preservation or protection of property; or
3. The health or safety of any person.

Emergency procurement shall be limited to those supplies, services, or construction items necessary to meet the emergency. The Mayor or City Manager will be responsible for deciding as to the existence of the emergency.

6.7 Minority Owned Vendor Preference:

Minority owned vendor preference shall be three percent (3%) of the value of the award. The vendor must identify qualification and claim to the preference on the submitted bid documents. The vendor must provide authoritative proof of minority ownership such as identification in the certification directory maintained by the State of Delaware, Office of Management and Budget, Office of Supplier Diversity ~~Department of Administrative Services, Office of Minority and Women Business Enterprises~~ to qualify for this preference. This preference is to be considered as a stand alone and cannot be added to any other preference that may be allowed. This preference shall not apply to sub-contractors.

6.8 Local Vendor Preference:

Local vendor preference shall be considered for materials, equipment, construction contracts, and utility contracts. Local vendor preference shall be three percent (3%) of the value of the award. A local vendor is a vendor with a "remit to" address or physical store location in the local area as identified below. The term local vendor is defined as a gradually increasing range with preference assigned as follows:

Rule 1: Vendor located within the city limits of the City of Dover.
Rule 2: Vendor located within Kent County (if no vendor qualifies under Rule 1)
Rule 3: Vendor located within the State of Delaware (if no vendor qualifies under Rules 1 & 2)

If no vendor qualifies under rules 1, 2, or 3 no local vendor preference shall be awarded. The vendor must identify qualification and claim to the preference on the submitted bid documents. This preference shall not apply to sub-contractors.

SECTION 7 - RECEIVING

7.1 No employee shall pick up or receive goods without his or her supervisor's authorization. In the case of a special project, deliveries may be made to the job site, but should be coordinated through Central Services. Central Services will take charge of the delivery ticket for file and paying of the invoice.

Packing slips (proof of receipt) when appropriate are to be attached to the invoice or payment will not be disbursed until these conditions are met. If only an invoice is provided by the vendor, then the employee receiving the item shall sign the invoice as proof of receipt. Proof of receipt must have who receive item and the date item was received.

7.2 While taking delivery of items the individual accepting the item will sign any one of these documents: Receiving/payment copy of the purchase order, vendor's invoice, delivery slip or packing ticket. The person receiving the goods and signing the receipt document must verify the quantity and item description/part number with the purchase order or any other document and must check the condition of the items/packages to make reasonably sure that there are no problems with the delivery. If the problems are observed, the notes must be made on the receiving documents or the delivery must be returned. Partial delivery is acceptable. The original receipt of all documents must be forwarded to Central Services.

7.3 No City employee will sign for any item or service, which is not received.

7.4 Payment for the goods will be made only to the extent the goods are received by the City.

SECTION 8 - CREDIT CARD PURCHASES

8.1 The City does not encourage credit card purchases.

8.2 The City has a very limited number of credit cards for stores where the purchases are more easily made with a credit card or where vendors do not bill the City and credit cards are necessary.

8.3 The employee ~~person~~ using a ~~the~~ store credit card must make sure of the purchase price, quantity, quality and the necessity of the item. The person must sign as required and turn in the purchaser's copy of the credit card receipt ~~slip~~ to their department ~~immediately~~ for processing and ~~information.~~ send to Accounts Payable immediately.

8.4 The credit card must be used only by authorized personnel and cannot be used for personal business.

8.5 All credit cards shall be handled through the Finance Department as outlined in Procedure F346.

8.6 The City does not encourage use of personal credit cards for business purchases. Where use of a personal credit card is necessary to complete City of Dover business in a timely and/or efficient manner, the employee is not authorized to approve their own reimbursement request. The reimbursement request must be approved by other authorized personnel.

SECTION 9 - INVOICES AND PAYMENTS

9.1 For payment purposes, the original invoices must carry the following: approval stamp, authorized signature, G/L# and date. All employee travel expenditures are to be processed with a purchase order including other ~~mileage~~ reimbursements. Purchases over $5,000 must also include a purchase order. Each department will be entering their own Invoices and Purchase Orders into Tyler-Hub (Munis). Batches will be released and/or approve by departments before Accounts Payable can review and process payments to vendors. When processing invoices/requisitions/purchase orders; do not entered at the last minute as this will delay payment to vendors. Invoices/Purchase Orders and other documentation related to payments must be upload to Munis in Invoice/Purchase Order Entry. Do forward vendors to the Finance office to look for payment or pickup checks. Departments are responsible for corresponding with vendors when there are discrepancies in past due invoices and payment status. ~~are to be sent directly to Accounts Payable after the department head has coded and signed them (signature stamps are not permitted).~~

9.2 Invoices for vendors not loaded in Munis (Tyler) must be accompanied by the City of Dover new vendor form and a completed IRS form W-9, both of which are in public documents. Department and Vendors must use the Munis Self Service - Vendor Self Service Portal to upload W-9 or other vendor related documents. One-time vendor payment must be less than $600.00 for the calendar year and does not require a W9.

9.3 The purchaser/authorized personnel must note that it is the City's policy to take all discounts and therefore the payment documents must be submitted to Accounts Payable immediately.

In other cases, it is the City's policy to pay the invoices on time and, therefore, the payment documents must be submitted to Accounts Payable as soon as possible.

SECTION 10 – GREEN PROCUREMENT

10.1 The City of Dover is committed to using and purchasing energy efficient/environmentally preferable products in the most cost effective and environmentally responsible manner possible. Purchasing energy efficient products reduces energy costs without compromising quality. Purchases should be based on:

1. Consideration on the impact to the environment, economy, and human health and well-being.
2. Consideration of specification compliance, delivery time and price.
3. Preference given to environmentally preferable materials when they perform satisfactorily and can be obtained at a reasonable price.

10.2 The US Government in Executive Order 12873 defined environmentally preferable products as "products or services that have a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose." This should include items that are energy efficient, conserve water, reduces toxins, conserves natural resources, has recycled content and minimizes waste.

10.3 The Procurement Manager shall establish a price preference of up to ten percent (10%) for recycled and other environmentally preferable products. This price preference must be established in advance of any bid and must be included in the bid specifications, cover letter or evaluation criteria. This percentage may be modified from time to time at the discretion of the Procurement Manager with the objective of maximizing the City's purchase of environmentally preferable products.

10.4 LIFE CYCLE COST ANALYSIS

The requesting department shall perform lifecycle costing analysis on equipment that has the potential to reduce operating, maintenance or energy costs over the useful life of the equipment. Based on said analysis, the contracting agency shall incorporate specifications in the contract for equipment that has the lowest total cost of ownership and operation over the useful life of the equipment. The use of lifecycle costing analysis may be waived by the department head, in writing, if the equipment is not appropriate for lifecycle costing analysis. Appendix E contains a sample form for life cycle cost analysis.

10.5 ENERGY EFFICIENT PRODUCTS

A) The City shall purchase Energy Star products, as designated by the federal Environmental Protection Agency, when such products are available. The department may include non-Energy Star rated equipment as an alternate in the bid documents to enable lifecycle costing analysis to be performed as part of the analysis of responsive bids. The department shall be required to award a contract that includes the procurement of Energy Star rated equipment unless they can demonstrate, in writing, to the satisfaction of the City Manager, that the interests of the city would be better served by procuring non-Energy Star rated equipment.

B) Prior to initiating a request for procurement of any product, the department shall review the specifications for such product to determine whether an Energy Star product is available. If an Energy Star product is available, the department is required to include in its bid specifications the requirement that the product be an Energy Star product unless it can be demonstrated, in writing, to the satisfaction of the department head, that a product with an Energy Star rating meets at least 1 of the following criteria:

1. The product is not available competitively,
2. The product is not available within a reasonable time frame, or
3. The product does not meet appropriate performance standards.

SECTION 11 – DEBARMENT OF VENDORS FOR CONSIDERATION OF AWARDS

11.1 Any vendor who fails to perform a contract or complete a project within the time established within the contract or invitation to bid may be subject for suspension or debarment. Once a problem with a vendor/contractor is discovered, the Department responsible for the contract will document the problem and all attempts at resolution. The vendor/contractor will be held in breach of contract. The responsible Department must submit a recommendation of debarment to the City Manager and the Procurement Manager. If enough cause is determined, the City Manager (with advice from the City Solicitor, if necessary) and/or the Procurement Manager will provide reasonable notice to the Vendor and allow a reasonable time for that vendor to be heard. The City Manager shall have the authority to debar a vendor/contractor for cause from consideration for award of contracts. The debarment shall not be for a period of more than three years.

11.2 The causes for debarment include:

A) Conviction of or civil judgment for:
   i. Commission of a fraud or a criminal offense in connection with obtaining or attempting to obtain or performing a public or private contract or subcontract;

B) Conviction under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty:

C) Conviction under state or federal antitrust statutes arising out of the submission of bids or proposals;

D) Violation of contract provisions, as set forth below, of a character which is regarded by the City Manger to be so serious as to justify debarment action:
   i. Deliberate failure without good cause to perform in accordance with the specifications or within the time limit provided in the contract; or
   ii. A recent record of failure to perform or of unsatisfactory performance in accordance with the terms of one (1) or more contracts; if failure to perform or unsatisfactory performance caused by acts beyond the control of the contractor shall not be a basis for debarment;

E) Any other cause the City Manager determines to be as serious and compelling as to affect responsibility as a City contractor, including debarment by another governmental entity for any cause listed in this article; and

F) For violation of the ethical standards set forth in Section 2 of this policy or Dover Code, Chapter 30.

11.3 The City Manager is authorized to suspend a person from consideration for award of contracts pending his decision if there is probable cause to believe that the person has engaged in any activity which might lead to debarment. The suspension shall continue until the debarment decision has been made. The City Manager shall notify the person to be debarred in writing and set forth the basis for the action. A copy of the notification shall be sent to the Mayor and Council. The written notification shall be delivered to the

person to be suspended either in person or by certified mail. The decision shall state the basis for the action taken.

11.4 Before the award of any contracts utilizing federal funds, the user must exclude any vendors listed on the Federal Government's Excluded Parties Listing located at www.epls.gov.

SECTION 12 - COMMITTEES/COMMISSIONS

12.1 All City of Dover appointed Committees and Commissions are required to follow the City of Dover purchasing policy, unless otherwise directed by City Council.

12.2 The Committee Chair or designated City staff member is authorized to purchase materials.

12.3 A list of the names of the individuals authorized to make purchases along with each authorized individuals' signature are to be submitted to the Finance Department.

12.4 A proposed work plan or budget will be required prior to disbursement of funds.

12.5 The Central Services and Finance Departments will give each Committee Chairperson a purchasing orientation. A copy of the Purchasing Policy will be provided.

EFFECTIVE DATE

Adopted by City Council December 8, 2008

Amended by City Council February 28, 2011

APPENDIX A

Sec. 30-20. - Established.

High ethical standards among public officials and employees are essential to gain and maintain the confidence of the people, because such confidence is essential to the conduct of free government. Public officials and employees are agents of the people and hold office for the benefit of the public. They are bound to observe in their official acts the highest standards of morality and to discharge faithfully and impartially the duties of their offices, regardless of personal considerations, recognizing that the public interest must be their primary concern. Their conduct in both their official and private affairs should be above reproach. These standards of ethical conduct are adopted in order to secure this desired high level of public trust, ensure the impartiality of public officials and employees, and impose standards of accountability.

(a) *General responsibilities of officials and employees.*

(1) Officials and employees have the common obligation of serving the public. In performing their duties, they shall treat the public and each other with respect, concern, and responsiveness, recognizing that their common goal of exceptional public service can only be achieved by working together. Disputes that arise among public servants shall be resolved at the lowest possible level; keeping in mind that public money spent on resolving these disputes is money not spent on important public needs.

(2) Officials and employees shall treat their position as a public trust, with a fiduciary duty to use the powers and resources of public office only to advance the public interest and not to obtain personal benefits or pursue private interests.

(3) Officials and employees shall conduct themselves in a manner that justifies the confidence placed in them by the people, at all times maintaining the integrity and discharging ethically the high responsibilities of public service.

(4) Full disclosure of real or potential conflicts of interest shall be a guiding principle for determining appropriate conduct. At all times, reasonable efforts shall be made to avoid undue influence and abuse of office in public service.

(5) No official or employee may request or receive, and no person may offer any money, thing of value or promise thereof, other than any city pay received, that is conditioned upon or given in exchange for promised performance of an official act.

(b) *Appearance of violation.* Each city employee and official shall endeavor to pursue a course of conduct which will not raise suspicion among the public that he is engaging in acts which are in violation of his public trust and which will not reflect unfavorably upon the city and its government.

(c) *Private interest; gifts.* No city employee or official shall have any interest in any private enterprise, nor shall he incur any obligation of any nature which is in substantial conflict with the proper performance of his duties in the public interest. No city employee or official shall accept other employment, any compensation, gift, payment of expenses or any other thing of monetary value under circumstances in which such acceptance may result in any of the following:

(1) Impairment of independence of judgment in the exercise of official duties;

(2) An undertaking to give preferential treatment to any person;

(3) The making of a governmental decision outside official channels; or

(4) Any adverse effect on the confidence of the public in the integrity of the government of the city.

(d) *Interest in private enterprise.* No city employee or official shall acquire a financial interest in any private enterprise which he has reason to believe may be directly involved in decisions to be made by him in an official capacity on behalf of the city.

(e) *Prohibitions relating to conflicts of interest*. No councilman or other official or employee, whether paid or unpaid, shall engage in any business or transaction or shall have a financial or other personal interest, direct or indirect, which is incompatible with the proper discharge of his official duties in the public interest or would tend to impair his independence of judgment or action in the performance of his official duties. Personal as distinguished from financial interest includes an interest arising from blood or marriage relationships or close business or political association provided, that upon request from any person with official responsibility with respect to the matter, any such person who has such a personal or private interest may nevertheless respond to questions concerning any such matter.

(1) *Restrictions on exercise of official authority.*

a. *Prohibited participation.* No city employee or official may participate on behalf of the city in the review or disposition of any matter pending before the city in which he has a personal or private interest, provided that, upon request from any person with official responsibility with respect to the matter, any such person who has such a personal or private interest may nevertheless respond to questions concerning any such matter. A personal or private interest in a matter is an interest which tends to impair a person's independence of judgment in the performance of his duties with respect to that matter.

b. *Impairment of judgment.* A person has an interest which tends to impair his independence of judgment in the performance of his duties with respect to any matter when:

i. Any action or inaction with respect to the matter would result in a financial benefit or detriment to accrue to the person or a close relative to a greater extent than such benefit or detriment would accrue to others who are members of the same class or group of persons; or

ii. The person or a close relative has a financial interest in a private enterprise which enterprise or interest would be affected by any action or inaction on a matter to a lesser or greater extent than like enterprises or other interests in the same enterprise.

c. *Statutory responsibility.* In any case where a person has a statutory responsibility with respect to action or inaction on any matter where he has a personal or private interest and there is no provision for the delegation of such responsibility to another person, the person may exercise responsibility with respect to such matter, provided that, promptly after becoming aware of such

conflict of interest, he files a written statement with the ethics commission, fully disclosing the personal or private interest and explaining why it is not possible to delegate responsibility for the matter to another person.

(2) *Restrictions on representing another's interest before the city.*

a. *Prohibited.* No city employee or official may represent or otherwise assist any private enterprise with respect to any matter before the city.

b. *Exception.* This subsection shall not preclude any city employee or official from appearing before the city or otherwise assisting any private enterprise with respect to any matter in the exercise of his official duties.

(3) *Restriction on contracting with the city.*

a. *Prohibited.* No city employee or official shall benefit from any contract with the city, nor solicit any contract, and shall not enter into any contract with the city (other than an employment contract).

b. *Ownership of enterprise.* No private enterprise in which a city employee or official has a legal or equitable ownership of more than ten percent (more than one percent in the case of a corporation the stock of which is regularly traded on an established securities market) shall enter into any contract with the city (other than an employment contract) unless such contract was made or let after public notice and competitive bidding.

(f) *Postemployment restrictions.* No person who has served as a city employee or official shall represent or otherwise assist any private enterprise on any matter involving the city, for a period of two years after termination of his employment or elected or appointed status with the city, if he gave an opinion, conducted an investigation or otherwise was directly and materially responsible for such matter in the course of his official duties as a city employee or official, nor shall any former city employee or official disclose confidential information gained by reason of his public position, nor shall he otherwise use such information for personal gain or benefit.

(g) *Unauthorized disclosure of confidential information.* No person shall disclose any information required to be maintained confidential by the ethics commission under section 30-3(b), 30-73 or 30-74.

(h) *Abuse of office.*

(1) *Political contributions.* No elected city official shall agree to sponsor legislation, or to influence in any manner the formulation or passage of legislation, in exchange for political contributions or promises thereof.

(2) *Substantial interest.* No elected city official shall vote for, or promote in any manner whatsoever, legislation affecting any subject matter in which he has a substantial interest. Any such interest shall be disclosed by said elected official prior to a vote on any such legislation, and said elected official shall vote "abstain" when called upon to vote.

