

Town of Ocean City
Adopted Budget
Fiscal Year 2015-2016





TOWN OF OCEAN CITY, MARYLAND

ADOPTED BUDGET

FISCAL YEAR 2015-2016

Richard W. Meehan
Mayor

Lloyd Martin
Council President

Mary Knight
Council Secretary

Douglas S. Cymek
Council Member

Dennis Dare
Council Member

Anthony J. DeLuca
Council Member

Wayne A. Hartman
Council Member

Matthew M. James
Council Member

David L. Recor, ICMA-CM
City Manager

Jennie T. Knapp
Budget Manager

Prepared by
Town of Ocean City
City Manager's Office
P.O. Box 158
Ocean City, Maryland 21843



TABLE OF CONTENTS

FY16 Adopted Budget

Introductory Section	1
General Fund	7
General Fund Revenue/Expenditure Graph.....	8
General Fund Summary	9
General Government	10
Legislative and Administrative.....	12
Engineering and Beach Replenishment	14
Planning and Community Development.....	16
Public Safety	20
Police	22
Communications, Electronics, Emergency Management.....	26
Volunteer Fire Division	28
Career Fire/EMS Division	30
Fire Marshal.....	32
Public Works	34
Public Works Administration and Construction	36
Public Works Maintenance Division	38
Solid Waste and Transfer Station	40
Culture and Recreation	42
Recreation.....	46
Parks	48
Beach Patrol.....	50
Town Sponsored Events and 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 City Council
FROM: David L. Recor, ICMA-CM, City Manager
RE: Budget Message – Fiscal Year 2016 Proposed Operating Budget
DATE: April 7, 2015

The Ocean City, Maryland, Code of Ordinances, Part I, Charter, Title VII, Finances, § C-704 – Budget, requires that the City Manager submit a balanced budget to the Mayor and Council at least thirty-two (32) days before the beginning of any fiscal year. I am pleased to present the City Manager’s Fiscal Year 2016 Proposed Operating Budget for the Town of Ocean City, beginning July 1, 2015, which totals \$145,141,358, for the Mayor and Council’s review and consideration. The Proposed Operating Budget includes the Town’s General Fund, all of the Town’s Enterprise Funds and Internal Service Funds in addition to the Pension & OPEB Trust. The Proposed Operating Budget represents a complete financial plan for the coming fiscal year as required by the Charter.

These spending plans reflect many of the priorities identified by the Mayor and Council’s updated Strategic Planning Action Items as well as a continued commitment to provide a high level of service to our residents and keep our visitor’s experience fresh and exciting all the while preserving our organization’s long-term financial viability. The Fiscal Year 2016 Proposed Operating Budget is balanced and confirms that our distinguished resort community will remain clean, safe, healthy and strong – a place where the quality of life is unsurpassed.

Fiscal Year 2016 Proposed Operating Budget

FUND	BUDGET
General Fund	\$78,277,984
Enterprise Funds	
- Water	\$6,504,651
- Wastewater	\$13,419,297
- Transportation	\$8,747,734
- Convention Center	\$8,172,710
- Airport	\$1,384,116
- Golf Course	\$2,123,538
Internal Service Funds	
- Information Technology	\$2,013,130
- Service Center	\$4,993,009
- Vehicle & Equipment Trust	\$2,374,515
- Risk Management	\$2,358,267
Pension & OPEB Trust	\$14,772,407
TOTAL	\$145,141,358

Highlights – Proposed Fiscal Year 2016 Operating Budget

- Expenditures for all Funds total \$145,141,358 a 2.3% *decrease* of \$3,484,271 from Fiscal Year 2015.
 - General Fund revenues and expenditures equal \$78,277,984, a 1.2% *decrease* of \$957,349 from Fiscal Year 2015.
 - January 1, 2015, marked the first year of a new 3-Year Assessment Cycle in Worcester County and all Ocean City residential and commercial property (with the exception of one section of commercial property, i.e., 25th Street south to the Inlet) was reassessed. State of Maryland Department of Assessments and Taxation (SDAT) calculations indicate that Ocean City's Net Assessable Real Property Base, as of July 1, 2015, *declined* 1.6% to \$8,390,862,470 (including a \$26,836,505 increase in Estimated Abatements and Deletions).
 - The General Fund Property Tax Revenue Projection is based on the "Constant Yield" ad valorem tax rate of \$0.4780, an increase of \$0.0076, which generates \$40,239,417 (not including Corporate or Personal Property taxes).
 - One cent (\$0.01) on the Real Property Tax Rate is equivalent to \$841,164.
 - The General Fund Budget is funded 53.96% by Real Property Tax Revenue continuing the downward trend since Fiscal Year 2009 (by comparison, seven years ago, the Fiscal Year 2009 General Fund Budget totaled \$80,470,291, Real Property Tax Revenue equaled \$47,146,932 comprising 58.59% of the General Fund Budget).
 - Includes \$1,026,426 in "pay-go" Capital Improvement Project expenditures for Street Paving projects in Fiscal Year 2016.
 - Includes a 2% Cost of Living (COLA) adjustment for all Fraternal Order of Police (FOP) bargaining unit members on January 1, 2016, as provided for in first year of a new Three-Year Collective Bargaining Agreement scheduled for ratification on Tuesday, April 14, 2015.
 - Includes a step increase on July 1, 2015, for eligible International Association of Fire Fighters (IAFF) bargaining unit members as provided for in third year of Three-Year Collective Bargaining Agreement, which expires June 30, 2016, in addition to a 2% Cost of Living (COLA) adjustment on January 1, 2016.
 - Includes a 2% Cost of Living (COLA) adjustment for all General Employees on January 1, 2016.
 - Includes a 2% Cost of Living (COLA) adjustment for Step 1 Part-time Employees on January 1, 2016 (consciously compresses the Part-time Employee Wage Table).
 - Reflects new rate structure established by the updated Comprehensive Water/Wastewater Study adopted by Resolution and scheduled for consideration by the Mayor and Council on Monday, April 6, 2015.
 - Maintains the General Fund Balance consistent with Mayor and Council fiscal policy of 15% of previous year General Fund expenditures equivalent to \$12.1 million (as of June 30, 2014).
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Budget Preparation Process

Development of the Town's annual operating budget involves three phases: formulating budget requests by Departments, Executive Review with the Budget Manager and City Manager, and Legislative Review with the Mayor and Council followed by budget adoption. Each of the three phases is summarized as follows:

Formulating Budget Requests by Departments: September – December

- 1) The formative stage of the budget begins in September of the current fiscal year.
- 2) Departments assess their budgetary needs and submit funding requests to the Budget Manager for review and further discussion.
- 3) Personnel, Information Technology and Vehicle Replacement requests require supplemental information and are due by mid-October.
- 4) Capital Improvement Project requests also require supplemental information and are due by the end of November.
- 5) Complete Department budget requests are due to the Budget Manager by the beginning of December.
- 6) Departments communicate, coordinate and work directly with the Budget Manager throughout the entire budget process.
- 7) Revenue Projections are derived by the Budget Manager from a review of current and projected economic indicators, current and proposed Federal and State legislation, knowledge of future events in the Town and an extensive quantitative review of historic trends.

Executive Review with the Budget Manager and City Manager: January – February

- 1) Funding requests from Departments are reviewed and evaluated for link to the Mayor and Council's Strategic Planning priorities (Vision, Goals, updated Policy Agenda and Management Agenda).
- 2) Meetings are scheduled with Departments, Budget Manager and City Manager to evaluate and further discuss Department budget requests.
- 3) Based on Projected Revenues, funding is proposed by the City Manager for the activities, programs and services required to maintain an essential level of service and/or to provide for enhancements to activities, programs and services identified as priorities by the Mayor and Council.
- 4) City Manager proposes the Annual Operating Budget and presents an overview to the Mayor and Council the first week of April.
- 5) By law, local government budgets must be balanced, i.e., expenditures may not exceed revenues.

Legislative Review by the Mayor and Council – Budget Adoption: April – May

- 1) Department budget presentations are scheduled with the Mayor and Council over a two week period in April.
 - 2) Mayor and Council determine and advertise the proposed Real Property Tax Rate.
 - 3) Mayor and Council review the City Manager's Proposed Operating Budget and a public hearing is held to provide the public with an opportunity to comment to ensure the budget is responsive to citizen needs.
 - 4) After careful and focused deliberation, the Proposed Operating Budget, as modified for additions and/or deletions, is enacted by the Mayor and Council by Ordinance as the Adopted Operating Budget for the following Fiscal Year. In addition, the Mayor and Council adopt the Real Property Tax Rate.
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- 5) The Adopted Operating Budget can only be amended by the Mayor and Council after proper notice and a public hearing.
- 6) The Adopted Operating Budget takes effect on July 1, the beginning of the fiscal year.

Mayor and Council Budget Review Schedule

Date	Action Item
Tuesday, April 7, 2015	Mayor and Council Work Session <ul style="list-style-type: none">• City Manager/Budget Manager presentation/overview of Fiscal Year 2016 Proposed Operating Budget
Wednesday, April 8, 2015 – Friday, April 17, 2015	Mayor and Council Special Meetings <ul style="list-style-type: none">• Department Budget Reviews and Wrap-Up
Monday, May 4, 2015	Mayor and Council Regular Meeting <ul style="list-style-type: none">• First Reading – Ordinance to Adopt Fiscal Year 2016 Operating Budget• Public Hearing
Monday, May 18, 2015	Mayor and Council Regular Meeting <ul style="list-style-type: none">• Second Reading – Ordinance to Adopt Fiscal Year 2016 Operating Budget• Public Hearing
Monday, June 1, 2015	Mayor and Council Regular Meeting <ul style="list-style-type: none">• Alternative Date (if necessary)

Mayor and Council’s Strategic Plan

The Annual Operating Budget, as a policy document, represents the Town’s continued commitment to prudent fiscal management and effective service delivery. Once adopted by the Mayor and Council, the Operating Budget establishes the direction for all Town government activities, programs and services for the next fiscal year. It represents the synthesis of Mayor and Council direction and staff recommendations on how to best accomplish the Mayor and Council’s Five-Year Strategic Planning Goals including the priorities established by the Mayor and Council in the updated Fiscal Year 2016 Policy Agenda and Management Agenda Priorities. The Proposed Operating Budget responds to community needs in accordance available resources, established policies and sound administrative practices. With this in mind, the review and adoption of the Annual Operating Budget is one of the Mayor and Council’s most important responsibilities as a legislative body.

The Mayor and Council’s Five-Year Strategic Planning Goals were first established in the Fall of 2012. Upon establishing a 15-year Vision for the Town of Ocean City, and after engaging staff, residents and business leaders in the community, the Mayor and Council’s Strategic Plan enables the Town to focus its limited resources on the most important priorities and continue to enhance our visitor’s experience and the high quality of life our residents enjoy.

The Mayor and Council’s Five-Year Strategic Planning Goals serve as the guiding principles in preparing the Annual Operating Budget. These policy statements and associated Action Items offer clear and thoughtful direction for achieving the Mayor and Council’s expectations.

Five-Year Strategic Planning Goals



1st Class Resort and Tourist Destination



Financially Sound Town Government



More Livable Community for Residents



Excellent Service Through a High Performing Town Organization



Revitalized Ocean City: Development and Redevelopment

Mayor and Council Adopted Fiscal Policies

The Fiscal Year 2016 Proposed Operating Budget has also been prepared consistent with the Mayor and Council's Adopted Fiscal Policies:

- 1) The Town will maintain unassigned Fund Balance to pay for needs caused by unforeseen emergencies, to provide for unanticipated expenditures of a nonrecurring nature, or to meet unexpected increases in service costs. This reserve will be maintained at 15% of the General Fund operating budget.
- 2) The Town will utilize surplus in excess of reserve and cash flow requirements to invest in capital assets and/or to retire outstanding debt, if feasible.
- 3) The Town will pay for all current expenditures with current revenues. The Town will avoid budgetary procedures that balance current expenditures at the expense of meeting future years' revenues or requiring short term borrowing.
- 4) The Town will strive to maintain sufficient retained earnings in Enterprise Funds to provide for working capital needs and system improvements.

Organization of the Proposed Operating Budget

The Town's financial operations are budgeted and accounted for in a number of Funds. A Fund is a separate accounting unit.

General Fund

The Town's General Fund is a governmental Fund used to account for all monies received and distributed for general government purposes, including all assets, liabilities, reserves, fund balances, revenues and expenditures, which are not accounted for in any other Fund or other Special Account. The General Fund includes administration, police protection, fire protection and emergency medical services, solid waste removal, community planning, permitting, building construction and fire safety inspections, the construction and maintenance of streets and infrastructure, and recreation, parks, tourism, cultural affairs and special events.

Each year, when the Town begins the budget process, the Budget Manager utilizes comprehensive trend analysis to project revenues and works directly with Departments to accurately estimate expenditures

to fund current programs and services. Unfortunately, rising costs of personnel, maintenance agreement obligations and equipment replacement needs result in increased expenditures for providing *the same* level of service each year. In addition, new policy decisions and the desire to enhance and expand levels of service affect and cause the need for additional resources in the annual budget.

Fiscal Year 2016 Projected Revenue

Category	Projected
Property Taxes	\$42,241,417
Other Taxes	\$16,538,806
Licenses and Permits	\$4,048,126
Revenue From Other Agencies	\$4,886,407
Charges For Current Services	\$9,197,378
Fines and Forfeitures	\$581,500
Other Revenue	\$534,000
Prior Year Reserves	\$250,000
TOTAL	\$78,277,984

As previously noted, Projected Revenue for Property Taxes in Fiscal Year 2016 is based on the “Constant Yield” ad valorem tax rate of \$0.4780 per \$100 of assessed valuation of real property, a \$0.0076 increase from the previous fiscal year given the 1.6% decline in Ocean City’s Net Assessable Real Property Base. Projected Revenue from Corporate and Personal Property Taxes is based on a rate of \$1.29 per \$100 of assessed valuation and remains unchanged.

Other Taxes represents the second largest General Fund revenue category and includes Income Tax, Highway User Tax, Admissions Tax, Room Tax and Excise Taxes. Room Tax for Fiscal Year 2016 is conservatively projected to increase by 1.7% to \$13,837,500.

Revenue generated by several of the Town’s Franchise Agreements has declined recently. The last Beach Equipment Franchise auction in December 2014 (Mid-Section) resulted in a 5.4% decrease in annual revenue equivalent to \$48,391. Beach Equipment Franchise Auctions are held every year at City Hall the first week of December. The Town’s entire beachfront is divided into three sections – South, Mid and North. The South Section is comprised of the Inlet to 27th Street, the Mid Section is comprised of 28th Street to 84th Street and the North Section is comprised of 85th Street to 145th Street. In addition, the Town’s Vehicle Franchise revenue (ice cream and/or similar frozen treats) has also decreased significantly to \$33,900 annually, representing a 52.4% reduction from the previous Franchise Agreement which defaulted in late 2014.

General Fund Revenue Projections remain conservative and relatively flat although there are measurable signs of economic recovery in Ocean City. There are a number of projects and new developments that have been permitted and/or under review representing nearly three times the valuation during the same time period last year. The valuation of building permits issued year-to-date in the current fiscal year exceeds \$116,000,000.

Given the results of the most recent SDAT property assessment, the above referenced permitting data as well as other economic indicators, including Room Tax and Food and Beverage Tax collections, we remain cautiously optimistic that Ocean City is well positioned and that our business climate is stable.

Fiscal Year 2016 Proposed Expenditures

Category	Proposed
General Government	\$3,819,151
Public Safety	\$33,998,354
General Public Works/Beach Maintenance	\$5,130,325
Sanitation and Waste Removal	\$5,720,131
Highways and Streets	\$5,532,152
Economic Development – Tourism	\$7,324,360
Culture and Recreation	\$7,778,044
Debt Service	\$5,015,068
SUBTOTAL	\$74,317,585
Transfers	
- Transportation Fund	\$1,211,499
- Airport Fund	\$264,791
- Convention Center	\$1,457,683
- Capital Improvement Projects	\$1,026,426
TOTAL	\$78,277,984

From the onset of the Fiscal Year 2016 budget process, Departments were instructed to prepare “status quo” budget requests using a “current level of service” approach. Departments were further instructed to identify proposed expenditures above Fiscal Year 2015 funding levels as “right hand column” expenditures that could be tracked and would be revisited as the Town’s Fiscal Year 2016 General Fund Projected Revenue became clearer. “Status quo” became the administrative mantra throughout preparation of the Fiscal Year 2016 Proposed Operating Budget. This strategy required Departments to prioritize proposed expenditures yet also enabled a holistic view of the functional and operational needs of the entire organization, the many demands competing for limited financial resources.

Personnel

The Fiscal Year 2016 Proposed Operating Budget does not fund any new Full-time positions in the General Fund. Alternative strategies were utilized to meet the personnel needs of various departments including continuation of the Police Department’s program to reclassify its Public Safety Aide positions to Custody Officers. Two positions are affected in the Police Department’s budget at a cost of \$8,728. The Police Department’s budget also includes an additional \$44,000 for Overtime in the Patrol Division.

The Department of Emergency Services Communications Division budget provides for the reclassification of one Communications Officer II position to Communications Officer III. The reclassified position will be responsible for coordinating and providing Training in the Communications Division in lieu of a proposed new Training Coordinator position.

The Fiscal Year 2016 Proposed Operating Budget reflects the elimination of the Assistant Director position in Recreation and Parks. However, the proposed budget also funds a restructuring proposal advocated by the new Director. The restructuring proposal provides career advancement opportunities in the Programs Division by funding the promotion of two (2) Recreation Supervisor positions to new

Program Manager positions. The vacated Full-time Recreation Supervisor positions will be replaced with Part-time Recreation Supervisor positions (3,000 hours total).

In addition, Phase I of a Succession Plan in the Parks Division is funded given the anticipated retirement of the tenured Parks Superintendent. The Fiscal Year 2016 Proposed Operating Budget implements Phase I of the Succession Plan with the promotion of two (2) Crew Leader positions to Supervisor positions. Phase II is planned for implementation in Fiscal Year 2017 with the conversion of a Part-time Parks Worker to Full-time status followed by the retirement of the Parks Superintendent and elimination of the Assistant Superintendent position who will be promoted upon the Park Superintendent's retirement mid-year in Fiscal Year 2017.

Funding for reclassification of four (4) positions in the Department of Public Works Maintenance Division is also included in the Proposed Operating Budget. Two (2) Maintenance Worker positions have been reclassified to Heavy Equipment Operators at a cost of \$9,360 and two (2) Heavy Equipment Operator positions have been reclassified to Crew Leaders at a cost of \$4,284. These reclassifications have been advocated by the Director of Public Works in an effort to reallocate personnel resources for specific purposes in the Department without increasing the overall number of positions in the Department.

The Proposed Operating Budget also projects and funds a 7.5% increase in health insurance coverage effective January 1, 2016.

Operating and Maintenance

Departments were able to fund a number of important and necessary operating expenses within the "status quo" directive. For example, the Fire Department budget includes funding for replacement of eleven (11) heart monitoring systems under a five-year Lease Purchase Agreement at an annual cost of \$62,436. The Proposed Operating Budget also includes \$85,000 for the Fire Department to proceed with Phase I (of II) replacement of the Town's Automated External Defibrillators (AEDs) at an annual cost of \$85,000.

The Proposed Operating Budget also includes funding for the Department of Emergency Services Communications Division in the amount of \$75,000 for replacement of the Division's telephone/radio transmission logging recorder. In addition, \$20,000 for replacement of the Centralized City Alarm System has been funded in the Communications Division budget.

The Economic Development – Tourism budget includes destination advertising funding, funding dedicated to the Tourism Advisory Board as well as funding for Town-promoted Special Events including Sunfest, Winterfest and Springfest. As previously noted, Fiscal Year 2016 Projected Revenue from Room Tax totals \$13,837,500 and, as required by Ordinance, \$5.5 million of this projection is dedicated solely to advertising, an increase of \$115,056 from Fiscal Year 2015. In addition, \$621,000 for marketing and promotional activities including \$300,000 for in-kind service support for large Private/Special Events has been included in the Proposed Operating Budget as well as funding to assist various Departments with advertising and marketing other important activities and events.

Culture and Recreation includes Recreation and Parks, Beach Patrol, Museum and Special Events. Ocean City has long boasted premier recreation programs and activities for both youths and adults including visitors and residents alike. The Recreation budget includes funding for a second "beach toy" structure in the amount of \$26,000. Once every six years an additional week occurs between Memorial Day and Labor Day requiring the extended services of our Beach Patrol. The Proposed Operating Budget includes \$80,325 for Beach Patrol to provide uninterrupted continuous beach protection services for the entire

Summer of 2015. Special Event funding includes a \$10,000 increase for 4th of July fireworks as well funding for a new Senior-themed Special Event (Age 50+).

A number of important maintenance projects are also funded in the Proposed Operating Budget including:

Project	Cost
• Tunnel Avenue bulkhead replacement	\$40,000
• Public Safety Building: Exterior Wall Treatment and Repair, Phase I	\$250,000
• HVAC repairs and replacement (recommended by Public Works Facilities Manager)	\$61,579
• South Tram Booth (painting, insulation, carpet replacement)	\$25,000
• Northside Park: Footbridge Painting	\$12,200
• Northside Park: Walkway and Drainage Repairs, Phase X	\$10,000
• Street Light Pole Repainting, Phase III	\$27,480
• Replacement of three (3) concrete planters and ten (10) new bike racks on the Boardwalk	\$10,590
• Boardwalk Light Poles and Tops – Repainting and Repair, Phase I	\$22,506

It is very important to note that various structures and facilities at Northside Park are in need of repair and required maintenance. These improvements are impossible to fund with “status quo” funding and have been comprehensively identified separately for the Mayor and Council’s review and consideration.

The Fiscal Year 2016 Proposed Operating Budget also includes \$220,000 in funding to the Maryland Department of Natural Resources Beach Renourishment Fund. The Maryland Department of Natural Resources establishes the funding formula to maintain a minimum funding level for the Beach Renourishment Fund and the Fund balance is evaluated annually by the Department. This contribution protects our community residents and preserves the Town’s most important natural resource by ensuring a consistent schedule for beach renourishment in Ocean City.

General Fund Debt Service for Fiscal Year 2016 is summarized in the following table:

General Fund Debt	P&I
• DNR Loans	\$51,345
• 2006 Airport G.O. Bond	\$306,471
• 2007 Municipal Refunding Bonds	\$1,274,283
• 2009 Municipal Refunding Bonds	\$533,673
• 2010 Municipal Purpose Bond	\$342,791
• 2012 Municipal Purpose Bond	\$1,679,132
• 2013 Municipal Purpose Bond	\$368,493
• 2014 Municipal Purpose Bond	\$458,880
	\$5,015,068

General Fund Debt Service Principal and Interest payments are projected to decrease by \$205,095 due primarily to the Refunding of 2004 Bonds in Fiscal Year 2014. Consideration of a new Bond issue in

Fiscal Year 2016 is contemplated in order to fund a variety of planned, necessary and priority capital improvement projects.

With that said, throughout the year, Town staff routinely search for cost reduction strategies and/or methodologies that will improve services without increasing costs. In other words, there is a conscious effort to look within the organization for cost control before looking “outside” for tax or fee increases to balance the budget. Some efforts and initiatives are more significant than others, however, cumulatively these incremental steps and initiatives absolutely positively affect the Town’s bottom line. For example, promotion of the Assistant Director, Recreation and Parks, to Director, provided savings and opportunity for further restructuring in the Department. In addition, elimination of the Director of Planning and Community Development position represented significant financial savings during the interim period while management further evaluates the department structure, services provided as well as system and process responsibility. Departments constantly manage operational costs, monitor expenses with oversight from the Budget Manager and work cooperatively together to effectively address the unanticipated.

Capital Improvement Project funding

Following adoption of the Operating Budget for Fiscal Year 2016, the Mayor and Council will review and update the Town’s Five-Year Capital Improvement Program (CIP). The CIP identifies a schedule of planned physical improvements over the next five years as well as specific funding sources for capital projects over the entire period.

The proposed Fiscal Year 2016 Operating Budget includes \$1,026,426 for Street Paving improvements. This figure is funded through a combination of \$400,000 in Parking Fee revenue, \$500,000 in Casino revenue and \$126,426 in State Highway User Fees. In Fiscal Years 2014 and 2015 the Town received a State Highway User Grant in the amount of \$300,000; however, the status of this grant award is uncertain for Fiscal Year 2016 and, consistent with our conservative approach in projecting revenue, the figure has not been included in the Proposed Operating Budget at this time.

Enterprise Funds

Enterprise Funds are used for services provided to the public on a user charge basis similar to the operation of a commercial business. The Town operates Transportation, the Airport, the Convention Center, the Golf Course and Water/Wastewater as enterprises.

The Transportation, Airport and Convention Center budgets continue to be supplemented by General Fund Transfers in Fiscal Year 2016.

General Fund Transfers to Enterprises

Fund	Proposed
- Transportation	\$1,211,499
- Airport	\$264,791
- Convention Center	\$1,457,683
TOTAL	\$2,933,973

Transportation

The Department of Public Works Transportation Division budget totals \$8,747,734 and includes a \$1,211,499 Transfer from the General Fund. In Fiscal Year 2015, the \$3.00 ride-all-day fare was implemented generating more than \$3 million in revenue, a 17.5% increase. Gross revenue from the Boardwalk Tram is also included in the Transportation Division budget and is projected at \$1.1 million for Fiscal Year 2016 including \$30,000 in revenue from Boardwalk Tram Advertising.

Personnel expenses total \$3,636,952 including \$513,000 in projected Unemployment Costs. Operating expenses total \$3,158,556 and are comprised primarily of \$2.2 million in vehicle fuel and fleet maintenance costs. The balance of the Transportation Division budget consists of Capital Outlay for the purchase of four (4) new transit buses and two (2) new replacement ADA vans. The Federal Transit Administration and the Maryland Transit Administration generally cover 90% of the Division's Capital costs through annual grant awards. The Town's 10% "local match" contribution is included in the Transportation Division's budget. Certain Operating costs are also covered by Federal and State grant awards totaling \$825,782 although these grant awards have not increased in ten years or since Fiscal Year 2007.

Airport

The Fiscal Year 2016 Proposed Operating Budget includes a \$264,435 General Fund Transfer to supplement Airport operations. The Airport's budget is comprised of \$316,030 in Personnel expenses, \$925,091 in Operating costs and Debt Service in the amount of \$142,995. The Airport's primary expense is purchases for resale of fuel. As a resort destination community, the Airport is an important resource and amenity for the Town of Ocean City. Airport-related activity generates business revenue as a result of the provision of air passenger service, freight service, and ground support services for commercial and general aviation activity.

Convention Center

The Convention Center budget totals \$8,172,710 and includes a \$1,457,683 General Fund Transfer. The General Fund Transfer is matched according to the Town's partnership agreement with the Maryland Stadium Authority. The Convention Center's Fiscal Year 2016 budget reflects the retirement of the tenured Director of Sales. The proposed budget eliminates the Director of Sales position and replaces the position with a second Sales Manager position. The Convention Center budget also includes one (1) new Full-time Maintenance Worker II position. The Convention Center budget includes a \$30,000 capital expense for purchase of a Genie Boom Lift for the Performing Arts Center. In addition, the Convention Center budget includes \$100,000 in funding for Town-sponsored productions/events in the new Performing Arts Center. Convention Center Debt Service for Fiscal Year 2016 totals \$3,386,810 and is paid for 100% by the Town's Food and Beverage Tax which is dedicated solely to retirement of Convention Center debt.

Golf Course

No General Fund Transfer is anticipated for the Golf Course Fund in Fiscal Year 2016 as Projected Revenues are expected to continue to cover Estimated Expenditures. However, a number of proposed expenditures were eliminated under the "status quo" directive including \$13,800 for a new Greens Roller and Trailer, \$18,000 for replacement of tables and chairs in the Clubhouse and \$12,000 in kitchen improvements at the Clubhouse.

The Golf Course budget does include funding for a new bus wrap (advertising/marketing expense) in the amount of \$8,000. The Golf Course’s golf cart Lease Agreement will expire in August 2015 and a projected increase of \$4,600 for renegotiation and renewal of the Lease Agreement is funded in the Proposed Operating Budget. In addition, the Proposed Operating Budget includes \$10,000 in funding for “Endless Golf” marketing and promotion, a golf television show that features Eagle’s Landing Golf Course.

Water/Wastewater

On Monday, April 6, 2015, the Mayor and Council will consider adopting, by Resolution, a new Water and Wastewater Comprehensive Rate Study predicated on the use of a cash flow basis to support the pricing of utility services using a planning period of five years (Fiscal Year 2016 to Fiscal Year 2020). Estimated Water System Capital Improvement Project expenditures during the planning period equate to approximately \$14.2 million while Wastewater Capital Improvement Project expenditures during the planning period are estimated at \$28.2 million.

As an Enterprise Fund, the Water and Wastewater Funds are entirely self-sufficient, funded completely by user fees and fixture charges. The new Water and Wastewater Comprehensive Rate Study implements new rates that decrease the Department of Public Works Water Division Fiscal Year 2016 Operating Budget by more than \$1 million.

Proposed Rates	Current	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020
Water Fixture	\$2.60	\$1.60	\$1.60	\$1.60	\$1.60	\$1.60
Wastewater Fixture	\$8.45	\$8.80	\$8.95	\$9.85	\$9.45	\$9.60
Fixture Rate – Combined	\$11.05	\$10.40	\$10.55	\$10.95	\$11.05	\$11.20
Water Usage per 1,000 Gallons	\$3.40	\$3.70	\$3.90	\$4.00	\$4.00	\$4.20

The Study contemplates a Bond issue in Fiscal Year 2016 to fund the construction of a new 1 million gallon water tank at 1st Street to replace the existing water tanks located at Worcester Street and 15th Street. In addition, a number of Wastewater Capital Improvement Projects totaling \$10.2 million in Fiscal Year 2016 are included in the Proposed Operating Budget. The Study also contemplates both Water and Wastewater Fund Balance contributions as part of future annual budgets to fund future “pay go” Capital Improvement Projects.

While General Fund Transfers continue to supplement specific Enterprises, overall the Town’s Enterprise Funds remain healthy and stable.

Internal Service Funds

The Town’s 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.

Information Technology

The Information Technology Fund accounts for personnel costs, hardware, software and other technology needs for all Town departments. The Fiscal Year 2016 Information Technology budget totals

\$2,013,130. Personnel expenses account for \$988,950. Operating expenses total \$1,024,180. Of this amount, Software Maintenance Agreements represent the largest component totaling \$530,945. The Information Technology Operating budget also includes funding for specific capital expenditures including \$32,540 for replacement of the Police Department's fingerprint equipment/system. In addition, \$13,000 has been budgeted for replacement of Computer Aided Dispatch (CAD) work stations in the Department of Emergency Services Communications Division. The Information Technology Fund also includes \$11,000 for the purchase of tablets for the Fire Department's Ambulance units. Other Operating expenses included in the Fiscal Year 2016 Information Technology Fund include \$34,000 for continued Town-wide use and installation of Virtual Desktop equipment, \$80,000 for the Microsoft Software Assurance (License Agreement) required for Virtual Desktop installation, \$27,600 for Network Switch replacements to insure network stability and \$28,000 for an Information Technology Risk Assessment, last performed in August 2008, to determine vulnerability of the Town's network.

More than \$200,000 in technology needs were eliminated from the original Department budget requests during IT and/or Executive Budget Review meetings. "Status quo" funding did not allow the Network Backup Appliance and Offsite Server Replication System requested by the Department of Emergency Services Emergency Management Division based on the initial cost of \$119,000 (Network Backup Appliance, one-time cost of \$55,400 plus Offsite Server Replication System estimated at \$54,000 annually). However, Engineering, IT and Emergency Management continue to work with the State of Maryland to investigate cost effective alternatives for this important Emergency Management resource.

In addition, the Network Backbone Replacement, which was identified by the Mayor and Council as a High Priority on the 2015 Strategic Planning Management Agenda, was not funded given the estimated cost of \$565,000.

Risk Management

The Risk Management Fund accounts for costs of providing workers' compensation and liability insurance coverage to other departments and to provide funds to pay claims, premiums, reserves and administrative costs of the program. The Fiscal Year 2016 Risk Management Fund reflects a \$17,500 increase in insurance policy costs. The Proposed Operating Budget includes \$15,000 for an Actuarial Study to assess the losses and outstanding liability associated with the Town's self-insured workers compensation, general liability and auto insurance policies. This assessment was last performed in Fiscal Year 2013.

Vehicle and Equipment Trust

The Proposed Operating Budget provides for \$2,374,515 in Vehicle and Equipment Trust funding. Vehicle replacements total \$1,210,300 and include, among others, one (1) new Ambulance at a cost of \$290,000 and two (2) replacement Trash Trucks at a total cost of \$430,000. An additional \$215,600 has been included to fund year one payment for a mass five-year Lease Purchase Agreement of Public Works construction equipment. In addition, \$240,027 in Contracted Services for communications related equipment and maintenance has been funded. The Proposed Operating Budget also includes \$482,082 in Intergovernmental Expenses primarily for vehicle insurance and general overhead expenses. Staff continued the use of objective evaluation criteria and quantitative analysis of a vehicle's useful life and ranking system during the Fiscal Year 2016 budget process.

Pension & OPEB Trust

These Funds are used to account for the Town’s anticipated future liability for retiree healthcare and pension costs. Annual funding is based on actuarial assumptions which are evaluated and determined annually by the Town’s Actuary for pension plans and bi-annually for retiree healthcare. The Proposed Operating Budget decreases Pension & OPEB Trust funding by \$1.6 million from the Fiscal Year 2015 Adopted Budget.

What is Not Funded?

There are a number of major projects identified in the Town’s five-year Capital Improvement Plan, as well as other important and necessary initiatives, including several Mayor and Council Strategic Planning priorities, which do not have designated funding sources identified for construction and/or implementation. Maintaining “status quo” funding levels will prove difficult given the significant funding hurdles the Town faces over the next few years as it grapples with pressure to maintain and improve levels of service to community residents, enhance and keep our visitor’s experience fresh and exciting, increase funding for much needed Capital Improvement Projects in a variety of categories as well as addressing increasing and accumulating maintenance costs.

