

TOWN OF OCEAN CITY
ADOPTED BUDGET
FISCAL YEAR 2016 - 2017



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TOWN OF OCEAN CITY, MARYLAND

ADOPTED BUDGET

FISCAL YEAR 2016-2017

Richard W. Meehan
Mayor

Lloyd Martin
Council President

Mary P. Knight
Council Secretary

Douglas S. Cymek
Council Member

Dennis W. Dare
Council Member

Anthony J. Deluca
Council Member

Wayne A. Hartman
Council Member

Matthew M. James
Council Member

Douglas Miller
City Manager

Jennie T. Knapp
Budget Manager

Prepared by
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TABLE OF CONTENTS

Introductory Section.....	1
General Fund.....	7
General Fund Revenue/Expenditure Graph.....	8
General Fund Summary.....	9
Legislative and Administrative.....	12
Engineering and Beach Replenishment.....	14
Planning and Community Development.....	16
Police.....	22
Communications, Electronics, and Emergency Management.....	26
Fire.....	28
Fire/Emergency Medical Services.....	30
Fire Marshal.....	32
Public Works Administration and Construction.....	36
Public Works Maintenance Division.....	38
Solid Waste and Transfer Station.....	40
Recreation.....	46
Parks.....	48
Beach Patrol.....	50
Town Sponsored Festivals.....	52
Tourism Promotion,.....	54
Miscellaneous.....	56
Enterprise Funds.....	58
Water.....	60
Wastewater.....	64
Transportation.....	66
Airport.....	70
Golf Course.....	74
Convention Center and Museum.....	78
Internal Service Funds.....	82
Information Technology.....	84
Service Center and Impound Lot.....	86
Vehicle and Equipment Trust.....	88
Risk Management.....	90
Supplementary Information.....	93
Budget Ordinance.....	99





TOWN OF OCEAN CITY

The White Marlin Capital of the World

To: The Honorable Mayor, Council President and Members of the City Council
From: Douglas R. Miller, City Manager
Re: Budget Message – Fiscal Year 2016 Proposed Operating Budget
Date: June 20, 2016

To the Honorable Mayor and Council of Ocean City as well as to our citizens and taxpayers: I am delighted to outline and review the adopted Budget for Fiscal Year 2017. I wish to thank our Budget Manager, Jennie Knapp who did the hard work in making this budget balance. I would also like to thank Mayor Meehan who, as acting City Manager, presided over the beginning of the budget process. Our department heads must also be recognized for their thorough and thoughtful budget submissions.

As a matter of quick review, the “budget” is actually a collection of separate accounting units referred to as “funds”. The budget that typically gets the most attention is the General Fund Budget. This is the budget that is supported by property tax, state-shared revenue and fees. These revenues fund services such as public safety, public works, tourism, solid waste, planning and zoning, recreation and parks and the various administrative and support functions. In addition to the General Fund, Ocean City has six enterprise funds: Water, Wastewater, Transportation, Eagles Landing Golf Course, the Ocean City Airport and the Convention Center. These budgets are supported by the fees that are charged for the services provided under these funds. The Transportation, Airport and the Convention Center Enterprise Funds require annual contributions from the General Fund to make them balance. The Town also has Internal Service Funds and Fiduciary Funds in its budget. The total of all of these funds for FY 17 is \$124 million. As established in the Maryland Code, the fiscal year (FY) begins on July 1 and ends on June 30, and FY’s are numbered in the year that they end.

The FY 17 General Fund Budget is balanced with just over \$81 million in both revenue and expenditure. The real property tax rate was reduced slightly (from \$.478 to \$.4727 per \$100 of assessed value) to what is referred to as the Constant Yield Tax Rate. We were able to do this through a combination of increased revenue estimates, significant reductions in expenses such as fuel and energy costs and a reduction in health insurance costs, and utilization of fund balance to fund capital improvements. Unfortunately, the savings in fuel and energy will probably not be repeated in subsequent FY’s. For FY 17, one penny on the tax rate generates \$855,473 in revenue.



A key goal of the Mayor and Council is to make Ocean City an attractive place to live twelve months of the year. The Town has employed many strategies to accomplish this goal, one of which is to stabilize the property tax bill for the permanent resident by setting the Homestead Property tax rate at 0%, essentially freezing any future increases in assessment. In FY 17, most permanent residents who claim the Homestead Property Tax Credit on their Ocean City home will see their property tax bill decrease.

Real Property Taxes provide about 50% of the revenue needed to fuel the General Fund. The amount of the General Fund budget, which is funded by property taxes, has been declining since FY '09 while

revenues, such as Room Tax, have significantly increased. In FY 17, the Room Tax estimate is \$14,600,000. Other taxes received by the General Fund include State Shared revenue such as Highway User Revenue (\$491,000), State Aid for Police Protection (\$405,000), emergency management grants (\$117,000), Admissions Tax (\$1,335,000) and slots and casino revenue (\$605,000). Revenue from these sources is projected to increase over \$1.3 million from FY 16. Other revenue sources include planning and zoning fees (\$100,000), building permit fees (\$770,000) and cable TV franchise fees (\$995,000). The County provides the Town grants in the amount of \$4.2 million to offset the costs of duplicate services. Emergency medical fees are budgeted at just over \$1 million.

The Water Enterprise Fund and the Wastewater Enterprise Fund are primarily supported by water and sewer rates broken down into fixture charges and usage rates. For FY 17 the water usage rates will increase from \$3.70 per 1000 gallons used to \$3.90 per 1000 gallons. Sewer fixture charges will increase from \$8.80 to \$8.95. These increases reflect the recommendations of a study previously conducted by the Town's Finance Department, and support necessary capital improvements in these funds.

There will be no new full-time positions added in FY 17. The non-union employees will receive a step increase as of January 1, 2017. Members of the FOP will receive a step increase on December 31, 2016 and a step increase the following day on January 1, 2017. These increases were a part of a previously negotiated contract. Members of the IAFF will not receive any increases in FY 17.

It should be noted that budgets are at best estimates. It is impossible to forecast with 100% certainty how much will be collected in taxes and fees. It is also impossible to look ahead eighteen months from the beginning of the budget process and predict all pressures placed upon the Town due to events, equipment failures or emergencies. For that reason we are conservative in our estimates. If we are fortunate enough to have a fiscal year where revenue is more than forecast, and without unforeseen significant or emergency expenditures, any surplus will be used for two purposes. The first will be to maintain a balance of at least 15% of budget for emergency expenditures. The second purpose will be to reinvest in the town by way of capital projects. And while the Town does a better job than many municipalities addressing infrastructure, our capital needs are greater than the available revenue to fund them. The FY 17 budget utilizes \$1.2 million of fund balance to fund street paving, canal dredging, repairs at Northside Park, continuation of the boardwalk surveillance project, and fiber connectivity for municipal buildings on the south end of the island.

The budget is far more than a financial document. It is where the priorities become actions next twelve to eighteen months. In that light, the Mayor and Council, along with the senior staff, participated in a very impressive multiyear strategic planning process yielding ambitious goals which this budget supports.



One goal of the Strategic Plan is that Ocean City be a “First Class Resort and Tourist Destination”. The Town will dedicate significant resources in many different areas to make Ocean City stand out. The FY 17 budget invests \$1.7 million into maintaining the beach and boardwalk by funding the restoration of boardwalk light poles, beach replenishment and extra seasonal crews to keep the boardwalk clean. Our ten-mile beach is

protected by our Beach Patrol so \$2.3 million has been dedicated to this effort. As one of our prominent business leaders says, “Ocean City needs to address the three “S’s” to be successful; sand, surf and

safety”. To ensure that we satisfy that last “S” safety, the Town will spend \$33.7 million in public safety in FY 17 which includes police, fire/EMS, communications and emergency management. Spending for tourism will increase by \$241,000 in this fiscal year to \$5.7 million. We will further invest \$2.2 million in Special Events which have proven to be a successful draw of visitors to our resort. One popular and greatly improved Town service is our transit system. The FY 17 budget will dedicate \$1.3 million from the General Fund for that purpose.

Another goal of the Strategic Plan is to have a “Financially Sound Town Government”. The FY 17 Budget will have a reduced tax rate and water and sewer rates that are based on sound financial data and trend analysis. The long established debt policy will be adhered to as well as the reserve policy. In addition, pensions and OPEB (other post-employment benefits) are funded to a healthy level. The Town enjoys an AA bond rating which is partially influenced by the sound conservative financial practices that we employ. It should be noted that the Town greatly benefits from its very capable and long serving Finance Director, Martha Bennett. Her leadership is one key reason that the Town enjoys such an impressive bond rating.

Another goal for Ocean City is to be a “More Livable Community for Residents”. The FY 17 budget will continue to provide resources to upgrade and enhance Northside Park. Between FY 16 and FY 17, the Town has invested \$1 million in this recreational complex. Canal dredging will remain a priority as the Town has invested over \$1.6 million in these waterways since FY 14. The Town will further devote \$2 million to street paving and sidewalk repair.



Ocean City is clearly the most unique municipality in Maryland. No other town or city has the ongoing pressure upon it to provide top notch services every day. While other jurisdictions can reduce services or put off capital projects, Ocean City cannot. We must sparkle every day. The FY 17 budget reflects the Town’s strong commitment to serve our citizens, to serve our businesses, to serve our non-resident property owners and to serve the millions of visitors who enjoy Ocean City every year.



INTRODUCTORY SECTION

**TOWN OF OCEAN CITY
FY 2017
CALENDAR OF BUDGET PROCESS**

08/10/15	Convention Center FY 17 Budget due to the Maryland Stadium Authority
09/14/15	Budget Packets and calendar of Departmental budget meetings forwarded to Departments
10/16/15	IT requests and back-up due to Nancy Bloxom Personnel requests and back-up due to Wayne Evans Vehicle requests and back-up due to Ron Eckman and Catrice Parsons
12/07/15	Departmental Budgets updated to City Manager level
12/15/15	Risk Management budget meeting with City Manager
02/10/16	Approximate Receipt of Property Tax Revenue Forecast for FY 2017
01/08/16-02/26/15	City Manager Review Process
04/05/16	Special Work Session for presentation of City Manager Budget Proposal to Council
04/06/16-04/14/16	Review of City Manager Budget Proposal, Public Requests and Recommendations by Mayor and Council
04/15/16	Final FY 17 Budget Wrap-Up
05/02/16	Public Hearing on Constant Yield Tax Rate 1st Reading of the FY 2017 Budget
05/16/16	2nd Reading of the FY 2017 Budget

TOWN OF OCEAN CITY

The Town of Ocean City was incorporated by the State of Maryland in 1880. Ocean City is located approximately 150 miles from Washington, DC and 135 miles from Baltimore, Maryland. Ocean City is bordered on the north by Fenwick Island, Delaware; on the south by the inlet which separates Ocean City from Assateague Island; on the west by Sinepuxent Bay, Isle of Wight Bay and Assawoman Bay and on the east by the Atlantic Ocean.

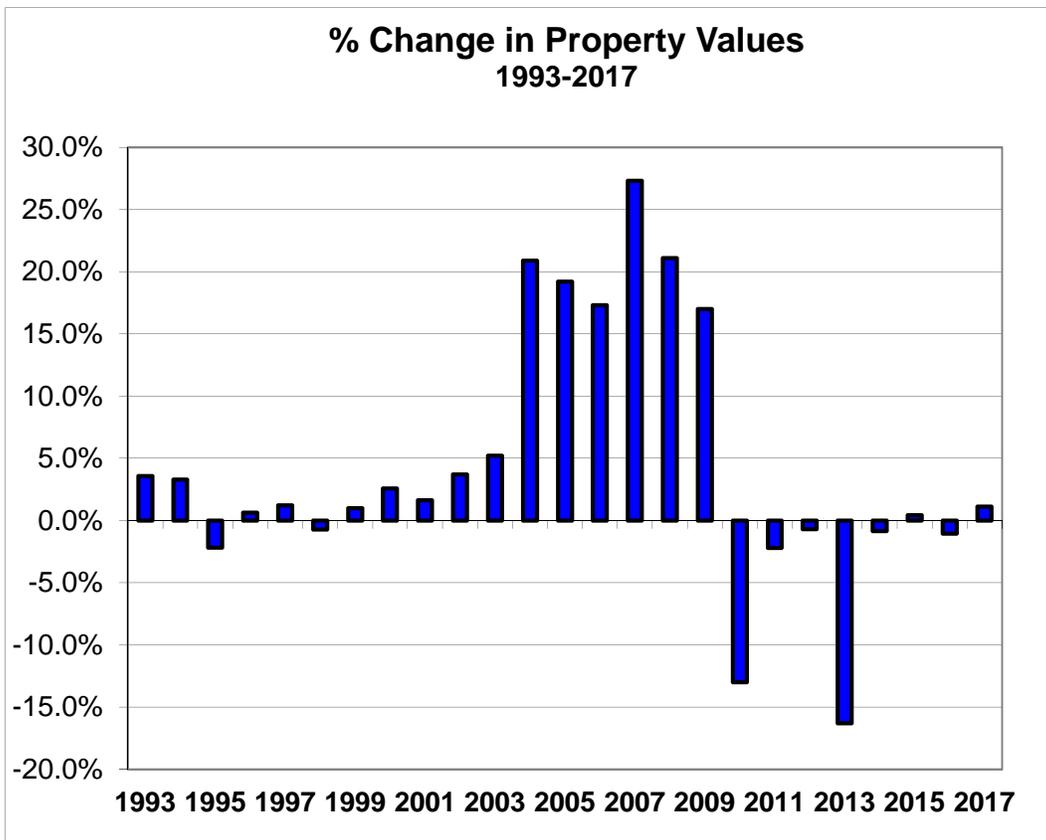
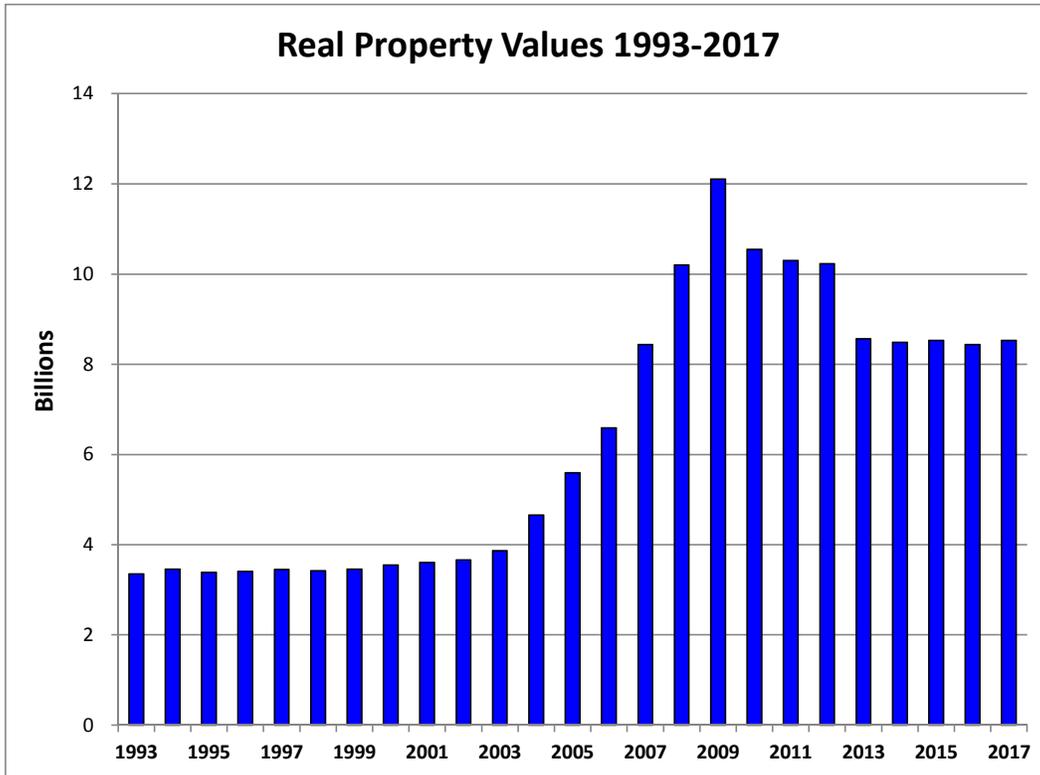


FISCAL YEAR 2016-2017 ADOPTED BUDGET

This budget document presents the annual operating budget for fiscal year 2016-2017. It presents the revenue and expenditures for the Town's General Fund, Enterprise Funds: Water; Wastewater; Transportation Convention Center; Airport; and Golf Course, and the Internal Service Funds: Information Technology; Service Center, Vehicle Trust; and Risk Management.

To aid the reader in evaluating costs and trends, each department within the General Fund and the operations of the Enterprise Funds and Internal Service Funds are summarized showing actual expenditures for fiscal year 2015, the revised budget for fiscal year 2016, and the proposed budget for fiscal year 2017. Revenues attributable to each department are deducted from the expenditure total to give the reader the amount of funding required by the department from taxpayers. Changes in revenue, personnel, and service operations are highlighted on the page facing the budget information.

Projected amounts for revenue and expenditures are subject to forecasting errors which are inherent in all such projections. The budget is, consequently, a plan based on current economic conditions, not a list of actual revenues and expenditures.



CITY GOVERNMENT AND ADMINISTRATION

General

The City has a Council-Manager form of government, under which the legislative and executive powers of the City (except for certain designated mayoral powers) are vested in the Council. The Council is composed of seven members, each of whom is elected by an “at-large” vote of the City’s populace to serve a four-year term. The Council is empowered to elect one of its members as president, and the Mayor and Council appoints a Council member to serve as secretary. The Council has the power to: make all policy decisions for the City, subject to the provisions of the Charter; appoint the City Auditor, Town Attorney, City Manager, City Clerk and, in conjunction with the Mayor, the Chief of Police and members of all City boards, commissions and committees; establish salaries for all City officials and employees; and exercise direct supervision and control over the City Manager.

The Mayor is the chief representative of the City before all Federal, State and local governmental bodies, and is elected in a City-wide election every two years. The Mayor holds the power to veto all ordinances enacted by the Council as described below:

Each member of the Council has one vote, and in the absence of higher voting requirements, a simple majority of the Council is sufficient to pass legislation. All ordinances passed by the Council are delivered to the Mayor for his approval or disapproval. Any ordinance approved by the Mayor becomes law, and ordinances disapproved by the Mayor are returned to the Council and do not become law unless subsequently passed by a favorable vote of six members of the Council within 60 days of the time of the return of the ordinance. If, within 40 calendar days of such approval of any ordinance by the Mayor or passage of any ordinance over his veto, a petition, containing the signatures of not less than 40% of the number of voters at the most recent general election and requesting that the ordinance be submitted to a vote of the qualified voters for their approval or disapproval, is filed with the City’s Clerk, such a vote must be held, and the ordinance will not become law until it is approved by a majority of such qualified City voters.

The City Manager is the chief administrative officer of the City, and is appointed by the Council. He is charged with the responsibility of hiring, supervising and discharging all City employees, except department heads, subject to Personnel regulations and other City, State of Maryland and Federal laws. He also recommends to the Council the appointment and discharge of all department heads, supervises all department heads during the term of their appointment, makes reports and recommendations to the Council concerning any municipal matter which may deserve Council attention and carries out other duties assigned by the Council.

Additionally, the City manager serves as the chief finance officer of the City and is responsible for all municipal financial affairs. Under the supervision of the Council, the City Manager has the authority and is required to (a) keep an accurate account of the receipts and disbursements of the funds of the City and to render annually to the Mayor and Council a succinct and detailed statement thereof, (b) prepare an annual budget to be submitted to the Council, (c) supervise and be responsible for the disbursement of all monies and have control over all expenditures to assure that budget appropriations are not exceeded, (d) maintain a general accounting system for the City in such form as the Council may require not contrary to State of Maryland law, (e) submit at the end of each fiscal year, and at such times as the Council may require, a complete financial report to the Council, (f) ascertain that all taxable property within the City is assessed for taxation, (g) collect all taxes, special assessments, license fees, liens, and all other revenues of the City, and all other revenues for which collection of City is responsible, and receive any funds receivable by the City, (h) have custody of all public monies belonging to or under the control of the City, and (i) do other things in relation to the fiscal or financial affairs of the City as the Council may require or as may be required elsewhere in the Charter.

The Council appoints a City Clerk to serve as its clerk, under the supervision of the City Manager. The City Clerk acts as custodian of all records of the Council.

The City’s governmental services are carried out by various specialized departments, each of which is run by a department head, who is appointed by majority vote of the Council and supervised by the City Manager.

BUDGET

The City's budget is prepared each year for the Council by the City Manager. At least 32 days before the beginning of any fiscal year, the City Manager is required to submit the budget to the Council. The budget must provide a complete financial plan for the budget year and contain estimates of anticipated revenues and planned expenditures for the coming year. Before adopting the budget, the Council must hold a public hearing thereon after two weeks' prior notice in one or more newspapers having general circulation within the City. The Council may insert new items or may increase or decrease the items of the budget. In instances in which the Council increases the total proposed expenditures, it must also increase the total anticipated revenues in the amount at least equal to such total proposed expenditures. The budget must be prepared and adopted in the form of an ordinance. A favorable vote of at least a majority of the total elected membership of the Council is necessary for the adoption of the budget.

The Charter provides that no City money be expended without having been appropriated by the Council. The Council (by a two-thirds vote), however, is empowered to make supplementary appropriations from (1) unexpended and unencumbered funds set aside for contingencies in the City's budget, (2) Federal, State or private grants which were not included in the budget for the current fiscal year, (3) revenues received from anticipated sources but in excess of budget estimates therefore, and (4) revenue received or to be received from sources not anticipated in the budget for the current fiscal year, including, but not limited to, the proceeds from the public or private sale of general obligation bonds and bond anticipation notes authorized and issued after the adoption of the budget for capital improvements, capital projects and capital expenditures of any nature whatsoever to be financed in whole or in part by such general obligation bonds or bond anticipation notes, and the proceeds from the sale of tax anticipation notes authorized and issued after the adoption of the budget in accordance with the City's charter.

The Charter also provides that the Council (by a two-thirds vote) may, to the extent that there are no unappropriated revenues therefore, authorize the issuance of tax anticipation notes in order to provide revenue to deal with (1) public emergencies affecting the City's health, welfare, property or safety, or (2) occurrences, conditions or events that were unforeseen or unanticipated, in whole or in part, at the time the budget was adopted by the Council. Such tax anticipation notes may be sold by public or private sale.

The City budget is prepared on a "line item" basis, specifying the department and activity involved. Transfers of budgeted items may be accomplished with the approval of the City manager within a fund. Budget amendments that establish additional revenue equal to or in excess of new appropriations or move appropriations from one fund to another must be approved by the City Council. All expenditures with an anticipated dollar value in excess of \$25,000 must follow the competitive bid process as outlined in the Town of Ocean City Purchasing Manual.

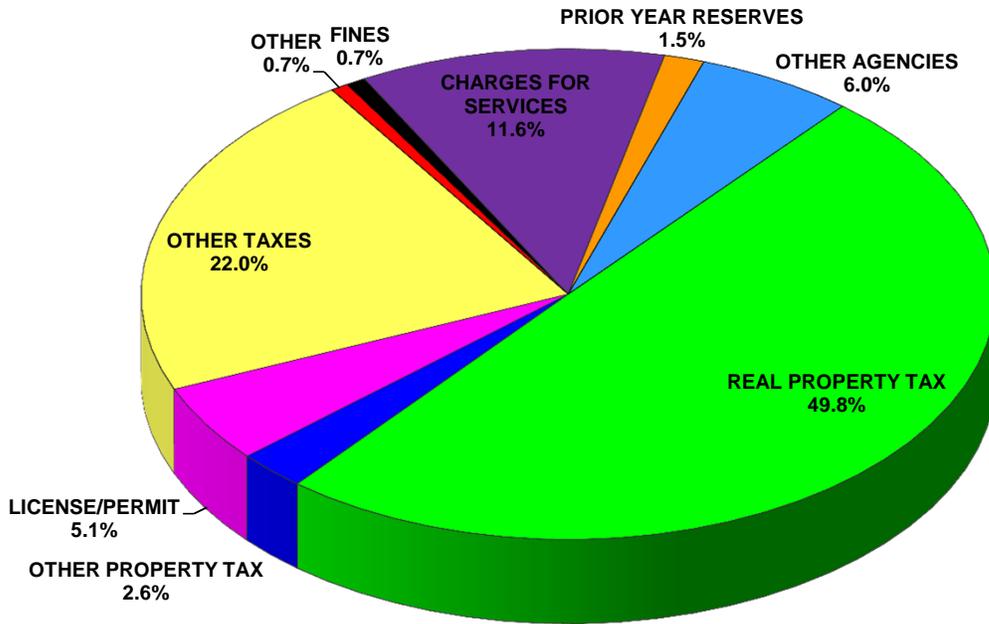
Budgetary Guidelines and Policies

The City has certain established guidelines and policies relating to the operating budget and the City's capital budget, which are used by the City Manager in allocating the City's resources and by the Council and the Mayor in assessing proposed spending plans. The operating budget policies provide, among other things, for: the City to pay for all current expenditures with current revenues; the budget to provide for adequate maintenance of capital plant and for its orderly replacement; the City to maintain a budgetary control system to help it adhere to the budget; the City Manager to prepare regular reports comparing actual revenues and expenditures to budgeted amounts; and neither the council, the Mayor nor the City Manager to take any budgetary action which would unbalance the budget, unless additional revenues can be secured. As a result of the guidelines relating to the capital budget, the City currently makes all capital improvements in accordance with an adopted capital improvement plan; the City has a multi-year plan of capital improvements which is updated annually; the City has an annual capital budget in which expenditures are accounted for in the separate capital projects fund; a maintenance and replacement schedule is followed in the preparation of City budgets; and for each capital project, the City Manager identifies potential funding sources before a request for its approval is submitted to the Council.

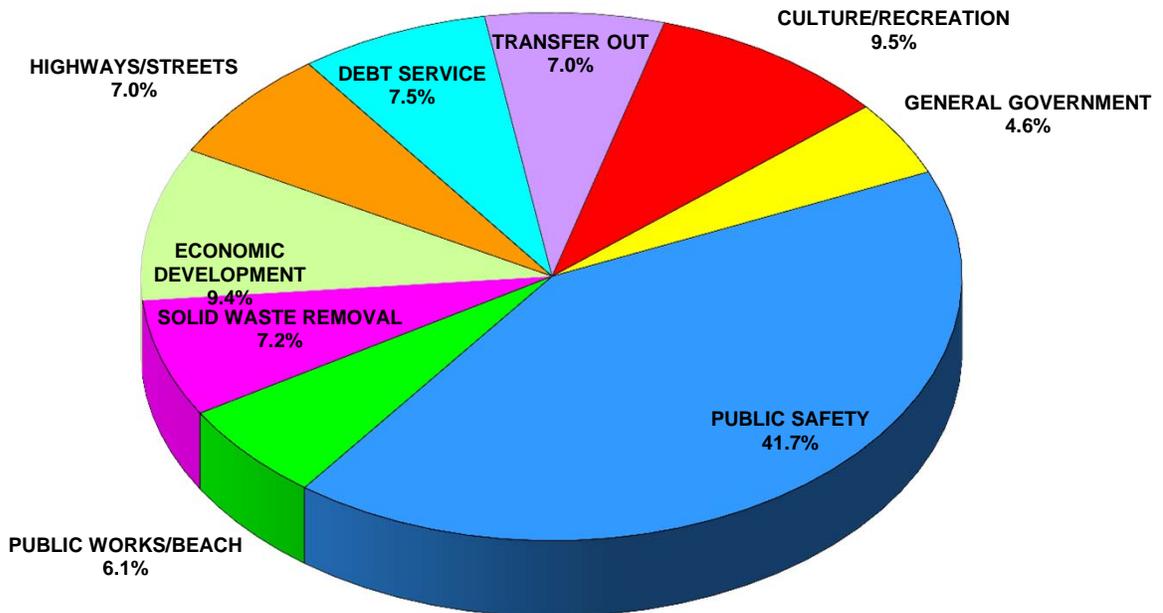
GENERAL FUND

The General Fund is the principal fund of the Town and is used to account for all activities of the Town not included in other specified funds. The general fund accounts for the normal recurring activities of the Town. These activities include general government, public safety, beach maintenance, maintenance of public buildings and highways and other public works. They are funded primarily by property and sales taxes on individuals and businesses, and grants from other governmental units.

General Fund Revenue FY 17



FY 17 General Fund Expenditures



TOWN OF OCEAN CITY
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES
YEARS ENDED JUNE 30, 2015 (ACTUAL), 2016 (BUDGETED) AND 2017(ADOPTED)

	ACTUAL 2015	ADOPTED BUDGET 2016	CITY MANAGER PROPOSED 2017	COUNCIL ADOPTED 2017
REVENUES				
Real Property Tax	\$ 40,129,976	\$ 40,239,417	\$ 40,438,210	40,438,210
Other Property Taxes	2,059,598	1,767,000	1,860,000	1,860,000
Penalties And Interest	240,414	235,000	240,000	240,000
Other Taxes	17,024,793	16,538,806	17,855,545	17,855,545
Licenses And Permits	4,190,527	4,073,126	4,172,882	4,174,882
Revenue From Other Agencies	5,602,145	4,886,407	4,838,102	4,838,102
Charges For Current Services	9,457,305	9,223,378	9,350,100	9,377,600
Fines And Forfeitures	583,087	581,500	602,000	602,000
Other Revenue	960,563	534,350	545,688	545,712
Bond Issuance	0	0	0	0
Discounts Taken	0	0	0	0
TOTAL REVENUES	80,248,408	78,078,984	79,902,527	79,932,051
EXPENDITURES				
General Government	3,817,132	3,815,931	3,736,093	3,757,507
Public Safety	32,700,162	34,027,087	33,763,875	33,885,767
Public Works/Beach Maintenance	4,991,829	5,147,325	4,923,523	4,924,404
Sanitation And Waste Removal	5,353,919	5,760,131	5,863,443	5,854,954
Highways And Streets	5,241,405	5,532,152	5,653,417	5,660,746
Economic Development-Tourism	7,889,134	7,349,360	7,614,727	7,616,956
Culture & Recreation	7,090,260	7,778,044	7,684,467	7,694,464
Debt Service	5,199,584	5,015,068	6,056,326	6,056,326
TOTAL EXPENDITURES	72,283,425	74,425,098	75,295,871	75,451,124
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	7,964,983	3,653,886	4,606,656	4,480,927
OTHER FINANCING SOURCES (USES)				
Operating Transfers-Out	(3,039,985)	(3,167,487)	(3,006,861)	(2,992,482)
Transfer To Capital Construction	(2,408,326)	(2,126,426)	(2,589,250)	(2,724,250)
TOTAL OTHER FINANCING SOURCES (USES)	(5,448,311)	(5,293,913)	(5,596,111)	(5,716,732)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 2,516,672	\$ (1,640,027)	\$ (989,455)	(1,235,805)

GENERAL GOVERNMENT

General Government consists of four divisions: the Legislative division; the Executive/Administrative division; Special Appropriations, and Planning and Community Development. For the purposes of this book, Planning and Community Development and Construction Inspection have been combined due to shared revenue from the plan review process.

LEGISLATIVE DIVISION

This division consists of the Mayor and Council and the City Clerk's departments and includes the Board of Elections, Ethics Committee, Noise Board, Pension Trustees and Beach Mediation Board. The Mayor and seven Council members constitute the legislative and policy making body of the Town government. They enact ordinances and resolutions, review and adopt the budget, consider planning and zoning matters referred to them by the Planning Commission and establish programs and general policies for the welfare of the Town and its citizens.

EXECUTIVE AND ADMINISTRATIVE DIVISION

This division consists of the City Manager, Finance, Human Resources and Legal divisions. These divisions are responsible for executing the Town Council's policies, ordinances, resolutions, and service objectives; keeping the Mayor and Council informed as to conditions of the Town's services, infrastructure and financial status. Other duties include billing and customer service for taxes, licenses and utility systems, accounting, auditing, capital financing, debt management, and budgeting.

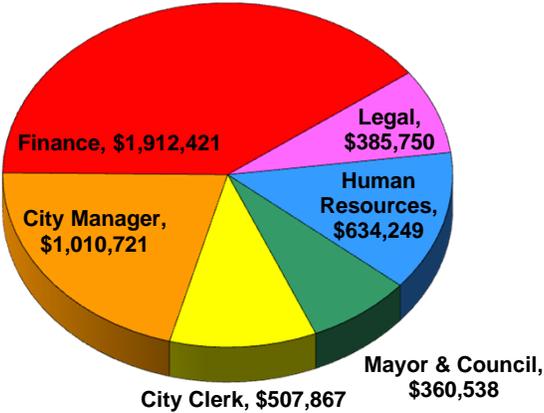
SPECIAL APPROPRIATIONS

This division includes grants made by the Town to various organizations. For purposes of this book, expenses are combined with debt service and Transfers to Other Funds and are shown in a separate section labeled "Miscellaneous".

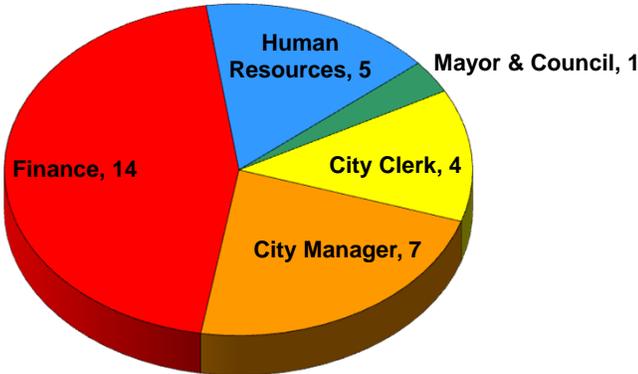
PLANNING AND COMMUNITY DEVELOPMENT

The department of Planning and Community Development consists of the divisions of Planning & Zoning and Code Enforcement. The department is responsible for preparing general and specific plans for the development of the Town, and for the administration of codes and regulations that implement those plans. The department administers and enforces the adopted International Building Code that includes issuing building permits and inspecting construction. The department is also responsible for providing staff support to various boards and commissions, including the Planning and Zoning Commission; Board of Zoning Appeals; Board of Port Wardens; and Board of Adjustments and Appeals.

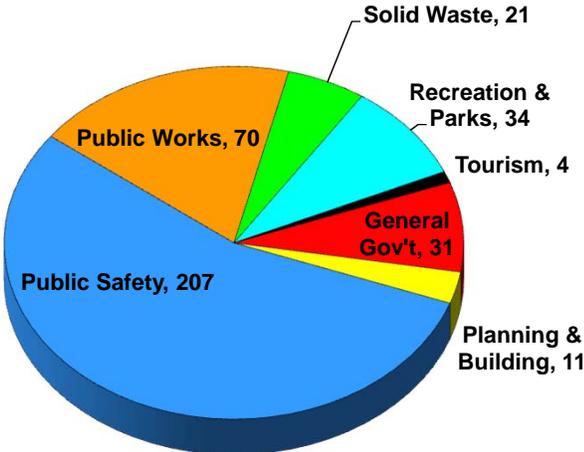
FY 17 General Government Expenses



FY 17 General Government Full Time Personnel



FY 17 Full Time General Fund Personnel



**TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET**

LEGISLATIVE AND ADMINISTRATIVE DIVISIONS

BUDGET HIGHLIGHTS:

PERSONNEL CHANGES:

There are thirty-one employees in the Legislative and Administrative divisions. A step increase on January 1, 2017 has been included for full-time employees. No new full-time positions were requested. Under part-time salaries, funding has been included for Election board members for the municipal election, and for a Revenue Specialist for the Finance department. Employee benefit costs are expected to decrease \$71,715 for these divisions, and health insurance, retiree health and retirement are funded at a lower level than the FY 16 Adopted budget. Employee benefits also include an allowance for tuition reimbursement, funded at \$10,000 for FY 17.

CHANGES IN OPERATIONS:

Contracted Services include professional services such as legal fees and consultants, maintenance, travel and training, printing and dues. Legal expenses account for \$350,750 of the Contracted Services line item in this division. The IAFF contract negotiations were included in the FY 16 budget at \$125,000. No labor negotiations are scheduled in FY 17 and the line item has been reduced. An allowance for employment and other issues that may arise has been included at \$210,000. Other expenses included in the Contracted Services line item are the annual Town audit, funded at \$55,000, actuarial services for GASB 67 & 68 required for the annual financial report funded at \$12,000, and banking services fees funded at \$48,000. EMS billing fees have been included at \$84,480 and are offset by projected revenue of \$1,066,000. Printing and postage for two issues of the Town newsletter are also included. The facilitator for strategic planning has been funded at \$26,000 and the fees for the Acela agenda management system have been funded at \$13,668. Also included is the Affordable Care Act IRS Preparation/Filing fee of \$10,000. Development of an Employee Performance Management program was added to the budget by the Council during budget wrap-up at a cost of \$3,000. Travel and Training costs in this division decrease slightly. Training included in this division are the Government Finance Officer's conference, the National Hurricane conference for four council members, the Mayor, and the City Manager, and continuation of the certification for the City Clerk. Under Supplies and Materials, postage has been included at \$125,000, the same level as FY 16. The Intragovernmental allocation for the Information Technology department increases \$4,911 for these divisions. Allocations for Risk Management and Vehicle Lease remain about the same.