(3) *Use of city property.* No city official or employee shall request or permit the use of city-owned vehicles, equipment, materials, or property for personal convenience

or profit, except when such services are available to the public generally or are provided for the use of such official or employee in the conduct of official business as a matter of municipal policy.

(4) *Personal gain.* No city official or employee shall utilize the influence of his office or position for personal pecuniary gain, or to avoid the legal consequences of his personal conduct.

(i) *Criminal sanctions.*

(1) *Penalties.* Any person who knowingly or willfully violates any provision of this section shall be guilty of a misdemeanor, punishable for each such violation by imprisonment of not more than one year and by a fine as provided for in Appendix F—Fees and Fines.

(2) *Time limitations.* A prosecution for a violation of this section shall be subject to the time limitations of 11 Del. C. § 205.

(j) *Contracts voidable by court action.* In addition to any other penalty provided by law, any contract entered into by any city agency in violation of this chapter shall be voidable by the city agency; provided that in determining whether any court action should be taken to void such a contract pursuant to this subsection, the city agency shall consider the interests of innocent third parties who may be damaged thereby. Any court action to void any transaction must be initiated within 30 days after the city agency involved has, or should have, knowledge of such violation.

(k) *Private gain.* No city employee or official shall use his public office to secure unwarranted privileges, private advancement or gain.

(l) *Confidential information; prohibited activity.* No city employee or official shall engage in any activity beyond the scope of his public position which might reasonably be expected to require or induce him to disclose confidential information acquired by him by reason of his public position.

(m) *Disclosure of information.* No city employee or official shall, beyond the scope of his public position, disclose confidential information gained by reason of his public position, nor shall he otherwise use such information for personal gain or benefit

(n) *Ex parte communications* . No official or employee shall encourage, make or accept any ex parte or other unilateral application or communication that excludes the interests of other parties in a matter under consideration when such application or communication is designed to influence official decision or conduct of the official or other officials, employees or agencies in order to obtain a more favored treatment or special consideration to advance the personal or private interests of himself or herself or others. The purpose of this provision is to guarantee that all interested parties to any matter shall have equal opportunity to express and represent their interests.

Any written ex parte communication received by an official or employee in matters where all interested parties should have equal opportunity for a hearing shall be made part of the record by the recipient.

Any oral ex parte communication received under such conditions should be written down in substance by the recipient and also made a part of the record.

A communication concerning only the status of a pending matter is not regarded as an ex parte communication.

(o) *Sexual favors.* No city employee or official, in the course of his public responsibilities, shall use the granting of sexual favors as a condition, either explicit or implicit, for an individual's favorable treatment by that person or a city agency.

ARTICLE III. - ETHICS COMMISSION

Sec. 30-71. - Established; composition; removal; terms of office; vacancies; chairperson; quorum; compensation; legal counsel.

(a) *Established; composition; removal.* The city ethics commission is hereby established to administer and implement this chapter. The ethics commission shall consist of five members appointed by the mayor and confirmed by the city council. No member of the commission shall hold any elected or appointed office under the government of the United States or the state, county, or city. Members of the ethics commission may be removed by the mayor, with the concurrence of the city council, for substantial neglect of duty, gross misconduct in office or a violation of this chapter.

(b) *Terms of office; vacancies.* A member of the ethics commission shall be appointed for a term of office of five years and until his successor has been appointed and has qualified. The members shall be appointed for staggered terms of office, and until their successors have been appointed. When a vacancy occurs in the membership of the ethics commission, it shall be filled by appointment for the unexpired portion of the term in the same manner as the original appointment.

(c) *Chairperson; quorum.* The ethics commission shall elect a chairperson from among its membership. Three members of the ethics commission shall constitute a quorum and, if a quorum is present, a vacancy on the ethics commission shall not impair the right of the remaining members to exercise all the powers of the ethics commission. Disciplinary hearings may be conducted and sanctions may be imposed only by the affirmative action of at least three members; otherwise, the ethics commission may delegate authority to the chairperson to act for the ethics commission between meetings.

(d) *Compensation.* Members of the ethics commission shall receive no compensation.

(e) *Legal counsel.* The city solicitor shall provide legal counsel to the ethics commission and shall be the legal representative of the ethics commission in connection with its duties hereunder, on a case-by-case basis, or determine that outside counsel is needed and obtain such outside counsel for a particular matter.

Sec. 30-72. - Powers and duties.

(a) The powers and duties of the ethics commission shall be:

(1) *Standards of ethical conduct.* To recommend to the mayor and council, from time to time, such rules of conduct for public employees and officials as it shall deem appropriate.

(2) *Advisory opinions.* To issue written advisory opinions, upon the request of any city employee or official, as to the applicability of this chapter to any particular factual situation.

(3) *Referrals to solicitor.* To refer to the city solicitor for investigation any alleged violation of this chapter and, after notice and hearing, to recommend such disciplinary action as it may deem appropriate to such appropriate official or agency as the ethics commission shall determine, or to take such other disciplinary action as authorized by section 30-73(o) or other provisions of the city Charter or this Code. The ethics commission may dismiss, without reference to the city solicitor, any complaint which the ethics commission determines is frivolous or fails to state a violation.

(4) *Report of crimes.* To report to the appropriate federal, state or city authorities any substantial evidence of a violation of any criminal law which may come to its attention in connection with any proceeding, whether advisory or disciplinary.

(5) *Records.* To maintain a file of its proceedings, waiver decisions and advisory opinions with a view toward achieving consistency of opinions and recommendations subject to the confidentiality requirements of sections 30-74 and 30-73(s).

(6) *Procedures.* To follow the procedural rules specified in section 30-73 and to establish such other procedural rules as shall be consistent with the rules prescribed therein.

(7) *Witnesses, evidence.* To subpoena witnesses, compel their attendance and testimony, administer oaths and affirmations, take evidence and require, by subpoena, the production of books, papers, records or other evidence needed for the performance of the ethics commission's duties or exercise of its powers.

(8) *Assistance to city personnel.* To provide assistance to any city employee, official or agency in administering the provisions of this chapter.

(9) *Provide information.* To prepare any necessary reports and studies to advance the purpose of this chapter, to provide any necessary materials explaining the duties of individuals covered by this chapter, and to supply instructions and public information materials to facilitate compliance with, and enforcement of, this chapter.

(10) *Request city agencies for assistance.* To request appropriate city agencies to provide such professional assistance as it may require in the discharge of its duties.

Sec. 30-73. - Rules of procedure; complaints; hearings; dispositions.

(a) Any person, either personally or on behalf of an organization or governmental body, may file a sworn complaint for the ethics commission with the city clerk. The complaint must be in writing, be signed, and show the address of the person who submitted it. The complaint must state that, to the best of the person's knowledge, information, and belief formed after reasonable reflection, the information in the complaint is true. The complaint must describe the facts that constitute the violation of the standards of ethical conduct in sufficient detail so

that the ethics commission and the person who is the subject of the complaint can reasonably be expected to understand the nature of any offense that is being alleged. The commission may request any additional information deemed necessary to screen the complaint or to render a decision. No complaints shall be accepted or considered which relate to actions that took place more than one year prior to the date of filing. The individual filing the sworn complaint has 60 days from the date that the issue is brought to his or her attention to file a complaint.

(b) After the sworn complaint has been filed, none of the parties or their representatives may communicate on an ex parte basis with any commission members pertaining to the complaint. All communications pertaining to the complaint shall be submitted to the city clerk.

(c) Within seven days of receiving a sworn complaint the city clerk shall send copies of the complaint to each member of the ethics commission, the city solicitor, and the official or officials against whom such complaint has been filed. Hereinafter, the complaining party shall be referred to as the "complainant" and the official against whom a complaint has been lodged shall be referred to as the "respondent."

(d) The commission recognizes that distribution to the public of a sworn complaint prior to screening by the commission as required below could harm the reputation of an innocent person and is contrary to the public interest; therefore, the public release of the complaint is prohibited until the screening process has been completed. The commission shall consult in confidence to screen the complaint within 14 days of receiving the complaint. The commission may immediately dismiss a complaint if:

(1) It has no jurisdiction; or

(2) The alleged violation, if true, would not constitute a violation of the standards of ethical conduct; or

(3) The alleged violation is a minor or de minimis violation; or

(4) The complaint is, on its face, frivolous, groundless, or brought for purposes of harassment; or

(5) The matter has become moot because the person who is the subject of the complaint is no longer an officer, official or employee; or

(6) The respondent had obtained an advisory opinion under section 30-74(c) permitting the conduct; or

(7) The appointing authority of the respondent has already taken action as a result of finding a violation and the commission believes the action was appropriate.

(e) In issues regarding standards of ethical conduct violations, the enforcement process is intended to be corrective rather than remedial unless the violation is a repeated offense. In the event the ethics commission determines a standards of ethical conduct violation has occurred, and it is minor in nature, with the concurrence of the complainant and the subject of the sworn complaint, the commission may dispense with the hearing process and conduct a more informal mediation process in lieu of a hearing.

(f) If the sworn complaint is not dismissed or otherwise resolved pursuant to subsection 30-73(d), the city clerk shall promptly contact the members of the ethics commission, the city solicitor, the complainant, and the respondent in order to ascertain a date and time when a

hearing can be convened on such complaint. As soon as a date and time have been agreed upon for a hearing before the ethics commission, the city clerk shall send written notice of such scheduling and a copy of the rules of procedure to the complainant and to the respondent. No copies of the complaint shall be provided to any other parties before the respondent receives the complaint. The city solicitor shall be the prosecuting attorney in all disciplinary proceedings before the ethics commission. In any such investigation or proceeding, a defendant shall be given an opportunity to be heard after notice, to be advised and assisted by legal counsel, to produce witnesses and offer evidence, and to cross examine witnesses. A transcript of any such proceeding shall be made and retained, subject to the confidentiality requirements of this chapter.

(g) The commission may dismiss a complaint if the complainant does not appear at the hearing and if, in the opinion of the commission, it would be unfair to the respondent not to have the opportunity to examine the complainant.

(h) As promptly as possible after the close of the hearing, the commission shall deliberate to determine if the allegations have been proven by clear and convincing evidence. Only ethics commission members who have been present for the hearing may participate in the deliberations, and any findings and recommendations must be adopted by a majority of the commission. The commission may consider, when making findings and recommendations, the severity of the offense, the presence or absence of any intention to conceal, deceive, or mislead, whether the violation was deliberate, negligent or inadvertent, and whether the incident was isolated or part of a pattern.

(i) Within seven days of the conclusion of deliberations, the commission shall issue an order setting forth its findings and recommendations. In the alternative, the commission where it deems it appropriate, may issue an advisory opinion in lieu of making findings and recommendations.

(j) If the respondent is an employee, the commission may, if it determines corrective action is necessary, notify the city manager or the council president and recommend that action be taken, including discipline.

(k) If the respondent is a city official, the commission may propose actions to the city council that are appropriate to the finding as specified in section 30-73(o).

(l) The commission shall send a written copy of its findings and recommendations to the respondent and the complainant.

(m) *Proceeding relating to member.* A member of the ethics commission shall be ineligible to participate, as a member of the ethics commission, in any ethics commission proceeding relating to his conduct. A member of the ethics commission who has been found by the ethics commission to have violated this chapter shall be ineligible to serve again as a member of the ethics commission.

(n) *Self-disqualification.* A member of the ethics commission may disqualify himself from participating in any investigation of the conduct of any person upon submission, in writing and under oath, of an affidavit or disqualification stating that he cannot render an impartial and unbiased decision in the case in which he seeks to disqualify himself.

(o) *Actions by ethics commission.* With respect to any violation with which a person has been charged and which the ethics commission has determined as proved, the ethics commission may take any one or more of the following actions:

(1) *Reprimand.* Issue a written reprimand or censure of that person's conduct.

(2) *Discipline.* With respect to a city employee, remove, suspend, demote or take other appropriate disciplinary action with respect to that person, without regard to any limits imposed by this chapter, but within the limits of the constitution, the laws of the state, the Charter of the city, and ordinances and existing collective bargaining agreements.

(3) *Recommend removal.* With respect to an appointed official, recommend that appropriate action be taken to remove the official from the appointed position.

(4) *Recommend fine.* With respect to an elected city official, recommend that such official be fined in an amount recommended by the ethics commission.

(p) *Rights of person charged.* In any proceeding before the ethics commission, upon the request of any person charged with a violation of this chapter, such person shall be permitted to inspect, copy or photograph books, papers, documents, photographs or other tangible objects which will be used as evidence against that person in a disciplinary hearing and which are material to the preparation of his defense.

(q) *Exculpatory information.* In any proceeding before the ethics commission, if the city solicitor or ethics commission at any time receives any exculpatory information concerning an alleged violation against any person, it shall forthwith make such information available to such person.

(r) *Subpoenas.* Any person charged with a violation of this chapter may apply to the ethics commission for the issuance of subpoenas for the appearance of witnesses and for the production of documents on his behalf. The application shall be granted upon a concise showing by such person that the proposed testimony or evidence is relevant (or is reasonably calculated to lead to the discovery of relevant evidence) and is not otherwise available. The application shall be denied if not made at a reasonable time or if the testimony or evidence would be merely cumulative.

(s) *Confidentiality of proceedings.*

(1) *City employee.* All proceedings before the ethics commission relating to a violation of this chapter by a city employee shall be maintained confidential by the ethics commission, unless:

a. Public disclosure is requested, in writing, by the person charged; or

b. The ethics commission determines after a hearing that a violation has occurred.

(2) *City official.* All proceedings before the ethics commission relating to a violation of this chapter by a city official, appointed or elected, shall be maintained confidential by the ethics commission, unless:

a. Public disclosure is requested, in writing, by the person charged; or

b. The ethics commission determines after a hearing that a violation has occurred.

(t) *Appeals; public inspection.* Notwithstanding the confidentiality requirements of subsections (s)(1) and (2) of this section, the ethics commission shall make available for public inspection the record of all proceedings relating to any decision of the ethics commission which is appealed to the superior court and the ethics commission shall report to appropriate federal, state and/or city authorities any substantial evidence of a violation of any criminal law which comes to its attention in connection with any proceeding under this chapter.

(u) *Confidentiality procedures.* The chairperson of the ethics commission shall, with the approval of the ethics commission, establish such procedures as, in the chairperson's judgment, may be necessary to prevent the disclosure of any record of any proceedings or other information received by the ethics commission, except as permitted by this chapter.

Sec. 30-74. - Waivers of restrictions and advisory opinions.

(a) *Authority of ethics commission.* Notwithstanding the provisions of section 30-20, upon the written request of any city agency or of any individual who is or was a city employee or city official, the ethics commission may grant a waiver to the specific prohibitions contained therein if the ethics commission determines that the literal application of such prohibition in a particular case is not necessary to achieve the public purposes of this chapter or would result in an undue hardship on any employee or official. Any such waiver may be granted only by written decision of the ethics commission. Any person who acts in good faith reliance upon any such waiver decision shall not be subject to discipline or other sanction hereunder with respect to the matters covered by the waiver decision, provided there was a full disclosure to the ethics commission of all material facts necessary for the waiver decision.

(b) *Waiver information confidential; exceptions.* Any application for a waiver, any proceeding and any decision with respect thereto shall be maintained confidential by the ethics commission, provided that:

(1) *Applicant's request.* Public disclosure shall be made by the ethics commission upon the written request of the applicant;

(2) *Violations.* The ethics commission may make such public disclosure as it determines is required in connection with the prosecution of any violation of this chapter;

(3) *Evidence of crime*. The ethics commission shall report to appropriate federal, state and/or city authorities substantial evidence of any criminal violation which may come to its attention; and

(4) *Public record.* In the event that a waiver is granted, the waiver decision and the record of all proceedings relating thereto shall be open to public inspection.

(c) *Advisory opinion authorized.* Upon the written request of any city employee or official, the ethics commission may issue an advisory opinion as to the applicability of this chapter to any particular fact or situation. Any person who acts in good faith reliance upon any such advisory opinion shall not be subject to discipline or other sanction hereunder with respect to the matters covered by the advisory opinion, provided there was a full disclosure to the ethics commission of all material facts necessary for the advisory opinion.

(d) *Advisory opinion confidential; exceptions.* Any application for an advisory opinion, any proceeding and any decision with respect thereto shall be maintained confidential by the ethics commission, provided that:

(1) *Applicant's request.* Public disclosure shall be made by the ethics commission upon the written request of the applicant;

(2) *Violations.* The ethics commission may make such public disclosure as it determines is required in connection with the prosecution of any violation of this article; and

(3) *Evidence of crime*. The ethics commission shall report to appropriate federal, state and/or city authorities substantial evidence of any criminal violation which may come to its attention.

Sec. 30-75. - Judicial review.

In the event that the ethics commission finds that any person has violated any provision of this chapter, said person shall have a right of appeal to the superior court of any such finding, and of any sanctions imposed with respect thereto, by filing a notice of appeal with the superior court within 30 days of the final action by the ethics commission in a particular case. The appeal shall be on the record without a trial de novo. If the court determines that the record is insufficient for its review, it shall remand the case to the ethics commission for further proceedings on the record. The court's review, in the absence of actual fraud, shall be limited to a determination of whether the ethics commission's decision was supported by substantial evidence on the record. The burden of proof in any such appeal shall be on the appellant.