Personnel

<u>Department</u>	<u>Description</u>	<u>Cost</u>
City Manager	FT Administrative Office Associate I	\$43,923
	City-wide Reorganization Plan: City Manager Span of Control *	TBD
	Evaluation/Organization of Planning and Zoning *	TBD
Emergency Services/Communications	FT Communications Officer I (4)	\$175,692
	FT Training/Quality Assurance Coordinator	\$57,957
Emergency Services/Emergency Management	FT Planner II	\$60,135
	PT Emergency Management Specialist	\$32,612
Fire	PT to FT: Conversion of four (4) Firefighter/EMT positions	\$101,662
Recreation	FT Recreation Supervisor	\$54,554
	PT Office Associate	\$16,775
Parks	FT Parks Worker	\$31,144
Transportation	FT Training and Compliance Manager	\$64,559
Human Resources	Implementation of Pay and Classification Study *	TBD
SUBTOTAL		\$639,013

Operating and Maintenance

<u>Department</u>	<u>Description</u>	<u>Cost</u>
Fire/Volunteers	Pro Watch System and Program (ID Card System)	\$5,000
Fire/EMS	Bariatric Stretcher and Lift	\$13,500
	Red Alert Mobile Tablet App	\$19,585

City Manager’s Budget Message – Fiscal Year 2016 Proposed Operating Budget

Page 15

Police	John Deere XUV (1)	\$18,141
	Conference Room table and chairs	\$7,200
Emergency Services/Communications	CAD System enhancement	\$21,880
Recreation	Floor Scrubber	\$6,000
	East Gym patron net	\$17,900
	Scissor Lift	\$15,000
Golf Course	Greens Roller and Trailer	\$13,800
	Clubhouse tables and chairs	\$18,000
Special Events	50’ Christmas Tree (LED)	\$66,000
	Winterfest Pavilion Structure replacement	\$75,000
Police	Manpower Allocation Study *	\$50,000
	Physical Abilities Test Evaluation	\$15,000
	Social Media Recruitment Campaign	\$10,000
	PSB Exterior Wall Treatment, Phase II	\$328,500
Fire/Volunteers	Mechanics training (1)	\$2,798
Fire/EMS	Ambulance Lease – 3 months/summer	\$4,100
Public Works/Maintenance	Weed Prevention Program	\$22,500
	Boardwalk railing replacement	\$100,000
Information Technology	Off-site Data Back-Up *	\$55,400
	Off-site Server Replication (Annual cost) *	\$54,000
Recreation	Northside Park Master Plan	\$47,000
	Wi-Fi service at Northside Park	\$42,553
	NSP: East Gym floor repair	\$80,000
	NSP: Exterior Metal/West side of building	\$88,000
	NSP: Flat Roof between East and West Gyms	\$89,000
	NSP: East Gym ceiling repair	\$70,000
	NSP: West Side roof replacement	\$610,000
	NSP: Soccer Field House roof replacement	\$12,000
	NSP: East Gym bleacher replacement	\$80,000
	NSP: East locker rooms, lobby restrooms (5 area)	\$80,000
	NSP: Parking lot repairs and improvements	\$155,000
	SUBTOTAL	\$2,292,607

Capital

<u>Fiscal Year</u>	<u>Description</u>	<u>Cost</u>
FY15 / FY16	Council Chambers Audio Visual upgrades	\$110,000
	City-wide Security Improvements	\$80,000
	Ballistic Window System in PSB lobby	\$14,233
	City-wide Phone System replacement	\$500,000
	Network Backbone Replacement *	\$565,000
	Canal Dredging *	\$750,000
	Municipal Facility – 65 th Street PW Complex	\$475,000
	94 th Street – Landscaping Strips	\$60,000
	Caine Woods Street Improvements	\$600,000
	Undergrounding of Utilities	\$5,147,000
	Street Improvements and Overlays	\$973,574

	Convention Center – Design: Phase III expansion *	\$100,000
	Netscaler Gateway	\$105,000
	800 MHz Radio System *	\$500,000
	SUBTOTAL	\$9,979,807
FY17 thru FY19	800 MHz Radio System *	9,000,000
	Canal Dredging *	\$1,100,000
	Caine Woods Street Improvements	\$1,800,000
	Street Improvements and Overlays	\$5,000,000
	Parks: Garage/Storage expansion: Design/Construction	\$290,000
	NSP: Bio-Retention Improvements	\$180,000
	Runway 02/20 Obstruction Removal (local match)	\$30,000
	Taxiway A Relocation (local match)	\$216,000
	Rehabilitate Runway 14/32 (local match)	\$27,500
	City-wide Security improvements, Phase II	\$80,000
	PSB Generator replacement	\$150,000
	PSB Chillers and Cooling Tower	\$300,000
	Airport Apron Expansion (local match)	\$85,000
	Airport Localizer Relocation (local match)	\$65,000
	SUBTOTAL	\$18,258,500
	TOTAL	\$31,169,927

* Strategic Planning Priority identified by the Mayor and Council

Note that the above referenced list does not include an estimated \$16 million in anticipated Bond funded projects including the Mid-Town Fire Station, Downtown Recreation Complex improvements, Philadelphia Avenue transit lane, Chicago Avenue bulkhead replacement or the Whiteside Facility Evaluation and Replacement. *

It goes without saying that the Town cannot possibly complete these activities and projects with “status quo” financial resources. Nor is it realistic to think that these initiatives can or will be completed in a single budget year. Alternatively, similar to the methodology used to project the Town’s Water and Wastewater revenues and expenses, predicated on the use of a cash flow basis to support the cost of providing the Mayor and Council’s desired level of service, staff could in fact prepare a comprehensive detailed financial analysis depicting the required personnel, operating and capital expenditures for a planning period defined by the Mayor and Council, i.e., 3 to 5 years, and the Real Property Tax Rate required to achieve this objective. Performing this analysis and developing this model would also satisfy one of the Mayor and Council’s 2015 Strategic Planning Policy Agenda High Priority Action Items which calls for a detailed analysis of Town services and staffing levels.

It is refreshing to witness the Mayor and Council embrace the Strategic Planning process which has clearly become institutionalized in our organization. The annual Action Items established by the Mayor and Council keep the staff laser focused on meeting the policy groups’ expectations. Identifying the Town’s core services, priority programs and activities, major projects and performing a 3 to 5 year financial analysis to project the personnel, operating, maintenance and capital financial resources including the Real Property Tax Rate and required revenue necessary to meet these objectives would

take our Strategic Planning efforts to the next level and become a model for other local government organizations to emulate.

The Town of Ocean City is fortunate to have seasoned, dedicated and professional staff that are committed to achieving results. Given the financial resources necessary to meet the Mayor and Council's objectives, I am certain of our ability to deliver further results.

Town's Financial Condition

While the need and demand for the Town's financial resources may be many, a great way to look at the big picture of the Town's current fiscal position is through the Comprehensive Annual Financial Report (CAFR) prepared by our Finance Department. More perspective can be gained by reviewing the Statement of Net Position. As of June 30, 2014, the City's total net position (our cash, investments, infrastructure, property, facilities and equipment) exceeded total liabilities by \$161,468,387, a 5.5% improvement from Fiscal Year 2015. Of this amount, approximately \$27.3 million is unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.

Governmental accounting and financial reporting rules are sensibly requiring units of government to make a clearer and more complete assessment of their overall and long-term financial positions. Reporting on a full accrual basis of accounting represents a significant change to the overall financial reporting model previously used.

It is this type of holistic balance sheet statement that brings a healthy dose of business accounting to our public setting. Ocean City's balance sheet remains strong. The talents wisely spent are not just expenditures out the door; the expenditures are investments throughout this Operating Budget.

As it is expected the Town will consider an additional Bond issue to fund a variety of capital improvement projects in Fiscal Year 2016, the Town's creditworthiness and our Rating will be re-evaluated by Fitch (AA-, quality companies), Moody's Investors Service (Aa2, high quality, very low credit risk) and Standard and Poor's which *upgraded* the Town (AA, stable) during its last rating review prior to the December 2013 Bond sale.

In spite of assessment declines, the rating companies will likely look favorably on the Town's strong financial practices, thorough budget preparation, stable tourism-based economy coupled with adequate wealth and income factors, manageable debt burden and the effectiveness of the governing process to manage performance, address problems and changing conditions.

Summary

While Ocean City's tax base appears to have stabilized, given the latest SDAT assessment, and specific economic indicators and the season outlook are favorable, there continue to be many demands for our limited financial resources. The Fiscal Year 2016 Proposed Operating Budget reflects a collective effort to address the Mayor and Council's Strategic Planning priorities and support our distinguished community's needs.

I am confident that our prudent fiscal practices and strategic budgeting approach positions us well for the new fiscal year, however, continuation of "status quo" beyond Fiscal Year 2016 will be a challenge. The issues facing the Town are numerous. However, staff is also confident that, by working together, making difficult choices and decisions, establishing priorities, and developing predictable funding

strategies, we can deliver results. We can continue to meet the Mayor and Council's goals and objectives and exceed expectations.

Our residents and visitors expect quality services and programs. The Proposed Operating Budget avoids service level reductions, includes new programs and activities and the Town will continue to provide visitors and residents with the high level of service for which the Town is known. With so many choices and competition for the tourist dollar, we recognize the importance of keeping our resort community fresh and exciting, a vacation destination and more livable community for residents alike.

Moving forward, we will continue to perform more organizational "fine-tuning" looking for creative alternatives to optimize our existing workforce and better organize and deploy our employees to meet the needs of our dynamic Town. We will continue to improve efficiencies and focus resources toward achieving the Mayor and City Council's 5-Year Strategic Planning Goals and continue to work closely with Ocean City residents, business leaders and our community partners to strategically invest in efforts to strengthen our community.

Town staff looks forward to productive discussions with the Mayor and Council in evaluating the recommendations contained in the Proposed Operating Budget with the hope that, when adopted, the budget will be a positive reflection of diverse points of view, having been given careful thought about how to best care for the community in which we live and many visit.

I would like to thank the Department Heads and staff for their participation and creative contributions to the Fiscal Year 2016 budget process. A special acknowledgement and thank you goes to Jennie Knapp, Budget Manager, who works constantly and tirelessly coordinating the budget calendar and what has become nearly an annual year long process.

The Fiscal Year 2016 Proposed Operating Budget again balances a variety of needs and wants, focuses both short and long-term, and reflects strategic planning priorities and tactical results.

Respectfully submitted this 7th day of April, 2015.

INTRODUCTORY SECTION

**TOWN OF OCEAN CITY
FY 2016
CALENDAR OF BUDGET PROCESS**

08/10/14	Convention Center FY 16 Budget due to the Maryland Stadium Authority
09/16/14	Budget Packets and calendar of Departmental budget meetings forwarded to Departments
10/17/14	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
12/08/14	Departmental Budgets updated to City Manager level
12/15/14	Risk Management budget meeting with City Manager
02/10/15	Approximate Receipt of Property Tax Revenue Forecast for FY 2016
01/09/15-02/28/15	City Manager Review Process
04/07/15	Special Work Session for presentation of City Manager Budget Proposal to Council
04/08/15-04/15/15	Review of City Manager Budget Proposal, Public Requests and Recommendations by Mayor and Council
04/16/15-04/17/15	Final FY 16 Budget Wrap-Up
05/04/15	Public Hearing on Constant Yield Tax Rate 1st Reading of the FY 2016 Budget
05/18/15	2nd Reading of the FY 2016 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.

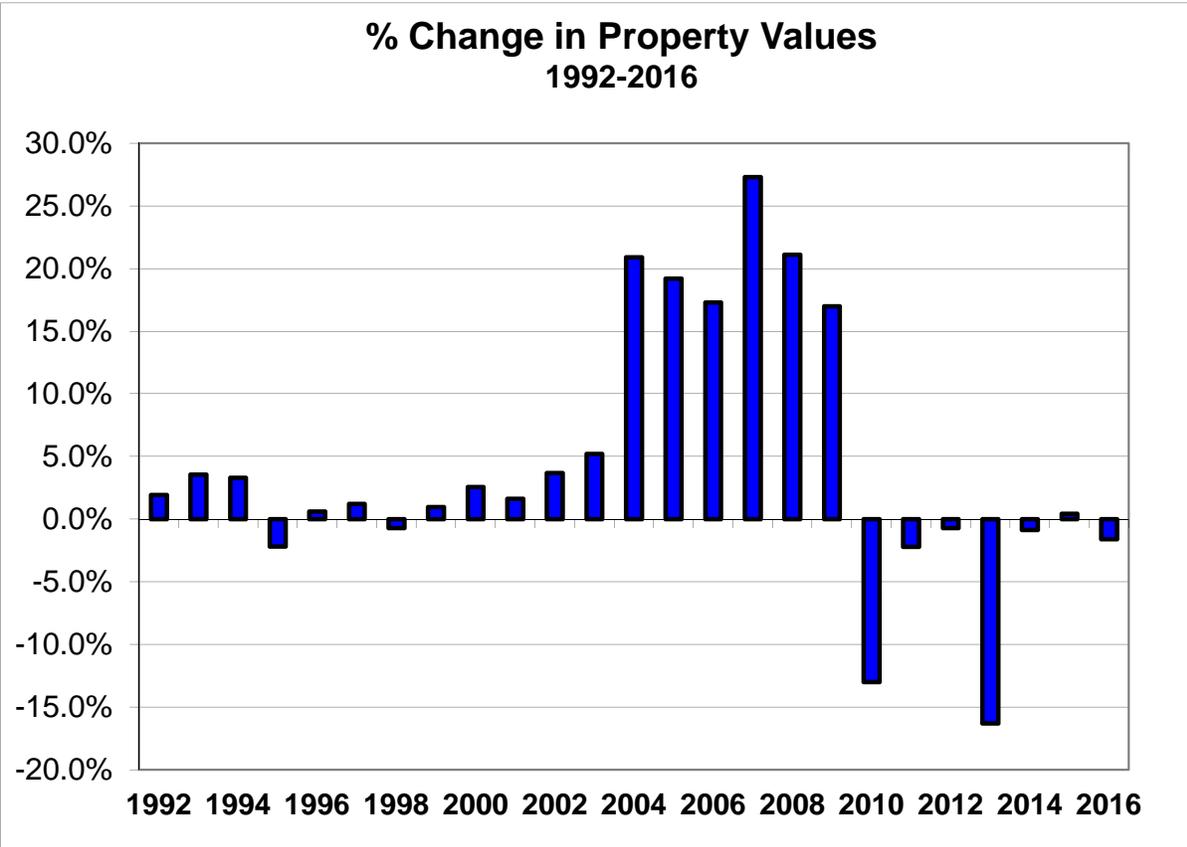
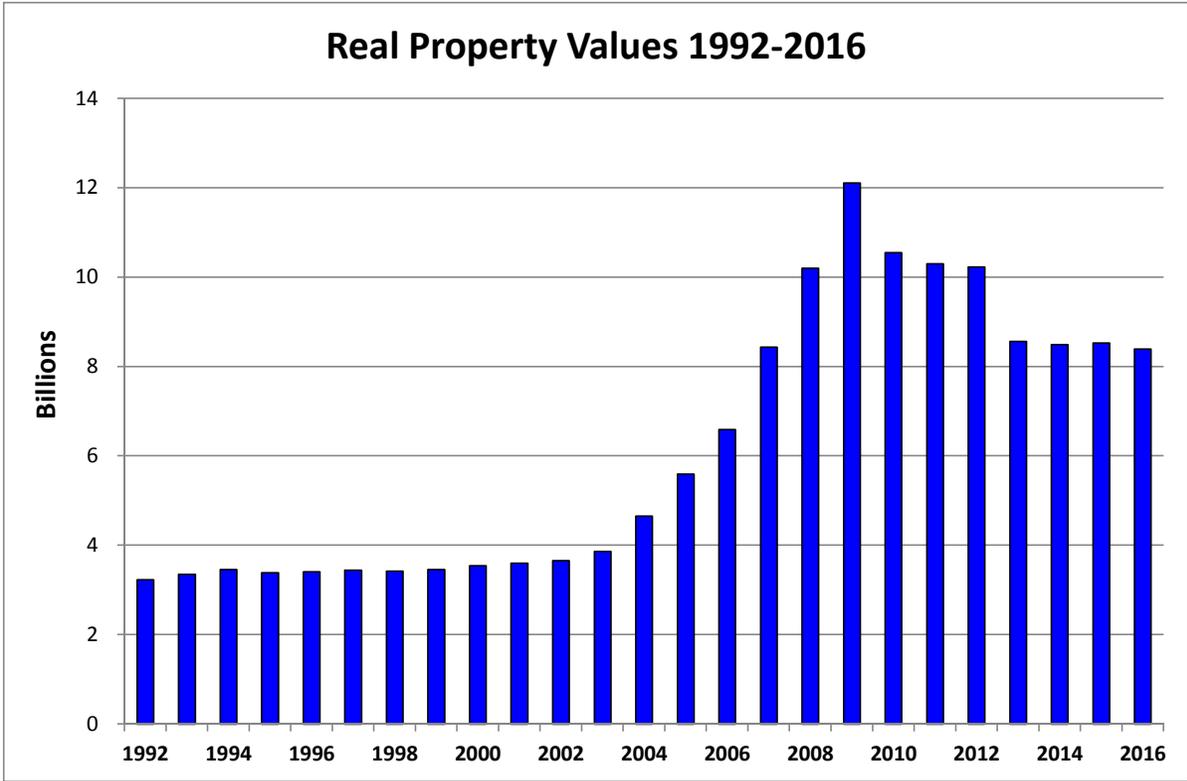


FISCAL YEAR 2014-2015 ADOPTED BUDGET

This budget document presents the annual operating budget for fiscal year 2015-2016. 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 2014, the revised budget for fiscal year 2015, and the proposed budget for fiscal year 2016. 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 \$10,000 must follow the competitive bid process as outlined in the Town of Ocean City Purchasing Manual.

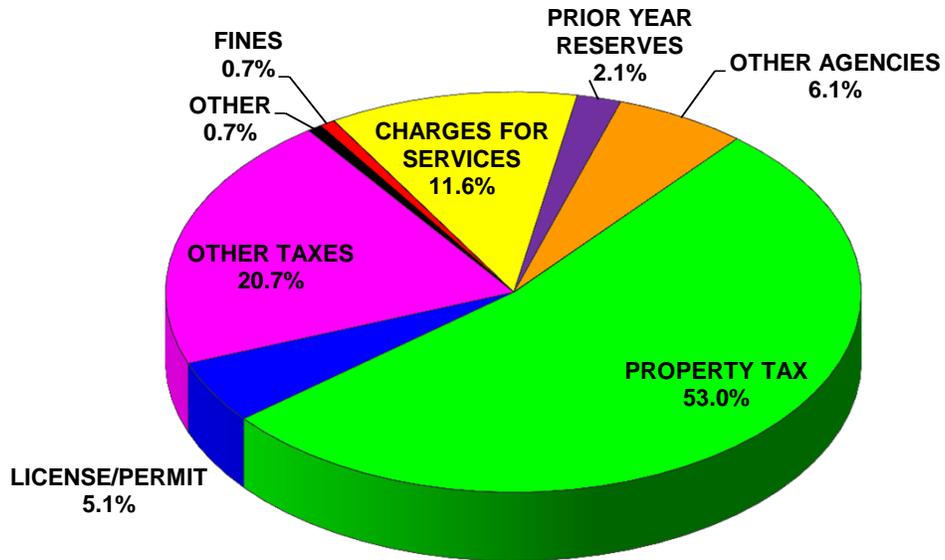
Budgetary Guidelines and Policies

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.

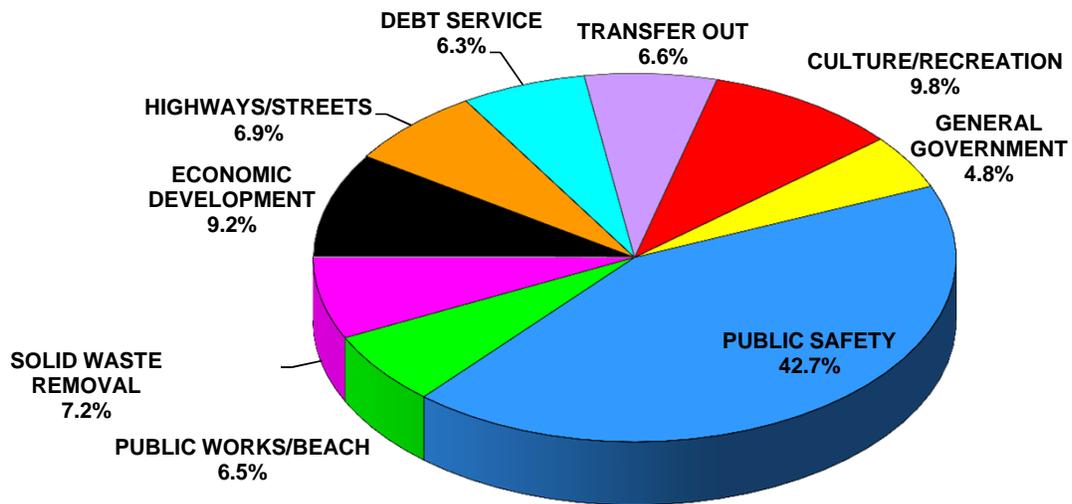
GENERAL FUND

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 16



FY 16 General Fund Expenditures



TOWN OF OCEAN CITY
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES
YEARS ENDED JUNE 30, 2014 (ACTUAL), 2015 (BUDGETED) AND 2016(ADOPTED)

	ACTUAL 2014	ADOPTED BUDGET 2015	CITY MANAGER PROPOSED 2016	COUNCIL ADOPTED 2016
REVENUES				
Property Taxes	\$ 41,973,156	\$ 41,859,670	\$ 42,006,417	42,006,417
Penalties And Interest	226,515	230,000	235,000	235,000
Other Taxes	16,473,162	16,520,600	16,538,806	16,538,806
Licenses And Permits	4,183,957	4,062,570	4,048,126	4,073,126
Revenue From Other Agencies	6,048,341	4,855,273	4,886,407	4,886,407
Charges For Current Services	9,072,361	9,497,633	9,197,378	9,223,378
Fines And Forfeitures	714,142	710,000	581,500	581,500
Other Revenue	558,694	567,759	534,350	534,350
Bond Issuance	0	0	0	0
Discounts Taken	0	0	0	0
TOTAL REVENUES	<u>79,250,328</u>	<u>78,303,505</u>	<u>78,027,984</u>	<u>78,078,984</u>
EXPENDITURES				
General Government	3,860,291	4,000,086	3,819,151	3,815,931
Public Safety	32,546,171	34,216,710	33,998,354	34,027,087
Public Works/Beach Maintenance	5,109,638	5,302,911	5,130,325	5,147,325
Sanitation And Waste Removal	5,389,174	5,616,940	5,720,131	5,760,131
Highways And Streets	5,727,860	5,402,696	5,532,152	5,532,152
Economic Development-Tourism	7,792,309	7,184,880	7,324,360	7,349,360
Culture & Recreation	7,259,523	7,697,061	7,778,044	7,778,044
Debt Service	4,469,029	5,220,163	5,015,068	5,015,068
TOTAL EXPENDITURES	<u>72,153,995</u>	<u>74,641,447</u>	<u>74,317,585</u>	<u>74,425,098</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>7,096,333</u>	<u>3,662,058</u>	<u>3,710,399</u>	<u>3,653,886</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers-Out	(3,632,928)	(3,043,166)	(2,933,973)	(3,167,487)
Transfer To Capital Construction	(2,400,000)	(1,550,720)	(1,026,426)	(2,126,426)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(6,032,928)</u>	<u>(4,593,886)</u>	<u>(3,960,399)</u>	<u>(5,293,913)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>\$ 1,063,405</u>	<u>\$ (931,828)</u>	<u>\$ (250,000)</u>	<u>(1,640,027)</u>

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.

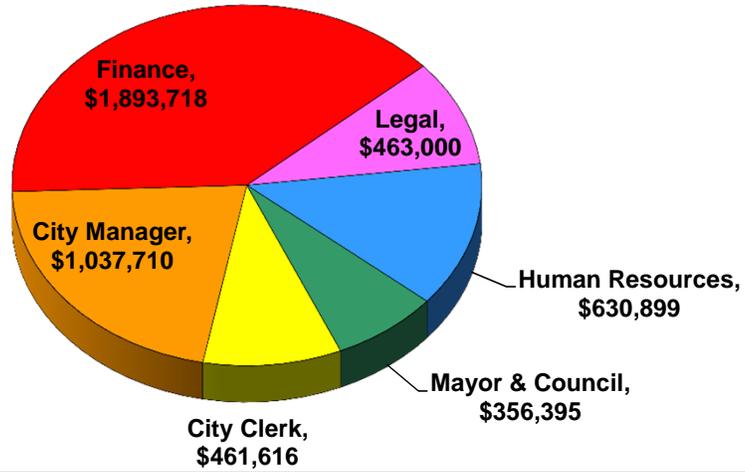
SPECIAL APPROPRIATIONS

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".

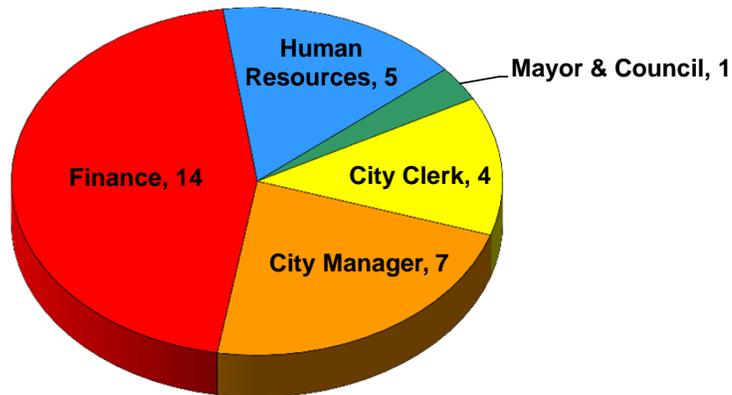
PLANNING AND COMMUNITY DEVELOPMENT

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.

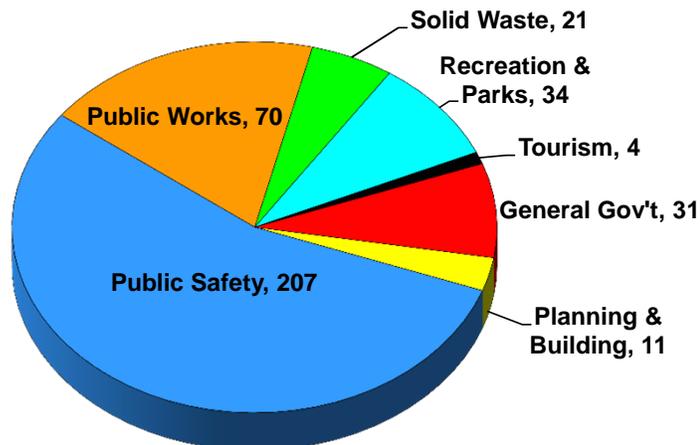
FY 16 Departmental Expenses



FY 16 General Government Full Time Personnel



FY 16 Full Time General Fund Personnel



**TOWN OF OCEAN CITY
FISCAL YEAR 2016 BUDGET**

LEGISLATIVE AND ADMINISTRATIVE DIVISIONS

BUDGET HIGHLIGHTS:

PERSONNEL CHANGES:

There are thirty-one employees in these divisions. Salary increases include a 2% cost of living adjustment beginning January 1, 2016. A full year of funding for the Human Resources Training Manager position is included. This position was funded for one-half of FY 15. Health insurance premiums are projected to increase 7.5% beginning in January 2016. Increases in health care costs are offset by reductions in required funding for retiree health and pension. Employee benefits also include an allowance for tuition reimbursement, which has been increased \$5,000 for FY 16.

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 \$428,750 of the Contracted Services line item in this division. Negotiation of the IAFF labor contract has been scheduled for FY 16, and \$125,000 in legal fees has been included. The FOP contract negotiations were included in the FY 15 budget. An allowance for other employment issues that may arise has been included at \$160,000. Hourly rates paid to the City Solicitor have been increased from \$145 to \$175 per hour, resulting in a \$53,000 Increase. The annual Town audit is funded in this line item at a cost of \$55,000, while the biannual actuarial study for retiree health has been included at \$10,000, and banking services fees are budgeted at \$48,000. EMS billing fees have been included at \$85,280 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 \$10,800. A personnel policy rewrite was funded in the Human Resources division in FY 15. Travel and Training costs in this division decrease slightly. Training included in this division are the Government Finance Officer's conference, and the National Hurricane conference for two council members, the Mayor, the City Manager, and the Communications Manager. Under Supplies and Materials, postage has been included at \$125,000, the same level as FY 15. A cross cut paper shredder has been requested for the Finance department. The Intragovernmental allocation for the Information Technology department decreases \$66,957 for these divisions. Allocations for Risk Management and Vehicle Lease remain 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 \$2,092,201 for FY 2016.

TOWN OF OCEAN CITY
FISCAL YEAR 2016 BUDGET
GENERAL FUND EXPENDITURES
LEGISLATIVE AND ADMINISTRATIVE DIVISIONS

EXPENDITURES	ACTUAL 2014	ADOPTED 2015	CITY MANAGER PROPOSED 2016	COUNCIL ADOPTED 2016
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 2,218,359	2,235,876	\$ 2,287,613	\$ 2,287,613
EMPLOYEE BENEFITS	1,127,171	1,184,626	1,153,821	1,153,821
	<u>3,345,530</u>	<u>3,420,502</u>	<u>3,441,434</u>	<u>3,441,434</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	712,720	928,416	941,567	942,847
SUPPLIES & MATERIALS	151,167	175,565	180,090	180,090
ENERGY	0	0	0	0
VEHICLE SUPPLIES & REPAIR	12,504	6,162	8,719	8,719
INTRAGOVERNMENTAL	384,532	337,205	270,248	270,248
	<u>1,260,923</u>	<u>1,447,348</u>	<u>1,400,624</u>	<u>1,401,904</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>4,606,453</u>	 \$ <u>4,867,850</u>	 \$ <u>4,842,058</u>	 \$ <u>4,843,338</u>
LESS REVENUE GENERATED BY DIVISION				
REIMBURSEMENT FROM OTHER FUNDS FOR ADMINISTRATIVE SERVICES	(1,974,147)	(2,083,951)	(2,092,201)	(2,092,201)
TOTAL TOWN CONTRIBUTION	<u>\$ 2,632,306</u>	<u>\$ 2,783,899</u>	<u>\$ 2,749,857</u>	<u>\$ 2,751,137</u>

	ACTUAL 2014	ADOPTED 2015	CITY MANAGER PROPOSED 2016	COUNCIL ADOPTED 2016
MAYOR & COUNCIL	343,294	361,165	356,395	356,395
CITY CLERK	440,409	468,184	461,616	461,616
CITY MANAGER	977,791	996,542	1,037,710	1,037,710
FINANCE	2,013,633	2,001,079	1,892,438	1,893,718
LEGAL	304,217	450,981	463,000	463,000
HUMAN RESOURCES	527,109	589,899	630,899	630,899
	<u>4,606,453</u>	<u>4,867,850</u>	<u>4,842,058</u>	<u>4,843,338</u>

**TOWN OF OCEAN CITY
FISCAL YEAR 2016 BUDGET**

ENGINEERING AND BEACH REPLENISHMENT

BUDGET HIGHLIGHTS:

PERSONNEL CHANGES:

Six full-time employees are budgeted in Engineering. A 2% cost of living adjustment beginning January 1, 2016 has been included. Health insurance is projected to increase 7.5% for the new policy year beginning in January. Projected increases in health insurance have been offset by projected reductions in required funding for retiree health and pension.

CHANGES IN OPERATIONS:

Payment to the State of Maryland for the beach maintenance fund is the largest expense in Engineering. No payment was required in FY 14, \$250,000 was included for FY 15 and \$220,000 has been included for FY 16. These payments are estimated by the Department of Natural Resources. Payments made to this fund in the past include a payment of \$429,012 in FY 12, while no payment was required in FY 13. Contracted Services include payments for consulting services for Energy procurement bids, legal fees attributable to this division and equipment lease. Consulting fees are projected to increase \$7,000 in FY 16, while Legal fees have been included at \$18,000. A lease of a plan copier/scanner has been included at \$3,856. Supplies and Materials have been budgeted at the same level as FY 15. Vehicle Supplies and Repairs are budgeted to decrease as the estimated fuel costs are expected to decrease. Allocations for IT Services, vehicle lease and insurance all decrease for this division. No capital outlay has been requested.

MAJOR 2015-2016 PROGRAM OBJECTIVES:

The City Engineer has been given 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 16 include the Boat Ramp project, canal dredging and initiating Phase III of the 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 2016 BUDGET
GENERAL FUND EXPENDITURES
ENGINEERING AND BEACH REPLENISHMENT

EXPENDITURES	ACTUAL 2014	ADOPTED 2015	CITY MANAGER PROPOSED 2016	COUNCIL ADOPTED 2016
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 504,962	\$ 516,253	\$ 513,021	\$ 513,021
EMPLOYEE BENEFITS	274,786	284,798	276,187	276,187
	<u>779,748</u>	<u>801,051</u>	<u>789,208</u>	<u>789,208</u>
OPERATING EXPENSES:				
BEACH RENOURISHMENT	0	250,000	220,000	220,000
CONTRACTED SERVICES	46,642	35,843	46,964	46,964
SUPPLIES & MATERIALS	8,360	9,917	9,917	9,917
VEHICLE SUPPLIES & REPAIR	16,011	14,015	13,286	13,286
INTRAGOVERNMENTAL	29,462	26,998	23,704	23,704
	<u>100,475</u>	<u>336,773</u>	<u>313,871</u>	<u>313,871</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>\$ 880,223</u>	<u>\$ 1,137,824</u>	<u>\$ 1,103,079</u>	<u>\$ 1,103,079</u>
LESS REVENUE GENERATED BY DIVISION				
STATE - STORMWATER MGMT	(6,304)	0	(10,000)	(10,000)
STORMWATER MGT REVIEW	(7,852)	(6,250)	(5,500)	(5,500)
	<u>(14,156)</u>	<u>(6,250)</u>	<u>(15,500)</u>	<u>(15,500)</u>
TOTAL TOWN CONTRIBUTION	<u>\$ 866,067</u>	<u>\$ 1,131,574</u>	<u>\$ 1,087,579</u>	<u>\$ 1,087,579</u>

**TOWN OF OCEAN CITY
FISCAL YEAR 2016 BUDGET**

PLANNING AND COMMUNITY DEVELOPMENT DIVISION

BUDGET HIGHLIGHTS:

REVENUE:

Building Permit Revenue, the largest revenue generator in this division, has been budgeted at \$675,000. Total revenue for this division is budgeted \$45,056 higher than the FY 15 adopted budget. The Town contribution to funding of this division was \$850,983 in FY 15, which has decreased to \$678,592 in FY 16.

PERSONNEL CHANGES:

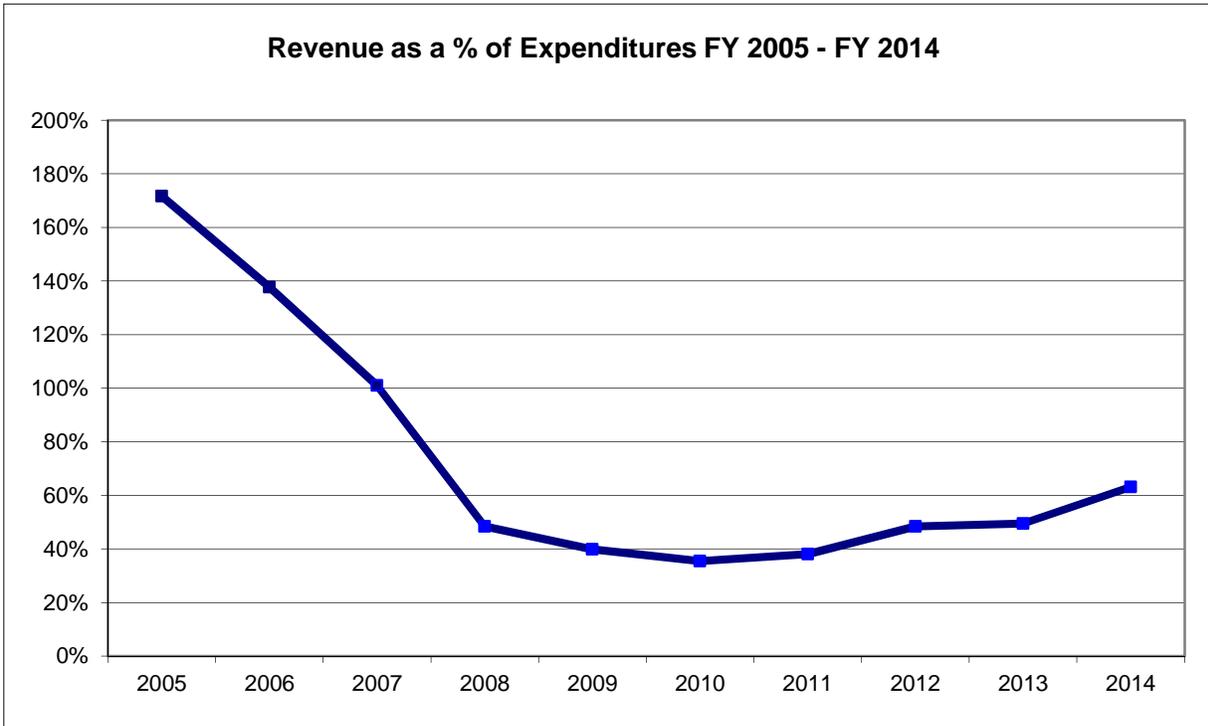
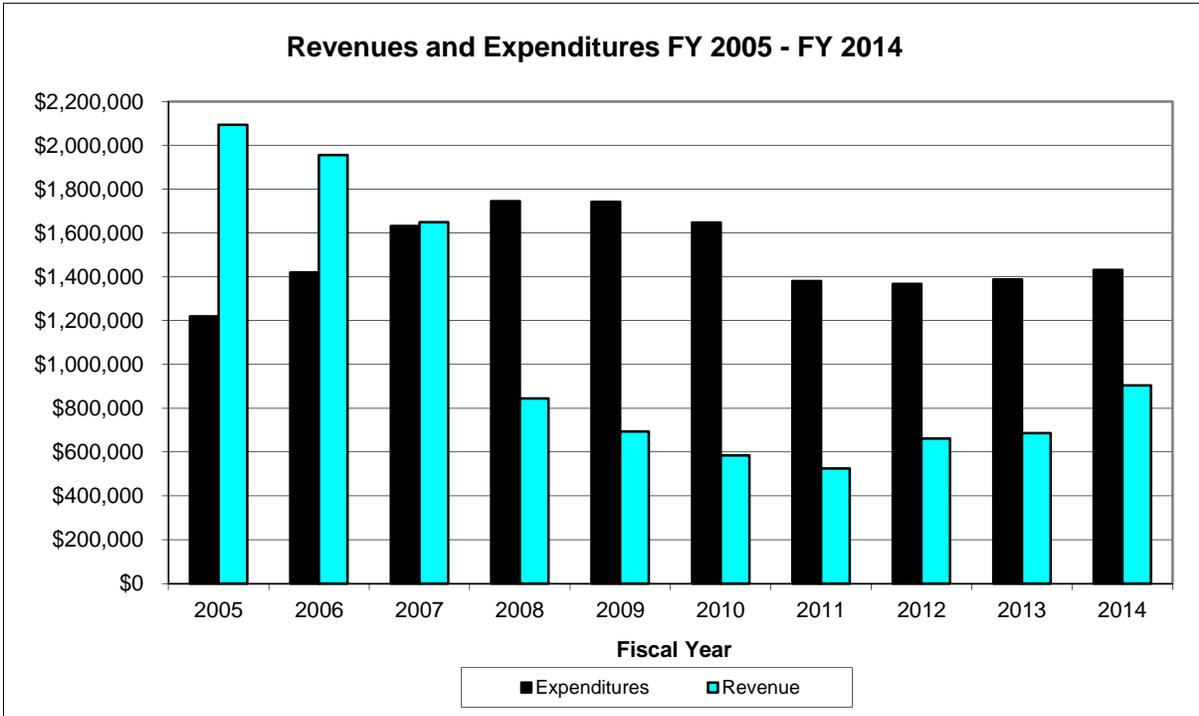
There are currently 11 employees in these two divisions. In FY 09, there were 15. The Director of Planning and Community Development position has not been funded in FY 16. A full-time Office Associate position has been included. One position is shared with Wastewater and is counted in the Wastewater department. A 2% cost of living adjustment effective January 1, 2016 has been included. Part-time positions funded in this division include a boardwalk code enforcement officer, a building inspector, and a planning intern for assistance with the comprehensive plan. Projected increases in health insurance funding have been offset by reductions in required funding for retiree health and pension.