SUMMARY COMMENTS:

These divisions are responsible for overall Town management, business functions, and record-keeping. The Mayor & Council, City Clerk, City Manager, Finance, Legal and Human Resources divisions are included in the summary. Administrative costs to manage the Town's various enterprise funds are allocated based on total expenses, number of personnel, and number of transactions performed for each fund. This reimbursement totals \$2,136,962 for FY 2017.

TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET
GENERAL FUND EXPENDITURES
LEGISLATIVE AND ADMINISTRATIVE DIVISIONS

EXPENDITURES	ACTUAL 2015	ADOPTED 2016	CITY MANAGER PROPOSED 2017	COUNCIL ADOPTED 2017
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 2,259,285	2,287,613	\$ 2,369,814	\$ 2,369,814
EMPLOYEE BENEFITS	1,095,303	1,153,821	1,082,106	1,082,106
	<u>3,354,588</u>	<u>3,441,434</u>	<u>3,451,920</u>	<u>3,451,920</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	928,036	942,847	876,586	879,586
SUPPLIES & MATERIALS	184,505	180,090	179,290	179,290
ENERGY	0	0	0	0
VEHICLE SUPPLIES & REPAIR	9,402	8,719	9,330	9,330
INTRAGOVERNMENTAL	337,205	270,248	275,164	291,420
	<u>1,459,148</u>	<u>1,401,904</u>	<u>1,340,370</u>	<u>1,359,626</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	0	0	0	0
TRANSFER OUT	0	0	0	0
CAPITAL OUTLAY	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
 TOTAL EXPENDITURES	 \$ 4,813,736	 \$ 4,843,338	 \$ 4,792,290	 \$ 4,811,546
LESS REVENUE GENERATED BY DIVISION				
REIMBURSEMENT FROM OTHER FUNDS FOR ADMINISTRATIVE SERVICES	(2,083,951)	(2,092,201)	(2,136,962)	(2,136,962)
 TOTAL TOWN CONTRIBUTION	 \$ 2,729,785	 \$ 2,751,137	 \$ 2,655,328	 \$ 2,674,584
	ACTUAL 2015	ADOPTED 2016	CITY MANAGER PROPOSED 2017	COUNCIL ADOPTED 2017
MAYOR & COUNCIL	349,457	356,395	359,596	360,538
CITY CLERK	460,970	461,616	507,287	507,867
CITY MANAGER	1,008,763	1,037,710	1,009,881	1,010,721
FINANCE	1,943,697	1,893,718	1,902,066	1,912,421
LEGAL	446,853	463,000	385,750	385,750
HUMAN RESOURCES	603,996	630,899	627,710	634,249
	<u>4,813,736</u>	<u>4,843,338</u>	<u>4,792,290</u>	<u>4,811,546</u>

**TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET**

ENGINEERING AND BEACH REPLENISHMENT

BUDGET HIGHLIGHTS:

PERSONNEL CHANGES:

Six full-time employees are budgeted in Engineering. A step increase beginning January 1, 2017 has been included. Although health insurance costs are expected to increase for this division, costs for retiree health, retirement and worker's compensation are budgeted to decrease, resulting in savings of \$25,806 in this division.

CHANGES IN OPERATIONS:

Payment to the State of Maryland for the beach maintenance fund is the largest expense in Engineering. A payment of \$138,442 was made in FY 15, \$220,000 was budgeted in FY 16 and \$210,000 has been included in FY 17. These payments are estimated by the Department of Natural Resources, who has estimated that the payment required in FY 18 will be \$500,000. Contracted Services include payments for consulting services for Energy procurement bids, legal fees attributable to this division and equipment lease. Fees for the conceptual design for Fire Station 3 have been budgeted at \$30,000, while Legal fees have been included at \$16,000. City-wide security improvements have been included at \$50,000. Supplies and Materials have been budgeted at the same level as FY 16. Vehicle Supplies and Repairs are budgeted to decrease as the estimated fuel costs are expected to be lower than the FY 16 budgeted amount. Allocations for IT Services and Vehicle lease increase, while the allocation for insurance decreases for this division.

MAJOR 2016-2017 PROGRAM OBJECTIVES:

The City Engineer has the oversight of the Information Technology division as well as the Engineering and Beach Replenishment divisions. The City Engineer is also responsible for the Town's Capital Improvements Plan. Projects for FY 17 include completion of construction of the Boat Ramp, completion of canal dredging in Caine Keys II, construction of Fire Headquarters and securing funding and design for Convention Center expansion. Management of the Energy Performance contract is also on the horizon. Other duties handled by this division include stormwater/grading issues, and energy management.

TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET
GENERAL FUND EXPENDITURES
ENGINEERING AND BEACH REPLENISHMENT

EXPENDITURES	ACTUAL 2015	ADOPTED 2016	CITY MANAGER PROPOSED 2017	COUNCIL ADOPTED 2017
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 470,429	\$ 513,021	\$ 486,626	\$ 486,626
EMPLOYEE BENEFITS	254,132	276,187	250,381	250,381
	<u>724,561</u>	<u>789,208</u>	<u>737,007</u>	<u>737,007</u>
OPERATING EXPENSES:				
BEACH RENOURISHMENT	138,442	220,000	210,000	210,000
CONTRACTED SERVICES	57,515	46,964	126,050	126,050
SUPPLIES & MATERIALS	17,628	9,917	10,157	10,157
VEHICLE SUPPLIES & REPAIR	9,505	13,286	10,976	10,976
INTRAGOVERNMENTAL	26,998	23,704	24,596	25,420
	<u>250,088</u>	<u>313,871</u>	<u>381,779</u>	<u>382,603</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	0	0	0	0
TRANSFER OUT	0	0	0	0
CAPITAL OUTLAY	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	<u>\$ 974,649</u>	<u>\$ 1,103,079</u>	<u>\$ 1,118,786</u>	<u>\$ 1,119,610</u>
LESS REVENUE GENERATED BY DIVISION				
STATE - STORMWATER MGMT	(13,117)	(10,000)	(11,171)	(11,171)
STORMWATER MGT REVIEW	(4,635)	(5,500)	(5,500)	(5,500)
	<u>(17,752)</u>	<u>(15,500)</u>	<u>(16,671)</u>	<u>(16,671)</u>
TOTAL TOWN CONTRIBUTION	<u>\$ 956,897</u>	<u>\$ 1,087,579</u>	<u>\$ 1,102,115</u>	<u>\$ 1,102,939</u>

**TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET**

PLANNING AND COMMUNITY DEVELOPMENT DIVISION

BUDGET HIGHLIGHTS:

REVENUE:

Building Permit Revenue, the largest revenue generator in this division, has been budgeted at \$770,000. Total revenue for this division is budgeted \$102,556 higher than the FY 16 adopted budget. The Town contribution to funding of this division was \$678,592 in FY 16, which has decreased to \$622,755 in FY 17.

PERSONNEL CHANGES:

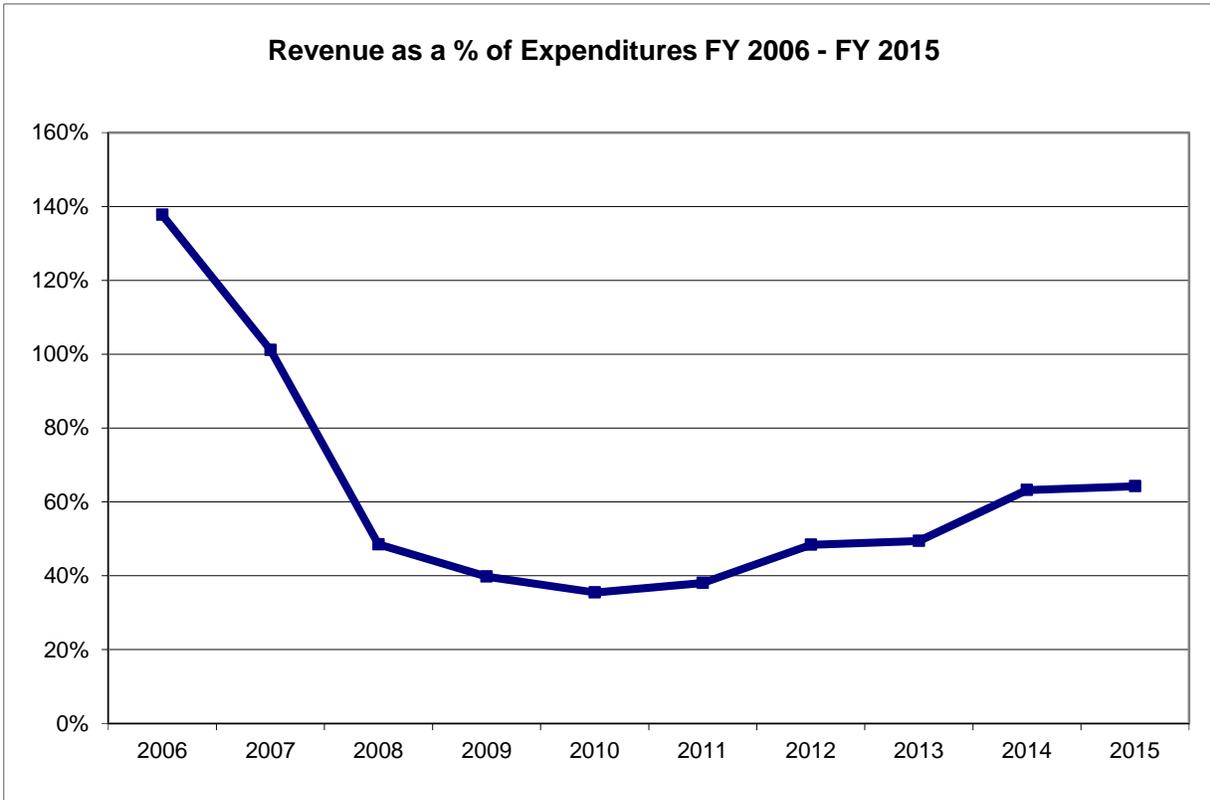
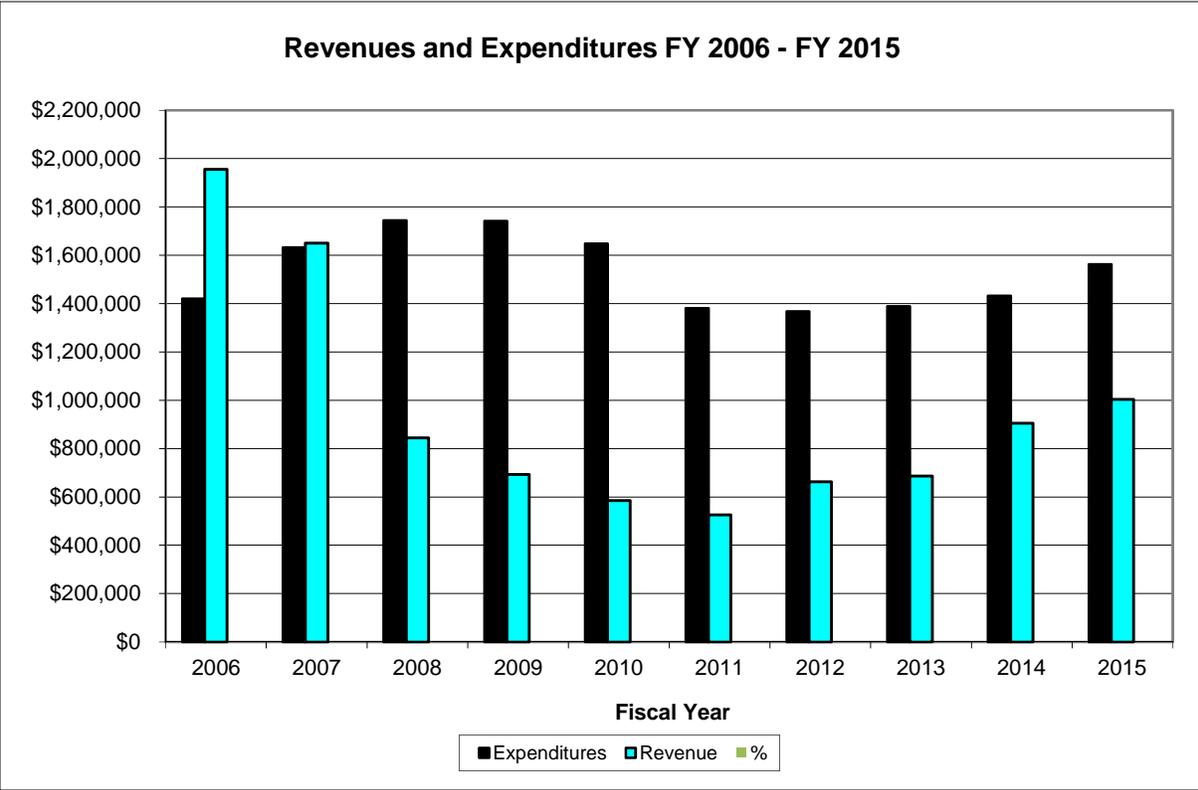
There are currently 11 full-time employees in these two divisions. In FY 09, there were 15. The Director of Planning and Community Development position was not funded in the FY 16 adopted budget, but was added during FY 16 when a Planner position was eliminated. A full-time Office Associate position was requested, but has been funded as part-time. A step increase has been included effective January 1, 2017. Other part-time positions funded in this division include a boardwalk code enforcement officer, and a building inspector, funded for eight weeks. Projected increases in retirement funding have been offset by reductions in anticipated funding for health insurance and retiree health.

CHANGES IN OPERATIONS:

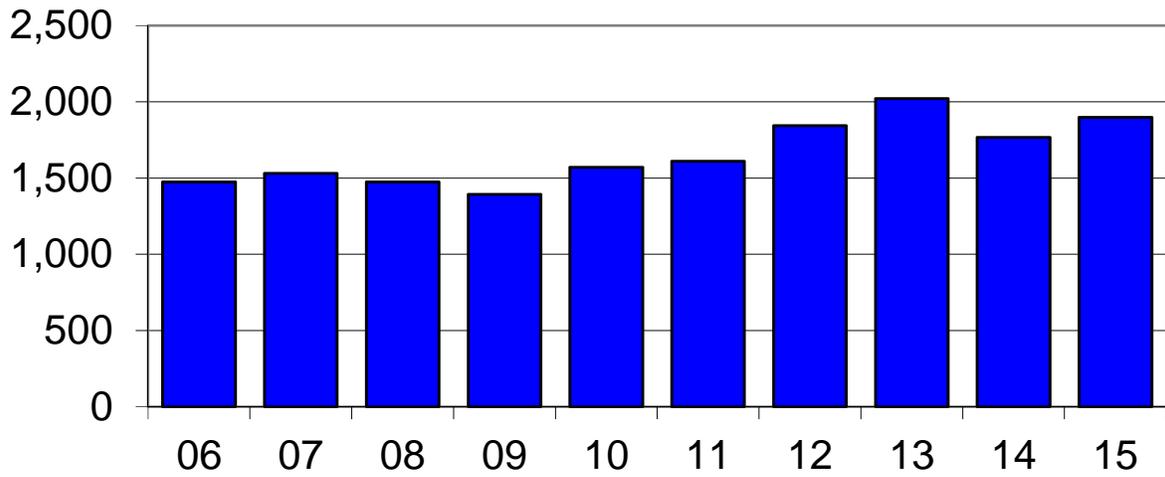
Contracted Services decreases \$5,835. Legal services from the City attorney and for the boards account for \$31,000 of this line item, and are projected to decrease \$2,600 for FY 17. Credit card fees for the online permitting system, new in FY 15, are estimated at \$7,000. Training costs are budgeted at \$6,075 and include attendance at the National Planning conference or the American Association of Code Enforcement conference, and the National Hurricane conference. Printing costs for the revised Comprehensive Plan have been included. Other items funded in Contracted Services include equipment maintenance, dues and advertising. Funding for the Ocean City Development Corporation has again been included. The City's contribution continues to be \$100,000 with an anticipated \$100,000 contribution from Worcester County. Vehicle fuel, parts and labor costs are anticipated to increase slightly for this division. Fuel costs are budgeted at the average number of gallons used for the past two fiscal years. Intragovernmental allocations for Information Technology increase for this division.

TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET
GENERAL FUND EXPENDITURES
PLANNING AND COMMUNITY DEVELOPMENT DIVISION

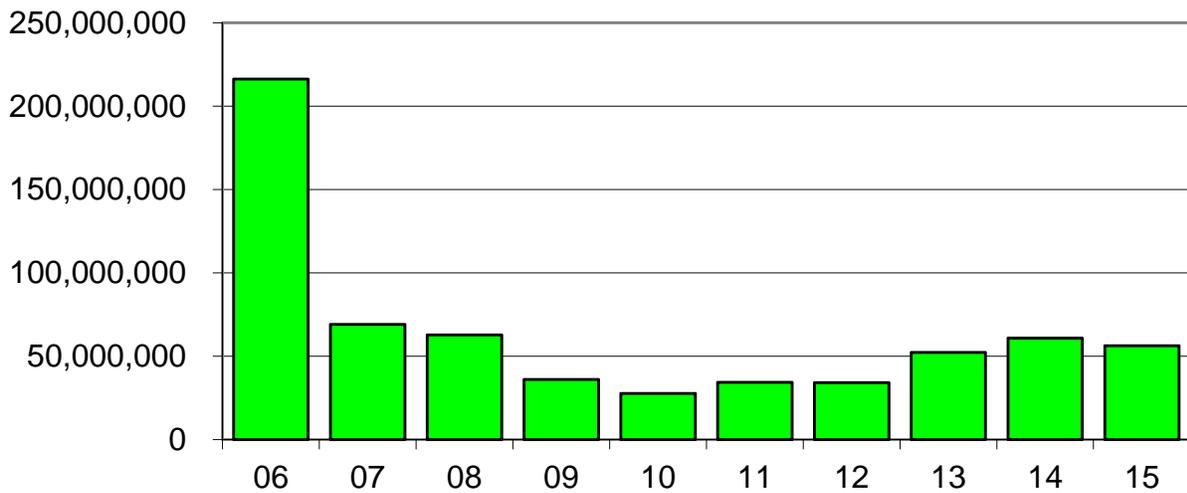
EXPENDITURES	ACTUAL 2015	ADOPTED 2016	CITY MANAGER PROPOSED 2017	COUNCIL ADOPTED 2017
PERSONNEL COSTS:				
SALARY AND WAGES	780,189	\$ 774,205	\$ 840,281	\$ 840,281
EMPLOYEE BENEFITS	402,833	424,521	410,434	410,434
	<u>1,183,022</u>	<u>1,198,726</u>	<u>1,250,715</u>	<u>1,250,715</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	50,935	63,817	57,982	57,982
CONTRIBUTION TO OCDC	200,000	200,000	200,000	200,000
SUPPLIES & MATERIALS	9,544	6,610	6,610	6,610
ENERGY	0	0	0	0
VEHICLE SUPPLIES & REPAIR	10,328	11,461	11,671	11,671
INTRAGOVERNMENTAL	108,478	93,454	88,962	93,809
	<u>379,285</u>	<u>375,342</u>	<u>365,225</u>	<u>370,072</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	0	0	0	0
TRANSFER OUT	0	0	0	0
CAPITAL OUTLAY	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	<u>\$ 1,562,307</u>	<u>\$ 1,574,068</u>	<u>\$ 1,615,940</u>	<u>\$ 1,620,787</u>
LESS REVENUE GENERATED BY DIVISION				
SITE PLAN REVIEW - STAFF	(45,644)	(32,000)	(38,000)	(40,000)
PUBLIC HEARING - PLAN & ZONING	(4,410)	(2,000)	(2,000)	(2,000)
PLAN REVIEW - PLAN & ZONING	(18,086)	(12,500)	(15,000)	(15,000)
PUBLIC HEARING - ZONING APPEALS	(11,376)	(18,000)	(17,000)	(17,000)
PUBLIC HEARING - PORT WARDENS	(22,099)	(22,000)	(22,000)	(22,000)
MINOR REVIEW - PORT WARDENS	(1,656)	(3,500)	(3,000)	(3,000)
MOBILE HOME PERMITS	(1,155)	(1,500)	(1,500)	(1,500)
BUILDING PERMITS	(769,667)	(675,000)	(770,000)	(770,000)
OUTDOOR DISPLAYS	(14,700)	(15,976)	(15,032)	(15,032)
SIGN PERMITS	(11,429)	(10,000)	(10,000)	(10,000)
O C DEVELOPMENT CORP GRANT	(100,000)	(100,000)	(100,000)	(100,000)
ADJUSTMENT & APPEALS HEARING	(3,616)	(3,000)	(2,500)	(2,500)
	<u>(1,003,838)</u>	<u>(895,476)</u>	<u>(996,032)</u>	<u>(998,032)</u>
TOTAL TOWN CONTRIBUTION	<u>\$ 558,469</u>	<u>\$ 678,592</u>	<u>\$ 619,908</u>	<u>\$ 622,755</u>



Total Permits Issued CY 06- CY 15



Valuation of Permits CY 06- CY 15



PUBLIC SAFETY

Public Safety consists of the following budgets: Police; Communications; Emergency Management; Electronics; Volunteer Fire Company; Career Fire/Emergency Medical Services (EMS); Fire Marshal and the Construction Inspection division of Planning and Community Development. In this book, Construction Inspection has been combined with Planning and Community Development due to revenue shared through the plan review process.

POLICE

The Ocean City Police department provides 24-hour police service with 132 full-time employees augmented by 154 temporary employees during the summer season. Police operations are conducted from the Public Safety Building at 65th Street. This department is comprised of the Office of the Chief and three divisions: Support Services, Criminal Investigation, and Patrol. A seasonal substation is located on Worcester Street on the boardwalk. In addition to regular patrol assignments, police support units function for training; records; detention; K-9; traffic; equestrian unit; animal control; a quick response team, and narcotics enforcement.

COMMUNICATIONS/ELECTRONICS/EMERGENCY MANAGEMENT

The Emergency Services department has three major areas of responsibility: operation of the Emergency Communications Center; maintenance of the citywide radio system; and operation of an Emergency Management program. Located in the Public Safety Building at 65th St, the Communications center operates 24 hours per day, receiving and dispatching calls for service for the Police, EMS, the Fire Company, and other City departments. In addition, the Center monitors weather radar and is linked with other Federal, State and Local agencies to provide information or warnings to response agencies and the public. Maintenance of the radio system is managed by a two-person staff that provides overall radio technology support to the departments. Emergency Management coordinates all planning, response and recovery for potential emergencies or disasters. A key part of this program is the development of the Emergency Operations Plan and the management of the Emergency Operations Center and the command vehicle.

VOLUNTEER FIRE COMPANY

Since its creation in 1905, the Ocean City Volunteer Fire Company, Inc. (OCVFC) has provided fire and rescue services for the Town of Ocean City. The OCVFC is an all-volunteer organization with 231 members responding out of five firehouses, utilizing six engines, three aerial trucks, two rescue trucks, two tankers, ten utility/small vehicles and three boats. In partnership with the Fire/EMS division, the OCVFC responded to 1,400 calls for service in 2015. Each volunteer firefighter is (at minimum) certified to national firefighting standards. Many volunteer firefighters participate with the Fire Marshal's Office in Hazardous Materials

PUBLIC SAFETY (CONTINUED)

VOLUNTEER FIRE COMPANY (CONTINUED)

mitigation, while others participate in the Fire Department's Dive and Rescue Swimmer Teams. The OCVFC is one of the largest volunteer fire companies in the state and is noted for its professionalism and expertise.

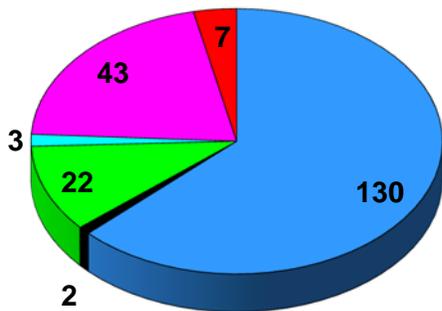
CAREER FIRE/EMERGENCY MEDICAL SERVICES

Ocean City Fire/EMS division responds to approximately 6,000 calls for service each year-4,600 medical and 1,400 fire/rescue. The department traveled over 145,000 miles providing emergency services to the residents and visitors. There are 43 full-time field personnel and 67 part-time personnel. All personnel are trained to national standards for fire suppression, rescue, and emergency medical operations that require a minimum of 120 hours of continuing education. Personnel receive training in Advanced Cardiac Life Support, Trauma Life Support, and Pediatric Advanced Life Support. Along with other divisions of the Fire department, the division offers rescue swimmer and rescue diver capability. The division is also involved in public education. It participates in the annual Health Fair sponsored by A.A.R.P., gives free blood pressure monitoring, and conducts a number of CPR classes.

FIRE MARSHAL

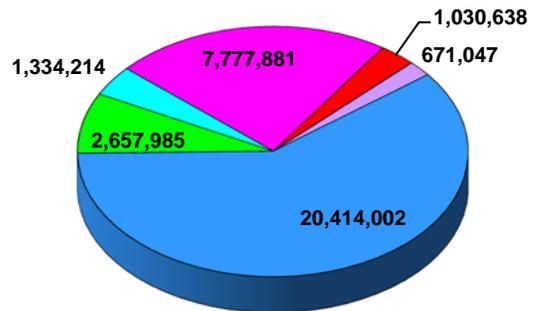
The Ocean City Fire Marshal's Office is committed to preserving lives, and protecting property from fire, explosions, and other hazards with a goal to make Ocean City virtually fire free. This can only be accomplished through detailed and continuous fire safety/life safety inspections and increased Fire Protection programs. The Fire Prevention programs are formulated to educate all of our citizens, both young and old. Duties of the Fire Marshal's office include management of fire investigations, bomb and incendiary device incidents and hazardous materials events.

FY 17 Public Safety Full Time Personnel



■ Police ■ Animal Control ■ Communications
■ Fire ■ EMS ■ Fire Marshal

FY 17 Public Safety Expenses



■ Construction Insp ■ Police ■ Communications
■ Fire Company ■ EMS ■ Fire Marshal

TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET

POLICE DIVISION

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

State Police Aid is anticipated to continue in FY 17 and is estimated to increase \$15,000. Grants received in FY 15 totaled \$160,259 and will be added to the FY 17 budget as received. Also shown in FY 15 is the balance of a donation for the Mounted Unit. Revenue from parking fines is expected to increase slightly. Revenue from tow fines is projected to increase, with a corresponding increase on the expense side. Building rental for District Court was renegotiated in June 2011 and has been budgeted according to the lease.

PERSONNEL CHANGES:

A step increase has been funded for the civilian staff effective January 1, 2017. The Fraternal Order of Police bargaining unit will receive a step increase on 12/31/16 and a 2% cost of living adjustment on 1/1/17 per their contract. The number of funded full-time positions remains at 132 for FY 17. A reclassification of two Public Safety Aide positions to Custody Officer at a cost of \$5,952 has been included in full-time salaries. Specialty pay has also been included for members of the bargaining unit. Part time salaries in the Patrol division have been revised from 100 seasonal officers and 14 Public Safety Aides to 80 seasonal officers and 36 Public Safety Aides, at a cost reduction of \$82,564. Total estimated part-time salaries in the Services division also decreased. Patrol overtime costs are budgeted to increase \$71,000. Allocations for health insurance, retiree health and unemployment decrease, while allocations for pension and worker's compensation increase.

CHANGES IN OPERATIONS:

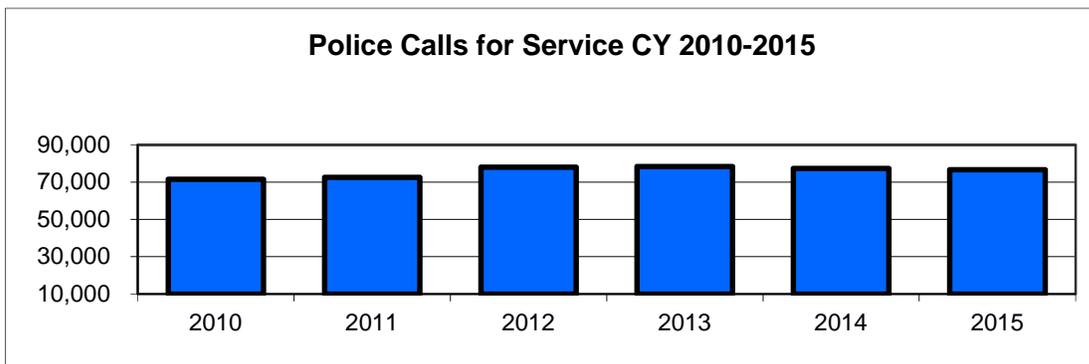
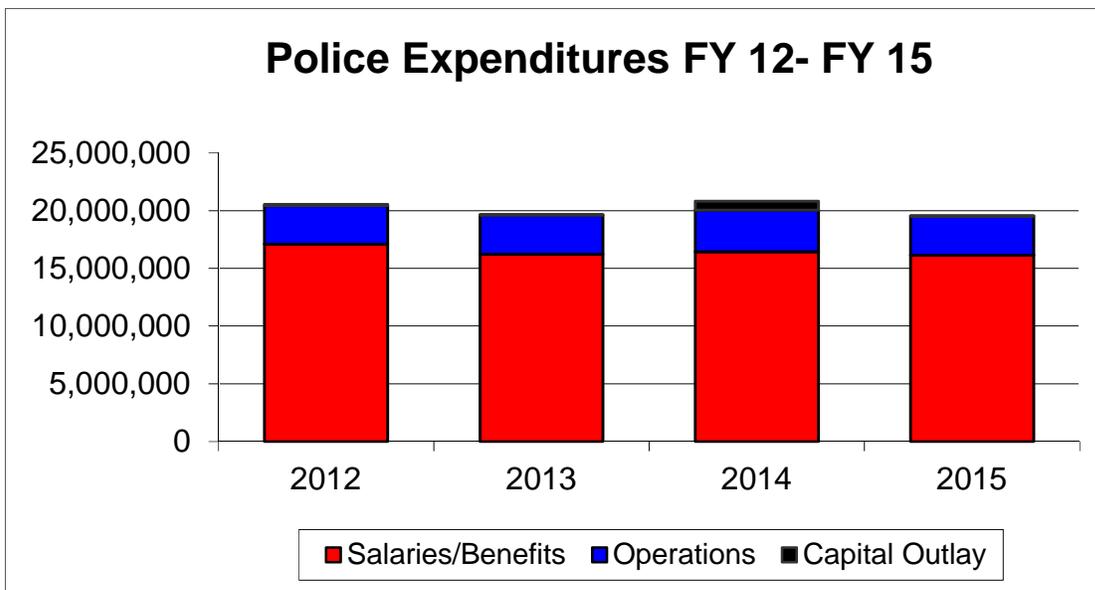
Contracted Services include \$240,000 in towing expenses and \$120,850 for telephone and radio parts expense. Training and Travel has been budgeted at \$186,258, a reduction of \$1,795, and includes \$50,000 for court-related travel, \$26,566 for mandated training expenses, and \$8,000 for recruiting. Funding for allied agency assistance for major special events at a cost of \$45,000, was added by the Council during budget wrap-up. Also included in this section is \$30,000 for consultants for legal and policy review and \$28,800 for psychological testing for seasonal officers. This is an increase of \$19,050 and is required since the number of seasonal officers has dropped below 100. The contract to cover the costs of boarding, hay and feed for the Mounted unit has been included at a cost of \$36,000. Contracted Services increase \$57,233 overall. Funding for general building and equipment maintenance increases to include \$93,000 in repairs to the HVAC system recommended by the Public Works Facilities Manager. FY 15 included replacement of the detention area door access control system, at a cost of \$116,700. Supplies and Materials include all operational supplies and uniform costs. Ammunition purchases are also included in this line item at a cost of \$44,845. Replacement uniforms and items included in the Fraternal Order of Police contract are included in this line item at a cost of \$179,940, a reduction of \$13,850 from the FY 16 adopted budget. A third floor conference room update at a cost of \$16,700 has been included. Hay and feed for the horses is now covered in the boarding contract, resulting in savings of \$18,200 in this line item. Items included in FY 15 and FY 16 included tasers, an industrial range and wiring and cameras for the transport vans. Energy costs are expected to decrease due to savings from the Energy Performance contract, which anticipates savings on electric and heating oil for the Public Safety Building. Vehicle fuel costs are expected to decrease in FY 17, while vehicle parts and labor costs are projected to increase. The Police department's portion of the CAD/RMS maintenance costs are charged through Intragovernmental expenses. Maintenance and support for this system cost this department \$111,613 annually. Overall, the allocation for IT services decreases \$7,512. Vehicle lease payments to the Vehicle Trust Fund decrease \$8,746 in FY 17. Property and General Liability insurance allocations decrease \$4,110 for this division. Capital outlay in FY 15 included items purchased with Homeland Security grants. Phase I of the maintenance on the exterior walls of the Public Safety Building was included in the FY 16 adopted budget. An additional \$250,000 was added in Budget Amendment # 1 to complete the project. Five Caprice PPVs and an Interceptor have been funded through Vehicle Trust.