(Ord. No. 2017-14 , 12-11-2017)

APPENDIX B ~~A~~
INVITATION TO BID AND REQUEST FOR PROPOSAL PROCEDURES

Departments will use the chart below to determine the appropriate sealed bid method. Advance coordination with the Purchaser is required.

Competitive Sealed Bids VS Competitive Sealed Proposals

Activity Description	Competitive Sealed Bids	Competitive Sealed Proposals
Specifications	Specific as to performance/design	End results oriented by Scope of Work. Proposer must develop and provide solution.
Opening	Public – all data available to other bidders and the public	Public – only names of proposers are read; no pricing or other data made available
Evaluation	Based strictly on Technical Specifications – *NO* material changes allowed	Based on *quality* with multi-member Criteria Evaluation Committee assigning weighted values to various parts of each proposal
Discussion	None	Individual discussions with each proposer to determine understanding of proposal requirements
Changes	None	Each proposer can re-submit a Best and Final Offer that might change the solution and the price
Award	Lowest Responsive and Responsible Bidder	*Best Value* Proposal – not necessarily the *lowest price*

I. COMPETITIVE SEALED BIDS

A. Preparing Specifications

- The department requesting the purchases through Central Services will prepare the complete specifications, with the assistance of the Purchaser (if requested) and submit them to Central Services.
- All specifications shall be written in such a manner as to describe the requirements to be met, without having the effect of exclusively requiring a proprietary supply, service, or construction item, or procurement from a sole source, unless no other manner of description will suffice.
- Where a brand name or equal specification is used in a solicitation, the solicitation shall contain explanatory language that the use of a brand name is for describing the standard of quality, performance, and characteristics desired and is not intended to limit or restrict competition.
- It is the general policy of the City to procure standard commercial products whenever practicable. In developing specifications, accepted commercial standards shall be used and unique requirements shall be avoided, to the extent practicable.

B. If only one responsive bid is received in response to an invitation to bid or request for proposal, an award may be made to the single bidder if the Department Director having operational authority over the funds to be expended determines that the price submitted is fair and reasonable, and that either other prospective bidders had reasonable opportunity to respond, or there is not adequate time for resolicitiation. Otherwise the bid/proposal may be rejected and new bids or offers may be solicited or the proposed procurement may be cancelled.

C. Bids are to be delivered to the Central Services, 710 William Street, Dover, Delaware 19904. They will be opened in the presence of the Purchaser or her/his designee. All bids shall become public record and shall be available for public inspection after it has been determined that there is no proprietary information within the bids. Copies of bids will not be provided to competing vendors. The documents related to the bids and award of the contracts shall be retained for a minimum of three years for unaccepted bids and five years for accepted bids by the Central Service Department. After this period, they may be destroyed by the Central Services Department following the internal guidelines in place by the City Clerk's Office and the State Bureau of Archives Retention Schedule.

D. For materials, supplies, equipment, and construction work, the department requesting the quotations will supply Central Services with clear bid specifications. Such specifications should rigorously meet the need of the City of Dover, but not be so all inclusive as to effectively eliminate all but one vendor.

F. The City reserves the right to pre-qualify bidders. This pre-qualification does not prohibit the City from determining, in its sole opinion, the most suitable bid for the product or projects.

G. For purchases $25,000 and greater, vendor references may be checked. This will be done to verify the bidder's ability to perform the contract requirements, the quality of work and the ability to meet obligations in case of non-fulfillment of the contract.

H. The bid notice prepared by Central Services shall provide the specifications or details of how vendors can obtain specifications. The bid notice shall also specify the closing date, time and place for receiving the bids, opening of the bids, where potential bidders may obtain contract documents, and the fee for each contract. A fee in an amount capable of recovering the cost of preparation of the specifications may be charged when specifications are picked up by the vendor.

I. A bid bond or certified check in the amount equivalent to ten percent (10%) of the bid amount should be required with each bid for construction work, materials, supplies, or equipment over $25,000. The requirement for a bid bond may be waived by the Central Services Purchaser and Department Head when the bid is for items being purchased for stock. A bid bond may be required by the requesting department regardless of the dollar value of the bid. Acceptable bid security shall be limited to a bid bond in a form satisfactory to the City underwritten by a company licensed to issue bid bonds in this state or a bank certified check. If a bid does not comply with security requirements, it shall be rejected as being non-responsive. The required bid bond shall be in substantially the format as identified in APPENDIX C~~B~~.

The check or bid bond of the bidder to whom the contract is awarded will be forfeited to the City of Dover as liquidated damages in case the contract and performance bond are not executed within fifteen days after receiving official notification of award.

J. A performance bond shall be required from the successful bidder for a construction contract. Such a bond shall be for the full amount of the contract. If the contractor fails to provide such a bond or a binder within fifteen days of the award of the contract, the award of the contract or the contract shall be void. The required performance bond shall be in substantially the format as identified in APPENDIX D~~C~~.

Other insurance or bonds as required by State and/or Federal laws shall be furnished by the contractor. The amounts and the types of the bonds and insurance required shall be disclosed in the bid specifications. The bond shall be released by the City of Dover upon successful completion of the contract and upon a detailed inspection of the contracted work.

K. The City of Dover shall have the right to reject any or all bids if deemed to be in the best interest of the City.

L. All bids submitted to the City of Dover shall be such as to comply with the applicable local, state and federal requirements.

II. COMPETITIVE SEALED PROPOSALS

Evaluation of proposals must adhere to the following guidelines:

a. Determine what proposals are acceptable and unacceptable
b. A determination that a proposal is unacceptable shall be in writing, state the basis for the determination and be retained in the procurement file
c. The offeror shall not be afforded an opportunity to modify its offer

Negotiation with individual offerors

a. The department can negotiate with individual offerors after their proposals are opened.
b. Formalized procedures should be established and consistently applied to each offer
c. Disclosure of one offerors price to another is prohibited
d. The department must send a written request for best and final offers setting forth the date, time, and place for submission of best and final offers
e. The department must inform the offerors that if they do not submit a notice of withdrawal or a best and final offer, their immediate previous offer will be construed as their best and final

Final Award

a. The contract shall be awarded within 90 days of the closing date
b. The department shall award a contract to the offeror whose proposal is determined in writing to be most advantageous to the City
c. The determination shall explain the basis of the award
d. Central Services shall notify each unsuccessful offeror in writing of the award

APPENDIX C~~B~~

SAMPLE BID BOND

Bond No. _____

KNOW ALL MEN BY THESE PRESENTS, that we, _____

as Principal, hereinafter called the Principal and *[Bonding Company]* (hereinafter called the "Surety"), a corporation duly authorized to transact business in _____ and having its principal office at _____, are held and firmly bound unto the City of Dover, for the sum of _____Dollars ($_____), for payment of which sum well and truly to be made, the said Principal and said Surety bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has submitted a bid for *[Identify project by number and brief description]*.

NOW, THEREFORE, if the City of Dover shall accept the bid of the Principal and the Principal shall enter into a Contract with the City of Dover in accordance with the terms of such bid, and give such bond or bonds as may be specified in the bidding or Contract Documents with good and sufficient surety for the faithful performance of such Contract and for the prompt payment of labor and material furnished in the prosecution thereof, or in the event of the failure of the Principal to enter such Contract and give such bond or bonds, if the Principal shall pay to the City of Dover the difference not to exceed the penalty hereof between the amount specified in said bid and such larger amount for which the City of Dover may in good faith contract with another party to perform work covered by said bid or an appropriate liquidated amount as specified in the Invitation for Bids then this obligation shall be null and void, otherwise to remain in full force and effect

Signed and sealed this _____ day of _____, 20 _____.

Witness of Attest: _____(Witness)

By: _____(Principal)

By: _____(Surety)

IMPORTANT: Surety Companies executing BONDS must appear on the Treasury Department's most current list (Circular 570 as amended) and be authorized to transact business in the state where the project is located.

APPENDIX D~~C~~

SAMPLE PERFORMANCE BOND

Bond No. _____

KNOW ALL MEN BY THESE PRESENTS, that *[Here insert the full name and address or legal title of the contractor]* as Principal, hereinafter called Contractor, and *[Bonding Company]* (hereinafter called the "Surety"), a corporation duly authorized to transact business in _____ and having its principal office at _____, are held and firmly bound unto the City of Dover, as Obligee, in the amount of *[Here insert a sum equal to the total amount of the contract price]* Dollars ($_), for the payment whereof Contractor and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, Contractor has by written agreement dated _____, 20 _____, entered into a contract with the City of Dover for *[Describe project and insert project number]* in accordance with drawings and specifications prepared by *[Here insert full name and address or legal title of Architect]* which contract is by reference made a part hereof, and is hereinafter referred to as the Contract.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that, if the Contractor shall promptly and faithfully perform said Contract then this obligation shall be null and void; otherwise it shall remain in full force and effect. The Surety hereby waives notice of any alteration or extension of time made by the City of Dover and its obligation is not affected by any such alteration or extension provided the same is within the scope of the contract. Whenever the Contractor shall be, and is declared by the City of Dover to be in default under the Contract, the City of Dover having performed the City of Dover's obligations thereunder, the Surety may promptly remedy the default or shall promptly:

1) Complete the Contract in accordance with its terms and conditions; or
2) Obtain a bid or bids for completing the Contract in accordance with its terms and conditions, and upon determination by the City of Dover and the Surety jointly of the lowest responsive, responsible bidder, arrange for a contract between such bidder and the City of Dover, and make available as work progresses sufficient funds to pay the cost of completion less the balance of the contract price; but not exceeding, including other costs and damages for which the Surety may be liable hereunder the amount set forth in the first paragraph hereof. The term "balance of the contract price," as used in this paragraph, shall mean the total amount payable by the City of

Dover to the Contractor under the Contract and any amendments thereto, less the amount properly paid by the City of Dover to the Contractor. No right of action shall accrue on this bond to or for the use of any person or corporation other than the City of Dover or successors of the City of Dover.

Signed and sealed this _____ day of _____, 20 _____.

Witness of Attest: _____(Witness)

By:_____(Principal)

By: __ _____(Surety)

IMPORTANT: Surety Companies executing BONDS must appear on the Treasury Department's most current list (Circular 570 as amended) and be authorized to transact business in the state where the project is located.

APPENDIX E~~D~~

GLOSSARY

"Addendum" An addition or supplement to a document, for example, items or information added to a procurement document.

"Award" The presentation, after careful consideration, of a purchase agreement or contract to the selected bidder or offeror.

“Best and Final Offer” In competitive negotiation, the final proposal submitted after negotiations are completed that contains the vendor’s most favorable terms for price and services or products to be delivered.

“Best Value” An assessment of the return that can be achieved based on the total Life Cycle Cost of the item; can include an assessment of the functionality of the item; can use cost/benefit analysis to define the best combinations of quality, services, time, and cost considerations over the useful life of the acquired item.

"Bid" An offer submitted by a prospective vendor in response to an invitation to bid issued by a purchasing authority; becomes a contract upon acceptance by the buyer.

"Bid Bond" An insurance agreement, accompanied by a monetary commitment, by which a third party (the Surety) accepts liability and guarantees that the bidder will not withdraw the bid, the bidder will furnish bonds as required, and if the contract is awarded to the bonded (insured) bidder, the bidder will accept the contract as bid, or else the surety will pay a specific amount.

"Bid Protest" A formal complaint made against the methods employed or decisions made by a procurement authority in the process leading to the award of a contract.

"Brand Name or Equal Specification" A specification using one or more manufacturers’ brand names, with identifying model numbers, to describe the standards of quality, performance or other characteristics needed to meet the requirements of a solicitation, and which invites bids for equivalent products from any manufacturer.

"Brand Name Specification" A specification using one or more manufacturers’ brand names, with identifying model numbers, to describe the acceptable items; all other items will be excluded.

"Buyer" 1: A purchaser can refer to the buying agency or government. 2: A worker in a procurement office who is appointed to purchase a specific range of goods or services on a routine basis, usually under the supervision of a section head or purchasing manager.

"Capital Asset" An asset with a life of more than one year, either tangible or intangible, with a value above a certain minimum amount set by the jurisdiction. For the City, this amount is $4,999.

"Certain Professional Services" means those services within the scope of the practice of architecture, professional engineering, professional land surveying, landscape architecture and geology.

"Change Order" A written alteration to a contract or purchase order, signed by the purchasing authority.

"Clarification" A communication with an offeror for the sole purpose of eliminating minor irregularities or apparent clerical mistakes in a proposal; may be initiated by either offeror or purchaser; does not give the offeror an opportunity to revise or modify its proposal, except to the extent the correction of apparent clerical mistakes results in revision.

"Combination Specification" Has the features of both design specifications and performance specifications.\

"Commodity" Any moveable, tangible article of trade or commerce.

"Commodity Code" A system of words or numbers designed to identify and list commodities or services by classes or sub-classes. For the City, the commodity code is the first three numbers of stock code and the sub-commodity is the second three numbers of the stock code. A list can be printed from HTE.

"Competitive Sealed Bidding" Preferred method of acquiring goods, services, and construction for public use in which the award is made to the lowest responsive and responsible bidder, based solely on the response to the criteria set forth in the invitation to bid; does not include discussions or negotiations with bidders. Also called formal bid and formal advertised bid.

"Contract" 1: A legally binding promise, enforceable by law. 2: An agreement between parties, with binding legal and moral force, usually exchanging goods or services for money or other consideration. 3: All types of agreements, regardless of what they may be called, for the procurement or disposal of supplies, services, or construction.

"Contract Modification" Any written alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provision of any contract, accomplished by mutual action of parties to the contract.

"Depreciation" 1: A decrease in value because of use, time, deterioration, inadequacy or obsolescence. 2: An accounting recognition of loss of value of a fixed asset.

"Designee" A duly authorized representative.
"Design Specification" A specification establishing the characteristics an item must possess, including enough detail to show how it is to be manufactured.

"Economic Order Quantity (EOQ)" A quantity providing the lowest acquisition, inventory costs at a minimum cost per unit.

"Emergency Purchase" A purchase made to alleviate a situation in which there is a threat to health, welfare, or safety under certain conditions defined as an emergency by the jurisdiction, that does not allow time for normal, competitive purchasing procedures.

"F.O.B. Destination" Title changes hands from vendor to purchaser at the destination of the shipment; Vendor owns goods in transit and files any claims. Payment of freight charges is determined by contract terms.

"Functional Specification" A specification setting forth the results required from the supply or service.

"Indemnify" 1: To protect against hurt or loss, to exempt from incurred penalties or liabilities. 2: To compensate or pay for damage.

"Informal Bid" A competitive bid or price quotation for supplies or services that is conveyed by letter, telephone, or other means and does not require a sealed bid, public opening, or public reading of the bids. See request for quotation.

"Invitation to Bid" A formal request to prospective vendors soliciting price quotations or bids; contains, or incorporates by reference, the specifications or scope of work and all contractual terms and conditions.

"May" Denotes the permissive in a contract clause or specification.

"Non-responsible Bid" A bid from a vendor who does not have the capability to perform fully the contract requirements, or who does not have the integrity and reliability to assure performance.

"Non-responsive Bid" A bid that does not conform to the mandatory or essential requirements of the invitation to bid.

"Open Market Purchase" A purchase, usually of a limited monetary amount, from any available source.

"Performance Bond" A bond executed after award by a successful bidder, to protect the buyer from loss due to the bidder's inability to complete the contract as agreed; Secures the fulfillment of all contract requirements.

"Performance Specification" A specification setting forth the capabilities and performance characteristics the article must satisfy.

"Pre-bid Conference" A meeting held with prospective bidders prior to solicitation of bids, to clarify any ambiguities, answer bidder questions, and ensure all bidders have a common basis of understanding regarding the supplies or services required.

“Pre-proposal Conference” Same as a pre-bid conference, but for competitive proposals.

“Prequalification of Bidders” The screening of potential vendors in which such factors as financial capability, reputation, and management are considered to develop a list of qualified vendors.

"Procurement" 1: Purchasing, renting, leasing, or otherwise acquiring any supplies, services, or construction; includes all functions that pertain to the acquisition, including description of requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration. 2: The combined functions of purchasing, inventory control, traffic and transportation, receiving, receiving inspection, storekeeping, and salvage and disposal operations.

"Professional Services” Services rendered by members of a recognized profession or possessing a special skill. Such services are generally acquired to obtain information, advice, training, or direct assistance (i.e. architectural & engineering services).

"Public Works and Utilities Contract" means any contract for the construction, reconstruction, alteration or repair of any public building, road, street, highway, utility system or other public improvement, the cost of which will be paid with public funds.

"Reasonable Cost" A cost that by its nature or amount does not exceed what would normally be incurred by an ordinarily prudent person in the conduct of competitive business.

"Request for Proposal" All documents, whether attached or incorporated by reference, utilized for soliciting competitive proposals.