CHANGES IN OPERATIONS:

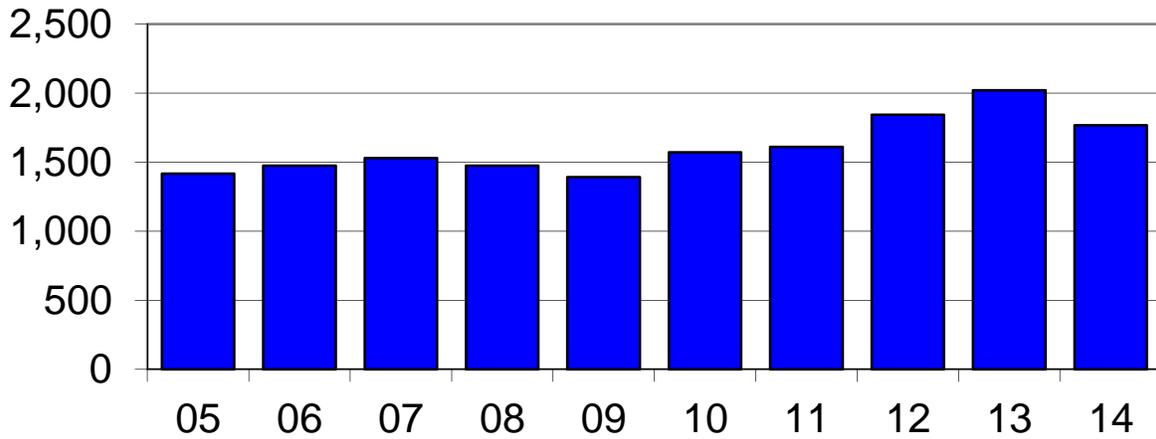
Contracted Services increase \$14,127. Legal services from the City attorney and for the boards account for \$33,600 of this line item, and are projected to increase \$6,600 for FY 16. The requested hourly rate increase for the City Solicitor accounts for \$4,600 of this increase. Credit card fees for the online permitting system, new in FY 15, are estimated at \$5,800. Training costs are budgeted at \$9,370 and include attendance at the National Planning conference in Phoenix, the American Association of Code Enforcement conference, and the National Hurricane conference. Training for the GIS Coordinator has been included as well as certification for the Zoning Analyst and the Planner positions. 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 decrease for this division. Fuel costs are budgeted at the average number of gallons used for the past two fiscal years. Intragovernmental allocations for IT Services decrease for this division.

TOWN OF OCEAN CITY
FISCAL YEAR 2016 BUDGET
GENERAL FUND EXPENDITURES
PLANNING AND COMMUNITY DEVELOPMENT DIVISION

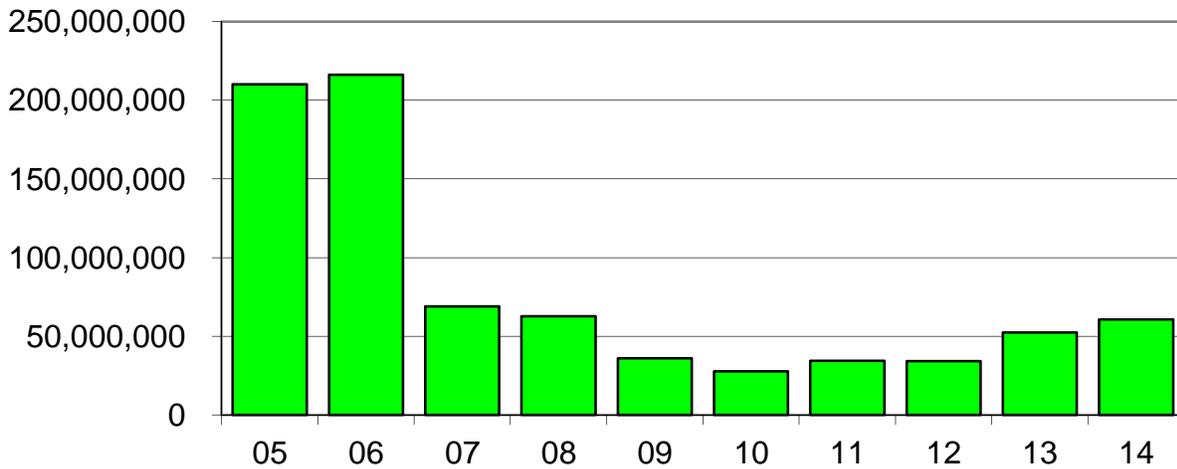
EXPENDITURES	ACTUAL 2014	ADOPTED 2015	CITY MANAGER PROPOSED 2016	COUNCIL ADOPTED 2016
PERSONNEL COSTS:				
SALARY AND WAGES	860,501	\$ 876,553	\$ 774,205	\$ 774,205
EMPLOYEE BENEFITS	442,320	448,946	424,521	424,521
	<u>1,302,821</u>	<u>1,325,499</u>	<u>1,198,726</u>	<u>1,198,726</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	47,353	49,690	63,817	63,817
CONTRIBUTION TO OCDC	200,000	200,000	200,000	200,000
SUPPLIES & MATERIALS	4,557	5,660	6,610	6,610
ENERGY	0	0	0	0
VEHICLE SUPPLIES & REPAIR	10,729	12,076	11,461	11,461
INTRAGOVERNMENTAL	66,527	108,478	93,454	93,454
	<u>329,166</u>	<u>375,904</u>	<u>375,342</u>	<u>375,342</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>\$ 1,631,987</u>	<u>\$ 1,701,403</u>	<u>\$ 1,574,068</u>	<u>\$ 1,574,068</u>
LESS REVENUE GENERATED BY DIVISION				
SITE PLAN REVIEW - STAFF	(36,997)	(25,000)	(32,000)	(32,000)
PUBLIC HEARING - PLAN & ZONING	(1,350)	(2,000)	(2,000)	(2,000)
PLAN REVIEW - PLAN & ZONING	(17,142)	(12,500)	(12,500)	(12,500)
PUBLIC HEARING - ZONING APPEALS	(22,120)	(20,000)	(18,000)	(18,000)
PUBLIC HEARING - PORT WARDENS	(21,812)	(18,000)	(22,000)	(22,000)
MINOR REVIEW - PORT WARDENS	(2,898)	(4,000)	(3,500)	(3,500)
MOBILE HOME PERMITS	(2,049)	(1,200)	(1,500)	(1,500)
BUILDING PERMITS	(772,576)	(637,000)	(650,000)	(675,000)
OUTDOOR DISPLAYS	(15,965)	(16,920)	(15,976)	(15,976)
SIGN PERMITS	(9,788)	(10,500)	(10,000)	(10,000)
O C DEVELOPMENT CORP GRANT	(100,000)	(100,000)	(100,000)	(100,000)
ADJUSTMENT & APPEALS HEARING	(1,808)	(3,300)	(3,000)	(3,000)
	<u>(1,004,505)</u>	<u>(850,420)</u>	<u>(870,476)</u>	<u>(895,476)</u>
TOTAL TOWN CONTRIBUTION	<u>\$ 627,482</u>	<u>\$ 850,983</u>	<u>\$ 703,592</u>	<u>\$ 678,592</u>



Total Permits Issued CY 05- CY 14



Valuation of Permits CY 05- CY 14



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 158 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 1,268 calls for service in 2014. 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)

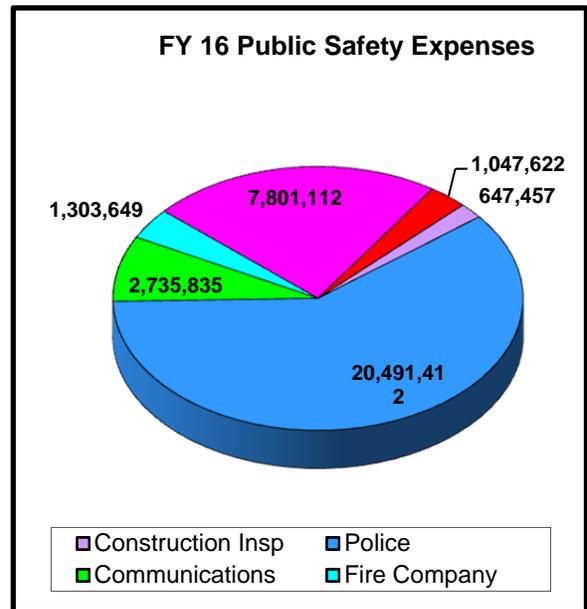
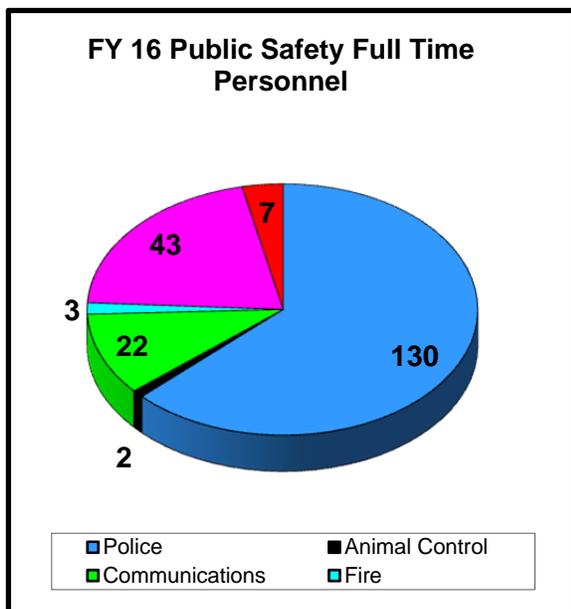
mitigation, while others participate in the Fire Department's Dive and Rescue Swimmer Teams. The OCVFC is one of the largest volunteer fire companies in the state and is noted for its professionalism and expertise.

CAREER FIRE/EMERGENCY MEDICAL SERVICES

Ocean City Fire/EMS division responds to approximately 5,600 calls for service each year-4,400 medical and 1,200 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 62 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.



TOWN OF OCEAN CITY FISCAL YEAR 2016 BUDGET

POLICE DIVISION

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

State Police Aid is anticipated to continue in FY 16 and has been included at the amount anticipated to be received in FY 15. Grants received in FY 14 totaled \$110,188 and will be added to the FY 16 budget as received. Also shown in FY 14 is the balance of a donation for the Mounted Unit. Revenue received from forfeited assets will be recognized as needed. Revenue from parking fines has been reduced based on actual amounts received in FY 15. Revenue from tow fines is projected to decrease, with a corresponding reduction 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 funded for ½ year in FY 15 has been funded for a full year in FY 16. In addition, a 2% cost of living adjustment has been funded beginning in January 2016. The number of funded full-time positions remains at 132 for FY 16. In FY 15, a reduction of \$88,985 was made in full-time salaries in the Patrol division to account for position vacancies during the year. As no known vacancies are anticipated for FY 16, this division is fully funded. Also included in full-time salaries is a reclassification of two Public Safety Aide positions to Custody Officer at a cost of \$8,728. This reclassification is effective on January 1st. In addition, funds are included for the reclassification of the Evidence Clerk Trainee position to Evidence Clerk. Part time salaries decrease \$15,356. Overtime costs are budgeted to increase \$44,000 in the Patrol division. Reduction in projected benefit costs is due to anticipated lower funding of retiree health and pension. Allocation of worker's compensation costs decrease nearly \$9,000 as well. Overall salaries and benefits decrease \$381,598 for this department.

CHANGES IN OPERATIONS:

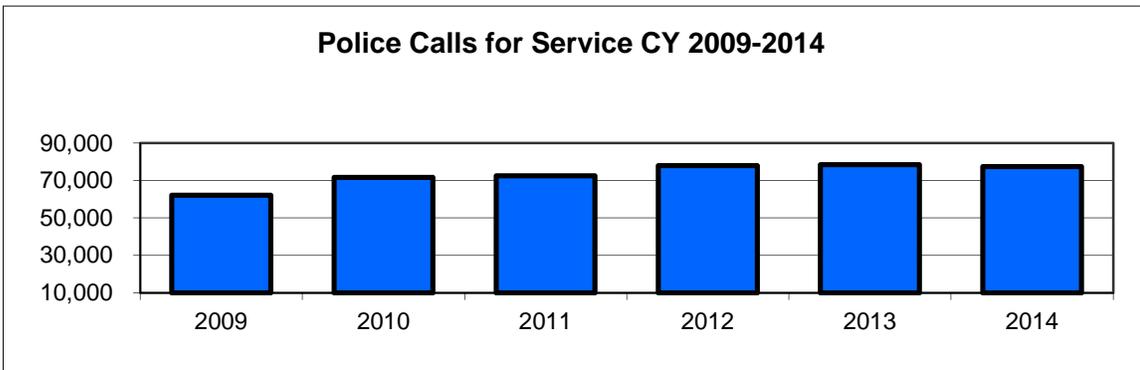
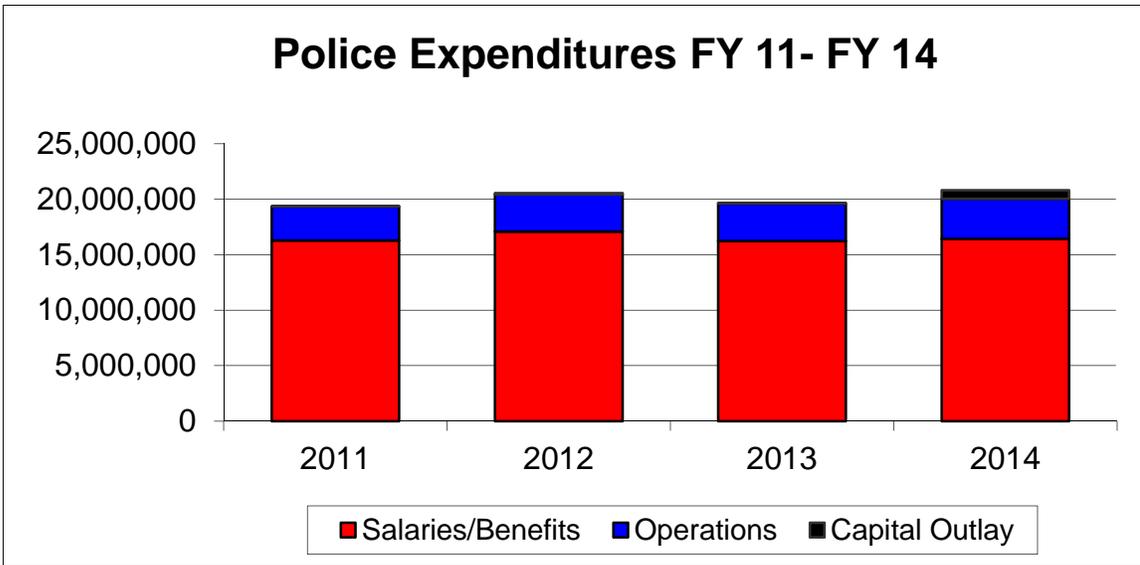
Contracted Services include \$225,000 in towing expenses and \$119,600 for telephone and radio parts expense. Training and Travel has been budgeted at \$188,053, an increase of \$2,653, and includes \$50,000 for court-related travel, \$29,138 for mandated training expenses, and \$7,000 for recruiting. Also included in this section is \$30,000 for consultants for legal and policy review and \$9,750 for psychological testing for seasonal officers. The contract with Bay Pines Farm to cover the cost of the year-round horse groom is included at a cost of \$25,160. A Social Media recruitment campaign at a cost of \$10,000 was added during Budget wrap-up. Contracted Services decrease \$9,882 overall. A manpower allocation study, and a physical abilities test evaluation were requested but not funded. Funding for general building and equipment maintenance increases to include a ballistic window system in the front lobby. FY 14 included an automatic transfer switch replacement at \$16,192 and replacement of the detention area door access control system. Supplies and Materials include all operational supplies and uniform costs. The light bars, sirens and striping for two marked and two unmarked Police vehicles have been included in this line item at a cost of \$13,600. Ammunition purchases are also included in this line item at a cost of \$45,500. Replacement uniforms and items included in the Fraternal Order of Police contract are included in this line item at a cost of \$193,790. A replacement conference room table and chairs and a John Deere XUV were requested but not funded. Postage expense decreases \$10,000, contributing to the overall reduction in this section of \$46,895. Energy costs are expected to remain the same in FY 16 and are based on the actual expense for the past twelve months. Vehicle fuel costs are expected to decrease in FY 16, 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 increases \$45,115. Vehicle lease payments to the Vehicle Trust Fund increase \$2,767 in FY 16. Property and General Liability insurance allocations decrease \$3,325 for this division. Capital outlay in FY 14 included the roof replacement at the Public Safety Building at a cost of \$738,637 and items purchased with Homeland Security grants at a cost of \$22,285. Maintenance on the exterior walls of the Public Safety Building has been included in FY 16. The total cost of the project is \$578,500, of which \$250,000 has been funded in FY 16. Four Chevy Tahoes were approved in Vehicle Trust.

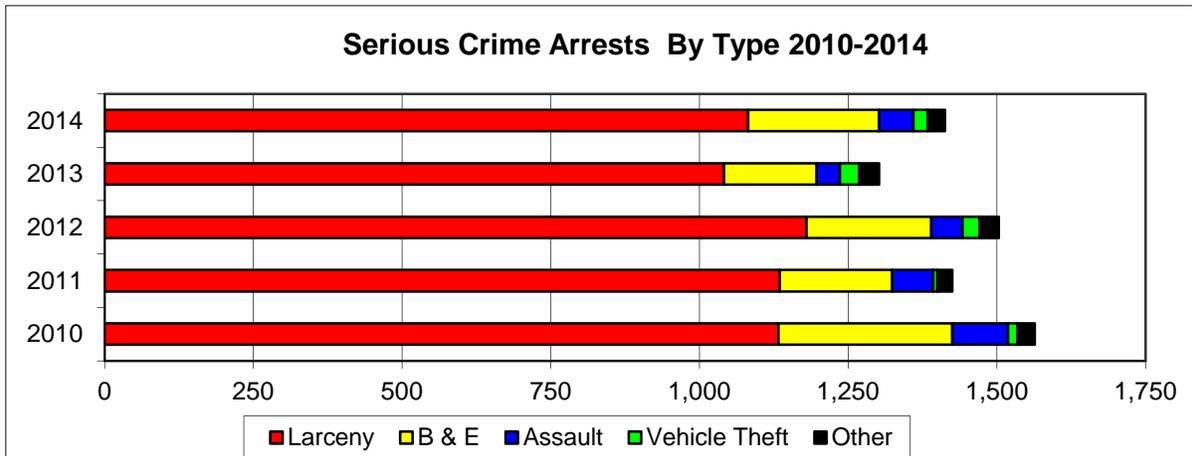
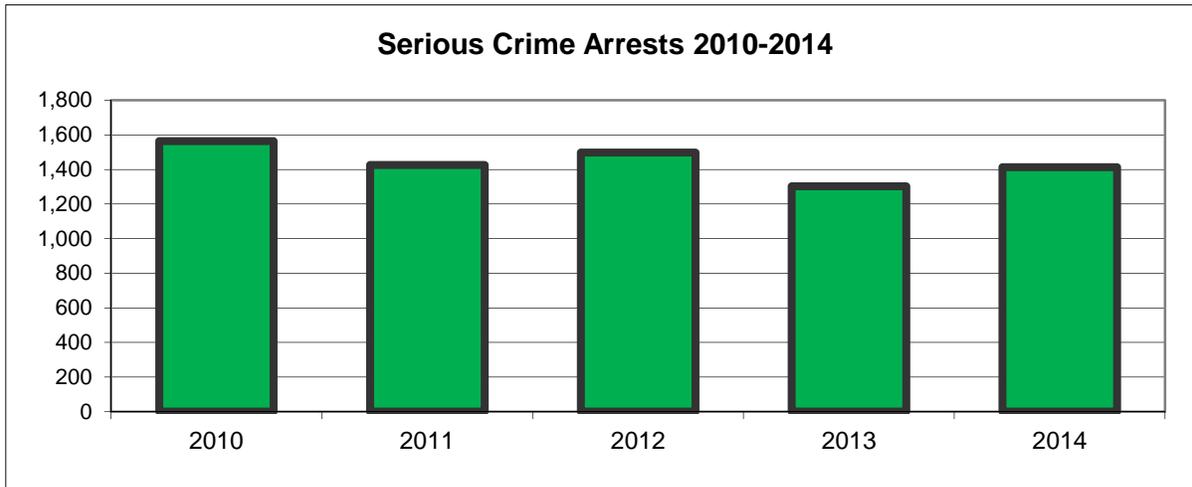
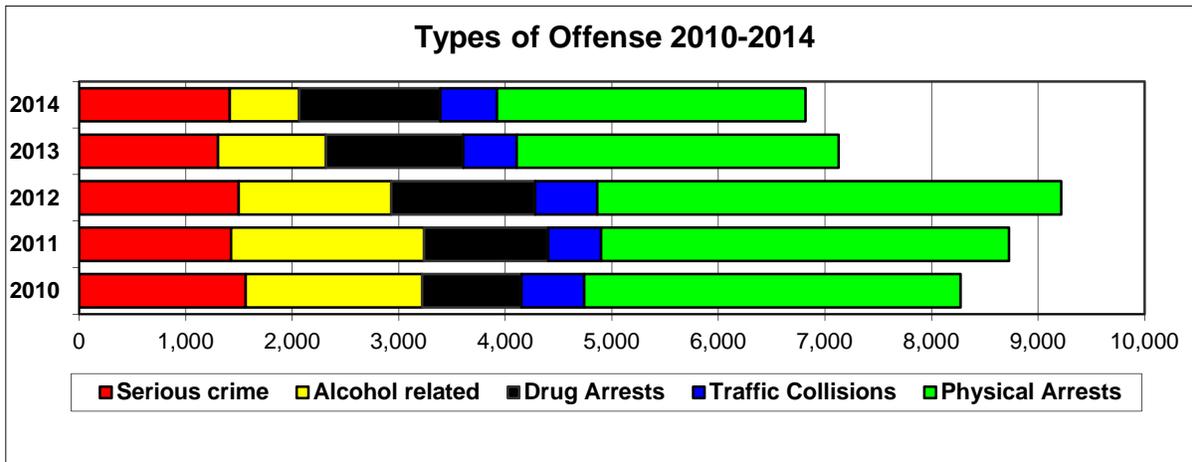
TOWN OF OCEAN CITY
FISCAL YEAR 2016 BUDGET
GENERAL FUND EXPENDITURES
POLICE DIVISION

EXPENDITURES	ACTUAL 2014	ADOPTED 2015	CITY MANAGER PROPOSED 2016	COUNCIL ADOPTED 2016
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 10,539,618	\$ 10,728,026	\$ 11,076,523	\$ 11,076,523
EMPLOYEE BENEFITS	5,885,258	6,341,423	5,611,328	5,611,328
	<u>16,424,876</u>	<u>17,069,449</u>	<u>16,687,851</u>	<u>16,687,851</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	940,697	922,580	898,198	912,698
MAINTENANCE	217,763	181,914	181,568	195,801
SUPPLIES & MATERIALS	600,738	604,337	557,442	557,442
ENERGY	210,651	227,800	227,800	227,800
VEHICLE SUPPLIES & REPAIR	802,342	715,882	704,588	704,588
INTRAGOVERNMENTAL	850,413	910,675	955,232	955,232
	<u>3,622,604</u>	<u>3,563,188</u>	<u>3,524,828</u>	<u>3,553,561</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	0	0	0	0
TRANSFER OUT	0	0	0	0
CAPITAL OUTLAY	760,922	0	250,000	250,000
	<u>760,922</u>	<u>0</u>	<u>250,000</u>	<u>250,000</u>
TOTAL EXPENDITURES	\$ <u>20,808,402</u>	\$ <u>20,632,637</u>	\$ <u>20,462,679</u>	\$ <u>20,491,412</u>
LESS REVENUE GENERATED BY DIVISION				
ANIMAL LICENSES	(908)	(950)	(900)	(900)
NOISE PERMITS	(202,163)	(210,000)	(206,000)	(206,000)
PARKING FINES	(274,969)	(280,000)	(200,000)	(200,000)
STATE-POLICE AID	(388,117)	(397,169)	(390,000)	(390,000)
STATE - TRAFFIC GRANTS	(36,231)	0	0	0
STATE - OTHER GRANTS	(25,836)	0	0	0
FEDERAL- EMG MGT GRANT	(22,285)	0	0	0
FEDERAL- OTHER GRANTS	(25,836)	(25,000)	(20,000)	(20,000)
FINGERPRINTING	(2,075)	(2,000)	(2,000)	(2,000)
DONATIONS	(13,441)	0	0	0
POLICE TOW FINES	(224,027)	(260,000)	(225,000)	(225,000)
PRIVATE TOW FINES	(98,590)	(95,000)	(85,000)	(85,000)
FALSE ALARMS	(2,389)	(2,500)	(1,750)	(1,750)
MUNICIPAL INFRACTIONS	(22,860)	(30,000)	(28,000)	(28,000)
BUILDING RENTAL	(150,893)	(160,044)	(115,752)	(115,752)
IMPOUNDED VEHICLES/FUNDS	(88,919)	(40,000)	(40,000)	(40,000)
	<u>(1,579,539)</u>	<u>(1,502,663)</u>	<u>(1,314,402)</u>	<u>(1,314,402)</u>
TOTAL TOWN CONTRIBUTION	\$ <u>19,228,864</u>	\$ <u>19,129,974</u>	\$ <u>19,148,277</u>	\$ <u>19,177,010</u>

OCEAN CITY POLICE DEPARTMENT
 FULL-TIME SWORN PERSONNEL ALLOCATIONS
 2014, 2015, BUDGET 2016

	FY-2014	FY-2015	FY-2016
Chief	1	1	1
Captain	3	3	3
Lieutenant	9	9	9
Sergeant	12	13	13
Corporal	18	17	17
PFC	36	33	40
Officer	26	29	22
	<u>105</u>	<u>105</u>	<u>105</u>





**TOWN OF OCEAN CITY
FISCAL YEAR 2016 BUDGET**

COMMUNICATIONS, ELECTRONICS, EMERGENCY MANAGEMENT

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

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 14 will be added to the FY 16 budget if received. The estimate for antenna rents for the Ocean Pines tower decreases slightly.

PERSONNEL CHANGES:

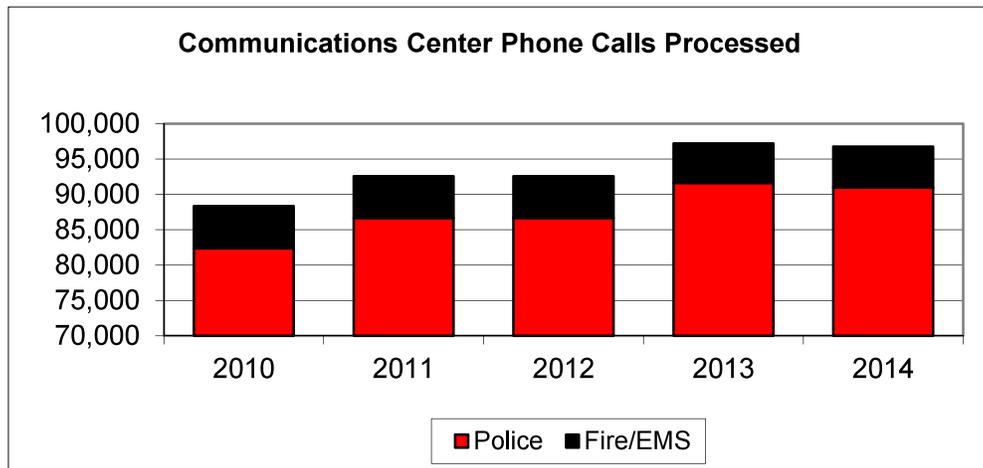
Twenty-two positions are funded in this division. One additional Communications operator position was funded in FY 15. Four additional Communications operator positions and a Training Coordinator position were requested in FY 16, but have not been funded. To address the ongoing training needs of the department, one Communications Operator II position will be promoted to an Operator III position. Also requested, but not funded were an Emergency Planner position and a part-time Emergency Management Specialist position. Salary increases reflect a full year's funding of the step increase given in January 2015 and funding for a 2% cost of living adjustment effective in January 2016. Two additional seasonal dispatch positions have been included to handle the Beach Patrol's dispatching needs. Three seasonal Dispatcher positions were added in FY 15 to staff the "City Watch" surveillance program. Increases in health insurance are offset by reductions in funding for retiree health, pension and unemployment.

CHANGES IN OPERATIONS:

Contracted Services include equipment maintenance, training costs, printing and other services. Training covered by grants in FY 14 has not been included in FY 16. Training has increased \$2,000 and includes OSSI training for two Communications operators, 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 decrease because the maintenance contract on the telephone and radio recorder was not funded in FY 16. 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. Satellite modem and router replacement was budgeted in FY 14 at a cost of \$6,250. A mobile satellite phone for the Emergency Management division was funded in FY 15 at a cost of \$2,600. Vehicle equipment for the two vehicles purchased in FY 15 was included in the FY 15 budget. Energy costs increase and are based on the actual expense for the past twelve months. 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 increase and include \$62,530 for the Comcast connection for the boardwalk surveillance project. Replacement of eleven CAD workstations has been included in the IT budget, and are reflected in the increase in IT allocation. Allocation for vehicle lease also increases for this division, as two replacement vehicles were purchased in FY 15. Capital outlay funded in the FY 16 budget includes a replacement telephone and radio recorder at \$75,000 and a replacement city alarm system at \$20,000.

TOWN OF OCEAN CITY
FISCAL YEAR 2016 BUDGET
GENERAL FUND EXPENDITURES
COMMUNICATIONS, ELECTRONICS, EMERGENCY MANAGEMENT

EXPENDITURES	ACTUAL 2014	ADOPTED 2015	CITY MANAGER PROPOSED 2016	COUNCIL ADOPTED 2016
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 1,346,195	\$ 1,415,777	\$ 1,484,056	\$ 1,484,056
EMPLOYEE BENEFITS	753,030	811,586	721,637	721,637
	<u>2,099,225</u>	<u>2,227,363</u>	<u>2,205,693</u>	<u>2,205,693</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	98,371	85,516	92,740	92,740
MAINTENANCE	32,738	30,626	21,885	21,885
SUPPLIES & MATERIALS	42,620	46,856	38,412	38,412
ENERGY	40,852	40,808	41,848	41,848
VEHICLE SUPPLIES & REPAIR	25,538	34,359	23,215	23,215
INTRAGOVERNMENTAL	108,463	192,268	217,042	217,042
	<u>348,582</u>	<u>430,433</u>	<u>435,142</u>	<u>435,142</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	0	0	0	0
TRANSFER OUT	0	0	0	0
CAPITAL OUTLAY	70,255	0	95,000	95,000
	<u>70,255</u>	<u>0</u>	<u>95,000</u>	<u>95,000</u>
TOTAL EXPENDITURES	\$ <u>2,518,062</u>	\$ <u>2,657,796</u>	\$ <u>2,735,835</u>	\$ <u>2,735,835</u>
LESS REVENUE GENERATED BY DIVISION				
STATE EMERGENCY MGT. GRANT	(109,768)	(114,500)	(117,000)	(117,000)
OTHER GRANTS	(70,255)	0	0	0
ANTENNA RENTS	(54,624)	(58,000)	(50,000)	(50,000)
	<u>(164,392)</u>	<u>(172,500)</u>	<u>(167,000)</u>	<u>(167,000)</u>
TOTAL TOWN CONTRIBUTION	\$ <u>2,353,670</u>	\$ <u>2,485,296</u>	\$ <u>2,568,835</u>	\$ <u>2,568,835</u>



**TOWN OF OCEAN CITY
FISCAL YEAR 2016 BUDGET**

VOLUNTEER FIRE DIVISION

BUDGET HIGHLIGHTS:

PERSONNEL CHANGES:

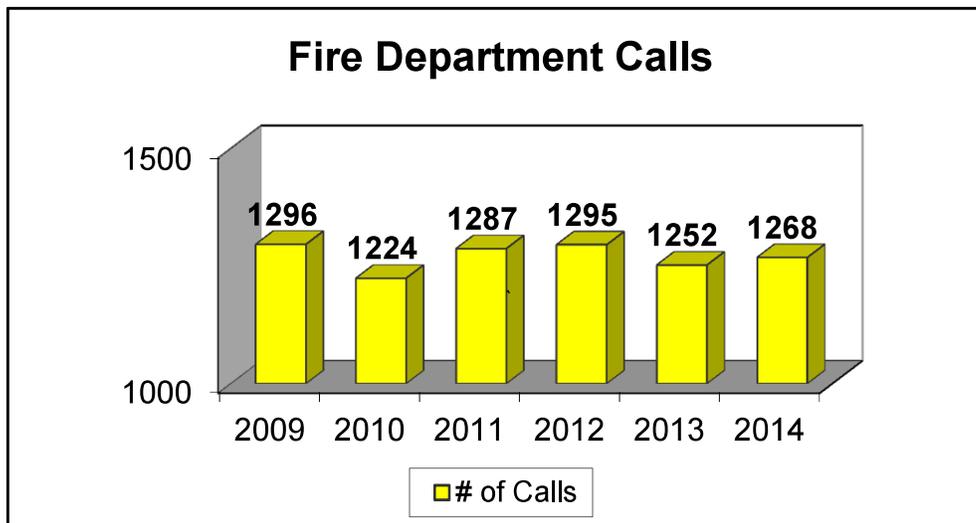
There are three full-time positions in this division, two firefighter/mechanics and one clerical position. Salary changes include the step increase given in FY 15 and a 2% cost of living adjustment effective January 1, 2016. A \$2,000 increase in overtime has also been included. Reductions are due to the vacancy of a firefighter/mechanic position that has been funded at midpoint. Health insurance costs are projected to increase 7.5% in the new plan year, but retiree health and pension costs have been funded at lower levels than in the FY 15 adopted budget.

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 \$4,608 from the FY 15 adopted budget and includes two training sessions for the Firefighter/mechanic positions. A third training session was requested, but was not funded. Communications expense increases \$5,370 to cover increased Verizon service costs for the four stations. Replacement pagers and Verizon wireless cards are also funded in this line item. The Fire Company insurance policies are budgeted at \$64,730, the same level as FY 15. Physicals for volunteer firemen have been budgeted at a cost of \$30,000, a reduction of \$4,202. 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 and repairs recommended by the Public Works Facilities Manager have been included at \$11,000. In addition, the HVAC maintenance contract for Station 4 has been funded. This cost was not included while the facility was under construction. Operational supplies include items such as replacement hose, nozzles, and air bottles. Fire fighter turnout gear has been included at a cost of \$38,000. A Pro Watch system to print city ID cards was requested, but not funded. Replacement of the Self-Contained breathing apparatus was included at \$583,325 in FY 14. Energy costs are projected to increase and include station 4, which was under construction for the past few budget years. 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 an allowance of \$3,410 for parts for the fire boat. Routine items such as tires, brake drums and valves for the other fire apparatus make up most of this cost. The Risk Management allocation for property insurance increases for this division in order to cover the increased value of station 4. Capital outlay reflects the Town's contribution to the fire equipment fund of \$173,910.

