

TOWN OF OCEAN CITY
ADOPTED BUDGET 
FISCAL YEAR 2017-2018





TOWN OF OCEAN CITY, MARYLAND

ADOPTED BUDGET

FISCAL YEAR 2017-2018

Richard W. Meehan
Mayor

Lloyd Martin
Council President

Mary P. Knight
Council Secretary

Dennis W. Dare
Council Member

Anthony J. Deluca
Council Member

John Gehrig Jr.
Council Member

Wayne A. Hartman
Council Member

Matthew M. James
Council Member

Douglas Miller
City Manager

Jennie T. Knapp
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To: The Honorable Mayor and Members of the City Council
From: Doug Miller, City Manager
Re: FY18 Budget Message
Date: June 6, 2017

To the Honorable Mayor and Council of Ocean City as well as to our citizens and taxpayers, I am delighted to outline and review the adopted Budget for the Fiscal Year 2018. I wish to thank our Budget Manager, Jennie Knapp who did the hard work in making this budget balance. I would also like to thank our department heads who must also be recognized for their thorough and thoughtful budget submissions.

As established in the Maryland Code, the fiscal year (FY) begins on July 1 and ends on June 30, and fiscal years are numbered in the year that they end. This year's budget was a "status quo" budget, meaning each department was funded at the same level of service as the prior year. There were minimal additions of personnel and equipment. No substantial increases were made in any department's budget. Personnel increases were achieved by reducing the number of higher paid positions and using those savings to fund more line positions. Submissions by department heads reflected only real needs and even then, \$2.2 million of those needs remained unfunded in the FY 18 Budget.

As a matter of quick review, the "budget" is actually a collection of separate accounting units referred to as "funds". The budget that typically gets the most attention is the General Fund Budget. This is the budget that is supported by the property tax, state shared revenue and fees. These revenues fund services such as public safety, public works, tourism, solid waste, planning and zoning, recreation and parks and the various administrative and support functions. In addition to the General Fund, Ocean City has six enterprise funds; Water, Wastewater, Transportation, Eagles Landing Golf Course, the Ocean City



Airport and the Convention Center. These budgets are supported by the fees that are charged for the services that are provided under that budget. The Water and Wastewater Enterprise funds are primarily supported by water and sewer rates broken down into fixture charges and usage rates. For FY 18, the water usage rates will increase from \$3.90 per 1,000 gallons of consumption to \$4.00 per 1,000 gallons. Sewer fixture charges will increase from \$8.95 to \$9.25. These increases reflect the recommendations of a study previously conducted by the Town's Finance Department, and support necessary capital improvements in these funds. Transportation, the Airport and the

Convention Center require annual contributions from the General Fund to make them balance. The Town also has Internal Service Funds and Fiduciary Funds in its budget. The total of all of all funds for FY 18 is \$128 million.

The FY 18 General Fund Budget is balanced with just over \$84 million in both revenue and expenditure. The real property tax rate was reduced slightly (from \$.4727 to \$.4656 per \$100 of assessed value) to what is referred to as the Constant Yield Tax Rate, which simply means that the Town is collecting the same amount of revenue from real property taxes in FY 18 as it did in FY 17. We were able do this through a combination of increased revenue estimates, reductions in expenses, and the utilization of Fund balance to fund capital improvements. For FY 18, one penny on the tax rate generates \$873,790 in revenue.

A key goal of the Mayor and Council is to make Ocean City an attractive place to live twelve months of the year. The Town has employed many strategies to accomplish this goal, one of which is to stabilize the property tax bill for the permanent resident by setting the Homestead Property tax rate at 0%, essentially freezing any future increases in assessment. In FY 17 and again in FY 18, most permanent residents who claim the Homestead Property Tax Credit on their Ocean City home will see their property tax bill decrease.

Real Property Taxes provide just over 48% of the revenue needed to fuel the General Fund. The Real Property taxes collected today are actually less than those collected in FY 09. The amount of the General Fund budget, which is funded by property taxes, also has been declining since FY '09 while revenues, such as Room Tax, have significantly increased. In FY 18, the Room Tax estimate is \$15,440,000. Other taxes received by the General Fund include State Shared revenue such as Highway User Revenue (\$129,556), State Aid for Police Protection (\$74,146), emergency management grants (\$122,000), Admissions Tax (\$1,375,000) and slots and casino revenue (\$650,000). Other revenue sources include planning and zoning fees (\$141,000), building permit fees (\$900,000), and cable TV franchise (\$1,020,000). Emergency medical fees are budgeted at just over \$1 million. The County provides the Town grants in the amount of \$4.6 million to offset the costs of duplicate services. One of the Council's strategic planning goals is to pursue a more equitable recognition of the Town's financial contribution to the County through tax differential.



Service is the primary function of Town government, so it is imperative that staffing is adequate to support the service level our residents and visitors have come to expect. Four full-time positions will be added in FY 18. Two positions are conversions of current part-time positions to full-time and two positions increase the manpower in Public Safety. The non-union employees will receive a step increase as of January 1, 2018. Members of the FOP will receive a step increase on December 31, 2017 and a 2% COLA the following day on January 1, 2018.

These increases were a part of a previously negotiated contract. Members of the IAFF will receive a step increase and a 1.5% COLA on the first day of the fiscal year.

It should be noted that budgets are at best estimates. It is impossible to forecast with 100% certainty how much will be collected in taxes and fees. It is also impossible to look ahead eighteen months from

the beginning of the budget process and predict all pressures placed upon the Town due to events, equipment failures or emergencies. For that reason, we are conservative in our estimates. If we are fortunate enough to have a fiscal year in which revenue is more than forecast, and without unforeseen significant or emergency expenditures, any surplus will be used for two purposes. The first will be to maintain a balance of at least 15% of budget for future emergency expenditures. The second purpose will be to reinvest in the town by way of capital projects. And while the Town does a better job than many municipalities addressing infrastructure, our capital needs are greater than the available revenue to fund them. The FY 18 budget utilizes \$2.2 million from fund balance to continue street paving and canal dredging and to fund IT and Airport capital projects.

The budget is far more than a financial document. It is where the priorities of the Council become actions for the next twelve to eighteen months. In that light, the Mayor and Council, along with the senior staff utilize the practice of participating in a strategic planning process where goals and priorities are set. This budget supports those goals and priorities set in the last strategic planning process conducted in the winter of 2016. The Elected Body and the senior staff will again convene for strategic planning in the summer of 2017.



One goal of the last Strategic Plan is that Ocean City be a “First Class Resort and Tourist Destination”. The Town will dedicate significant resources in many different areas to make Ocean City stand out. The FY 18 budget invests \$2.1 million into maintaining the beach and boardwalk by funding the beach replenishment and additional seasonal crews to keep the boardwalk clean. Our ten-mile beach is protected by our Beach Patrol and \$2.3 million has been dedicated to this effort. No resident or visitor wants to go anywhere they don’t feel safe. To ensure that we make Ocean City safe for all, the Town will spend \$35.2 million in public safety in FY 18 which includes police, fire/EMS, communications and emergency management. Spending for tourism will increase by \$373,000 in this fiscal year to \$6.1 million. We will further invest \$2.2 million in our Special Events which have proven to be a successful draw of visitors to our resort. One popular and greatly improved Town service is our transit system. The FY 18 budget will dedicate \$1.3 million from the General Fund for that purpose.