“Request for Quotation” An informal solicitation or request for information, where oral or written quotes are obtained from vendors, without formal advertising or receipt of sealed bids. Used only where statutes do not require formal sealed bids, such as small or emergency purchases, but price competition is desired.

"Responsible Bidder or Offeror" A bidder or offeror who has the capability in all respects to perform fully the contract requirements, and the experience, integrity, perseverance, reliability, capacity, facilities, equipment, and credit which will assure good faith performance.

"Responsive Bidder or Offeror" A bidder or offeror who has submitted a bid which conforms in all material respects to the requirements stated in the Invitation to Bid.

“Restrictive Specification” Specification that unnecessarily limits competition by eliminating items capable of satisfactorily meeting actual needs, often by requiring features which exceed the minimum acceptable characteristics required for satisfactory performance.

"Shall" Denotes an imperative in contract clauses or specifications.

“Small Purchase” Any procurement not exceeding a given upper monetary limit, as established by law or regulation.

"Single Source Procurement" A contract for the purchase of goods and services entered after soliciting and negotiating only with one source, usually because of the technology required or uniqueness of the service provided.

"Sole Source Procurement" Only one vendor/manufacturer possesses the unique and singularly available capability to meet the requirement of the solicitation, such as technical qualifications, ability to deliver at a time, or services from a public utility.

"Specification" A description of the physical or functional characteristics, or the nature of a supply, service, or construction item; the requirements to be satisfied by a product, material, or process indicating, if appropriate, the procedures to determine whether the requirements are satisfied. See Brand Name Specification, Brand Name or Equal Specification, Combination Specification, Design Specification, Performance Specification, Restrictive Specification, Standard Specification.

"Standard Specification" A specification that is to be used for all or most purchases of an item; describes all required physical and functional characteristics of a good, service or construction.

"Statement of Work" A detailed description of the work which the purchasing jurisdiction wants the contractor to perform.

"Term Contract" A contract in which a source of supply is established for a specified period for specified services or supplies; Usually characterized by an estimated or definite minimum quantity, with the possibility of additional requirements beyond the minimum, all at a predetermined unit price.

Source of Definitions: Dictionary of Purchasing Terms published by the National Institute of Governmental Purchasing.

APPENDIX F~~E~~

CITY OF DOVER QUOTATION WORKSHEET

(To be used for purchases between $5,000.00 and $24,999.99)

Department: _____ Division: _____

Department Contact (Name & number): _____

Item/Service: _____

Estimated Dollar Value: _____

Account Code: _____ Project Code: _____

Vendors (At least three vendors must be used. Include at least one minority or women owned vendor, if available. Use of more than one minority or women owned vendor is encouraged):

1. Go to http://gss.omb.delaware.gov/omwbe/index.shtml.
2. Select **Minority and/or Women Business Enterprise Directory**
3. Search by keyword i.e. Electrician, Construction, Furniture
   List keyword(s) used: _____
4. Each company displayed will have its assigned NAICS code listed.
   List NAICS Code(s) used: _____
5. Refine search by NAICS Code if necessary.
6. Were Vendors Found: YES, NO If so, how many: _____

Vendor 1: _____Minority ☐

Vendor 2: _____Minority ☐

Vendor 3: _____Minority ☐

If more than three vendors are used, list them on the reverse of this form.

Date sent out for quotes: _____

Date due back: _____

Date of award: _____

Vendor receiving the award: _____

Was the 3% minority vendor preference applied in the evaluation? YES NO
Was this a minority vendor? YES NO

Total dollar amount of purchase or estimated total contract value: $_____

Purchase Order produced: YES, NO PO Number: _____

PAGE NUMBERS WILL BE ADJUSTED UPON APPROVAL OF THE REVISED POLICY

Additional vendors used for this purchase

Vendor 4: _____Minority ☐

Vendor 5: _____Minority ☐

Vendor 6: _____Minority ☐

Vendor 7: _____Minority ☐

Vendor 8: _____Minority ☐

Vendor 9: _____Minority ☐

Vendor 10: _____Minority ☐

Send completed form to the Procurement Office in Central Services.

The City of Dover, Delaware
Combining Statement of Changes in Pension Trust Fund Net Position
For the Year Ended June 30, 2017

	Police Pension	General Pension	Totals
Additions			
Net investment income	$ 1,433,258	$ 4,350,779	$ 5,784,037
City's contribution - payroll based	-	2,876,657	2,876,657
City's contribution - lump sum	670,000	-	670,000
Employee contribution	-	202,175	202,175
State contributions	444,317	-	444,317
Other	4,029	-	4,029
Total Additions to Net Position	2,551,604	7,429,611	9,981,215
Deductions			
Benefit payments	1,528,191	3,746,045	5,274,236
General administration	4,979	17,677	22,656
Total Deductions From Net Position	1,533,170	3,763,722	5,296,892
Change in net position	1,018,434	3,665,889	4,684,323
Net Position - Beginning	12,224,685	35,698,537	47,923,222
Net Position - Ending	$ 13,243,119	$ 39,364,426	$ 52,607,545

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, 2017, 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

	Statement of Change in Pension													
Trust Fund – General Pension	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Year Ending June 30th	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Additions														
1 Net Investment Income	-$322,374	$1,198,899	$762,461	$1,574,496	$2,688,851	-$1,157,304	-$2,172,453	$1,963,709	$3,776,674	-$4,991	$1,751,243	$4,148,960	$954,989	$850,131
2 City contribution – payroll based	$611,910	$1,041,470	$1,566,845	$1,738,682	$2,093,293	$2,383,080	$2,491,393	$2,270,623	$415,273	$354,034	$310,963	$278,036	$2,876,512	$2,246,709
3 City contribution – lump sum	$330,000	$0	$0	$0	$683,242	$525,000	$0	$0	$2,932,455	$2,788,900	$9,477,500	$3,194,700	$543,000	$842,700
4 Employee contribution	$237,368	$249,820	$255,209	$259,427	$267,718	$286,818	$309,195	$294,599	$293,546	$279,092	$233,097	$211,550	$209,446	$202,340
5 Other						$4,266				$17	$108			
6 Total Additions to Net Assets	$856,904	$2,490,189	$2,584,515	$3,572,605	$5,733,104	$2,041,860	$628,135	$4,528,931	$7,417,948	$3,417,052	$11,772,911	$7,833,246	$4,583,947	$4,141,880
Deductions														
7 Benefit payments	$2,073,202	$2,223,259	$2,354,778	$2,698,570	$2,360,730	$2,680,533	$2,716,752	$2,932,388	$3,077,877	$3,249,878	$3,456,551	$3,633,818	$3,699,842	$3,718,225
8 General administration	$18,494	$15,128	$19,630	$19,600	$22,070	$22,109	$22,943	$26,387	$26,670	$18,149	$21,280	$16,296	$18,792	$16,040
9 Refund of pension contribution	$6,482	$5,330	$18,492	$60,216	$26,609	$16,303	$39,517	$38,955	$10,374	$109,354	$80,813	$20,376		
10 Total Deductions From Net Assets	$2,098,178	$2,243,717	$2,392,900	$2,778,386	$2,409,409	$2,718,945	$2,779,212	$2,997,730	$3,114,921	$3,377,381	$3,558,644	$3,670,490	$3,718,634	$3,734,265
11 Changes in net assets	-$1,241,274	$246,472	$191,615	$794,219	$3,323,695	-$677,085	-$2,151,077	$1,531,201	$4,303,027	$39,671	$8,214,267	$4,162,756	$865,313	$407,615
12 Net assets – beginning	$15,688,122	$14,446,848	$14,693,320	$14,884,935	$15,679,154	$19,002,849	$18,325,764	$16,174,687	$17,705,888	$22,008,915	$22,048,586	$30,262,853	$34,425,609	$35,290,922
13 net assets - ending	$14,446,848	$14,693,320	$14,884,935	$15,679,154	$19,002,849	$18,325,764	$16,174,687	$17,705,888	$22,008,915	$22,048,586	$30,262,853	$34,425,609	$35,290,922	$35,698,537

		Statement of Change in Pension – 2													
	Trust Fund – General Pension	1	2	3	4	5	6	7	8	9	10	11	12	13	14
	Year Ending June 30th	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	Additions														
1	Net Investment Income	$4,350,779	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
2	City contribution – payroll based	$2,876,657	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
3	City contribution – lump sum	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
4	Employee contribution	$202,175	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
5	Other														
6	Total Additions to Net Assets	$7,429,611	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Deductions														
7	Benefit payments	$3,746,045	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
8	General administration	$17,677	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
9	Refund of pension contribution	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
10	Total Deductions From Net Asset	$3,763,722	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
11	Changes in net assets	$3,665,889	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
12	Net assets – beginning	$35,698,537	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
13	net assets - ending	$39,364,426	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

		City contribution Payroll based	City contribution Lump sum	City contribution Total	Pension Payed	NET CITY CONTRIBUTION	Employee Contribution	Net Investment Income	Employe + Investment	Admi.	Refunds
1	2003	$611,910	$330,000	$941,910	$2,073,202	-$1,131,292	$237,368	-$322,374	-$85,006	-$18,494	-$6,482
2	2004	$1,041,470	$0	$1,041,470	$2,223,259	-$1,181,789	$249,820	$1,198,899	$1,448,719	-$15,128	-$5,330
3	2005	$1,568,845	$0	$1,568,845	$2,354,778	-$785,933	$255,209	$762,461	$1,017,670	-$19,630	-$18,492
4	2006	$1,738,682	$0	$1,738,682	$2,698,570	-$959,888	$259,427	$1,574,496	$1,833,923	-$19,600	-$60,216
5	2007	$2,093,293	$683,242	$2,776,535	$2,360,730	$415,805	$267,718	$2,688,851	$2,956,569	-$22,070	-$26,609
6	2008	$2,383,080	$525,000	$2,908,080	$2,680,533	$227,547	$286,818	-$1,157,304	-$870,486	-$22,109	-$16,303
7	2009	$2,491,393	$0	$2,491,393	$2,716,752	-$225,359	$309,195	-$2,172,453	-$1,863,258	-$22,943	-$39,517
8	2010	$2,270,623	$0	$2,270,623	$2,932,388	-$661,765	$294,599	$1,963,709	$2,258,308	-$26,387	-$38,955
9	2011	$415,273	$2,932,455	$3,347,728	$3,077,877	$269,851	$293,546	$377,674	$671,220	-$26,670	-$10,374
10	2012	$354,034	$2,789,900	$3,143,934	$3,249,878	-$105,944	$279,092	-$4,991	$274,101	-$18,149	-$109,354
11	2013	$310,963	$9,477,500	$9,788,463	$3,456,561	$6,331,902	$233,097	$1,751,243	$1,984,340	-$21,280	-$80,813
12	2014	$278,036	$3,194,700	$3,472,736	$3,633,818	-$161,082	$211,550	$4,148,960	$4,360,510	-$16,296	-$20,376
13	2015	$2,876,512	$543,000	$3,419,512	$3,699,842	-$280,330	$209,446	$954,989	$1,164,435	-$18,792	$0
14	2016	$2,246,709	$842,700	$3,089,409	$3,718,225	-$628,816	$202,340	$850,131	$1,052,471	-$16,040	$0
15	2017	$2,876,657	$0	$2,876,657	$3,746,045	-$869,388	$202,175	$4,350,779	$4,552,954	-$17,677	$0
	TOTAL	$23,557,480	$21,318,497	$44,875,977	$44,622,458	$253,519	$3,791,400	$16,965,070	$20,756,470	-$301,265	-$432,821

Year ending June 30th	Annual Pension Payment	Annual Change	Percent Change	Fund Balance June 30th	Annual Change	Percent Change	Payment % of Fund Balance	Receiving Payments Count	annual Avg. Payment	monthly Avg. payment	weekly Avg. payment	Hourly Avg, payment
2003	$2,073,202			$14,446,848			14.35%					
2004	$2,223,259	$150,057	7.24%	$14,693,320	$246,472	1.71%	15.13%					
2005	$2,354,778	$131,519	5.92%	$14,884,935	$191,615	1.30%	15.82%					
2006	$2,698,570	$343,792	14.60%	$15,679,154	$794,219	5.34%	17.21%					
2007	$2,360,730	-$337,840	-12.52%	$19,002,849	$3,323,695	21.20%	12.42%	167	$14,136	$1,178	$272	$6.80
2008	$2,680,533	$319,803	13.55%	$18,325,764	-$677,085	-3.56%	14.63%	168	$15,956	$1,330	$307	$7.67
2009	$2,716,752	$36,219	1.35%	$16,174,687	-$2,151,077	-11.74%	16.80%	178	$15,263	$1,272	$294	$7.34
2010	$2,932,388	$215,636	7.94%	$17,705,888	$1,531,201	9.47%	16.56%	187	$15,681	$1,307	$302	$7.54
2011	$3,077,877	$145,489	4.96%	$22,008,915	$4,303,027	24.30%	13.98%	168	$18,321	$1,527	$352	$8.81
2012	$3,249,878	$172,001	5.59%	$22,048,586	$39,671	0.18%	14.74%	194	$16,752	$1,396	$322	$8.05
2013	$3,456,551	$206,673	6.36%	$30,262,853	$8,214,267	37.26%	11.42%	207	$16,698	$1,392	$321	$8.03
2014	$3,633,818	$177,267	5.13%	$34,425,609	$4,162,756	13.76%	10.56%	205	$17,726	$1,477	$341	$8.52
2015	$3,699,842	$66,024	1.82%	$35,290,922	$865,313	2.51%	10.48%	205	$18,048	$1,504	$347	$8.68
2016	$3,718,225	$18,383	0.50%	$35,698,537	$407,615	1.16%	10.42%	205	$18,138	$1,511	$349	$8.72
2017	$3,746,045	$27,820	0.75%	$39,364,426	$3,665,889	10.27%	9.52%	205	$18,273	$1,523	$351	$8.79
2018		$0			$0							
2019		$0			$0							
2020		$0			$0							
2021		$0			$0							
2022		$0			$0							
2023		$0			$0							
2024		$0			$0							
2025		$0			$0							
2026		$0			$0							
	Delaware minimum wage 2017 $8.25per hour											

Sheet1

		Statement of Change in Pension													
	Trust Fund – General Pension	1	2	3	4	5	6	7	8	9	10	11	12	13	14
	Year Ending June 30th	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
	Additions														
1	Net Investment Income	-$322,374	$1,198,899	$762,461	$1,574,496	$2,688,851	-$1,157,304	-$2,172,453	$1,963,709	$3,776,674	-$4,991	$1,751,243	$4,148,960	$954,989	$850,131
2	City contribution – payroll based	$611,910	$1,041,470	$1,566,845	$1,738,682	$2,093,293	$2,383,080	$2,491,393	$2,270,623	$415,273	$354,034	$310,963	$278,036	$2,876,512	$2,246,709
3	City contribution – lump sum	$330,000	$0	$0	$0	$683,242	$525,000	$0	$0	$2,932,455	$2,788,900	$9,477,500	$3,194,700	$543,000	$842,700
4	Employee contribution	$237,368	$249,820	$255,209	$259,427	$267,718	$286,818	$309,195	$294,599	$293,546	$279,092	$233,097	$211,550	$209,446	$202,340
5	Other						$4,266				$17	$108			
6	Total Additions to Net Assets	$856,904	$2,490,189	$2,584,515	$3,572,605	$5,733,104	$2,041,860	$628,135	$4,528,931	$7,417,948	$3,417,052	$11,772,911	$7,833,246	$4,583,947	$4,141,880
	Deductions														
7	Benefit payments	$2,073,202	$2,223,259	$2,354,778	$2,698,570	$2,360,730	$2,680,533	$2,716,752	$2,932,388	$3,077,877	$3,249,878	$3,456,551	$3,633,818	$3,699,842	$3,718,225
8	General administration	$18,494	$15,128	$19,630	$19,600	$22,070	$22,109	$22,943	$26,387	$26,670	$18,149	$21,280	$16,296	$18,792	$16,040
9	Refund of pension contribution	$6,482	$5,330	$18,492	$60,216	$26,609	$16,303	$39,517	$38,955	$10,374	$109,354	$80,813	$20,376		
10	Total Deductions From Net Assets	$2,098,178	$2,243,717	$2,392,900	$2,778,386	$2,409,409	$2,718,945	$2,779,212	$2,997,730	$3,114,921	$3,377,381	$3,558,644	$3,670,490	$3,718,634	$3,734,265
11	Changes in net assets	-$1,241,274	$246,472	$191,615	$794,219	$3,323,695	-$677,085	-$2,151,077	$1,531,201	$4,303,027	$39,671	$8,214,267	$4,162,756	$865,313	$407,615
12	Net assets – beginning	$15,688,122	$14,446,848	$14,693,320	$14,884,935	$15,679,154	$19,002,849	$18,325,764	$16,174,687	$17,705,888	$22,008,915	$22,048,586	$30,262,853	$34,425,609	$35,290,922
13	net assets - ending	$14,446,848	$14,693,320	$14,884,935	$15,679,154	$19,002,849	$18,325,764	$16,174,687	$17,705,888	$22,008,915	$22,048,586	$30,262,853	$34,425,609	$35,290,922	$35,698,537