TOWN OF OCEAN CITY
FISCAL YEAR 2016 BUDGET
GENERAL FUND EXPENDITURES
VOLUNTEER FIRE DIVISION

EXPENDITURES	ACTUAL 2014	ADOPTED 2015	CITY MANAGER PROPOSED 2016	COUNCIL ADOPTED 2016
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 173,747	\$ 177,782	\$ 166,540	\$ 166,540
EMPLOYEE BENEFITS	153,289	164,731	147,481	147,481
	<u>327,036</u>	<u>342,513</u>	<u>314,021</u>	<u>314,021</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	174,085	177,256	215,070	215,070
MAINTENANCE	55,501	51,527	68,930	68,930
SUPPLIES & MATERIALS	759,922	164,314	162,074	162,074
ENERGY	52,459	60,500	72,000	72,000
VEHICLE SUPPLIES & REPAIR	225,148	215,704	221,022	221,022
INTRAGOVERNMENTAL	67,346	71,996	76,622	76,622
	<u>1,334,461</u>	<u>741,297</u>	<u>815,718</u>	<u>815,718</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	0	0	0	0
TRANSFER OUT	0	0	0	0
CAPITAL OUTLAY	181,710	173,910	173,910	173,910
	<u>181,710</u>	<u>173,910</u>	<u>173,910</u>	<u>173,910</u>
TOTAL EXPENDITURES	<u>\$ 1,843,207</u>	<u>\$ 1,257,720</u>	<u>\$ 1,303,649</u>	<u>\$ 1,303,649</u>
LESS REVENUE GENERATED BY DIVISION				
EMERGENCY MGT GRANTS	(602,624)	0	0	0
FALSE ALARM FINES	(2,389)	(2,500)	(1,750)	(1,750)
	<u>(605,013)</u>	<u>(2,500)</u>	<u>(1,750)</u>	<u>(1,750)</u>
TOTAL TOWN CONTRIBUTION	<u>\$ 1,238,195</u>	<u>\$ 1,255,220</u>	<u>\$ 1,301,899</u>	<u>\$ 1,301,899</u>



**TOWN OF OCEAN CITY
FISCAL YEAR 2016 BUDGET**

CAREER FIRE/EMS DIVISION

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

A new 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 will be increased from \$425 to \$450, generating \$16,000 in additional revenue. 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 16 has been set at the projected amount for FY 15, plus the additional anticipated revenue from the increase in Basic Life Support fees. 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 \$1,216,563.

PERSONNEL CHANGES:

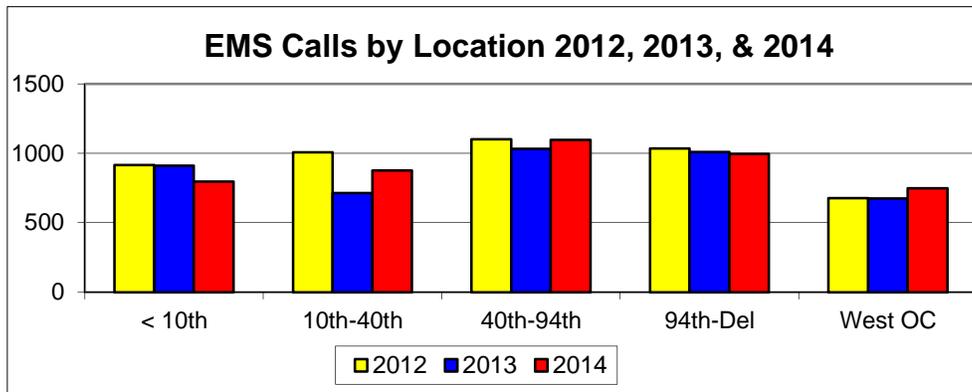
The FY 16 budget includes forty-three full-time positions. Positions included are: a Fire Chief, a Deputy Chief, an Assistant Chief, five Captains, eight Lieutenants, and twenty-seven Firefighter/EMTs. Conversion of four part-time positions to full-time were requested but not funded. The FY 16 budget includes one step increase effective July 1, 2015 as negotiated in the last IAFF contract and a 2% cost of living adjustment effective January 1, 2016. Retirement of senior staff offsets the cost of the wage increments. Benefit cost reductions are due to projected reductions in retiree health and pension.

CHANGES IN OPERATIONS:

Contracted Services includes \$40,000 for required physicals for all Fire/EMS personnel, a reduction of \$6,901. 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 \$15,445. Funding has been approved by the Paramedic Foundation for an additional \$3,200 in training. Gas meter training has been included at \$1,300. A lease purchase of eleven heart monitoring systems has been funded at \$62,436, with the Paramedic Foundation contributing \$6,244. Building and equipment maintenance costs remain level for FY 16. Dive Team equipment maintenance is included at \$9,620 as is the maintenance contract on the defibrillators, \$14,355 and maintenance on other EMS equipment. Supplies and Materials include medical and training supplies and uniform costs. This category is budgeted to increase \$91,298. Replacement of the City's Automated External Defibrillators (AEDs) accounts for \$85,000 of this increase. This is the first year of a two year replacement plan. Mounting brackets for the heart monitors has been included in this line item at a cost of \$6,000. Textbooks for EMS training will be funded by the Paramedic Foundation in FY 16. Water Rescue Team supplies are included at a cost of \$21,031. A bariatric stretcher and power load system were requested, but not funded. Uniform costs have been increased \$1,825 from FY 15. Energy costs are anticipated to increase. Vehicle fuel and parts costs are expected to decrease in FY 16. Intragovernmental allocations for IT Services increase in FY 16. IT equipment budgeted in FY 16 include tablets to be used in the medic units, a Red Alert preplan module and a replacement Toughbook. The Paramedic foundation will be contributing to the purchase of the tablets. 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 2016 BUDGET
GENERAL FUND EXPENDITURES
CAREER FIRE/EMS DIVISION

EXPENDITURES	ACTUAL 2014	ADOPTED 2015	CITY MANAGER PROPOSED 2016	COUNCIL ADOPTED 2016
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 4,583,176	\$ 4,638,426	\$ 4,615,734	\$ 4,615,734
EMPLOYEE BENEFITS	2,300,762	2,413,293	2,134,694	2,134,694
	<u>6,883,938</u>	<u>7,051,719</u>	<u>6,750,428</u>	<u>6,750,428</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	96,928	107,302	154,213	154,213
MAINTENANCE	44,526	47,721	49,125	49,125
SUPPLIES & MATERIALS	246,035	237,891	329,189	329,189
ENERGY	19,500	23,540	26,800	26,800
VEHICLE SUPPLIES & REPAIR	248,258	215,654	209,961	209,961
INTRAGOVERNMENTAL	225,301	276,789	281,396	281,396
	<u>880,548</u>	<u>908,897</u>	<u>1,050,684</u>	<u>1,050,684</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	0	0	0	0
TRANSFER OUT	0	0	0	0
CAPITAL OUTLAY	0	6,000	0	0
	<u>0</u>	<u>6,000</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	\$ <u>7,764,486</u>	\$ <u>7,966,616</u>	\$ <u>7,801,112</u>	\$ <u>7,801,112</u>
LESS REVENUE GENERATED BY DIVISION				
AMBULANCE SERVICE FEES	(960,856)	(1,250,000)	(1,050,000)	(1,066,000)
COUNTY OPERATING GRANT	(1,196,833)	(1,178,041)	(1,216,563)	(1,216,563)
	<u>(2,157,689)</u>	<u>(2,428,041)</u>	<u>(2,266,563)</u>	<u>(2,282,563)</u>
TOTAL TOWN CONTRIBUTION	\$ <u>5,606,797</u>	\$ <u>5,538,575</u>	\$ <u>5,534,549</u>	\$ <u>5,518,549</u>



**TOWN OF OCEAN CITY
FISCAL YEAR 2016 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 \$158,000, which reflects a \$6,000 increase. In FY 14, funds received from Homeland Securities grants were included, and will be added to the budget as received.

PERSONNEL CHANGES:

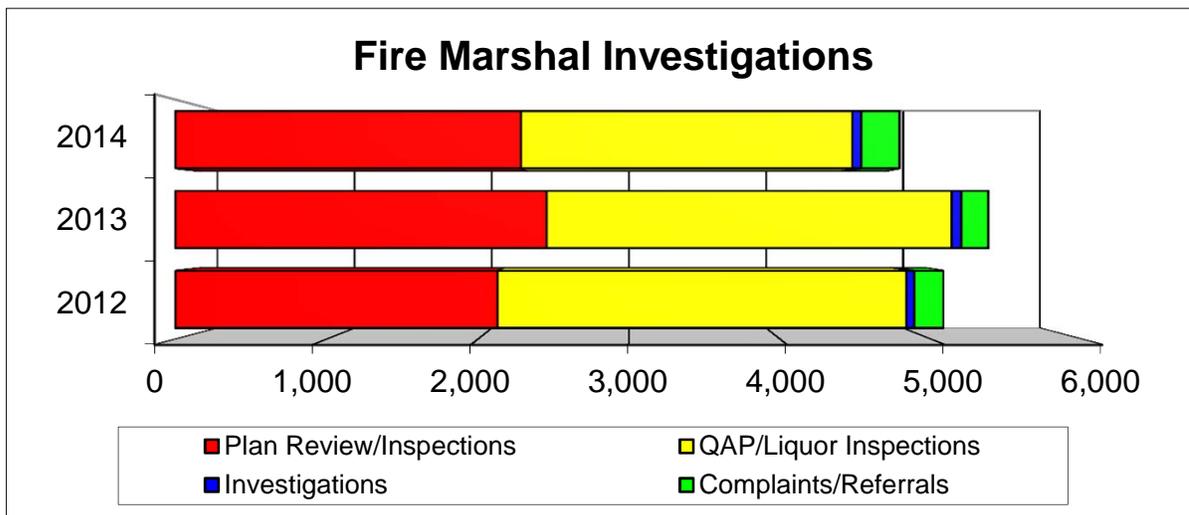
Seven full-time employees are included in this division. Two positions have been eliminated since 2009. As members of the IAFF bargaining unit, employees are scheduled to receive a step increase on July 1, 2015 and a 2% cost of living adjustment on January 1, 2016. As in most divisions, lower projected funding for retiree health and pension is responsible for the reduction in the Employee Benefits category.

CHANGES IN OPERATIONS:

Beginning in FY 15, equipment maintenance no longer includes the maintenance contract on the bomb robot. As the cost of the contract was scheduled to increase from \$7,900 to \$12,800, maintenance has been completed in-house. An allowance for repair parts has been included in Operational Supplies. Also included in equipment maintenance is the contract for the Hazardous materials ID maintenance at a cost of \$5,500. Comprehensive physicals, communications expense, and training are examples of costs included in Contracted Services. Training has been budgeted at \$6,089 and includes hazardous materials training, monthly bomb training and attendance for one employee at the International Association of Bomb Technicians conference. Operational Supplies decrease, and include \$4,500 for repair parts for the bomb robot. Uniform costs are funded \$500 lower than the FY 15 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 14, resulting in higher expenses that year. Vehicle fuel has been budgeted at the average number of gallons used over the past three years, and is expected to decrease \$2,680. Vehicle maintenance includes a light package and truck cap for the replacement vehicle approved in the Vehicle Trust Fund. Intragovernmental expenses in FY 16 reflect an increase in the allocation for vehicle lease and a reduction in the allocation for IT services. No capital outlay has been included for this division. Purchases made with Homeland Securities grants were included in FY 14. Any items covered in future grants will be added as the grants are received. A pickup truck replacing a current Suburban has been proposed in the Vehicle Trust Fund.

TOWN OF OCEAN CITY
FISCAL YEAR 2016 BUDGET
GENERAL FUND EXPENDITURES
FIRE MARSHAL DIVISION

EXPENDITURES	ACTUAL 2014	ADOPTED 2015	CITY MANAGER PROPOSED 2016	COUNCIL ADOPTED 2016
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 540,434	\$ 555,340	\$ 570,709	\$ 570,709
EMPLOYEE BENEFITS	362,993	373,482	332,852	332,852
	<u>903,427</u>	<u>928,822</u>	<u>903,561</u>	<u>903,561</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	14,005	18,100	18,840	18,840
MAINTENANCE	12,931	14,425	13,800	13,800
SUPPLIES & MATERIALS	42,751	29,248	27,248	27,248
ENERGY	0	0	0	0
VEHICLE SUPPLIES & REPAIR	34,871	34,182	37,802	37,802
INTRAGOVERNMENTAL	49,997	49,265	46,371	46,371
	<u>154,555</u>	<u>145,220</u>	<u>144,061</u>	<u>144,061</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	0	0	0	0
TRANSFER OUT	0	0	0	0
CAPITAL OUTLAY	5,747	0	0	0
	<u>5,747</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	\$ <u>1,063,729</u>	\$ <u>1,074,042</u>	\$ <u>1,047,622</u>	\$ <u>1,047,622</u>
LESS REVENUE GENERATED BY DIVISION				
STATE EMERGENCY MGT. GRANT	(29,251)	0	0	0
SITE PLAN REVIEW	(89,466)	(65,000)	(75,000)	(75,000)
SPECIAL REVIEW FEES	(12,520)	(10,000)	(13,000)	(13,000)
QUALITY ASSURANCE	(66,591)	(70,000)	(65,000)	(65,000)
INSPECTION FEES	(5,400)	(7,000)	(5,000)	(5,000)
	<u>(203,228)</u>	<u>(152,000)</u>	<u>(158,000)</u>	<u>(158,000)</u>
TOTAL TOWN CONTRIBUTION	\$ <u>860,501</u>	\$ <u>922,042</u>	\$ <u>889,622</u>	\$ <u>889,622</u>



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.

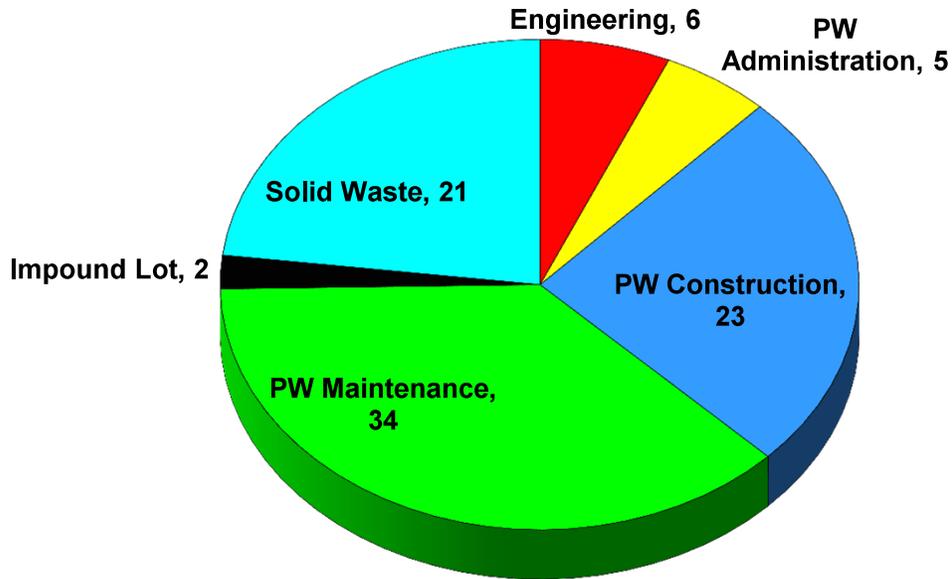
PUBLIC WORKS MAINTENANCE

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.

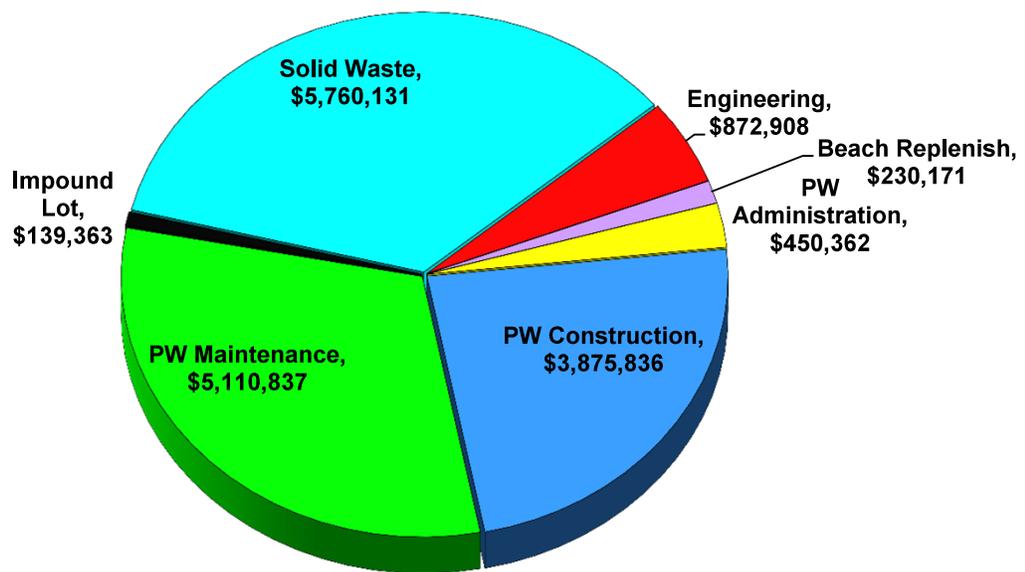
SOLID WASTE AND TRANSFER STATION

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 twice a week from mid-October through mid-May and five times per week from mid-May through mid-October. Service to commercial establishments is twice 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 16 Public Works Full Time Personnel



FY 16 Public Works Expenses



**TOWN OF OCEAN CITY
FISCAL YEAR 2016 BUDGET**

PUBLIC WORKS ADMINISTRATION AND CONSTRUCTION

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

Sidewalk condemnations are anticipated to remain the same in FY 16. 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 full year of the step increase awarded in January 2015 has been included as has a 2% cost of living adjustment effective January 1, 2016. In addition, deductions for Public Works labor charged to Water and Wastewater capital projects and to Street Paving totaling \$182,000 have been made. Overtime costs have been increased \$4,000. As in other divisions, health insurance costs are expected to increase 7.5% in the new plan year. Increases in health insurance have been offset by reductions in funding for retiree health and pension.

CHANGES IN OPERATIONS:

Sidewalk replacement and condemnation is the significant cost in the Contracted Services line item, and has been budgeted at \$74,175. Costs for concrete disposal are included at \$17,500. Phase III, the final phase of the contract light pole painting, has been included 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 \$46,709. HVAC repairs recommended by the Public Works Facilities Manager have been budgeted at \$5,350 for this division. Security upgrades for City Hall were added during budget wrap-up at \$30,000. Supplies for streets, storm drains and buildings and grounds have been budgeted at \$138,835, a reduction of \$24,000 from the FY 15 adopted budget. Replacement light poles have been budgeted at a cost of \$21,165. Snow removal supplies are also included in this category, and \$12,000 has been budgeted. Replacement equipment including traffic control signs, a generator, tools, tamps, and chainsaws have been budgeted at \$33,000. Uniforms and safety equipment are budgeted at \$17,805. ARC flash safety gear for the electricians has been included in the uniform cost at \$2,925. In Energy, street lighting is the major expense and has been budgeted at \$721,000, the actual cost for the past twelve months. Estimates for vehicle fuel and maintenance have been projected to decrease. Vehicle repairs and maintenance have been budgeted at the two year average for this department. Fuel has been calculated using the two year average number of gallons. Allocations for vehicle lease, IT services and property insurance increase. Capital outlay reflects replacement of the Tunnel Avenue bulkhead. Replacement of the bulkhead at the Public Works complex was included in FY 15, while FY 14 included roof replacement at the City Garage. A mass lease purchase of construction equipment has been approved in Vehicle Trust.

TOWN OF OCEAN CITY
FISCAL YEAR 2016 BUDGET
GENERAL FUND EXPENDITURES
PUBLIC WORKS ADMINISTRATION AND CONSTRUCTION

EXPENDITURES	ACTUAL 2014	ADOPTED 2015	CITY MANAGER PROPOSED 2016	COUNCIL ADOPTED 2016
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 1,578,845	\$ 1,504,923	\$ 1,564,148	\$ 1,564,148
EMPLOYEE BENEFITS	1,091,559	1,139,323	1,006,828	1,006,828
	<u>2,670,404</u>	<u>2,644,246</u>	<u>2,570,976</u>	<u>2,570,976</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	139,548	193,699	192,158	192,158
MAINTENANCE	58,243	48,028	55,745	85,745
SUPPLIES & MATERIALS	183,851	260,140	230,153	230,153
ENERGY	886,179	791,300	881,000	881,000
VEHICLE SUPPLIES & REPAIR	365,540	410,522	373,730	373,730
INTRAGOVERNMENTAL	239,602	261,810	287,382	287,382
	<u>1,872,963</u>	<u>1,965,499</u>	<u>2,020,168</u>	<u>2,050,168</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	0	0	0	0
TRANSFER OUT	0	0	0	0
CAPITAL OUTLAY	158,984	175,000	40,000	40,000
	<u>158,984</u>	<u>175,000</u>	<u>40,000</u>	<u>40,000</u>
TOTAL EXPENDITURES	<u>\$ 4,702,351</u>	<u>\$ 4,784,745</u>	<u>\$ 4,631,144</u>	<u>\$ 4,661,144</u>
LESS REVENUE GENERATED BY DIVISION				
REIMBURSEMENT FROM OTHER FUNDS FOR				
ADMINISTRATIVE SERVICES	(283,827)	(269,201)	(334,946)	(334,946)
FRANCHISE FEES - VEHICLE	(71,200)	(71,200)	(50,000)	(50,000)
STATE - STREET AID	(26,363)	(26,363)	(26,363)	(26,363)
STREET CUT FEES	(7,731)	(1,500)	(2,500)	(2,500)
SIDEWALK PAYMENTS	(13,729)	(37,088)	(37,088)	(37,088)
	<u>(402,850)</u>	<u>(405,352)</u>	<u>(450,897)</u>	<u>(450,897)</u>
TOTAL TOWN CONTRIBUTION	<u>\$ 4,299,501</u>	<u>\$ 4,379,393</u>	<u>\$ 4,180,247</u>	<u>\$ 4,210,247</u>

**TOWN OF OCEAN CITY
FISCAL YEAR 2016 BUDGET**

PUBLIC WORKS MAINTENANCE DIVISION

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

No changes in parking rates have been proposed for FY 16. A Pay by Phone parking app will be introduced for the FY 16 season, resulting in an estimated \$10,000 increase in Street parking revenue. Revenue for all lots has been budgeted at the FY 15 adjusted budget amounts. Leases for the Public Safety Building lot expire in FY 16, with the final payments due in FY15. No revenue from these leases has been budgeted for FY 16. The Beach Photo franchise has been included at \$434,500.

PERSONNEL CHANGES:

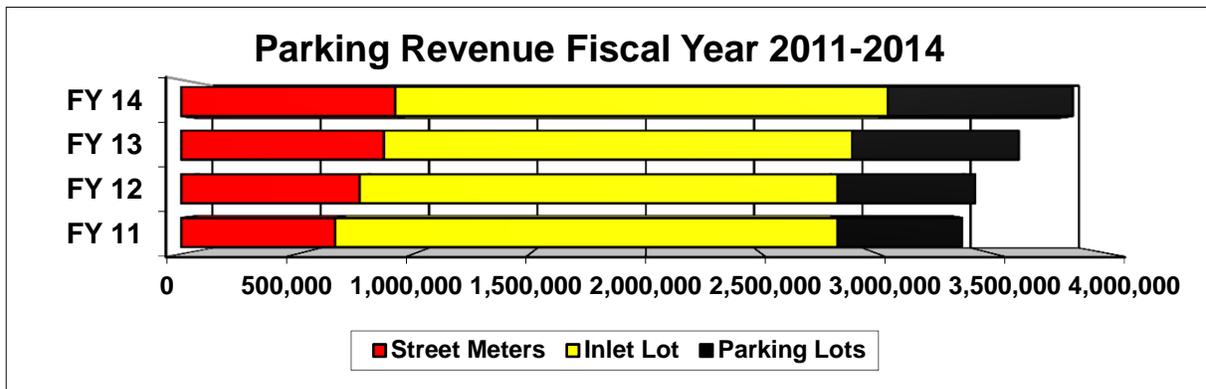
Thirty-four full-time and sixty-six seasonal positions are funded in this division. In FY 2009, thirty-eight full-time positions were funded in this division. As in other divisions, the step increase funded for ½ year in FY 15 has been funded for a full year in FY 16. In addition, a 2% cost of living increase has been included, effective January 1, 2016. Restructuring of the division has been included in this budget, and includes funding for the promotion of two Maintenance Worker positions to Heavy Equipment Operators and the for the promotion of two Heavy Equipment Operator positions to Crew Leaders. Part-time salaries have been increased to cover an additional employee per shift to staff an additional booth in the Inlet Lot. In this division, Group insurance and retirement costs increase, while retiree health allocations decrease.

CHANGES IN OPERATIONS:

Credit Card fees for use of the Cale parking meters have been budgeted at \$117,000 in FY 16, a reduction of \$13,000 from FY 15 due to anticipated use of the Pay by Phone parking app. Other expenses in Contracted Services include tipping fees for this division, and printing of tickets for the Inlet Lot. FY 14 included \$75,598 for boardwalk bench refurbishment. For FY 16, Contracted Services includes the lease payment for year five of the beach tractor lease. Value of the equipment originally traded offset the cost of the lease payments in previous years. In FY 16, the full lease amount of \$96,000 has been included. Also included is phase I of a program to restore the boardwalk light poles and decorative tops at a cost of \$22,506. Phase II will be included in the FY 17 budget. Cleaning of the boardwalk cameras has been included at a cost of \$10,000. Payments to a contractor in the amount of \$22,250 for a weed prevention service was requested, but was not funded. Maintenance costs include \$16,200 for the maintenance contract on the Cale meters. For FY 16, \$17,021 has been included for a maintenance agreement on the Inlet Lot equipment that is currently out of warranty. Building maintenance in the Janitorial division has been increased \$4,750. 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; a jump starter battery unit, \$2,000 and three concrete planters, \$7,590. Other supplies include comfort station supplies, replacement banners for the boardwalk, beach ramp supplies and replacement sand fence. A replacement sign machine and a modem upgrade for the Cale units were purchased in FY 14. Vehicle fuel costs are projected to decrease, while vehicle maintenance costs are projected to increase and have been budgeted at the three year average cost. Allocations for vehicle lease, IT and insurance increase for this division.

TOWN OF OCEAN CITY
FISCAL YEAR 2016 BUDGET
GENERAL FUND EXPENDITURES
PUBLIC WORKS MAINTENANCE DIVISION

EXPENDITURES	ACTUAL 2014	ADOPTED 2015	CITY MANAGER PROPOSED 2016	COUNCIL ADOPTED 2016
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 2,035,400	\$ 2,158,619	\$ 2,184,034	\$ 2,184,034
EMPLOYEE BENEFITS	1,113,296	1,191,741	1,202,919	1,202,919
	<u>3,148,696</u>	<u>3,350,360</u>	<u>3,386,953</u>	<u>3,386,953</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	385,812	278,838	403,216	390,216
MAINTENANCE	44,742	42,807	64,578	64,578
SUPPLIES & MATERIALS	461,469	335,031	330,541	330,541
ENERGY	80,356	77,754	86,389	86,389
VEHICLE SUPPLIES & REPAIR	512,644	503,489	498,232	498,232
INTRAGOVERNMENTAL	307,118	315,789	353,928	353,928
	<u>1,792,141</u>	<u>1,553,708</u>	<u>1,736,884</u>	<u>1,723,884</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>4,940,837</u>	\$ <u>4,904,068</u>	\$ <u>5,123,837</u>	\$ <u>5,110,837</u>
LESS REVENUE GENERATED BY DIVISION				
STREET PARKING METER REVENUE	(921,518)	(905,000)	(875,000)	(885,000)
PARKING LOT REVENUE	(797,801)	(802,500)	(775,000)	(775,000)
INLET PARKING LOT REVENUE	(2,119,682)	(2,167,415)	(2,142,415)	(2,142,415)
RESIDENTIAL PARKING PERMITS	(1,440)	(1,500)	(1,500)	(1,500)
FRANCHISE FEES-PHOTO	(395,000)	(434,500)	(434,500)	(434,500)
SERVICE CHARGES	(19,046)	(21,500)	(18,500)	(18,500)
	<u>(4,254,487)</u>	<u>(4,332,415)</u>	<u>(4,246,915)</u>	<u>(4,256,915)</u>
TOTAL TOWN CONTRIBUTION	\$ <u>686,350</u>	\$ <u>571,653</u>	\$ <u>876,922</u>	\$ <u>853,922</u>



**TOWN OF OCEAN CITY
FISCAL YEAR 2016 BUDGET**

SOLID WASTE AND TRANSFER STATION

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

Revenue from recycling sales includes only revenue from the sale of white goods and is expected to decrease for FY 16. 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 remain the same.

PERSONNEL CHANGES:

The FY 16 budget includes funding for twenty-one full-time positions, the same number of positions as FY 15. 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, 2015 and a proposed 2% cost of living adjustment effective January 1, 2016. Part of the wage increase has been offset by retirement of senior personnel. Retiree health, pension and unemployment costs are projected to decrease for this division.

CHANGES IN OPERATIONS:

Contracted Services includes building and equipment maintenance costs, travel and training, communications and dues. In FY 14, \$5,000 was included to repair the decorative aluminum façade at the Transfer Station building. For FY 16, a replacement heat pump has been included at \$9,879. Transport/Tipping Fees reflects the contract with Covanta, our waste contractor. In FY 16, the price per ton increases from \$58.50 to \$62.50. The contract was renegotiated in FY 14 and has been budgeted at \$2,053,750; an increase of \$94,000 over FY 15. 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 at a total cost of \$5,600 have also been funded. Vehicle Supplies and Repair is the second major expense category in this division. Fuel costs are expected to decrease slightly and vehicle fuel has been budgeted at the two year average number of gallons of diesel fuel. Vehicle parts costs are projected to increase for FY 16 and are based on a two year average. Painting of several of the older trash trucks was funded in FY 14, and painting of two trash trucks were added to the FY 16 budget during budget wrap-up at a total cost of \$40,000. Intragovernmental expenses include an increase in the allocation for vehicle lease. No capital outlay has been requested. One front-end trash truck, one side-load trash truck, and two ½ ton 4x4 pickups have been included in the Vehicle Trust fund for FY 16.

TOWN OF OCEAN CITY
FISCAL YEAR 2016 BUDGET
GENERAL FUND EXPENDITURES
SOLID WASTE AND TRANSFER STATION DIVISION

EXPENDITURES	ACTUAL 2014	ADOPTED 2015	CITY MANAGER PROPOSED 2016	COUNCIL ADOPTED 2016
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 1,236,427	\$ 1,275,733	\$ 1,277,745	\$ 1,277,745
EMPLOYEE BENEFITS	891,008	871,807	768,666	768,666
	<u>2,127,435</u>	<u>2,147,540</u>	<u>2,046,411</u>	<u>2,046,411</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	39,018	55,149	65,108	65,108
TRANSPORT/TIPPING FEES	1,870,272	1,959,750	2,053,750	2,053,750
SUPPLIES & MATERIALS	73,213	68,523	68,523	68,523
ENERGY	47,960	46,275	47,300	47,300
VEHICLE SUPPLIES & REPAIR	1,137,656	978,527	1,022,333	1,062,333
INTRAGOVERNMENTAL	317,810	361,176	416,706	416,706
	<u>3,485,929</u>	<u>3,469,400</u>	<u>3,673,720</u>	<u>3,713,720</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>\$ 5,613,364</u>	<u>\$ 5,616,940</u>	<u>\$ 5,720,131</u>	<u>\$ 5,760,131</u>
LESS REVENUE GENERATED BY DIVISION				
SALES - RECYCLING	(24,090)	(31,000)	(18,000)	(18,000)
SALES - CONTAINERS	(10,444)	(19,000)	(19,000)	(19,000)
SOLID WASTE COLLECTION	(39,115)	(30,000)	(40,000)	(40,000)
BULK PICK UP FEE	(25,701)	(26,025)	(26,025)	(26,025)
	<u>(99,350)</u>	<u>(106,025)</u>	<u>(103,025)</u>	<u>(103,025)</u>
TOTAL TOWN CONTRIBUTION	<u>\$ 5,514,014</u>	<u>\$ 5,510,915</u>	<u>\$ 5,617,106</u>	<u>\$ 5,657,106</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. Completion of the Beach Patrol headquarters building will occur in the summer of 2015.