Another goal of the Strategic Plan is to have a “Financially Sound Town Government”. The FY 18 Budget will have a reduced tax rate and water and sewer rates that are based on sound financial data and trend analysis. The long established debt policy will be adhered to as well as the reserve policy. In addition, pensions and OPEB (other post-employment benefits) are funded to a healthy level. The Town enjoys an AA+ bond rating which is partially influenced by the sound conservative financial practices that we employ. It should be noted that the Town greatly benefits from its very capable and long-serving Finance Director, Martha Bennett. Her leadership is one key reason that the Town enjoys such an impressive bond rating.



Another goal is for Ocean City to be a “More Livable Community for Residents”. The FY 18 budget will continue to provide resources to upgrade and enhance Northside Park. Between FY 16 and FY 18, the Town has invested \$1 million in this recreational complex. The Town will further devote \$2.2 million to street paving and sidewalk repair.

Ocean City is clearly the most unique municipality in Maryland. No other town or city has the ongoing pressure upon it to provide top notch services every day.

While other jurisdictions can reduce services or put off capital projects, Ocean City cannot. We must sparkle every day. The FY 18 budget reflects the Town’s strong commitment to serve our citizens, to serve our businesses, to serve our non-resident property owners and to serve the millions of visitors who enjoy Ocean City every year.

INTRODUCTORY SECTION

TOWN OF OCEAN CITY, MARYLAND
FY 2018 BUDGET
CALENDAR OF BUDGET PROCESS

08/10/16	Convention Center FY 2018 Budget due to the Maryland Stadium Authority
09/12/16	Budget Packets and calendar of Departmental budget meetings forwarded to Departments
10/14/16	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
12/05/16	Departmental Budgets updated to City Manager level
12/15/16	Risk Management Budget meeting with City Manager
2/10/17	Approximate Receipt of Property Tax Revenue Forecast for FY 2018
01/06/17-02/28/17	City Manager Review Process
04/04/17	Special Work Session for presentation of City Manager Budget Proposal to Council
04/05/17-04/13/17	Review of City Manager Budget Proposal, Public Requests and Recommendations by Mayor and Council
04/14/17	Final FY 18 Budget Wrap-Up
05/01/17	Public Hearing on Constant Yield Tax Rate First Reading of the FY 2018 Budget Ordinance
05/15/17	Second Reading of the FY 2018 Budget Ordinance

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.

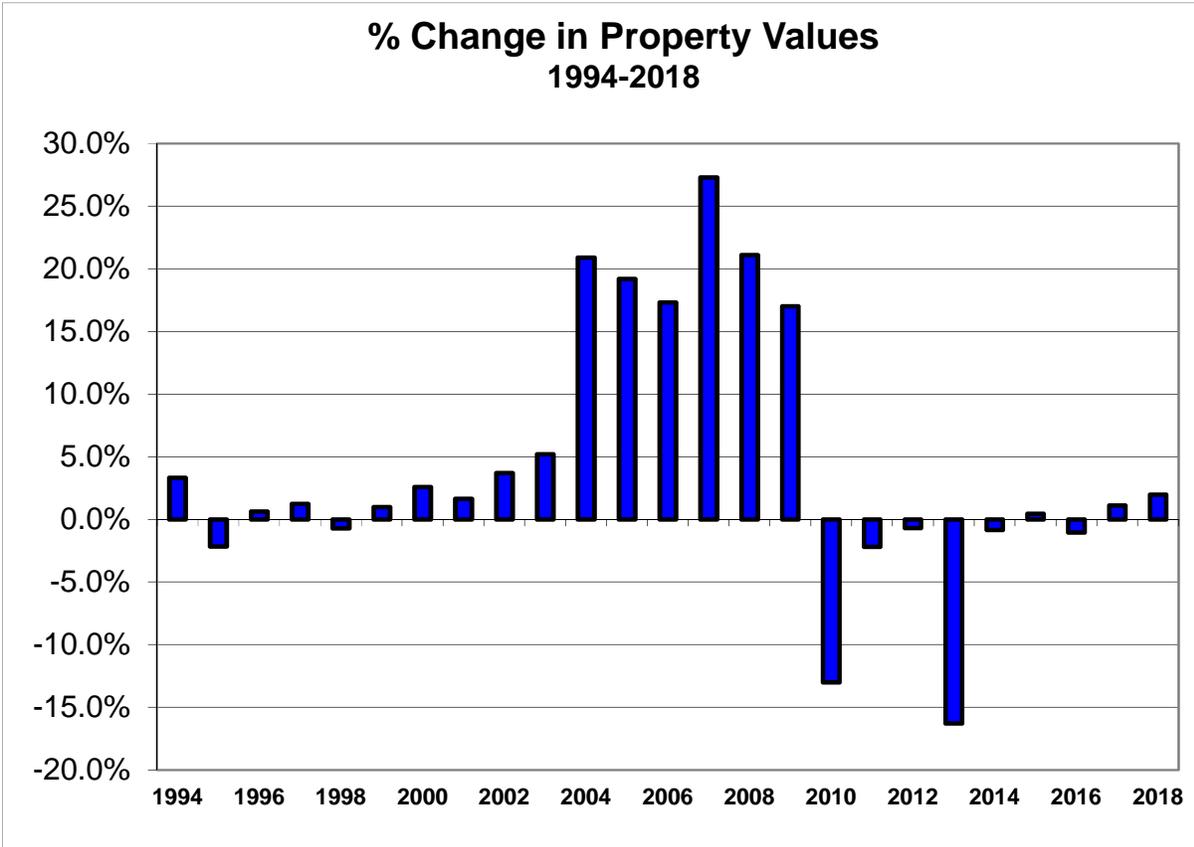
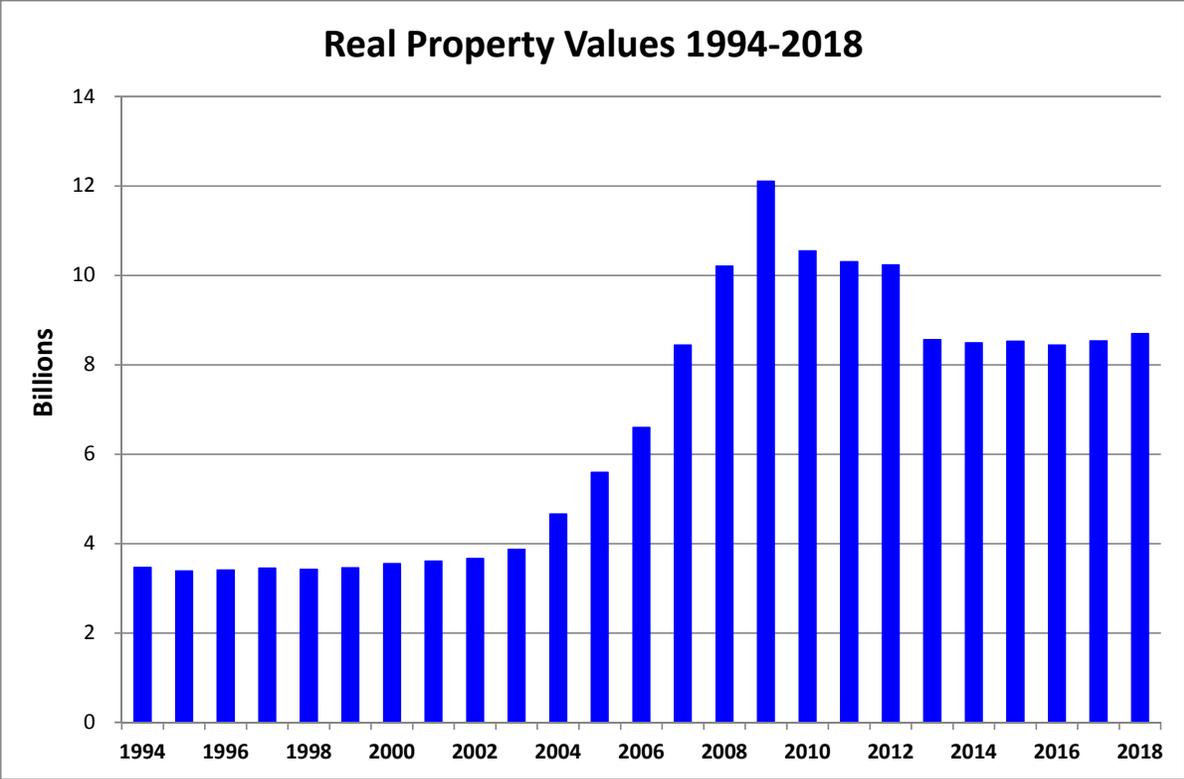