		Statement of Change in Pension – 2													
	Trust Fund – General Pension	1	2	3	4	5	6	7	8	9	10	11	12	13	14
	Year Ending June 30th	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	Additions														
1	Net Investment Income	$4,350,779	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
2	City contribution – payroll based	$2,876,657	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
3	City contribution – lump sum	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
4	Employee contribution	$202,175	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
5	Other														
6	Total Additions to Net Assets	$7,429,611	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Deductions														
7	Benefit payments	$3,746,045	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
8	General administration	$17,677	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
9	Refund of pension contribution	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
10	Total Deductions From Net Asset	$3,763,722	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
11	Changes in net assets	$3,665,889	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
12	Net assets – beginning	$35,698,537	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
13	net assets - ending	$39,364,426	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

The City of Dover, Delaware
Combining Statement of Changes in Pension Trust Fund Net Position
For the Year Ended June 30, 2017

	Police Pension	General Pension	Totals
Additions			
Net investment income	$ 1,433,258	$ 4,350,779	$ 5,784,037
City's contribution - payroll based	-	2,876,657	2,876,657
City's contribution - lump sum	670,000	-	670,000
Employee contribution	-	202,175	202,175
State contributions	444,317	-	444,317
Other	4,029	-	4,029
Total Additions to Net Position	2,551,604	7,429,611	9,981,215
Deductions			
Benefit payments	1,528,191	3,746,045	5,274,236
General administration	4,979	17,677	22,656
Total Deductions From Net Position	1,533,170	3,763,722	5,296,892
Change in net position	1,018,434	3,665,889	4,684,323
Net Position - Beginning	12,224,685	35,698,537	47,923,222
Net Position - Ending	$ 13,243,119	$ 39,364,426	$ 52,607,545

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, 2017, 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

The City of Dover, Delaware
Combining Statement of Pension Trust Fund Net Position
June 30, 2016

	Police Pension	General Pension	Totals
ASSETS:			
Cash and cash equivalents	$ 550,163	$ 1,754,686	$ 2,304,849
Investments at fair value - Mutual Funds	11,674,522	33,943,851	45,618,373
Total Assets	12,224,685	35,698,537	47,923,222
Net position held in trust for pension benefits	$ 12,224,685	$ 35,698,537	$ 47,923,222

The City of Dover, Delaware
Combining Statement of Changes in Pension Trust Fund Net Position
For the Year Ended June 30, 2016

	Police Pension	General Pension	Totals
Additions			
Net investment income	$ 279,303	$ 850,131	$ 1,129,434
City's contribution - payroll based	-	2,246,709	2,246,709
City's contribution - lump sum	676,500	842,700	1,519,200
Employee contribution	-	202,340	202,340
State contributions	415,128	-	415,128
Other	1,650	-	1,650
Total Additions to Net Position	1,372,581	4,141,880	5,514,461
Deductions			
Benefit payments	1,527,910	3,718,225	5,246,135
General administration	4,831	16,040	20,871
Total Deductions From Net Position	1,532,741	3,734,265	5,267,006
Change in net position	(160,160)	407,615	247,455
Net Position - Beginning	12,384,845	35,290,922	47,675,767
Net Position - Ending	$ 12,224,685	$ 35,698,537	$ 47,923,222

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.

Pension Trusts	
Category Allocation	Target Percentage
Money Market	4.50%
Short Term Bonds	5.50%
Inflation Protected Bonds	5.00%
Intermediate Term Bonds	8.00%
Long Term Bonds	9.00%
High Yield Bond	8.00%
Large Cap Value	10.00%
Large Cap Growth	10.00%
Mid Cap	5.00%
Small Cap	8.00%
Real Estate Investment	7.00%
Foreign Equity	10.00%
Emerging Markets	10.00%
	100.00%

The City of Dover, Delaware
Combining Statement of Changes in Pension Trust Fund Net Position
For the Year Ended June 30, 2015

	Police Pension	General Pension	Totals
Additions			
Net investment income	$ 283,144	$ 954,989	$ 1,238,133
City's contribution - payroll based	-	2,876,512	2,876,512
City's contribution - lump sum	755,000	543,000	1,298,000
Employee contribution	-	209,446	209,446
State contributions	629,910	-	629,910
State contributions - COLA increases	-	-	-
Other	879	-	879
Total Additions to Net Position	1,668,933	4,583,947	6,252,880
Deductions			
Benefit payments	1,557,641	3,699,842	5,257,483
General administration	5,794	18,792	24,586
Refund of pension contribution	-	-	-
Change in net position	105,498	865,313	970,811
Net Position - Beginning	12,279,347	34,425,609	46,704,956
Net Position - Ending	$ 12,384,845	$ 35,290,922	$ 47,675,767

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.

The City of Dover, Delaware
Combining Statement of Changes in Pension Trust Fund Net Pension
For the Year Ended June 30, 2014

	Police Pension	General Pension	Totals
Additions			
Net investment income	$ 1,568,176	$ 4,148,960	$ 5,717,136
City's contribution - payroll based	-	278,036	278,036
City's contribution - lump sum	689,400	3,194,700	3,884,100
Employee contribution	-	211,550	211,550
State contributions	471,461	-	471,461
Other	68,502	-	68,502
Total Additions to Net Position	2,797,539	7,833,246	10,630,785
Deductions			
Benefit payments	1,548,151	3,633,818	5,181,969
General administration	5,247	16,296	21,543
Refund of pension contribution	-	20,376	20,376
Total Deductions From Net Position	1,553,398	3,670,490	5,223,888
Change in net position	1,244,141	4,162,756	5,406,897
Net Position - Beginning	11,035,206	30,262,853	41,298,059
Net Position - Ending	$ 12,279,347	$ 34,425,609	$ 46,704,956

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 Trusts Funds. All actuarial costs are paid from other City funds.

The State contributes to the City of Dover certain grants on behalf of law enforcement programs. The State assesses a .25% surcharge on insurance policies issued in the State. Each year this amount is allocated to the municipalities in Delaware in direct ratio to the number of officers employed. The State also provides 75% for the annual cost of living increase (COLA) granted to police retirees on January 1 each year. The Police Pension Ordinance provides for these grants to be transferred to the Police Pension Trust. These amounts are included as grants received revenue and Public Safety and Law Enforcement expenditures in the General Fund.

Total eligible full-time employee wages covered by the two active defined benefit pension plans were $13.4 million this fiscal year.

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, 2014, there are 48

Delaware County and Municipal Police Pension Plan. The City of Dover Police Pension Plan, a single employee 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 full-time permanent employees, other than police officers. 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 and administers 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. As of June 30, 2013 there were no outstanding payables. Separate pension fund financial statements for each plan have not been issued; accordingly, they are presented as required by GASB Statement No. 34, as follows:

The City of Dover, Delaware
Combining Statement of Pension Trust Fund Net Position
June 30, 2013

	Police Pension	General Pension	Totals
ASSETS:			
Cash and cash equivalents	$ 830,063	$ 7,025,207	$ 7,855,270
Investments at fair value - Mutual Funds	10,205,143	23,237,646	33,442,789
Net position held in trust for pension benefits	$ 11,035,206	$ 30,262,853	$ 41,298,059

The City of Dover, Delaware
Combining Statement of Changes in Pension Trust Fund Net Pension
For the Year Ended June 30, 2013

	Police Pension	General Pension	Totals
Additions			
Net investment income	$ 792,743	$ 1,751,243	$ 2,543,986
City's contribution - payroll based	-	310,963	310,963
City's contribution - lump sum	495,000	9,477,500	9,972,500
Employee contribution	-	233,097	233,097
State contributions	577,765	-	577,765
Other	1,834	108	1,942
Total Additions to Net Position	1,867,342	11,772,911	13,640,253
Deductions			
Benefit payments	1,514,334	3,456,551	4,970,885
General administration	5,529	21,280	26,809
Refund of pension contribution	-	80,813	80,813
Total Deductions From Net Position	1,519,863	3,558,644	5,078,507
Change in net position	347,479	8,214,267	8,561,746
Net Position - Beginning	10,687,727	22,048,586	32,736,313
Net Position - Ending	$ 11,035,206	$ 30,262,853	$ 41,298,059

The City of Dover, Delaware
Combining Statement of Pension Trust Fund Net Assets
June 30, 2012

	Police Pension	General Pension	Totals
ASSETS:			
Cash and cash equivalents	$ 601,329	$ 861,458	$ 1,462,787
Investments at fair value - Mutual Funds	10,086,398	21,187,128	31,273,526
Net assets held in trust for pension benefits	$ 10,687,727	$ 22,048,586	$ 32,736,313

The City of Dover, Delaware
Combining Statement of Changes in Pension Trust Fund Net Assets
For the Year Ended June 30, 2012

	Police Pension	General Pension	Totals
Additions			
Net investment income/loss	$ (34,831)	$ (4,991)	$ (39,822)
City's contribution - payroll based	-	354,034	354,034
City's contribution - lump sum	95,000	2,788,900	2,883,900
Employee contribution	-	279,092	279,092
State contributions	561,772	-	561,772
Other	11,502	17	11,519
Total Additions to Net Assets	633,443	3,417,052	4,050,495
Deductions			
Benefit payments	1,486,211	3,249,878	4,736,089
General administration	13,256	18,149	31,405
Refund of pension contribution	-	109,354	109,354
Total Deductions From Net Assets	1,499,467	3,377,381	4,876,848
Change in net assets	(866,024)	39,671	(826,353)
Net assets - beginning	11,553,751	22,008,915	33,562,666
Net assets - ending	$ 10,687,727	$ 22,048,586	$ 32,736,313

The City of Dover, Delaware
Statement of Changes in Pension Trust Fund Net Assets
For the Year Ended June 30, 2011

	Police Pension	General Pension	Totals
Additions			
Net investment income/loss	$ 2,013,005	$ 3,776,674	$ 5,789,679
City's contribution - payroll based	95,000	415,273	510,273
City's contribution - lump sum	-	2,932,455	2,932,455
Employee contribution	-	293,546	293,546
State contributions	538,136	-	538,136
Other	500	-	500
Total Additions to Net Assets	2,646,641	7,417,948	10,064,589
Deductions			
Benefit payments	1,456,162	3,077,877	4,534,039
General administration	15,330	26,670	42,000
Refund of pension contribution	-	10,374	10,374
Total Deductions From Net Assets	1,471,492	3,114,921	4,586,413
Changes in net assets	1,175,149	4,303,027	5,478,176
Net assets - beginning	10,378,602	17,705,888	28,084,490
Net assets - ending	$ 11,553,751	$ 22,008,915	$ 33,562,666

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 Trusts Funds. All actuarial costs are paid from other City funds.

The City's total payroll for all eligible full-time regular employees for the year ended June 30, 2011, was $20,895,216. Of this amount $14,490,259 in total payroll earnings was reported to and covered by the two active defined benefit pension plans.

i. City of Dover Police Pension Plan

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. 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, 2011, there are 48 retirees and beneficiaries receiving benefits.

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 requirement for employer normal cost.

The City of Dover, Delaware
Statement of Changes in Pension Trust Fund Net Assets
For the Year Ended June 30, 2010

	Police Pension	General Pension	Totals
Additions			
Net investment income/loss	$ 1,154,965	$ 1,963,709	$ 3,118,674
City's contribution - payroll based	-	2,270,623	2,270,623
City's contribution - lump sum	95,000	-	95,000
Employee contribution	-	294,599	294,599
State contributions	399,289	-	399,289
Other	2,298	-	2,298
Total Additions to Net Assets	1,651,552	4,528,931	6,180,483
Deductions			
Benefit payments	1,446,236	2,932,388	4,378,624
General administration	15,613	26,387	42,000
Refund of pension contribution	-	38,955	38,955
Total Deductions From Net Assets	1,461,849	2,997,730	4,459,579
Changes in net assets	189,703	1,531,201	1,720,904
Net assets - beginning	10,188,899	16,174,687	26,363,586
Net assets - ending	$ 10,378,602	$ 17,705,888	$ 28,084,490

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 Trusts Funds. All actuarial costs are paid from other City funds.

The City's total payroll for all eligible full-time regular employees for the year ended June 30, 2010, was $20,774,091. Of this amount $14,120,132 in total payroll earnings was reported to and covered by the two active defined benefit pension plans.

i. City of Dover Police Pension Plan

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. 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, 2010, there are 46 retirees and beneficiaries receiving benefits.

The City of Dover, Delaware
Statement of Pension Trust Fund Net Assets
June 30, 2009

	Police Pension	General Pension	Totals
ASSETS:			
Cash and cash equivalents	$ 826,555	$ 509,476	$ 1,336,031
Investments at fair value - Mutual Funds	9,222,242	15,681,087	24,903,329
Receivables	149,823	-	149,823
LIABILITIES:			
Accounts Payable	(9,721)	($15,876)	(25,597)
Net assets held in trust for pension benefits	$ 10,188,899	$ 16,174,687	$ 26,363,586

The City of Dover, Delaware
Statement of Changes in Pension Trust Fund Net Assets
For the Year Ended June 30, 2009

	Police Pension	General Pension	Totals
Additions			
Net investment income/loss	$ (1,604,708)	$ (2,172,453)	$ (3,777,161)
City's contribution - payroll based	-	2,491,393	2,491,393
City's contribution - lump sum	95,000	-	95,000
Employee contribution	-	309,195	309,195
State contributions	409,122	-	409,122
State contributions toward COLA increases	221,250	-	221,250
Other	120	-	120
Total Additions to Net Assets	(879,216)	628,135	(251,081)
Deductions			
Benefit payments	1,417,245	2,716,752	4,133,997
General administration	15,057	22,943	38,000
Refund of pension contribution	-	39,517	39,517
Total Deductions From Net Assets	1,432,302	2,779,212	4,211,514
Changes in net assets	(2,311,518)	(2,151,077)	(4,462,595)
Net assets - beginning	12,500,417	18,325,764	30,826,181
Net assets - ending	$ 10,188,899	$ 16,174,687	$ 26,363,586

The City of Dover, Delaware
Statement of Pension Trust Fund Net Assets
June 30, 2008

	Police Pension	General Pension	Totals
ASSETS:			
Cash and cash equivalents	$ 403,590	$ 933,780	$ 1,337,370
Investments at fair value - Mutual Funds	12,032,795	17,113,924	29,146,719
Receivables	80,243	-	80,243
Due from other funds	-	300,000	300,000
LIABILITIES:			
Accounts Payable	(16,211)	(21,940)	(38,151)
Net assets held in trust for pension benefits	$ 12,500,417	$ 18,325,764	$ 30,826,181

The City of Dover, Delaware
Statement of Changes in Pension Trust Fund Net Assets
For the Year Ended June 30, 2008

	Police Pension	General Pension	Totals
Additions			
Net investment income/loss	$ (765,406)	$ (1,157,304)	$ (1,922,710)
City's contribution - payroll based	-	2,383,080	2,383,080
City's contribution - lump sum	95,000	525,000	620,000
Employee contribution	-	286,818	286,818
State contributions	396,168	-	396,168
State contributions toward COLA increases	223,050	-	223,050
Other	5,361	4,266	9,627
Total Additions to Net Assets	(45,827)	2,041,860	1,996,033
Deductions			
Benefit payments	1,388,187	2,680,533	4,068,720
General administration	15,891	22,109	38,000
Refund of pension contribution	-	16,303	16,303
Total Deductions From Net Assets	1,404,078	2,718,945	4,123,023
Changes in net assets	(1,449,905)	(677,085)	(2,126,990)
Net assets - beginning	13,950,322	19,002,849	32,953,171
Net assets - ending	$ 12,500,417	$ 18,325,764	$ 30,826,181

The City of Dover, Delaware
Statement of Pension Trust Fund Net Assets
June 30, 2007

	Police Pension	General Pension	Totals
ASSETS:			
Cash and cash equivalents	$ 226,776	$ 734,287	$ 961,063
Investments at fair value			
Mutual Funds	13,407,931	18,291,983	31,699,914
Receivables	332,989	-	332,989
LIABILITIES:			
Accounts Payable	(17,374)	(23,421)	(40,795)
Net assets held in trust for pension benefits	$ 13,950,322	$ 19,002,849	$ 32,953,171

The City of Dover, Delaware
Statement of Changes in Pension Trust Fund Net Assets
For the Year Ended June 30, 2007

	Police Pension	General Pension	Totals
Additions			
Net investment income/loss	$ 1,997,298	$ 2,688,851	$ 4,686,149
City's contribution - payroll based	320	2,093,293	2,093,613
City's contribution - lump sum	95,000	683,242	778,242
Employee contribution	101	267,718	267,819
State contributions	429,653	-	429,653
State contributions toward COLA increases	217,500	-	217,500
Other	2,462	-	2,462
Total Additions to Net Assets	2,742,334	5,733,104	8,475,438
Deductions			
Benefit payments	1,246,539	2,360,730	3,607,269
General administration	16,530	22,070	38,600
Refund of pension contribution	-	26,609	26,609
Total Deductions From Net Assets	1,263,069	2,409,409	3,672,478
Changes in net assets	1,479,265	3,323,695	4,802,960
Net assets - beginning	12,471,057	15,679,154	28,150,211
Net assets - ending	$ 13,950,322	$ 19,002,849	$ 32,953,171

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

The City of Dover, Delaware
Statement of Changes in Pension Trust Fund Net Assets
For the Year Ended June 30, 2006

	Police Pension	General Pension	Total Pension Trust Funds
Additions			
Net investment income/loss	$ 1,235,653	$ 1,574,496	$ 2,810,149
City's contribution- payroll based	8,314	1,738,682	1,746,996
City's contribution- lump sum	95,000	-	95,000
Employee contribution	2,627	259,427	262,054
State contributions	612,497	-	612,497
Other	2,434	-	2,434
Total Additions to Net Assets	1,956,525	3,572,605	5,529,130
Deductions			
Benefit payments	1,414,281	2,698,570	4,112,851
General administration	15,400	19,600	35,000
Refund of pension contribution	-	60,216	60,216
Total Deductions From Net Assets	1,429,681	2,778,386	4,208,067
Changes in net assets	526,844	794,219	1,321,063
Net assets - beginning	11,944,213	14,884,935	26,829,148
Net assets - ending	$ 12,471,057	$ 15,679,154	$ 28,150,211

See accompanying notes to financial statements.

Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when required by actuarial valuations (annual required contribution-ARC). 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 Trusts Funds. All actuarial costs are paid from other City funds.

The City's total payroll for all eligible full-time regular employees for the year ended June 30, 2006, was $17,495,358. Of this amount $12,341,363 in total payroll earnings was reported to and covered by the three pension plans.

Following is further information on each plan.

A. City of Dover Police Pension Plan

This contributory pension plan began on January 1, 1970 under the authority of the City Code, Chapter 18, Article II. The contribution and funding requirements of the plan are established by the City and may be amended by the City. It is a closed plan. The employee contribution is 4% of the gross salary, exclusive of overtime. An officer's pension right is vested upon the completion of 15 years of continuous service. As of June 30, 2006, membership in this plan is comprised of the following:

The City of Dover, Delaware
Statement of Changes in Pension Trust Fund Net Assets
For the Year Ended June 30, 2005

	Police Pension	General Employee	Total Pension Trust Funds
Additions:			
Net investment income/loss	$ 565,080	$ 762,461	$ 1,327,541
City's contribution-payroll based	7,695	1,566,845	1,574,540
City's contribution-lump sum	95,000	-	95,000
Employee contribution	2,859	255,209	258,068
State grant	749,440	-	749,440
Other	4,285	-	4,285
Total additions to net assets	1,424,359	2,584,515	4,008,874
Deductions			
Benefit payments	1,294,679	2,354,778	3,649,457
General administration	15,430	19,630	35,060
Refund of pension contribution	-	18,492	18,492
Total deductions from net assets	1,310,109	2,392,900	3,703,009
Changes in net assets	114,250	191,615	305,865
Net assets - beginning	11,829,963	14,693,320	26,523,283
Net assets - end	$ 11,944,213	$ 14,884,935	$ 26,829,148

Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when required by actuarial valuations (annual required contribution-ARC). 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 Trusts Funds. All actuarial costs are paid from other City funds.

The City's total payroll for all eligible full-time regular employees for the year ended June 30, 2005, was $17,147,016. Of this amount $11,934,595 in total payroll earnings was reported to and covered by the three pension plans.

Following is further information on each plan.

A. City of Dover Police Pension Plan

This contributory pension plan began on January 1, 1970 under the authority of the City Code, Chapter 18, Article II. It is a closed plan. The employee contribution is 4% of the gross salary, exclusive of overtime. An officer's pension right is vested upon the completion of 15 years of continuous service. As of June 30, 2005, membership in this plan is comprised of the following:

Retired and beneficiaries currently receiving benefits		46
Active employees:	Fully Vested	1
	Non Vested	0

The City of Dover, Delaware
Statement of Pension Trust Fund Net Assets
June 30, 2004

	POLICE PENSION	EMPLOYEE PENSION	TOTALS
ASSETS:			
Cash and cash equivalents	$ 1,207,890	$ 1,005,713	$ 2,213,603
Total Assets	$ 1,207,890	$ 1,005,713	$ 2,213,603
Investments at fair value			
US government & agencies securities	1,861,969	2,598,817	4,460,786
Corporate bonds	1,260,394	1,444,490	2,704,884
Corporate equities	7,499,710	9,645,417	17,145,127
Total Investments	10,622,073	13,688,724	24,310,797
TOTAL ASSETS	$ 11,829,963	$ 14,694,437	$ 26,524,400
LIABILITIES:			
Due to payroll fund	-	1,117	1,117
TOTAL LIABILITIES	-	1,117	1,117
Net assets held in trust for pension benefits	$ 11,829,963	$ 14,693,320	$ 26,523,283

The City of Dover, Delaware
Statement of Changes in Pension Trust Fund Net Assets
For the Year Ended June 30, 2004

	Police Pension	General Pension	Total Pension Trust Funds
Additions			
Net investment income/loss	$ 964,793	$ 1,198,899	$ 2,163,692
City's contribution- payroll based	13,115	1,041,470	1,054,585
City's contribution- lump sum	95,000	-	95,000
Employee contribution	4,086	249,820	253,906
State grant	359,663	-	359,663
Other	1,028	-	1,028
Total Additions to Net Assets	1,437,685	2,490,189	3,927,874
Deductions			
Benefit payments	1,256,533	2,223,259	3,479,792
General administration	12,039	15,128	27,167
Refund of pension contribution	-	5,330	5,330
Total Deductions From Net Assets	1,268,572	2,243,717	3,512,289
Changes in net assets	169,113	246,472	415,585
Net assets - beginning	11,660,850	14,446,848	26,107,698
Net assets - ending	$ 11,829,963	$ 14,693,320	$ 26,523,283

The City of Dover, Delaware
Statement of Pension Trust Fund Net Assets
June 30, 2003

	Police Pension	General Pension	Total Pension Trust Funds
Assets			
Cash	$ 511,316	$ 572,612	$ 1,083,928
Investments	11,136,222	13,874,236	25,010,458
Due from general fund	13,312	-	13,312
Net Assets held in trust for pension benefits	$ 11,660,850	$ 14,446,848	$ 26,107,698

The City of Dover, Delaware
Statement of Changes in Pension Trust Fund Net Assets
For the Year Ended June 30, 2002

	Police Pension	General Pension	Total Pension Trust Funds
Additions			
Net investment income/loss	$ (291,207)	$ (322,374)	$ (613,581)
City's contribution- payroll based	19,055	611,910	630,965
City's contribution- lump sum	73,602	330,000	403,602
Employee contribution	5,531	237,368	242,899
State grant	450,758	-	450,758
Total Additions to Net Assets	257,739	856,904	1,114,643
Deductions			
Benefit payments	1,212,369	2,073,202	3,285,571
General administration	305	18,494	18,799
Refund of pension contribution	-	6,482	6,482
Total Deductions From Net Assets	1,212,674	2,098,178	3,310,852
Changes in net assets	(954,935)	(1,241,274)	(2,196,209)
Net assets - beginning	12,615,785	15,688,122	28,303,907
Net assets - ending	$ 11,660,850	$ 14,446,848	$ 26,107,698

Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when required by actuarial valuations (annual required contribution – ARC). Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Investment management fees are paid from the Pension Trusts Funds. All other administrative costs are paid from other City funds.

The City's total payroll for the year ended June 30, 2003 was $15,806,857. Of this amount, $10,619,262 in total payroll earnings was reported to and covered by the three pension plans.

CITY OF DOVER

EXHIBIT 6

COMBINED STATEMENT OF CHANGES IN NET PLAN ASSETS
PENSION TRUST FUNDS

YEAR ENDED JUNE 30, 2002

	POLICE PENSION FUND	EMPLOYEES' PENSION FUND	TOTALS (MEMORANDUM ONLY) 2002	2001
ADDITIONS:				
Contributions:				
Employer contributions	$ 80,553	$ 591,311	$ 671,864	$ 580,171
Member contributions	5,952	228,425	234,377	239,165
State grant contribution	670,216	-	670,216	449,556
Other	4,928	-	4,928	4,453
Total Contributions	$ 761,649	$ 819,736	$ 1,581,385	$ 1,273,345
Investments:				
Interest and dividends	$ 369,062	$ 481,033	$ 850,095	$ 1,099,203
Net appreciation/(depreciation) in fair value	(1,694,871)	(2,249,980)	(3,944,851)	(5,441,075)
Total Investment Income /Loss	$ (1,325,809)	$ (1,768,947)	$ (3,094,756)	$ (4,341,872)
Less: Investment expenses	$ (64,514)	$ (87,087)	$ (151,601)	$ (167,395)
Net investment income/loss	(1,390,323)	(1,856,034)	(3,246,357)	(4,509,267)
Total Additions/Reductions	$ (628,674)	$ (1,036,298)	$ (1,664,972)	$ (3,235,922)
DEDUCTIONS:				
Pension payments	$ 1,193,292	$ 1,926,263	$ 3,119,555	$ 2,836,412
Refunds of contributions to members	-	34,771	34,771	33,241
Administrative expenses	925	-	925	14,550
Total Deductions	$ 1,194,217	$ 1,961,034	$ 3,155,251	$ 2,884,203
Net Increase/Decrease	$ (1,822,891)	$ (2,997,332)	$ (4,820,223)	$ (6,120,125)
Net assets held in trust for pension benefits - beginning of year	$ 14,438,676	$ 18,685,454	$ 33,124,130	$ 39,244,255
Net assets held in trust for pension benefits - end of year	$ 12,615,785	$ 15,688,122	$ 28,303,907	$ 33,124,130

See accompanying notes to financial statements.

EXHIBIT 6

CITY OF DOVER

COMBINED STATEMENT OF CHANGES IN NET PLAN ASSETS
PENSION TRUST FUNDS

YEAR ENDED JUNE 30, 2001

	POLICE PENSION FUND	EMPLOYEES' PENSION FUND	TOTALS (MEMORANDUM ONLY) 2001	2000
ADDITIONS:				
Contributions:				
Employer contributions	$ 92,435	$ 487,736	$ 580,171	$ 582,212
Member contributions	11,272	227,893	239,165	238,263
State grant contribution	449,556	-	449,556	362,306
Other	4,453	-	4,453	22,268
Total Contributions	$ 557,716	$ 715,629	$ 1,273,345	$ 1,205,049
Investments:				
Interest and dividends	$ 467,756	$ 631,447	$ 1,099,203	$ 1,164,203
Net appreciation/(depreciation) in fair value	(2,560,727)	(2,880,348)	(5,441,075)	2,310,627
Total Investment Income/(Loss)	$ (2,092,971)	$ (2,248,901)	$ (4,341,872)	$ 3,474,830
Less: Investment expenses	$ (69,879)	$ (97,516)	$ (167,395)	$ (137,995)
Net investment income	$ (2,162,850)	$ (2,346,417)	$ (4,509,267)	$ 336,835
Total Additions/(Reductions)	$ (1,605,134)	$ (1,630,788)	$ (3,235,922)	$ 4,541,884
DEDUCTIONS:				
Pension payments	$ 1,095,363	$ 1,741,049	$ 2,836,412	$ 2,422,674
Refunds of contributions to members	-	33,241	33,241	54,282
Administrative expenses	9,450	5,100	14,550	1,230
Total Deductions	$ 1,104,813	$ 1,779,390	$ 2,884,203	$ 2,478,186
Net Increase/(Decrease)	$ (2,709,947)	$ (3,410,178)	$ (6,120,125)	$ 2,063,698
Net assets held in trust for pension benefits - beginning of year	$ 17,148,623	$ 22,095,632	$39,244,255	$37,180,557
Net assets held in trust for pension benefits - end of year	$ 14,438,676	$ 18,685,454	$33,124,130	$39,244,255

See accompanying notes to financial statements.

		City contribution Payroll based	City contribution Lump sum	City contribution Total	Pension Payed	NET CITY CONTRIBUTION	Employee Contribution	Net Investment Income	Employe + Investment	Admi.	Refunds
1	2003	$611,910	$330,000	$941,910	$2,073,202	-$1,131,292	$237,368	-$322,374	-$85,006	-$18,494	-$6,482
2	2004	$1,041,470	$0	$1,041,470	$2,223,259	-$1,181,789	$249,820	$1,198,899	$1,448,719	-$15,128	-$5,330
3	2005	$1,568,845	$0	$1,568,845	$2,354,778	-$785,933	$255,209	$762,461	$1,017,670	-$19,630	-$18,492
4	2006	$1,738,682	$0	$1,738,682	$2,698,570	-$959,888	$259,427	$1,574,496	$1,833,923	-$19,600	-$60,216
5	2007	$2,093,293	$683,242	$2,776,535	$2,360,730	$415,805	$267,718	$2,688,851	$2,956,569	-$22,070	-$26,609
6	2008	$2,383,080	$525,000	$2,908,080	$2,680,533	$227,547	$286,818	-$1,157,304	-$870,486	-$22,109	-$16,303
7	2009	$2,491,393	$0	$2,491,393	$2,716,752	-$225,359	$309,195	-$2,172,453	-$1,863,258	-$22,943	-$39,517
8	2010	$2,270,623	$0	$2,270,623	$2,932,388	-$661,765	$294,599	$1,963,709	$2,258,308	-$26,387	-$38,955
9	2011	$415,273	$2,932,455	$3,347,728	$3,077,877	$269,851	$293,546	$377,674	$671,220	-$26,670	-$10,374
10	2012	$354,034	$2,789,900	$3,143,934	$3,249,878	-$105,944	$279,092	-$4,991	$274,101	-$18,149	-$109,354
11	2013	$310,963	$9,477,500	$9,788,463	$3,456,561	$6,331,902	$233,097	$1,751,243	$1,984,340	-$21,280	-$80,813
12	2014	$278,036	$3,194,700	$3,472,736	$3,633,818	-$161,082	$211,550	$4,148,960	$4,360,510	-$16,296	-$20,376
13	2015	$2,876,512	$543,000	$3,419,512	$3,699,842	-$280,330	$209,446	$954,989	$1,164,435	-$18,792	$0
14	2016	$2,246,709	$842,700	$3,089,409	$3,718,225	-$628,816	$202,340	$850,131	$1,052,471	-$16,040	$0
15	2017	$2,876,657	$0	$2,876,657	$3,746,045	-$869,388	$202,175	$4,350,779	$4,552,954	-$17,677	$0
	TOTAL	$23,557,480	$21,318,497	$44,875,977	$44,622,458	$253,519	$3,791,400	$16,965,070	$20,756,470	-$301,265	-$432,821

Year ending June 30th	Annual Pension Payment	Annual Change	Percent Change	Fund Balance June 30th	Annual Change	Percent Change	Payment % of Fund Balance	Receiving Payments Count	annual Avg. Payment	monthly Avg. payment	weekly Avg. payment	Hourly Avg, payment
2003	$2,073,202			$14,446,848								
2004	$2,223,259	$150,057	7.24%	$14,693,320	$246,472	1.71%	14.35%					
2005	$2,354,778	$131,519	5.92%	$14,884,935	$191,615	1.30%	15.13%					
2006	$2,698,570	$343,792	14.60%	$15,679,154	$794,219	5.34%	15.82%					
2007	$2,360,730	-$337,840	-12.52%	$19,002,849	$3,323,695	21.20%	17.21%					
2008	$2,680,533	$319,803	13.55%	$18,325,764	-$677,085	-3.56%	12.42%	167	$14,136	$1,178	$272	$6.80
2009	$2,716,752	$36,219	1.35%	$16,174,687	-$2,151,077	-11.74%	14.63%	168	$15,956	$1,330	$307	$7.67
2010	$2,932,388	$215,636	7.94%	$17,705,888	$1,531,201	9.47%	16.80%	178	$15,263	$1,272	$294	$7.34
2011	$3,077,877	$145,489	4.96%	$22,008,915	$4,303,027	24.30%	16.56%	187	$15,681	$1,307	$302	$7.54
2012	$3,249,878	$172,001	5.59%	$22,048,586	$39,671	0.18%	13.98%	168	$18,321	$1,527	$352	$8.81
2013	$3,456,551	$206,673	6.36%	$30,262,853	$8,214,267	37.26%	14.74%	194	$16,752	$1,396	$322	$8.05
2014	$3,633,818	$177,267	5.13%	$34,425,609	$4,162,756	13.76%	11.42%	207	$16,698	$1,392	$321	$8.03
2015	$3,699,842	$66,024	1.82%	$35,290,922	$865,313	2.51%	10.56%	205	$17,726	$1,477	$341	$8.52
2016	$3,718,225	$18,383	0.50%	$35,698,537	$407,615	1.16%	10.48%	205	$18,048	$1,504	$347	$8.68
2017	$3,746,045	$27,820	0.75%	$39,364,426	$3,665,889	10.27%	10.42%	205	$18,138	$1,511	$349	$8.72
2018		$0			$0		9.52%	205	$18,273	$1,523	$351	$8.79
2019		$0			$0							
2020		$0			$0							
2021		$0			$0							
2022		$0			$0							
2023		$0			$0							
2024		$0			$0							
2025		$0			$0							
2026		$0			$0							
	Delaware minimum wage 2017 $8.25per hour											