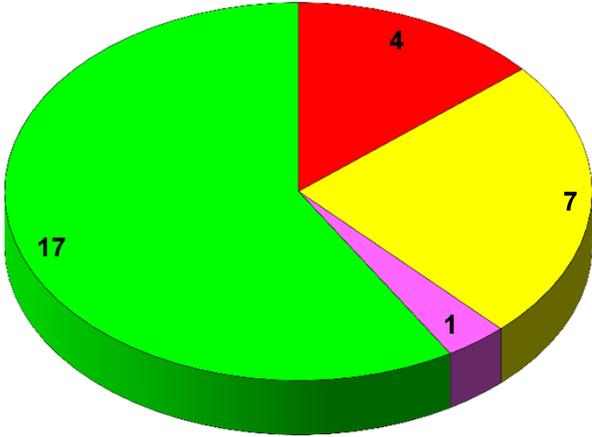
SPECIAL EVENTS

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

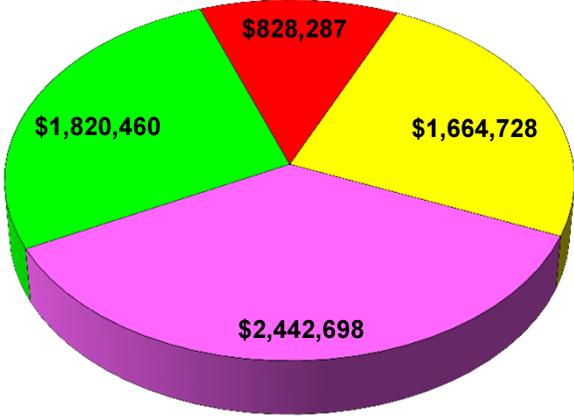
This division includes the costs for the Tourism Department, and for the Town sponsored festivals, Sunfest, Winterfest and Springfest. Production and management of the Town sponsored festivals is the responsibility of the Special Events Department. Tourism provides the focus for the Town's efforts to 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 16 Recreation Full Time Personnel



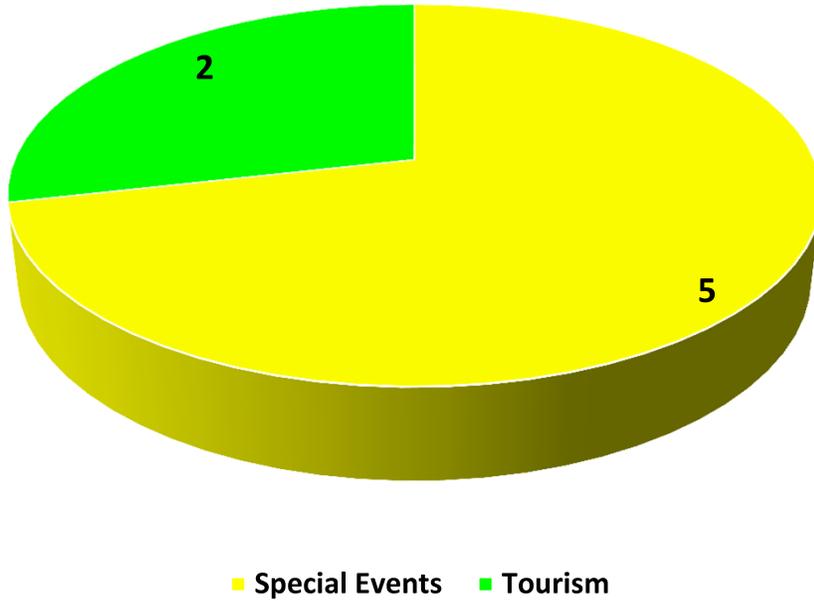
■ Administration ■ Programs ■ Beach Patrol ■ Park Maintenance

FY 16 Recreation Expenses

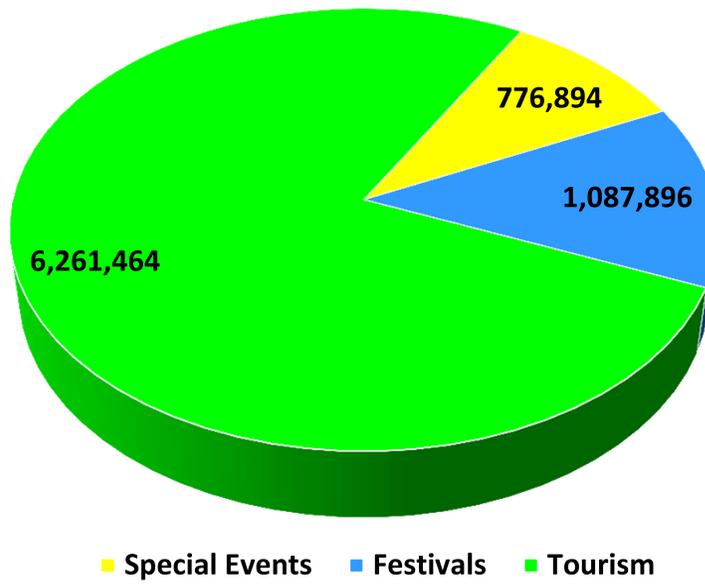


■ Administration ■ Programs ■ Beach Patrol ■ Park Maintenance

Full-Time Personnel Tourism and Special Events



FY 16 Tourism , Special Event and Festival Expenses



**TOWN OF OCEAN CITY
FISCAL YEAR 2016 BUDGET**

RECREATION DIVISION

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

No Open Space funds are expected in FY 16. Projected Program revenue increases more than \$14,000 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:

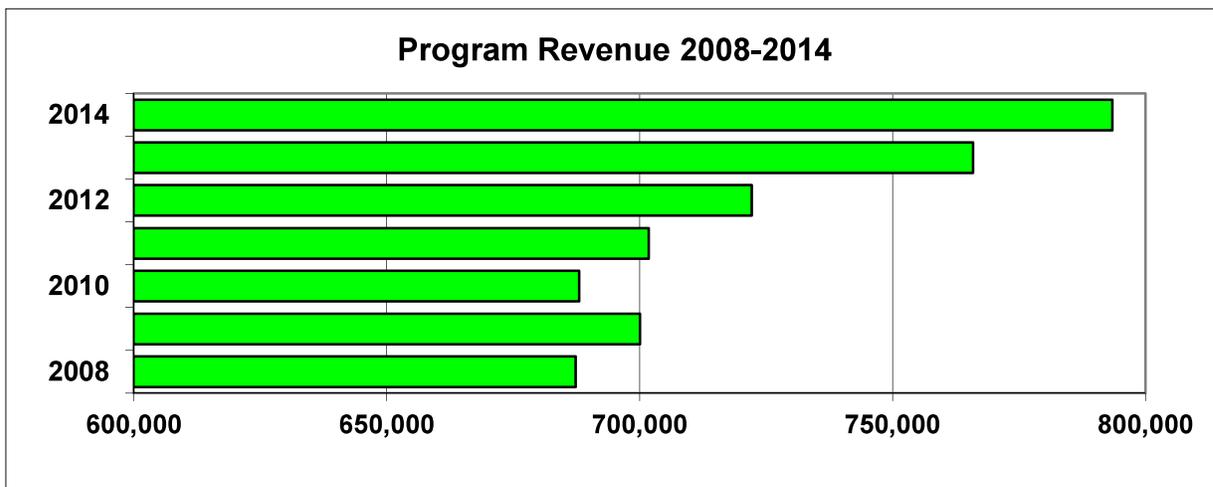
There are four full-time positions budgeted in the Administration division and seven full-time positions budgeted in the Programs division. Both the step increase awarded January 1, 2015 and the proposed 2% cost of living adjustment effective January 1, 2016 have been included. The FY 16 budget reflects the elimination of the Assistant Director position and a proposed reorganization including the promotion of two Recreation Supervisors to Program Managers. One additional Recreation Supervisor position was requested, but not funded. Instead, two part-time Recreation Supervisors have been funded at a total of 3,000 hours. A part-time Office Associate position was requested for the Administration division, but was not funded. Unemployment costs for this division are anticipated to increase \$3,000. Health insurance, retirement and retiree health costs have been funded at lower levels.

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 \$22,700 to include HVAC repairs recommended by the Public Works Facilities Manager. These repairs include an HVAC repair on the west gym units funded at \$17,200. Many other building repairs were identified, but not funded. These include roof repairs and roof replacement, bleacher replacement, and parking lot repairs and improvements. Training costs include attendance at the National Recreation and Parks Association conference for the Director and the Recreation Superintendent. Year one of Revenue Resource School and Supervisors school have been funded. These classes are held in Oglebay, West Virginia through NC State. 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 \$5,500 for this division. Supply & Material costs for both the Programs division and the Administrative division remain basically the same, and include supplies for all program offerings. A floor scrubber, east gym patron net and a scissor lift totaling \$38,900 were requested, but not funded. Energy costs are expected to increase slightly in FY 16. Vehicle expenses for fuel, parts and labor are expected to decrease slightly. Intragovernmental allocations for IT services and insurance increase. No capital outlay has been budgeted in FY 16. The FY 14 actual included beach wheelchair purchases. No vehicle replacements were funded for this division.

TOWN OF OCEAN CITY
FISCAL YEAR 2016 BUDGET
GENERAL FUND EXPENDITURES
RECREATION, PROGRAMS AND SENIORS

EXPENDITURES	ACTUAL 2014	ADOPTED 2015	CITY MANAGER PROPOSED 2016	COUNCIL ADOPTED 2016
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 1,163,763	\$ 1,221,492	\$ 1,195,719	\$ 1,195,719
EMPLOYEE BENEFITS	471,209	490,612	438,373	438,373
	<u>1,634,972</u>	<u>1,712,104</u>	<u>1,634,092</u>	<u>1,634,092</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	425,102	406,679	461,533	461,533
SUPPLIES & MATERIALS	163,442	184,998	183,023	183,023
ENERGY	94,194	94,550	96,500	96,500
VEHICLE SUPPLIES & REPAIR	8,087	10,688	10,388	10,388
INTRAGOVERNMENTAL	94,136	105,122	107,479	107,479
	<u>784,961</u>	<u>802,037</u>	<u>858,923</u>	<u>858,923</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	0	0	0	0
TRANSFER OUT	0	0	0	0
CAPITAL OUTLAY	2,450	0	0	0
	<u>2,450</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	<u>\$ 2,422,383</u>	<u>\$ 2,514,141</u>	<u>\$ 2,493,015</u>	<u>\$ 2,493,015</u>
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	(20,950)	(41,900)	(41,900)	(41,900)
PROGRAM REVENUE	(793,450)	(800,725)	(815,000)	(815,000)
ADMISSIONS/RENTAL	(114,364)	(104,200)	(106,345)	(106,345)
CONCESSION REVENUE	(59,189)	(72,000)	(69,000)	(69,000)
ADVERTISING REVENUE	(3,000)	(3,000)	(3,000)	(3,000)
MEALS - SENIOR CITIZENS	(7,552)	(9,000)	(9,000)	(9,000)
MISCELLANEOUS	(1,745)	(75)	(75)	(75)
	<u>(1,100,250)</u>	<u>(1,130,900)</u>	<u>(1,144,320)</u>	<u>(1,144,320)</u>
TOTAL TOWN CONTRIBUTION	<u>\$ 1,322,133</u>	<u>\$ 1,383,241</u>	<u>\$ 1,348,695</u>	<u>\$ 1,348,695</u>



**TOWN OF OCEAN CITY
FISCAL YEAR 2016 BUDGET**

PARKS DIVISION

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

A Community Parks and Playgrounds grant for the Skatepark shade structure was received in FY 14. No funds are anticipated in FY 16.

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 full year's funding of the step increase given in January 2015 and a proposed 2% cost of living adjustment effective January 1, 2016. Step one of Succession planning has been funded in this division, with the promotion of two Crew Leaders to Supervisors. The conversion of a part-time Parks Worker to full-time will be requested in FY 17. Funding of part-time salaries has been reduced in FY 16, while projected overtime costs have increased slightly. FY 14 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 15 or FY 16 Adopted budgets. Deductions will be made at the conclusion of the festivals. Contributions for retiree health, pension and health insurance decrease for this division, but Unemployment costs are projected to increase \$4,500.

CHANGES IN OPERATIONS:

Contracted Services in this division include maintenance for the parks and landscaping throughout the Town. Replacement of the Tennis Center fence for courts one through six was included in the FY 14 budget at a cost of \$45,000. Re-decking of the Northside Park pier was also included at a cost of \$19,000. Little Salisbury basketball court resurfacing was included in FY 15 at \$25,500. Contract mowing of city-owned median strips, bulkheads, undeveloped lots, etc. has been included at \$16,805 in FY 16. Walkway and drainage repairs at Northside Park have been budgeted at \$10,000. Also included is \$12,200 to paint the Northside Park foot bridge and the installation of a bonded rubber surface at the dog park for \$5,750. All other expenses in this line item cover routine maintenance. Training costs are also included in Contracted Services and include attendance at the Sports Turf Management Association conference for the Superintendent and the second year of Supervisors Management School. Normal maintenance and supply costs have been budgeted for FY 16. Supplies include athletic field supplies, landscaping supplies, and general maintenance supplies. A walk behind aerator has been included at \$3,000 and is the only item of budgeted replacement equipment. A beach toy has been funded at \$26,000. Special Appropriations reflects the budget for requests from the Beautification Committee. Energy costs are expected to increase. Projected costs for vehicle parts decrease as the cost to maintain the Special Events trailers has been transferred to the Special Events division. Vehicle Lease and insurance costs increase for this division. Capital outlay in FY 14 included \$30,000 for the Skatepark shade structure funded through a Community Parks grant. No capital outlay has been included in FY 16. No vehicles were funded for this division through Vehicle Trust.

TOWN OF OCEAN CITY
FISCAL YEAR 2016 BUDGET
GENERAL FUND EXPENDITURES
PARKS DIVISION

EXPENDITURES	ACTUAL 2014	ADOPTED 2015	CITY MANAGER PROPOSED 2016	COUNCIL ADOPTED 2016
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 720,005	\$ 888,378	\$ 879,405	\$ 879,405
EMPLOYEE BENEFITS	478,587	529,443	483,829	483,829
	<u>1,198,592</u>	<u>1,417,821</u>	<u>1,363,234</u>	<u>1,363,234</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	112,623	91,967	87,846	87,846
SUPPLIES & MATERIALS	118,334	136,646	156,185	156,185
SPECIAL APPROPRIATIONS	5,069	5,625	5,625	5,625
ENERGY	26,120	25,322	26,100	26,100
VEHICLE SUPPLIES & REPAIR	105,132	101,554	86,809	86,809
INTRAGOVERNMENTAL	54,325	83,881	94,661	94,661
	<u>421,603</u>	<u>444,995</u>	<u>457,226</u>	<u>457,226</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	0	0	0	0
TRANSFER OUT	0	0	0	0
CAPITAL OUTLAY	30,000	0	0	0
	<u>30,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	<u>\$ 1,650,195</u>	<u>\$ 1,862,816</u>	<u>\$ 1,820,460</u>	<u>\$ 1,820,460</u>
TOTAL TOWN CONTRIBUTION	<u>\$ 1,650,195</u>	<u>\$ 1,862,816</u>	<u>\$ 1,820,460</u>	<u>\$ 1,820,460</u>
LESS REVENUE GENERATED BY DIVISION				
COMMUNITY PARKS GRANT	<u>(30,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL TOWN CONTRIBUTION	<u>\$ 1,620,195</u>	<u>\$ 1,862,816</u>	<u>\$ 1,820,460</u>	<u>\$ 1,820,460</u>

TOWN OF OCEAN CITY
FISCAL YEAR 2016 BUDGET

BEACH PATROL DIVISION

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

Beach Stand revenue decreases 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 \$19,000 from program registration and uniform sales.

PERSONNEL CHANGES:

Once every six years, an additional week occurs between Memorial Day and Labor Day. This occurs in FY 16 and results in an additional expense of \$80,325 for this division. Two hundred eight part-time employees are employed by the Beach Patrol. There is one full-time employee in this division. Funding for a full year of the step increase given in January 2015 and a proposed 2% cost of living adjustment effective January 1, 2016 has been included. Interdepartmental labor for Public Works employees to build and repair beach stands has been reduced. The allocation for worker's compensation expense decreases slightly, and projected unemployment costs also decrease. FICA costs 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 \$800. All Beach Patrol members must be certified. Maintenance contracts for the HVAC system and the elevator in the new Headquarters building have been funded. Both uniform purchases and operational supplies were budgeted at the FY 15 approved level. Operational Supplies include three replacement ATVs and a rescue watercraft at a cost of \$25,600. Replacement equipment including first aid supplies, rescue boards and materials to replace beach patrol stands have also been included. Energy costs increase and include an estimate of \$15,000 for the new Headquarters building. Estimates for vehicle fuel, parts and labor have been reduced for FY 16. The IT allocation increases for this division, because the AS400 portion of the allocation was included in Recreation's budget in the past. No capital outlay has been requested.

TOWN OF OCEAN CITY
FISCAL YEAR 2016 BUDGET
GENERAL FUND EXPENDITURES
BEACH PATROL DIVISION

EXPENDITURES	ACTUAL 2014	ADOPTED 2015	CITY MANAGER PROPOSED 2016	COUNCIL ADOPTED 2016
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 1,794,998	\$ 1,866,274	\$ 1,952,805	\$ 1,952,805
EMPLOYEE BENEFITS	200,165	219,932	215,750	215,750
	<u>1,995,163</u>	<u>2,086,206</u>	<u>2,168,555</u>	<u>2,168,555</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	31,938	41,059	46,117	46,117
SUPPLIES & MATERIALS	80,541	89,265	88,949	88,949
ENERGY	4,591	6,200	19,200	19,200
VEHICLE SUPPLIES & REPAIR	36,821	44,002	39,116	39,116
INTRAGOVERNMENTAL	43,372	59,954	80,761	80,761
	<u>197,263</u>	<u>240,480</u>	<u>274,143</u>	<u>274,143</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>\$ 2,192,426</u>	<u>\$ 2,326,686</u>	<u>\$ 2,442,698</u>	<u>\$ 2,442,698</u>
LESS REVENUE GENERATED BY DIVISION				
BEACH PATROL MISC	(19,263)	(19,500)	(19,000)	(19,000)
SPONSORSHIPS	0	0	0	0
FRANCHISE FEES-BEACH STAND	(822,568)	(888,046)	(839,655)	(839,655)
	<u>(841,831)</u>	<u>(907,546)</u>	<u>(858,655)</u>	<u>(858,655)</u>
TOTAL TOWN CONTRIBUTION	<u>\$ 1,350,595</u>	<u>\$ 1,419,140</u>	<u>\$ 1,584,043</u>	<u>\$ 1,584,043</u>

**TOWN OF OCEAN CITY
FISCAL YEAR 2016 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. Winterfest fees remain at \$5 for everyone twelve and older. Revenue for Sunfest, Springfest and Winterfest are all expected to increase for FY 16. 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 two 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 16 reflect funding for this position for a full year. Other increases include a full year's funding for the step increase effective January 1, 2015 and a proposed 2% cost of living increase effective January 1, 2016. Salary expenses in the FY 14 actual column include costs for labor from other city departments for Sunfest, Winterfest and Springfest. The FY 15 Adopted budget and the FY 16 Adopted budget do not include labor costs for other departments. These costs will be adjusted in future budget amendments. Benefits include health insurance for the converted position funded for a full year. Projected retirement costs for this department decrease.

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 16. Entertainment in Sunset Park has been included at \$3,500. Fireworks for July 4th and New Year's Eve have been budgeted to increase \$15,000. Funds for the Halloween celebration have been included for a second year. Start-up costs for an event for the "over 50" population have also been included. Other major expenditures in this division are tent rental, accommodations for the entertainers and back-up services for the shows. Legal fees and credit card fees previously included in the Recreation budget have been transferred to this department. Refurbishment of Winterfest displays has been budgeted at \$29,544, an increase of \$3,860 in the Contracted Services line item. Supplies and Materials increase 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 14, the budget included \$28,800 to purchase 24 trees of light for Coastal Highway. Twelve Christmas trees for Baltimore Avenue were requested in the FY 15 budget, but ultimately funded in FY 14. A replacement storage trailer to store the Winterfest decorations has been budgeted 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 IT decreases 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. Replacement of the Winterfest pavilion structures at a cost of \$75,000 were requested, but not originally funded. During budget wrap-up, \$25,000 was added to the FY 16 budget for Phase I of the structure replacement. Replacement of the 50' Christmas tree at a cost of \$66,000 was requested, but not funded.

TOWN OF OCEAN CITY
FISCAL YEAR 2016 BUDGET
GENERAL FUND EXPENDITURES
TOWN SPONSORED EVENTS AND FESTIVALS

EXPENDITURES	ACTUAL 2014	ADOPTED 2015	CITY MANAGER PROPOSED 2016	COUNCIL ADOPTED 2016
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 558,338	\$ 380,248	\$ 394,489	\$ 394,489
EMPLOYEE BENEFITS	214,693	168,443	177,318	177,318
	<u>773,031</u>	<u>548,691</u>	<u>571,807</u>	<u>571,807</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	850,581	931,004	953,414	953,414
SUPPLIES & MATERIALS	237,720	211,080	218,255	218,255
SPECIAL APPROPRIATIONS	0	0	0	
ENERGY	29,031	44,190	36,718	36,718
VEHICLE SUPPLIES & REPAIR	5,725	5,364	17,247	17,247
INTRAGOVERNMENTAL	18,778	45,021	42,349	42,349
	<u>1,141,835</u>	<u>1,236,659</u>	<u>1,267,983</u>	<u>1,267,983</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	0	0	0	0
TRANSFER OUT	0	0	0	0
CAPITAL OUTLAY	0	1,800	0	25,000
	<u>0</u>	<u>1,800</u>	<u>0</u>	<u>25,000</u>
TOTAL EXPENDITURES	<u>\$ 1,914,866</u>	<u>\$ 1,787,150</u>	<u>\$ 1,839,790</u>	<u>\$ 1,864,790</u>
LESS REVENUE GENERATED BY DIVISION				
SUNFEST REVENUE	(457,382)	(432,550)	(445,950)	(445,950)
SPRINGFEST REVENUE	(386,923)	(395,000)	(400,000)	(400,000)
WINTERFEST REVENUE	(480,551)	(480,134)	(490,000)	(490,000)
SPECIAL EVENT REVENUE	(70,271)	(50,000)	(47,200)	(47,200)
PRIVATE EVENT REVENUE	(165,784)	(155,500)	(160,500)	(160,500)
CORPORATE SPONSORSHIP	(70,000)	(70,000)	(70,000)	(70,000)
	<u>(1,630,911)</u>	<u>(1,583,184)</u>	<u>(1,613,650)</u>	<u>(1,613,650)</u>
TOTAL TOWN CONTRIBUTION	<u>\$ 283,955</u>	<u>\$ 203,966</u>	<u>\$ 226,140</u>	<u>\$ 251,140</u>

**TOWN OF OCEAN CITY
FISCAL YEAR 2016 BUDGET**

TOURISM PROMOTIONS

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

The State Tourism grant has not been included in FY 16 as the amount of this grant is uncertain. \$450,000 was received in FY 14 and \$362,603 is anticipated in FY 15. 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 16.

PERSONNEL CHANGES:

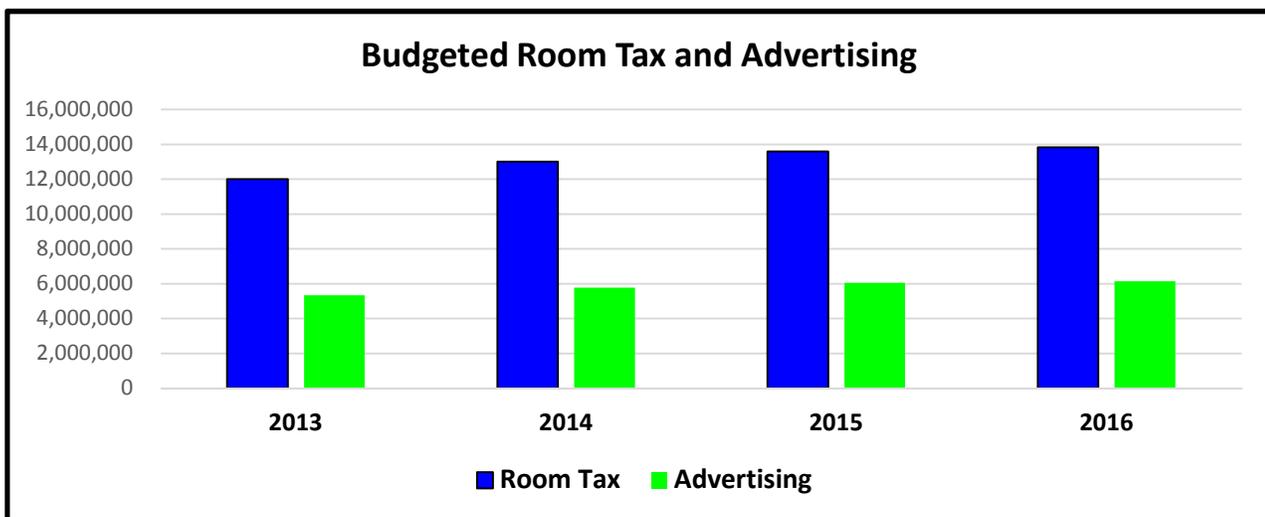
Since FY 10, there have been two full-time employees in this division, the Tourism Director and an Office Associate. Prior to FY 10, five full-time employees were funded. A full year of the step increase granted January 1, 2015 and a proposed 2% cost of living adjustment effective January 1, 2016 have 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 costs increase for this division, but are offset by reductions in retiree health and pension.

CHANGES IN OPERATIONS:

Advertising is the main expense in the department. \$5,528,500 has been budgeted for advertising in FY 16. The FY 15 adopted budget for advertising totaled \$5,413,444, and was increased \$53,129 in Budget Amendment # 1. An additional \$362,603 will be recognized from the State Advertising grant in FY 15. The funding formula outlined in the FY 08 ordinance has been followed for FY 16. 2.0% of the estimated gross room receipts has been budgeted for advertising for FY 16. 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 has been reduced from \$40,000 in FY 14 to \$10,000 in FY 16. 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 five consecutive fiscal years. In FY 13, funds were encumbered but not spent at fiscal year-end, and were added to the appropriation for FY 14. Office supplies and promotional giveaways are funded in the Supplies and Materials line item. The allocation for IT services decreases. No capital outlay has been requested.

TOWN OF OCEAN CITY
FISCAL YEAR 2016 BUDGET
GENERAL FUND EXPENDITURES
TOURISM PROMOTIONS

EXPENDITURES	ACTUAL 2014	ADOPTED 2015	CITY MANAGER PROPOSED 2016	COUNCIL ADOPTED 2016
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 149,045	\$ 169,121	\$ 172,947	\$ 172,947
EMPLOYEE BENEFITS	76,591	79,088	76,812	76,812
	<u>225,636</u>	<u>248,209</u>	<u>249,759</u>	<u>249,759</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	120,250	136,628	137,945	137,945
ADVERTISING	5,684,278	5,413,444	5,528,500	5,528,500
TAB FUNDING	406,920	300,000	300,000	300,000
SUPPLIES & MATERIALS	12,003	14,872	14,860	14,860
ENERGY	8,568	7,750	9,000	9,000
VEHICLE SUPPLIES & REPAIR	1,696	1,700	1,674	1,674
INTRAGOVERNMENTAL	11,998	20,862	19,726	19,726
	<u>6,245,713</u>	<u>5,895,256</u>	<u>6,011,705</u>	<u>6,011,705</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>6,471,349</u>	\$ <u>6,143,465</u>	\$ <u>6,261,464</u>	\$ <u>6,261,464</u>
LESS REVENUE GENERATED BY DIVISION				
ROOM TAX	(5,641,198)	(5,744,444)	(5,850,000)	(5,850,000)
STATE - TOURISM GRANT	(450,000)	0	0	0
COUNTY-TOURISM GRANT	(300,000)	(300,000)	(300,000)	(300,000)
SALES/OTHER MISC.	(280)	0	0	0
	<u>(6,391,478)</u>	<u>(6,044,444)</u>	<u>(6,150,000)</u>	<u>(6,150,000)</u>
TOTAL TOWN CONTRIBUTION	\$ <u>79,871</u>	\$ <u>99,021</u>	\$ <u>111,464</u>	\$ <u>111,464</u>



**TOWN OF OCEAN CITY
FISCAL YEAR 2016 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	56,000	40,000
Atlantic General Hospital	50,000	0
Worcester Youth & Family Counseling	12,000	9,000
Cricket Center	15,500	14,333
Life Crisis Center	8,000	8,000
Stephen Decatur After Prom Party	750	750
Town Cats	1,500	0
Delmarva Cat Connection	1,500	0
Community Cats Coalition	1,500	0
White Marlin Catch/Release Program	5,000	5,000
Wor Wic	<u>20,000</u>	<u>10,000</u>
Total	\$ 179,250	\$ 94,583
Interfund Transfers:		
Town events at Convention Center	\$ 40,000	\$ 40,000
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		306,471
2007 Municipal Refunding Bonds		1,274,283
2009 Municipal Refunding Bonds		533,673
2010 Municipal Purpose Bonds		342,791
2012 Municipal Purpose Bonds		1,679,132
2013 Municipal Purpose Bonds		368,493
2014 Municipal Purpose Bonds		<u>458,880</u>
Total		\$ 5,015,068
Transfers to Other Funds consist of the following:		
Operating Transfers:		
Transportation		\$ 1,410,013
Airport		264,791
Convention Center		1,492,683
Capital Projects		2,126,426

TOWN OF OCEAN CITY
 FISCAL YEAR 2016 BUDGET
 GENERAL FUND EXPENDITURES
 MISCELLANEOUS DIVISION

EXPENDITURES	ACTUAL 2014	ADOPTED 2015	CITY MANAGER PROPOSED 2016	COUNCIL ADOPTED 2016
OPERATING EXPENSES:				
SPECIAL APPROPRIATIONS	\$ 140,596	\$ 142,683	\$ 142,683	\$ 138,183
DEBT SERVICE - PRINCIPAL	4,686,967	3,656,846	3,576,645	3,576,645
INTEREST EXPENSE	1,324,918	1,563,317	1,438,423	1,438,423
TRANSFER TO TRANSPORTATION	1,722,688	1,300,787	1,211,499	1,410,013
TRANSFER TO AIRPORT	256,932	262,069	264,791	264,791
TRANSFER TO GOLF COURSE	0	0	0	0
TRANSFER TO CONVENTION CENTER	1,313,060	1,480,310	1,457,683	1,492,683
TRANSFER TO VEHICLE TRUST	340,248	0	0	0
TRANSFER TO CAPITAL CONSTRUCTION	2,400,000	1,550,720	1,026,426	2,126,426
 TOTAL EXPENDITURES	 \$ 12,185,409	 \$ 9,956,732	 \$ 9,118,150	 \$ 10,447,164
 TOTAL TOWN CONTRIBUTION	 \$ 12,185,409	 \$ 9,956,732	 \$ 9,118,150	 \$ 10,447,164

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. Coastal Highway bus service is provided 24 hours a day April through October. In FY 14, the 11 pm to 6 am Coastal Highway third shift bus service was discontinued Sunday through Thursday, November through March. For the past several years, two bus fare options were available, \$1 per boarding or \$3 ride all day. In FY 15, the \$1 per boarding option was eliminated. The ADA-Paratransit Bus service operates seven days a week, year-round from the hours of 7:00 am – 11:00 pm. The Boardwalk Trams operate during Springfest, Memorial Day weekend through Labor Day weekend and Sunfest.

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. 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.

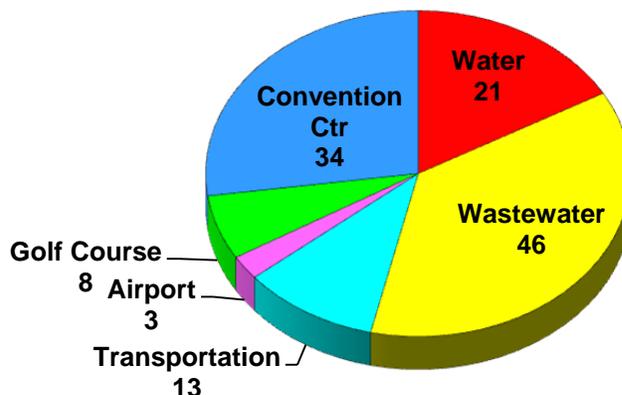
GOLF COURSE FUND

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 and expanded events services. A Performing Arts Center was opened in December 2014 and is now fully operational.

FY 16 Enterprise Fund Full-Time Personnel



**TOWN OF OCEAN CITY
FISCAL YEAR 2016 BUDGET**

WATER FUND

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

In accordance with the recent updated rate study, the metered rate increases from \$3.40 to \$3.70 per 1,000 gallons, and the fixture rate decreases from \$2.60 per equivalent fixture to \$1.60 per equivalent fixture. These rates have been incorporated in the FY 16 budget. Water connection charges are 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 \$108,000 to fund Water department capital projects. The FY 16 budget does not require funding from fund balance in the Water fund.

PERSONNEL CHANGES:

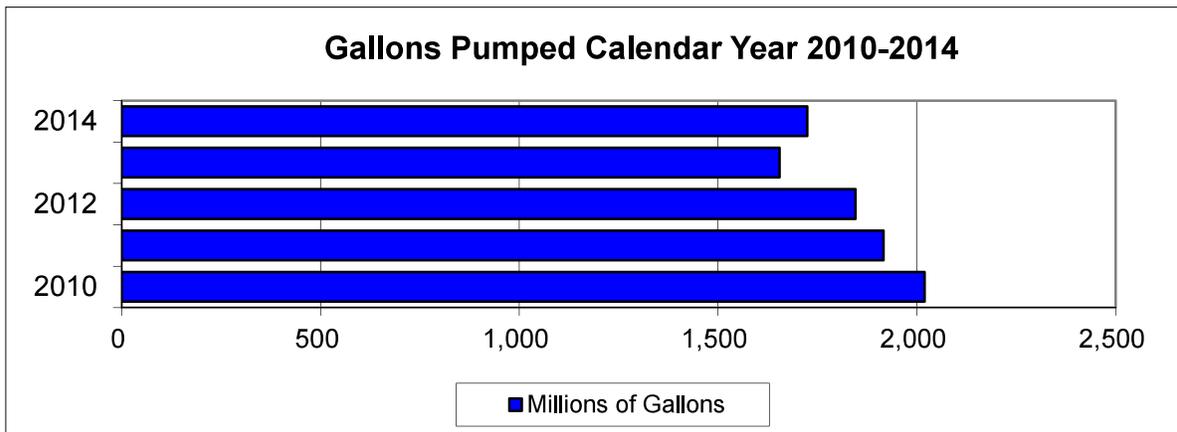
Twenty-one full-time positions are included in the Water Fund. A full year's funding for the step increase granted in January 2015 has been included as well as a proposed 2% cost of living adjustment effective January 1, 2016. Three additional positions are currently shared with the Wastewater Fund. They are: an Office Associate, a Purchasing Technician and a SCADA Technician. Interdepartmental labor has been budgeted at \$54,000 for the use of Public Works' manpower, a reduction of \$18,500 from the FY 15 budget. Deductions have been made from Public Works for like amounts. Increases are projected for group insurance and retirement contributions, and are partially offset by reduced funding for retiree health.

CHANGES IN OPERATIONS:

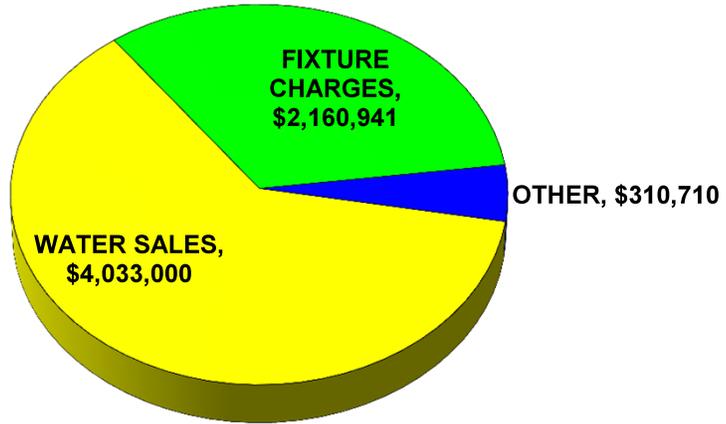
The Contracted Services line item includes professional and contracted services. Professional Services, which include engineering services and tank painting inspection services are budgeted at \$95,921, a reduction of \$59,875 from the FY 15 Adopted budget. Water Tower inspection costs are \$30,000 lower in the FY 16 budget. Engineering services not attributable to capital projects has been reduced \$29,000. Water main tapping fees are projected to increase \$10,000. The Maintenance line item includes costs for building and equipment maintenance. The Adopted FY 15 budget included the painting and inspection services for the 15th Street water tower, budgeted at \$750,000. The FY 16 budget includes the painting and inspection of the 41st water tower at \$300,000. Plant building and equipment maintenance have been projected to increase \$23,123. HVAC repairs and maintenance recommended by the Public Works Facilities Manager have been included at a cost of \$22,500. Other budgeted maintenance includes repairs to the fire safety system at 15th street, painting the interior at the 136th street plant, and upgrade of the well houses. Routine equipment maintenance, such as well maintenance, has also been included in this category and totals \$279,490. Routine well maintenance has been included at \$140,000. Inspection and repair of the chlorination equipment has been budgeted at \$30,000. Costs for Supplies and Materials are expected to increase in FY 16. Water chemicals are budgeted at \$239,966. Supplies for repairs to water pipes, fire hydrants and valves are included at \$100,000. Energy costs are expected to increase. Vehicle fuel has been budgeted at the average number of gallons used for the past two to three years. Vehicle parts and labor costs are expected to decrease. Repainting of a Case backhoe was included in FY 15 at a cost of \$8,900. Intragovernmental allocations increase for General Overhead, Insurance and IT Services. Debt service costs increase in anticipation of a bond issue in FY 16 to fund a water tower replacement. Transfer to capital projects includes \$175,000 for water main upgrades. An estimate of \$487,002 will go into Water Reserves to fund future capital projects, as planned in the rate study.