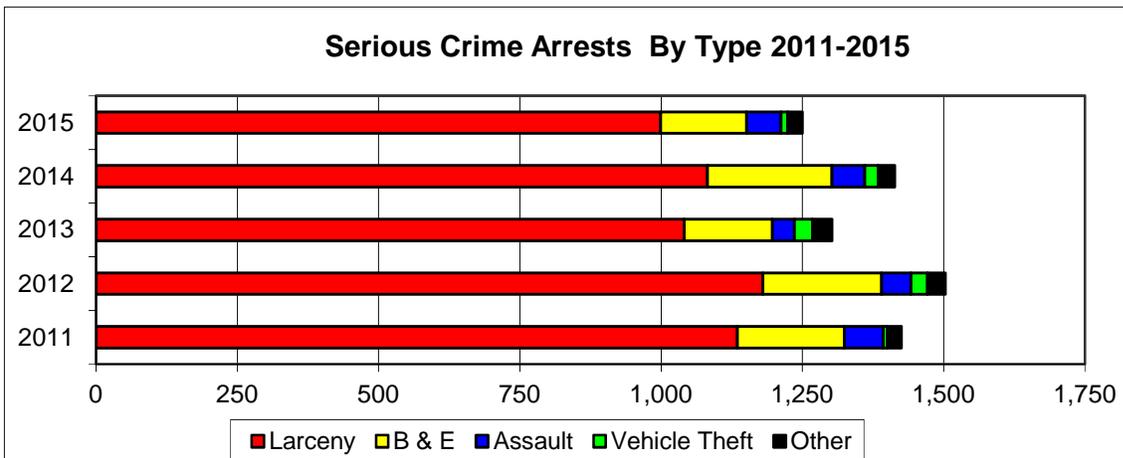
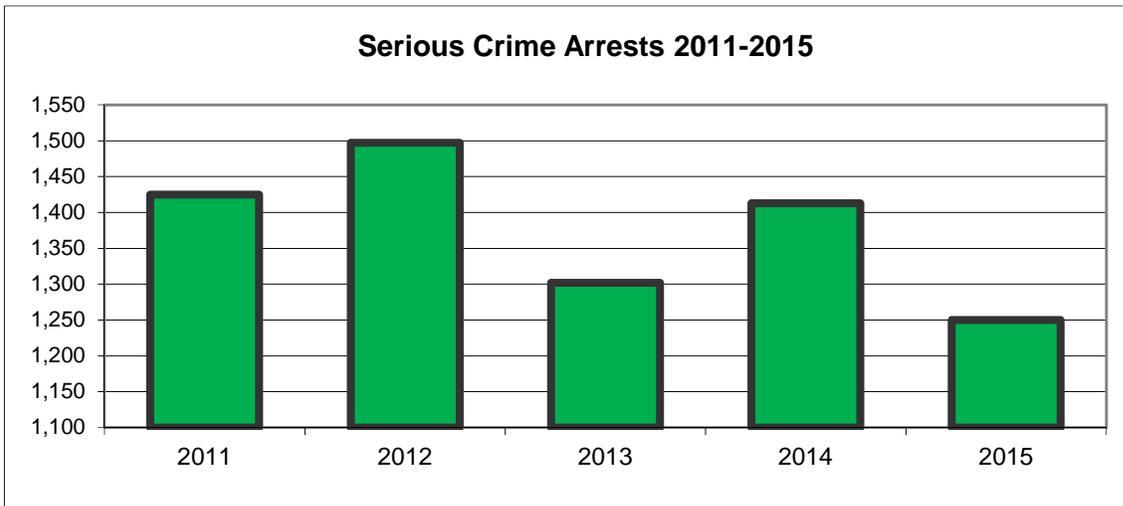
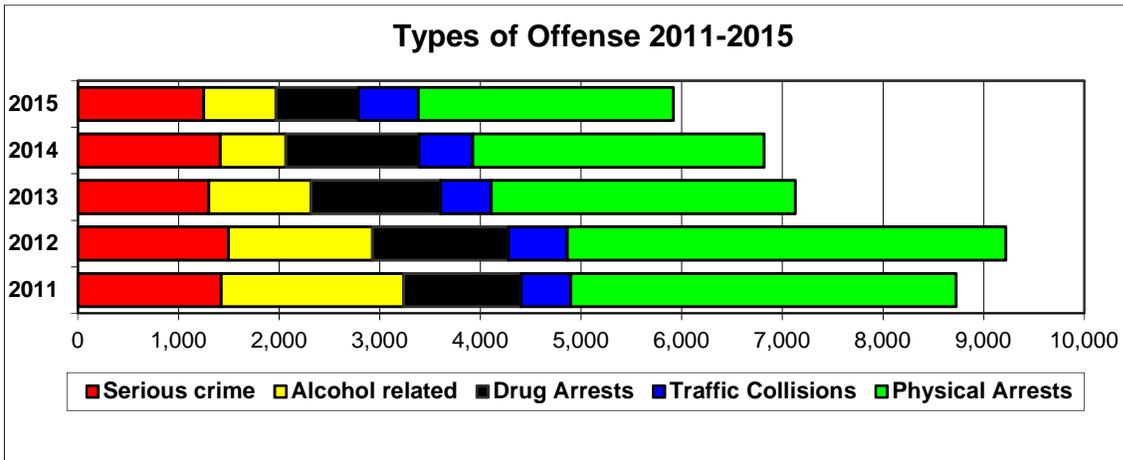
TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET
GENERAL FUND EXPENDITURES
POLICE DIVISION

EXPENDITURES	ACTUAL 2015	ADOPTED 2016	CITY MANAGER PROPOSED 2017	COUNCIL ADOPTED 2017
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 10,746,579	\$ 11,076,523	\$ 11,303,007	\$ 11,303,007
EMPLOYEE BENEFITS	5,380,256	5,611,328	5,552,842	5,552,842
	<u>16,126,835</u>	<u>16,687,851</u>	<u>16,855,849</u>	<u>16,855,849</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	812,281	912,698	924,931	969,931
MAINTENANCE	255,035	195,801	279,523	279,523
SUPPLIES & MATERIALS	505,207	557,442	507,260	507,260
ENERGY	212,555	227,800	158,129	158,129
VEHICLE SUPPLIES & REPAIR	709,281	704,588	708,452	708,452
INTRAGOVERNMENTAL	910,675	955,232	912,161	934,858
	<u>3,405,034</u>	<u>3,553,561</u>	<u>3,490,456</u>	<u>3,558,153</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	0	0	0	0
TRANSFER OUT	0	0	0	0
CAPITAL OUTLAY	11,045	250,000	0	0
	<u>11,045</u>	<u>250,000</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	\$ <u>19,542,914</u>	\$ <u>20,491,412</u>	\$ <u>20,346,305</u>	\$ <u>20,414,002</u>
LESS REVENUE GENERATED BY DIVISION				
ANIMAL LICENSES	(710)	(900)	(750)	(750)
NOISE PERMITS	(201,444)	(206,000)	(204,000)	(204,000)
PARKING FINES	(189,504)	(200,000)	(210,000)	(210,000)
STATE-POLICE AID	(387,113)	(390,000)	(405,000)	(405,000)
STATE - OTHER GRANTS	(27,730)	0	0	0
FEDERAL- EMG MGT GRANT	(6,045)	(2,500)	0	0
FEDERAL- OTHER GRANTS	(126,484)	(20,000)	(20,000)	(20,000)
FINGERPRINTING	(2,793)	(2,000)	(2,000)	(2,000)
DONATIONS	(25,972)	0	0	0
POLICE TOW FINES	(219,360)	(225,000)	(230,000)	(230,000)
PRIVATE TOW FINES	(85,970)	(85,000)	(90,000)	(90,000)
FALSE ALARMS	(1,550)	(1,750)	(2,000)	(2,000)
MUNICIPAL INFRACTIONS	(23,204)	(28,000)	(28,000)	(28,000)
BUILDING RENTAL	(112,019)	(115,752)	(121,071)	(121,071)
IMPOUNDED VEHICLES/FUNDS	(61,949)	(40,000)	(40,000)	(40,000)
	<u>(1,471,847)</u>	<u>(1,316,902)</u>	<u>(1,352,821)</u>	<u>(1,352,821)</u>
TOTAL TOWN CONTRIBUTION	\$ <u>18,071,067</u>	\$ <u>19,174,510</u>	\$ <u>18,993,484</u>	\$ <u>19,061,181</u>

OCEAN CITY POLICE DEPARTMENT
 FULL-TIME SWORN PERSONNEL ALLOCATIONS
 2015, 2016, BUDGET 2017

	FY-2015	FY-2016	FY-2017
Chief	1	1	1
Captain	3	3	3
Lieutenant	9	9	9
Sergeant	13	13	13
Corporal	17	17	17
PFC	33	40	46
Officer	29	22	16
	<u>105</u>	<u>105</u>	<u>105</u>





**TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET**

COMMUNICATIONS, ELECTRONICS, EMERGENCY MANAGEMENT

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

FY 17 revenue reflects continued participation in the Emergency Management Assistance (EMA) funding from the Federal Emergency Management Agency. A grant equivalent to the partial salary and benefits of the Emergency Management Director has been included. A portion of the Homeland Securities grant funds will be allocated to cover the partial salary and benefits of the Emergency Planner. Grants shown in FY 15 will be added to the FY 17 budget if received. The estimate for antenna rents for the Ocean Pines tower increases slightly. The FY 15 actual revenue for antenna rents includes \$47,430 reimbursement for the Town's rebanding effort.

PERSONNEL CHANGES:

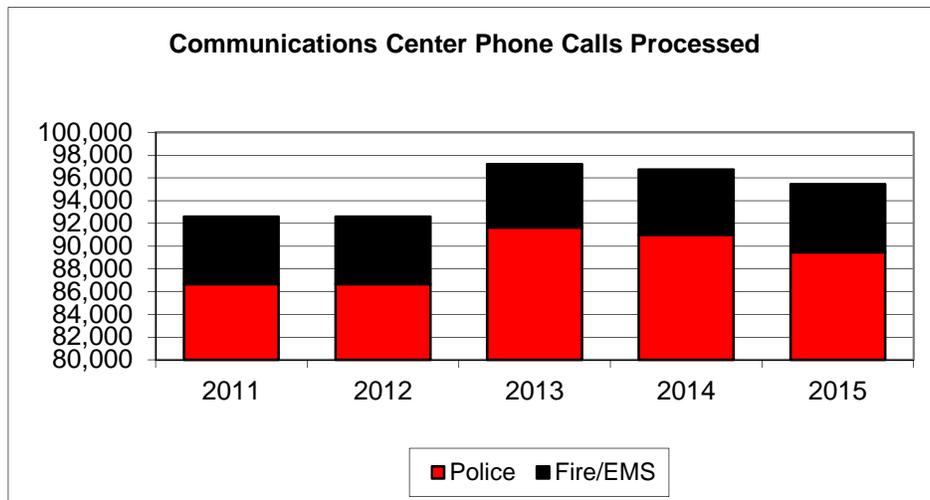
Twenty-two positions are funded in this division. One additional Communications operator position was funded in FY 15. To address the ongoing training needs of the department, one Communications Operator II position was promoted to an Operator III position in FY 16. Also requested, but not funded were an Emergency Planner position and a part-time Emergency Management Specialist position. Salary increases reflect a step increase effective January 1, 2017. Both full-time and seasonal Communications operator positions were upgraded as a result of the recent pay study. Seasonal staffing includes two dispatch positions to handle the Beach Patrol's dispatching needs and three dispatch positions to staff the "City Watch" surveillance program. Allocations for health insurance, retiree health and worker's compensation decrease, while allocations for pension contribution and unemployment increase.

CHANGES IN OPERATIONS:

Contracted Services include equipment maintenance, training costs, printing and other services. Training costs remain the same and include OSSI training for one Communications operator, and attendance at the International Association of Emergency Manager's conference. Attendance at the Association of Public Safety Communications Officials (APCO) national conference for two employees has also been included. Maintenance on the Maryland Eastern Shore Interoperability Network has been budgeted at \$5,000 in the Contracted Services section. Maintenance costs increase and include the maintenance on the logging recorder purchased in FY 16, \$7,927; building maintenance on the radio shop and radio shelter, \$4,500; and maintenance on the transfer switch at the Ocean Pines radio tower, \$12,400. Other maintenance costs include the HVAC contracts for the Electronics shop and the radio towers. Supplies & Materials include operational and uniform costs for the three divisions. Replacement chairs and countertop for the Dispatch center have been included. A replacement light tower for OC1 was requested, but will be purchased in FY 16, at an estimated cost of \$18,500. Energy costs decrease and are based on the actual expense for the past twelve months. Vehicle maintenance costs are expected to increase slightly for FY 17. Vehicle Supplies and Repair in FY 15 included \$2,500 for body rust repair to OC1 and \$10,000 to repair the light tower radio mast. Intragovernmental expenses decrease and include \$62,930 for the Comcast connection for the boardwalk surveillance project. Allocations for IT Services and insurance decrease, while Vehicle lease increases. Capital outlay funded in the FY 16 budget included a replacement telephone and radio recorder at \$75,000 and a replacement city alarm system at \$20,000. Capital purchases in FY 15 included items purchased with Homeland Security grants and a backup storage/replication system for IT, also purchased with grant funds.

TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET
GENERAL FUND EXPENDITURES
COMMUNICATIONS, ELECTRONICS, EMERGENCY MANAGEMENT

EXPENDITURES	ACTUAL 2015	ADOPTED 2016	CITY MANAGER PROPOSED 2017	COUNCIL ADOPTED 2017
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 1,372,317	\$ 1,484,056	\$ 1,511,373	\$ 1,511,373
EMPLOYEE BENEFITS	685,160	721,637	697,031	697,031
	<u>2,057,477</u>	<u>2,205,693</u>	<u>2,208,404</u>	<u>2,208,404</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	95,595	92,740	90,356	90,356
MAINTENANCE	28,937	21,885	46,578	46,578
SUPPLIES & MATERIALS	29,082	38,412	40,312	40,312
ENERGY	43,610	41,848	40,683	40,683
VEHICLE SUPPLIES & REPAIR	42,004	23,215	23,918	23,918
INTRAGOVERNMENTAL	192,268	217,042	202,757	207,734
	<u>431,496</u>	<u>435,142</u>	<u>444,604</u>	<u>449,581</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	0	0	0	0
TRANSFER OUT	0	0	0	0
CAPITAL OUTLAY	104,673	95,000	0	0
	<u>104,673</u>	<u>95,000</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	\$ 2,593,646	\$ 2,735,835	\$ 2,653,008	\$ 2,657,985
LESS REVENUE GENERATED BY DIVISION				
FEDERAL EMERGENCY MGT. GRANT	(193,399)	(117,000)	(117,000)	(117,000)
OTHER GRANTS	(41,717)	0	0	0
ANTENNA RENTS	(97,163)	(50,000)	(53,000)	(53,000)
	<u>(290,562)</u>	<u>(167,000)</u>	<u>(170,000)</u>	<u>(170,000)</u>
TOTAL TOWN CONTRIBUTION	\$ 2,303,084	\$ 2,568,835	\$ 2,483,008	\$ 2,487,985



**TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET**

VOLUNTEER FIRE DIVISION

BUDGET HIGHLIGHTS:

PERSONNEL CHANGES:

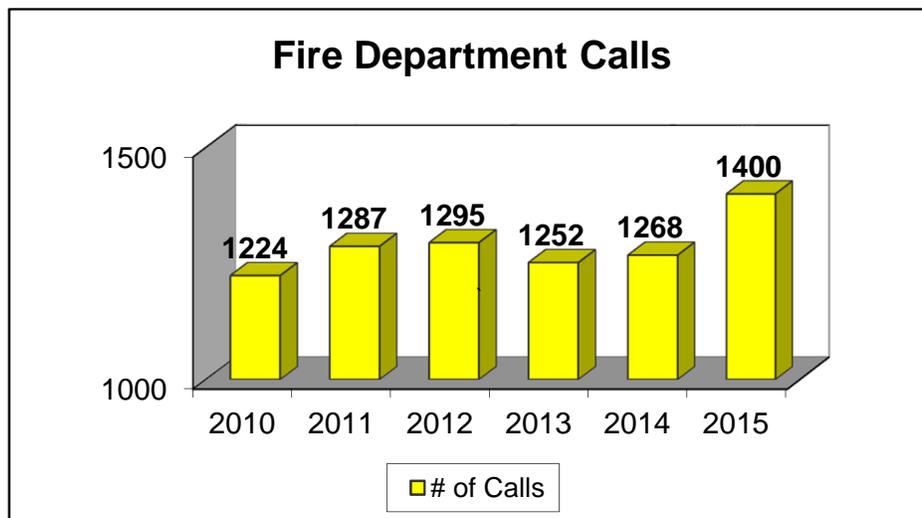
There are three full-time positions in this division, two firefighter/mechanics and one clerical position. Salary changes include a step increase effective January 1, 2017. Projected costs for interdepartmental labor have been reduced \$3,000. Allocations for health insurance, retiree health, pension and worker's compensation are projected to decrease for FY 17.

CHANGES IN OPERATIONS:

Contracted Services include such items as: training, fire company physicals, equipment maintenance, communications, and fire company insurance policies. Approved training has been increased \$1,145 from the FY 16 adopted budget and includes three training sessions for the Firefighter/mechanic positions. Attendance at the FDIC and the IAFC conferences have also been included. Communications expense is anticipated to decrease \$5,575 in FY 17. Phone costs, replacement pagers and Verizon wireless cards are funded in this line item. The Fire Company insurance policies are budgeted at \$64,487, a slight reduction from FY 16. Physicals for volunteer firemen have been budgeted at a cost of \$30,000, the same level as FY 16. Fire hose testing and Hurst tool testing have been included at a combined cost of \$23,075. Maintenance on the Self Contained Breathing Apparatus, not funded in FY 15 because the equipment was newly purchased, has been funded at \$6,534. Building and equipment maintenance are projected to increase. HVAC maintenance has been included at \$12,674, which includes maintenance at station 4 that was not included in the FY 15 actual expense due to building construction. Operational supplies include items such as replacement hose, shop supplies, marine unit supplies and three replacement fans for the frontline units. Fire fighter turnout gear has been included at a cost of \$38,000. Replacement Class "A" uniforms, at a cost of \$38,000 were added by the Council during budget wrap-up. Energy costs are funded slightly lower than the FY 16 adopted level. Vehicle fuel costs have been budgeted to decrease next fiscal year, and are based on the average number of gallons used in the past few fiscal years. An allowance for fuel costs for the fire boat has been included at \$20,000. Vehicle maintenance costs increase and include \$20,000 to purchase equipment for the new brush truck, and \$3,200 for parts for the marine unit. Routine items such as tires, brake drums and valves for the other fire apparatus make up most of this cost. The allocation for IT Services increases, while the allocation for property insurance decreases slightly for this division. In FY 16, property insurance costs were increased to include the increased value of Fire Station 4. Capital outlay reflects the Town's contribution to the fire equipment fund of \$173,910.

TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET
GENERAL FUND EXPENDITURES
VOLUNTEER FIRE DIVISION

EXPENDITURES	ACTUAL 2015	ADOPTED 2016	CITY MANAGER PROPOSED 2017	COUNCIL ADOPTED 2017
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 157,377	\$ 166,540	\$ 173,801	\$ 173,801
EMPLOYEE BENEFITS	139,168	147,481	116,210	116,210
	<u>296,545</u>	<u>314,021</u>	<u>290,011</u>	<u>290,011</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	165,696	215,070	213,303	213,303
MAINTENANCE	32,142	68,930	70,619	70,619
SUPPLIES & MATERIALS	219,285	162,074	170,809	208,809
ENERGY	71,320	72,000	71,951	71,951
VEHICLE SUPPLIES & REPAIR	186,363	221,022	224,697	224,697
INTRAGOVERNMENTAL	71,996	76,622	78,137	80,914
	<u>746,802</u>	<u>815,718</u>	<u>829,516</u>	<u>870,293</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	0	0	0	0
TRANSFER OUT	0	0	0	0
CAPITAL OUTLAY	195,905	173,910	173,910	173,910
	<u>195,905</u>	<u>173,910</u>	<u>173,910</u>	<u>173,910</u>
TOTAL EXPENDITURES	\$ <u>1,239,252</u>	\$ <u>1,303,649</u>	\$ <u>1,293,437</u>	\$ <u>1,334,214</u>
LESS REVENUE GENERATED BY DIVISION				
EMERGENCY MGT GRANTS	0	0	0	0
COUNTY FIRE GRANT	(113,000)	(123,000)	(87,000)	(87,000)
FALSE ALARM FINES	(1,550)	(1,750)	(2,000)	(2,000)
	<u>(114,550)</u>	<u>(124,750)</u>	<u>(89,000)</u>	<u>(89,000)</u>
TOTAL TOWN CONTRIBUTION	\$ <u>1,124,702</u>	\$ <u>1,178,899</u>	\$ <u>1,204,437</u>	\$ <u>1,245,214</u>



TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET
CAREER FIRE/EMS DIVISION

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

The current fee schedule was adopted in FY 14, with no differentiation in charges to residents of Ocean City and residents of West Ocean City. Fees consist of an Advanced Life Support or a Basic Life Support charge depending upon the level of service rendered and a charge for mileage. Basic Life Support fees were increased from \$425 to \$450 in FY 16. Advanced life support level one fees are \$600 and advanced life support level two fees are \$650. The mileage rate is currently \$15 per mile. Revenue for FY 17 has been set at the FY 16 adopted level. Worcester County reimburses the Town \$187 per run for in-town and \$748 per run for out-of-town calls. The per-paramedic subsidy remained at \$5,000, and the per-ambulance subsidy remained at \$10,000. County grants have been included at \$1,192,123.

PERSONNEL CHANGES:

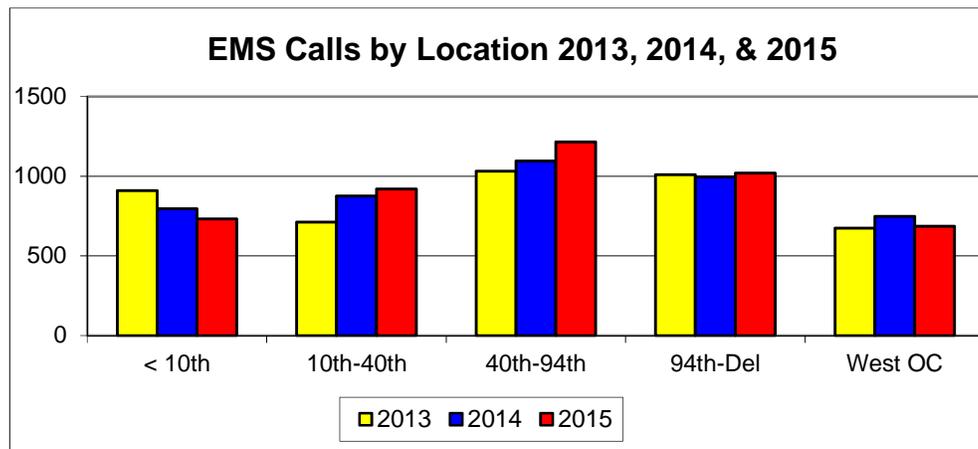
The FY 17 budget includes forty-three full-time positions. Positions included are: a Fire Chief, a Deputy Chief, an Assistant Chief, five Captains, seven Lieutenants, and twenty-eight Firefighter/EMTs. No pay increases have been included for the members of the IAFF bargaining unit. All other employees in this division are scheduled to receive a step increase on January 1, 2017. Conversion of four part-time positions to full-time were requested but not funded. Power units consisting of two-person EMS units were funded from Memorial Day to Labor Day and special event weekends as needed at a cost of \$142,070. Benefit cost allocations decreased for health insurance, retiree health, and pension, but increased for worker's compensation.

CHANGES IN OPERATIONS:

Contracted Services includes \$40,000 for required physicals for all Fire/EMS personnel. This cost includes the cost of a comprehensive physical, stress ECGs and blood tests for haz mat technicians. Training and travel costs, also included here, are budgeted at \$14,645. Funding has been requested of the Paramedic Foundation for an additional \$3,200 in training. Crossfit "train the trainer" was requested, but not included in the FY 17 budget. A lease purchase of eleven heart monitoring systems was funded at \$56,192 in FY 16, but the monitors were purchased outright with savings from the reduced pension allocation. Building and equipment maintenance costs decrease slightly for FY 17. Dive Team equipment maintenance is included at \$6,785 as is the maintenance on the videolaryngoscopes, \$10,788, and maintenance on other EMS equipment. Supplies and Materials include medical and training supplies and uniform costs. This category is budgeted to decrease \$12,699, but includes Phase II of the replacement of the City's Automated External Defibrillators (AEDs) at a cost of \$72,273. This is the final year of a two year replacement plan. Tough tablet mounts and docking stations have been funded at \$8,500. Funding for the textbooks for EMS training has been requested of the Paramedic Foundation in FY 17. Water Rescue Team supplies are included at a cost of \$21,009. Uniform costs remain at \$95,015 for FY 17. Energy costs are anticipated to decrease. Vehicle fuel costs are anticipated to decrease for FY 17, but savings are offset by projected increases in vehicle maintenance costs. Intragovernmental allocations for Vehicle lease and insurance increase for FY 17, while the allocation for IT Services decreases in FY 17. IT equipment budgeted in FY 17 includes a continuation of the project to add tablets to the medic units. Capital outlay in FY 15 represented half the cost of a dive response trailer, with the Paramedic Foundation funding the other half. Funds to purchase a generator and to provide interior finishes were budgeted in Operational Supplies, with the Paramedic Foundation providing half the funding. A replacement ambulance was approved through the Vehicle Trust fund budget.

TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET
GENERAL FUND EXPENDITURES
CAREER FIRE/EMS DIVISION

EXPENDITURES	ACTUAL 2015	ADOPTED 2016	CITY MANAGER PROPOSED 2017	COUNCIL ADOPTED 2017
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 4,612,357	\$ 4,615,734	\$ 4,802,749	\$ 4,802,749
EMPLOYEE BENEFITS	2,052,384	2,134,694	1,972,609	1,972,609
	<u>6,664,741</u>	<u>6,750,428</u>	<u>6,775,358</u>	<u>6,775,358</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	126,066	154,213	101,915	101,915
MAINTENANCE	42,015	49,125	47,364	47,364
SUPPLIES & MATERIALS	240,685	329,189	316,490	316,490
ENERGY	20,955	26,800	25,000	25,000
VEHICLE SUPPLIES & REPAIR	210,906	209,961	212,929	212,929
INTRAGOVERNMENTAL	276,789	281,396	295,005	298,825
	<u>917,416</u>	<u>1,050,684</u>	<u>998,703</u>	<u>1,002,523</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	0	0	0	0
TRANSFER OUT	0	0	0	0
CAPITAL OUTLAY	9,220	0	0	0
	<u>9,220</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	\$ <u>7,591,377</u>	\$ <u>7,801,112</u>	\$ <u>7,774,061</u>	\$ <u>7,777,881</u>
LESS REVENUE GENERATED BY DIVISION				
AMBULANCE SERVICE FEES	(1,056,080)	(1,066,000)	(1,066,000)	(1,066,000)
COUNTY OPERATING GRANT	(1,172,924)	(1,216,563)	(1,192,123)	(1,192,123)
DONATIONS	(67,214)	0	0	0
	<u>(2,296,218)</u>	<u>(2,282,563)</u>	<u>(2,258,123)</u>	<u>(2,258,123)</u>
TOTAL TOWN CONTRIBUTION	\$ <u>5,295,159</u>	\$ <u>5,518,549</u>	\$ <u>5,515,938</u>	\$ <u>5,519,758</u>



**TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET**

FIRE MARSHAL DIVISION

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

A 20% surcharge for Fire Marshal plan review is added to Planning & Zoning review fees. This method has been more successful in recovering costs associated with the process than methods used in the past. Fire Marshal revenue is budgeted at \$187,000, a projected increase of \$29,000. In FY 15, funds received from Homeland Securities grants were included, and will be added to the budget as received.

PERSONNEL CHANGES:

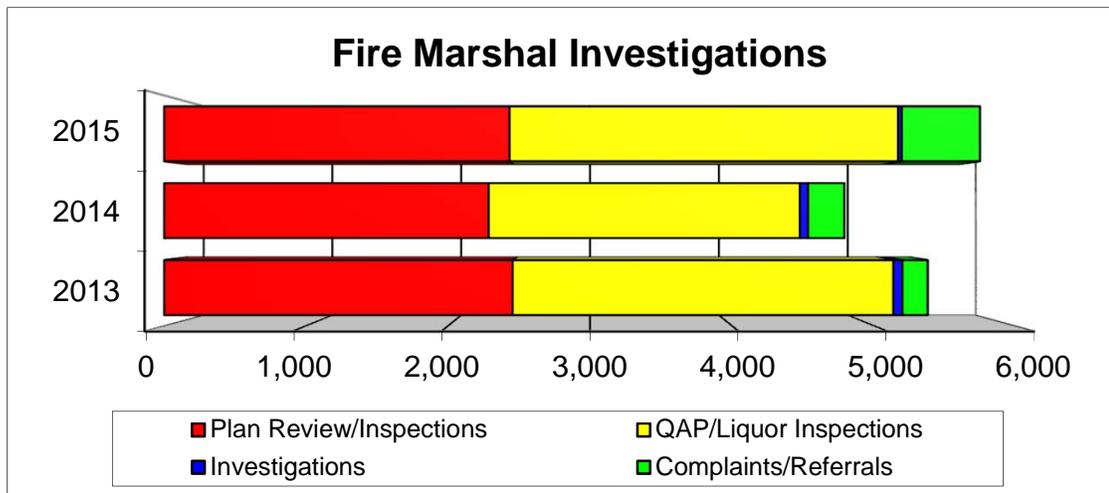
Seven full-time employees are included in this division. Two positions have been eliminated since 2009. No step increase has been scheduled for members of the IAFF bargaining unit. Employees not in the bargaining unit are scheduled to receive a step increase January 1, 2017. Allocations for health insurance and worker's compensation decrease, while allocations for retiree health and pension increase.

CHANGES IN OPERATIONS:

Comprehensive physicals, communications expense, and training are examples of costs included in Contracted Services. Estimates for Communications and medical payments have been reduced for FY 17. Training has been budgeted at \$5,741 and includes hazardous materials training, monthly bomb training and attendance for one employee at the International Association of Arson Investigators seminar. Equipment maintenance costs are expected to increase slightly. Equipment maintained in this division includes x-ray machines, a dosimeter and hazardous materials id equipment. Maintenance on the bomb robot has been completed in-house since FY 15. An allowance of \$4,500 for repair parts has been included in Operational Supplies. Uniform costs are funded \$150 higher than the FY 16 adopted level. The safety shoe allowance is set at \$190 per pair as part of the bargaining agreement. Items funded with Homeland Security grants were included in FY 15, resulting in higher expenses that year. Vehicle fuel has been budgeted at the two-year average number of gallons, and is expected to decrease \$3,150. In FY 16, Vehicle maintenance included \$6,200 for the purchase of a light package and truck cap for the replacement vehicle approved in the Vehicle Trust Fund. Intragovernmental expenses reflect an increase in the allocations for vehicle lease and for IT services. No capital outlay has been included for this division. Purchases made with Homeland Securities grants were included in FY 15. Any items covered in future grants will be added as the grants are received. No vehicle replacements for this division have been proposed in the Vehicle Trust Fund.

TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET
GENERAL FUND EXPENDITURES
FIRE MARSHAL DIVISION

EXPENDITURES	ACTUAL 2015	ADOPTED 2016	CITY MANAGER PROPOSED 2017	COUNCIL ADOPTED 2017
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 559,694	\$ 570,709	\$ 554,458	\$ 554,458
EMPLOYEE BENEFITS	320,537	332,852	332,542	332,542
	<u>880,231</u>	<u>903,561</u>	<u>887,000</u>	<u>887,000</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	12,447	18,840	17,217	17,217
MAINTENANCE	7,059	13,800	14,500	14,500
SUPPLIES & MATERIALS	31,739	27,248	27,328	27,328
ENERGY	0	0	0	0
VEHICLE SUPPLIES & REPAIR	31,294	37,802	28,452	28,452
INTRAGOVERNMENTAL	49,265	46,371	54,209	56,141
	<u>131,804</u>	<u>144,061</u>	<u>141,706</u>	<u>143,638</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	0	0	0	0
TRANSFER OUT	0	0	0	0
CAPITAL OUTLAY	5,365	0	0	0
	<u>5,365</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	\$ 1,017,400	\$ 1,047,622	\$ 1,028,706	\$ 1,030,638
LESS REVENUE GENERATED BY DIVISION				
EMERGENCY MGT. GRANT	(17,904)	0	0	0
SITE PLAN REVIEW	(99,524)	(75,000)	(90,000)	(90,000)
SPECIAL REVIEW FEES	(15,244)	(13,000)	(13,000)	(13,500)
QUALITY ASSURANCE	(65,777)	(65,000)	(70,000)	(70,000)
INSPECTION FEES	(12,460)	(5,000)	(13,000)	(13,500)
	<u>(210,909)</u>	<u>(158,000)</u>	<u>(186,000)</u>	<u>(187,000)</u>
TOTAL TOWN CONTRIBUTION	\$ 806,491	\$ 889,622	\$ 842,706	\$ 843,638



PUBLIC WORKS

Public Works has four main divisions: Engineering/Beach Replenishment; Public Works Administration and Construction; Public Works Maintenance; and Solid Waste. Engineering is located at City Hall on 3rd Street, while the other Public Works departments are located at 65th Street in the Public Works complex. In the budget ordinance, these departments are itemized as Public Works/Beach Maintenance, Sanitation and Waste Removal, and Highways and Streets.

ENGINEERING/BEACH REPLENISHMENT

These divisions are responsible for the design, construction management, and long-term planning associated with the Town's infrastructure, and the Beach Replenishment program. Engineering also oversees Information Technology.

PUBLIC WORKS ADMINISTRATION AND CONSTRUCTION

Public Works Administration shares responsibility for the design, construction management, and long-term planning associated with the Town's infrastructure. They also oversee the Airport, Construction, Maintenance, Service Center, Solid Waste, Transportation, Water and Wastewater divisions from an administrative oversight stance. The Construction division is responsible for maintaining Ocean City's 63 miles of streets, 38 miles of storm drains, and 15 miles of alleys in addition to the majority of the City's buildings, street lights, and beach crossovers. Major street renovations, minor bulkhead repairs, paving of alleys, snow removal, sidewalk construction and maintenance and storm damage clean-up and repairs are also the responsibility of this division.

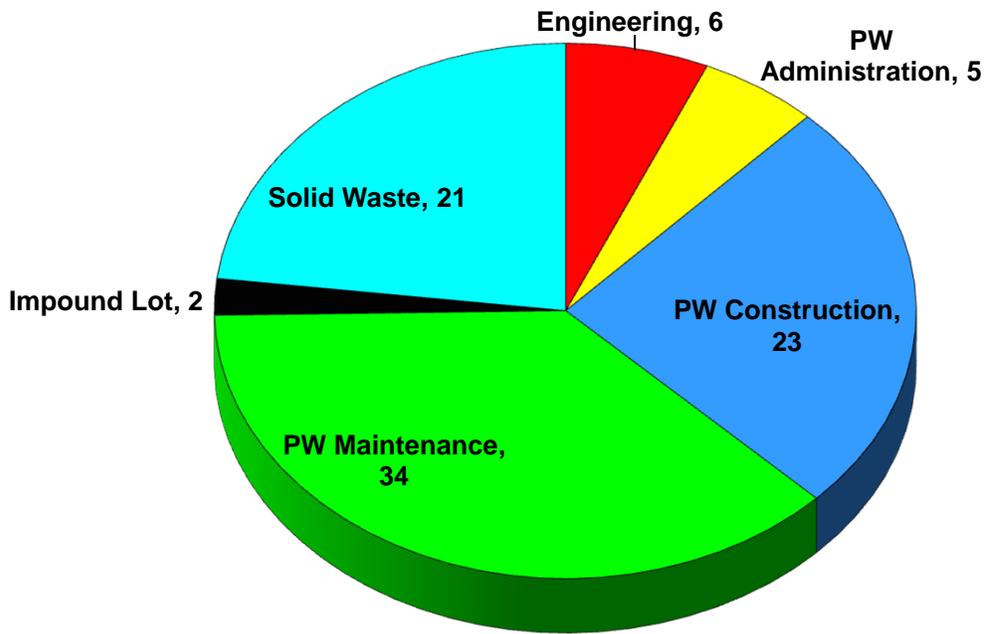
PUBLIC WORKS MAINTENANCE

The Maintenance Division is responsible for the daily upkeep of Ocean City's 10 miles of beach and 2 ½ miles of boardwalk, the seawall, street cleaning, the Cale parking system, signage, set-up of special events and janitorial service.

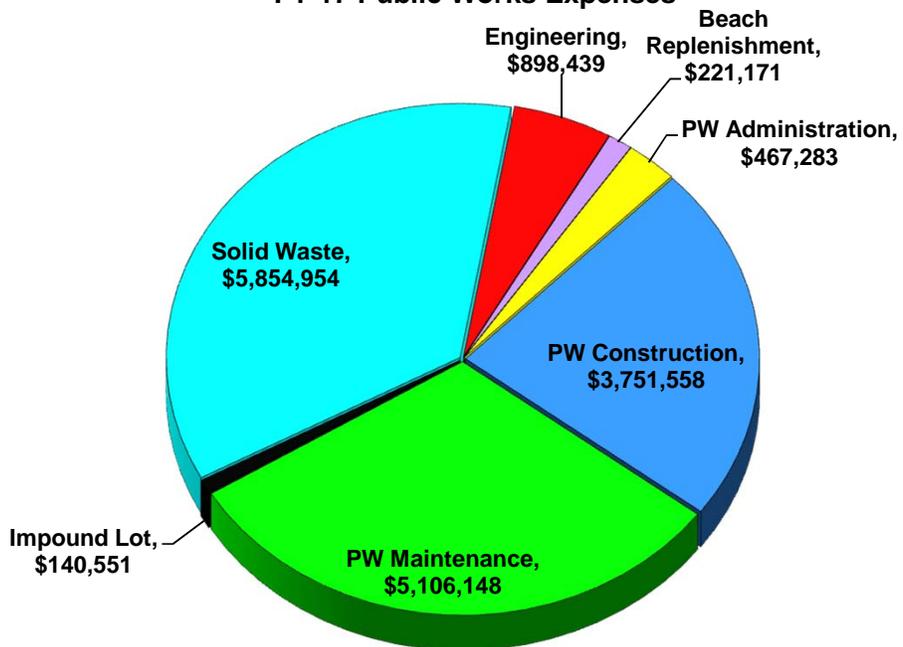
SOLID WASTE AND TRANSFER STATION

The Solid Waste division is responsible for the collection, processing, and disposal of residential and commercial refuse. In FY 2007, the bulk pickup collection service was moved to this division. The department operates over 25 collection vehicles. Collection services to residents and visitors were changed in FY 09 to summer season and off-season service. Service to single-family homes and mobile homes is twice a week from mid-May through mid-October and once a week the rest of the year. Service to multi-family units is three times a week from mid-October through mid-May and five times per week from mid-May through mid-October. Service to commercial establishments is three times a week from mid-October through mid-May and five days per week from mid-May through mid-October. If service is required more than five days per week, an additional fee is charged. FY 16 is the third year of the contract with Covanta for the disposal of all solid waste.

FY 17 Public Works Full Time Personnel



FY 17 Public Works Expenses



**TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET**

PUBLIC WORKS ADMINISTRATION AND CONSTRUCTION

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

Sidewalk condemnations have been reduced in FY 17, as much of this effort is being accounted for in the Street paving project. One-half of this cost is billable to the owners of the condemned sidewalks. The Vehicle Franchise fee decreased in the most recent bidding process. Expenses of Public Works Administration are allocated to the divisions of Public Works as General Overhead Expense. The allocation charged to Water, Wastewater, Transportation and Airport is shown here as a reimbursement to the General Fund.

PERSONNEL CHANGES:

Since FY 09, twelve full-time positions have been eliminated from this division. A full-time Facilities Manager position was funded in FY 14, and a full-time carpenter was added to this Division in FY 14 through the elimination of a position in the Transfer Station division. Currently, there are five employees in the Administrative division and twenty-three employees in the Construction division. A step increase effective January 1, 2017 has been included. Funding has been included for an upgrade of the Equipment/Shop Manager position to Safety/Coop Coordinator. In addition, deductions for Public Works labor charged to Water and Wastewater capital projects and to Street Paving totaling \$111,000 have been made. This labor deduction is \$71,000 less than the deduction made in the FY 16 budget. Allocations for health insurance, retiree health, pension, worker's compensation and unemployment all decrease for this division.