FISCAL YEAR 2017-2018 ADOPTED BUDGET

This budget document presents the annual operating budget for fiscal year 2017-2018. 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 2016, the adopted budget for fiscal year 2017, and the proposed budget for fiscal year 2018. Revenues attributable to each department are deducted from the expenditure total to give the reader the amount of funding required by the department from taxpayers. Changes in revenue, personnel, and service operations are highlighted on the page facing the budget information.

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



CITY GOVERNMENT AND ADMINISTRATION

General

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

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

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

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

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

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

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

BUDGET

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

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

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

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

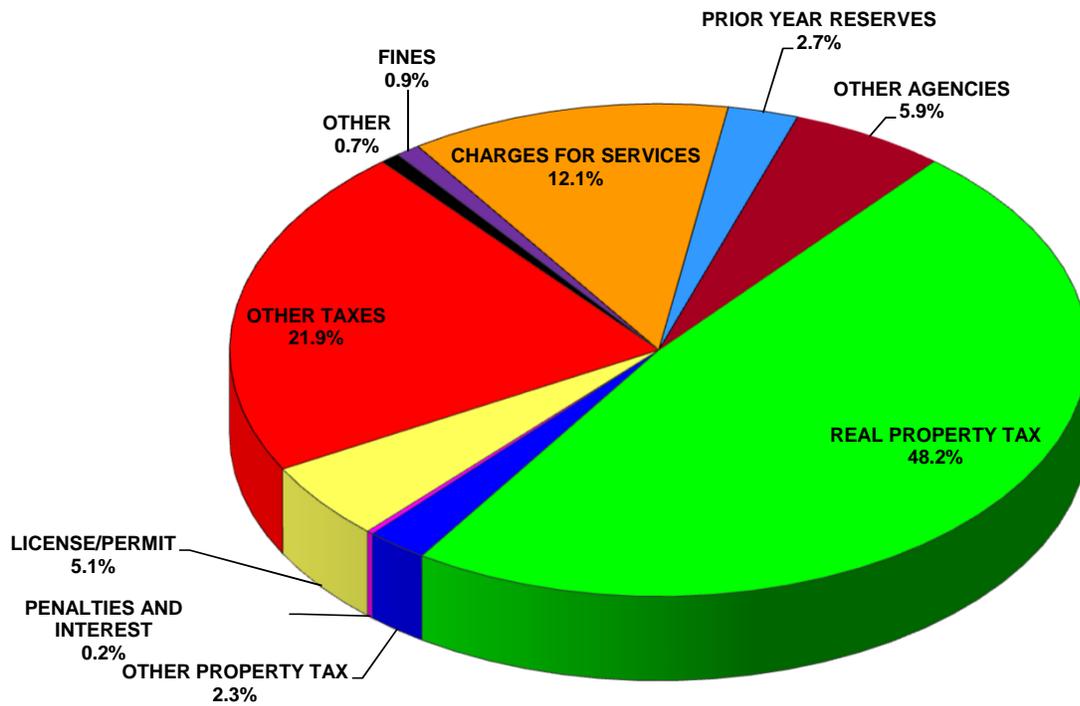
Budgetary Guidelines and Policies

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

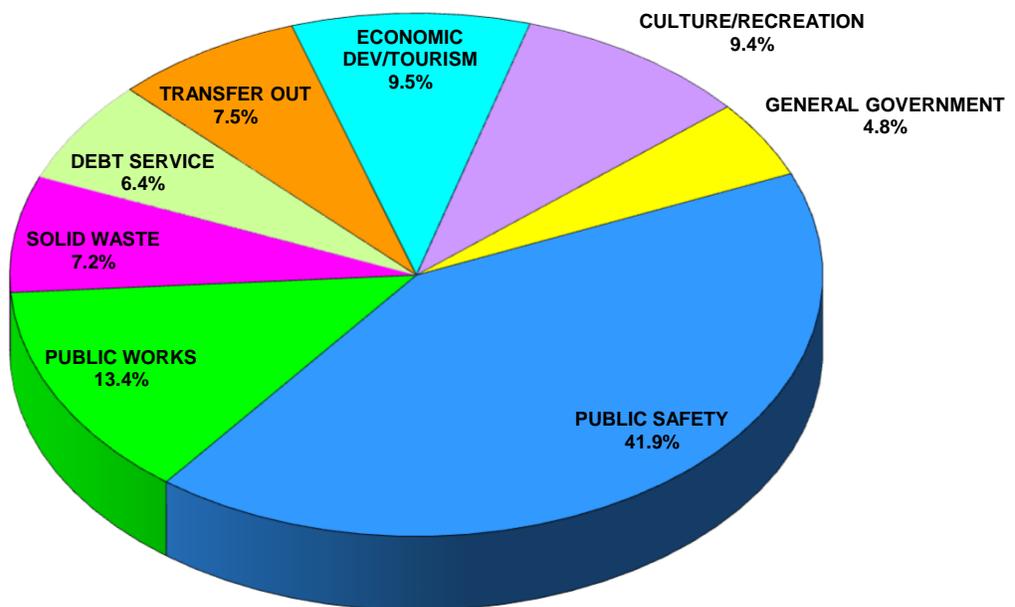
GENERAL FUND

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

FY 18 General Fund Revenue



FY 18 General Fund Expenditures



TOWN OF OCEAN CITY
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES
YEARS ENDED JUNE 30, 2016 (ACTUAL), 2017 (BUDGETED) AND 2018(ADOPTED)