TOWN OF OCEAN CITY
FISCAL YEAR 2016 BUDGET
WATER FUND

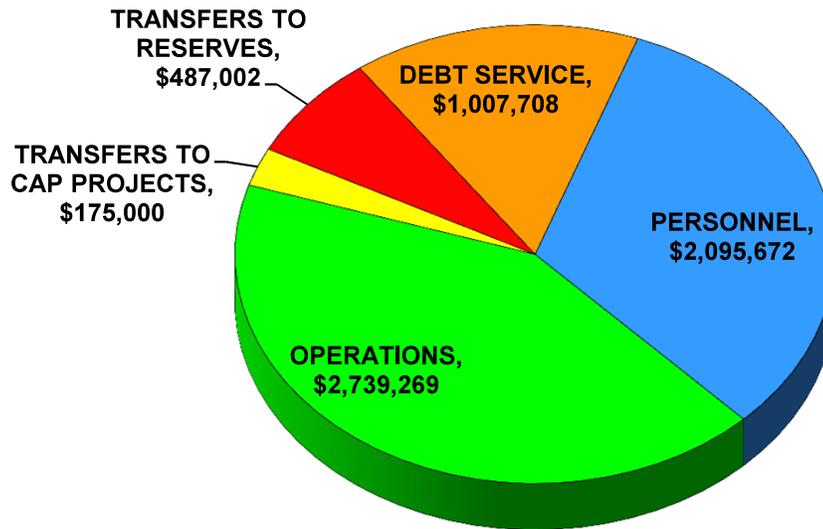
EXPENDITURES	ACTUAL 2014	ADOPTED 2015	CITY MANAGER PROPOSED 2016	COUNCIL ADOPTED 2016
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 1,180,130	\$ 1,341,518	\$ 1,330,565	\$ 1,330,565
EMPLOYEE BENEFITS	668,917	739,546	765,107	765,107
	<u>1,849,047</u>	<u>2,081,064</u>	<u>2,095,672</u>	<u>2,095,672</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	287,728	287,491	241,126	241,126
MAINTENANCE	856,039	1,160,000	733,123	733,123
SUPPLIES & MATERIALS	420,320	475,396	487,736	487,736
ENERGY	382,458	364,000	402,000	402,000
VEHICLE SUPPLIES & REPAIR	111,116	144,940	119,146	119,146
INTRAGOVERNMENTAL	680,255	740,338	756,138	756,138
	<u>2,737,916</u>	<u>3,172,165</u>	<u>2,739,269</u>	<u>2,739,269</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	1,777,089	743,044	1,007,708	1,007,708
TRANSFER TO RESERVES	0	0	487,002	487,002
TRANSFER TO CAP PROJECTS	1,365,000	1,520,600	175,000	175,000
CAPITAL OUTLAY	0	0	0	0
	<u>3,142,089</u>	<u>2,263,644</u>	<u>1,669,710</u>	<u>1,669,710</u>
TOTAL EXPENDITURES	\$ <u>7,729,052</u>	\$ <u>7,516,873</u>	\$ <u>6,504,651</u>	\$ <u>6,504,651</u>
LESS REVENUE GENERATED BY DEPARTMENT				
WATER SALES	(3,357,776)	(3,748,313)	(4,033,000)	(4,033,000)
WATER FIXTURE CHARGE	(3,513,673)	(3,489,335)	(2,160,941)	(2,160,941)
CAPACITY FEES	(125,436)	(89,964)	(108,000)	(108,000)
INTEREST	(20,861)	(19,015)	(19,015)	(19,015)
WATER VACANT LOT CHARGE	(31,383)	(31,824)	(18,778)	(18,778)
WATER CONNECTION CHARGES	(90,961)	(108,422)	(134,917)	(134,917)
SALES - MATERIALS & SERVICE	(38,002)	(30,000)	(30,000)	(30,000)
PROCEEDS OF LONG TERM DEBT	(752,380)	0	0	0
	<u>(7,930,472)</u>	<u>(7,516,873)</u>	<u>(6,504,651)</u>	<u>(6,504,651)</u>
REVENUE (OVER)/UNDER EXPENDITURES	\$ <u>(201,420)</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>



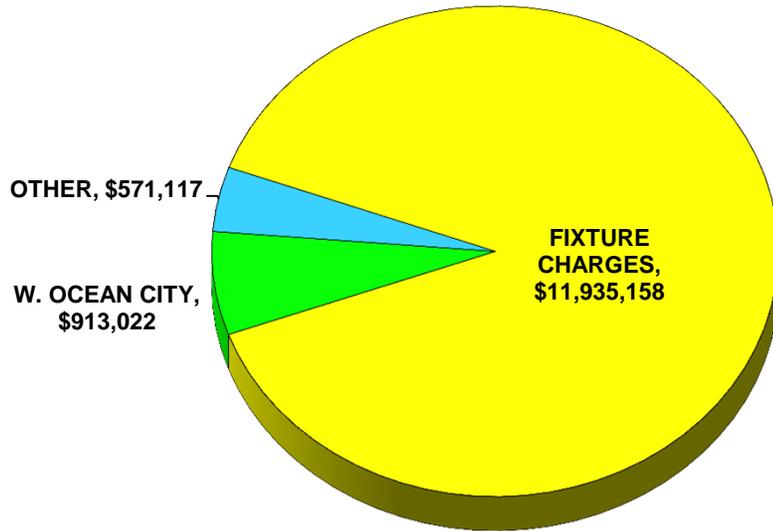
Water Fund Revenue 2016 Adopted



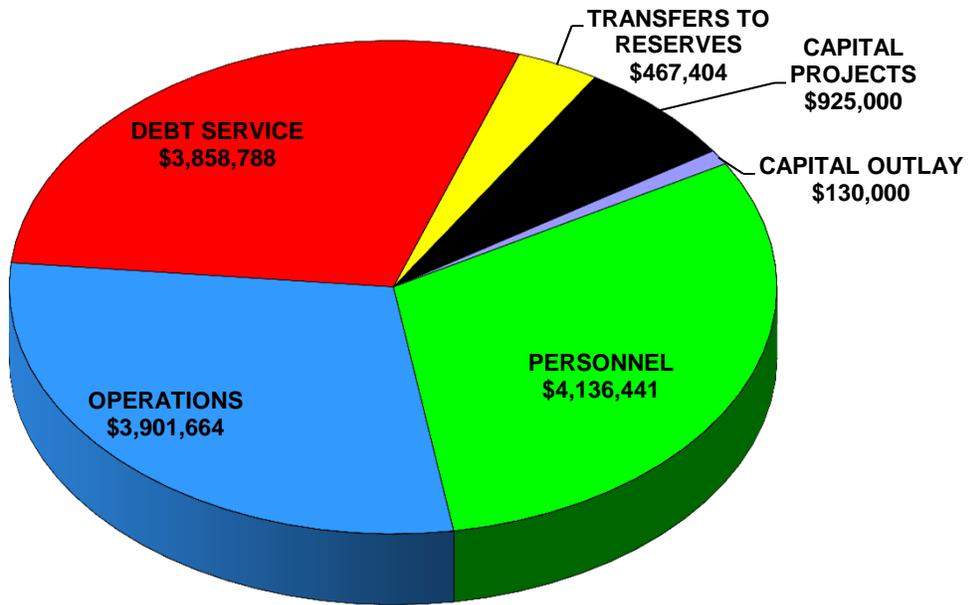
Water Fund Expenditures 2016 Adopted



Wastewater Fund Revenue 2016 Adopted



Wastewater Fund Expenditures 2016 Adopted



TOWN OF OCEAN CITY FISCAL YEAR 2016 BUDGET

WASTEWATER FUND

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

In accordance with the recently updated rate study, the rates for wastewater service increase from \$8.45 per quarter to \$8.80 per quarter. Capacity fees are based on new capacity and are expected to generate \$189,000 in FY 16. Capacity fees are used to fund Wastewater department capital projects. Service to West Ocean City is projected to increase, and has been budgeted at \$913,022. 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. In FY 16, a second Office Associate position is shared with the Construction department. Seventy percent of the salary and benefits for this employee are budgeted in Wastewater. A step increase effective January 2015 and a proposed 2% cost of living adjustment effective January 1, 2016 have been included. Salaries decrease due to the retirement of a Maintenance and Construction Supervisor and an Office Associate. Reductions have been projected for health insurance, pension and unemployment, while an increase has been included for retiree health.

CHANGES IN OPERATIONS:

Contracted Services include services provided by professional architects and engineers and tipping fees. Professional Services are expected to decrease \$13,264 in FY 16. A holding tank odor control study was included at \$20,000 in the FY 14 budget. Tipping fees and EOT disposal fees are projected to decrease \$45,500 in FY 16, and have been included at \$352,500. Permit fees paid to the Maryland Department of the Environment have been budgeted at \$8,000. Contracted Services also includes a camera and electromagnetic ocean outfall inspection, funded at \$105,000. Camera inspection of sewer laterals in conjunction with street paving projects has been included at \$25,000. Building maintenance has been budgeted at \$251,778. Most of this cost is routine plant maintenance, but \$40,000 has been included to replace the roof on the Effluent building, and \$25,000 has been included for concrete rehabilitation. Plant equipment maintenance has been budgeted at \$273,900. Replacement of the west thermoblender heater has been included at \$40,000. All other maintenance is routine. Supplies and Materials increase \$118,491 from FY 15. Approximately \$526,500 of this line item is budgeted to purchase chemicals for wastewater treatment. Included is \$173,500 for the purchase of sodium hypochlorite, an increase for this chemical of \$169,000. Energy costs have been budgeted to increase and include propane for the biosolids building at \$51,000. Vehicle fuel and repair cost estimates were reduced for this department. Intragovernmental allocations for General Overhead and insurance increase, while the allocation for IT services decreases. Debt service in FY 16 increases in anticipation of a bond issue to cover costs for Wastewater Main replacement, the 4th secondary clarifier and replacement of the plant main electrical service. An estimate of \$467,404 will go into Wastewater reserves to fund future capital projects, as planned in the rate study. Capital outlay includes \$75,000 to upgrade the SCADA system and \$55,000 to replace the first of two pumps at Montego Bay. Transfer to capital projects includes \$500,000 for sewer main upgrades and \$425,000 for electric motor control at the Primary Influent building. A ½ ton 2wd pickup was approved in the Vehicle Trust fund.

TOWN OF OCEAN CITY
FISCAL YEAR 2016 BUDGET
WASTEWATER FUND

EXPENDITURES	ACTUAL 2014	ADOPTED 2015	CITY MANAGER PROPOSED 2016	COUNCIL ADOPTED 2016
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 2,483,716	\$ 2,614,658	\$ 2,614,459	\$ 2,614,459
EMPLOYEE BENEFITS	1,396,317	1,530,512	1,521,982	1,521,982
	<u>3,880,033</u>	<u>4,145,170</u>	<u>4,136,441</u>	<u>4,136,441</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	830,586	656,041	729,672	729,672
MAINTENANCE	581,706	543,515	571,803	571,803
SUPPLIES & MATERIALS	693,728	627,684	746,175	746,175
ENERGY	524,955	587,652	614,000	614,000
VEHICLE SUPPLIES & REPAIR	137,333	187,035	161,689	161,689
INTRAGOVERNMENTAL	986,910	1,023,705	1,078,325	1,078,325
	<u>3,755,218</u>	<u>3,625,632</u>	<u>3,901,664</u>	<u>3,901,664</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	3,318,281	3,652,829	3,858,788	3,858,788
TRANSFER TO RESERVES	0	0	467,404	467,404
TRANSFER TO CAPITAL PROJECTS	3,096,041	934,000	925,000	925,000
CAPITAL OUTLAY	0	395,000	130,000	130,000
	<u>6,414,322</u>	<u>4,981,829</u>	<u>5,381,192</u>	<u>5,381,192</u>
TOTAL EXPENDITURES	<u>\$ 14,049,573</u>	<u>\$ 12,752,631</u>	<u>\$ 13,419,297</u>	<u>\$ 13,419,297</u>
LESS REVENUE GENERATED BY DEPARTMENT				
FIXTURE CHARGES	(11,487,973)	(11,388,335)	(11,935,158)	(11,935,158)
INTEREST	(37,769)	(36,000)	(36,000)	(36,000)
VACANT LOT CHARGE	(39,991)	(40,392)	(41,076)	(41,076)
CONNECTION CHARGES	(3,000)	(8,000)	(8,000)	(8,000)
SALES - MATERIALS & SERVICES	30,283	(9,600)	(9,600)	(9,600)
SERVICE TO WEST OCEAN CITY	(848,589)	(743,000)	(913,022)	(913,022)
PLUMBING PERMITS	(63,105)	(66,000)	(66,000)	(66,000)
LAB FEES	(89,850)	(90,000)	(90,000)	(90,000)
CAPACITY FEES	(218,720)	(157,080)	(189,000)	(189,000)
INTEREST EARNED ON INVESTMENTS	(4,704)	(5,000)	(3,000)	(3,000)
FEDERAL GOVERNMENT GRANTS	(118,463)	(128,710)	(125,441)	(125,441)
MISCELLANEOUS	(40,396)	(3,000)	(3,000)	(3,000)
PROCEEDS OF LONG TERM DEBT	(1,470,127)	0	0	0
	<u>(14,392,404)</u>	<u>(12,675,117)</u>	<u>(13,419,297)</u>	<u>(13,419,297)</u>
REVENUE (OVER)/UNDER EXPENDITURES	<u>\$ (342,831)</u>	<u>\$ 77,514</u>	<u>\$ 0</u>	<u>\$ 0</u>
 Fixture Charge	 8.45	 8.45	 8.80	
Vacant Lot	19.80	19.80	21.00	

TOWN OF OCEAN CITY
FISCAL YEAR 2016 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 in FY 16 will result in an estimated \$133,003 in additional revenue. Projected revenue from bus advertising is \$255,000, an increase of \$45,000. Tram fare will continue to be \$3.00 one-way seven days a week. \$1,092,856 is the projected tram revenue for FY 16. Tram advertising has been included at \$78,000. Federal and State operating grants are budgeted at \$825,782, the same level since FY 07. Capital grants include the purchase of four transit buses, two ADA vans, reimbursement for preventative maintenance on the buses and three currency counters. The General Fund contribution to Transportation increases \$109,226 for FY 16, and includes an allocation of \$200,000 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 were funded in FY 16. A Training and Compliance Manager position was requested in FY 16, but not funded. A step increase granted in January 2015 and a proposed 2% cost of living allowance effective January 1, 2016 have been included. Nearly 200 seasonal employees are employed by this department. Part time salaries in the bus division were increased to cover additional deployments. A slight increase in the bus division overtime has been included. 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. Part-time hours for the Tram division employees remain the same. In the Employee benefits category, costs for health insurance, retiree health, pension and the allocation for worker's compensation decrease, while the projected costs for Unemployment increase \$53,000. Unemployment accounts for \$563,000 of the Employee Benefits line item for FY 16.

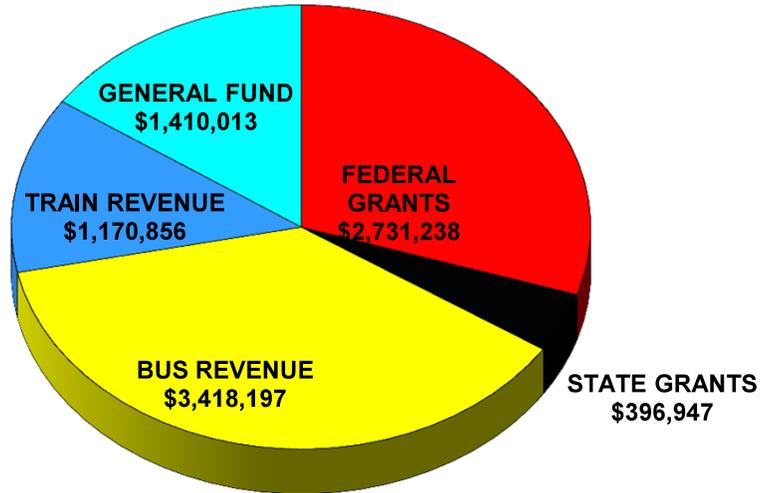
OPERATIONAL CHANGES:

Contracted Services include building and equipment maintenance, printing, dues and credit card fees. In FY 15, rehabilitation of the Park and Ride building was included at \$50,000. Funding was anticipated from the MTA, but was not received. The FY 16 budget includes \$22,500 for repairs to the South end tram station. NTI Procurement training has been included for the Assistant Superintendent. This training will assist in clarifying the FTA rules and regulations pertaining to grants received. Operational Supplies in FY 14 included grant-funded bus passenger shelters. Replacement currency counters were included in FY 15 and FY 16, and will be covered by 90% grant funding if approved. Tram uniform purchases were funded at a cost of \$5,000 in FY 15. In FY 16, only replacement shirts have been included. Energy costs decrease slightly. Vehicle fuel is a major expense for this department and was budgeted at \$931,277, a decrease of more than \$6,000. Parts and labor for the bus division have been budgeted at \$1,200,000. Grant funds in the amount of \$540,000 have been requested to offset this cost. Intragovernmental allocations for General Overhead expense and IT Services increase, while the allocations for Vehicle lease decrease. Overall, Intragovernmental allocations decrease \$15,173. Vehicle lease in the bus division only covers the amount for vehicle insurance costs. Vehicle Lease in the Administrative and Tram divisions typically includes an amount for vehicle lease and for vehicle insurance, but the boardwalk tram lease ended in FY 15. Capital Outlay includes four transit buses budgeted at \$454,000 each, and two replacement ADA vans budgeted at \$68,113 each. 90% of this cost will be covered by FTA/MTA grants if approved. Capital Outlay also includes a \$200,000 local match for the Transportation Campus Plan.

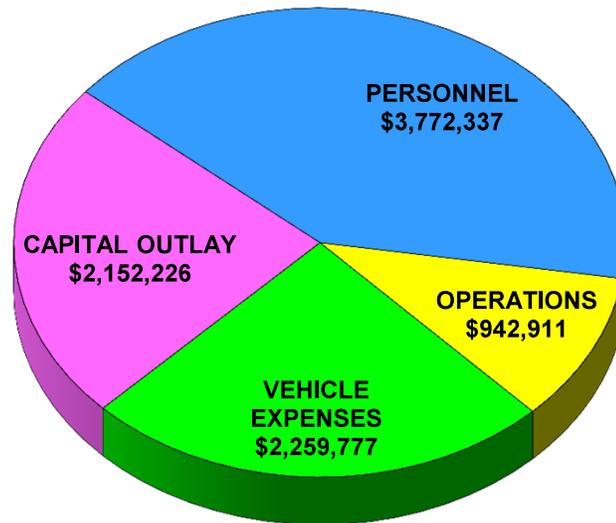
TOWN OF OCEAN CITY
FISCAL YEAR 2016 BUDGET
TRANSPORTATION FUND

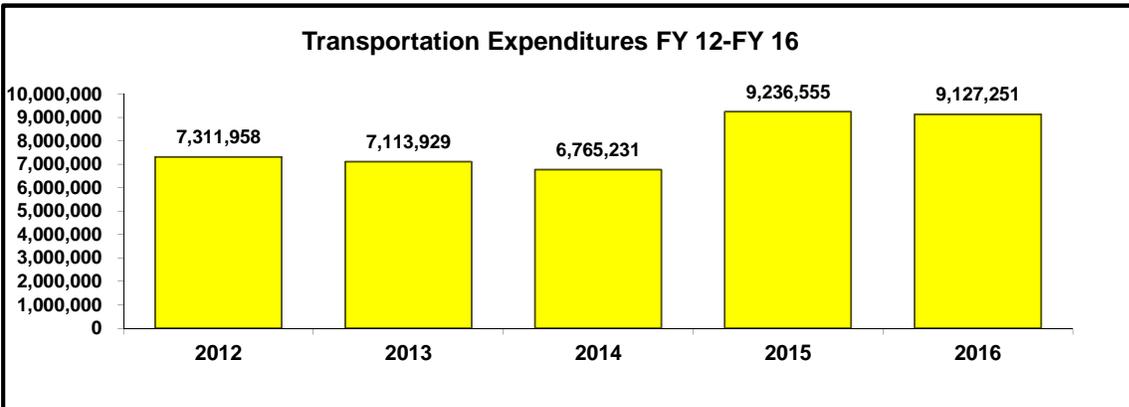
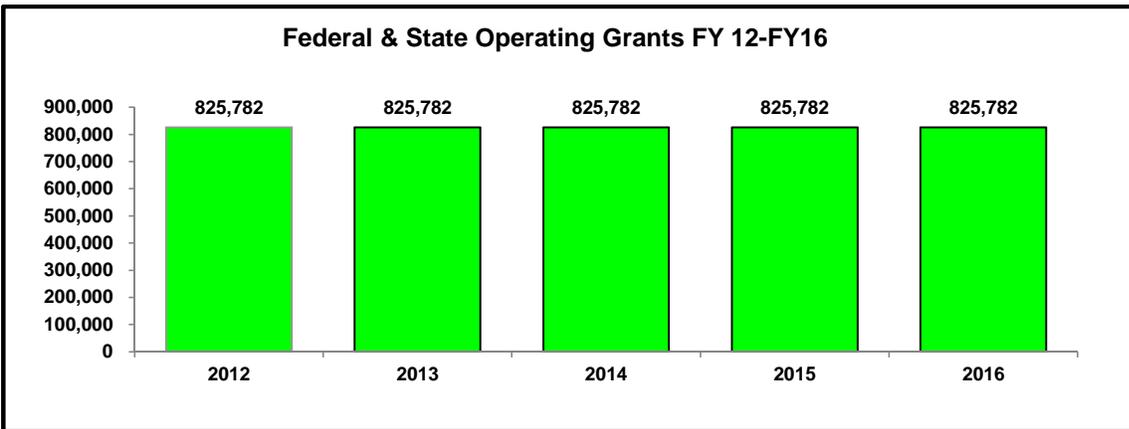
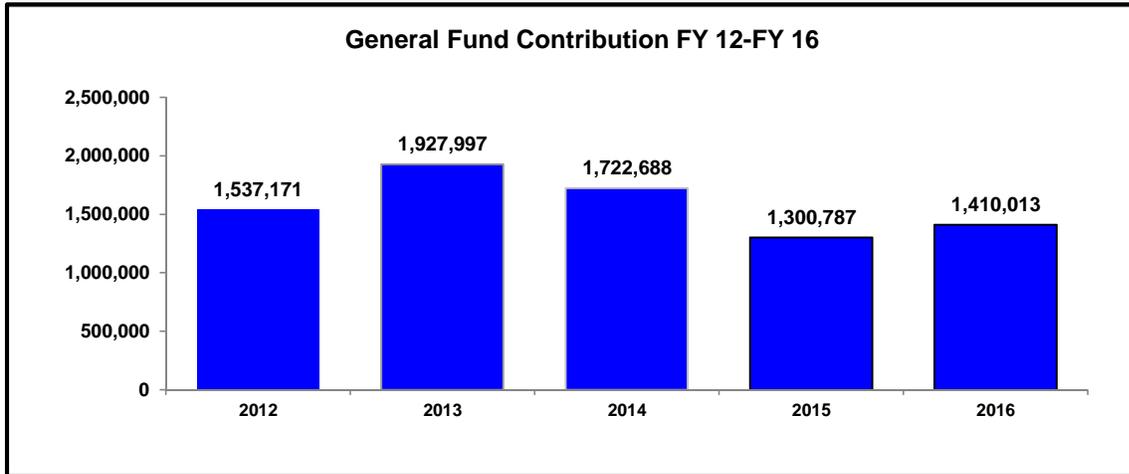
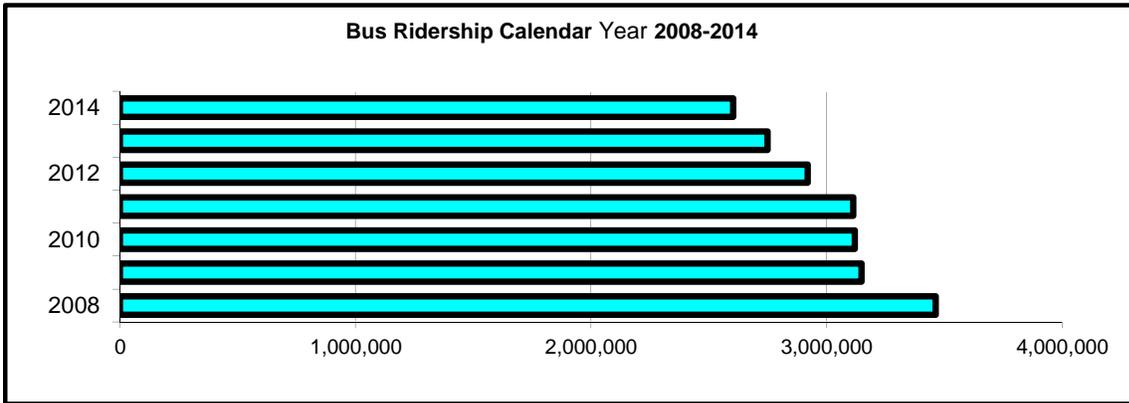
EXPENDITURES	ACTUAL 2014	ADOPTED 2015	CITY MANAGER PROPOSED 2016	COUNCIL ADOPTED 2016
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 2,563,777	\$ 2,582,531	\$ 2,605,105	\$ 2,684,596
EMPLOYEE BENEFITS	<u>1,020,236</u>	<u>1,054,515</u>	<u>1,031,847</u>	<u>1,087,741</u>
	3,584,013	3,637,046	3,636,952	3,772,337
OPERATING EXPENSES:				
CONTRACTED SERVICES	98,286	130,319	114,963	114,963
SUPPLIES & MATERIALS	76,012	69,475	65,640	65,640
ENERGY	69,401	72,931	70,950	70,950
VEHICLE SUPPLIES & REPAIR	2,143,260	2,288,253	2,215,645	2,259,777
INTRAGOVERNMENTAL	<u>748,034</u>	<u>706,531</u>	<u>691,358</u>	<u>691,358</u>
	3,134,993	3,267,509	3,158,556	3,202,688
OTHER FINANCIAL USES:				
DEBT SERVICE	0	0	0	0
TRANSFER OUT	0	0	0	0
CAPITAL OUTLAY	<u>46,225</u>	<u>2,332,000</u>	<u>1,952,226</u>	<u>2,152,226</u>
	46,225	2,332,000	1,952,226	2,152,226
TOTAL EXPENDITURES	<u>\$ 6,765,231</u>	<u>\$ 9,236,555</u>	<u>\$ 8,747,734</u>	<u>\$ 9,127,251</u>
LESS REVENUE GENERATED BY DEPARTMENT				
BUS REVENUE	(2,764,338)	(3,121,966)	(3,029,994)	(3,162,997)
TRAIN REVENUE	(1,089,226)	(1,088,620)	(1,122,856)	(1,170,856)
BUS ADVERTISING	(249,587)	(210,000)	(255,000)	(255,000)
INTEREST ON INVESTMENTS	(384)	(200)	(200)	(200)
CAPITAL ASSET SALES	(1,250)	0	0	0
PRIOR YEAR RESERVES	0	0	0	0
CAPITAL GRANT - FEDERAL	(65,828)	(2,390,400)	(2,046,581)	(2,046,581)
CAPITAL GRANT - STATE	(8,228)	(298,800)	(255,822)	(255,822)
ADA GRANT - STATE	(147,920)	(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>
	(5,042,543)	(7,935,768)	(7,536,235)	(7,717,238)
TOWN CONTRIBUTION	<u>\$ 1,722,688</u>	<u>\$ 1,300,787</u>	<u>\$ 1,211,499</u>	<u>\$ 1,410,013</u>

Transportation Fund Revenue 2016 Adopted



Transportation Fund Expenditures 2016 Adopted





**TOWN OF OCEAN CITY
FISCAL YEAR 2016 BUDGET**

AIRPORT FUND

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

No Federal or State grant funding is anticipated in FY 16. Anticipated fuel sales are based on the average number of gallons sold for the past four years. The average number of gallons of jet fuel have increased approximately 6,000 gallons, while the average number of gallons of 100LL have remained the same. Per gallon costs for jet fuel are also projected to decrease, while costs for 100 LL fuel are projected to increase. 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 remain the same. Revenue from this operation is shown in the Service Charges line item. The General Fund subsidy of the Airport increases \$2,722, from \$262,069 to \$264,791.

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 full year of the step increase effective January 1, 2015 and a 2% cost of living adjustment have been included. Two part-time, year-round Office Associates and two seasonal line technicians are also employed by this division. Benefit costs for retiree health, pension and unemployment are projected to decrease for this division.

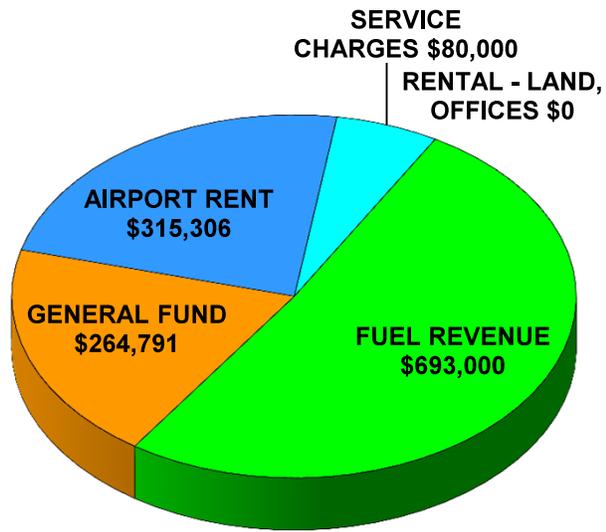
CHANGES IN OPERATIONS:

Contracted Services include professional services, building and equipment maintenance, credit card fees and other services. Replacement of the HVAC system at a cost of \$21,000, was included in the FY 14 budget. A fuel farm transfer pump overhaul was included in FY 15. In FY 16, a new duct system for the flight school hangar has been included at a cost of \$6,500. Concrete crushing has been included at \$60,000, an increase of \$12,400 from the FY 15 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 \$560,700 for the coming year, an increase of \$36,892. The estimated gallons of jet fuel have increased, while the purchase price of 100 LL fuel is expected to increase. Energy costs have been budgeted to increase. Vehicle fuel, parts and labor costs are projected to increase for this division. Allocations for property and liability insurance and for General Overhead expense decrease for this division. The cost of policies specific to the Airport decreased \$2,500. Debt Service reflects Airport improvement bonds of 2005 and 2010. No capital outlay has been included for this division.

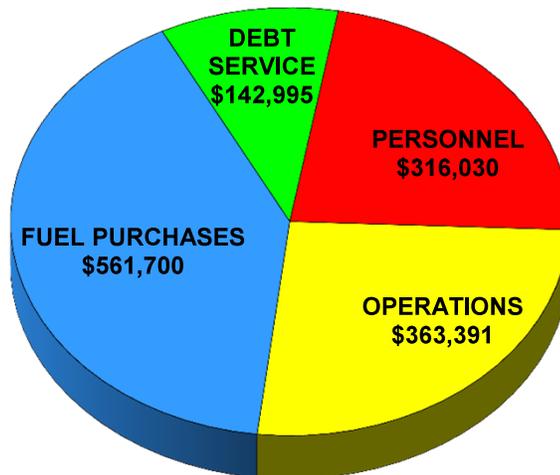
TOWN OF OCEAN CITY
FISCAL YEAR 2016 BUDGET
AIRPORT FUND

EXPENDITURES	ACTUAL 2014	ADOPTED 2015	CITY MANAGER PROPOSED 2016	COUNCIL ADOPTED 2016
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 205,021	\$ 215,646	\$ 221,432	\$ 221,432
EMPLOYEE BENEFITS	86,744	100,911	94,598	94,598
	<u>291,765</u>	<u>316,557</u>	<u>316,030</u>	<u>316,030</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	197,643	174,506	193,697	193,697
SUPPLIES & MATERIALS	12,470	16,369	16,569	16,569
PURCHASES FOR RESALE	535,342	524,808	561,700	561,700
ENERGY	37,914	39,498	42,875	42,875
VEHICLE SUPPLIES & REPAIR	25,297	18,062	23,002	23,002
INTRAGOVERNMENTAL	99,353	101,855	87,248	87,248
	<u>908,019</u>	<u>875,098</u>	<u>925,091</u>	<u>925,091</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	136,588	142,977	142,995	142,995
TRANSFER TO CAPITAL PROJECTS	0	0	0	0
CAPITAL OUTLAY	524,079	0	0	0
	<u>660,667</u>	<u>142,977</u>	<u>142,995</u>	<u>142,995</u>
TOTAL EXPENDITURES	<u>\$ 1,860,451</u>	<u>\$ 1,334,632</u>	<u>\$ 1,384,116</u>	<u>\$ 1,384,116</u>
LESS REVENUE GENERATED BY DEPARTMENT				
FUEL REVENUE	(655,012)	(655,911)	(693,000)	(693,000)
RENT REVENUES	(296,235)	(308,742)	(315,306)	(315,306)
RENTAL - LAND, OFFICE SPACE	(29,356)	(28,686)	(30,919)	(30,919)
FEDERAL GRANTS	(432,954)	0	0	0
STATE GRANTS	(24,053)	0	0	0
SERVICE CHARGES	(164,516)	(79,124)	(80,000)	(80,000)
INSURANCE CLAIM PAYMENTS	(980)	0	0	0
INTEREST EARNED	(413)	(100)	(100)	(100)
PRIOR YEAR SURPLUS	0	0	0	0
	<u>(1,603,519)</u>	<u>(1,072,563)</u>	<u>(1,119,325)</u>	<u>(1,119,325)</u>
TOTAL TOWN CONTRIBUTION	<u>\$ 256,932</u>	<u>\$ 262,069</u>	<u>\$ 264,791</u>	<u>\$ 264,791</u>

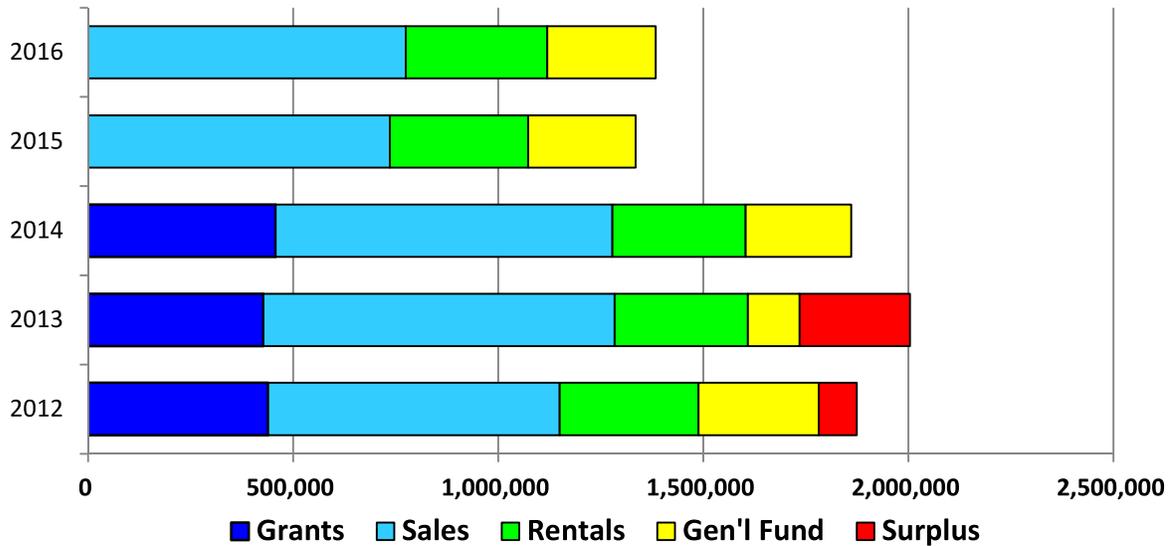
Airport Fund Revenues 2016 Adopted



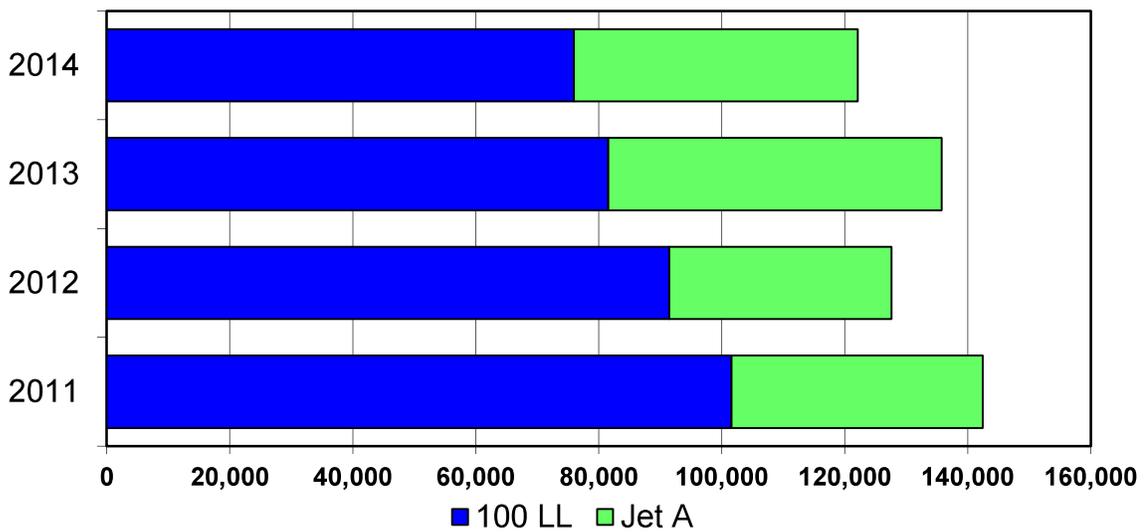
Airport Fund Expenditures 2016 Adopted



Airport Revenue by Type FY 12 - FY 16



Gallons of Fuel Sold FY 11 - FY 14



**TOWN OF OCEAN CITY
FISCAL YEAR 2016 BUDGET**

GOLF COURSE FUND

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

The weekend spring/summer rack rates will be increased from \$95 to \$99 in the spring of 2015. Admissions Tax revenue for Eagle's Landing, previously assigned to the General Fund, was assigned to the Golf Course beginning in FY 10. Revenue has been conservatively estimated for FY 16.

PERSONNEL CHANGES:

Eight full-time positions are included in this budget. A step increase effective January 1, 2015 and a 2% cost of living adjustment effective January 1, 2016 have been included for all eligible employees. Seasonal golf laborers, pro shop employees, concession workers and cart attendants are also employed by this division. Group insurance has been projected to increase, while retiree health, pension and unemployment costs are all projected to decrease.