CHANGES IN OPERATIONS:

Sidewalk replacement and condemnation is the significant cost in the Contracted Services line item, and has been budgeted to decrease \$49,175. Costs for concrete disposal are included at \$17,500. Phase III, the final phase of the contract light pole painting, was included in FY 16 at a cost of \$27,480. Building Maintenance covers maintenance for city-owned buildings such as City Hall, the Art League and the Public Works office buildings. Routine building maintenance and the HVAC contracts for these locations have been budgeted at \$51,532. HVAC repairs recommended by the Public Works Facilities Manager have been budgeted at \$5,950 for this division. Security upgrades for City Hall were included in FY 16 at \$30,000. Supplies for streets, storm drains and buildings and grounds have been budgeted at \$141,000. Replacement light poles have been budgeted at a cost of \$22,000. Snow removal supplies are also included in this category, and \$9,835 has been budgeted. Replacement equipment including traffic control signs, a generator, tools, tamps, and chainsaws have been budgeted at \$32,165. Uniforms and safety equipment are budgeted at \$15,380. ARC flash safety gear for the electricians has been included in the uniform cost at \$2,340. In Energy, street lighting is the major expense and was calculated at the actual cost for the past twelve months. Savings due to the Energy Performance contract and to the reduction of electrical cost through the energy bid result in a projected savings of \$140,014 in this account. Estimates for vehicle fuel and maintenance have been projected to decrease. Allocations for vehicle lease and IT services increase, while the allocation for property insurance decreases. Vehicle lease expense increases nearly \$86,000 due to the mass purchase of equipment through capital lease. Capital outlay reflects miscellaneous bulkhead repairs. Replacement of the bulkhead at the Public Works complex was included in FY 15. A bucket truck was requested through Vehicle Trust in FY 17, but only partially funded.

TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET
GENERAL FUND EXPENDITURES
PUBLIC WORKS ADMINISTRATION AND CONSTRUCTION

EXPENDITURES	ACTUAL 2015	ADOPTED 2016	CITY MANAGER PROPOSED 2017	COUNCIL ADOPTED 2017
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 1,545,865	\$ 1,564,148	\$ 1,688,862	\$ 1,688,862
EMPLOYEE BENEFITS	910,721	1,006,828	947,714	947,714
	<u>2,456,586</u>	<u>2,570,976</u>	<u>2,636,576</u>	<u>2,636,576</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	135,192	192,158	117,967	117,967
MAINTENANCE	51,436	85,745	61,168	61,168
SUPPLIES & MATERIALS	175,586	230,153	227,728	227,728
ENERGY	828,346	881,000	740,986	740,986
VEHICLE SUPPLIES & REPAIR	402,020	373,730	359,306	359,306
INTRAGOVERNMENTAL	261,810	287,382	376,317	379,917
	<u>1,854,390</u>	<u>2,050,168</u>	<u>1,883,472</u>	<u>1,887,072</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	0	0	0	0
TRANSFER OUT	0	0	0	0
CAPITAL OUTLAY	121,058	40,000	10,000	10,000
	<u>121,058</u>	<u>40,000</u>	<u>10,000</u>	<u>10,000</u>
TOTAL EXPENDITURES	\$ <u>4,432,034</u>	\$ <u>4,661,144</u>	\$ <u>4,530,048</u>	\$ <u>4,533,648</u>
LESS REVENUE GENERATED BY DIVISION				
REIMBURSEMENT FROM OTHER FUNDS FOR				
ADMINISTRATIVE SERVICES	(269,201)	(334,946)	(314,807)	(314,807)
FRANCHISE FEES - VEHICLE	(32,100)	(50,000)	(32,100)	(32,100)
STATE - STREET AID	(26,363)	(26,363)	(26,363)	(26,363)
STREET CUT FEES	(18,305)	(2,500)	(2,500)	(4,000)
SIDEWALK PAYMENTS	(3,538)	(37,088)	(12,500)	(12,500)
	<u>(349,507)</u>	<u>(450,897)</u>	<u>(388,270)</u>	<u>(389,770)</u>
TOTAL TOWN CONTRIBUTION	\$ <u>4,082,527</u>	\$ <u>4,210,247</u>	\$ <u>4,141,778</u>	\$ <u>4,143,878</u>

**TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET**

PUBLIC WORKS MAINTENANCE DIVISION

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

No changes in parking rates have been proposed for FY 17. A Pay by Phone parking app was introduced for the FY 16 season. All parking revenue has been projected to increase for FY 17. Leases for the Public Safety Building lot expired in FY 16, with the final payments due in FY15. No revenue from these leases has been budgeted for FY 17. The Beach Photo franchise has been included at \$434,500.

PERSONNEL CHANGES:

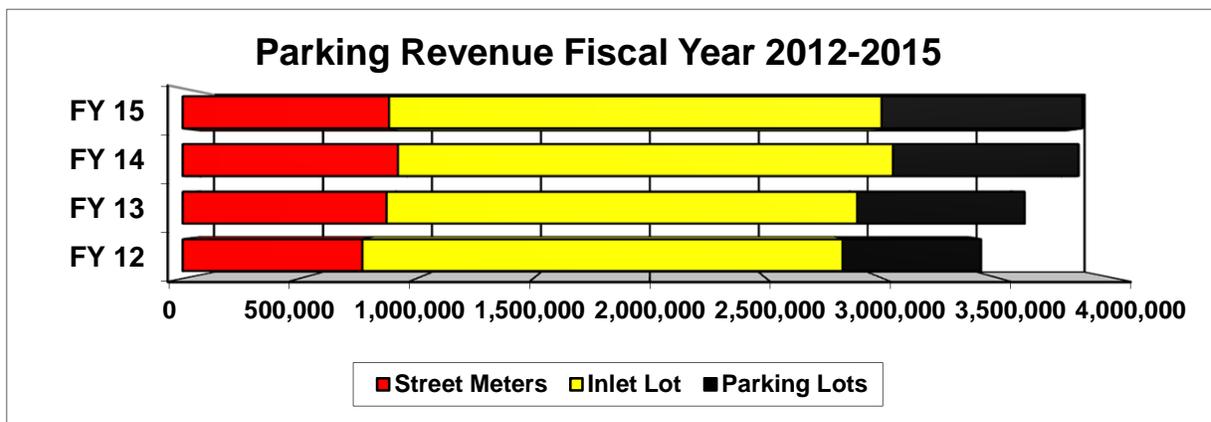
In FY 2009, thirty-eight full-time positions were funded in this division, which has been reduced to the current number of thirty-four full-time employees. As in other divisions, a step increase effective January 1, 2017 has been funded. Restructuring of the department continues with the request to upgrade two Maintenance Worker position to Heavy Equipment Operator at an estimated cost of \$8,699. Two Maintenance Worker positions were upgraded to Heavy Equipment Operator in the FY 16 budget as well. Also included is the funding of an additional seasonal supervisor position at a cost of \$6,060. Seventy-one part-time positions are funded in this budget, which is an increase of five positions over FY 16. Two seasonal employees have been funded from April through September to handle curb painting, street striping and work orders for the department at a cost of \$21,819. Three seasonal employees have been funded May through September as a second crew for trash collection on the boardwalk at a cost of \$27,732. In this division, allocations for health insurance, retiree health and unemployment decrease, while the allocations for worker's compensation and pension contributions increase.

CHANGES IN OPERATIONS:

Credit Card fees for use of the Cale parking meters have been budgeted at \$115,000 in FY 17, a reduction of \$2,000 from FY 16. Other expenses in Contracted Services include tipping fees for this division, and printing of tickets for the Inlet Lot. For FY 17, Contracted Services includes the lease payment of the beach tractor lease, phase II of a program to restore the boardwalk light poles and decorative tops at a cost of \$19,460, a weed prevention service at a cost of \$25,000, and an upgrade of the card readers at the Inlet Lot at \$10,000. A \$10,000 contract to clean the city surveillance cameras was included in this division in FY 16, but has been moved to the IT fund for FY 17. Maintenance costs include \$16,200 for the maintenance contract on the Cale meters, and an additional \$17,021 for a maintenance agreement on the Inlet Lot equipment that is currently out of warranty. Porta potties for holiday weekends and some special events has been included at \$2,000. Supplies and Materials includes funding used for day-to-day operations. In addition, the following items have been approved: ten bike racks, \$3,000; a beach box blade, \$5,000, and an Atlas surface breaker, \$6,000. Other supplies include comfort station supplies, replacement banners for the boardwalk, beach ramp supplies and replacement sand fence. In FY 15, donations totaling \$85,000 were made toward the purchase of boardwalk benches. Vehicle fuel and maintenance costs decrease. Allocations for IT Services and insurance increase for this division, while the allocation for Vehicle Lease decreases.

TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET
GENERAL FUND EXPENDITURES
PUBLIC WORKS MAINTENANCE DIVISION

EXPENDITURES	ACTUAL 2015	ADOPTED 2016	CITY MANAGER PROPOSED 2017	COUNCIL ADOPTED 2017
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 2,089,956	\$ 2,184,034	\$ 2,273,866	\$ 2,273,866
EMPLOYEE BENEFITS	1,097,575	1,202,919	1,159,243	1,159,243
	<u>3,187,531</u>	<u>3,386,953</u>	<u>3,433,109</u>	<u>3,433,109</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	362,943	390,216	415,113	415,113
MAINTENANCE	91,751	64,578	64,579	64,579
SUPPLIES & MATERIALS	372,644	330,541	305,961	305,961
ENERGY	83,171	86,389	84,630	84,630
VEHICLE SUPPLIES & REPAIR	520,143	498,232	467,393	467,393
INTRAGOVERNMENTAL	315,789	353,928	331,686	335,363
	<u>1,746,441</u>	<u>1,723,884</u>	<u>1,669,362</u>	<u>1,673,039</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	0	0	0	0
TRANSFER OUT	0	0	0	0
CAPITAL OUTLAY	3,372	0	0	0
	<u>3,372</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	\$ 4,937,344	\$ 5,110,837	\$ 5,102,471	\$ 5,106,148
LESS REVENUE GENERATED BY DIVISION				
STREET PARKING METER REVENUE	(883,230)	(885,000)	(890,000)	(890,000)
PARKING LOT REVENUE	(863,137)	(775,000)	(805,000)	(805,000)
INLET PARKING LOT REVENUE	(2,109,351)	(2,142,415)	(2,148,700)	(2,148,700)
RESIDENTIAL PARKING PERMITS	(1,537)	(1,500)	(1,500)	(1,500)
FRANCHISE FEES-PHOTO	(434,500)	(434,500)	(434,500)	(434,500)
SERVICE CHARGES	(23,334)	(18,500)	(18,000)	(18,000)
	<u>(4,315,089)</u>	<u>(4,256,915)</u>	<u>(4,297,700)</u>	<u>(4,297,700)</u>
TOTAL TOWN CONTRIBUTION	\$ 622,255	\$ 853,922	\$ 804,771	\$ 808,448



**TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET**

SOLID WASTE AND TRANSFER STATION

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

Revenue from recycling sales is expected to decrease for FY 17. Wastewheelers and dumpster parts are sold to the public, and it is anticipated that \$19,000 will be collected from this effort. Solid Waste collection fees charged to establishments requiring trash collection more than five times per week are expected to increase. Bulk collection fees for the collection of one item and the collection of up to three items were increased in FY 14. It is anticipated that bulk collection revenue will increase \$975.

PERSONNEL CHANGES:

The FY 17 budget includes funding for twenty-one full-time positions, the same number of positions as FY 16. In addition, there are seventeen seasonal positions in this division. Since FY 09, twenty-three positions have been eliminated in this division. Full-time wages include a step increase effective January 1, 2017. Solid Waste Worker II positions were upgraded as part of the pay study. Part of the resulting wage increase has been offset by retirement of senior personnel. Part-time employees in this division also received upgrades through the revision of the part-time pay table. Health insurance and retiree health are projected to decrease in FY 17, and Pension, worker's compensation and unemployment are projected to increase.

CHANGES IN OPERATIONS:

Contracted Services includes building and equipment maintenance costs, travel and training, communications and dues. For FY 16, a replacement heat pump was included at \$9,879. In FY 17, repair and painting of the truck shed has been included at \$26,400. Transport/Tipping Fees reflects the contract with Covanta, our waste contractor. In FY 17, the price per ton increases from \$61.99 per ton to \$63.50. The increase in price per ton is responsible for \$20,300 of the increase in this line item. The contract was renegotiated in FY 14 and has been budgeted at \$2,097,050; an increase of \$43,300 over FY 16. An increase in the estimate of the number of tons to be transported accounts for the remaining \$23,000 increase. Supplies and Materials includes \$15,000 for the purchase of 175 wastewheelers that will be resold to the public. Three 55 gallon containers of bulk motor oil have been included at a cost of \$2,200. Four replacement front end containers and five 300 gallon trash containers have also been funded. Vehicle Supplies and Repair is the second major expense category in this division. Fuel costs are expected to decrease and vehicle fuel has been budgeted at the two year average number of gallons of diesel fuel. Vehicle maintenance costs are projected to increase for FY 17. Painting of several of the older trash trucks was funded in FY 16 at an estimated cost of \$40,000, and painting of two trash trucks has been included in the FY 17 budget at a cost of \$20,000. Intragovernmental expenses include an increase in the allocation for vehicle lease. One front-end trash truck and one side-load trash truck, have been included in the Vehicle Trust fund for FY 17.

TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET
GENERAL FUND EXPENDITURES
SOLID WASTE AND TRANSFER STATION DIVISION

EXPENDITURES	ACTUAL 2015	ADOPTED 2016	CITY MANAGER PROPOSED 2017	COUNCIL ADOPTED 2017
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 1,247,239	\$ 1,277,745	\$ 1,281,595	\$ 1,281,595
EMPLOYEE BENEFITS	753,291	768,666	744,565	744,565
	<u>2,000,530</u>	<u>2,046,411</u>	<u>2,026,160</u>	<u>2,026,160</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	68,717	60,108	87,876	77,997
TRANSPORT/TIPPING FEES	1,802,730	2,058,750	2,102,050	2,102,050
SUPPLIES & MATERIALS	62,512	68,523	71,023	71,023
ENERGY	50,351	47,300	49,830	49,830
VEHICLE SUPPLIES & REPAIR	1,007,909	1,062,333	1,011,055	1,011,055
INTRAGOVERNMENTAL	361,176	416,706	515,449	516,839
	<u>3,353,395</u>	<u>3,713,720</u>	<u>3,837,283</u>	<u>3,828,794</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	0	0	0	0
TRANSFER OUT	0	0	0	0
CAPITAL OUTLAY	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	\$ <u>5,353,925</u>	\$ <u>5,760,131</u>	\$ <u>5,863,443</u>	\$ <u>5,854,954</u>
LESS REVENUE GENERATED BY DIVISION				
SALES - RECYCLING	(20,820)	(18,000)	(10,000)	(10,000)
SALES - CONTAINERS	(15,649)	(19,000)	(19,000)	(19,000)
SOLID WASTE COLLECTION	(51,877)	(40,000)	(45,000)	(45,000)
BULK PICK UP FEE	(26,886)	(26,025)	(27,000)	(27,000)
	<u>(115,232)</u>	<u>(103,025)</u>	<u>(101,000)</u>	<u>(101,000)</u>
TOTAL TOWN CONTRIBUTION	\$ <u><u>5,238,693</u></u>	\$ <u><u>5,657,106</u></u>	\$ <u><u>5,762,443</u></u>	\$ <u><u>5,753,954</u></u>

CULTURE AND RECREATION

RECREATION

The Ocean City Recreation and Parks Department's Recreation division incorporates three divisions of service for the community: Administration, Programs, and Senior Citizens. The Programs and Senior Citizens divisions concentrate on providing year-round leisure opportunities for Ocean City residents, as well as managing satellite facilities such as the Ocean City Tennis Center, Ocean Bowl Skate Park, and three Concession stands. Over 200 programs are organized annually, offering upwards of 10,000 program hours. The Administration division is the unit of planning and oversight for the department of Recreation and Parks, offering supervision and management, capital planning, corporate partnership management, facility cleaning and maintenance, registrations, facility reservations, and customer services.

PARKS

The division of Parks is a unit of the Department of Recreation and Parks with broad responsibilities for the maintenance and improvement of 16 parks and recreation facilities, including horticultural, urban forest, irrigation, playground and athletic field maintenance. They also maintain public lands at 30 locations along with many medians, bulkheads, utilities, rights of way and streetscapes. The Division of Parks also provides valuable support to Recreation, Special Events, and interdepartmental labor for many important capital projects such as streetscaping and park development. The Division is located in the Parks headquarters at Northside Park and is organized into work crews assigned to geographical zones of responsibility, landscaping and special projects.

BEACH PATROL

The Beach Patrol provides for the safety and well being of the beach patrons of the Town who participate in beach and ocean related activities. This mission includes educating the public, preventing potential accidents, and intervening when necessary and appropriate both on the beach and in the adjacent Atlantic Ocean waters. The Beach Patrol fulfills its mission by:

1. Recruiting and testing the most highly qualified candidates.
2. Employing qualified individuals for positions within the administration of the organization, as well as competent Surf Rescue Technicians (SRTs), and public-minded Surfing Beach Facilitators.
3. Training personnel with the most current information, technology, and equipment.
4. Outfitting personnel with current, well maintained, and appropriate equipment.

The Beach Patrol provides Surf Rescue Technicians for the entire 10 miles of ocean beaches, seven days a week from the Saturday of Memorial Day weekend through the Sunday of Sunfest weekend (late September), which gives Ocean City one of the

BEACH PATROL (CONTINUED)

longest guarded seasons on the east coast. The division also responds to medical emergencies, finds and returns lost persons (mostly children), enforces local ordinances, establishes and monitors the rotating Surfing Beaches, conducts children's camps and beach safety education programs. The Beach Patrol continues to operate between September and May; to close down the previous season, conduct a recruiting campaign, administer pre-employment physical testing sessions, hold Surf Rescue Training Academies, prepare for the upcoming season and hold monthly meetings with staff. The Beach Patrol division reports to the Emergency Services Director. The summer of 2016 will be the first full summer in the new headquarters building.

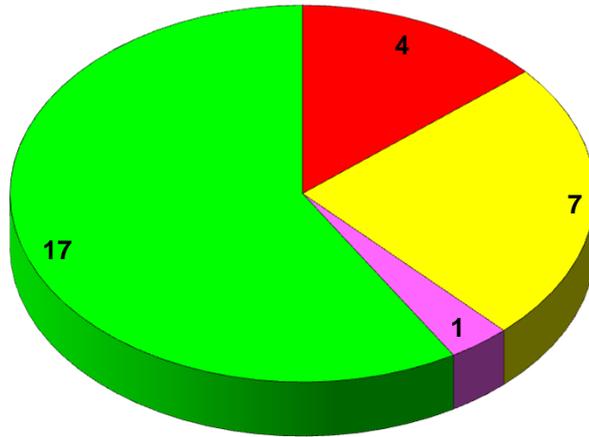
SPECIAL EVENTS

The Special Events Department has responsibility to produce and manage Special Events for the Town, including Art's Alive and Fourth of July Fireworks on the Beach and at Northside Park. Oversight and administration of private events conducted on town property by independent promoters, such as Cruisin' OC, OC Bikeweek, Komen Race for a Cure and the OC Airshow is also the responsibility of the Special Events Department. The purpose of high-profile Special Events is to boost economic development in Ocean City by attracting tourism to the community resulting in increased revenues for businesses and increased tax base for local government. In addition, the Special Events Department manages events designed to act as value-added attractions such as Sundaes in the Park, Sunset Park Party Nights and Concerts on the Beach.

TOURISM AND ECONOMIC DEVELOPMENT

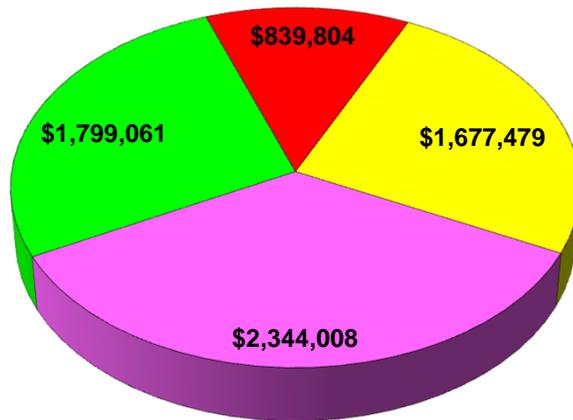
This division includes the costs for the Tourism Department, and for the Town sponsored festivals, Sunfest, Winterfest and Springfest. Production and management of the Town sponsored festivals is the responsibility of the Special Events Department. Tourism provides the focus for the Town's efforts to attract visitors and to fulfill requests for visitor information. The Town initiates an advertising campaign to attract new and retain previous visitors and vacationers. Advertising is funded at 2% of gross room revenue per ordinance 2007-20.

FY 17 Recreation Full Time Personnel



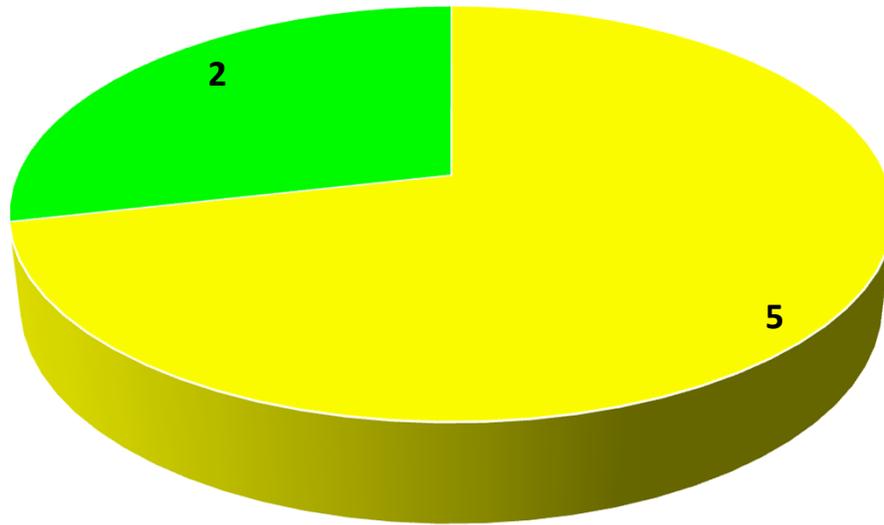
■ Administration ■ Programs ■ Beach Patrol ■ Park Maintenance

FY 17 Recreation Expenses



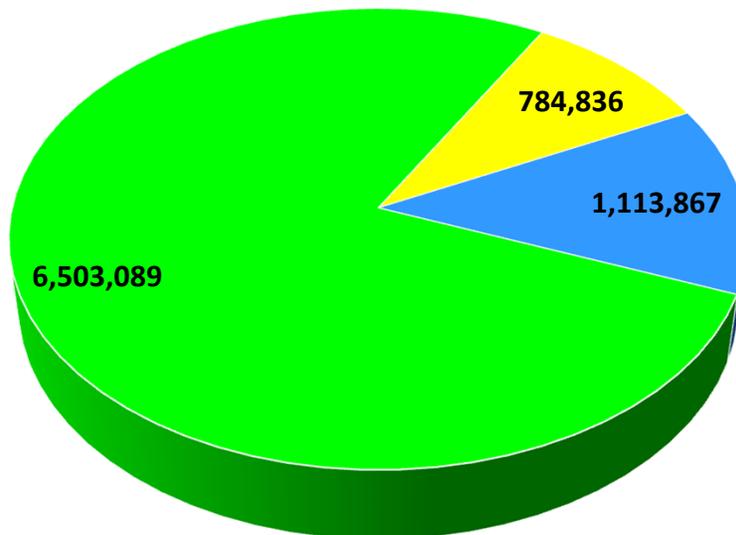
■ Administration ■ Programs ■ Beach Patrol ■ Park Maintenance

Full-Time Personnel Tourism and Special Events



■ Special Events ■ Tourism

FY 17 Tourism , Special Event and Festival Expenses



■ Special Events ■ Festivals ■ Tourism

TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET

RECREATION DIVISION

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

Projected Program revenue increases more than \$20,000 and includes revenue for many new programs and camps. Fees received from facilities rental are expected to increase slightly. Franchise fees from the kayak concession at Northside Park are included at \$41,900.

PERSONNEL CHANGES:

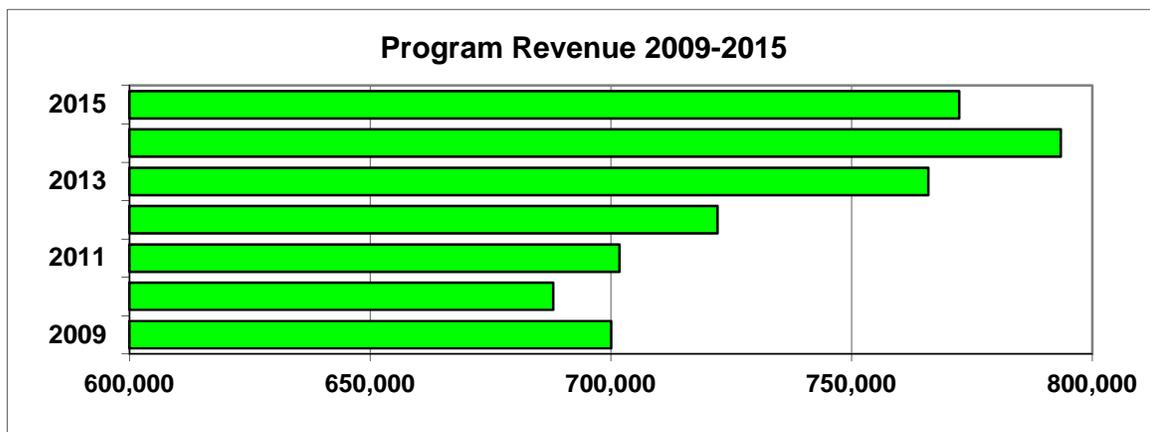
There are four full-time positions budgeted in the Administration division and seven full-time positions budgeted in the Programs division. A step increase effective January 1, 2017 has been included. Two Recreation Supervisor positions were promoted to Program Managers in FY 16. In lieu of a full-time Recreation Supervisor, two part-time Recreation Supervisors were funded in FY 16 and again in FY 17. A full-time Office Associate position was requested for the Administration division, but a part-time position was funded instead. Hours have been increased for the part-time Marketing Associate and for the part-time Program Associate in the Senior division. Part-time salaries also increase due to the revised part-time pay table. Health insurance, retiree health and the allocation for worker's compensation have been funded at lower levels for FY 17, while pension costs are projected to increase slightly.

CHANGES IN OPERATIONS:

Contracted Services include payments to sports camp directors, building maintenance, equipment maintenance, equipment rental, and training and travel. Building maintenance funding increases and includes replacement of the obsolete auto control system in the west gym as recommended by the Facilities Manager at \$17,000, as well as a replacement patron net for the East gym, at \$18,000. An electric front door and electronic locks for the outside restrooms at Northside Park were requested, but not funded. Repair of the ceiling in the East gym and of the exterior metal on the west side of the building, and repair of the Community Room floor were included in capital projects. Other maintenance items were requested, but not funded. A new service through Worcester County schools to advertise programs has been included at \$3,100. Operational supply costs will decrease as fewer flyers will be printed. Training costs include attendance at the National Recreation and Parks Association conference for the Director and the Recreation Superintendent. Year two of Revenue Resource School has been funded. Revenue Resource School is offered through NC State in Oglebay, West Virginia. Contracted Services also includes the costs for Senior programs including the bowling alley rental for the Senior Bowling League and the Senior Valentine's party. Credit card fees increase \$2,000 for this division. Supply & Material costs for both the Programs division and the Administrative division increase slightly, and include supplies for all program offerings. A replacement water fountain and replacement score controllers have also been funded. Savings from the energy performance contract reduce Energy costs in this division. Vehicle expenses for fuel, parts and labor are expected to decrease. Intragovernmental allocations for IT services increase, but vehicle lease and insurance decrease. No vehicle replacements were funded for this division.

TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET
GENERAL FUND EXPENDITURES
RECREATION, PROGRAMS AND SENIORS

EXPENDITURES	ACTUAL 2015	ADOPTED 2016	CITY MANAGER PROPOSED 2017	COUNCIL ADOPTED 2017
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 1,084,141	\$ 1,195,719	\$ 1,232,878	\$ 1,232,878
EMPLOYEE BENEFITS	424,010	438,373	420,333	420,333
	<u>1,508,151</u>	<u>1,634,092</u>	<u>1,653,211</u>	<u>1,653,211</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	423,807	461,533	468,589	468,589
SUPPLIES & MATERIALS	169,680	183,023	187,632	187,632
ENERGY	107,222	96,500	85,263	85,263
VEHICLE SUPPLIES & REPAIR	7,685	10,388	9,017	9,017
INTRAGOVERNMENTAL	105,122	107,479	109,585	113,571
	<u>813,516</u>	<u>858,923</u>	<u>860,086</u>	<u>864,072</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	0	0	0	0
TRANSFER OUT	0	0	0	0
CAPITAL OUTLAY	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	\$ 2,321,667	\$ 2,493,015	\$ 2,513,297	\$ 2,517,283
LESS REVENUE GENERATED BY DIVISION				
STATE GRANT - OPEN SPACE	0	0	0	0
COUNTY-RECREATION GRANT	(100,000)	(100,000)	(100,000)	(100,000)
RECREATION FRANCHISE	(41,700)	(41,900)	(41,900)	(41,900)
PROGRAM REVENUE	(772,351)	(815,000)	(835,450)	(835,450)
ADMISSIONS/RENTAL	(113,677)	(106,345)	(110,000)	(110,000)
CONCESSION REVENUE	(62,661)	(69,000)	(65,000)	(65,000)
ADVERTISING REVENUE	(7,500)	(3,000)	(5,000)	(5,000)
MEALS - SENIOR CITIZENS	(6,071)	(9,000)	(8,000)	(8,000)
MISCELLANEOUS	(202)	(75)	(75)	(75)
	<u>(1,104,162)</u>	<u>(1,144,320)</u>	<u>(1,165,425)</u>	<u>(1,165,425)</u>
TOTAL TOWN CONTRIBUTION	\$ 1,217,505	\$ 1,348,695	\$ 1,347,872	\$ 1,351,858



TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET

PARKS DIVISION

BUDGET HIGHLIGHTS:

PERSONNEL CHANGES:

Five full-time positions have been eliminated in this division since FY '09. Currently, there are seventeen full-time employees in this division. Wage adjustments include a step increase effective January 1, 2017. Two Crew Leader positions were promoted to Supervisor in FY 16 as step 1 of a succession plan. Conversion of a part-time Parks Worker position to full-time was requested, but was not funded. Part-time salaries increase \$2,286, resulting from wage increases through the adoption of a revised part-time pay table. Projected overtime costs increase \$2,500. FY 15 labor costs appear to be lower because deductions were made for labor charged to the Town festivals. No labor deductions were included in the FY 16 Adopted or the FY 17 Proposed budgets. Deductions will be made at the conclusion of the festivals. Allocations for health insurance, retiree health, worker's compensation and unemployment decrease for this division, but the projected pension allocation increases.

CHANGES IN OPERATIONS:

Contracted Services in this division include maintenance for the parks and landscaping throughout the Town. Sunset Park brick pavers, fencing, the resurfacing of the Northside Park patio and of the Little Salisbury basketball court were included in FY 15. Contract mowing of city-owned median strips, bulkheads, undeveloped lots, etc. has been included at \$16,675 in FY 17. Walkway and drainage repairs at Northside Park have been budgeted at \$10,250. Also included is \$9,150 to paint 3rd street tennis courts and \$3,593 to replace fencing fabric at the 4th street field. All other expenses in this line item cover routine maintenance. Tennis court and basketball resurfacing, a tennis court laser lift, and garage door replacement at the Maintenance garage were requested, but not funded. Replacement of the tennis center HVAC system was funded in FY 16. Training costs are also included in Contracted Services and include attendance at the Sports Turf Management Association conference for the Superintendent, the first year of Maintenance Management School, and Playground re-certification. Normal maintenance and supply costs have been budgeted for FY 17. Supplies include athletic field supplies, landscaping supplies, and general maintenance supplies. A replacement gator and a replacement lawn mower have been included in FY 17. A beach toy was funded in FY 16 at a cost of \$26,000. Special Appropriations reflects the budget for requests from the Beautification Committee. Energy costs are expected to decrease. Projected costs for vehicle fuel decrease, but projected vehicle parts costs increase. Maintenance costs of the Special Events trailers were funded in this division in FY 15, and have been transferred to the Special Events division. Vehicle Lease increases and the insurance allocation decreases. Northside Park fence replacement and a storage shed were requested, but not funded. No vehicles were funded for this division through Vehicle Trust.

TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET
GENERAL FUND EXPENDITURES
PARKS DIVISION

EXPENDITURES	ACTUAL 2015	ADOPTED 2016	CITY MANAGER PROPOSED 2017	COUNCIL ADOPTED 2017
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 713,114	\$ 879,405	\$ 901,029	\$ 901,029
EMPLOYEE BENEFITS	421,330	483,829	458,125	458,125
	<u>1,134,444</u>	<u>1,363,234</u>	<u>1,359,154</u>	<u>1,359,154</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	150,468	87,846	82,680	82,680
SUPPLIES & MATERIALS	146,339	156,185	142,035	142,035
SPECIAL APPROPRIATIONS	6,200	5,625	5,600	5,600
ENERGY	27,053	26,100	25,734	25,734
VEHICLE SUPPLIES & REPAIR	105,955	86,809	82,109	82,109
INTRAGOVERNMENTAL	83,881	94,661	100,967	101,749
	<u>519,896</u>	<u>457,226</u>	<u>439,125</u>	<u>439,907</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	0	0	0	0
TRANSFER OUT	0	0	0	0
CAPITAL OUTLAY	215	0	0	0
	<u>215</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	<u>\$ 1,654,555</u>	<u>\$ 1,820,460</u>	<u>\$ 1,798,279</u>	<u>\$ 1,799,061</u>
 TOTAL TOWN CONTRIBUTION	 <u>\$ 1,654,555</u>	 <u>\$ 1,820,460</u>	 <u>\$ 1,798,279</u>	 <u>\$ 1,799,061</u>

TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET

BEACH PATROL DIVISION

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

Beach Stand revenue increases and reflects the latest bids. Panama Jack continues to provide sun protection products to our employees but no longer provides a sponsorship of our Beach Safety Seminar program. Participation in our Junior Beach Patrol Program is expected to generate \$20,000 from program registration and uniform sales.

PERSONNEL CHANGES:

In FY 16, an additional week occurred between Memorial Day and Labor Day resulting in an additional expense of \$80,325. FY 17's budget has been reduced by that amount, but does include increments from the pay study for part-time employees in step 1 or step 2 of the pay table. Additional pay increments totaling \$52,235 were requested for this division, but were not funded. A \$2/hour incentive pay for employees working August 15th through September 25th at a total estimated cost of \$56,246 was requested, but was not funded. Funded hours were reduced based on the actual hours staffed for the past five years. Approximately two hundred part-time employees are employed by the Beach Patrol. There is one full-time employee in this division. A step increase effective January 1, 2017 has been included. Interdepartmental labor for Public Works employees to build and repair beach stands has been reduced. The allocations for health insurance, retiree health and worker's compensation decrease, while projected pension and unemployment expenses increase.

CHANGES IN OPERATIONS:

Contracted Services include building maintenance for all Beach Patrol facilities, rental of testing facilities for Beach Patrol try-outs, telephone service and radio maintenance costs. Travel costs for senior officers to return for work weekends and to attend try-outs have been reduced. Certification costs for the American Red Cross have been included at \$19.00 each for 200 certifications. American Heart Association certification is also included at a cost of \$600, as all Beach Patrol members must be certified. Maintenance contracts for the HVAC system and the elevator in the new Headquarters building have been funded. Rental of two offsite testing facilities have been included. Uniform purchases and operational supplies were budgeted slightly below the FY 16 approved level. Operational Supplies include three replacement ATVs and a rescue watercraft at a cost of \$27,200. Replacement equipment including first aid supplies, rescue boards and materials to replace beach patrol stands have also been included. A number of items requested for the new Beach Patrol Headquarters building were funded through the Headquarters capital construction account, while others were funded through operational savings in FY 16. Estimated energy costs have been reduced for FY 17. Estimates for vehicle fuel, parts and labor have been reduced for FY 17. Allocations for IT Services, Vehicle Lease and insurance increase for this division. A generator for the Beach Patrol headquarters building was requested at \$75,000, but not approved. A rental generator at a cost of \$15,000 was requested but not funded.

TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET
GENERAL FUND EXPENDITURES
BEACH PATROL DIVISION

EXPENDITURES	ACTUAL 2015	ADOPTED 2016	CITY MANAGER PROPOSED 2017	COUNCIL ADOPTED 2017
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 1,712,879	\$ 1,952,805	\$ 1,856,627	\$ 1,856,627
EMPLOYEE BENEFITS	193,708	215,750	206,284	206,284
	<u>1,906,587</u>	<u>2,168,555</u>	<u>2,062,911</u>	<u>2,062,911</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	35,178	46,117	51,468	51,468
SUPPLIES & MATERIALS	92,795	88,949	88,234	88,234
ENERGY	7,560	19,200	13,765	13,765
VEHICLE SUPPLIES & REPAIR	39,337	39,116	37,215	37,215
INTRAGOVERNMENTAL	59,954	80,761	86,874	90,415
	<u>234,824</u>	<u>274,143</u>	<u>277,556</u>	<u>281,097</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	0	0	0	0
TRANSFER OUT	0	0	0	0
CAPITAL OUTLAY	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	<u>\$ 2,141,411</u>	<u>\$ 2,442,698</u>	<u>\$ 2,340,467</u>	<u>\$ 2,344,008</u>
LESS REVENUE GENERATED BY DIVISION				
BEACH PATROL MISC	(20,073)	(19,000)	(20,000)	(20,000)
FRANCHISE FEES-BEACH STAND	(876,631)	(839,655)	(877,525)	(877,525)
	<u>(896,704)</u>	<u>(858,655)</u>	<u>(897,525)</u>	<u>(897,525)</u>
TOTAL TOWN CONTRIBUTION	<u>\$ 1,244,707</u>	<u>\$ 1,584,043</u>	<u>\$ 1,442,942</u>	<u>\$ 1,446,483</u>

**TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET**

TOWN SPONSORED EVENTS AND FESTIVALS

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

Private Event Revenue includes revenue from Bikefest, the Car cruises and application and permit fees. Revenue from trailer permits for the two car cruise events was estimated during budget wrap-up at \$22,500. Winterfest fees remain at \$5 for everyone twelve and older. Revenue for Sunfest and Springfest are expected to remain the same for FY 17, while Winterfest revenue is projected to increase. Special Event revenue has been increased to reflect additional weeks for Sundaes in the Park and to include sponsorship revenue for the Christmas parade. Corporate Sponsorships include funds received from Coke and Esskay. The beverage franchise is budgeted at \$65,000.

PERSONNEL CHANGES:

Since FY 09, the full-time staff has been reduced from six full-time positions to five. One of the positions, the Private Events Coordinator was converted from full-time to part-time in FY 10 and then was converted back to full-time in January of FY 15. Salaries in FY 17 reflect funding of a step increase effective January 1, 2017. Salary expenses in the FY 15 actual column include costs for labor from other city departments for Sunfest, Winterfest and Springfest. The FY 16 Adopted budget and the FY 17 Proposed budget do not include labor costs for other departments. These costs will be adjusted in future budget amendments. Projected benefit costs for health insurance, retiree health and the worker's compensation allocation decrease for this department, while the pension and unemployment costs increase.

CHANGES IN OPERATIONS:

Contracted Services includes the annual allocation per MOU to the Airshow for \$35,000. Entertainment expenses for the Town's festivals continue to be the major expenditure for festivals. \$341,000 has been budgeted for entertainment costs for all events and festivals in FY 17. Entertainment in Sunset Park has been included at \$3,500. Fireworks for July 4th and New Year's Eve have been budgeted at \$65,000. Funds for the continuation of the Halloween celebration have been included, as have funds for the Ocean City Christmas parade. Other major expenditures in this division are tent rental, accommodations for the entertainers and back-up services for the shows. Tent rental expense has increased \$61,853 as a result of the most recent contract. Legal fees previously included in the Recreation budget have been transferred to this department. Refurbishment of Winterfest displays has been budgeted at \$29,544, the same amount as FY 16. Supplies and Materials increase slightly and include replacement bulbs for the trees of light on Baltimore Avenue and Philadelphia Avenue and the cost to replace 24 picnic tables used at Sunfest and Springfest. In FY 15, the actual expenses included funds to purchase 6 trees of light for Coastal Highway, and two replacement storage trailers. A replacement storage trailer to store the Winterfest decorations has been budgeted in FY 17 at \$9,000. Energy costs for the festivals are expected to decrease. Vehicle maintenance increases and reflects the transfer of maintenance costs for the Special Events trailers from the Parks division. The allocation for insurance decreases, while the allocations for Vehicle lease and IT increase for this department. Prior to FY 15, the insurance allocation for Special Events was combined with Recreation and funded through their department. Since FY 15, it has been allocated and shown in the Special Events division. Phase I of the replacement of the Winterfest pavilion structures at a cost of \$25,000 was funded in FY 16. Phases II and III were subsequently funded in FY 16 by recognizing Winterfest revenue exceeding the budget estimate. Also funded by recognizing Winterfest revenue exceeding the estimate was a replacement 50' Christmas tree at a cost of \$66,000.

TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET
GENERAL FUND EXPENDITURES
TOWN SPONSORED EVENTS AND FESTIVALS

EXPENDITURES	ACTUAL 2015	ADOPTED 2016	CITY MANAGER PROPOSED 2017	COUNCIL ADOPTED 2017
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 587,612	\$ 394,489	\$ 406,106	\$ 406,106
EMPLOYEE BENEFITS	229,594	177,318	184,729	184,729
	<u>817,206</u>	<u>571,807</u>	<u>590,835</u>	<u>590,835</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	918,284	953,414	998,884	999,987
SUPPLIES & MATERIALS	256,113	218,255	218,435	218,435
SPECIAL APPROPRIATIONS	0	0	0	
ENERGY	25,829	36,718	29,260	29,260
VEHICLE SUPPLIES & REPAIR	6,108	17,247	17,831	17,831
INTRAGOVERNMENTAL	45,021	42,349	40,828	42,355
	<u>1,251,355</u>	<u>1,267,983</u>	<u>1,305,238</u>	<u>1,307,868</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	0	0	0	0
TRANSFER OUT	0	0	0	0
CAPITAL OUTLAY	401	25,000	0	0
	<u>401</u>	<u>25,000</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	<u>\$ 2,068,962</u>	<u>\$ 1,864,790</u>	<u>\$ 1,896,073</u>	<u>\$ 1,898,703</u>
LESS REVENUE GENERATED BY DIVISION				
SUNFEST REVENUE	(451,626)	(445,950)	(445,950)	(445,950)
SPRINGFEST REVENUE	(452,450)	(400,000)	(400,000)	(400,000)
WINTERFEST REVENUE	(547,754)	(490,000)	(508,000)	(510,000)
SPECIAL EVENT REVENUE	(45,851)	(47,200)	(55,300)	(55,300)
PRIVATE EVENT REVENUE	(191,486)	(160,500)	(160,500)	(183,000)
CORPORATE SPONSORSHIP	(70,000)	(70,000)	(70,000)	(70,000)
	<u>(1,759,167)</u>	<u>(1,613,650)</u>	<u>(1,639,750)</u>	<u>(1,664,250)</u>
TOTAL TOWN CONTRIBUTION	<u>\$ 309,795</u>	<u>\$ 251,140</u>	<u>\$ 256,323</u>	<u>\$ 234,453</u>

**TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET**

TOURISM PROMOTIONS

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

The State Tourism grant has not been included in FY 17 as the amount of this grant is uncertain. \$362,603 was received in FY 15 and \$467,714 is anticipated in FY 16. A portion of Room Tax, has been dedicated to funding the Town's advertising budget, Tourism Advisory Board sponsored private events, and funding for City support of Town sponsored and private events. The County Tourism grant was restored in FY 14 and is anticipated in FY 17.

PERSONNEL CHANGES:

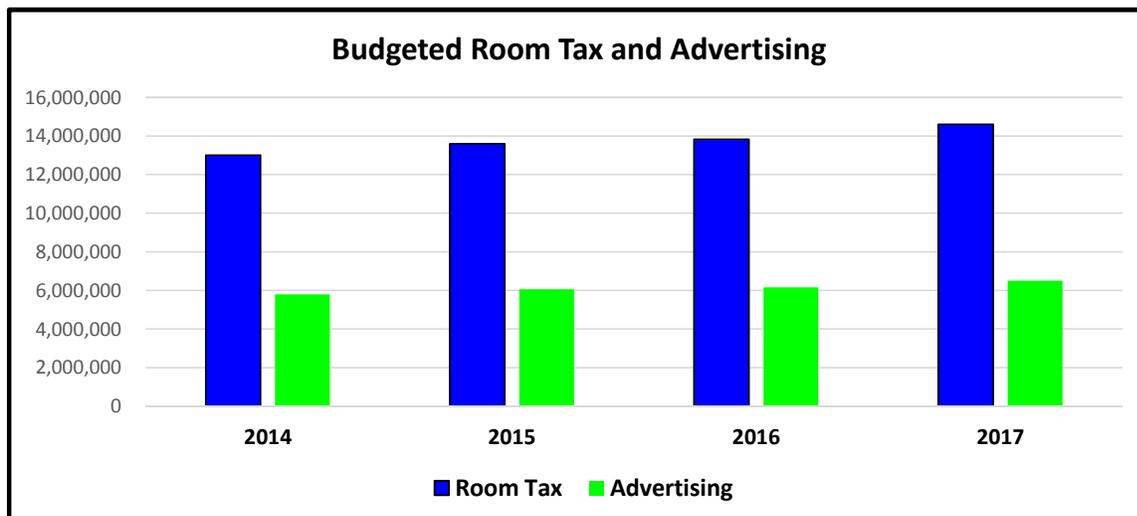
Since FY 10, there have been two full-time employees in this division, the Tourism Director and an Office Associate. Prior to FY 10, five full-time employees were funded. A step increase effective January 1, 2017 has been funded. The Visitor's Center is staffed by part-time employees. In FY 15, a part-time Office Associate position was added to the budget, at a cost of \$18,076. Health insurance, retiree health and the allocation of worker's compensation decrease for this division, but the pension contribution is expected to increase.

CHANGES IN OPERATIONS:

Advertising is the main expense in the department. \$5,767,389 has been budgeted for advertising in FY 17. The FY 16 adopted budget for advertising totaled \$5,528,500, while an additional \$467,714 will be recognized from the State Advertising grant in FY 16. The funding formula outlined in the FY 08 ordinance has been followed for FY 17. 2.0% of the estimated gross room receipts has been budgeted for advertising for FY 17. Expenses in Contracted Services include marketing research, Team MD, a postage and handling fee for the Visitor's Guide and the travel and exhibit space for bus tour travel and trade shows. Marketing research and Smith travel research have been included at a combined cost of \$16,000 in FY 17. The Visitor's Guide postage and handling fees remain at \$20,000. Tourism Advisory Board, "TAB" is also funded by the Room Tax formula and is spent on Council approved special events and promotions. FY 12 was the first year for the allocation. It has been funded at \$300,000 for six consecutive fiscal years. In FY 14, funds were encumbered but not spent at fiscal year-end, and were added to the appropriation for FY 15. Office supplies and promotional giveaways are funded in the Supplies and Materials line item. The allocation vehicle lease and insurance decreases, while the allocation for IT Services increases. No capital outlay has been requested.

TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET
GENERAL FUND EXPENDITURES
TOURISM PROMOTIONS

EXPENDITURES	ACTUAL 2015	ADOPTED 2016	CITY MANAGER PROPOSED 2017	COUNCIL ADOPTED 2017
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 160,621	\$ 172,947	\$ 176,517	\$ 176,517
EMPLOYEE BENEFITS	73,529	76,812	76,593	76,593
	<u>234,150</u>	<u>249,759</u>	<u>253,110</u>	<u>253,110</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	128,819	137,945	136,645	136,645
ADVERTISING	5,770,189	5,528,500	5,767,389	5,767,389
TAB FUNDING	361,693	300,000	300,000	300,000
SUPPLIES & MATERIALS	17,675	14,860	14,860	14,860
ENERGY	9,326	9,000	8,500	8,500
VEHICLE SUPPLIES & REPAIR	2,042	1,674	1,723	1,723
INTRAGOVERNMENTAL	20,862	19,726	19,736	20,862
	<u>6,310,606</u>	<u>6,011,705</u>	<u>6,248,853</u>	<u>6,249,979</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	0	0	0	0
TRANSFER OUT	0	0	0	0
CAPITAL OUTLAY	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	<u>\$ 6,544,756</u>	<u>\$ 6,261,464</u>	<u>\$ 6,501,963</u>	<u>\$ 6,503,089</u>
LESS REVENUE GENERATED BY DIVISION				
ROOM TAX	(5,769,279)	(5,828,500)	(6,067,389)	(6,067,389)
STATE - TOURISM GRANT	(362,603)	0	0	0
COUNTY-TOURISM GRANT	(300,000)	(300,000)	(300,000)	(300,000)
SALES/OTHER MISC.	(234)	0	0	0
	<u>(6,432,116)</u>	<u>(6,128,500)</u>	<u>(6,367,389)</u>	<u>(6,367,389)</u>
TOTAL TOWN CONTRIBUTION	<u>\$ 112,640</u>	<u>\$ 132,964</u>	<u>\$ 134,574</u>	<u>\$ 135,700</u>



**TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET
MISCELLANEOUS DIVISION**

ACTIVITIES:

This division includes expenditures for activities that cannot be attributed to any individual department within the general fund, such as debt service payments and special appropriations. The General Fund also transfers funds to the Transportation, Convention Center, and Airport Funds to subsidize their operations.

BUDGET HIGHLIGHTS:

	<u>Amount Requested</u>	<u>Council Adopted</u>
Special Appropriations includes requested grants to:		
OC Drug and Alcohol Abuse Prevention/Play It Safe	\$ 7,500	\$ 7,500
Diakonia	52,000	40,000
Worcester Youth & Family Counseling	9,000	9,000
Cricket Center	20,000	14,333
Life Crisis Center	8,000	8,000
Stephen Decatur After Prom Party	750	750
White Marlin Catch/Release Program	5,000	5,000
Wor Wic	<u>20,000</u>	<u>10,000</u>
Total	\$ 122,250	\$ 94,583
Interfund Transfers:		
Town events at Convention Center	\$ 35,000	\$ 35,000
Rent of Airport Land (Lion's Club)	3,600	3,600
Debt Service includes principal and interest for:		
DNR Loans		51,345
2006 Airport G.O. Bond		309,130
2007 Municipal Refunding Bonds		1,269,307
2009 Municipal Refunding Bonds		534,835
2010 Municipal Purpose Bonds		340,898
2012 Municipal Purpose Bonds		1,927,697
2013 Municipal Purpose Bonds		362,263
2014 Municipal & Refunding Bonds		461,063
Energy Performance Lease		272,251
Contingency for Potential Land Acquisition & Development		<u>527,537</u>
Total		\$ 6,056,326
Transfers to Other Funds consist of the following:		
Operating Transfers:		
Transportation		\$ 1,335,668
Airport		244,307
Convention Center		1,412,507
Capital Projects		2,724,250

TOWN OF OCEAN CITY
 FISCAL YEAR 2017 BUDGET
 GENERAL FUND EXPENDITURES
 MISCELLANEOUS DIVISION

EXPENDITURES	ACTUAL 2015	ADOPTED 2016	CITY MANAGER PROPOSED 2017	COUNCIL ADOPTED 2017
OPERATING EXPENSES:				
SPECIAL APPROPRIATIONS	\$ 133,002	\$ 138,183	\$ 133,183	\$ 133,183
DEBT SERVICE - PRINCIPAL	3,636,266	3,576,645	4,644,997	4,644,997
INTEREST EXPENSE	1,335,104	1,438,423	1,411,329	1,411,329
TRANSFER TO TRANSPORTATION	1,100,787	1,410,013	1,332,228	1,335,668
TRANSFER TO AIRPORT	328,069	264,791	263,495	244,307
TRANSFER TO GOLF COURSE	0	0	0	0
TRANSFER TO CONVENTION CENTER	1,520,710	1,492,683	1,411,138	1,412,507
TRANSFER TO VEHICLE TRUST	90,419	0	0	0
TRANSFER TO CAPITAL CONSTRUCTION	<u>2,408,326</u>	<u>2,126,426</u>	<u>2,589,250</u>	<u>2,724,250</u>
 TOTAL EXPENDITURES	 <u>\$ 10,552,683</u>	 <u>\$ 10,447,164</u>	 <u>\$ 11,785,620</u>	 <u>\$ 11,906,241</u>
 TOTAL TOWN CONTRIBUTION	 <u><u>\$ 10,552,683</u></u>	 <u><u>\$ 10,447,164</u></u>	 <u><u>\$ 11,785,620</u></u>	 <u><u>\$ 11,906,241</u></u>

ENTERPRISE FUNDS

Enterprise Funds are used to account for the acquisition, operation and maintenance of governmental facilities and services that are entirely or predominantly self-supported by user charges. The operations of Enterprise Funds are accounted for in such a manner as to show a profit or loss similar to comparable private enterprises. The following activities of the Town are reported in this section:

WATER FUND

The Water Fund operates three water treatment plants that combined produce approximately 1.1 billion gallons of potable water annually. With 6 towers and 1 booster pump station, the fund delivers water to 7,582 metered connections through 141 miles of distribution lines. Additional connections to 847 fire hydrants are also provided utilizing the Supervisory Control and Data Acquisition System (SCADA). The system can be monitored and controlled from various locations. All treatment processes are monitored and necessary adjustments made, by licensed operators that meet and maintain both State and Federal standards.

WASTEWATER FUND

The Wastewater Department is responsible for maintaining the collection system with over 150 miles of mains and one mile of Ocean Outfall piping. All treatment processes comply with Maryland Department of the Environment (MDE) and the Environmental Protection Agency (EPA) standards and are strictly monitored and maintained by Maryland certified operators and technicians. Primary and secondary sludge are both land applied and the secondary treated effluent is discharged approximately one mile offshore into the Atlantic Ocean. The Wastewater Treatment Plant is permitted for 14 million gallons per day (mgd).

TRANSPORTATION FUND

The Transportation fund operates the Municipal Bus System and Boardwalk Trams, and the Robert H. Melvin Medical Appointment Transportation (MEDTRN) service. Coastal Highway bus service is provided 24 hours a day April through October at a \$3 ride all day fare. In FY 14, the 11 pm to 6 am Coastal Highway third shift bus service was discontinued Sunday through Thursday, November through March. The ADA-Paratransit Bus service is available during the same days and hours as the municipal bus system. The Boardwalk Trams operate during Springfest, Memorial Day weekend through Labor Day weekend and Sunfest. In 2015, the Boardwalk Tram service was extended to include the week after Labor Day and during the OC Bikefest event.

ENTERPRISE FUNDS (CONTINUED)

AIRPORT FUND

The Ocean City Municipal Airport is located off Route 611 in West Ocean City and offers year-round services for general aviation aircraft. Services provided by the Airport include aircraft fueling and storage. Multiple Instrument Approaches ensure access in almost all weather conditions. Airport commercial tenants offer engine and airframe maintenance, pilot training, sightseeing, aerial photography, heli-tours and skydiving. On-demand charter flights originating from Ocean City Airport are now available. Easy access to downtown and local destinations are assured via on-site rental cars or the terminal cab-stand. The Ocean City Airport allows tourists, businesses, government agencies and aviation enthusiasts quick and efficient access to Ocean City and Worcester County.

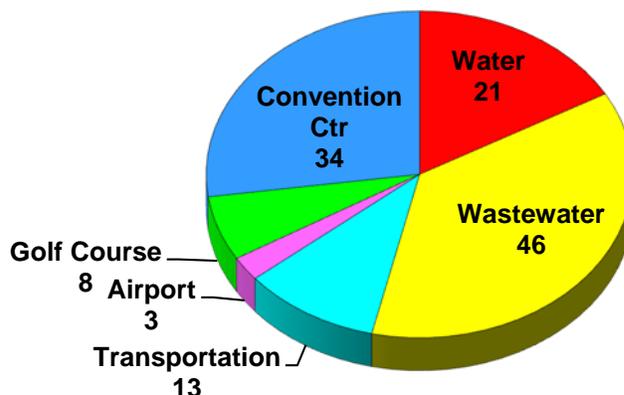
GOLF COURSE FUND

Eagle's Landing, the Town's Golf Course, operates as an Enterprise Fund, and offers a 7,000 yard, eighteen hole course on an award winning layout with a restaurant and golf shop. The maintenance division maintains the grounds and greens; services equipment and golf carts; and provides support to other departments on chemical applications and insect control measures. The operations division handles the day-to-day operations of the golf course, including all customer transactions.

CONVENTION CENTER FUND

This fund accounts for the activities of the Roland E. Powell Convention Center. The facility hosts numerous conventions, trade shows, large-scale meetings and various entertainment events during the year. These events will attract an estimated 550,000 exhibitors, attendees, and vendors to the facility and the Town, which creates an economic impact to the Town hotels, restaurants, and retail sales. Revenue for the building's operations will be generated from hall rental, expanded event services and commissions from food and beverage operations. A Performing Arts Center was opened in December 2014 and is now fully operational.

FY 17 Enterprise Fund Full-Time Personnel



**TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET**

WATER FUND

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

In accordance with the most recent rate study, the metered rate increases from \$3.70 to \$3.90 per 1,000 gallons, and the fixture rates remain at \$1.60 per equivalent fixture. Fixture rates were \$2.60 per equivalent fixture in FY 15. Revenue from water connections is expected to increase. Capacity, or Impact fees were enacted in FY 2005 and were increased to \$126 per fixture in the FY 11 budget. Capacity fees are anticipated to result in \$102,060 to fund Water department capital projects. The FY 17 budget does not require funding from fund balance in the Water fund.

PERSONNEL CHANGES:

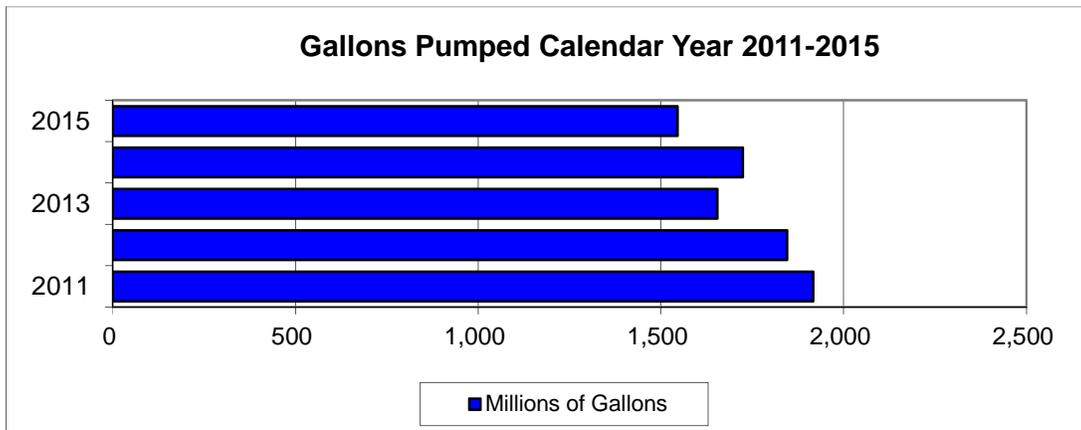
Twenty-one full-time positions are included in the Water Fund. A step increase effective January 1, 2017 has been included. Three additional positions are currently shared with the Wastewater Fund. They are: an Office Associate, a Purchasing Technician and a SCADA Technician. Interdepartmental labor has been budgeted at \$52,500 for the use of Public Works' manpower, a reduction of \$1,500 from the FY 16 budget. Deductions have been made from Public Works for like amounts. Reductions are projected for health insurance and retiree health, while pension and the allocation for worker's compensation increase for this department.

CHANGES IN OPERATIONS:

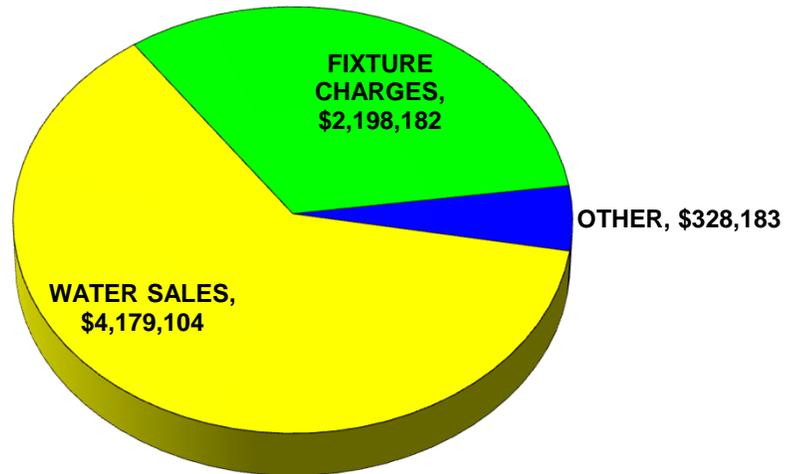
The Contracted Services line item includes professional and contracted services. Professional Services, which include engineering services and tank painting inspection services are budgeted at \$96,700, an increase of \$1,867 from the FY 16 Adopted budget. Demolition and removal of the Worcester Street and 15th Street water towers has been included at \$250,000. The Maintenance line item includes costs for building and equipment maintenance. The Adopted FY 16 budget included the painting and inspection services for the 41st Street water tower, budgeted at \$300,000. Touch-ups for the 64th street water tower paint have been included in the FY 17 budget at a cost of \$75,000. Plant building and equipment maintenance have been projected to increase \$15,618. HVAC repairs and maintenance recommended by the Public Works Facilities Manager have been included at a cost of \$27,000. Other budgeted maintenance includes repairs to the fire safety system at 15th street, and replacement of the parking lot pole lights at 15th street. Routine equipment maintenance, such as well maintenance, has also been included in this category and totals \$293,490. Routine well maintenance has been included at \$140,000. Inspection and repair of the chlorination equipment has been budgeted at \$33,000, and replacement of the variable frequency drives for the backwash tanks at 15th street has been included at \$20,000. Costs for Supplies and Materials are expected to increase in FY 17. Water chemicals are budgeted at \$250,673. Supplies for repairs to water pipes, fire hydrants and valves are included at \$90,000. Energy costs are expected to decrease slightly. Vehicle fuel has been budgeted at the average number of gallons used for the past two to three years, and is anticipated to decrease. Vehicle parts and labor costs are expected to decrease. Intragovernmental allocations increase for General Overhead, IT Services, and Vehicle lease, while the allocation for insurance decreases. Debt service costs increase due to the 2015 bond issue to fund the 1st street water tower replacement. Transfer to capital projects includes \$192,709 for water main upgrades and \$255,000 to upgrade the Water Master Plan. An estimate of \$184,776 will go into Water Reserves to fund future capital projects.

TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET
WATER FUND

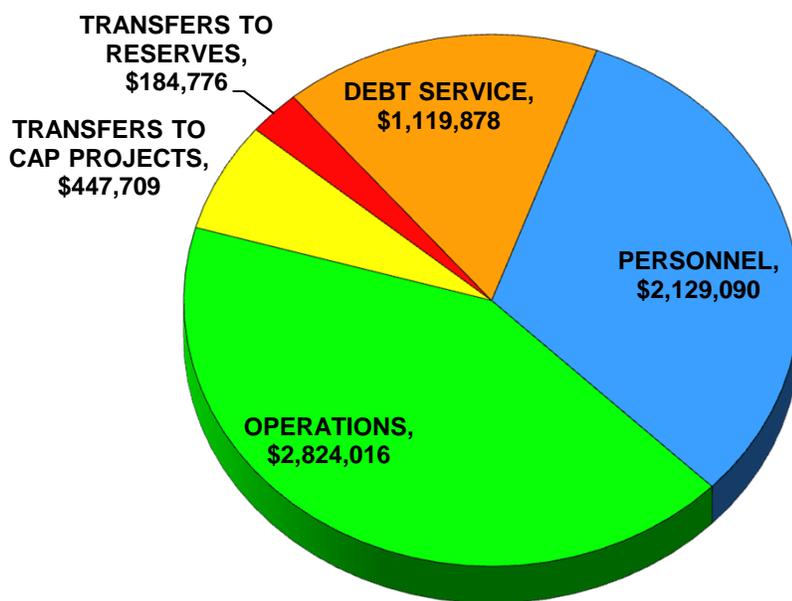
EXPENDITURES	ACTUAL 2015	ADOPTED 2016	CITY MANAGER PROPOSED 2017	COUNCIL ADOPTED 2017
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 1,176,420	\$ 1,330,565	\$ 1,388,961	\$ 1,388,961
EMPLOYEE BENEFITS	682,789	765,107	740,129	740,129
	<u>1,859,209</u>	<u>2,095,672</u>	<u>2,129,090</u>	<u>2,129,090</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	257,164	241,126	489,843	489,843
MAINTENANCE	575,766	733,123	497,505	497,505
SUPPLIES & MATERIALS	471,946	487,736	522,736	522,736
ENERGY	401,216	402,000	400,050	400,050
VEHICLE SUPPLIES & REPAIR	104,118	119,146	106,898	106,898
INTRAGOVERNMENTAL	740,338	756,138	799,693	806,984
	<u>2,550,548</u>	<u>2,739,269</u>	<u>2,816,725</u>	<u>2,824,016</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	739,433	1,007,708	1,119,878	1,119,878
TRANSFER TO RESERVES	0	487,002	184,776	184,776
TRANSFER TO CAP PROJECTS	1,866,600	175,000	455,000	447,709
CAPITAL OUTLAY	45,450	0	0	0
	<u>2,651,483</u>	<u>1,669,710</u>	<u>1,759,654</u>	<u>1,752,363</u>
TOTAL EXPENDITURES	\$ <u>7,061,240</u>	\$ <u>6,504,651</u>	\$ <u>6,705,469</u>	\$ <u>6,705,469</u>
LESS REVENUE GENERATED BY DEPARTMENT				
WATER SALES	(3,338,553)	(4,033,000)	(4,179,104)	(4,179,104)
WATER FIXTURE CHARGE	(3,465,608)	(2,160,941)	(2,198,182)	(2,198,182)
CAPACITY FEES	(130,662)	(108,000)	(102,060)	(102,060)
INTEREST	(20,776)	(19,015)	(18,840)	(18,840)
WATER VACANT LOT CHARGE	(30,128)	(18,778)	(19,085)	(19,085)
WATER CONNECTION CHARGES	(208,148)	(134,917)	(158,198)	(158,198)
SALES - MATERIALS & SERVICE	(47,711)	(30,000)	(30,000)	(30,000)
PROCEEDS OF LONG TERM DEBT	0	0	0	0
	<u>(7,241,586)</u>	<u>(6,504,651)</u>	<u>(6,705,469)</u>	<u>(6,705,469)</u>
REVENUE (OVER)/UNDER EXPENDITURES	\$ <u>(180,346)</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>



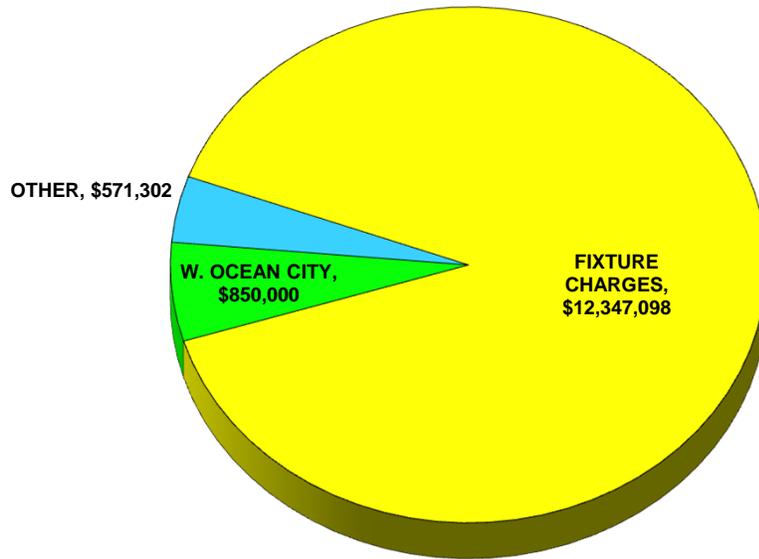
Water Fund Revenue 2017 Adopted



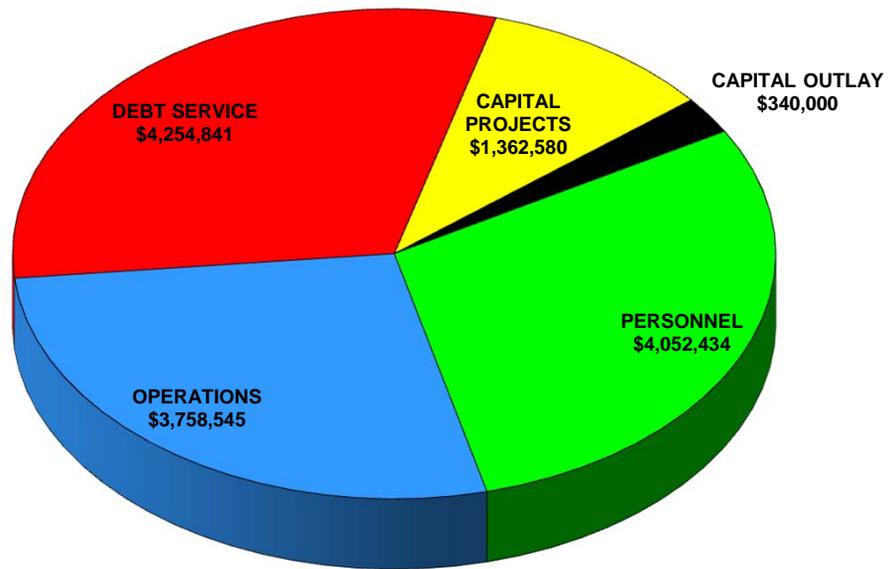
Water Fund Expenditures 2017 Adopted



Wastewater Fund Revenue 2017 Adopted



Wastewater Fund Expenditures 2017 Adopted



TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET

WASTEWATER FUND

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

In accordance with the rate study, the rates for wastewater service increase from \$8.80 per quarter to \$8.95 per quarter, generating an additional \$411,940 in revenue. Capacity fees are based on new capacity and are expected to generate \$178,000 in FY 17. Capacity fees are used to fund Wastewater department capital projects. Service to West Ocean City is budgeted at \$850,000 as the actual revenue for FY 16 was \$851,781. Revenue from plumbing permits and lab fees are expected to increase in FY 17. Federal Government grants include the Build America Bond interest subsidy. No Wastewater fund balance is necessary to support this budget.

PERSONNEL CHANGES:

Forty-six positions are funded in the Wastewater Fund. Three positions are currently shared with Water: an Office Associate, the Purchasing Technician and a SCADA Technician. A step increase effective January 1, 2017 has been included. Salaries decrease due to multiple retirements. Benefit costs for health insurance and retiree health are projected to decrease, while pension costs are projected to increase. The allocation for worker's compensation decreases for this department.

CHANGES IN OPERATIONS:

Contracted Services include services provided by professional architects and engineers and tipping fees. Professional Services are funded at the same level as FY 16. Inspection of the ocean outfall was budgeted in FY 16 at a cost of \$105,000. Wet well cleaning at the 2nd street pump station has been included in FY 17 at a cost of \$6,000. Tipping fees and EOT disposal fees are projected to remain the same in FY 17, and have been included at \$384,500. Permit fees paid to the Maryland Department of the Environment have been budgeted at \$6,000. Camera inspection of sewer laterals in conjunction with street paving projects has been included at \$25,000. Building maintenance has been budgeted at \$197,032, a reduction of \$54,746 from FY 16, which included \$40,000 to replace the roof on the Effluent building, and \$50,000 for building brick repair. In FY 17, a drywell work platform at 2nd street has been included at \$28,000. Plant equipment maintenance has been budgeted at \$248,900, a reduction of \$25,000. Most of the maintenance costs are routine, but a rebuild of the blower for the VPSA system has been included at a cost of \$45,000. Supplies and Materials increase \$52,665 from FY 16. Approximately \$601,050 of this line item is budgeted to purchase chemicals for wastewater treatment. Included is \$235,000 for the purchase of sodium hypochlorite, an increase for this chemical of \$61,500. Sodium bisulfite costs are also projected to increase \$39,400. Other items included are a replacement camera for the camera truck, \$11,800 and a replacement benchtop spectrophotometer for the lab. Energy costs have been budgeted to decrease. Vehicle fuel and repair cost estimates were reduced for this department. Intragovernmental allocations for IT Services and Vehicle lease increase, while the allocation for General Overhead and Insurance decrease. Debt service in FY 17 increases to include the principal and interest on the 2015 bond issue to cover costs for the 4th secondary clarifier, replacement of the plant main electrical service, and the Cure in Place pipe project. Capital outlay includes \$285,000 to upgrade the pista grit chamber and \$55,000 to replace the second of three pumps at Montego Bay. Transfer to capital projects includes \$1,071,000 for the ocean outfall lining and \$291,580 for Main repair.

TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET
WASTEWATER FUND

EXPENDITURES	ACTUAL 2015	ADOPTED 2016	CITY MANAGER PROPOSED 2017	COUNCIL ADOPTED 2017
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 2,499,306	\$ 2,614,459	\$ 2,583,856	\$ 2,583,856
EMPLOYEE BENEFITS	1,434,508	1,521,982	1,468,578	1,468,578
	<u>3,933,814</u>	<u>4,136,441</u>	<u>4,052,434</u>	<u>4,052,434</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	769,892	729,672	644,700	644,700
MAINTENANCE	409,663	571,803	484,457	484,457
SUPPLIES & MATERIALS	716,751	746,175	798,840	798,840
ENERGY	581,517	614,000	597,510	597,510
VEHICLE SUPPLIES & REPAIR	138,176	161,689	137,617	137,617
INTRAGOVERNMENTAL	1,023,705	1,078,325	1,086,877	1,095,421
	<u>3,639,704</u>	<u>3,901,664</u>	<u>3,750,001</u>	<u>3,758,545</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	3,532,009	3,858,788	4,254,841	4,254,841
TRANSFER TO RESERVES	0	467,404	0	0
TRANSFER TO CAPITAL PROJECTS	1,654,593	925,000	1,371,124	1,362,580
CAPITAL OUTLAY	457,381	130,000	340,000	340,000
	<u>5,643,983</u>	<u>5,381,192</u>	<u>5,965,965</u>	<u>5,957,421</u>
TOTAL EXPENDITURES	\$ <u>13,217,501</u>	\$ <u>13,419,297</u>	\$ <u>13,768,400</u>	\$ <u>13,768,400</u>
LESS REVENUE GENERATED BY DEPARTMENT				
FIXTURE CHARGES	(11,555,855)	(11,935,158)	(12,347,098)	(12,347,098)
INTEREST	(36,366)	(36,000)	(36,000)	(36,000)
VACANT LOT CHARGE	(38,691)	(41,076)	(42,941)	(42,941)
CONNECTION CHARGES	(8,833)	(8,000)	(8,000)	(8,000)
SALES - MATERIALS & SERVICES	(101,638)	(9,600)	(9,600)	(9,600)
SERVICE TO WEST OCEAN CITY	(844,593)	(913,022)	(850,000)	(850,000)
PLUMBING PERMITS	(73,805)	(66,000)	(75,000)	(75,000)
LAB FEES	(107,559)	(90,000)	(100,000)	(100,000)
CAPACITY FEES	(228,120)	(189,000)	(178,000)	(178,000)
INTEREST EARNED ON INVESTMENTS	(4,341)	(3,000)	(2,000)	(2,000)
FEDERAL GOVERNMENT GRANTS	(117,961)	(125,441)	(116,761)	(116,761)
MISCELLANEOUS	(3,000)	(3,000)	(3,000)	(3,000)
PROCEEDS OF LONG TERM DEBT	0	0	0	0
	<u>(13,120,762)</u>	<u>(13,419,297)</u>	<u>(13,768,400)</u>	<u>(13,768,400)</u>
REVENUE (OVER)/UNDER EXPENDITURES	\$ <u>96,739</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>

Fixture Charge	8.45	8.80	8.95
Vacant Lot	19.80	21.00	21.60

TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET
TRANSPORTATION FUND

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

In February 2011, bus fare was increased from \$2 ride-all-day to \$3 ride-all-day, or \$1 per boarding. In FY 15, the \$1 per boarding option was eliminated, resulting in a 17.5% increase in bus revenue. Additional deployments were added in FY 16. For FY 17, a 3% increase in revenue is anticipated, resulting in \$48,623 in additional revenue. Projected revenue from bus advertising is \$255,000. Tram fare will continue to be \$3.00 one-way seven days a week. Projected tram revenue is \$1,229,000 for FY 17, which includes \$39,000 in revenue for extending the tram season the week after Labor Day and for several days during Bikefest. Tram advertising has been included at \$86,000, an increase of \$8,000. Federal and State operating grants are budgeted at \$825,782, the same level since FY 07. Capital grants include the purchase of three transit buses, two ADA vans, and reimbursement for preventative maintenance on the buses. The General Fund contribution to Transportation decreases \$74,345 for FY 17, and includes an allocation of \$250,000 for the local match for the Transportation Campus Plan.

PERSONNEL CHANGES:

Since FY '09, four full-time positions were eliminated in this division. Thirteen full-time employees have been funded in FY 17. A step increase effective January 1, 2017 has been included. Nearly 200 seasonal employees are employed by this department. Part time salaries in the bus division were increased \$187,361 to match the same number of deployments as FY 16. Tram part-time salaries were also increased to cover the extended season. Funding for the Transit Manager position is lower than the funding of the previous Superintendent's position. An allowance of \$30,000 for Police officers to patrol the buses has been funded. Budgeted hours for the operation of the medical transport program have also been included. In the Employee benefits category, costs for health insurance, retiree health, and unemployment are projected to decrease, while costs for pension and the allocation for worker's compensation are projected to increase. Unemployment accounts for \$545,000 of the Employee Benefits line item for FY 17.

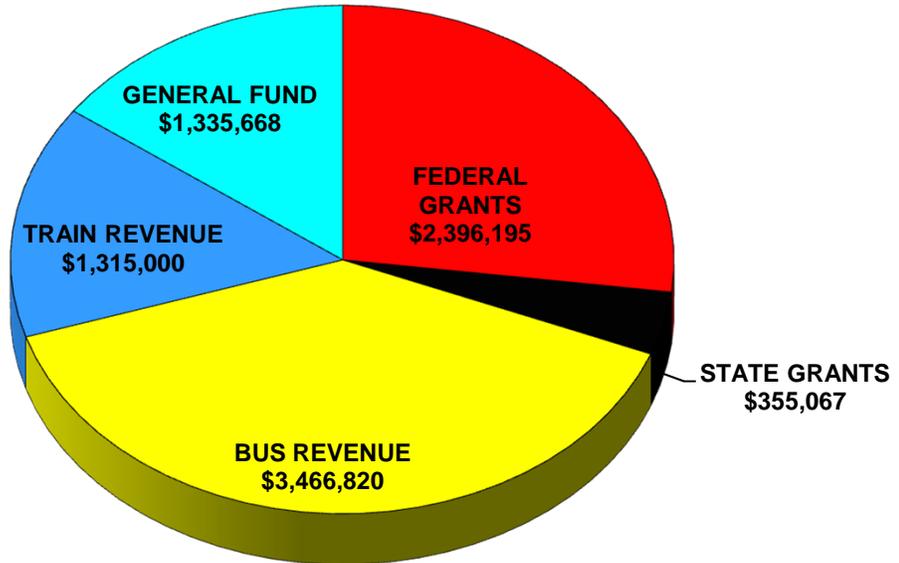
OPERATIONAL CHANGES:

Contracted Services include building and equipment maintenance, printing, dues and credit card fees. The FY 16 budget included \$22,500 for repairs to the South end tram station. NTI Procurement training has been included for the Transit Administrative Manager. This training will assist in clarifying the FTA rules and regulations pertaining to grants received. Operational Supplies included replacement currency counters in FY 15 and FY 16, which were covered by 90% grant funding. Tram uniform purchases were funded at a cost of \$5,000 in FY 15. Energy costs decrease 4%. Vehicle fuel is a major expense for this department and is budgeted at \$720,660, a reduction of more than \$210,000. Parts and labor for the bus division have been budgeted at \$1,375,000, an increase of \$175,000. Grant funds in the amount of \$540,000 have been requested to offset this cost. Intragovernmental allocations for General Overhead, Vehicle lease, and IT Services increase, while the allocation for insurance decreases. Overall, Intragovernmental allocations increase \$21,923. Vehicle lease in the bus division only covers the amount for vehicle insurance costs. Vehicle Lease in the Administrative and Tram divisions includes an amount for vehicle lease and for vehicle insurance. Capital Outlay includes three transit buses budgeted at \$467,600 each, and two replacement ADA vans budgeted at \$68,311 each. 90% of this cost will be covered by FTA/MTA grants if approved. Capital Outlay also includes \$250,000 additional funding of the Transportation Campus Plan. A total of \$575,000 has been allocated for this plan over the past several years.

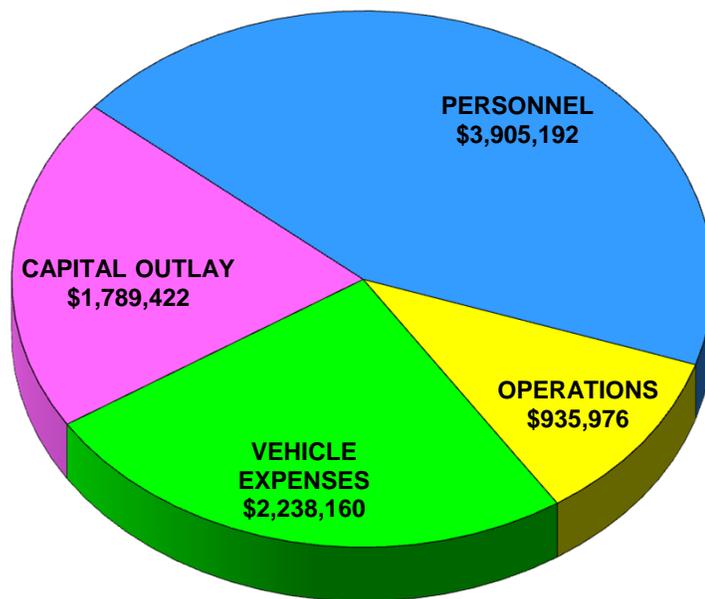
TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET
TRANSPORTATION FUND

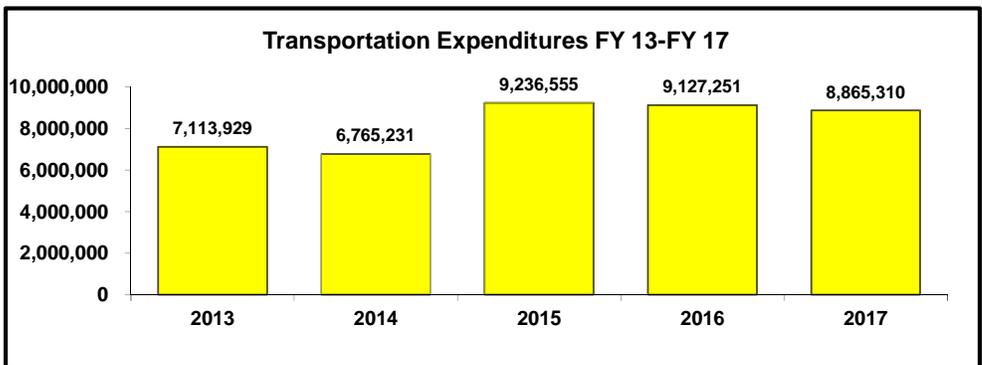
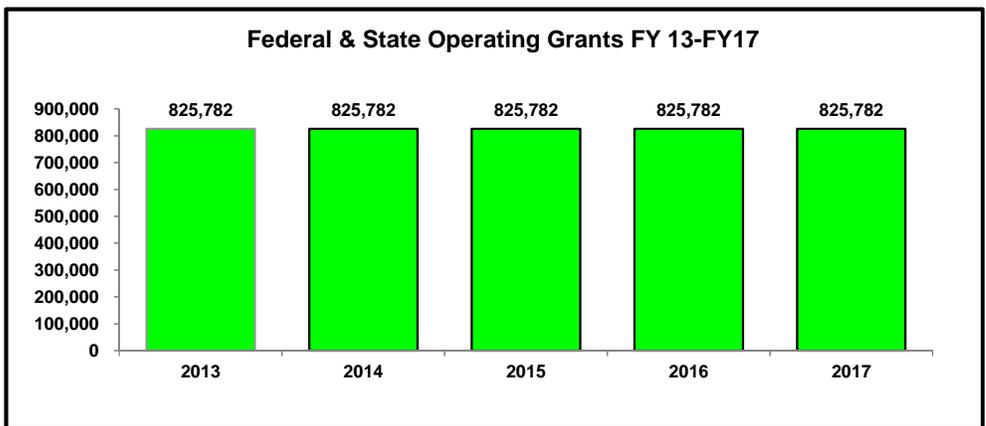
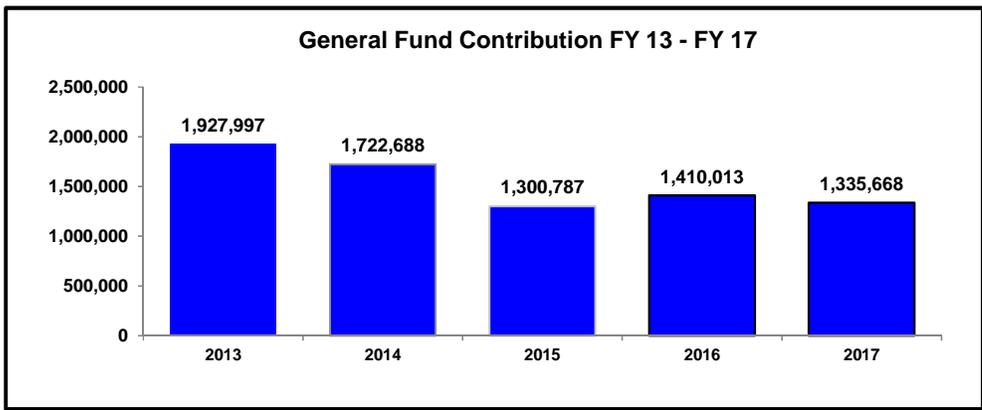
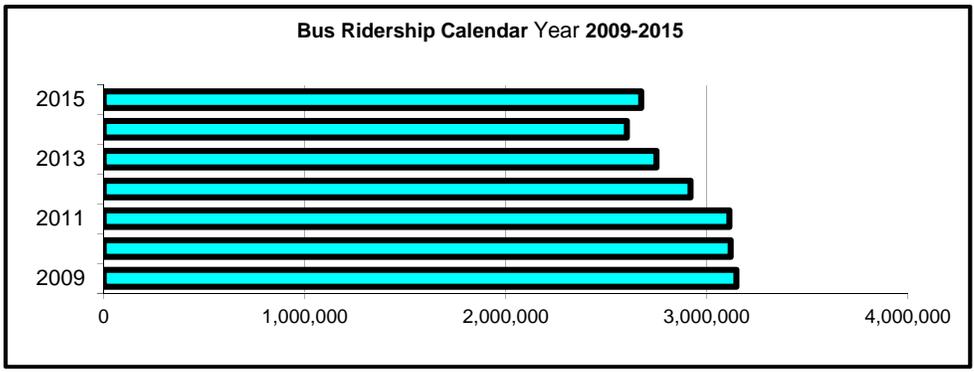
EXPENDITURES	ACTUAL 2015	ADOPTED 2016	CITY MANAGER PROPOSED 2017	COUNCIL ADOPTED 2017
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 2,667,422	\$ 2,684,596	\$ 2,830,447	\$ 2,830,447
EMPLOYEE BENEFITS	<u>1,041,835</u>	<u>1,087,741</u>	<u>1,074,745</u>	<u>1,074,745</u>
	3,709,257	3,772,337	3,905,192	3,905,192
OPERATING EXPENSES:				
CONTRACTED SERVICES	97,040	114,963	95,295	95,295
SUPPLIES & MATERIALS	102,955	65,640	59,590	59,590
ENERGY	72,419	70,950	67,810	67,810
VEHICLE SUPPLIES & REPAIR	2,036,695	2,259,777	2,238,160	2,238,160
INTRAGOVERNMENTAL	<u>706,531</u>	<u>691,358</u>	<u>709,841</u>	<u>713,281</u>
	3,015,640	3,202,688	3,170,696	3,174,136
OTHER FINANCIAL USES:				
DEBT SERVICE	0	0	0	0
TRANSFER OUT	0	0	0	0
CAPITAL OUTLAY	<u>269,887</u>	<u>2,152,226</u>	<u>1,789,422</u>	<u>1,789,422</u>
	269,887	2,152,226	1,789,422	1,789,422
TOTAL EXPENDITURES	<u>\$ 6,994,784</u>	<u>\$ 9,127,251</u>	<u>\$ 8,865,310</u>	<u>\$ 8,868,750</u>
LESS REVENUE GENERATED BY DEPARTMENT				
BUS REVENUE	(3,060,357)	(3,162,997)	(3,211,620)	(3,211,620)
TRAIN REVENUE	(1,213,979)	(1,170,856)	(1,315,000)	(1,315,000)
BUS ADVERTISING	(284,716)	(255,000)	(255,000)	(255,000)
INTEREST ON INVESTMENTS	(861)	(200)	(200)	(200)
CAPITAL ASSET SALES	(14,568)	0	0	0
CAPITAL GRANT - FEDERAL	(438,875)	(2,046,581)	(1,711,538)	(1,711,538)
CAPITAL GRANT - STATE	(54,859)	(255,822)	(213,942)	(213,942)
ADA GRANT - STATE	(110,000)	(110,000)	(110,000)	(110,000)
OPERATING GRANT - FEDERAL	(684,657)	(684,657)	(684,657)	(684,657)
OPERATING GRANT - STATE	<u>(31,125)</u>	<u>(31,125)</u>	<u>(31,125)</u>	<u>(31,125)</u>
	(5,893,997)	(7,717,238)	(7,533,082)	(7,533,082)
TOWN CONTRIBUTION	<u>\$ 1,100,787</u>	<u>\$ 1,410,013</u>	<u>\$ 1,332,228</u>	<u>\$ 1,335,668</u>

Transportation Fund Revenue 2017 Adopted



Transportation Fund Expenditures 2017 Adopted





TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET

AIRPORT FUND

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

Anticipated fuel sales are based on the average number of gallons sold for the past three years. The average number of gallons of jet fuel have increased approximately 6,000 gallons, while the average number of gallons of 100LL are decreasing. Per gallon costs for both types of fuel are projected to decrease. T-Hanger rental fees have been increased slightly. Land rent to the Lion's Club will remain at \$3,600, and land rent to the Golf Course is budgeted at \$2,053. Usage of the concrete crushing operation has been anticipated to decrease slightly. Revenue from this operation is shown in the Service Charges line item. A State Airport grant to develop a business plan has been shown at \$45,000. This grant is a 75% state grant, requiring a 25% local match. Delmarva Power will pay the Airport a fee for staging equipment at the Airport, which is shown in Miscellaneous Revenue. The General Fund subsidy of the Airport decreases \$20,484, from \$264,791 to \$244,307. Included in the subsidy is \$15,000 for the Town's local match for the business plan.

PERSONNEL CHANGES:

Three full-time employees are budgeted in this division. One full-time position was converted to a part-time, year-round position in FY 11. A request was made to convert this position back to full-time in FY 17 at a cost of \$48,283 including benefits. The position remains in the budget as a part-time position. A step increase effective January 1, 2017 has been included. Two part-time, year-round Office Associates and two seasonal line technicians are employed by this division. As a result of the pay study, both the full-time and part-time line technician positions were upgraded from grade 107 to grade 111, resulting in an increase of more than \$8,000. Benefit costs for health insurance and retiree health are projected to decrease, while pension and unemployment are projected to increase.

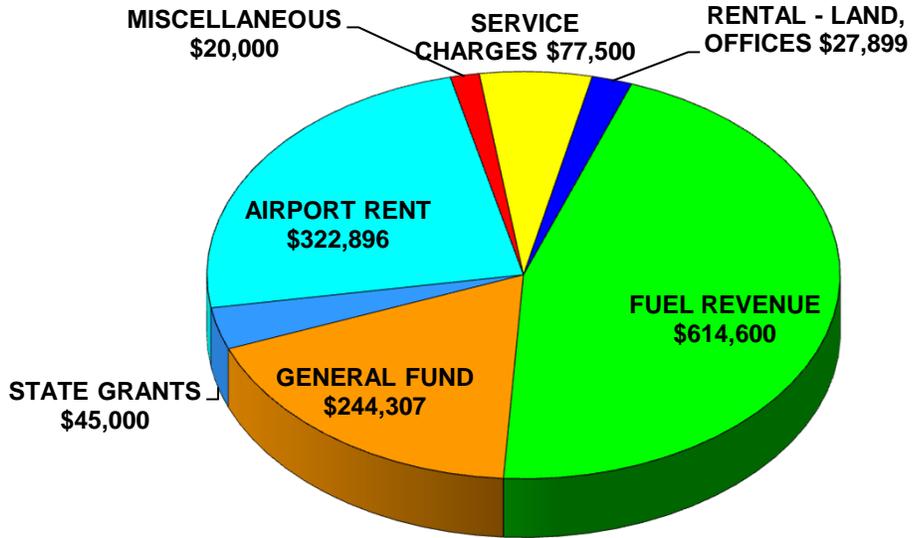
CHANGES IN OPERATIONS:

Contracted Services include professional services, building and equipment maintenance, credit card fees and other services. The Airport business plan has been included at \$60,000. In FY 16, a new duct system for the flight school hangar was included at a cost of \$6,500. Concrete crushing has been included at \$55,000, a reduction of \$5,000 from the FY 16 budget. Mowing of the fields surrounding the airport has been included at a cost of \$15,895. Other expenses included in Contracted Services include maintenance of the field lighting, \$10,000, and Navigation Aid technical support, \$10,000. Purchases for Resale fuel purchase costs are the primary expense of the Airport fund. Fuel purchases are budgeted at \$471,000 for the coming year, a decrease of \$90,700, and an anticipated reduction of the costs of both types of fuel. The number of gallons of jet fuel has increased, while the number of gallons of 100LL is declining. Energy costs have been budgeted to decrease slightly. Vehicle fuel, parts and labor costs are projected to increase for this division. Allocations for property and liability insurance and for vehicle lease decrease for this division, while allocations for General Overhead expense and IT Services increase. Debt Service reflects Airport improvement bonds of 2005 and 2010. No capital outlay has been included for this division.

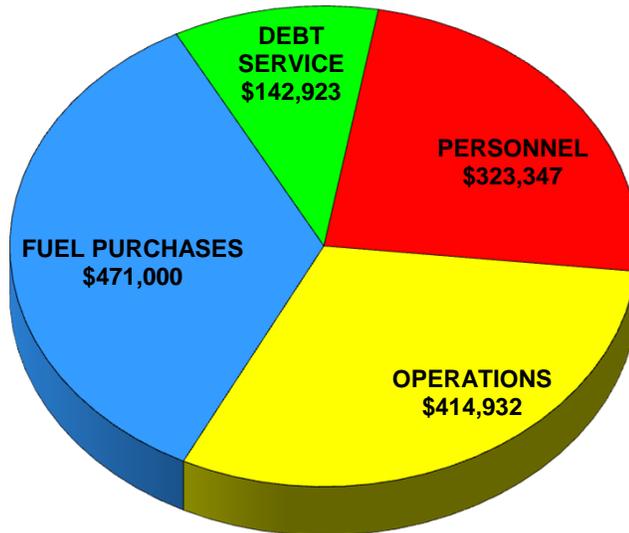
TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET
AIRPORT FUND

EXPENDITURES	ACTUAL 2015	ADOPTED 2016	CITY MANAGER PROPOSED 2017	COUNCIL ADOPTED 2017
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 210,146	\$ 221,432	\$ 233,979	\$ 233,979
EMPLOYEE BENEFITS	92,114	94,598	89,368	89,368
	<u>302,260</u>	<u>316,030</u>	<u>323,347</u>	<u>323,347</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	207,215	193,697	240,304	240,304
SUPPLIES & MATERIALS	13,529	16,569	16,609	16,609
PURCHASES FOR RESALE	516,717	561,700	471,000	471,000
ENERGY	39,817	42,875	42,600	42,600
VEHICLE SUPPLIES & REPAIR	26,955	23,002	24,322	24,322
INTRAGOVERNMENTAL	101,855	87,248	90,285	91,097
	<u>906,088</u>	<u>925,091</u>	<u>885,120</u>	<u>885,932</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	142,523	142,995	142,923	142,923
TRANSFER TO CAPITAL PROJECTS	66,000	0	0	0
CAPITAL OUTLAY	206,230	0	0	0
	<u>414,753</u>	<u>142,995</u>	<u>142,923</u>	<u>142,923</u>
TOTAL EXPENDITURES	\$ <u>1,623,101</u>	\$ <u>1,384,116</u>	\$ <u>1,351,390</u>	\$ <u>1,352,202</u>
LESS REVENUE GENERATED BY DEPARTMENT				
FUEL REVENUE	(690,175)	(694,200)	(614,600)	(614,600)
RENT REVENUES	(305,373)	(314,106)	(322,896)	(322,896)
RENTAL - LAND, OFFICE SPACE	(27,679)	(30,919)	(27,799)	(27,799)
FEDERAL GRANTS	0	0	0	0
STATE GRANTS	(186,370)	0	(45,000)	(45,000)
SERVICE CHARGES	(74,619)	(80,000)	(77,500)	(77,500)
MISCELLANEOUS REVENUE	0	0	0	(20,000)
INSURANCE CLAIM PAYMENTS	0	0	0	0
INTEREST EARNED	(441)	(100)	(100)	(100)
PRIOR YEAR SURPLUS	(10,375)	0	0	0
	<u>(1,295,032)</u>	<u>(1,119,325)</u>	<u>(1,087,895)</u>	<u>(1,107,895)</u>
TOTAL TOWN CONTRIBUTION	\$ <u>328,069</u>	\$ <u>264,791</u>	\$ <u>263,495</u>	\$ <u>244,307</u>

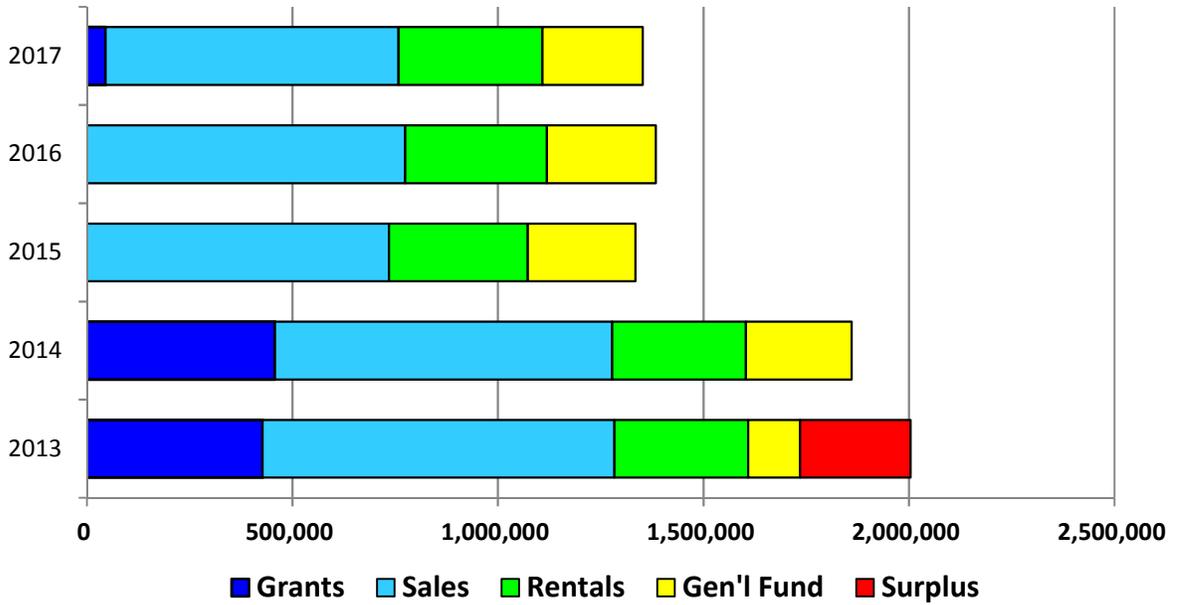
Airport Fund Revenues 2017 Adopted



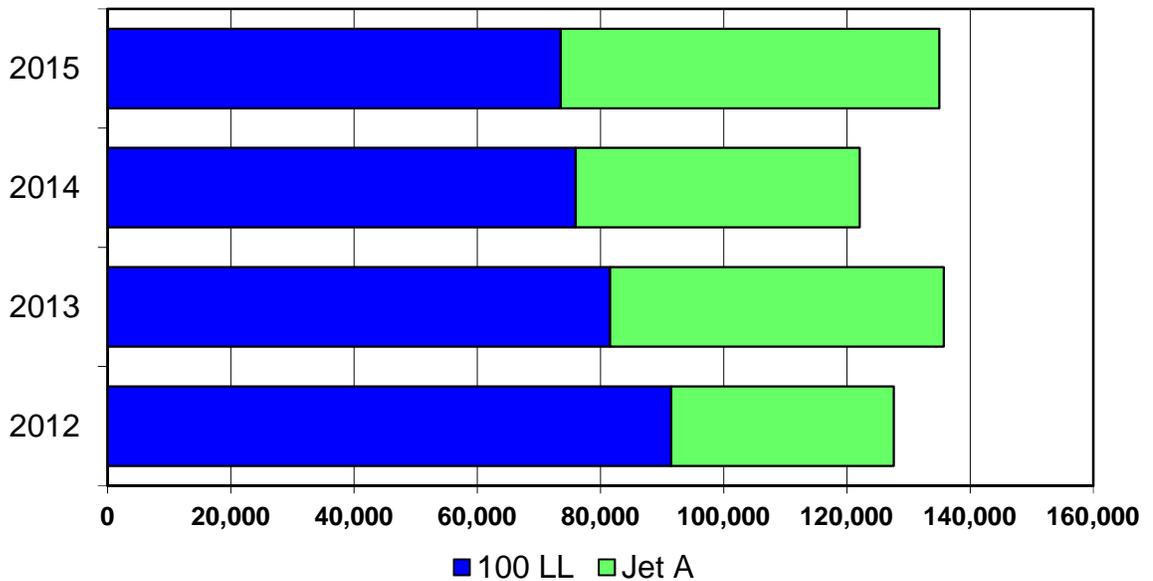
Airport Fund Expenditures 2017 Adopted



Airport Revenue by Type FY 13 - FY 17



Gallons of Fuel Sold FY 12 - FY 15



TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET

GOLF COURSE FUND

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

Green fee rates will be increased \$10 on prime weekends in the spring. Admissions Tax revenue for Eagle's Landing, previously assigned to the General Fund, was assigned to the Golf Course beginning in FY 10. Miscellaneous revenue includes a PGA junior league, junior golf camps and clinics. Overall, revenue has been conservatively estimated for FY 17.

PERSONNEL CHANGES:

Eight full-time positions are included in this budget. A step increase effective January 1, 2017 has been included for all eligible employees. Seasonal golf laborers, pro shop employees, concession workers and cart attendants are also employed by this division. A part-time Assistant pro position has been included at a cost of \$16,640. This employee will manage the marketing, work in the pro shop, and handle the camps and new programs. Health insurance, retiree health and unemployment costs are projected to decrease, while pension and worker's compensation are projected to increase.

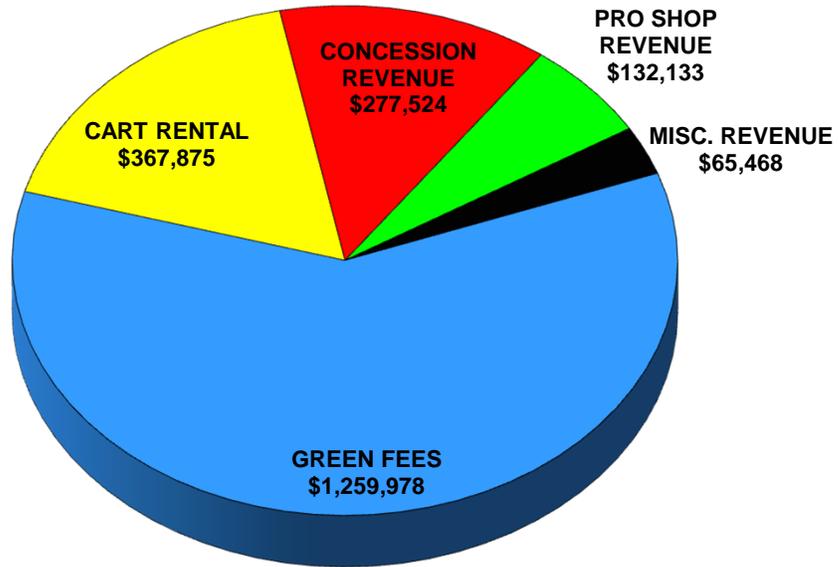
CHANGES IN OPERATIONS:

Contracted Services include building & equipment maintenance and golf cart rental, advertising and credit card fees. Greater Ocean City Golf Association fees have been budgeted at \$45,075, a reduction of \$2,513. Advertising has been budgeted at \$58,000, and includes a new bus wrap budgeted at \$8,000. In the FY 16 budget, HVAC replacement and cart path bridge end stabilization projects were funded. Training and travel costs decrease slightly and include attendance at the PGA golf merchandise show for the Golf Pro and at the Golf Course Superintendent's national conference. The golf cart lease was renegotiated in August 2015 and increased from \$5,842 to \$6,205 per month. Supplies & Materials decrease \$7,410 in the Maintenance division. Maintenance supplies are budgeted at \$216,000, which covers all chemicals, fertilizers, irrigation and landscaping supplies for the Golf Course. A light weight utility vehicle has been funded. In the Operations division, purchase of five sets of rental clubs has been included at a cost of \$3,875. Trash cans and cigarette butt cans for the bag drop area, and a commercial microwave for the caddy shack café were also funded. Purchases for Resale for the Golf Shop and the Golf Concession account for \$194,586 of the Golf Course budget, and are budgeted to decrease from FY 16. Energy costs are budgeted to increase slightly. Costs for vehicle fuel and maintenance are anticipated to decrease in FY 17. Intragovernmental allocations for Vehicle lease, General Overhead and IT increase, while the allocation for insurance decreases. No capital outlay has been requested. Equipment approved in the Vehicle Trust Fund includes: a workman, \$30,000; a greensmower, \$27,100 and an aerator, \$23,500.