	ACTUAL 2016	ADOPTED BUDGET 2017	CITY MANAGER PROPOSED 2018	COUNCIL ADOPTED 2018
REVENUES				
Real Property Tax	\$ 40,073,317	\$ 40,438,210	\$ 40,683,691	40,683,691
Other Property Taxes	2,279,887	1,860,000	1,965,000	1,965,000
Penalties And Interest	197,663	240,000	200,000	200,000
Other Taxes	17,949,705	17,855,545	18,454,636	18,454,636
Licenses And Permits	4,486,927	4,174,882	4,321,632	4,321,632
Revenue From Other Agencies	6,021,986	4,838,102	4,950,201	4,950,201
Charges For Current Services	9,847,859	9,377,600	10,114,585	10,211,476
Fines And Forfeitures	694,761	602,000	609,000	783,865
Other Revenue	909,031	545,712	621,237	621,237
Bond Issuance	0	0	0	0
Discounts Taken	0	0	0	0
TOTAL REVENUES	82,461,136	79,932,051	81,919,982	82,191,738
EXPENDITURES				
General Government	3,803,848	3,757,507	4,035,590	4,033,090
Public Safety	33,456,922	33,885,767	35,285,765	35,354,450
Public Works/Beach Maintenance	4,818,022	4,924,404	5,542,259	5,547,830
Sanitation And Waste Removal	5,635,304	5,854,954	6,068,265	6,068,265
Highways And Streets	5,379,243	5,660,746	5,765,197	5,765,197
Economic Development-Tourism	8,094,041	7,616,956	8,000,394	8,000,394
Culture & Recreation	7,192,255	7,694,464	7,915,638	7,915,638
Debt Service	5,038,274	6,056,326	5,410,112	5,410,112
TOTAL EXPENDITURES	73,417,909	75,451,124	78,023,220	78,094,976
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	9,043,227	4,480,927	3,896,762	4,096,762
OTHER FINANCING SOURCES (USES)				
Operating Transfers-Out	(3,195,841)	(2,992,482)	(3,514,706)	(3,514,706)
Transfer To Capital Construction	(4,424,009)	(2,724,250)	(2,820,000)	(2,820,000)
TOTAL OTHER FINANCING SOURCES (USES)	(7,619,850)	(5,716,732)	(6,334,706)	(6,334,706)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 1,423,377	\$ (1,235,805)	\$ (2,437,944)	(2,237,944)

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.

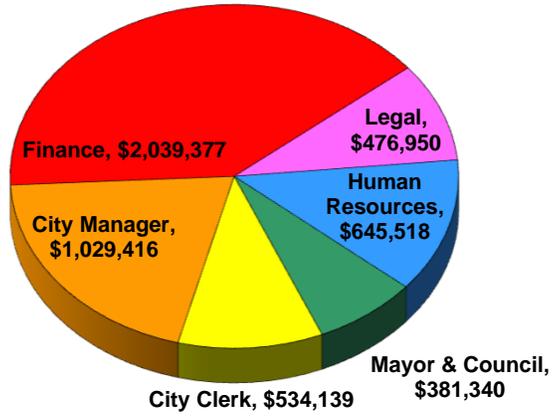
SPECIAL APPROPRIATIONS

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".

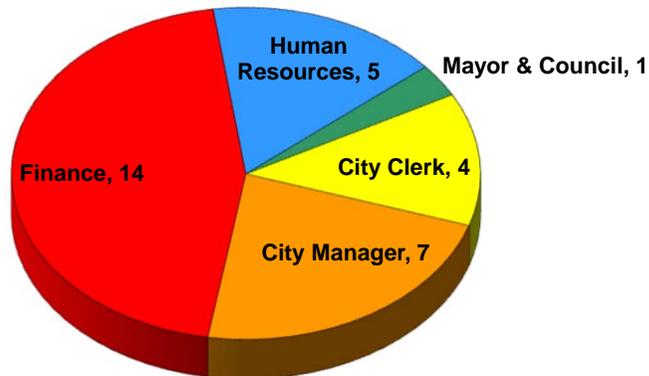
PLANNING AND COMMUNITY DEVELOPMENT

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.

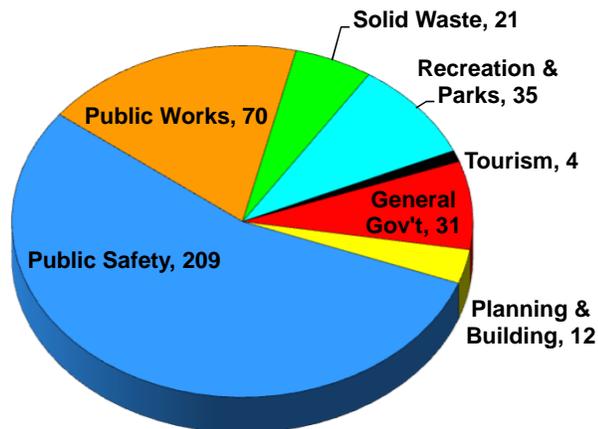
FY 18 General Government Expenses



FY 18 General Government Full Time Personnel



FY 18 Full Time General Fund Personnel



**TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET**

LEGISLATIVE AND ADMINISTRATIVE DIVISIONS

BUDGET HIGHLIGHTS:

PERSONNEL CHANGES:

There are thirty-one employees in the Legislative and Administrative divisions. A step increase on January 1, 2018 has been included for full-time employees. No new full-time positions were requested. Part-time salaries have been included for a seasonal Revenue Specialist for the Finance department and for vacation coverage for Human Resources. Health insurance costs are expected to increase 5% in FY 18, resulting in a cost increase of \$40,995 for these divisions. The anticipated rate of return on investments for the pension plan has been reduced from 7.5% to 7%, resulting in an increase of \$46,955 for these divisions. Employee benefits also include an allowance for tuition reimbursement, funded at \$12,500 for FY 18, an increase of \$2,500. Total employee benefit cost increases are budgeted at \$99,955 for the legislative and administrative divisions.

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 \$441,950 of the Contracted Services line item in this division. The FOP contract negotiations are included in the FY 18 budget at \$125,000. No labor negotiations were anticipated in FY 17, and the total legal budget was \$350,750. An allowance for other employment issues that may arise has been included at \$100,000. Other expenses included in the Contracted Services line item are the annual Town audit, funded at \$60,000, the biannual actuarial study of retiree health insurance funded at \$15,000, and banking services fees funded at \$48,000. EMS billing fees have been included at \$83,840 and are offset by projected revenue of \$1,048,000. Printing and postage for two issues of the Town newsletter are also included. The facilitator for strategic planning has been funded at \$20,000 and the fees for the Acela agenda management system have been funded at \$14,028. Also included is the Affordable Care Act IRS Preparation/Filing fee of \$10,000. Travel and Training costs in this division increase slightly. Training included in this division are the Government Finance Officer's conference, the National Hurricane conference for three council members, the Mayor, and the City Manager, and the IIMC annual conference for the City Clerk and Deputy City Clerk. Under Supplies and Materials, postage has been included at \$121,990, slightly lower than FY 17. The Intragovernmental allocation for the Information Technology department increases \$28,880 for these divisions. Allocations for Risk Management and Vehicle Lease remain about the same.

SUMMARY COMMENTS:

These divisions are responsible for overall Town management, business functions, and record-keeping. The Mayor & Council, City Clerk, City Manager, Finance, Legal and Human Resources divisions are included in the summary. Administrative costs to manage the Town's various enterprise funds are allocated based on total expenses, number of personnel, and number of transactions performed for each fund. This reimbursement totals \$2,160,786 for FY 2018.

TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET
GENERAL FUND EXPENDITURES
LEGISLATIVE AND ADMINISTRATIVE DIVISIONS

EXPENDITURES	ACTUAL 2016	ADOPTED 2017	CITY MANAGER PROPOSED 2018	COUNCIL ADOPTED 2018
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 2,249,133	2,369,814	\$ 2,417,420	\$ 2,417,420
EMPLOYEE BENEFITS	1,056,776	1,082,106	1,182,061	1,182,061
	<u>3,305,909</u>	<u>3,451,920</u>	<u>3,599,481</u>	<u>3,599,481</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	946,315	879,586	992,904	992,904
SUPPLIES & MATERIALS	176,935	179,290	185,188	185,188
ENERGY	0	0	0	0
VEHICLE SUPPLIES & REPAIR	2,013	9,330	9,678	9,678
INTRAGOVERNMENTAL	270,760	291,420	319,489	319,489
	<u>1,396,023</u>	<u>1,359,626</u>	<u>1,507,259</u>	<u>1,507,259</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	0	0	0	0
TRANSFER OUT	0	0	0	0
CAPITAL OUTLAY	112,874	0	0	0
	<u>112,874</u>	<u>0</u>	<u>0</u>	<u>0</u>
 TOTAL EXPENDITURES	 \$ <u>4,814,806</u>	 \$ <u>4,811,546</u>	 \$ <u>5,106,740</u>	 \$ <u>5,106,740</u>
LESS REVENUE GENERATED BY DIVISION				
REIMBURSEMENT FROM OTHER FUNDS FOR ADMINISTRATIVE SERVICES	<u>(2,092,201)</u>	<u>(2,136,962)</u>	<u>(2,160,786)</u>	<u>(2,160,786)</u>
TOTAL TOWN CONTRIBUTION	<u>\$ 2,722,605</u>	<u>\$ 2,674,584</u>	<u>\$ 2,945,954</u>	<u>\$ 2,945,954</u>

	ACTUAL 2016	ADOPTED 2017	CITY MANAGER PROPOSED 2018	COUNCIL ADOPTED 2018
MAYOR & COUNCIL	366,183	360,538	381,340	381,340
CITY CLERK	586,017	507,867	534,139	534,139
CITY MANAGER	902,321	1,010,721	1,029,416	1,029,416
FINANCE	1,865,638	1,912,421	2,039,377	2,039,377
LEGAL	445,326	385,750	476,950	476,950
HUMAN RESOURCES	649,321	634,249	645,518	645,518
	<u>4,814,806</u>	<u>4,811,546</u>	<u>5,106,740</u>	<u>5,106,740</u>

**TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET**

ENGINEERING AND BEACH REPLENISHMENT

BUDGET HIGHLIGHTS:

PERSONNEL CHANGES:

Six full-time employees are budgeted in Engineering. A step increase beginning January 1, 2018 has been included. A 5% increase has been budgeted for health insurance beginning in January of 2018. The anticipated increase in health insurance has been offset by a reduction in pension contributions for this division.

CHANGES IN OPERATIONS:

Payment to the State of Maryland for the beach maintenance fund is the largest expense in Engineering. A payment of \$212,031 was made in FY 16, and a payment of \$208,083 was made in FY 17. For FY 18, the necessary funding has increased to \$400,000, an increase of \$190,000 over the FY 17 budgeted amount. These payments are estimated by the Department of Natural Resources, and the FY 18 payment is less than the amount anticipated a year ago. Contracted Services include payments for consulting services for Energy procurement bids, legal fees attributable to this division and equipment lease. Legal fees have been increased from \$16,000 in the FY 17 budget to \$20,000 in FY 18. Fees for the conceptual design for Fire Station 3 were included in the FY 17 budget. City-wide security improvements were included at \$50,000 in FY 17, and \$26,500 has been included for City Hall Security improvements in FY 18. Supplies and Materials have been budgeted at the same level as FY 17. Vehicle Supplies and Repairs are budgeted to increase as the estimated cost for vehicle parts is expected to be higher in FY 18. Allocations for IT Services and Vehicle lease increase for this division.

MAJOR 2017-2018 PROGRAM OBJECTIVES:

The City Engineer has the oversight of the Information Technology division as well as the Engineering and Beach Replenishment divisions. Responsibility for the Town's Capital Improvements Plan also falls under the City Engineer. Projects for FY 18 include additional Canal Dredging, the Convention Center expansion project, and continuation of the surveillance camera replacement and expansion project. Other FY 18 projects include design and construction of Fire Station 3 and the Downtown Transportation complex. Continued management of the Energy Performance contract is also a priority. Other duties handled by this division include stormwater/grading issues, and energy management.

TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET
GENERAL FUND EXPENDITURES
ENGINEERING AND BEACH REPLENISHMENT

EXPENDITURES	ACTUAL 2016	ADOPTED 2017	CITY MANAGER PROPOSED 2018	COUNCIL ADOPTED 2018
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 465,100	\$ 486,626	\$ 488,607	\$ 488,607
EMPLOYEE BENEFITS	245,158	250,381	249,498	249,498
	<u>710,258</u>	<u>737,007</u>	<u>738,105</u>	<u>738,105</u>
OPERATING EXPENSES:				
BEACH RENOURISHMENT	212,031	210,000	400,000	400,000
CONTRACTED SERVICES	113,079	126,050	74,218	74,218
SUPPLIES & MATERIALS	10,219	10,157	10,597	10,597
VEHICLE SUPPLIES & REPAIR	14,267	10,976	12,210	12,210
INTRAGOVERNMENTAL	23,824	25,420	37,384	37,384
	<u>373,420</u>	<u>382,603</u>	<u>534,409</u>	<u>534,409</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>\$ 1,083,678</u>	<u>\$ 1,119,610</u>	<u>\$ 1,272,514</u>	<u>\$ 1,272,514</u>
LESS REVENUE GENERATED BY DIVISION				
STATE - STORMWATER MGMT	(14,678)	(11,171)	(13,889)	(13,889)
MISCELLANEOUS GRANTS	(37,155)	0	0	0
PRIVATE CONTRIBUTIONS	(12,385)	0	0	0
STORMWATER MGT REVIEW	(5,738)	(5,500)	(5,000)	(5,000)
	<u>(69,956)</u>	<u>(16,671)</u>	<u>(18,889)</u>	<u>(18,889)</u>
TOTAL TOWN CONTRIBUTION	<u>\$ 1,013,722</u>	<u>\$ 1,102,939</u>	<u>\$ 1,253,625</u>	<u>\$ 1,253,625</u>

**TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET**

PLANNING AND COMMUNITY DEVELOPMENT DIVISION

BUDGET HIGHLIGHTS:

REVENUE:

Building Permit Revenue, the largest revenue generator in this division, has been budgeted at \$900,000. Total revenue for this division is budgeted \$141,000 higher than the FY 17 adopted budget. The Town contribution to funding of this division was \$622,755 in FY 17, and has decreased to \$564,480 in FY 18.