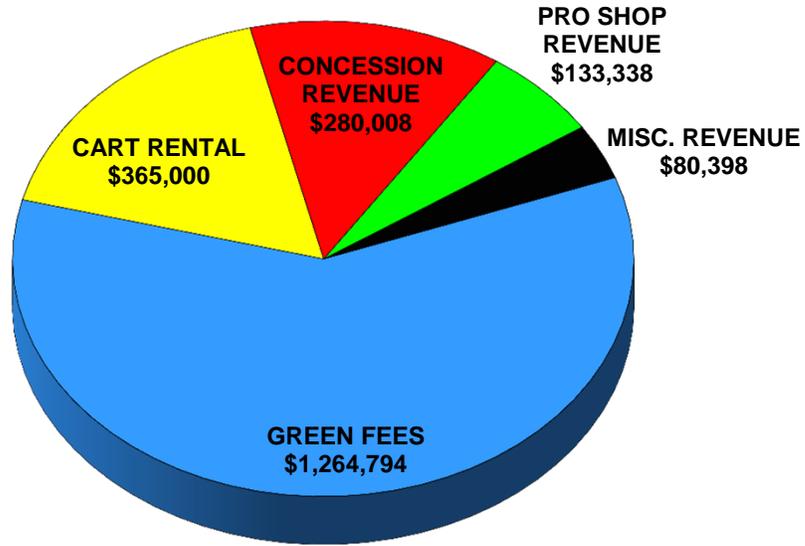
CHANGES IN OPERATIONS:

Contracted Services include building & equipment maintenance and golf cart rental, advertising and credit card fees. A replacement draft beer system was included in FY 15. Greater Ocean City Golf Association fees have been budgeted at \$47,588, an increase of \$13,588. Advertising has been budgeted at \$58,000, and includes a new bus wrap, budgeted at \$8,000. Kitchen improvements were requested, but not funded. In the Maintenance division, cart path bridge end stabilization has been funded. Training and travel increase for both divisions and include attendance at the PGA show for the Golf Pro and at the Golf Course Superintendent's national conference. The golf cart lease expires in August and is projected to increase. Supplies & Materials remain the same for the Maintenance division. Maintenance supplies are budgeted at \$223,410, which covers all chemicals, fertilizers, irrigation and landscaping supplies for the Golf Course. A greens roller and trailer were requested, but not funded. 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 \$3,750. Replacement tables and chairs were requested, but not funded. Purchases for Resale for the Golf Shop and the Golf Concession account for \$195,736 of the Golf Course budget, and are budgeted to decrease. Energy costs are also budgeted to decrease. Costs for vehicle fuel and labor are anticipated to decrease in FY 16. Intragovernmental allocations for Vehicle lease and IT services increase, while the allocations for General Overhead expense decrease. No capital outlay has been requested. Equipment approved in the Vehicle Trust Fund includes: a pickup truck, \$21,000; a front rotary mower, \$22,100; and a fairway mower, \$48,200.

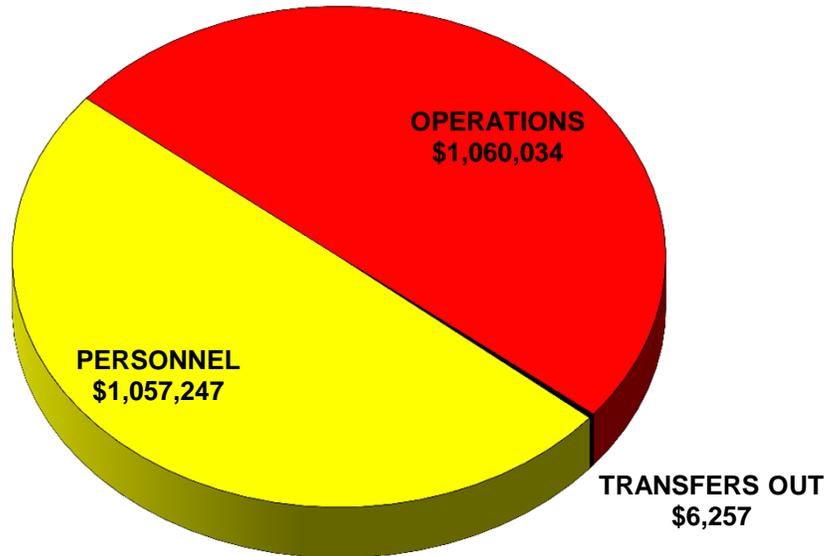
TOWN OF OCEAN CITY
FISCAL YEAR 2016 BUDGET
GOLF COURSE FUND

EXPENDITURES	ACTUAL 2014	ADOPTED 2015	CITY MANAGER PROPOSED 2016	COUNCIL ADOPTED 2016
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 685,355	\$ 711,817	\$ 723,341	\$ 723,341
EMPLOYEE BENEFITS	349,966	366,119	333,906	333,906
	<u>1,035,321</u>	<u>1,077,936</u>	<u>1,057,247</u>	<u>1,057,247</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	162,820	182,988	207,740	207,740
GOLF CART LEASE	117,399	104,657	109,257	109,257
SUPPLIES & MATERIALS	239,724	245,850	249,060	249,060
PURCHASES FOR RESALE	187,193	198,849	195,736	195,736
ENERGY	44,081	47,748	46,000	46,000
VEHICLE SUPPLIES & REPAIR	46,293	53,538	50,644	50,644
INTRAGOVERNMENTAL	194,541	191,128	201,597	201,597
	<u>992,051</u>	<u>1,024,758</u>	<u>1,060,034</u>	<u>1,060,034</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	0	0	0	0
TRANSFERS OUT	0	9,768	6,257	6,257
CAPITAL OUTLAY	0	0	0	0
	<u>0</u>	<u>9,768</u>	<u>6,257</u>	<u>6,257</u>
TOTAL EXPENDITURES	<u>\$ 2,027,372</u>	<u>\$ 2,112,462</u>	<u>\$ 2,123,538</u>	<u>\$ 2,123,538</u>
LESS REVENUE GENERATED BY DIVISION				
ADMISSIONS TAX	(70,587)	(60,000)	(67,000)	(67,000)
GREEN FEES	(1,217,708)	(1,240,578)	(1,264,794)	(1,264,794)
CART RENTAL	(357,562)	(387,518)	(365,000)	(365,000)
CONCESSION REVENUE	(268,739)	(278,716)	(280,008)	(280,008)
PRO SHOP REVENUE	(126,950)	(136,650)	(133,338)	(133,338)
CLUB RENTAL	(1,738)	(2,300)	(4,000)	(4,000)
TOURNAMENT REVENUE	(2,680)	(3,000)	(3,000)	(3,000)
PRIOR YEAR RESERVES	0	0	0	0
INTEREST ON INVESTMENTS	(9)	(100)	(100)	(100)
MISCELLANEOUS REVENUE	(4,512)	(3,600)	(3,600)	(3,600)
DISCOUNTS TAKEN	(3,243)	0	(2,698)	(2,698)
	<u>(2,053,728)</u>	<u>(2,112,462)</u>	<u>(2,123,538)</u>	<u>(2,123,538)</u>
REVENUE (OVER)/UNDER EXPENDITURES	<u>\$ (26,356)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

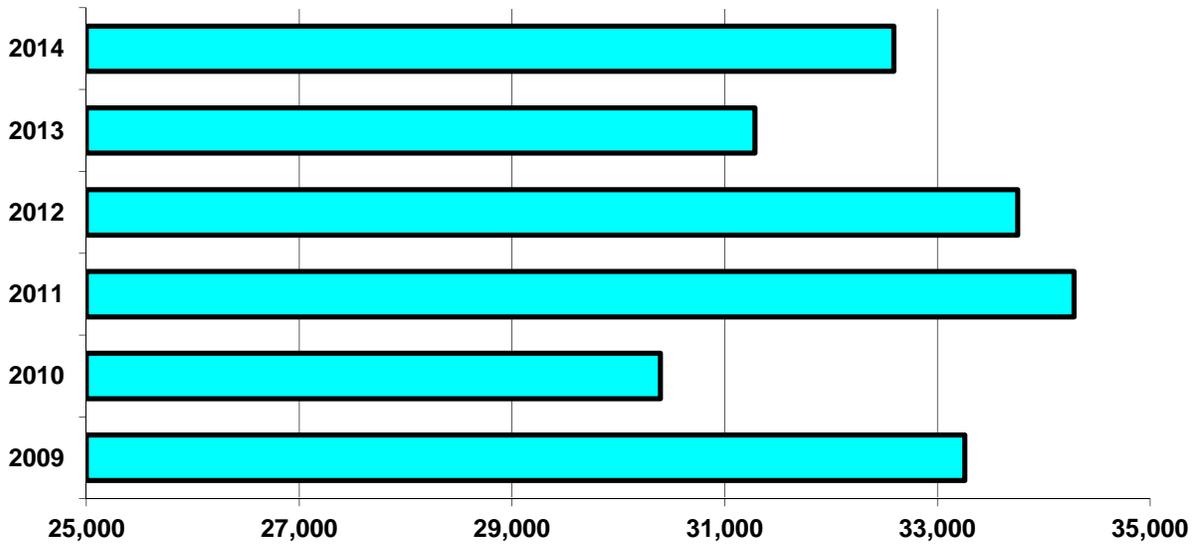
Golf Course Revenue 2016 Adopted



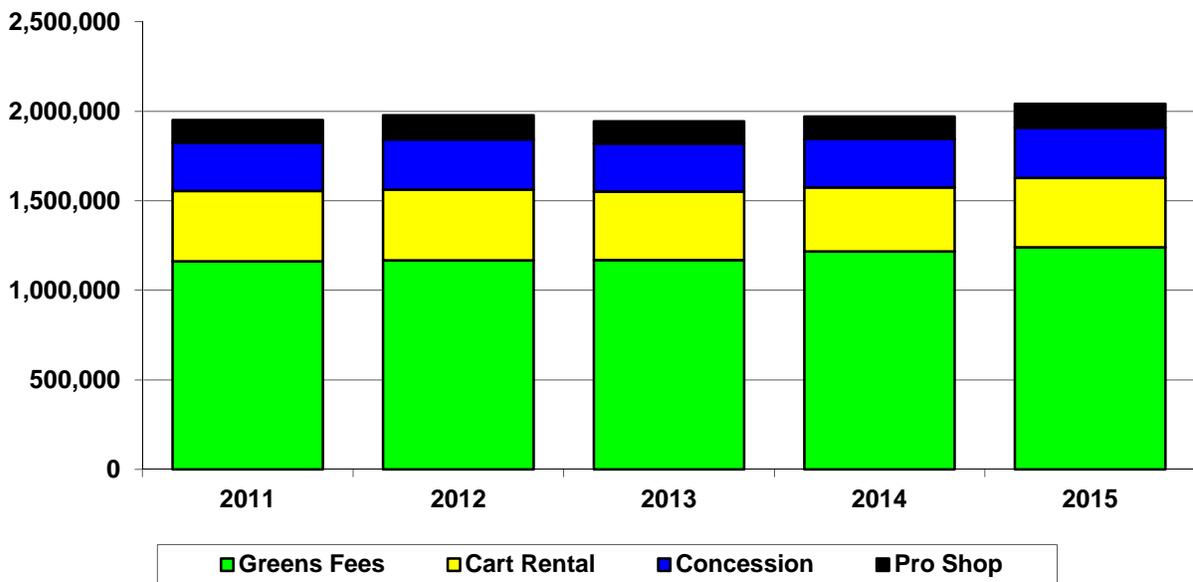
Golf Course Expenditures 2016 Adopted



Eagle's Landing Rounds Played CY 09-CY 14



Source of Revenue FY 2011 - FY 2015



TOWN OF OCEAN CITY FISCAL YEAR 2016 BUDGET

CONVENTION CENTER FUND and MUSEUM

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

Anticipated revenue from Hall Rental is expected to increase and includes \$75,000 for rental of the Performing Arts Center. Special Events revenue includes a reduction in the amount of revenue anticipated from the Holiday Shopper's Fair, but includes \$100,000 for four city-sponsored events to be held in the Performing Arts Center. Concession revenue is projected to increase. Sales/Other reflects membership dues for the Convention & Visitor's Bureau and includes the increase in membership fees. 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 \$1,230,000 that will go toward debt retirement in FY 16. Prior year reserves reflects the accumulation of food tax funds and will also be used to offset the expansion debt retirement. 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 \$22,628, while the General Fund subsidy increases \$12,373, including \$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 16. 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 will be replaced with a Sales Manager position, and one additional Maintenance Worker II position has been included as well. A step increase effective January 1, 2015 and a 2% cost of living increase effective January 1, 2016 have 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. Overtime in the Maintenance division has been budgeted at \$88,646, an increase of \$5,646. The projected expense for retiree health decreases for this fund, while the expenses for group insurance and pension are anticipated to increase.

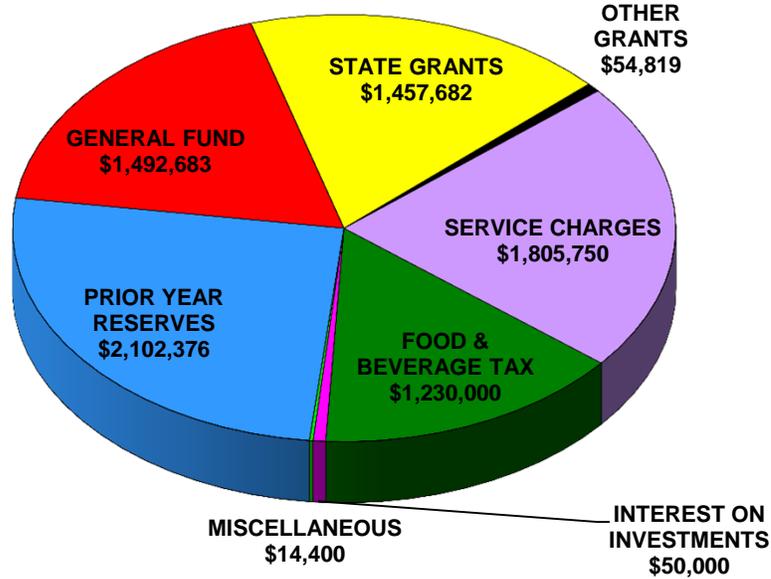
CHANGES IN OPERATIONS:

Contracted Services increase in FY 16, and include travel, credit card fees, dry cleaning and advertising. In FY 16, \$100,000 has been included for city-sponsored events held in the Performing Arts Center. In the Sales division, advertising for the Performing Arts center has been reduced from \$20,000 to \$10,000. Costs associated with the Convention Center microsite on the Tourism website decrease \$10,000. Wifi maintenance and upgrades have been funded at \$10,000, a reduction of \$12,000. Maintenance costs account for \$273,794 of the Convention Center budget. Escalator, elevator, HVAC, and equipment repair are budgeted at \$200,000, and include HVAC repairs recommended by the Public Works Facilities Manager totaling \$64,500. This includes repairs to pipe insulation and the installation of an HVAC system for the dockside foyer and food court area. Building maintenance accounts for another \$72,306. Overall maintenance costs increase \$25,150. Repairs from water damage costing approximately \$100,000 were funded in FY 14. Operational supplies include costs for such items as replacement tables and chairs, supplies to clean and maintain the building, aisle and booth carpet, and landscaping supplies. Two hundred stacking chairs were eliminated by the Convention Center Director, at a savings of \$21,933. In addition, the estimates for exhibit decorating materials, floor care supplies, cleaning supplies and aisle and booth carpet were reduced \$30,000. The Museum's operating expenses increase \$2,262 overall. Energy costs for the Convention Center are budgeted to increase \$50,000 for FY 16. Intragovernmental allocations for IT Services and property insurance increase, while the allocation for General Overhead decreases. Debt Service includes principal and interest on the 2004, 2010 and 2013 bonds. Food and Beverage tax receipts and prior year reserves will be used to pay the debt service on the Convention Center expansion. Transfer to Reserves reflects the amount to be set aside for the capital reserve fund. Purchase of a forklift costing \$40,000 was included in capital outlay in FY 15. A Genie Boom to be used in the Performing Arts Center has been budgeted for FY 16.

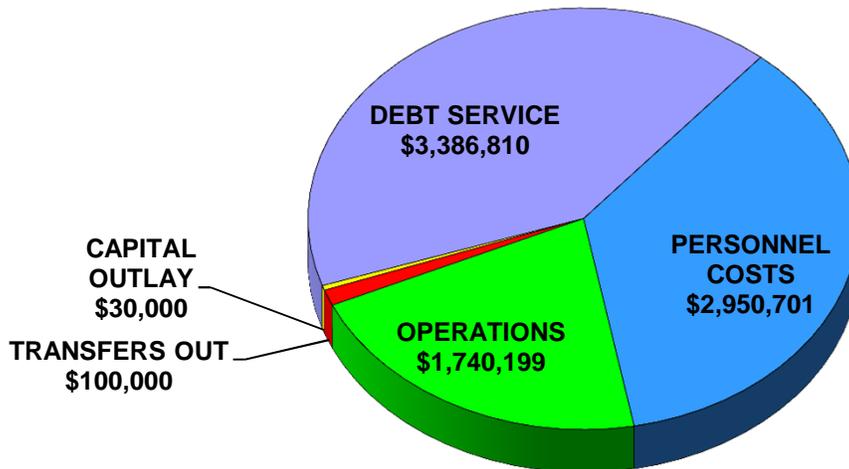
TOWN OF OCEAN CITY
FISCAL YEAR 2016 BUDGET
CONVENTION CENTER FUND AND MUSEUM

EXPENDITURES	ACTUAL 2014	ADOPTED 2015	CITY MANAGER PROPOSED 2016	COUNCIL ADOPTED 2016
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 1,881,421	\$ 1,939,204	\$ 1,949,053	\$ 1,949,053
EMPLOYEE BENEFITS	979,147	1,026,731	1,001,648	1,001,648
	<u>2,860,568</u>	<u>2,965,935</u>	<u>2,950,701</u>	<u>2,950,701</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	185,036	239,727	310,049	345,049
MAINTENANCE	358,966	248,644	273,794	273,794
SUPPLIES & MATERIALS	164,572	240,134	184,802	184,802
ENERGY	563,072	550,000	600,000	600,000
VEHICLE SUPPLIES & REPAIR	19,901	28,201	25,344	25,344
INTRAGOVERNMENTAL	275,003	293,879	311,210	311,210
	<u>1,566,550</u>	<u>1,600,585</u>	<u>1,705,199</u>	<u>1,740,199</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	2,257,348	3,398,092	3,386,810	3,386,810
TRANSFER TO RESERVES	0	100,000	100,000	100,000
CAPITAL OUTLAY	9,408,770	40,000	30,000	30,000
	<u>11,666,118</u>	<u>3,538,092</u>	<u>3,516,810</u>	<u>3,516,810</u>
TOTAL EXPENDITURES	<u>\$ 16,093,236</u>	<u>\$ 8,104,612</u>	<u>\$ 8,172,710</u>	<u>\$ 8,207,710</u>
LESS REVENUE GENERATED BY DIVISION				
HALL RENTAL REVENUE	(850,392)	(850,000)	(900,000)	(900,000)
SPECIAL EVENT REVENUE	(61,435)	(94,000)	(155,000)	(155,000)
CONCESSION REVENUE	(358,003)	(345,000)	(352,000)	(352,000)
SERVICE CHARGES	(281,808)	(320,000)	(310,000)	(310,000)
BUS PARKING REVENUE	(1,420)	0	0	0
MONTHLY LEASE REVENUE	(7,740)	(7,500)	(7,500)	(7,500)
SALES/OTHER	(67,780)	(65,000)	(81,250)	(81,250)
FOOD & BEVERAGE TAX	(1,234,404)	(1,170,000)	(1,230,000)	(1,230,000)
INTEREST ON INVESTMENTS	(49,854)	(75,000)	(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	(5,821)	(13,596)	(4,819)	(4,819)
INSURANCE CLAIM PAYMENTS	(162,888)	0	0	0
BOND PROCEEDS	(9,408,770)	0	0	0
PRIOR YEAR RESERVES	(890,102)	(2,139,496)	(2,102,376)	(2,102,376)
STATE OPERATING/CAPITAL GRANT	(1,335,359)	(1,480,310)	(1,457,682)	(1,457,682)
	<u>(14,780,176)</u>	<u>(6,624,302)</u>	<u>(6,715,027)</u>	<u>(6,715,027)</u>
TOTAL TOWN CONTRIBUTION	<u>\$ 1,313,060</u>	<u>\$ 1,480,310</u>	<u>\$ 1,457,683</u>	<u>\$ 1,492,683</u>
MUSEUM				
	ACTUAL	ADOPTED	CITY MANAGER	COUNCIL
	2014	2015	PROPOSED	ADOPTED
	2016	2016	2016	2016
PERSONNEL COSTS:	193,128	204,379	199,411	199,411
OPERATING EXPENSES:	24,436	43,304	45,566	45,566
TOTAL EXPENDITURES	<u>217,564</u>	<u>247,683</u>	<u>244,977</u>	<u>244,977</u>

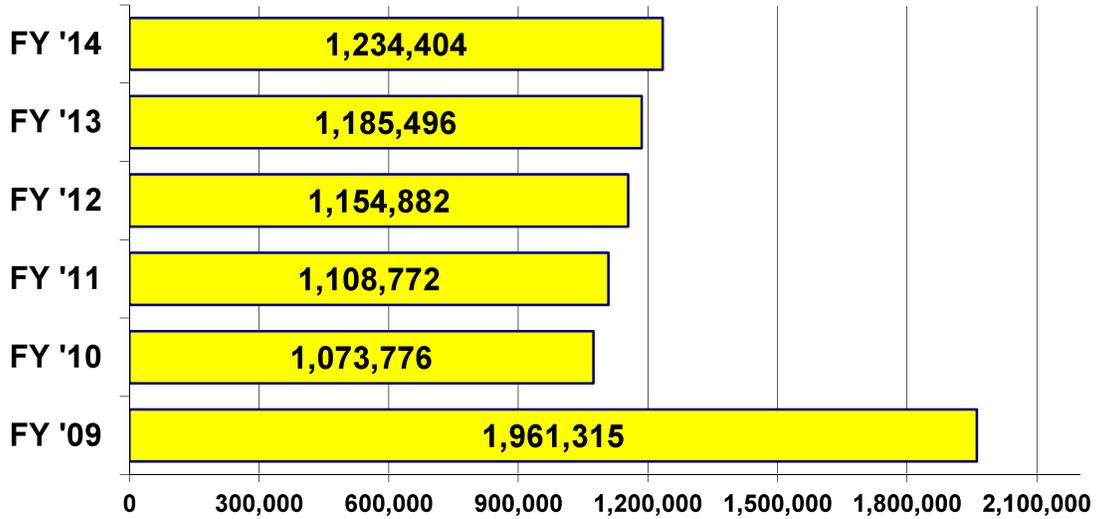
Convention Center Fund Revenue FY 2016 Adopted



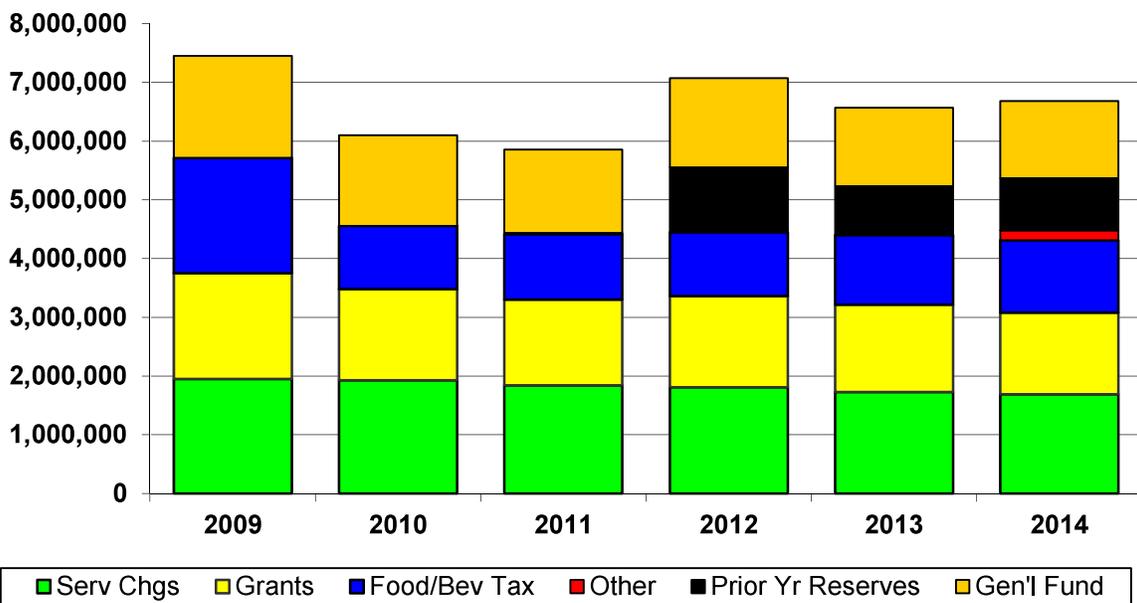
Convention Center Fund Expenditures 2016 Adopted



Food & Beverage Tax FY 2009 - FY 2014



OCCC Operations Revenue by Type FY 09 - FY 14



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.

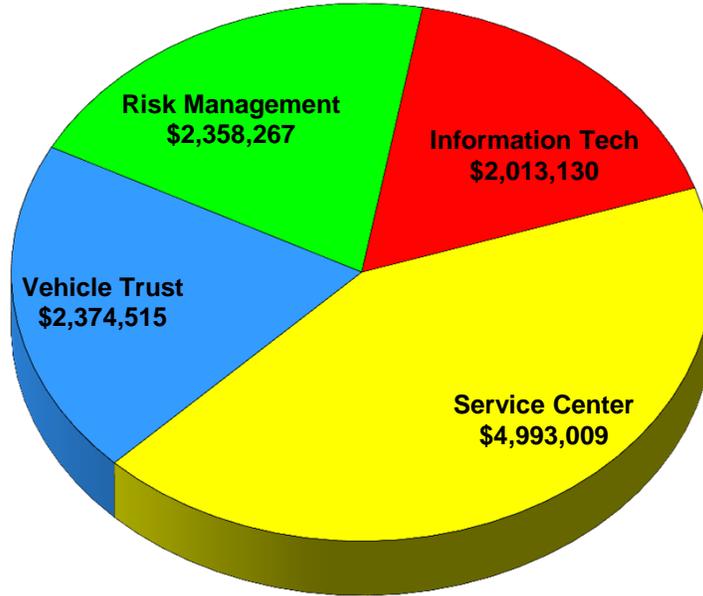
VEHICLE AND EQUIPMENT TRUST FUND

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.

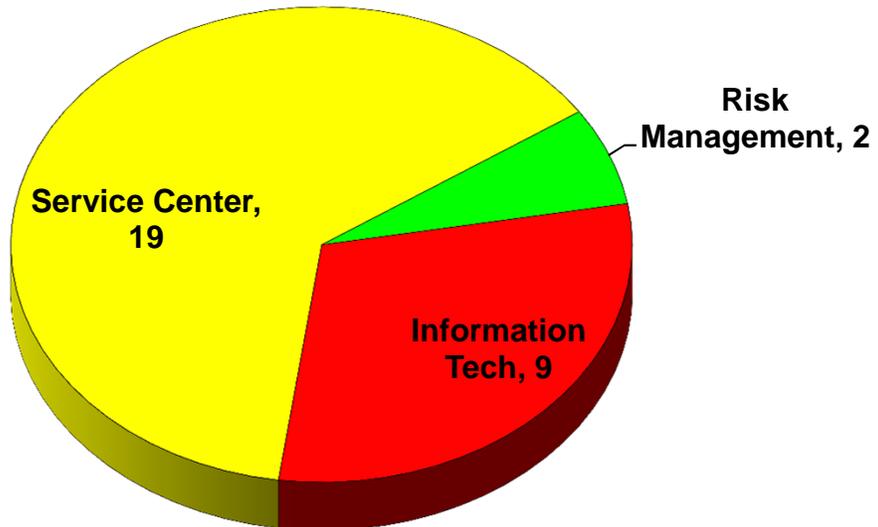
RISK MANAGEMENT FUND

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 16 Internal Service Funds Expenses



FY 16 Internal Service Fund Full-Time Personnel



TOWN OF OCEAN CITY
FISCAL YEAR 2016 BUDGET

INFORMATION TECHNOLOGY

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

The overall IT budget increases \$28,104 for FY 16, resulting in an increase in charges to some funds. Charges for voice and data equipment maintenance 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 the step increase effective January 1, 2015 and for a 2% cost of living adjustment effective January 1, 2016 have been included. Overtime has been projected to increase \$2,580. No part-time employees are utilized by this department. Benefit costs decrease for health insurance, retiree health and pension.

CHANGES IN OPERATIONS:

Software support, maintenance and software upgrades account for \$530,945 of the IT budget. This accounts for nearly half of the operating costs of the department. Annual costs for the Town's Voice and Data equipment maintenance agreement total \$109,000 and are paid from the Equipment Trust Fund. Another 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 \$378,945. Software support has increased nearly \$100,000 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 \$62,530. A risk assessment was funded at a cost of 27,000. The last risk assessment was completed in August 2008. Training and Travel costs were budgeted at \$17,246 for this division. Included items are: attendance at the H.T.E. National conference for two employees, \$3,800; online training for the support staff, \$5,000 and online training for the network staff, \$3,845. Operational Supplies decrease \$24,791 from FY 15. More than \$100,000 in equipment requests were not funded. Funded supplies include: Virtual desktop equipment, \$34,000; switch replacements, \$27,600, and Microsoft software assurance, \$80,000. Police department approved equipment totals \$58,288, and EMS equipment has been included at \$20,068. A network backup appliance and offsite recovery plan with a total cost of \$119,400 was not funded, as less expensive alternatives are being investigated. Other unfunded items include: a CAD enhancement for the Communications division costing \$21,880 and a Red Alert mobile tablet app costing \$19,585. Intragovernmental allocations for General Overhead expense decrease. No capital outlay items are budgeted.

TOWN OF OCEAN CITY
FISCAL YEAR 2016 BUDGET
INFORMATION TECHNOLOGY

EXPENDITURES	ACTUAL 2014	ADOPTED 2015	CITY MANAGER PROPOSED 2016	COUNCIL ADOPTED 2016
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 621,628	\$ 634,904	\$ 655,641	\$ 655,641
EMPLOYEE BENEFITS	334,491	353,089	333,309	333,309
	<u>956,119</u>	<u>987,993</u>	<u>988,950</u>	<u>988,950</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	55,536	106,178	127,692	127,692
MAINTENANCE	449,971	497,626	530,945	530,945
SUPPLIES & MATERIALS	299,603	321,244	296,453	296,453
ENERGY	7,442	8,586	8,100	8,100
VEHICLE SUPPLIES & REPAIR	4,088	6,036	5,766	5,766
INTRAGOVERNMENTAL	57,383	57,363	55,224	55,224
	<u>874,023</u>	<u>997,033</u>	<u>1,024,180</u>	<u>1,024,180</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>\$ 1,830,142</u>	<u>\$ 1,985,026</u>	<u>\$ 2,013,130</u>	<u>\$ 2,013,130</u>
LESS REVENUE GENERATED BY DEPARTMENT				
GENERAL FUND	(1,359,521)	(1,524,077)	(1,533,795)	(1,533,795)
WATER FUND	(133,031)	(101,532)	(103,054)	(103,054)
WASTEWATER FUND	(156,154)	(123,790)	(118,904)	(118,904)
TRANSPORTATION FUND	(33,392)	(37,565)	(49,842)	(49,842)
AIRPORT FUND	(10,427)	(12,987)	(12,187)	(12,187)
GOLF COURSE FUND	(24,498)	(28,144)	(29,126)	(29,126)
CONVENTION CENTER FUND	(39,682)	(39,376)	(46,634)	(46,634)
SERVICE CENTER FUND	(76,934)	(96,741)	(93,732)	(93,732)
RISK MANAGEMENT FUND	(24,087)	(20,814)	(25,856)	(25,856)
PRIOR YEAR RESERVES	(36)	0	0	0
	<u>(1,857,762)</u>	<u>(1,985,026)</u>	<u>(2,013,130)</u>	<u>(2,013,130)</u>
REVENUES (OVER)/UNDER EXPENDITURES	<u>\$ (27,620)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**TOWN OF OCEAN CITY
FISCAL YEAR 2016 BUDGET**

SERVICE CENTER FUND AND IMPOUND LOT

BUDGET HIGHLIGHTS:

REVENUE:

Fuel revenue is dependent on fuel cost. The Energy Administration has projected that both gasoline and diesel fuel rates will decrease from the amount budgeted in FY 15. Although the number of gallons of each type of fuel is anticipated to increase, overall fuel revenue will decrease. Parts revenue has been budgeted at the FY 15 adopted level. Vehicle labor rates were not changed for FY 16, but will be reviewed 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 14 actual 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. The step increase granted on January 1, 2015 and the 2% cost of living adjustment effective in January, 2016 have been included. A seasonal vehicle technician continues to be funded in the FY 16 budget. Allocations for health insurance, retiree health, and pension are projected to decrease for this department. 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, and online training. A software subscription for vehicle diagnostics has been included at \$3,060. 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 16. The estimate of purchases of fuel have been reduced \$153,810 from FY 15. Estimates of inventory for parts and supplies has been budgeted to remain constant for FY 16. Supplies and Material decrease in FY 16, since \$10,700 of diagnostic software purchases were included in FY 15. Energy costs for this department are anticipated to increase for FY 16, and have been budgeted at the actual expense for the past twelve months. Body rust repair and paint for the wrecker received from MTA have been included in the estimate for vehicle expenses. Intragovernmental allocations for vehicle lease and IT services decrease. No capital outlay requests were made by this division.