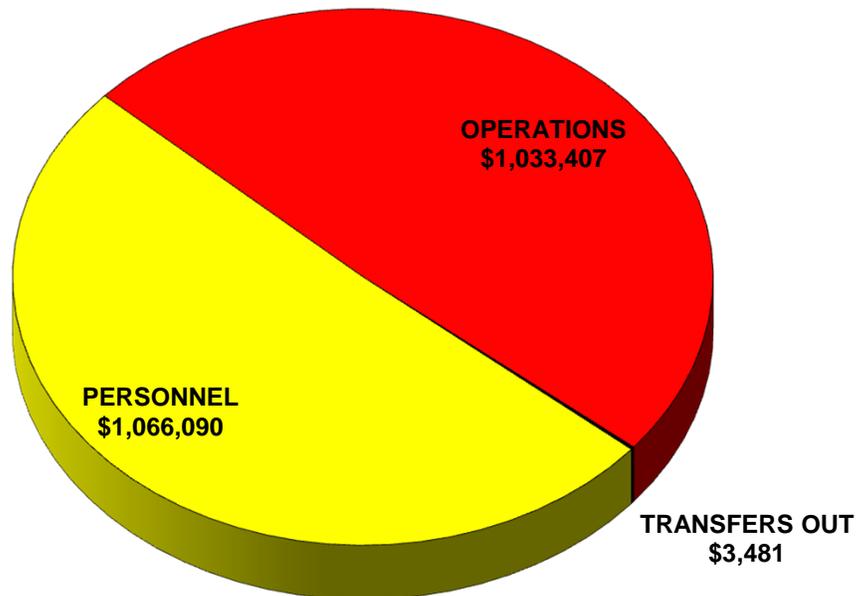
TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET
GOLF COURSE FUND

EXPENDITURES	ACTUAL 2015	ADOPTED 2016	CITY MANAGER PROPOSED 2017	COUNCIL ADOPTED 2017
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 720,637	\$ 723,341	\$ 742,631	\$ 742,631
EMPLOYEE BENEFITS	318,428	333,906	323,459	323,459
	<u>1,039,065</u>	<u>1,057,247</u>	<u>1,066,090</u>	<u>1,066,090</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	165,996	207,740	188,899	188,899
GOLF CART LEASE	104,411	109,257	109,813	109,813
SUPPLIES & MATERIALS	251,660	249,060	245,705	245,705
PURCHASES FOR RESALE	200,621	195,736	194,586	194,586
ENERGY	45,897	46,000	46,500	46,500
VEHICLE SUPPLIES & REPAIR	38,608	50,644	39,842	39,842
INTRAGOVERNMENTAL	191,128	201,597	206,486	208,062
	<u>998,321</u>	<u>1,060,034</u>	<u>1,031,831</u>	<u>1,033,407</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	0	0	0	0
TRANSFERS OUT	0	6,257	5,057	3,481
CAPITAL OUTLAY	22,186	0	0	0
	<u>22,186</u>	<u>6,257</u>	<u>5,057</u>	<u>3,481</u>
TOTAL EXPENDITURES	\$ <u>2,059,572</u>	\$ <u>2,123,538</u>	\$ <u>2,102,978</u>	\$ <u>2,102,978</u>
LESS REVENUE GENERATED BY DIVISION				
ADMISSIONS TAX	(73,363)	(67,000)	(47,000)	(47,000)
GREEN FEES	(1,245,963)	(1,264,794)	(1,259,978)	(1,259,978)
CART RENTAL	(352,827)	(365,000)	(367,875)	(367,875)
CONCESSION REVENUE	(278,739)	(280,008)	(277,524)	(277,524)
PRO SHOP REVENUE	(132,238)	(133,338)	(132,133)	(132,133)
CLUB RENTAL	(217)	(4,000)	(3,410)	(3,410)
TOURNAMENT REVENUE	(2,340)	(3,000)	(2,500)	(2,500)
PRIOR YEAR RESERVES	0	0	0	0
INTEREST ON INVESTMENTS	(30)	(100)	(100)	(100)
MISCELLANEOUS REVENUE	(7,497)	(3,600)	(9,760)	(9,760)
DISCOUNTS TAKEN	(3,171)	(2,698)	(2,698)	(2,698)
	<u>(2,096,385)</u>	<u>(2,123,538)</u>	<u>(2,102,978)</u>	<u>(2,102,978)</u>
REVENUE (OVER)/UNDER EXPENDITURES	\$ <u>(36,813)</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>

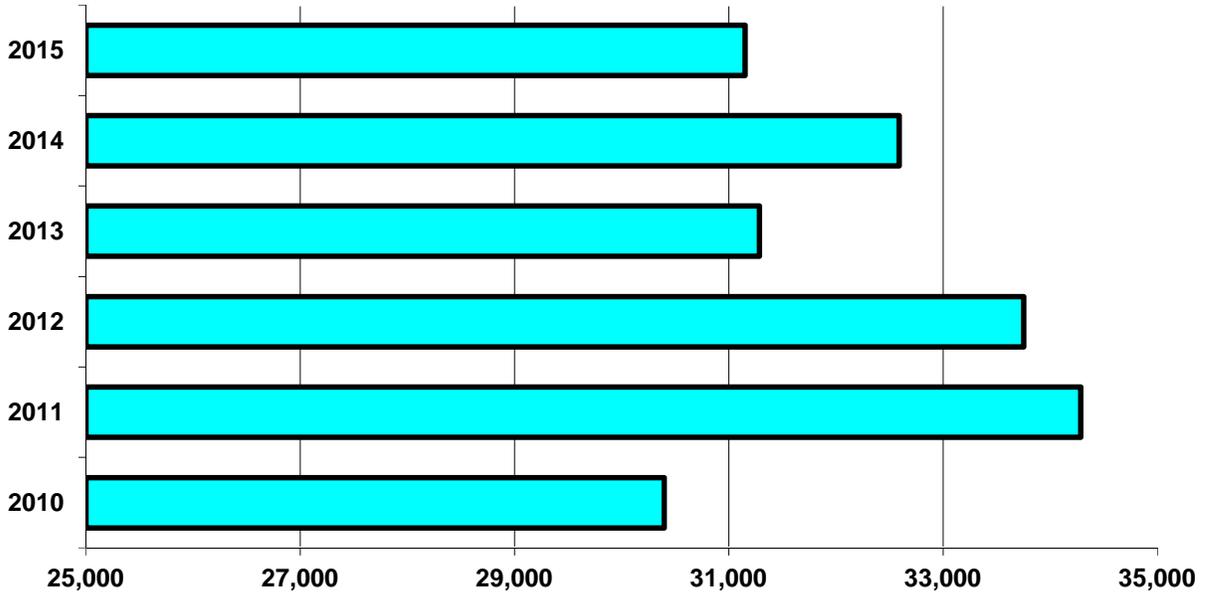
Golf Course Revenue 2017 Adopted



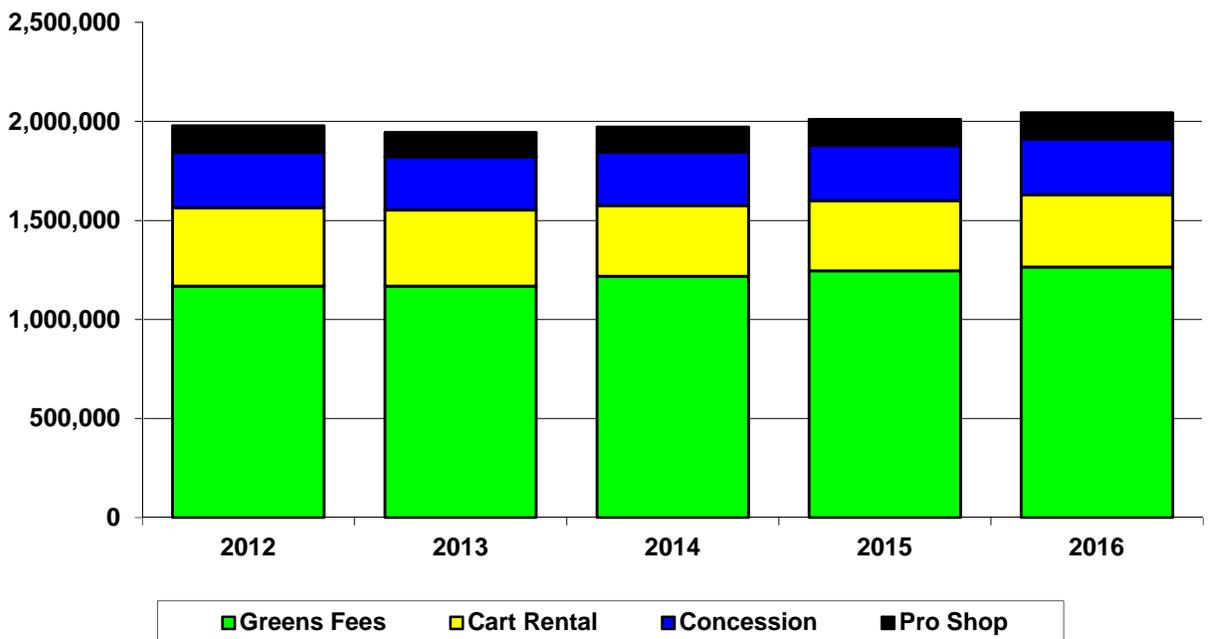
Golf Course Expenditures 2017 Adopted



Eagle's Landing Rounds Played CY 10 - CY 15



Source of Revenue FY 2012 - FY 2016



**TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET**

CONVENTION CENTER FUND and MUSEUM

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

Anticipated revenue from Hall Rental is expected to increase from \$825,000 to \$860,000. Revenue for the Performing Arts Center has been shown separately at \$55,200. Special Events revenue includes \$50,000 anticipated from the Holiday Shopper's Fair, and \$90,000 for two city-sponsored events to be held in the Performing Arts Center. Concession and Service Charge revenue are projected to increase. Sales/Other reflects membership dues for the Convention & Visitor's Bureau and is also projected to increase. Food & Beverage Tax generated goes toward the retirement of debt for the Convention Center expansion. The rate was reduced from 1% to ½% in FY 10. Food & Beverage Tax is anticipated to generate \$1,270,000 that will go toward debt retirement in FY 17. An additional \$100,000 will go into a fund for capital improvements at the Convention Center. The State Operating grant has been budgeted to decrease \$45,176, while the General Fund subsidy decreases \$80,176, since the FY 16 contribution included \$35,000 to fund a feasibility study for further expansion of the Convention Center.

PERSONNEL CHANGES:

Thirty-four full-time positions are funded in FY 17. Six positions have been eliminated since FY 09. In the FY 15 budget, one part-time Maintenance Worker position was converted to full-time. In FY 16, the Sales Director position was replaced with a Sales Manager position, and one additional Maintenance Worker II position was included as well. A step increase effective January 1, 2017 has been included. The Museum division employs two full-time employees. Part-time and seasonal positions are used by both the Convention Center and the Museum. In the Convention Center, additional hours have been budgeted for the part-time Event Coordinator at a cost of \$5,848. Staffing of the box office for Performing Arts ticketed events has been added at a cost of \$6,662. Overtime in the Maintenance division has been budgeted at \$90,000. Projected costs for health insurance, pension and unemployment have decreased, while retiree health and worker's compensation costs are budgeted at a higher level.

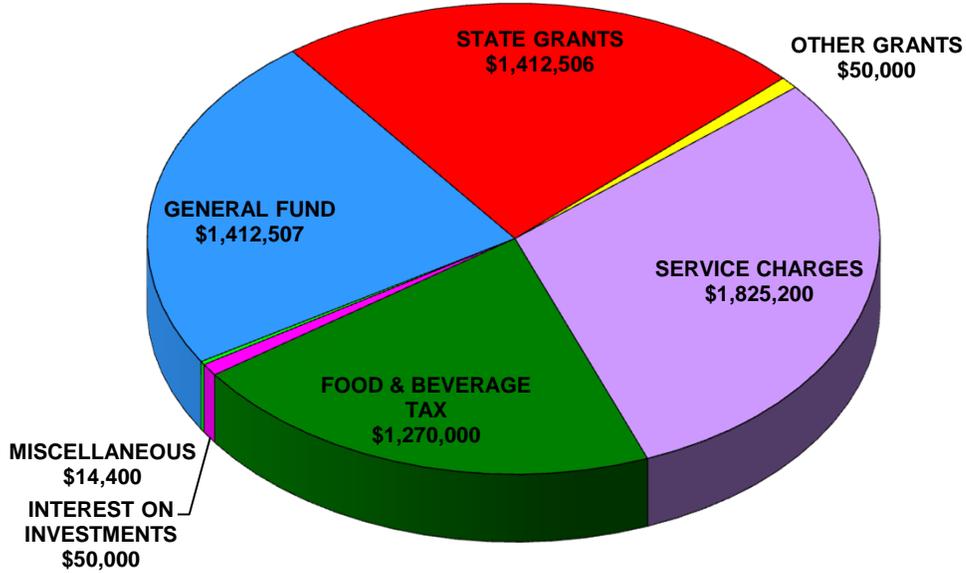
CHANGES IN OPERATIONS:

Contracted Services decrease in FY 17, and include travel, credit card fees, dry cleaning and advertising. In FY 17, \$80,000 has been included for two potential city-sponsored events held in the Performing Arts Center. This is a reduction from FY 16, when four events were budgeted at a total cost of \$97,000. Legal fees and printing costs have been reduced nearly \$20,000. Also funded in FY 16 was the Economic Impact Study at a cost of \$35,000. Maintenance costs account for \$342,473 of the Convention Center budget. Escalator, elevator, HVAC, and equipment repair are budgeted at \$267,717, and include HVAC repairs recommended by the Public Works Facilities Manager totaling \$50,300. A replacement cooling tower was requested at a cost of \$150,000, and will be funded from the Convention Center capital improvement fund. Building maintenance accounts for another \$71,395. Overall maintenance costs increase \$68,679. Operational supplies include costs for such items as replacement tables, supplies to clean and maintain the building, aisle and booth carpet, and replacement AV equipment. Risers and landscaping supplies included in FY 16 have not been funded in FY 17. The Museum's operating expenses increase \$4,299 overall. Replacement of the HVAC system under the building has been funded at \$14,000, as well as power washing the exterior of the building, at a cost of \$2,500. Energy costs for the Convention Center are budgeted to decrease \$64,843 for FY 17. Projected savings from the Energy Performance audit are \$55,668. Intragovernmental allocations for IT Services, property insurance and General Overhead increase. Debt Service includes principal and interest on the 2013 bonds and the Energy Performance Lease. The 2014 bond was paid off in March 2016. Food and Beverage tax receipts and interest will be used to pay the debt service on the 2013 bonds. Transfer to Reserves reflects the amount to be set aside for the capital reserve fund and the food tax that exceeds bond payments. Purchase of a Genie boom costing \$30,000 was included in capital outlay in FY 16.

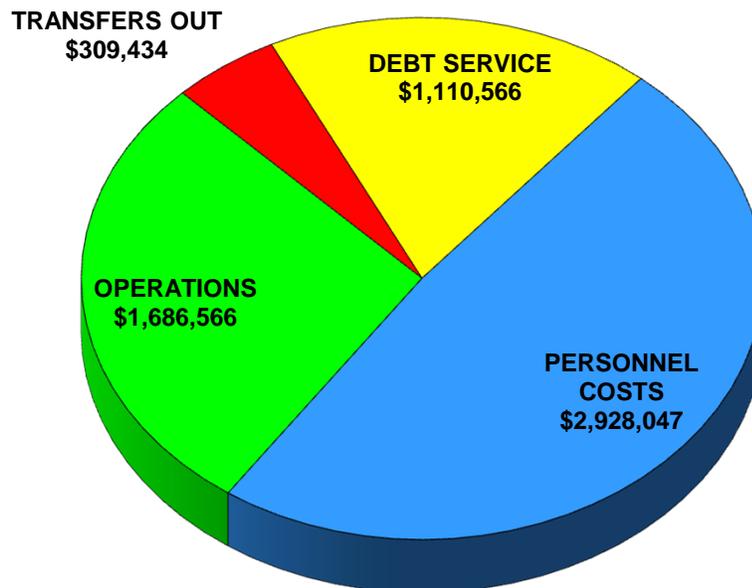
TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET
CONVENTION CENTER FUND AND MUSEUM

EXPENDITURES	ACTUAL 2015	ADOPTED 2016	CITY MANAGER PROPOSED 2017	COUNCIL ADOPTED 2017
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 1,904,087	\$ 1,949,053	\$ 1,968,149	\$ 1,968,149
EMPLOYEE BENEFITS	928,161	1,001,648	959,898	959,898
	<u>2,832,248</u>	<u>2,950,701</u>	<u>2,928,047</u>	<u>2,928,047</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	241,709	345,049	272,626	272,626
MAINTENANCE	337,308	273,794	342,473	342,473
SUPPLIES & MATERIALS	189,898	184,802	173,013	173,013
ENERGY	651,188	600,000	535,157	535,157
VEHICLE SUPPLIES & REPAIR	21,115	25,344	23,770	23,770
INTRAGOVERNMENTAL	293,879	311,210	336,789	339,527
	<u>1,735,097</u>	<u>1,740,199</u>	<u>1,683,828</u>	<u>1,686,566</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	2,937,445	3,386,810	1,110,566	1,110,566
TRANSFER TO RESERVES	0	100,000	309,434	309,434
CAPITAL OUTLAY	75,860	30,000	0	0
	<u>3,013,305</u>	<u>3,516,810</u>	<u>1,420,000</u>	<u>1,420,000</u>
TOTAL EXPENDITURES	\$ <u>7,580,650</u>	\$ <u>8,207,710</u>	\$ <u>6,031,875</u>	\$ <u>6,034,613</u>
LESS REVENUE GENERATED BY DIVISION				
HALL RENTAL REVENUE	(867,303)	(900,000)	(860,000)	(860,000)
PERFORMING ARTS CENTER	(7,500)	0	(55,200)	(55,200)
SPECIAL EVENT REVENUE	(83,262)	(155,000)	(140,000)	(140,000)
CONCESSION REVENUE	(360,185)	(352,000)	(360,000)	(360,000)
SERVICE CHARGES	(322,080)	(310,000)	(315,000)	(315,000)
BUS PARKING REVENUE	(1,350)	0	0	0
MONTHLY LEASE REVENUE	(7,500)	(7,500)	(7,500)	(7,500)
SALES/OTHER	(80,850)	(81,250)	(87,500)	(87,500)
FOOD & BEVERAGE TAX	(1,290,324)	(1,230,000)	(1,270,000)	(1,270,000)
INTEREST ON INVESTMENTS	(42,225)	(50,000)	(50,000)	(50,000)
ATM REVENUE	(14,400)	(14,400)	(14,400)	(14,400)
COUNTY - VISITORS/CONV BUREAU	(50,000)	(50,000)	(50,000)	(50,000)
BUILD AMERICA BOND SUBSIDY	(14,247)	(4,819)	0	0
PRIOR YEAR RESERVES	(1,487,133)	(2,102,376)	0	0
STATE OPERATING/CAPITAL GRANT	(1,431,581)	(1,457,682)	(1,411,137)	(1,412,506)
	<u>(6,059,940)</u>	<u>(6,715,027)</u>	<u>(4,620,737)</u>	<u>(4,622,106)</u>
TOTAL TOWN CONTRIBUTION	\$ <u>1,520,710</u>	\$ <u>1,492,683</u>	\$ <u>1,411,138</u>	\$ <u>1,412,507</u>
MUSEUM				
	ACTUAL 2015	ADOPTED 2016	CITY MANAGER PROPOSED 2017	COUNCIL ADOPTED 2017
PERSONNEL COSTS:	193,195	199,411	201,575	201,575
OPERATING EXPENSES:	33,475	45,566	47,540	47,701
TOTAL EXPENDITURES	<u>226,670</u>	<u>244,977</u>	<u>249,115</u>	<u>249,276</u>

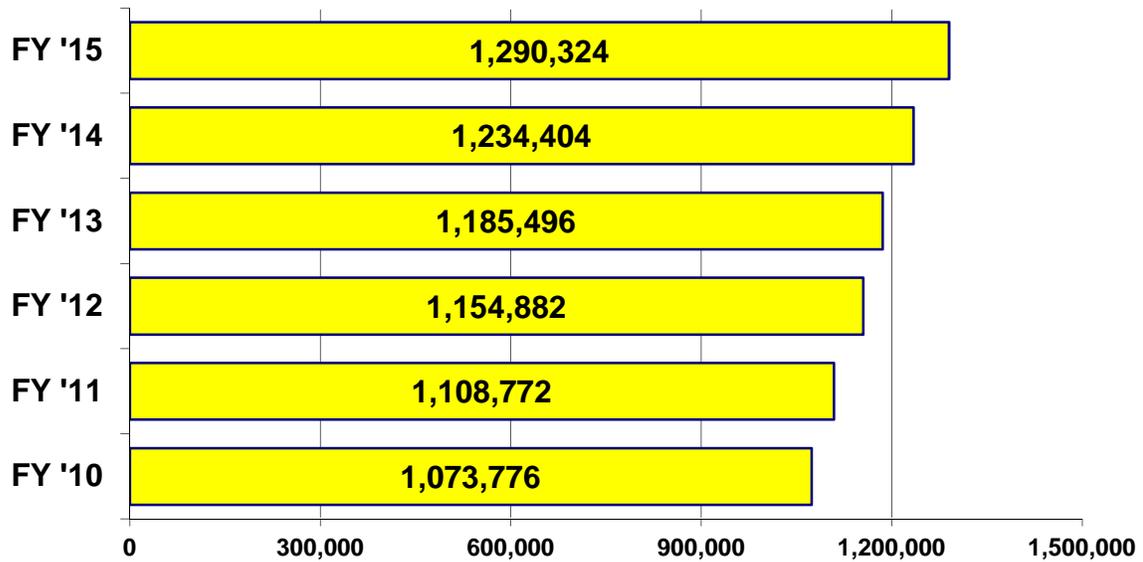
Convention Center Fund Revenue FY 2017 Adopted



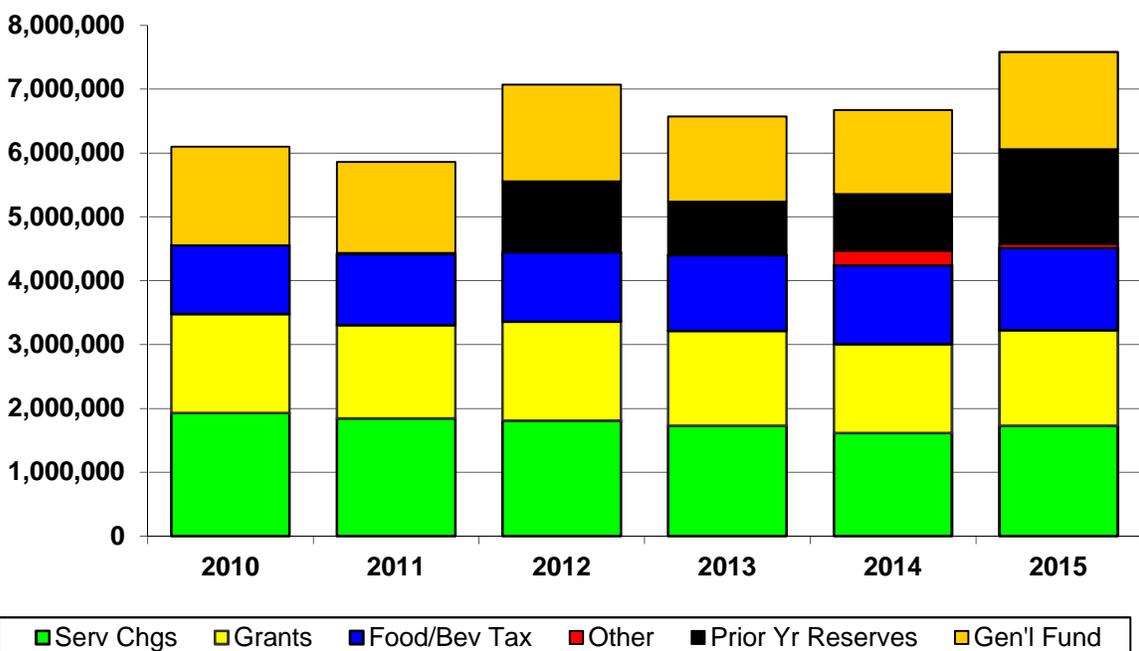
Convention Center Fund Expenditures 2017 Adopted



Food & Beverage Tax FY 2010 - FY 2015



OCCC Operations Revenue by Type FY 10 - FY 15



INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department of a government to other departments on a cost-reimbursement basis. Services accounted for in Internal Service Funds are tangible, and it is possible to determine the extent to which they benefit individual departments of the government.

The following activities of the Town are reported in this section:

INFORMATION TECHNOLOGY

This fund accounts for all costs related to computer operations and computer systems used by all the Town's departments that are billed to other departments. Applications residing on the I.B.M. AS/400 include Budgetary Accounting, Miscellaneous Accounts Receivable, Purchasing/Inventory, Utility, Fleet, Taxes, Business Licenses, Cash Receipts, Land Management, and Building and Zoning applications. The department supports over 500 users on mainframe, network servers and PC computers utilizing various software for databases, accounting, service calls, analysis, word processing, and customized operations. Other departmental responsibilities include providing network services to over 23 sites, supporting over 60 servers, providing network and internet security, and monitoring anti-virus software. They also support all phone operations and troubleshooting, as well as all Public Safety Mobile Data Terminals, and the surveillance cameras located throughout town.

SERVICE CENTER FUND

This fund encompasses Purchasing Administration, the Warehouse operation, the Vehicle/Equipment Maintenance Garage and Impound Lot. It employs 19 people and operates on a schedule of five days a week in the off-season and seven days a week Memorial Day through Sunfest. The department's goal is to provide all City departments with goods and services that meet their needs at the most economical total cost over the life of the product or service with regard to initial price, maintenance costs, and use.

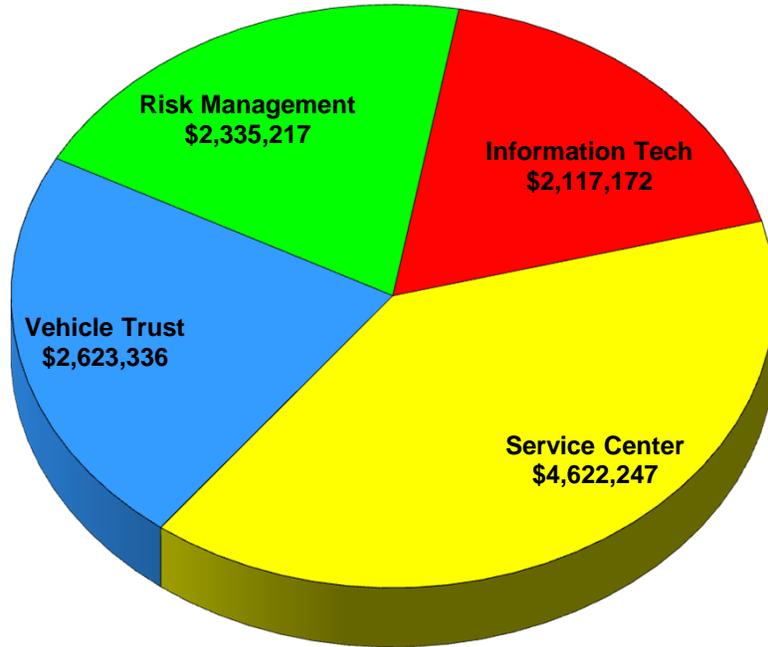
VEHICLE AND EQUIPMENT TRUST FUND

To account for costs of acquiring vehicles and equipment used by other city departments. The fund owns all rolling stock in the Town and receives its operating revenue from the various departments through vehicle and equipment lease charges.

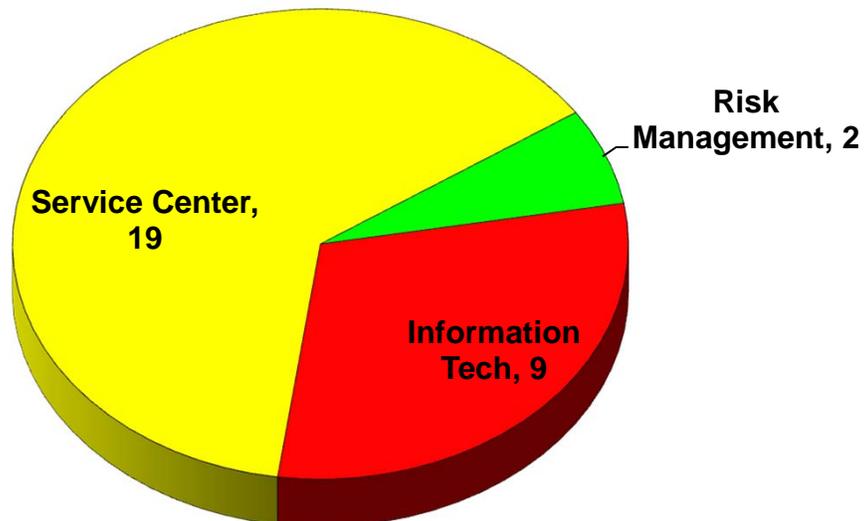
RISK MANAGEMENT FUND

The Risk Department is responsible for planning, directing, and coordinating the Town's program to control risks and losses. This involves continued emphasis on safety, identifying potential risk hazards, and taking corrective action.

FY 17 Internal Service Funds Expenses



FY 17 Internal Service Fund Full-Time Personnel



TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET

INFORMATION TECHNOLOGY

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

The overall IT budget increases \$104,042 for FY 17, resulting in an increase in charges to most funds. Comcast Fiber connections for Fire station 4 and for the Convention Center and the Comcast circuit have been charged to the Equipment Trust Fund and paid for with funds collected from water tower antenna rental revenue dedicated to City-wide communications expenses. Maintenance costs for the CAD/RMS system cost \$152,000 and are allocated directly to the departments that use this software.

PERSONNEL CHANGES:

Nine positions are funded in this budget. One PC Specialist position was eliminated in FY 11. Funding for a step increase effective January 1, 2017 has been included. No part-time employees are utilized by this department. Benefit costs decrease for health insurance, retiree health and worker's compensation. Pension contributions are expected to increase.

CHANGES IN OPERATIONS:

Software support, maintenance and software upgrades account for \$560,807 of the IT budget. This accounts for more than half of the operating costs of the department. A large component of this line item is the software support for the CAD/RMS software. This maintenance agreement costs \$152,000 annually. Maintenance and software support for all other software programs totals \$408,807. Software support has increased nearly \$130,000 since FY 13. Expenses in Contracted Services include professional services, travel and training, dues and communications expenses. The Comcast service for the boardwalk surveillance project is budgeted at \$62,930. Antenna removal from the State tower is budgeted at \$7,640. Annual cleaning of all city surveillance cameras is included at \$12,475. Training and Travel costs were budgeted at \$13,155 for this division. Included items are: attendance at the H.T.E. National conference for two employees, \$3,800; VM World conference, \$3,215; H.T.E. web training and laserfiche training. A service to provide off-site data recovery was added during budget wrap-up at a cost of \$54,000. This will be an on-going, annual expense. Operational Supplies are funded at the same level as FY 16. Funded supplies include: Switch replacements, \$17,525; Microsoft software assurance, \$80,000; and memory for two host servers, \$16,200. Police department approved equipment totals \$20,255, and EMS equipment has been included at \$20,068. A network backup appliance was added during budget wrap-up at a cost of \$55,400. Additional surveillance cameras and backup items totaling \$103,750 have been included in capital projects in the General Fund. A fiber connectivity project for Beach Patrol headquarters, Fire Station 2 and City Hall was also included in capital projects in the General Fund. Intragovernmental allocations for General Overhead expense and vehicle lease increase, while the insurance allocation decreases.

TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET
INFORMATION TECHNOLOGY

EXPENDITURES	ACTUAL 2015	ADOPTED 2016	CITY MANAGER PROPOSED 2017	COUNCIL ADOPTED 2017
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 635,854	\$ 655,641	\$ 681,029	\$ 681,029
EMPLOYEE BENEFITS	321,154	333,309	323,125	323,125
	<u>957,008</u>	<u>988,950</u>	<u>1,004,154</u>	<u>1,004,154</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	121,610	127,692	130,375	184,375
MAINTENANCE	483,828	530,945	560,807	560,807
SUPPLIES & MATERIALS	230,098	296,453	240,415	295,815
ENERGY	7,412	8,100	6,810	6,810
VEHICLE SUPPLIES & REPAIR	8,225	5,766	6,670	6,670
INTRAGOVERNMENTAL	57,363	55,224	58,541	58,541
	<u>908,536</u>	<u>1,024,180</u>	<u>1,003,618</u>	<u>1,113,018</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	0	0	0	0
TRANSFER OUT	0	0	0	0
CAPITAL OUTLAY	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	<u>\$ 1,865,544</u>	<u>\$ 2,013,130</u>	<u>\$ 2,007,772</u>	<u>\$ 2,117,172</u>
LESS REVENUE GENERATED BY DEPARTMENT				
GENERAL FUND	(1,524,077)	(1,533,795)	(1,512,587)	(1,590,615)
WATER FUND	(101,532)	(103,054)	(111,599)	(118,890)
WASTEWATER FUND	(123,790)	(118,904)	(128,428)	(136,972)
TRANSPORTATION FUND	(37,565)	(49,842)	(53,396)	(56,836)
AIRPORT FUND	(12,987)	(12,187)	(12,487)	(13,299)
GOLF COURSE FUND	(28,144)	(29,126)	(23,939)	(25,515)
CONVENTION CENTER FUND	(39,376)	(46,634)	(48,136)	(50,874)
SERVICE CENTER FUND	(96,741)	(93,732)	(87,705)	(93,475)
RISK MANAGEMENT FUND	(20,814)	(25,856)	(29,495)	(30,696)
PRIOR YEAR RESERVES	(15)	0	0	0
	<u>(1,985,041)</u>	<u>(2,013,130)</u>	<u>(2,007,772)</u>	<u>(2,117,172)</u>
REVENUES (OVER)/UNDER EXPENDITURES	<u>\$ (119,497)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET**

SERVICE CENTER FUND AND IMPOUND LOT

BUDGET HIGHLIGHTS:

REVENUE:

Fuel revenue is dependent on fuel cost, and the Energy Administration has projected that both gasoline and diesel fuel rates will decrease from the rates budgeted in FY 16. Although the number of gallons of each type of fuel is anticipated to increase, overall fuel revenue will decrease. Parts revenue has been projected to increase for FY 17. Vehicle labor rates were not changed for FY 16, or for FY 17. Labor rates for light equipment are set at \$67 per hour and labor rates for heavy equipment are currently \$86 per hour. Vehicle labor revenue has been budgeted at the FY 16 adopted level.

PERSONNEL CHANGES:

Nineteen full-time employees are funded in the Service Center budget and there are two full-time positions in the Impound Lot. A step increase effective on January 1, 2016 has been included. A seasonal vehicle technician continues to be funded in the FY 17 budget. Allocations for health insurance and retiree health insurance decrease, while the pension contribution is projected to increase. A tool allowance of \$500 per mechanic has been included in the Service Center budget.

CHANGES IN OPERATIONS:

Contracted Services expenses are expected to increase. This category includes building and equipment maintenance, training and travel, printing costs and tipping fees, as well as other contracted services. Training includes attendance at the National Institute for Governmental Purchasing conference for one employee, online training, and Turbo training for the mechanics. Building and equipment maintenance costs are projected to increase and include \$7,500 to repair the drains in the Fleet garage. Purchases of fuel and inventory are the major expenses in this department. Vehicle fuel is purchased by this department and charged to all other City departments as it is consumed. This expense is reflected in the vehicle fuel line item in all City departments and is a notable cost for Transportation, Solid Waste and Police. Vehicle fuel costs are expected to decrease, but the number of gallons purchased is expected to increase in FY 17. The estimate of purchases of fuel has been reduced \$342,165 from FY 16. Estimates of inventory for parts and supplies has been budgeted to increase \$31,936 for FY 17. Supplies and Materials decrease in FY 17, since purchase of a parts washer at \$8,100 was included in FY 16. Energy costs for this department are anticipated to increase for FY 17, due to the conversion of the HVAC system to propane. The Energy Performance contract is projecting savings of \$3,547 in electricity costs for this division. Vehicle expenses are projected to decrease. Intragovernmental allocations for vehicle lease, IT services, General Overhead and Risk management decrease for this division.

TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET
SERVICE CENTER FUND AND IMPOUND LOT

	ACTUAL 2015	ADOPTED 2016	CITY MANAGER PROPOSED 2017	COUNCIL ADOPTED 2017
EXPENDITURES				
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 1,070,946	\$ 1,097,675	\$ 1,122,635	\$ 1,122,635
EMPLOYEE BENEFITS	622,535	648,599	582,002	582,002
	<u>1,693,481</u>	<u>1,746,274</u>	<u>1,704,637</u>	<u>1,704,637</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	71,245	66,362	81,265	81,265
SUPPLIES & MATERIALS	52,513	46,546	37,946	37,946
PURCHASES FOR RESALE	2,420,015	2,753,276	2,443,047	2,443,047
ENERGY	62,025	66,800	76,503	76,503
VEHICLE SUPPLIES & REPAIR	18,878	32,053	20,536	20,536
INTRAGOVERNMENTAL	287,504	281,698	252,543	258,313
	<u>2,912,180</u>	<u>3,246,735</u>	<u>2,911,840</u>	<u>2,917,610</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	0	0	0	0
TRANSFER OUT	0	0	0	0
CAPITAL OUTLAY	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	\$ 4,605,661	\$ 4,993,009	\$ 4,616,477	\$ 4,622,247
LESS REVENUE GENERATED BY DIVISION				
FUEL REVENUE	(1,705,771)	(2,128,046)	(1,699,125)	(1,699,125)
PARTS REVENUE	(1,421,008)	(1,383,000)	(1,435,519)	(1,435,519)
LABOR REVENUE	(1,528,407)	(1,480,130)	(1,480,000)	(1,485,770)
PRIOR YEAR RESERVES	0	0	0	0
DISCOUNTS TAKEN	(3,102)	(1,833)	(1,833)	(1,833)
	<u>(4,658,288)</u>	<u>(4,993,009)</u>	<u>(4,616,477)</u>	<u>(4,622,247)</u>
REVENUES (OVER)/UNDER EXPENDITURES	\$ (52,627)	\$ 0	\$ 0	\$ 0
 IMPOUND LOT				
	ACTUAL	ADOPTED	CITY MANAGER	COUNCIL
	2015	2016	PROPOSED	ADOPTED
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2017</u>
PERSONNEL COSTS	126,020	130,280	130,682	130,682
OPERATING EXPENSES	<u>6,438</u>	<u>9,083</u>	<u>9,760</u>	<u>9,869</u>
TOTAL EXPENDITURES	<u>132,458</u>	<u>139,363</u>	<u>140,442</u>	<u>140,551</u>

**TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET**

VEHICLE AND EQUIPMENT TRUST FUND

<u>REQUESTED VEHICLES</u>	<u>REPLACEMENT Yes/No</u>	<u>CITY MANAGER PROPOSED</u>
AIRPORT:		
Pick Up ½ Ton 4x4	Y	35,000
EMS:		
Ambulance	Y	300,000
ENGINEERING:		
Pick Up ½ Ton 4x4	Y	24,000
Pick Up ½ Ton 4x4	N	25,000
GOLF COURSE:		
Workman with Core Harvester	Y	30,000
Triplex Greensmower	Y	27,100
Aerator	N	23,500
POLICE:		
Caprice PPV (5)	Y	140,000
Utility Interceptor	Y	27,000
PUBLIC WORKS CONSTRUCTION:		
Pick Up ¾ Ton 4x2	Y	30,000
Bucket Truck (Partial Funding)	Y	24,124
PUBLIC WORKS MAINTENANCE:		
Barrel Dumper (Beach)	Y	235,000
Pick Up ½ Ton 4x4 (2)	Y	48,000
Pick Up ½ Ton 4x2	Y	21,000
SOLID WASTE:		
Auto Side Load Trash Truck (1)	Y	230,000
Front End Trash Truck	Y	230,000
WATER:		
Pick Up ½ Ton 4x2	Y	21,000
		\$1,470,724
Contingency for Future Radio Purchases/Debt Payments		358,084

TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET
VEHICLE AND EQUIPMENT TRUST FUND

EXPENDITURES	ACTUAL 2015	ADOPTED 2016	CITY MANAGER PROPOSED 2017	COUNCIL ADOPTED 2017
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 0	\$ 0	\$ 0	\$ 0
EMPLOYEE BENEFITS	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	213,636	240,027	127,667	127,667
SUPPLIES & MATERIALS	2,742	5,000	5,000	5,000
ENERGY	0	0	0	0
VEHICLE SUPPLIES & REPAIR	0	0	0	0
INTRAGOVERNMENTAL	495,444	482,082	482,226	482,226
	<u>711,822</u>	<u>727,109</u>	<u>614,893</u>	<u>614,893</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	0	215,600	179,635	179,635
TRANSFER OUT	0	0	0	0
CAPITAL OUTLAY	1,609,826	1,431,806	1,828,808	1,828,808
	<u>1,609,826</u>	<u>1,647,406</u>	<u>2,008,443</u>	<u>2,008,443</u>
TOTAL EXPENDITURES	\$ <u>2,321,648</u>	\$ <u>2,374,515</u>	\$ <u>2,623,336</u>	\$ <u>2,623,336</u>
LESS REVENUE GENERATED BY DEPARTMENT				
CAPITAL GRANT - FEDERAL	0	0	0	0
CAPITAL GRANT - STATE	0	0	0	0
SALE - CAPITAL ASSETS	(106,318)	(64,061)	(60,000)	(60,000)
SALES - MATERIALS & SERVICE	(454,756)	(461,533)	(485,751)	(485,751)
GENERAL FUND CONTRIBUTION	(1,386,389)	(1,501,036)	(1,669,827)	(1,669,827)
WATER FUND CONTRIBUTION	(33,640)	(33,231)	(68,783)	(68,783)
WASTEWATER CONTRIBUTION	(101,027)	(100,182)	(111,154)	(111,154)
TRANSPORTATION CONTRIBUTION	(198,188)	(128,658)	(131,009)	(131,009)
AIRPORT FUND CONTRIBUTION	(5,634)	(5,588)	(5,552)	(5,552)
GOLF COURSE CONTRIBUTION	(48,674)	(61,852)	(70,657)	(70,657)
TOURISM FUND CONTRIBUTION	(5,255)	(5,227)	(7,025)	(7,025)
IT FUND CONTRIBUTION	(2,318)	(2,300)	(2,753)	(2,753)
SERVICE CENTER CONTRIBUTION	(14,245)	(9,810)	(9,392)	(9,392)
RISK MGT CONTRIBUTION	(1,046)	(1,037)	(1,433)	(1,433)
TRANSFER FROM GENERAL FUND	(90,419)	0	0	0
	<u>(2,447,909)</u>	<u>(2,374,515)</u>	<u>(2,623,336)</u>	<u>(2,623,336)</u>
REVENUES (OVER)/UNDER EXPENDITURES	\$ <u>(126,261)</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>

TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET

RISK MANAGEMENT FUND

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

Interest earnings are expected to decrease in FY 17. The expenses for this division are separated into four categories: General liability, Auto claims and insurance, Property and Worker's compensation. Expenses in these four categories are allocated to each department based on a formula determined by an actuarial study done every few years. Worker's compensation costs are the most expensive of these three categories, making up roughly 50% of the Risk Management budget. Projected worker's compensation costs decreased approximately \$25,000 in FY 17. The allocation for property insurance increased to include Fire Station 4 and the Convention Center expansion, including the Performing Arts Center.