Pension Membership Count			peak									Change
June 30th												2009(P) to
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2017
Retired and beneficiaries currently receiving benefits	167	168	178	187	168	194	207	205	205	205	205	27
		1	10	9	-19	26	13	-2	0	0	0	
Active employees - Fully Vested	98	89	89	82	94	81	73	80	83	84	91	2
		-9	0	-7	12	-13	-8	7	3	1	7	
Active employees - Non-Vested	84	110	111	99	83	68	50	40	31	23	16	-95
		26	1	-12	-16	-15	-18	-10	-9	-8	-7	
Deferred vested	12	13	13	13	14	14	16	15	15	19	19	6
		1	0	0	1	0	2	-1	0	4	0	
TOTAL	361	380	391	381	359	357	346	340	334	331	331	-60
		19	11	-10	-22	-2	-11	-6	-6	-3	0	

Quarterly Investment Monitor – Milliman								
General E.							Annual	Annual
Mo	Day	Year		Balance as of	Change	% Change	Change	%
Mar	31	2012		$22,017,866				
Jun	30	2012	<	$21,983,553	-$34,313	-0.16%		
Sep	30	2012		$24,977,041	$2,993,488	13.62%		
Dec	31	2012		$24,611,153	-$365,888	-1.46%		
Mar	31	2013		$24,894,786	$283,633	1.15%		
Jun	30	2913	<	$30,262,853	$5,368,067	21.56%	$8,279,300	37.66%
Sep	30	2913		$30,911,053	$648,200	2.14%		
Dec	31	2913		$32,761,739	$1,850,686	5.99%		
Mar	31	2014		$32,817,384	$55,645	0.17%		
Jun	30	2014	<	$34,428,912	$1,611,528	4.91%	$4,166,059	13.77%
Sep	30	2014		$33,505,366	-$923,546	-2.68%		
Dec	31	2014		$34,525,173	$1,019,807	3.04%		
Mar	31	2015		$32,817,384	-$1,707,789	-4.95%		
Jun	30	2015	<	$35,320,535	$2,503,151	7.63%	$891,623	2.59%
Sep	30	2015		$33,034,548	-$2,285,987	-6.47%		
Dec	31	2015		$33,684,627	$650,079	1.97%		
Mar	31	2016		$33,572,714	-$111,913	-0.33%		
Jun	30	2016	<	$35,541,738	$1,969,024	5.86%	$221,203	0.63%
Sep	30	2016		$36,698,241	$1,156,503	3.25%		
Dec	31	2016		$36,623,395	-$74,846	-0.20%		
Mar	31	2017		$38,133,756	$1,510,361	4.12%		
Jun	30	2017	<	$39,771,739	$1,637,983	4.30%	$4,230,001	11.90%
Sep	30	2017		$39,755,647	-$16,092	-0.04%		
Dec	31	2017		$41,274,893	$1,519,246	3.82%		
Mar	31	2018		$41,689,772	$414,879	1.01%		
Jun	30	2018	<	$42,961,795	$1,272,023	3.05%	$3,190,056	8.02%
Sep	30	2018						
Dec	31	2018						
Mar	31	2019						
Jun	30	2019	<					
Sep	30	2019						

Milliman | Quarterly Investment Monitor

Data as of 06/30/2018

Asset Allocation

	Balances As of 06/30/2018	Percent As of 06/30/2018	Balances As of 03/31/2018	Percent As of 03/31/2018	Notes
Wells Fargo Treasury Plus MMkt Inst	$1,953,737	4.55%	$1,895,279	4.55%	PISXX
Vanguard Short-Term Bond Index Adm	$1,090,109	2.54%	$1,056,642	2.53%	VBIRX
Vanguard Inflation-Protected Secs I	$2,185,325	5.09%	$2,120,182	5.09%	VIPIX
Vanguard Interm-Term Bond Index Adm	$2,183,553	5.08%	$2,124,004	5.09%	VBILX
Columbia Strategic Income Inst3	$2,171,582	5.05%	$2,112,277	5.07%	CPHUX
Vanguard Long-Term Bond Index Instl	$1,092,292	2.54%	$1,073,282	2.57%	VBLLX
PIMCO Long Duration Total Return Instl	$1,090,600	2.54%	$1,069,875	2.57%	PLRIX
PGIM High Yield Z	$0	0.00%	$2,535,910	6.08%	PHYZX
PGIM High Yield R6	$2,601,478	6.06%	$0	0.00%	PHYQX
Vanguard Equity-Income Adm	$4,733,911	11.02%	$4,565,454	10.95%	VEIRX
Vanguard PRIMECAP Core Inv	$2,943,964	6.85%	$2,898,622	6.95%	VPCCX
Vanguard Growth Index Admiral	$0	0.00%	$2,809,428	6.74%	VIGAX
Vanguard Growth Index Institutional	$2,957,846	6.88%	$0	0.00%	VIGIX
Vanguard Mid-Cap Value Index Admiral	$1,284,295	2.99%	$1,245,917	2.99%	VMVAX
Vanguard Mid Cap Index Admiral	$1,271,842	2.96%	$1,236,638	2.97%	VIMAX
PGIM QMA Small-Cap Value Z	$0	0.00%	$2,883,913	6.92%	TASVX
PGIM QMA Small-Cap Value R6	$2,989,466	6.96%	$0	0.00%	TSVQX
Oppenheimer International Growth Y	$0	0.00%	$2,485,844	5.96%	OIGYX
Oppenheimer International Growth I	$2,506,936	5.84%	$0	0.00%	OIGIX
American Funds New Perspective R6	$2,551,577	5.94%	$2,454,666	5.89%	RNPGX
Vanguard Emerging Mkts Stock Idx Instl	$3,772,806	8.78%	$3,698,997	8.87%	VEMIX
Vanguard Real Estate Index Institutional	$3,580,477	8.33%	$3,422,842	8.21%	VGSNX
Plan Total	**$42,961,796**		**$41,689,772**		

POINTS TO POUNDER
CIVILAN PENSION PLAN

1>Average Pension Payments (2017 CAFR)

Plan	Police	G. E.
2017 Payments	$1,528,191	$3,746,045
Members	47	205
Average Pension	$32,515	$18,273

Delaware Minimum wage 2017 $8.25/hour = $17,160 a year

2> Chang in plans for the last 12 years (cumulative)

Police	G.E.
24%	2%

3> G. E. Pension payments - last published list January 2008

G. E. Members less than $1,000 a month ($12.000 a year) 74

G. E. Members $1,000 - $1,999 a month ($23,988 a year) 62

G. E. Members $2,000 - $2,999 a month ($35,988 a year) 33

G. E. Members $3,090 a month ($37,089 a year) 1
G. E. Members $4,212 a month ($50,544 a year) 1
G. E. Members $4,551 a month ($54662 a year) 1

4> G. E. Pension plan Audit

Full Audit of the General Pension Plan (not the limited review in the CAFR)

The goal of fulling funding the Defined Benefit Plan should be a high priority, it would be very reassuring to the members of the plan to know what that value is and when will be reached.

In 2003 the pension payment was $2,073,202 with a fund balance of $14,446,848 in 2017 the pension payment was $3,746,045with a fund balance of $39,365,436. The fund balance went up $24,918,588 while the annual payment went up $1,672,843

At a Council Workshop November 3, 2008 a plan was presented to Amortize a $24,4518,821 Unfunded Liability for the Civilian Pension Plan totaling $41,890,827 - Increasing plan or $39,757,357for a Level plan.

In January 24, 2017 a report by nyhart listed the unfunded liability for July 2014 as $25,452,793 and the July 2016 as $22,060,391.

I would like to make two request:

City Council be provided with a listing of all current retirees without names - listed in order of monthly payment lowest to highest, with status SS or GE, age and date of retirement. This would provide an understanding of the people involved.

The current amount of the unfunded liability and the plan to fund it.

From 2003 to 2017 (15 years) The City's contribution, payroll based and lump sum was enough to meet the annual pension payment four times (2007, 2008, 2011 and 2014) in the remaining 11 years funds from the Employee Contributions and Investment Income or funds from the balance were needed to meet the annual pension payment. A $9,000,000 Lump Sum payment in 2013 and a $3,000,000 payment in 2014 brought the plan back into balance

General Employees Pension Fund request for consideration

A. Annual Pension Fund CAFR (separate form city CAFR)

B. Annual Budget separate from the City Budget

C. Establish Trust Fund

? 3 member Board of Trustees
(not members of Council or members of plan)
(must have investment background)

Appointed by Mayor

D. Continue to elect 3 representatives from members of of the pension plan to represent the members before Council

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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, 2017, 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, 2017, 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.

Emphasis of Matter

Change in Accounting Principle

During the fiscal year ended June 30, 2017, the City adopted GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension* and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result of implementation, the City disclosed information and reported a restatement related to its Net Other Postemployment Benefits Liability as disclosed in Note 8 and 16. Our auditors' opinion was not modified with respect to the restatement.

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

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

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 introductory and statistical has 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 it.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Baltimore, Maryland
January 31, 2018

	Police				General	
					Employee	
	2% increase	increase	% increase		no increase	
1	$12,000.00				$12,000.00	
2	$12,240.00	$240.00	2.00%		$12,000.00	
3	$12,484.80	$244.80	2.04%		$12,000.00	
4	$12,734.50	$249.70	2.08%		$12,000.00	
5	$12,989.19	$254.69	2.12%		$12,000.00	
6	$13,248.97	$259.78	2.16%		$12,000.00	
7	$13,513.95	$264.98	2.21%		$12,000.00	
8	$13,784.23	$270.28	2.25%		$12,000.00	
9	$14,059.91	$275.68	2.30%		$12,000.00	
10	$14,341.11	$281.20	2.34%		$12,000.00	
11	$14,627.93	$286.82	2.39%		$12,000.00	
12	$14,920.49	$292.56	2.44%		$12,000.00	
13	$15,218.90	$298.41	2.49%		$12,000.00	
14	$15,523.28	$304.38	2.54%		$12,000.00	
15	$15,833.75	$310.47	2.59%		$12,000.00	
16	$16,150.42	$316.67	2.64%		$12,000.00	
17	$16,473.43	$323.01	2.69%		$12,000.00	
18	$16,802.90	$329.47	2.75%		$12,000.00	
19	$17,138.95	$336.06	2.80%		$12,000.00	
20	45.7% $17,481.73	$342.78	2.86%		$12,000.00	
	$291,568.44				$240,000.00	
	$51,568.44					

TURNOVER STATISTICS	2010	2011	2012*	2013*	2014	2015	2016	2017	2018
Avg. Full Time Employees	362	356	333	325	331	333	340	337	341
Total Turnover %	5.57%	6.75%	11.00%	10.91%	6.02%	12.05%	8.68%	15.36%	3.26%
Total number	20	24	37	35	20	40	30	52	11
Termination Turnover %	0.27%	1.08%	0.29%	1.47%	0.57%	0.28%	0.54%	1.92%	0.00%
Termination Turnover number	1	4	1	5	2	1	2	6	0
Resignation Turnover	2.12%	4.05%	5.21%	5.01%	2.29%	7.56%	6.24%	7.41%	2.45%
Resignation Turnover number	8	14	17	16	8	25	21	25	8
Retirement Turnover %	3.18%	1.62%	5.50%	4.42%	3.15%	4.20%	1.90%	4.39%	0.82%
Retirement Turnover number	12	6	18	14	10	14	6	15	3
Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.65%	0.00%
Other Number	0	0	0	0	0	0	0	6	0
Total Turnover	5.57%	6.75%	11.00%	10.90%	6.01%	12.04%	8.68%	15.37%	3.27%
	20	24	37	35	20	40	30	52	11
* Healthcare cost sharing implemented									

LEGISLATIVE, FINANCE AND ADMINISTRATION COMMITTEE

e Legislative, Finance, and Administration Committee meeting was held on December 12, 2005, at 5:3(p.m. with Chairman Salters presiding. Members present were Mr. Hogan, Mr. Slavin, Mr. Shevock, and Mr Shelton. Members of Council present were Mr. Carey, Mr. Sadusky, Mr. Ritter, Mr. Ruane, and Council President Williams (Arrived at 6:10 p.m.). Mayor Speed was also present.

AGENDA ADDITIONS/DELETIONS

Mr. Slavin moved for approval of the agenda, seconded by Mr. Shelton and unanimously carried.

Resolution - Establishment of Special Fund for Post-Retirement Medical Benefits

The General Accounting Standards Board (GASB) has issued a new pronouncement that will require the City to recognize its post-retirement medical benefits liability since medical benefits are guaranteed to retirees. The accounting treatment is very similar to the City's pension accounting. The City is not required to implement the standard until FY08. As a result of this change, Council has approved certain appropriations to be invested to start funding the obligation. They also recently approved the transfer of these funds, in the amount of $2.3 million, to the State's Retirement Investment Plan (DELRIP). An actuary is calculating the liability and will be ready to present the results to Council by the beginning of December or the end of this month.

1 of 6

LEGISLATIVE, FINANCE, AND ADMINISTRATION COMMITTEE

The Legislative, Finance, and Administration Committee meeting was held on December 14, 2009 at 6:00 p.m. with Chairman McGlumphy presiding. Members present were Mr. Leary, Mr. Salters, Dr. Jones, and Mr. Shevock. Members of Council present were Mr. Hogan, Mr. Ruane, Mr. McGiffin and Council President Williams. Mayor Carey was also present.

Elimination of Medicare Part B Reimbursement (*Tabled by Committee on July 13, 2009*)

During their meeting of July 13, 2009, the committee was advised that the Governmental Accounting Standards Board (GASB) passed accounting standards which require governmental entities to recognize the cost of retirement health care during the term of the employee's employment and not "pay as you go" after the employee retires. Members were provided four (4) alternatives, as completed by the Actuary, to incorporate all other persons not currently in a Union. It was noted that the alternatives could stand alone or be combined. Due to the complexity of this issue, it was suggested that staff only address alternative #1, and that alternatives #2, #3, and #4 be tabled until receipt of the Consultant's Report.

2 of 6

Mrs. Mitchell reminded members that the Governmental Accounting Standards Board (GASB) passed an accounting standard which requires governmental entities to implement GASB45, which requires recognition of medical benefits for retirees like pension benefits. She explained that the concept is to match expenses when earned with revenues in that same year. For example, when an employee is working, they are earning r retirement medical benefits the same as their pension benefits (earning these benefits while working hours). Rather than a "pay as you go" after an employee retires, Mrs. Mitchell stated that the new accounting standards requires entities to recognize the cost of retirement health care during the term of the employee's employment. Also, a trust fund would be established to pay out the benefits during the employees' retirement. She explained that the accounting requirements have changed by requiring entities to set aside the

deposited from the Longwood Foundation for $250,000.00. Also, the Request for Proposals is still in draft form and will be received from Becker Morgan Group, Inc. shortly and should be presented during the Regular Council Meeting on December 20, 2005.

The committee took no action.

By consent agenda, Mr. Carey moved for acceptance of the Parks, Recreation, and Community Enhancement Committee Report, seconded by Mr. Salters and unanimously carried.

Council Meeting December 20, 2005

LEGISLATIVE, FINANCE, AND ADMINISTRATION COMMITTEE REPORT - DECEMBER 12, 2005

The Legislative, Finance, and Administration Committee met on December 12, 2005, with Chairman Salters presiding.

Resolution - Establishment of Special Fund for Post-Retirement Medical Benefits

The General Accounting Standards Board (GASB) has issued a new pronouncement that will require the City to recognize its post-retirement medical benefits liability since medical benefits are guaranteed to retirees. The accounting treatment is very similar to the City's pension accounting. The City is not required to implement the standard until FY08. As a result of this change, Council has approved certain appropriations to be invested to start funding the obligation. They also recently approved the transfer of these funds, in the amount of $2.3 million, to the State's Retirement Investment Plan (DELRIP). An actuary is calculating the liability and will be ready to present the results to Council by the beginning of December or the end of this month.

Members were provided a proposed resolution which would establish a special fund to provide for the post-retirement medical benefits liability to retirees.

Mrs. Mitchell, Finance Director, estimated that the liability would be between $40 and $60 million and the amount to be funded would be between $4 and $6 million per year, including the amount currently being funded. Mrs. Mitchell also advised members that the resolution should be amended to read fiscal year 2009.

The committee recommended adoption of the resolution, as amended by changing the fiscal year from 2008 to 2009.