TOWN OF OCEAN CITY
FISCAL YEAR 2016 BUDGET
SERVICE CENTER FUND AND IMPOUND LOT

EXPENDITURES	ACTUAL 2014	ADOPTED 2015	CITY MANAGER PROPOSED 2016	COUNCIL ADOPTED 2016
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 1,057,520	\$ 1,065,197	\$ 1,097,675	\$ 1,097,675
EMPLOYEE BENEFITS	714,245	755,493	648,599	648,599
	<u>1,771,765</u>	<u>1,820,690</u>	<u>1,746,274</u>	<u>1,746,274</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	69,712	57,163	66,362	66,362
SUPPLIES & MATERIALS	46,807	53,986	46,546	46,546
PURCHASES FOR RESALE	2,809,358	2,901,990	2,753,276	2,753,276
ENERGY	62,731	58,440	66,800	66,800
VEHICLE SUPPLIES & REPAIR	23,409	28,460	32,053	32,053
INTRAGOVERNMENTAL	262,826	287,504	281,698	281,698
	<u>3,274,843</u>	<u>3,387,543</u>	<u>3,246,735</u>	<u>3,246,735</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>\$ 5,046,608</u>	<u>\$ 5,208,233</u>	<u>\$ 4,993,009</u>	<u>\$ 4,993,009</u>
LESS REVENUE GENERATED BY DIVISION				
FUEL REVENUE	(2,175,032)	(2,313,492)	(2,128,046)	(2,128,046)
PARTS REVENUE	(1,438,094)	(1,383,000)	(1,383,000)	(1,383,000)
LABOR REVENUE	(1,467,597)	(1,509,908)	(1,480,130)	(1,480,130)
PRIOR YEAR RESERVES	0	0	0	0
DISCOUNTS TAKEN	(3,401)	(1,833)	(1,833)	(1,833)
	<u>(5,084,124)</u>	<u>(5,208,233)</u>	<u>(4,993,009)</u>	<u>(4,993,009)</u>
REVENUES (OVER)/UNDER EXPENDITURES	<u>\$ (37,516)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
IMPOUND LOT				
	ACTUAL 2014	ADOPTED 2015	CITY MANAGER PROPOSED 2016	COUNCIL ADOPTED 2016
PERSONNEL COSTS	137,204	139,503	130,280	130,280
OPERATING EXPENSES	<u>7,855</u>	<u>8,668</u>	<u>9,083</u>	<u>9,083</u>
TOTAL EXPENDITURES	<u>145,059</u>	<u>148,171</u>	<u>139,363</u>	<u>139,363</u>

**TOWN OF OCEAN CITY
FISCAL YEAR 2016 BUDGET**

VEHICLE AND EQUIPMENT TRUST FUND

<u>REQUESTED VEHICLES</u>	<u>REPLACEMENT Yes/No</u>	<u>CITY MANAGER PROPOSED</u>
EMERGENCY MANAGEMENT:		
Cargo Van	Y	30,000
EMS:		
Ambulance	Y	290,000
FIRE MARSHAL:		
Pick Up Truck	Y	30,000
POLICE:		
Chevy Tahoe (4)	Y	128,000
GOLF COURSE:		
Front Rotary Motor	Y	22,100
Fairway Mower	Y	48,200
Pick Up ½ Ton 4x2	Y	21,000
WATER:		
Pick Up ½ Ton 4x4	Y	23,000
Pick Up ½ Ton 4x2	Y	21,000
WASTEWATER:		
Pickup ½ Ton 4x2	Y	21,000
PUBLIC WORKS MAINTENANCE:		
Beach Cleaner	Y	70,000
PUBLIC WORKS CONSTRUCTION:		
¾ ton HD Utility 2 wd	Y	30,000
SOLID WASTE:		
Side Load Trash Truck (1)	Y	215,000
Front End Trash Truck	Y	215,000
Pick Up ½ Ton 4x4 (2)	Y	46,000
		\$1,210,300
Electronics replacement vehicle radio		\$ 5,500
Contingency for Future Radio Purchases		216,006

TOWN OF OCEAN CITY
FISCAL YEAR 2016 BUDGET
VEHICLE AND EQUIPMENT TRUST FUND

EXPENDITURES	ACTUAL 2014	ADOPTED 2015	CITY MANAGER PROPOSED 2016	COUNCIL ADOPTED 2016
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	250,783	243,908	240,027	240,027
SUPPLIES & MATERIALS	35,836	5,000	5,000	5,000
ENERGY	0	0	0	0
VEHICLE SUPPLIES & REPAIR	0	0	0	0
INTRAGOVERNMENTAL	459,905	495,444	482,082	482,082
	<u>746,524</u>	<u>744,352</u>	<u>727,109</u>	<u>727,109</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	0	0	215,600	215,600
TRANSFER OUT	0	0	0	0
CAPITAL OUTLAY	5,215,314	1,628,654	1,431,806	1,431,806
	<u>5,215,314</u>	<u>1,628,654</u>	<u>1,647,406</u>	<u>1,647,406</u>
TOTAL EXPENDITURES	<u>\$ 5,961,838</u>	<u>\$ 2,373,006</u>	<u>\$ 2,374,515</u>	<u>\$ 2,374,515</u>
LESS REVENUE GENERATED BY DEPARTMENT				
CAPITAL GRANT - FEDERAL	(3,023,996)	0	0	0
CAPITAL GRANT - STATE	(370,716)	0	0	0
SALE - CAPITAL ASSETS	(121,816)	(129,709)	(64,061)	(64,061)
SALES - MATERIALS & SERVICE	(458,322)	(446,881)	(461,533)	(461,533)
GENERAL FUND CONTRIBUTION	(1,243,893)	(1,386,389)	(1,501,036)	(1,501,036)
WATER FUND CONTRIBUTION	(40,363)	(33,640)	(33,231)	(33,231)
WASTEWATER CONTRIBUTION	(89,688)	(101,027)	(100,182)	(100,182)
TRANSPORTATION CONTRIBUTION	(197,122)	(198,188)	(128,658)	(128,658)
AIRPORT FUND CONTRIBUTION	(5,407)	(5,634)	(5,588)	(5,588)
GOLF COURSE CONTRIBUTION	(48,197)	(48,674)	(61,852)	(61,852)
TOURISM FUND CONTRIBUTION	(4,975)	(5,255)	(5,227)	(5,227)
IT FUND CONTRIBUTION	(2,837)	(2,318)	(2,300)	(2,300)
SERVICE CENTER CONTRIBUTION	(12,621)	(14,245)	(9,810)	(9,810)
RISK MGT CONTRIBUTION	(1,637)	(1,046)	(1,037)	(1,037)
EQUIPMENT LEASE/PURCHASE	0	0	0	0
TRANSFER FROM GENERAL FUND	(340,248)	0	0	0
	<u>(5,961,838)</u>	<u>(2,373,006)</u>	<u>(2,374,515)</u>	<u>(2,374,515)</u>
REVENUES (OVER)/UNDER EXPENDITURES	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

TOWN OF OCEAN CITY
FISCAL YEAR 2016 BUDGET

RISK MANAGEMENT FUND

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

Interest earnings are expected to increase in FY 16. 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 \$40,000 in FY 16. 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, 2015 and a 2% cost of living adjustment effective January 1, 2016 have been included. Funding has been included for one part-time clerical position to work three days per week for June, July and August and two days per month for the remainder of the year. Retiree health and pension contributions decrease, while group insurance costs increase slightly.

CHANGES IN OPERATIONS:

Contracted Services include professional services and legal services. 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 has been included 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. Legal fees have been budgeted at \$92,250, and include the adjustment from \$145 to \$175 per hour requested by the City Solicitor. Insurance coverage and payment of insurance claims are the largest expenses in this department. Overall insurance costs are expected to decrease \$22,500 in FY 16. The amount allocated for worker's compensation claims in FY 16 is \$775,000, a reduction of \$40,000 from FY 15. Property insurance is estimated to increase \$45,000 from \$240,000 in FY 15 to \$285,000 in FY 16. General Liability policy costs are anticipated to decrease \$20,000. Automobile and General Liability claims are budgeted at the FY 15 level. \$1,844,950 has been budgeted to cover the cost of insurance policies and insurance claims for FY 16. Intragovernmental expenses increase due to an increase in IT Services, partially offset by a reduction in General Overhead expense. A Medicare data reporting module for the Riskmaster system was funded in the FY 14 IT budget at a cost of \$12,000.

TOWN OF OCEAN CITY
FISCAL YEAR 2016 BUDGET
RISK MANAGEMENT FUND

EXPENDITURES	ACTUAL 2014	ADOPTED 2015	CITY MANAGER PROPOSED 2016	COUNCIL ADOPTED 2016
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 170,774	\$ 179,977	\$ 182,912	\$ 182,912
EMPLOYEE BENEFITS	73,664	77,097	74,751	74,751
	<u>244,438</u>	<u>257,074</u>	<u>257,663</u>	<u>257,663</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	183,924	122,900	158,000	158,000
INSURANCE COSTS	1,367,660	1,867,450	1,844,950	1,844,950
SUPPLIES & MATERIALS	1,966	2,860	2,860	2,860
ENERGY	0	0	0	0
VEHICLE SUPPLIES & REPAIR	1,129	1,469	1,414	1,414
INTRAGOVERNMENTAL	120,748	89,958	93,380	93,380
	<u>1,675,427</u>	<u>2,084,637</u>	<u>2,100,604</u>	<u>2,100,604</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>\$ 1,919,865</u>	<u>\$ 2,341,711</u>	<u>\$ 2,358,267</u>	<u>\$ 2,358,267</u>
LESS REVENUE GENERATED BY DEPARTMENT				
INTEREST EARNED	(86,970)	(50,000)	(54,460)	(54,460)
GENERAL FUND	(1,306,700)	(1,343,317)	(1,339,070)	(1,339,070)
WATER FUND	(90,255)	(93,312)	(95,734)	(95,734)
WASTEWATER FUND	(114,712)	(129,087)	(131,751)	(131,751)
TRANSPORTATION FUND	(98,484)	(90,188)	(88,990)	(88,990)
AIRPORT FUND	(17,536)	(16,029)	(13,695)	(13,695)
GOLF COURSE FUND	(26,419)	(24,284)	(24,084)	(24,084)
CONVENTION CENTER FUND	(129,769)	(124,258)	(144,913)	(144,913)
SERVICE CENTER FUND	(30,006)	(28,437)	(28,029)	(28,029)
MIS FUND	(14,740)	(10,790)	(10,559)	(10,559)
VEHICLE TRUST FUND	(403,898)	(432,009)	(426,982)	(426,982)
INSURANCE CLAIMS	0	0	0	0
PRIOR YEAR RESERVES	0	0	0	0
	<u>(2,319,489)</u>	<u>(2,341,711)</u>	<u>(2,358,267)</u>	<u>(2,358,267)</u>
REVENUES (OVER)/UNDER EXPENDITURES	<u>\$ (399,624)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>



SUPPLEMENTARY INFORMATION

TOWN OF OCEAN CITY
 FULL TIME PERSONNEL, ALLOCATIONS
 1987, 1997, 1999, 2009, 2011, 2013, 2014, 2015 AND BUDGET 2016

	<u>FY-87</u>	<u>FY-97</u>	<u>FY-99</u>	<u>FY-09</u>	<u>FY-11</u>	<u>FY -13</u>	<u>FY -14</u>	<u>FY -15</u>	<u>FY -16</u>	<u>Variance</u>	<u>Variance Since FY 09</u>
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	15	14	14	0	-2
Human Resources	3	3	4	4	4	4	4	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	6	5	6	6	5	-1	-3
Building Inspection	9	5	6	7	4	7	7	6	6	0	-1
	<u>20</u>	<u>9</u>	<u>10</u>	<u>15</u>	<u>10</u>	<u>12</u>	<u>13</u>	<u>12</u>	<u>11</u>	<u>-1</u>	<u>-4</u>
PUBLIC SAFETY											
Police - Administration	34	21	24	14	13	14	14	12	12	0	-2
Police - Services		15	17	26	26	25	25	21	21	0	-5
Police - CID	10	12	13	22	20	20	20	25	25	0	3
Police - Patrol	54	60	58	71	71	71	71	72	72	0	1
Animal Control	2	2	2	2	2	2	2	2	2	0	0
Communications	1	14	14	22	21	21	21	22	22	0	0
Fire	3	3	3	3	3	3	3	3	3	0	0
Emergency Medical	27	26	26	42	42	37	43	43	43	0	1
Fire Marshal	5	5	5	9	8	7	7	7	7	0	-2
	<u>136</u>	<u>158</u>	<u>162</u>	<u>211</u>	<u>206</u>	<u>200</u>	<u>206</u>	<u>207</u>	<u>207</u>	<u>0</u>	<u>-4</u>
PUBLIC WORKS											
Engineering	11	5	5	8	7	6	5	6	6	0	-2
PW - Administration	3	3	3	4	4	4	5	5	5	0	1
PW - Bldg & Grounds	6	8	10	11	9	9	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	15	16	16	0	1
PW - Beach	5	7	4	5	4	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	3	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>68</u>	<u>67</u>	<u>68</u>	<u>70</u>	<u>70</u>	<u>0</u>	<u>-21</u>
SOLID WASTE											
Solid Waste - Operations	49	32	31	19	19	18	17	16	16	0	-3
Solid Waste - Transfer Station		7	7	9	6	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>25</u>	<u>23</u>	<u>22</u>	<u>21</u>	<u>21</u>	<u>0</u>	<u>-23</u>
RECREATION AND PARKS											
Administration	4	7	7	6	5	5	5	5	4	-1	-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	4	5	5	0	-1
	<u>19</u>	<u>26</u>	<u>28</u>	<u>42</u>	<u>34</u>	<u>34</u>	<u>34</u>	<u>35</u>	<u>34</u>	<u>-1</u>	<u>-8</u>

TOWN OF OCEAN CITY
 FULL TIME PERSONNEL, ALLOCATIONS
 1987, 1997, 1999, 2009, 2011, 2013, 2014, 2015 AND BUDGET 2016

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	31	0	-1
Collection System	8	8	9	8	8	8	8	8	8	0	-1
Farm	3	3	0	0	0	0	0	0	0	0	0
Lab	3	3	3	2	3	3	3	3	3	0	0
	<u>50</u>	<u>50</u>	<u>49</u>	<u>45</u>	<u>46</u>	<u>46</u>	<u>46</u>	<u>46</u>	<u>46</u>	<u>0</u>	<u>-3</u>

TRANSPORTATION

Administration	3	3	4	5	4	4	4	4	4	0	-1
Buses	9	12	9	12	9	9	9	9	9	0	-3
	<u>12</u>	<u>15</u>	<u>13</u>	<u>17</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>0</u>	<u>-4</u>

AIRPORT OPERATIONS

	3	3	3	4	3	3	3	3	3	0	-1
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GOLF COURSE

Operations		3	5	3	3	3	3	3	3	0	0
Maintenance		8	9	6	5	5	5	5	5	0	-1
		<u>11</u>	<u>14</u>	<u>9</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>0</u>	<u>-1</u>

CONVENTION CENTER

Administration	5	5	5	7	6	5	5	5	5	0	-2
Convention Sales		3	4	3	3	3	3	3	3	0	0
Maintenance	12	11	25	30	25	24	24	25	26	1	-4
	<u>17</u>	<u>19</u>	<u>34</u>	<u>40</u>	<u>34</u>	<u>32</u>	<u>32</u>	<u>33</u>	<u>34</u>	<u>1</u>	<u>-6</u>

INFORMATION TECH

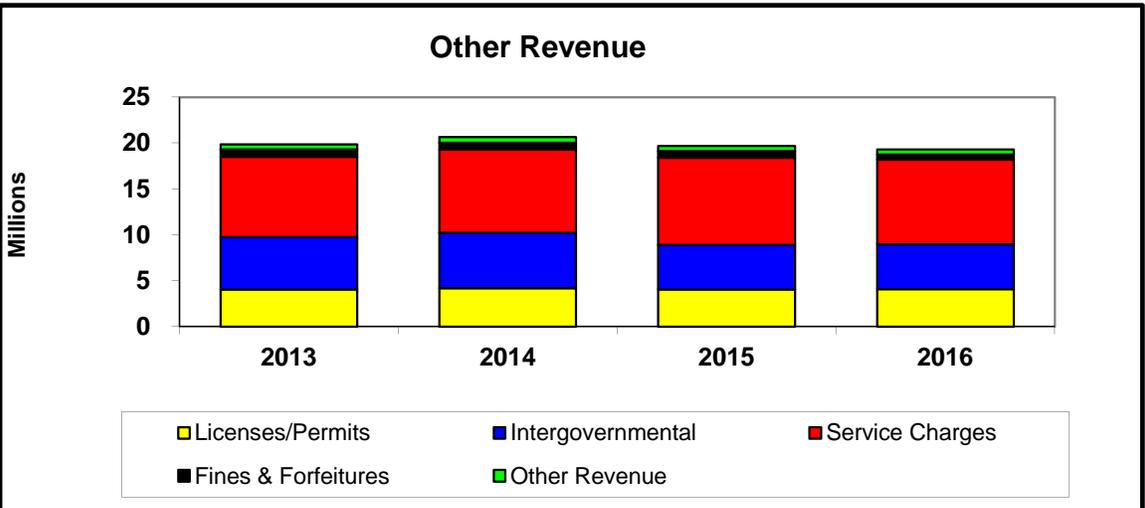
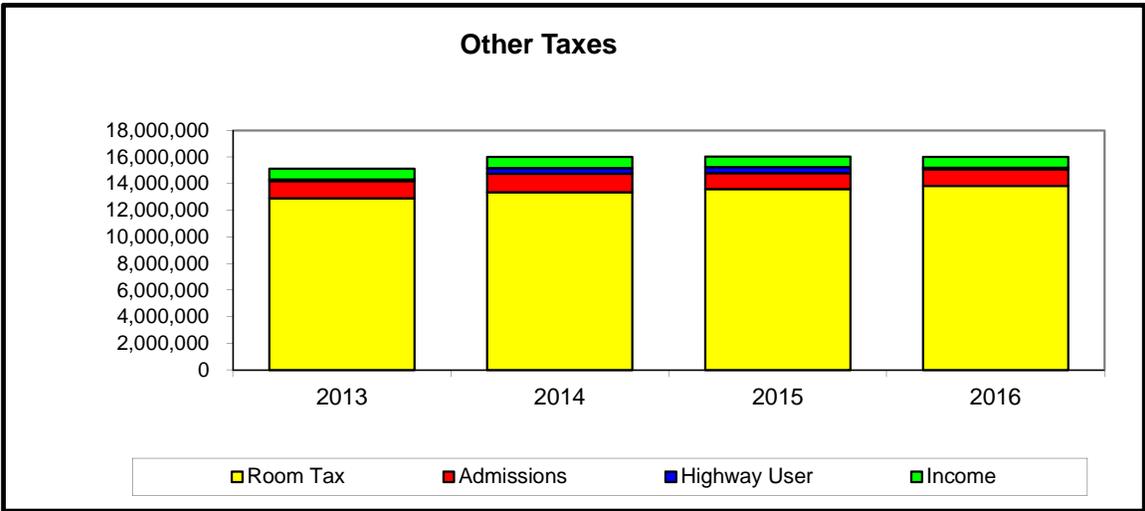
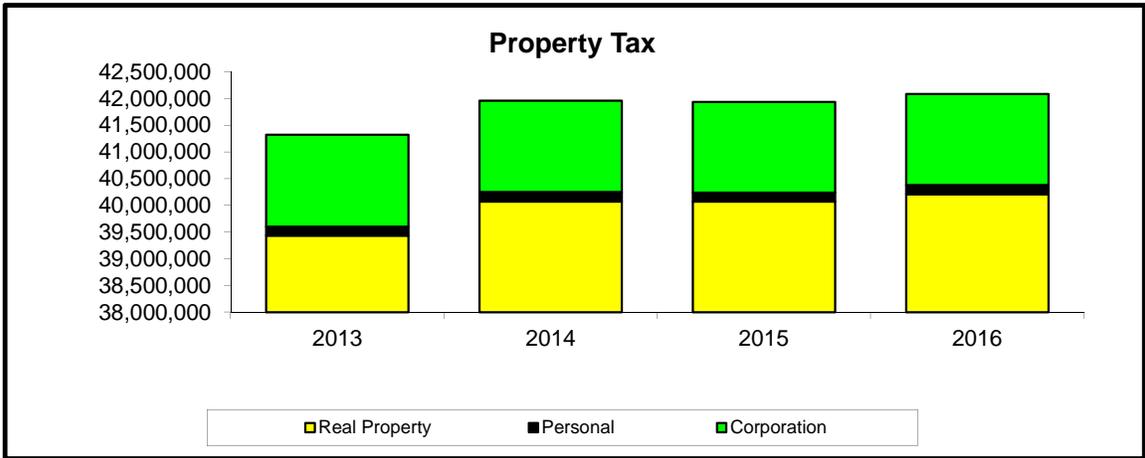
	2	4	5	11	9	9	9	9	9	0	-2
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SERVICE CENTER

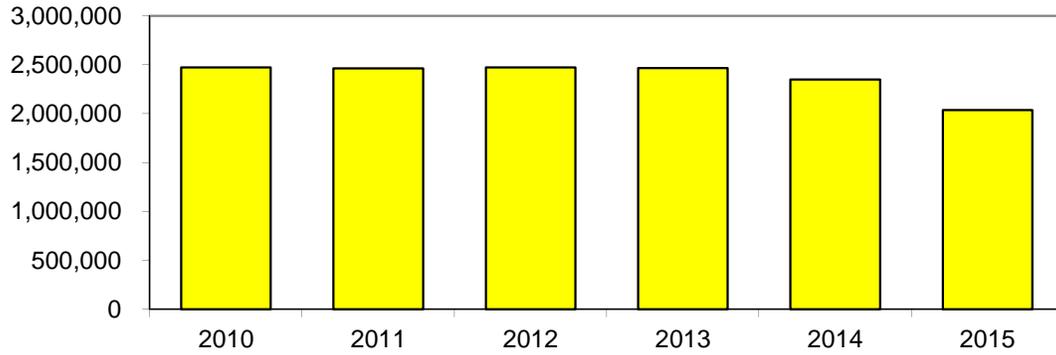
Administration	3	3	4	2	2	3	3	3	3	0	1
Central Purchasing	6	5	4	5	5	4	4	4	4	0	-1
Garage	14	16	15	15	12	12	12	12	12	0	-3
	<u>23</u>	<u>24</u>	<u>23</u>	<u>22</u>	<u>19</u>	<u>19</u>	<u>19</u>	<u>19</u>	<u>19</u>	<u>0</u>	<u>-3</u>

RISK MANAGEMENT

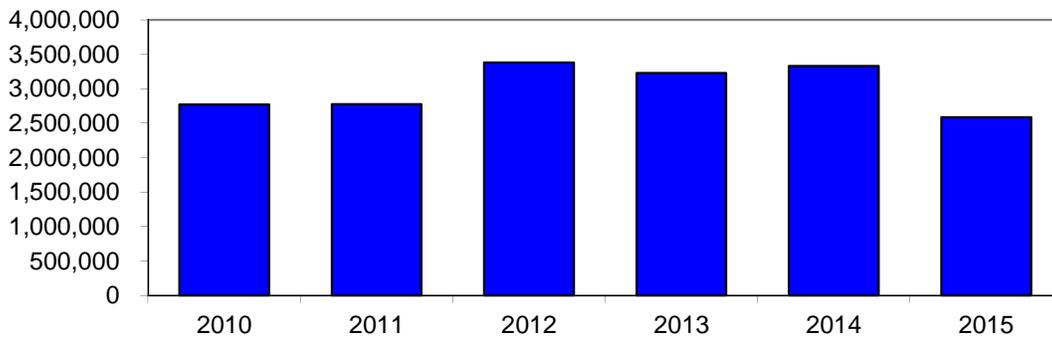
		2	2	3	2	2	2	2	2	0	-1
	<u>406</u>	<u>493</u>	<u>531</u>	<u>622</u>	<u>532</u>	<u>524</u>	<u>531</u>	<u>534</u>	<u>533</u>	<u>-1</u>	<u>-89</u>



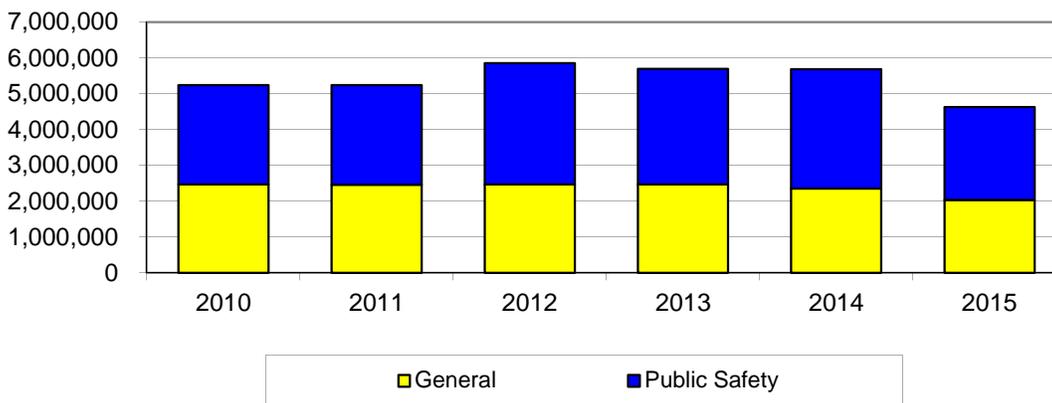
General Employees Pension Contribution FY 10-FY 15



Public Safety Pension Contribution FY 10-FY 15



Combined Pension Contribution FY 10-FY 15





BUDGET ORDINANCE

ORDINANCE 2015-10

TOWN OF OCEAN CITY
OPERATING BUDGET
FISCAL YEAR 2016

SOURCE	1st READING FY-2016	2ND READING FY 2016
Section I, General Fund:		
A. Anticipated Revenue:		
Property Taxes	\$ 42,241,417	\$ 42,241,417
Other Taxes	16,538,806	16,538,806
Licenses and Permits	4,073,126	4,073,126
Revenue From Other Agencies	4,886,407	4,886,407
Charges For Services	9,223,378	9,223,378
Fines and Forfeitures	581,500	581,500
Other Revenue	534,350	534,350
Prior Year Reserves	<u>1,640,027</u>	<u>1,640,027</u>
 Total Revenue	 \$ <u>79,719,011</u>	 \$ <u>79,719,011</u>
B. Anticipated Expenditures:		
General Government	\$ 3,815,931	\$ 3,815,931
Public Safety	34,027,087	34,027,087
Public Works/Beach Maintenance	5,147,325	5,147,325
Sanitation and Waste Removal	5,760,131	5,760,131
Highways and Streets	5,532,152	5,532,152
Economic Development -Tourism	7,349,360	7,349,360
Culture and Recreation	7,778,044	7,778,044
Debt Service	<u>5,015,068</u>	<u>5,015,068</u>
 Sub Total	 \$ 74,425,098	 \$ 74,425,098
To Transportation Fund	1,410,013	1,410,013
To Airport Fund	264,791	264,791
To Convention Center Fund	1,492,683	1,492,683
To Vehicle Trust Fund	0	0
To Capital Projects	<u>2,126,426</u>	<u>2,126,426</u>
 Total Expenditures	 \$ <u>79,719,011</u>	 \$ <u>79,719,011</u>

SOURCE	1st READING FY-2016	2ND READING FY 2016
Section II, Water Fund:		
A. Anticipated Revenue:		
Water Sales	\$ 4,033,000	\$ 4,033,000
Water Fixture Charge	2,160,941	2,160,941
Service Charges	202,710	202,710
Capacity/Impact Fees	108,000	108,000
Prior Year Reserves	<u>0</u>	<u>0</u>
Total Revenue	\$ <u>6,504,651</u>	\$ <u>6,504,651</u>

B. Anticipated Expenditures:		
Personal Services	\$ 2,095,672	\$ 2,095,672
Non-Personal Services	2,739,269	2,739,269
Debt Service	1,007,708	1,007,708
Transfer to Reserves	487,002	487,002
Capital Outlay	<u>175,000</u>	<u>175,000</u>
Total Expenditures	\$ <u>6,504,651</u>	\$ <u>6,504,651</u>

Section III, Transportation Fund:

A. Anticipated Revenue:		
Bus Revenue	\$ 3,418,197	\$ 3,418,197
Train Revenue	1,170,856	1,170,856
Federal and State Grants	3,128,185	3,128,185
Transfer-In From General Fund	1,410,013	1,410,013
Prior Year Reserves	<u>0</u>	<u>0</u>
Total Revenue	\$ <u>9,127,251</u>	\$ <u>9,127,251</u>

B. Anticipated Expenditures:		
Personal Services	\$ 3,772,337	\$ 3,772,337
Non-Personal Services	3,202,688	3,202,688
Capital Outlay	<u>2,152,226</u>	<u>2,152,226</u>
Total Expenditures	\$ <u>9,127,251</u>	\$ <u>9,127,251</u>

SOURCE	1st READING FY-2016	2ND READING FY 2016
Section IV, Wastewater Fund:		
A. Anticipated Revenue:		
Wastewater Treatment Charges	\$ 11,935,158	\$ 11,935,158
Service Charges	1,169,698	1,169,698
Capacity/Impact Fees	189,000	189,000
Build America Bond Subsidy	125,441	125,441
Prior Year Reserves	<u>0</u>	<u>0</u>
Total Revenue	<u>\$ 13,419,297</u>	<u>\$ 13,419,297</u>
B. Anticipated Expenditures:		
Personal Services	\$ 4,136,441	\$ 4,136,441
Non-Personal Services	3,901,664	3,901,664
Debt Service	3,858,788	3,858,788
Transfer to Reserves	467,404	467,404
Capital Outlay	<u>1,055,000</u>	<u>1,055,000</u>
Total Expenditures	<u>\$ 13,419,297</u>	<u>\$ 13,419,297</u>

Section V, Airport Fund:

A. Anticipated Revenue:		
Fuel Sales	\$ 693,000	\$ 693,000
Rents and Other Revenue	346,325	346,325
Service Charges	80,000	80,000
Transfer-In From General Fund	<u>264,791</u>	<u>264,791</u>
Total Revenue	<u>\$ 1,384,116</u>	<u>\$ 1,384,116</u>
B. Anticipated Expenditures:		
Personal Services	\$ 316,030	\$ 316,030
Non-Personal Services	925,091	925,091
Debt Service	142,995	142,995
Capital Outlay	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$ 1,384,116</u>	<u>\$ 1,384,116</u>

SOURCE	1st READING FY-2016	2ND READING FY 2016
Section VI, Municipal Golf Course Fund:		
A. Anticipated Revenue:		
Service Charges	\$ 1,643,192	\$ 1,643,192
Sales and Concessions	413,346	413,346
Other Revenue	<u>67,000</u>	<u>67,000</u>
Total Revenue	\$ <u>2,123,538</u>	\$ <u>2,123,538</u>
B. Anticipated Expenditures:		
Personal Services	\$ 1,057,247	\$ 1,057,247
Non-Personal Services	1,060,034	1,060,034
Transfer to General Fund	6,257	6,257
Capital Outlay	<u>0</u>	<u>0</u>
Total Expenditures	\$ <u>2,123,538</u>	\$ <u>2,123,538</u>

Section VII, Convention Center Fund:

A. Anticipated Revenue:		
Service Charges	\$ 1,870,150	\$ 1,870,150
State and County Grants	1,512,501	1,512,501
Food & Beverage Tax	1,230,000	1,230,000
Transfer-In From General Fund	1,492,683	1,492,683
Prior Year Reserves	2,102,376	2,102,376
Contributed Equity	<u>0</u>	<u>0</u>
Total Revenue	\$ <u>8,207,710</u>	\$ <u>8,207,710</u>
B. Anticipated Expenditures:		
Personal Services	\$ 2,950,701	\$ 2,950,701
Non-Personal Services	1,740,199	1,740,199
Debt Service	3,386,810	3,386,810
Transfer to Capital Reserves	100,000	100,000
Capital Outlay	<u>30,000</u>	<u>30,000</u>
Total Expenditures	\$ <u>8,207,710</u>	\$ <u>8,207,710</u>

SOURCE	1st READING FY-2016	2ND READING FY 2016
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Section VIII, Information Technology Fund:

A. Anticipated Revenue:

Service Charges To Other Funds	\$ 2,013,130	\$ 2,013,130
Prior Year Reserves	<u>0</u>	<u>0</u>
Total Revenue	<u>\$ 2,013,130</u>	<u>\$ 2,013,130</u>

B. Anticipated Expenditures:

Personal Services	\$ 988,950	\$ 988,950
Non-Personal Services	1,024,180	1,024,180
Capital Outlay	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$ 2,013,130</u>	<u>\$ 2,013,130</u>

Section IX, Service Center Fund:

A. Anticipated Revenue:

Service Charges To Other Funds	\$ 4,993,009	\$ 4,993,009
Prior Year Reserves	<u>0</u>	<u>0</u>
Total Revenue	<u>\$ 4,993,009</u>	<u>\$ 4,993,009</u>

B. Anticipated Expenditures:

Personal Services	\$ 1,746,274	\$ 1,746,274
Non-Personal Services	3,246,735	3,246,735
Debt Service	0	0
Capital Outlay	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$ 4,993,009</u>	<u>\$ 4,993,009</u>

SOURCE	1st READING FY-2016	2ND READING FY 2016
Section X, Vehicle & Equipment Trust Fund:		
A. Anticipated Revenue:		
Service Charges To Other Funds	\$ 2,310,454	\$ 2,310,454
General Fund Contribution	0	0
Sale of Assets	<u>64,061</u>	<u>64,061</u>
Total Revenue	<u>\$ 2,374,515</u>	<u>\$ 2,374,515</u>

B. Anticipated Expenditures:		
Non-Personal Services	\$ 727,109	\$ 727,109
Debt Service	215,600	215,600
Transfers Out	0	0
Capital Outlay	<u>1,431,806</u>	<u>1,431,806</u>
Total Expenditures	<u>\$ 2,374,515</u>	<u>\$ 2,374,515</u>

Section XI, Risk Management Fund:

A. Anticipated Revenue:		
Service Charges To Other Funds	\$ 2,303,807	\$ 2,303,807
Interest Earned	54,460	54,460
Prior Year Reserves	<u>0</u>	<u>0</u>
Total Revenue	<u>\$ 2,358,267</u>	<u>\$ 2,358,267</u>
B. Anticipated Expenditures:		
Personal Services	\$ 257,663	\$ 257,663
Non-Personal Services/Claims	2,100,604	2,100,604
Capital Outlay	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$ 2,358,267</u>	<u>\$ 2,358,267</u>

SOURCE	1st READING FY-2016	2ND READING FY 2016
Section XII, Pension Trust Funds:		
A. Anticipated Revenue:		
Employer Contributions	\$ 4,815,407	\$ 4,815,407
Employee Contributions	1,600,000	1,600,000
Investment Earnings	<u>4,550,000</u>	<u>4,550,000</u>
Total Revenue	\$ <u>10,965,407</u>	\$ <u>10,965,407</u>
B. Anticipated Expenditures:		
Benefit Payments	\$ 5,300,000	\$ 5,300,000
Non-Personal Services	435,000	435,000
Reserve for Employee's Retirement	<u>5,230,407</u>	<u>5,230,407</u>
Total Expenditures	\$ <u>10,965,407</u>	\$ <u>10,965,407</u>
Section XIII, OPEB Trust Funds:		
A. Anticipated Revenue:		
Employer Contributions	\$ 3,207,000	\$ 3,207,000
Employee Contributions	220,000	220,000
Investment Earnings	<u>380,000</u>	<u>380,000</u>
Total Revenue	\$ <u>3,807,000</u>	\$ <u>3,807,000</u>
B. Anticipated Expenditures:		
Benefit Payments	\$ 1,200,000	\$ 1,200,000
Non-Personal Services	128,000	128,000
Reserve for Retiree Health	<u>2,479,000</u>	<u>2,479,000</u>
Total Expenditures	\$ <u>3,807,000</u>	\$ <u>3,807,000</u>

SOURCE	1st READING FY-2016	2ND READING FY 2016
Section XIV, General Capital Projects Fund:		
A. Anticipated Revenue:		
General Fund Contribution	2,126,426	2,126,426
Inlet Lot Parking Revenue	<u>265,000</u>	<u>265,000</u>
Total Revenue	\$ <u>2,391,426</u>	\$ <u>2,391,426</u>

B. Anticipated Expenditures:		
Street Paving	1,526,426	1,526,426
Canal Dredging	600,000	600,000
Reserve for Future Capital Projects	<u>265,000</u>	<u>265,000</u>
Total Expenditures	\$ <u>2,391,426</u>	\$ <u>2,391,426</u>

Section XIV, All Funds Expenditure Summary:

General Fund	\$ 79,719,011	\$ 79,719,011
Water Fund	6,504,651	6,504,651
Transportation Fund	9,127,251	9,127,251
Wastewater Fund	13,419,297	13,419,297
Airport Fund	1,384,116	1,384,116
Municipal Golf Course Fund	2,123,538	2,123,538
Convention Center Fund	8,207,710	8,207,710
Information Technology Fund	2,013,130	2,013,130
Service Center Fund	4,993,009	4,993,009
Vehicle & Equipment Trust Fund	2,374,515	2,374,515
Risk Management Fund	2,358,267	2,358,267
Pension Trust Funds	10,965,407	10,965,407
OPEB Trust Fund	<u>3,807,000</u>	<u>3,807,000</u>
Sub Total	\$ 146,996,902	\$ 146,996,902
LESS: Interfund Transfers	<u>(24,936,720)</u>	<u>(24,936,720)</u>
Total Expenditures	\$ 122,060,182	\$ 122,060,182
Capital Projects Fund - General	<u>2,391,426</u>	<u>2,391,426</u>
Grand Total	\$ <u>124,451,608</u>	\$ <u>124,451,608</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:

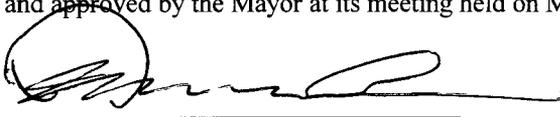
- A. The utilization of any contingency appropriation shall be accomplished only with prior authorization from the Mayor and Council.
- B. Utilization of appropriations established in the Capital Improvement Fund may be accomplished only with the express approval of the Mayor and Council.

Section XVII, Tax Rate:

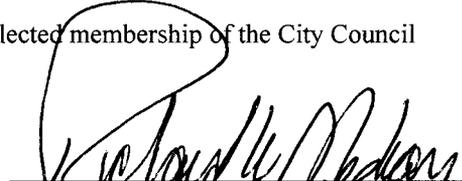
An Ad Valorem Tax Rate of \$0.478 per \$100 of assessed valuation of real property and a rate of \$1.29 per \$100 of assessed valuation of corporate and personal property tax is required to fund this budget.

INTRODUCED at a meeting of the City Council of Ocean City, Maryland held on May 4, 2015.

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 18, 2015.



DAVID L. RECOR, CITY MANAGER



RICHARD W. MEEHAN, MAYOR



KELLY L. ALLMOND, CITY CLERK



LLOYD MARTIN, PRESIDENT



MARY P. KNIGHT, SECRETARY

ADOPTED:

Date 5.18.15

MOTION TO ADOPT BY: Council Secretary Mary Knight

MOTION SECONDED BY: Council Member Wayne Hartman

VOTE: FOR: 6 AGAINST: 1