PERSONNEL CHANGES:

Two full-time positions are funded in this division. A step increase effective January 1, 2017 has been included. Funding has been included for one part-time Office Associate position to work two days per week for June, July and August and two days per month for the remainder of the year. Projected total benefit costs increase slightly.

CHANGES IN OPERATIONS:

Contracted Services include professional services and legal services. Legal fees have been budgeted at \$95,000. An Actuarial study to assess ultimate losses and outstanding liability associated with the Town's self-insured worker's compensation, general liability and auto exposure was funded in FY 16 at a cost of \$15,000. It has been recommended by the Town's auditing firm that this study be conducted every two fiscal years, and was last performed in FY 13. This study determines the necessary reserves for each type of insurance claims and also determines the allocation of each type of insurance to each City department. The actuarial study increased the amount of Risk fund balance restricted for claims and liability and for future claims by \$736,366. Reserves necessary for worker's compensation claims increased from \$2.2 million to \$3.2 million, but the amount necessary for auto liability claims was reduced. Insurance coverage and payment of insurance claims are the largest expenses in this department. Overall insurance costs are expected to decrease \$30,000 in FY 17. The amount allocated for worker's compensation claims in FY 17 is \$750,000, a reduction of \$25,000 from FY 16. Property insurance is estimated to increase \$5,000 from \$285,000 in FY 16 to \$290,000 in FY 17. General Liability policy costs are anticipated to decrease \$10,000. Automobile and General Liability claims are budgeted at the FY 16 level. The Maryland cap on General Liability claims was increased to \$400,000 on October 1, 2015. \$1,814,950 has been budgeted to cover the cost of insurance policies and insurance claims for FY 17. Intragovernmental expenses increase due to increases in IT Services and General Overhead expense.

TOWN OF OCEAN CITY
FISCAL YEAR 2017 BUDGET
RISK MANAGEMENT FUND

EXPENDITURES	ACTUAL 2015	ADOPTED 2016	CITY MANAGER PROPOSED 2017	COUNCIL ADOPTED 2017
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 183,571	\$ 182,912	\$ 183,708	\$ 183,708
EMPLOYEE BENEFITS	72,408	74,751	75,521	75,521
	<u>255,979</u>	<u>257,663</u>	<u>259,229</u>	<u>259,229</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	128,251	158,000	145,920	145,920
INSURANCE COSTS	1,625,969	1,844,950	1,814,950	1,814,950
SUPPLIES & MATERIALS	1,207	2,860	2,960	2,960
ENERGY	0	0	0	0
VEHICLE SUPPLIES & REPAIR	1,353	1,414	1,436	1,436
INTRAGOVERNMENTAL	89,958	93,380	109,521	110,722
	<u>1,846,738</u>	<u>2,100,604</u>	<u>2,074,787</u>	<u>2,075,988</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	0	0	0	0
TRANSFER OUT	0	0	0	0
CAPITAL OUTLAY	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	<u>\$ 2,102,717</u>	<u>\$ 2,358,267</u>	<u>\$ 2,334,016</u>	<u>\$ 2,335,217</u>
LESS REVENUE GENERATED BY DEPARTMENT				
INTEREST EARNED	(78,512)	(54,460)	(46,058)	(47,259)
GENERAL FUND	(1,343,307)	(1,339,070)	(1,322,132)	(1,322,132)
WATER FUND	(93,312)	(95,734)	(92,272)	(92,272)
WASTEWATER FUND	(129,087)	(131,751)	(123,427)	(123,427)
TRANSPORTATION FUND	(90,188)	(88,990)	(88,850)	(88,850)
AIRPORT FUND	(16,029)	(13,695)	(13,538)	(13,538)
GOLF COURSE FUND	(24,284)	(24,084)	(23,098)	(23,098)
CONVENTION CENTER FUND	(124,258)	(144,913)	(164,967)	(164,967)
SERVICE CENTER FUND	(28,437)	(28,029)	(23,684)	(23,684)
MIS FUND	(10,790)	(10,559)	(9,008)	(9,008)
VEHICLE TRUST FUND	(432,009)	(426,982)	(426,982)	(426,982)
INSURANCE CLAIMS	0	0	0	0
PRIOR YEAR RESERVES	0	0	0	0
	<u>(2,370,213)</u>	<u>(2,358,267)</u>	<u>(2,334,016)</u>	<u>(2,335,217)</u>
REVENUES (OVER)/UNDER EXPENDITURES	<u>\$ (267,496)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

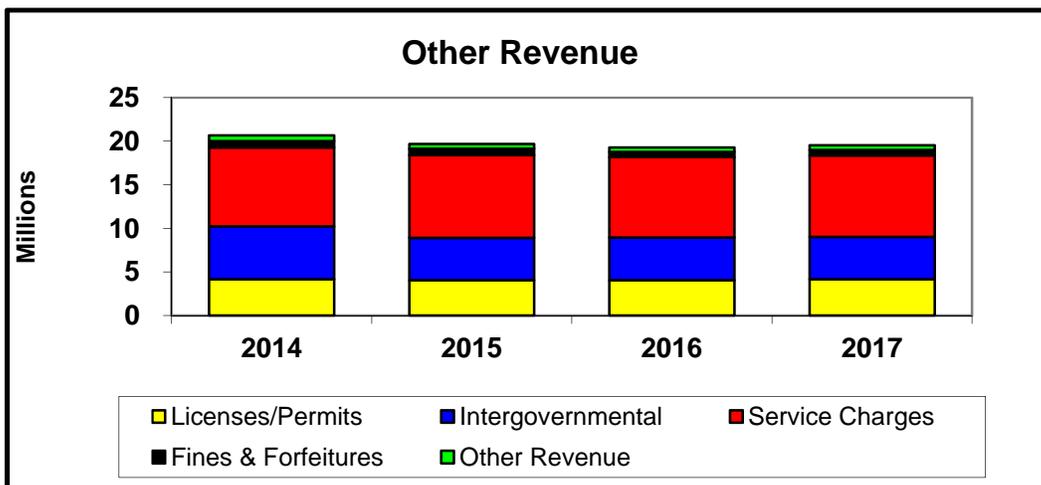
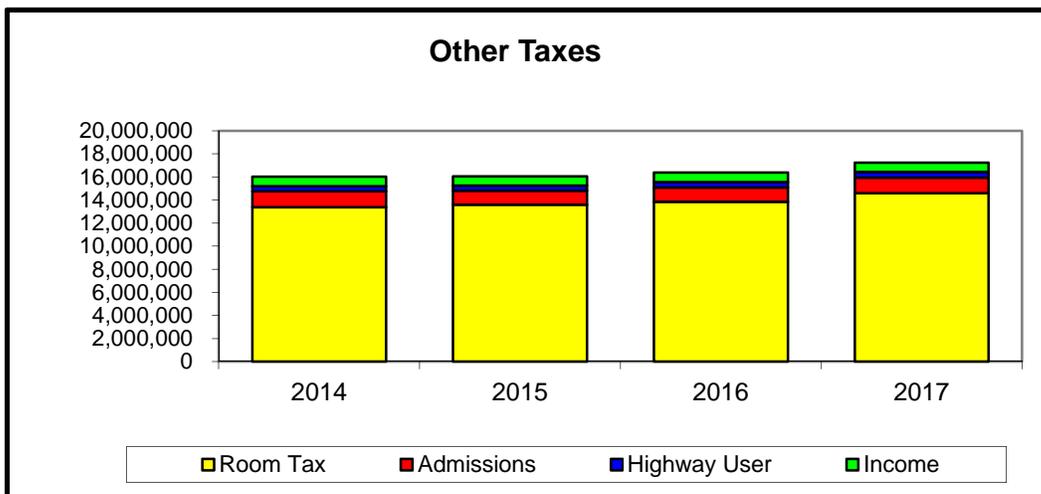
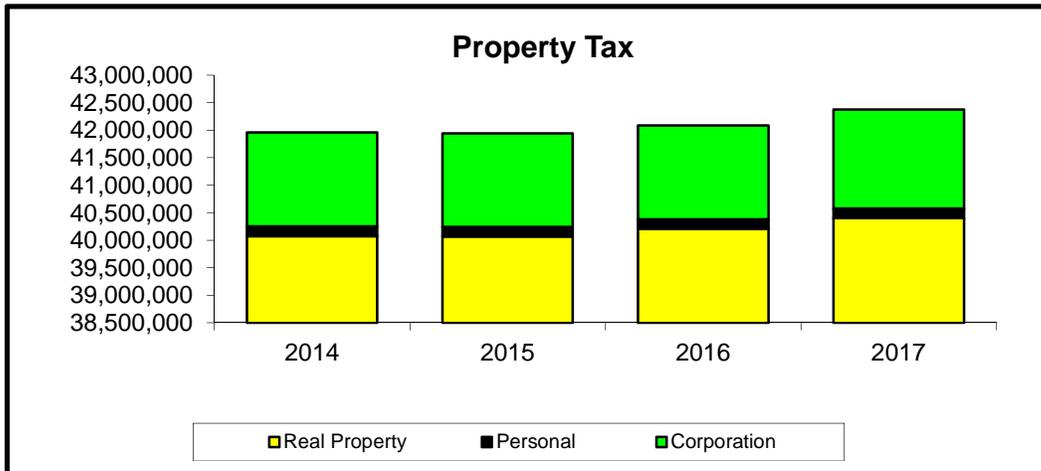


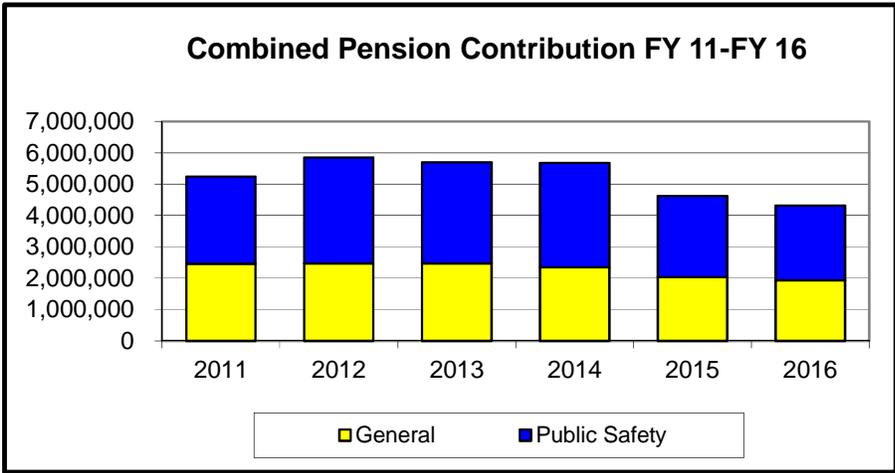
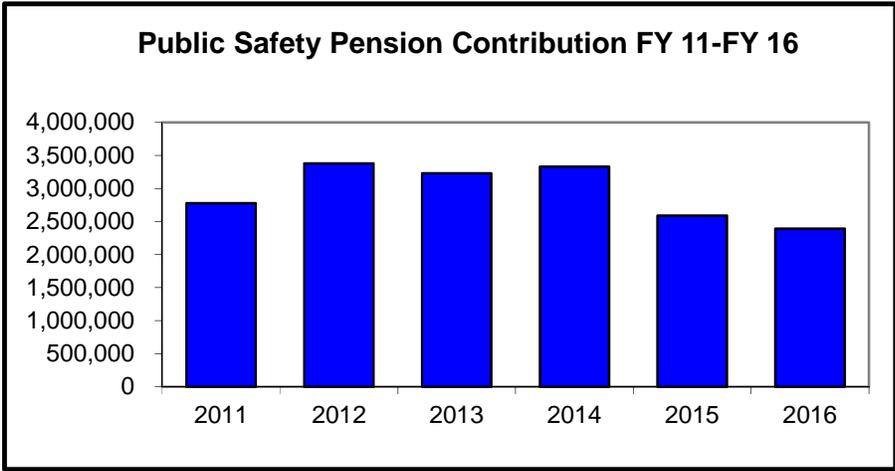
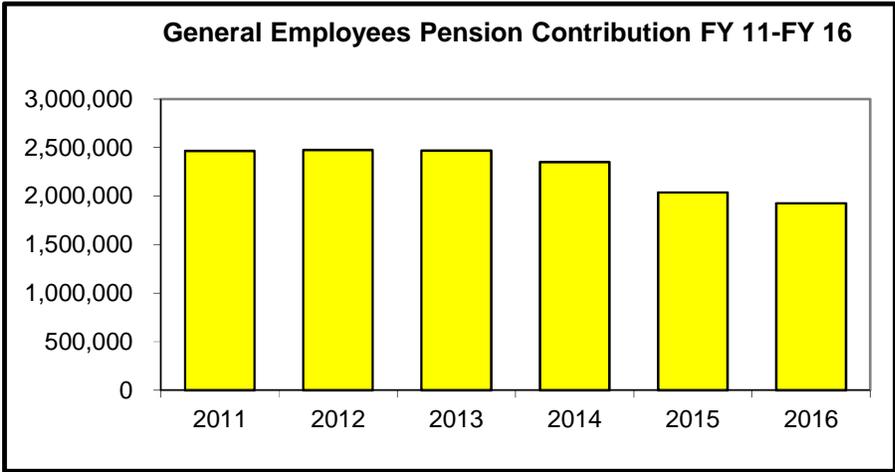
SUPPLEMENTARY INFORMATION

TOWN OF OCEAN CITY
 FULL TIME PERSONNEL, ALLOCATIONS
 1987, 1997, 1999, 2009, 2013, 2014, 2015, 2016 AND BUDGET 2017

	FY-87	FY-97	FY-99	FY-09	FY -13	FY -14	FY -15	FY -16	FY-17	Variance	Variance Since FY 09
GENERAL GOVERNMENT											
Mayor and Council	1	1	1	1	1	1	1	1	1	0	0
Clerk	2	3	3	4	4	4	4	4	4	0	0
City Manager	3	3	4	6	7	7	7	7	7	0	1
Finance	18	16	17	16	15	15	14	14	14	0	-2
Human Resources	3	3	4	4	4	4	5	5	5	0	1
	<u>27</u>	<u>26</u>	<u>29</u>	<u>31</u>	<u>31</u>	<u>31</u>	<u>31</u>	<u>31</u>	<u>31</u>	<u>0</u>	<u>0</u>
PLANNING AND BUILDING											
Planning Administration	11	4	4	8	5	6	6	5	5	0	-3
Building Inspection	9	5	6	7	7	7	6	6	6	0	-1
	<u>20</u>	<u>9</u>	<u>10</u>	<u>15</u>	<u>12</u>	<u>13</u>	<u>12</u>	<u>11</u>	<u>11</u>	<u>0</u>	<u>-4</u>
PUBLIC SAFETY											
Police - Administration	34	21	24	14	14	14	12	12	12	0	-2
Police - Services		15	17	26	25	25	21	21	21	0	-5
Police - CID	10	12	13	22	20	20	25	25	25	0	3
Police - Patrol	54	60	58	71	71	71	72	72	72	0	1
Animal Control	2	2	2	2	2	2	2	2	2	0	0
Communications	1	14	14	22	21	21	22	22	22	0	0
Fire	3	3	3	3	3	3	3	3	3	0	0
Emergency Medical	27	26	26	42	37	43	43	43	43	0	1
Fire Marshal	5	5	5	9	7	7	7	7	7	0	-2
	<u>136</u>	<u>158</u>	<u>162</u>	<u>211</u>	<u>200</u>	<u>206</u>	<u>207</u>	<u>207</u>	<u>207</u>	<u>0</u>	<u>-4</u>
PUBLIC WORKS											
Engineering	11	5	5	8	6	5	6	6	6	0	-2
PW - Administration	3	3	3	4	4	5	5	5	5	0	1
PW - Bldg & Grounds	6	8	10	11	9	10	10	10	10	0	-1
PW - Streets	23	21	16	25	13	13	13	13	13	0	-12
PW - Storm Drains	7	7	8	0	0	0	0	0	0	0	0
PW - Street Maintenance			13	15	15	15	16	16	16	0	1
PW - Beach	5	7	4	5	5	5	5	5	5	0	0
PW - Boardwalk	6	6	4	5	5	5	5	5	5	0	0
PW - Janitorial	2	5	6	9	6	6	6	6	6	0	-3
PW - Parking	1	1	1	4	2	2	2	2	2	0	-2
Impound Lot	5	4	4	5	2	2	2	2	2	0	-3
	<u>69</u>	<u>67</u>	<u>74</u>	<u>91</u>	<u>67</u>	<u>68</u>	<u>70</u>	<u>70</u>	<u>70</u>	<u>0</u>	<u>-21</u>
SOLID WASTE											
Solid Waste - Operations	49	32	31	19	18	17	16	16	16	0	-3
Solid Waste - Transfer Station		7	7	9	5	5	5	5	5	0	-4
Solid Waste - Recycling		7	8	16	0	0	0	0	0	0	-16
	<u>49</u>	<u>46</u>	<u>46</u>	<u>44</u>	<u>23</u>	<u>22</u>	<u>21</u>	<u>21</u>	<u>21</u>	<u>0</u>	<u>-23</u>
RECREATION AND PARKS											
Administration	4	7	7	6	5	5	5	4	4	0	-2
Recreation Programs	4	5	6	7	7	7	7	7	7	0	0
Beach Patrol				1	1	1	1	1	1	0	0
Park Maintenance	11	12	13	22	17	17	17	17	17	0	-5
Special Events		2	2	6	4	4	5	5	5	0	-1
	<u>19</u>	<u>26</u>	<u>28</u>	<u>42</u>	<u>34</u>	<u>34</u>	<u>35</u>	<u>34</u>	<u>34</u>	<u>0</u>	<u>-8</u>
TOURISM											
Tourism Promotions		1	2	5	2	2	2	2	2	0	-3
Public Relations	3	6	6	1	0	0	0	0	0	0	-1
Museum	2	2	6	3	2	2	2	2	2	0	-1
	<u>5</u>	<u>9</u>	<u>14</u>	<u>9</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>0</u>	<u>-5</u>
WATER											
Water Administration	2	2	2	2	1	1	1	1	1	0	-1
Distribution System	7	7	7	7	7	7	7	7	7	0	0
Plants	10	10	10	11	10	10	10	10	10	0	-1
Meter Reading/Install	5	5	5	4	3	3	3	3	3	0	-1
	<u>24</u>	<u>24</u>	<u>24</u>	<u>24</u>	<u>21</u>	<u>21</u>	<u>21</u>	<u>21</u>	<u>21</u>	<u>0</u>	<u>-3</u>
WASTEWATER											
Administration		4	4	5	4	4	4	4	4	0	-1

Treatment Plant	32	32	32	31	31	31	31	31	0	-1	
Collection System	8	8	9	8	8	8	8	8	0	-1	
Farm	3	3	0	0	0	0	0	0	0	0	
Lab	<u>3</u>	<u>0</u>	<u>0</u>								
	50	50	49	46	46	46	46	46	0	-3	
TRANSPORTATION											
Administration	3	3	4	5	4	4	4	4	3	-1	-2
Buses	<u>9</u>	<u>12</u>	<u>9</u>	<u>12</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>10</u>	<u>1</u>	<u>-2</u>
	12	15	13	17	13	13	13	13	13	0	-4
AIRPORT OPERATIONS											
	3	3	3	4	3	3	3	3	3	0	-1
GOLF COURSE											
Operations	3	5	3	3	3	3	3	3	3	0	0
Maintenance	<u>8</u>	<u>9</u>	<u>6</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>0</u>	<u>-1</u>
	11	14	9	8	8	8	8	8	8	0	-1
CONVENTION CENTER											
Administration	5	5	5	7	5	5	5	5	5	0	-2
Convention Sales	3	3	4	3	3	3	3	3	3	0	0
Maintenance	<u>12</u>	<u>11</u>	<u>25</u>	<u>30</u>	<u>24</u>	<u>24</u>	<u>25</u>	<u>26</u>	<u>26</u>	<u>0</u>	<u>-4</u>
	17	19	34	40	32	32	33	34	34	0	-6
INFORMATION TECH											
	2	4	5	11	9	9	9	9	9	0	-2
SERVICE CENTER											
Administration	3	3	4	2	3	3	3	3	3	0	1
Central Purchasing	6	5	4	5	4	4	4	4	4	0	-1
Garage	<u>14</u>	<u>16</u>	<u>15</u>	<u>15</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>0</u>	<u>-3</u>
	23	24	23	22	19	19	19	19	19	0	-3
RISK MANAGEMENT											
	<u>2</u>	<u>2</u>	<u>3</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>0</u>	<u>-1</u>
	<u>406</u>	<u>493</u>	<u>531</u>	<u>622</u>	<u>524</u>	<u>531</u>	<u>534</u>	<u>533</u>	<u>533</u>	<u>0</u>	<u>-89</u>







BUDGET ORDINANCE

ORDINANCE 2016-09

TOWN OF OCEAN CITY
OPERATING BUDGET
FISCAL YEAR 2017

SOURCE	1ST READING FY-2017	2ND READING FY 2017
Section I, General Fund:		
A. Anticipated Revenue:		
Property Taxes	\$ 42,538,210	\$ 42,538,210
Other Taxes	17,855,545	17,855,545
Licenses and Permits	4,174,882	4,174,882
Revenue From Other Agencies	4,838,102	4,838,102
Charges For Services	9,377,600	9,377,600
Fines and Forfeitures	602,000	602,000
Other Revenue	545,712	545,712
Prior Year Reserves	<u>1,235,805</u>	<u>1,235,805</u>
 Total Revenue	 \$ <u>81,167,856</u>	 \$ <u>81,167,856</u>
 B. Anticipated Expenditures:		
General Government	\$ 3,757,507	\$ 3,757,507
Public Safety	33,885,767	33,885,767
Public Works/Beach Maintenance	4,924,404	4,924,404
Sanitation and Waste Removal	5,854,954	5,854,954
Highways and Streets	5,660,746	5,660,746
Economic Development - Tourism	7,616,956	7,616,956
Culture and Recreation	7,694,464	7,694,464
Debt Service	<u>6,056,326</u>	<u>6,056,326</u>
 Sub Total	 \$ 75,451,124	 \$ 75,451,124
To Transportation Fund	1,335,668	1,335,668
To Airport Fund	244,307	244,307
To Convention Center Fund	1,412,507	1,412,507
To Capital Projects	<u>2,724,250</u>	<u>2,724,250</u>
 Total Expenditures	 \$ <u>81,167,856</u>	 \$ <u>81,167,856</u>

SOURCE	1ST READING FY-2017	2ND READING FY 2017
Section II, Water Fund:		
A. Anticipated Revenue:		
Water Sales	\$ 4,179,104	\$ 4,179,104
Water Fixture Charge	2,198,182	2,198,182
Service Charges	226,123	226,123
Capacity/Impact Fees	102,060	102,060
Prior Year Reserves	<u>0</u>	<u>0</u>
Total Revenue	<u>\$ 6,705,469</u>	<u>\$ 6,705,469</u>
B. Anticipated Expenditures:		
Personal Services	\$ 2,129,090	\$ 2,129,090
Non-Personal Services	2,824,016	2,824,016
Debt Service	1,119,878	1,119,878
Transfer to Reserves	184,776	184,776
Capital Outlay	<u>447,709</u>	<u>447,709</u>
Total Expenditures	<u>\$ 6,705,469</u>	<u>\$ 6,705,469</u>

Section III, Transportation Fund:

A. Anticipated Revenue:		
Bus Revenue	\$ 3,466,820	\$ 3,466,820
Train Revenue	1,315,000	1,315,000
Federal and State Grants	2,751,262	2,751,262
Transfer-In From General Fund	1,335,668	1,335,668
Prior Year Reserves	<u>0</u>	<u>0</u>
Total Revenue	<u>\$ 8,868,750</u>	<u>\$ 8,868,750</u>
B. Anticipated Expenditures:		
Personal Services	\$ 3,905,192	\$ 3,905,192
Non-Personal Services	3,174,136	3,174,136
Capital Outlay	<u>1,789,422</u>	<u>1,789,422</u>
Total Expenditures	<u>\$ 8,868,750</u>	<u>\$ 8,868,750</u>

SOURCE	1ST READING FY-2017	2ND READING FY 2017
Section IV, Wastewater Fund:		
A. Anticipated Revenue:		
Wastewater Treatment Charges	\$ 12,347,098	\$ 12,347,098
Service Charges	1,126,541	1,126,541
Capacity/Impact Fees	178,000	178,000
Build America Bond Subsidy	116,761	116,761
Prior Year Reserves	<u>0</u>	<u>0</u>
Total Revenue	\$ <u>13,768,400</u>	\$ <u>13,768,400</u>
B. Anticipated Expenditures:		
Personal Services	\$ 4,052,434	\$ 4,052,434
Non-Personal Services	3,758,545	3,758,545
Debt Service	4,254,841	4,254,841
Capital Outlay	<u>1,702,580</u>	<u>1,702,580</u>
Total Expenditures	\$ <u>13,768,400</u>	\$ <u>13,768,400</u>

Section V, Airport Fund:

A. Anticipated Revenue:		
Fuel Sales	\$ 614,600	\$ 614,600
Rents and Other Revenue	350,795	350,795
Federal and State Grants	45,000	45,000
Service Charges	97,500	97,500
Transfer-In From General Fund	<u>244,307</u>	<u>244,307</u>
Total Revenue	\$ <u>1,352,202</u>	\$ <u>1,352,202</u>
B. Anticipated Expenditures:		
Personal Services	\$ 323,347	\$ 323,347
Non-Personal Services	885,932	885,932
Debt Service	142,923	142,923
Capital Outlay	<u>0</u>	<u>0</u>
Total Expenditures	\$ <u>1,352,202</u>	\$ <u>1,352,202</u>

SOURCE	1ST READING FY-2017	2ND READING FY 2017
Section VI, Municipal Golf Course Fund:		
A. Anticipated Revenue:		
Service Charges	\$ 1,646,321	\$ 1,646,321
Sales and Concessions	409,657	409,657
Other Revenue	<u>47,000</u>	<u>47,000</u>
Total Revenue	\$ <u>2,102,978</u>	\$ <u>2,102,978</u>
B. Anticipated Expenditures:		
Personal Services	\$ 1,066,090	\$ 1,066,090
Non-Personal Services	1,033,407	1,033,407
Transfer to General Fund	3,481	3,481
Capital Outlay	<u>0</u>	<u>0</u>
Total Expenditures	\$ <u>2,102,978</u>	\$ <u>2,102,978</u>

Section VII, Convention Center Fund:

A. Anticipated Revenue:		
Service Charges	\$ 1,889,600	\$ 1,889,600
State and County Grants	1,462,506	1,462,506
Food & Beverage Tax	1,270,000	1,270,000
Transfer-In From General Fund	<u>1,412,507</u>	<u>1,412,507</u>
Total Revenue	\$ <u>6,034,613</u>	\$ <u>6,034,613</u>
B. Anticipated Expenditures:		
Personal Services	\$ 2,928,047	\$ 2,928,047
Non-Personal Services	1,686,566	1,686,566
Debt Service	1,110,566	1,110,566
Transfer to Capital Reserves	309,434	309,434
Capital Outlay	<u>0</u>	<u>0</u>
Total Expenditures	\$ <u>6,034,613</u>	\$ <u>6,034,613</u>

SOURCE	1ST READING FY-2017	2ND READING FY 2017
Section VIII, Information Technology Fund:		
A. Anticipated Revenue:		
Service Charges To Other Funds	\$ 2,117,172	\$ 2,117,172
Prior Year Reserves	<u>0</u>	<u>0</u>
Total Revenue	\$ <u>2,117,172</u>	\$ <u>2,117,172</u>
B. Anticipated Expenditures:		
Personal Services	\$ 1,004,154	\$ 1,004,154
Non-Personal Services	1,113,018	1,113,018
Capital Outlay	<u>0</u>	<u>0</u>
Total Expenditures	\$ <u>2,117,172</u>	\$ <u>2,117,172</u>

Section IX, Service Center Fund:

A. Anticipated Revenue:		
Service Charges To Other Funds	\$ 4,622,247	\$ 4,622,247
Prior Year Reserves	<u>0</u>	<u>0</u>
Total Revenue	\$ <u>4,622,247</u>	\$ <u>4,622,247</u>
B. Anticipated Expenditures:		
Personal Services	\$ 1,704,637	\$ 1,704,637
Non-Personal Services	2,917,610	2,917,610
Debt Service	0	0
Capital Outlay	<u>0</u>	<u>0</u>
Total Expenditures	\$ <u>4,622,247</u>	\$ <u>4,622,247</u>

SOURCE	1ST READING FY-2017	2ND READING FY 2017
Section X, Vehicle & Equipment Trust Fund:		
A. Anticipated Revenue:		
Service Charges To Other Funds	\$ 2,077,585	\$ 2,077,585
Sales - Materials & Service	485,751	485,751
Sale of Assets	<u>60,000</u>	<u>60,000</u>
Total Revenue	\$ <u>2,623,336</u>	\$ <u>2,623,336</u>
B. Anticipated Expenditures:		
Non-Personal Services	\$ 614,893	\$ 614,893
Debt Service	179,635	179,635
Transfers Out	0	0
Capital Outlay	<u>1,828,808</u>	<u>1,828,808</u>
Total Expenditures	\$ <u>2,623,336</u>	\$ <u>2,623,336</u>

Section XI, Risk Management Fund:

A. Anticipated Revenue:		
Service Charges To Other Funds	\$ 2,287,958	\$ 2,287,958
Interest Earned	47,259	47,259
Prior Year Reserves	<u>0</u>	<u>0</u>
Total Revenue	\$ <u>2,335,217</u>	\$ <u>2,335,217</u>
B. Anticipated Expenditures:		
Personal Services	\$ 259,229	\$ 259,229
Non-Personal Services/Claims	2,075,988	2,075,988
Capital Outlay	<u>0</u>	<u>0</u>
Total Expenditures	\$ <u>2,335,217</u>	\$ <u>2,335,217</u>

SOURCE	1ST READING FY-2017	2ND READING FY 2017
Section XII, Pension Trust Funds:		
A. Anticipated Revenue:		
Employer Contributions	\$ 4,815,409	\$ 4,815,409
Employee Contributions	1,485,000	1,485,000
Investment Earnings	<u>4,500,000</u>	<u>4,500,000</u>
Total Revenue	<u>\$ 10,800,409</u>	<u>\$ 10,800,409</u>
B. Anticipated Expenditures:		
Benefit Payments	\$ 5,880,000	\$ 5,880,000
Non-Personal Services	820,000	820,000
Reserve for Employee's Retirement	<u>4,100,409</u>	<u>4,100,409</u>
Total Expenditures	<u>\$ 10,800,409</u>	<u>\$ 10,800,409</u>
Section XIII, OPEB Trust Funds:		
A. Anticipated Revenue:		
Employer Contributions	\$ 2,965,000	\$ 2,965,000
Employee Contributions	250,000	250,000
Investment Earnings	<u>380,000</u>	<u>380,000</u>
Total Revenue	<u>\$ 3,595,000</u>	<u>\$ 3,595,000</u>
B. Anticipated Expenditures:		
Benefit Payments	\$ 1,226,160	\$ 1,226,160
Non-Personal Services	150,000	150,000
Reserve for Retiree Health	<u>2,218,840</u>	<u>2,218,840</u>
Total Expenditures	<u>\$ 3,595,000</u>	<u>\$ 3,595,000</u>

SOURCE	1ST READING FY-2017	2ND READING FY 2017
Section XIV, General Capital Projects Fund:		
A. Anticipated Revenue:		
General Fund Contribution	2,724,250	2,724,250
Inlet Lot Parking Revenue	<u>260,000</u>	<u>260,000</u>
Total Revenue	\$ <u>2,984,250</u>	\$ <u>2,984,250</u>
B. Anticipated Expenditures:		
Street Paving	2,000,000	2,000,000
Canal Dredging	300,000	300,000
Northside Park Improvements	185,500	185,500
Surveillance Camera Project	103,750	103,750
Fiber Connectivity	135,000	135,000
Reserve for Future Capital Projects	<u>260,000</u>	<u>260,000</u>
Total Expenditures	\$ <u>2,984,250</u>	\$ <u>2,984,250</u>

Section XIV, All Funds Expenditure Summary:

General Fund	\$ 81,167,856	\$ 81,167,856
Water Fund	6,705,469	6,705,469
Transportation Fund	8,868,750	8,868,750
Wastewater Fund	13,768,400	13,768,400
Airport Fund	1,352,202	1,352,202
Municipal Golf Course Fund	2,102,978	2,102,978
Convention Center Fund	6,034,613	6,034,613
Information Technology Fund	2,117,172	2,117,172
Service Center Fund	4,622,247	4,622,247
Vehicle & Equipment Trust Fund	2,623,336	2,623,336
Risk Management Fund	2,335,217	2,335,217
Pension Trust Funds	10,800,409	10,800,409
OPEB Trust Fund	<u>3,595,000</u>	<u>3,595,000</u>
Sub Total	\$ 146,093,649	\$ 146,093,649
LESS: Interfund Transfers	<u>(24,602,103)</u>	<u>(24,602,103)</u>
Total Expenditures	\$ 121,491,546	\$ 121,491,546
Capital Projects Fund - General	<u>2,984,250</u>	<u>2,984,250</u>
Grand Total	\$ <u>124,475,796</u>	\$ <u>124,475,796</u>

Section XV, Special Authorization - Budget Manager:

The Budget Manager shall be authorized to reallocate departmental appropriations among the various objects of expenditures as she deems necessary. Such changes shall be approved by the Finance Administrator & City Manager.

Section XVI, Restrictions - City Manager:

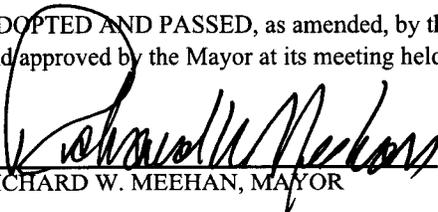
- A. The utilization of any contingency appropriation shall be accomplished only with prior authorization from the Mayor and Council.
- B. Utilization of appropriations established in the Capital Improvement Fund may be accomplished only with the express approval of the Mayor and Council.

Section XVII, Tax Rate:

An Ad Valorem Tax Rate of \$0.4727 per \$100 of assessed valuation of real property and a rate of \$1.29 per \$100 of assessed valuation of corporate and personal property tax is required to fund this budget.

INTRODUCED at a meeting of the City Council of Ocean City, Maryland held on May 2, 2016.

ADOPTED AND PASSED, as amended, by the required vote of the elected membership of the City Council and approved by the Mayor at its meeting held on May 16, 2016.



 RICHARD W. MEEHAN, MAYOR



 LLOYD MARTIN, PRESIDENT



 DIANA CHAVIS, CITY CLERK



 MARY P. KNIGHT, SECRETARY

ADOPTED: Date *May 16, 2016*
 MOTION TO ADOPT BY: *Mary Knight*
 MOTION SECONDED BY: *Tom DeLuca*
 VOTE: *Unanimous* FOR: *7* AGAINST: *0*

Attachment: 17 Budget Ordinance (1796 : Second Reading - FY 17 Budget)