PERSONNEL CHANGES:

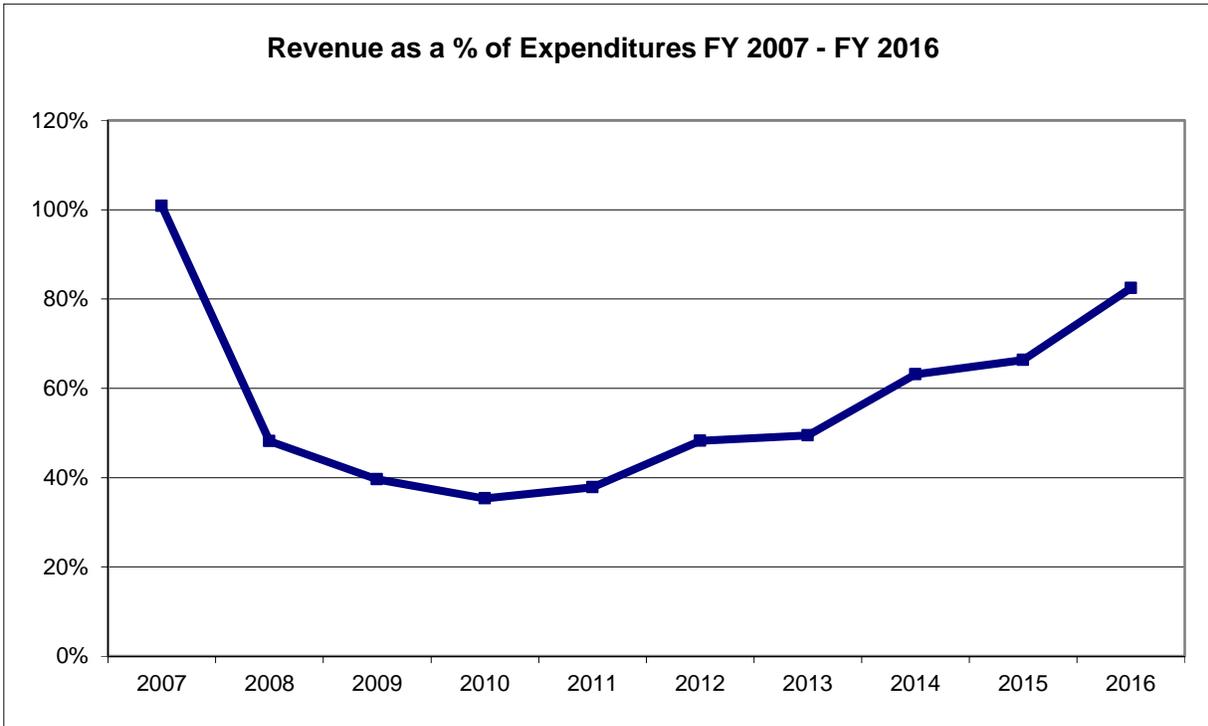
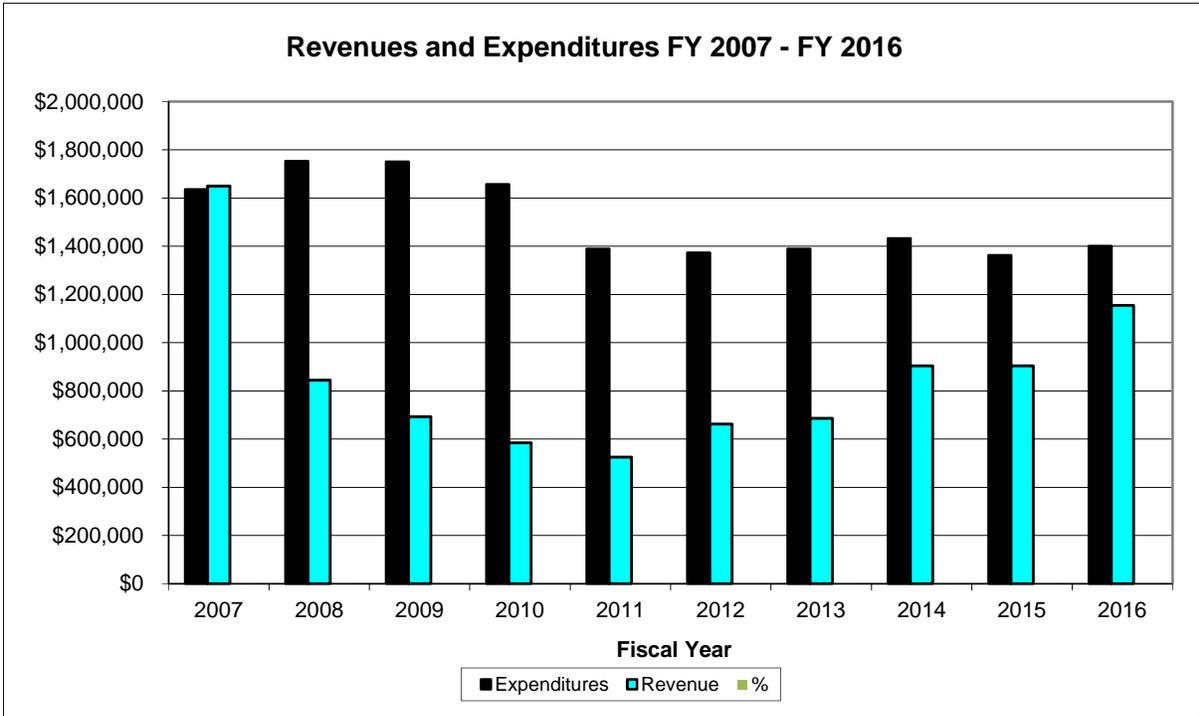
There are currently 11 full-time employees in these two divisions. In FY 09, there were 15. A part-time Office Associate position has been converted to full-time in the FY 18 budget. An additional Plans Examiner position was requested but not funded. A step increase has been included effective January 1, 2018 for full-time employees. A part-time building inspector has been funded for fourteen weeks. Group insurance and pension increases account for \$64,413 of the increase in employee benefits. Health insurance for the Office Associate position has been included.

CHANGES IN OPERATIONS:

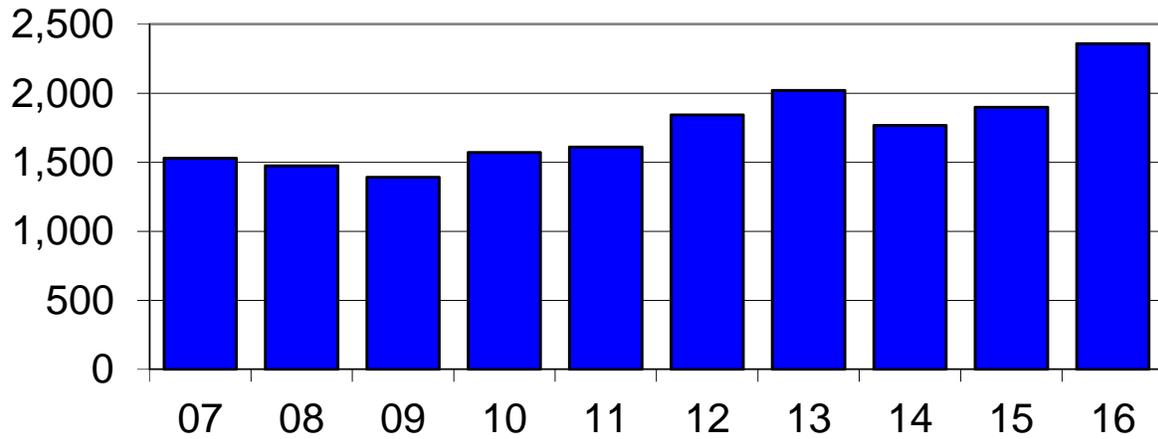
Contracted Services increases \$353. Legal services from the City attorney and for the boards account for \$29,000 of this line item, and are projected to decrease \$2,000 for FY 18. Credit card fees for the online permitting system, new in FY 15, are estimated at \$8,000. Training costs are budgeted at \$9,368 and include attendance at the American Association of Code Enforcement conference, and the National Hurricane conference. Training has also been included for the Building Inspectors to perform plan reviews during vacation leave of the Plans Examiner. Other items funded in Contracted Services include equipment maintenance, dues and advertising. Funding for the Ocean City Development Corporation has again been included. The City's contribution continues to be \$100,000 with an anticipated \$100,000 contribution from Worcester County. Vehicle fuel, parts and labor costs are anticipated to increase slightly for this division. Fuel costs are budgeted at the actual number of gallons used in FY 16. Intragovernmental allocations for Vehicle Lease, Information Technology, and insurance increase for this division.

TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET
GENERAL FUND EXPENDITURES
PLANNING AND COMMUNITY DEVELOPMENT DIVISION

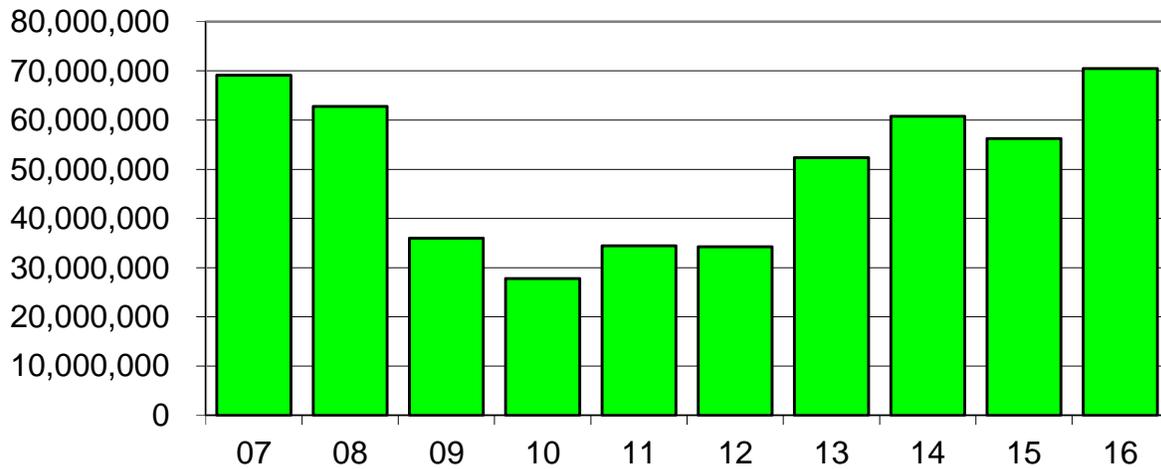
EXPENDITURES	ACTUAL 2016	ADOPTED 2017	CITY MANAGER PROPOSED 2018	COUNCIL ADOPTED 2018
PERSONNEL COSTS:				
SALARY AND WAGES	815,758	\$ 840,281	\$ 851,460	\$ 851,460
EMPLOYEE BENEFITS	410,641	410,434	477,657	477,657
	<u>1,226,399</u>	<u>1,250,715</u>	<u>1,329,117</u>	<u>1,329,117</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	50,044	57,982	58,335	58,335
CONTRIBUTION TO OCDC	200,000	200,000	200,000	200,000
SUPPLIES & MATERIALS	21,004	6,610	7,860	7,860
ENERGY	0	0	0	0
VEHICLE SUPPLIES & REPAIR	9,587	11,671	12,040	12,040
INTRAGOVERNMENTAL	93,684	93,809	96,160	96,160
	<u>374,319</u>	<u>370,072</u>	<u>374,395</u>	<u>374,395</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>\$ 1,600,718</u>	<u>\$ 1,620,787</u>	<u>\$ 1,703,512</u>	<u>\$ 1,703,512</u>
LESS REVENUE GENERATED BY DIVISION				
SITE PLAN REVIEW - STAFF	(79,916)	(40,000)	(55,000)	(55,000)
PUBLIC HEARING - PLAN & ZONING	(1,800)	(2,000)	(2,000)	(2,000)
PLAN REVIEW - PLAN & ZONING	(11,765)	(15,000)	(12,000)	(12,000)
PUBLIC HEARING - ZONING APPEALS	(16,058)	(17,000)	(17,000)	(17,000)
PUBLIC HEARING - PORT WARDENS	(22,673)	(22,000)	(20,000)	(20,000)
MINOR REVIEW - PORT WARDENS	(3,588)	(3,000)	(3,000)	(3,000)
MOBILE HOME PERMITS	(3,808)	(1,500)	(1,500)	(1,500)
BUILDING PERMITS	(986,660)	(770,000)	(900,000)	(900,000)
OUTDOOR DISPLAYS	(15,776)	(15,032)	(15,032)	(15,032)
SIGN PERMITS	(12,486)	(10,000)	(12,000)	(12,000)
O C DEVELOPMENT CORP GRANT	(100,000)	(100,000)	(100,000)	(100,000)
ADJUSTMENT & APPEALS HEARING	(452)	(2,500)	(1,500)	(1,500)
	<u>(1,254,982)</u>	<u>(998,032)</u>	<u>(1,139,032)</u>	<u>(1,139,032)</u>
TOTAL TOWN CONTRIBUTION	<u>\$ 345,736</u>	<u>\$ 622,755</u>	<u>\$ 564,480</u>	<u>\$ 564,480</u>



Total Permits Issued CY 07- CY 16



Valuation of Permits CY 07- CY 16



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

COMMUNICATIONS/ELECTRONICS/EMERGENCY MANAGEMENT

The Emergency Services department has three major areas of responsibility: operation of the Emergency Communications Center; maintenance of the citywide radio system; and operation of an Emergency Management program. Located in the Public Safety Building at 65th St, the Communications center operates 24 hours per day, receiving and dispatching calls for service for the Police, EMS, Fire Company, and Beach Patrol. 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 mobile 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 219 members responding out of five firehouses, utilizing six engines, three aerial trucks, two rescue trucks, one engine tanker, ten utility/small vehicles and three boats. In partnership with the Fire/EMS division, the OCVFC responded to 1,221 calls for service in 2016. Each volunteer firefighter is (at minimum) certified to national firefighting standards. Many volunteer firefighters participate with the Fire Marshal's Office in Hazardous Materials

PUBLIC SAFETY (CONTINUED)

VOLUNTEER FIRE COMPANY (CONTINUED)

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

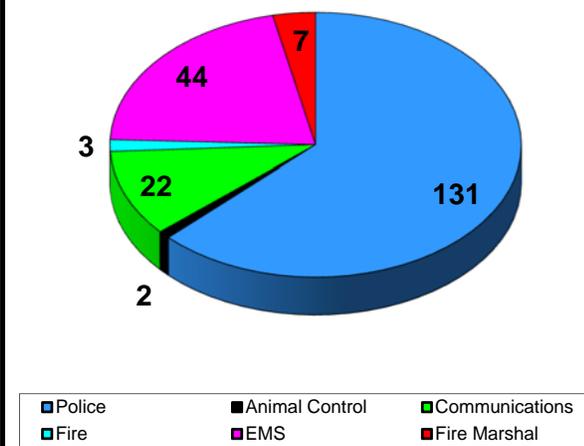
CAREER FIRE/EMERGENCY MEDICAL SERVICES

Ocean City Fire/EMS division responds to approximately 6,000 calls for service each year-4,806 medical and 1,221 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 66 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, Pediatric Advanced Life Support, and Fire Apparatus Operator. 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.