By consent agenda, Mr. Carey moved for approval of the committee's recommendation. The motion was seconded by Mr. Salters and, by a unanimous roll call vote, Council adopted the following Resolution:

WHEREAS, commencing with fiscal year 2009, the City of Dover will be required to recognize its post-retirement medical benefits liability since the City guarantees medical benefits to retirees; and

WHEREAS, Council has approved certain appropriations to be invested to start funding for this obligation; and

WHEREAS, it is necessary to set up a special fund to receive these appropriations, to invest the same, and to anticipate the obligations in the future.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER IN COUNCIL MET:

City of Dover

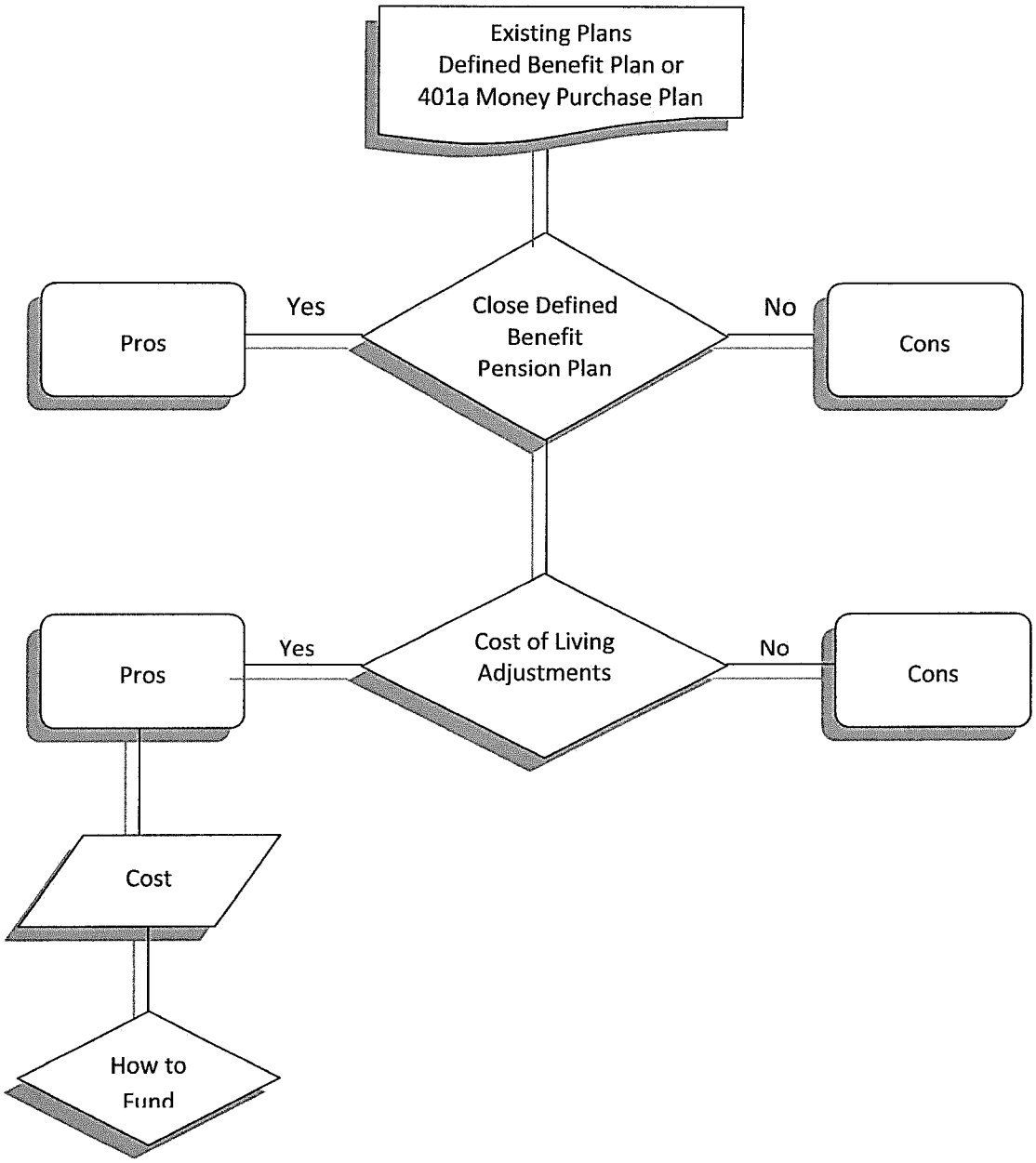
Council Workshop

November 3, 2008 – 7:30 p.m.

AGENDA

Defined Benefit Pension Plan

City of Dover
Pension Plan Presentation
November 3, 2008



City of Dover
Civilian Pension Plans
Features

General Employee Pension Plan

Inception Date:	July 1, 1967
Type:	Defined Benefit Plan
Ownership:	City of Dover – Pension Trust Fund
Cost of Living Adjustments:	Not provided for in Pension Ordinance; There is a history of prior COLA recommendations by Board of Trustees and approval by Council; Motion to discuss Ad Hoc COLA each January;
Investment Management:	Pension Board of Trustees and Asset Management Advisor
Investment & Non-Investment Risk:	City of Dover
Employee Contributions Required:	Yes, Effective 7/1/83
Employee Contribution Percentage:	3 ½ % of gross salary, exclusive of unscheduled overtime
City Contribution:	Actuarially Determined; 4.12% Normal Cost & 22.92% Unfunded Liability
Vesting Requirement:	Yes, 10 years
Participation:	Active Employees – 199 Retired/Disabled Employees – 172 Vested - 13
Retirement Eligibility:	
Prior to May 1, 1994	Age 65 with 10 years of continuous service Age 50 with 20 years of continuous service Any age with 25 years of continuous service
On or After May 1, 1994	Age 65 with 10 years of continuous service Age 55 & years of continuous service is equal to or greater than 80
Reduced benefit	Age 55 with 10 years of continuous service
Accounting Requirements:	Actuarial Analysis and Recognition of Unfunded Liabilities

Money Purchase Plan – Internal Revenue Code 401a

Inception Date:	July 1, 2000
Type:	IRC 401a Plan
Ownership:	Employee or Retiree
Investment Management:	Employee and Asset Management Advisor
Investment & Non-Investment Risk:	Employee or Retiree
Employee Contributions Required:	Yes
Employee Contribution Percentage:	3% of gross salary, exclusive of unscheduled overtime
City Contribution:	3% of gross salary, exclusive of unscheduled overtime
Additional City Contribution:	If the employee contributes to the 457 Deferred Compensation Plan, the City will also provide an additional match up to 3%; bringing the total contribution up to 6%
Vesting Requirement:	None
Participation:	Active Employees – 80 Retired Employees – 3
Retirement Eligibility:	Same as General Pension Plan
Accounting Requirements:	None; Employee Owned

City of Dover
Defined Benefit Plan
Actuary Analysis

Accounting rules require that each owner of a Defined Benefit Pension Plan conduct an actuarial analysis no less than every two years to determine the funding level needed to provide all participants in the pension plan the benefits promised over their lifetime. This applies to active and retired employees. In order to conduct the analysis, the Actuary makes certain assumptions as follows:

Assumptions –

Valuation Date:	Each analysis is as of a point in time – July 1 each year
Employee Contribution:	3 ½%
Employer Contribution:	Percentage provided in last actuarial analysis
Inflation rate:	3 ½%
Projected salary increases:	4 ½%
Investment rate of return:	7 ½ %
Mortality Table:	1993 Group Annuity Mortality Table
Retirement Years:	Takes into consideration hire date and retirement eligibility for each employee based on plan provisions

After the liability calculation is completed, the Actuary then compares the amount to value of the investments held by the Pension Trust. The difference between the value of the investments and the Actuarial Accrued Liability (AAL) is the Unfunded Liability. This is summarized below for 7/1/08.

Actuarial Accrued Liability	$43,800,212	
Market Value of Assets	$18,325,764	
Deferred Loss (Gain)	1,055,627	(see Note 1)
Adjusted Market Value of Assets	$19,381,391	
Unfunded Actuarial Liability	$24,418,821	
Funding Ratio	41.84%	(see Note 2)

Note 1 – The accounting standards permit you to spread gains greater than the actuarial assumption (7.5%) or losses over a five year period. This past year resulted in investment losses and the Deferred Loss (Gain) includes one fifth of the loss.

Note 2 – The Funding ratio is the Market Value of the Assets divided by the Actuarial Accrued Liability. 100% is a fully funded plan. This plan is less than 50% funded. In order for the City to keep its promise to plan participants it should strive to get the plan fully funded.

City of Dover
Civilian Pension Plans

Pros and Cons of Cost of Living Increases

PROS

- Inflationary adjustment to current benefit
- Retiree morale and goodwill

CONS

- Ability to fully fund a Pension COLA in the budget
  - City Actuary recommends if COLA's continue they be fully funded due to the size of the unfunded liability; Current estimate for a 2% COLA is $595,000, however the calculation is based on meeting the assumptions each year;
- Unfunded liability will increase if the actuarial assumptions are not met each year
- Concern of lack of fairness to participants in the 401a Plan as COLA's are not a feature of their plan; Expectation to provide COLA to the 401a Plan participants;

Pros and Cons of Closing Defined Benefit Plan

PROS

- Reduce investment risk
  - If we don't meet the 7.5% rate of return investment assumption, the City's cost and unfunded liability increases
- Reduce non-investment risk
  - Higher than assumed pay increases
  - Mortality – participants living longer than mortality tables
  - Retirement's sooner than assumed
- Eventual elimination of unfunded liability and annual amortization of the unfunded liability
- Annual budget requirements for the unfunded liability would no longer be necessary, once the plan is fully funded. Current Budget Requirement $1,969,580 for unfunded liability.
- Reduction of liability would enhance bond ratings

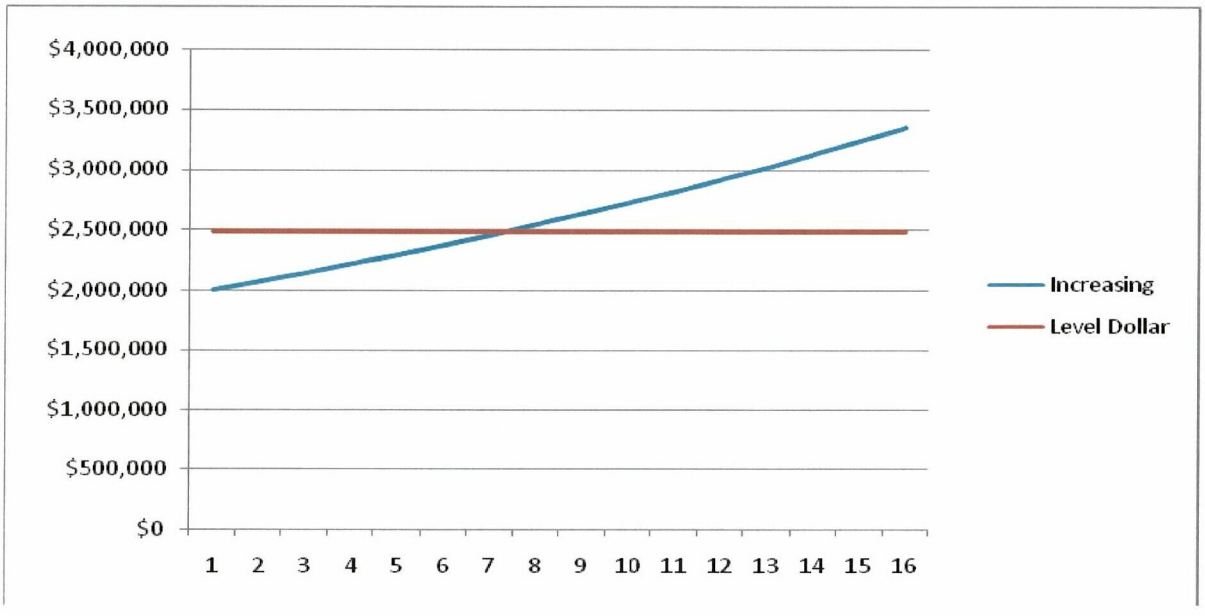
CONS

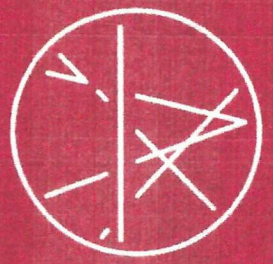
- Employer normal cost contribution up to 6% for 401a Plan versus 4.12% for Defined Benefit Plan
- Recruitment; Defined Benefit Plans are traditionally governmental plans
- No vesting requirement may lead to higher turnover
- The liability has to be spread evenly over the amortization period for a closed plan. An open plan allows the City to increase the cost by 3 ½ % each year. The City's cost will increase the first 8 years and decrease in Year 9 and forward. (Details on following page)

City of Dover
Civilian Pension Plans

Annual Payments to Amortize $24,418,821 Unfunded Liability

	Year Ending 30-Jun	Increasing Amortization	Level Dollar Amortization
1	2009	$1,997,557	$2,484,835
2	2010	$2,067,471	$2,484,835
3	2011	$2,139,833	$2,484,835
4	2012	$2,214,727	$2,484,835
5	2013	$2,292,243	$2,484,835
6	2014	$2,372,471	$2,484,835
7	2015	$2,455,508	$2,484,835
8	2016	$2,541,450	$2,484,835
9	2017	$2,630,401	$2,484,835
10	2018	$2,722,465	$2,484,835
11	2019	$2,817,751	$2,484,835
12	2020	$2,916,373	$2,484,835
13	2021	$3,018,446	$2,484,835
14	2022	$3,124,091	$2,484,835
15	2023	$3,233,435	$2,484,835
16	2024	$3,346,605	$2,484,835
	Total	$41,890,827	$39,757,357





nyhart

MANAGEMENT SUMMARY

City of Dover, Delaware

General Employee and Police Pension Plans

January 24, 2017

Certification

This report was prepared for the City of Dover to summarize the results of the 7/1/2016 funding valuations and the GASB 67 & 68 accounting reports as of June 30, 2016, and may not be appropriate for other uses. Please contact Nyhart prior to disclosing this report to any other party or relying on its content for any purpose other than the intended use.

Except where indicated otherwise, the funding results included in this report are based on the same data, assumptions, methods, and plan provisions as the 7/1/2016 funding valuations. As a result, these sections of the 2016 funding reports dated 12/30/2016 should be considered part of this report.

Accounting results are based on the same data, assumptions, methods and plan provisions as described in the 6/30/2016 GASB 67 & 68 reports. As a result, these sections of the GASB 67 & 68 report dated 10/4/2016 and 9/23/2016 should be considered part of this report.

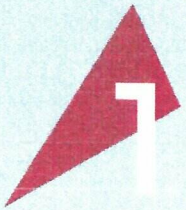
This report has been prepared in accordance with generally accepted actuarial principles and practice.

The undersigned are compliant with the continuing education requirements of the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States.

Carter M. Angell, FSA, EA, MAAA

Elizabeth A. Wiley, ASA

A lot of changes



New actuary



Audit of previous results for funding and accounting



Fresh look at where things are and where they are going

Transition to Nyhart

General Employees

Measurements as of 7/1/2014	Prior Actuary	Nyhart	$ Difference	% Difference
Actuarial Accrued Liability	$58,278,646	$57,854,095	($424,551)	(0.7%)
Employer Normal Cost	$253,709	$237,390	($16,319)	(6.4%)
Employee Normal Cost	$199,958	$203,725	$3,767	1.9%
PYE 2016 Contribution	$2,983,776	$2,914,643	($69,133)	(2.3%)

- Nyhart was able to match key measurements within a reasonable range, and did not identify any pension plan provisions which were not captured or were valued inappropriately.
- For the conversion, Nyhart reviewed data, plan provisions, & assumptions summarized by the prior actuary in the 7/1/2014 valuation report.

Valuation Results

General Employees



Valuation Date	7/1/2014	7/1/2016
Accrued Liability	$58,278,646	$58,851,782
Actuarial Value of Assets	32,825,853	36,791,391
Unfunded Liability	25,452,793	22,060,391
Funded Percentage	56.3%	62.5%
Recommended Contribution	$2,983,776	$2,824,098

GASB 67, 68 Accounting Results – General Employees

Measurement Date	6/30/2015	6/30/2016
Service Cost	$458,969	$401,218
Interest on TPL	3,861,154	3,718,982
Projected earnings on investments	(2,406,707)	(2,279,528)
Employee contributions	(209,446)	(202,340)
Administrative expense	18,792	16,040
Recognition of deferred outflows/(inflows)*	$716,377	935,467
Pension Expense	$2,439,139	$2,589,839

ACTUARY'S COMMENT

The expense was $219,000 higher than anticipated. The increase was largely due to the $1.4 million loss on asset performance, which caused a $286,000 increase in expense (as the loss is amortized over 5 years). This loss was offset by demographic gains which lowered expense by $67,000.

* The recognition of deferred outflows/(inflows) includes charges due to differences between expected and actual experience in measurement of the TPL, changes of assumptions, and differences between projected and actual earnings on pension plan investments

GASB 67, 68 Accounting Results – General Employees

Measurement Date	6/30/2015	6/30/2016
Total pension liability (TPL)	58,673,000	58,807,821
Plan fiduciary net position	(35,290,922)	(35,698,537)
Net pension liability	23,382,078	23,109,284
Ratio of plan fiduciary net position to TPL	60.15%	60.70%

- The net pension liability decreased from 2015 to 2016.
- $1,435,000 expected decrease
- $267,000 decrease due to demographic gains
- $1,429,000 increase due to asset underperformance (i.e. return of 2.4% vs. expectation of 6.50%)