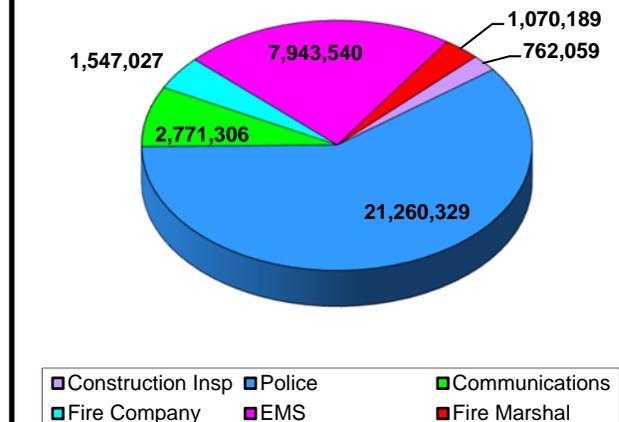
FIRE MARSHAL

The Ocean City Fire Marshal's Office is committed to protecting lives and property from fire, explosions, and other hazards with a goal to make Ocean City a safe place to live, work and visit. This is accomplished through comprehensive and efficient fire protection programs, including code enforcement, public outreach, education, and events planning. The office conducts all fire and explosive investigations within the Town, aimed at the identification, arrest, and successful prosecution of criminal events. By coordinating the Town's Hazardous Materials and Bomb Squad teams, the office also focuses on the preparation and response for non-traditional, CBRNE (Chemical, Biological, Radiological, Nuclear, Explosive) events.

FY 18 Public Safety Full Time Personnel



FY 18 Public Safety Expenses



TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET

POLICE DIVISION

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

Funding from State Police Aid increases \$69,146 for FY 18. Grants received in FY 16 totaled \$171,326 and will be added to the FY 18 budget as received. Revenue from parking fines is expected to increase \$45,000. Revenue from tow fines is anticipated to increase \$174,865 as the Council instituted a rate increase. Payments to tow operators increase \$68,685 on the expense side. Building rental for District Court was renegotiated in June 2011 and has been budgeted according to the lease.

PERSONNEL CHANGES:

A step increase has been funded for the civilian staff effective January 1, 2018. The Fraternal Order of Police bargaining unit will receive a step increase on 12/31/17 and a 2% cost of living adjustment on 1/1/18 per their contract. Specialty pay has also been included for members of the bargaining unit. One additional sworn officer position was added beginning January 1, 2018, bringing the total number of Police employees to 133. A reclassification of two Public Safety Aide positions to Custody Officer at a cost of \$3,904 has been included in full-time salaries. The overall increase in full-time salaries is \$327,643. Four additional positions were requested, but not funded: one Police Officer, a Recruiting & Background Specialist, and two Police Custody Officer Trainees. Part time salaries in the Patrol division include 80 seasonal officers and 36 Public Safety Aides. The allowance for reserve officers increases from \$105,000 to \$130,000. Overtime in Services increases to cover additional PSAs on the boardwalk during certain times of the season. Allocations for health insurance, retiree health, pension and worker's compensation increase while Unemployment decreases. Increased pension funding accounts for \$280,276 of the increase in this line item.

CHANGES IN OPERATIONS:

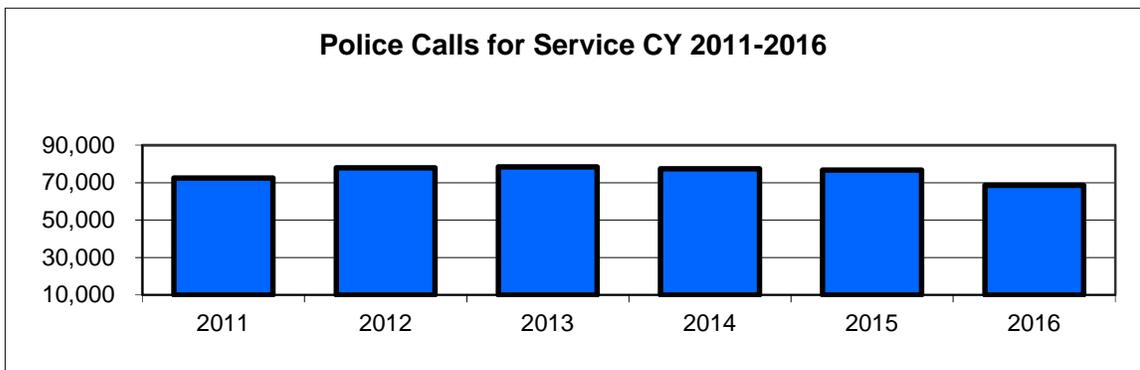
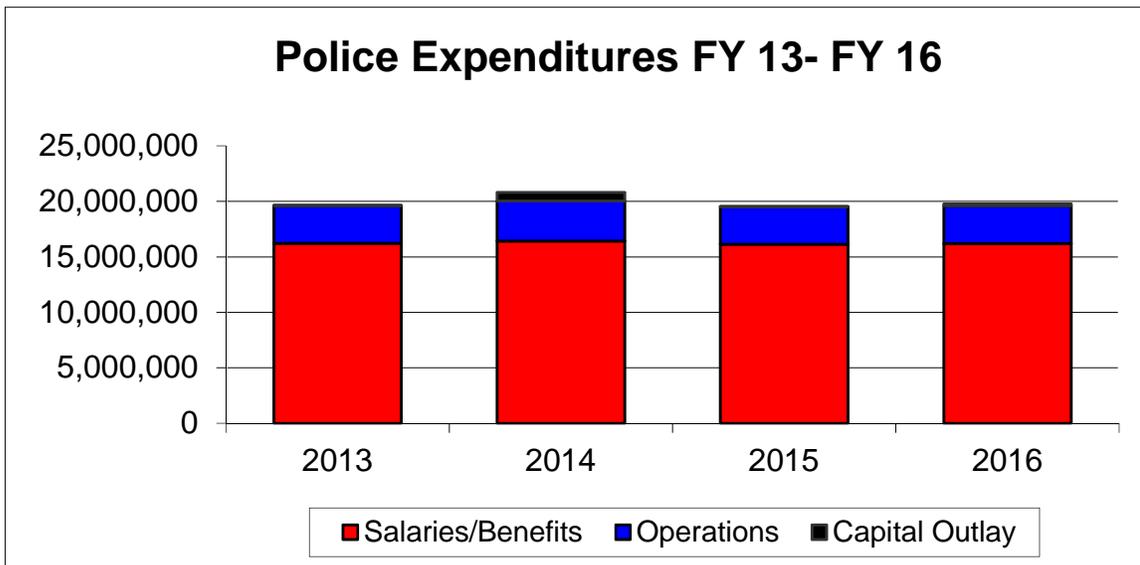
Contracted Services include \$283,685 in towing expenses and \$122,582 for telephone and radio parts expense. Training and Travel has been budgeted at \$236,697, an increase of \$5,469, and includes \$30,000 for court-related travel, \$34,096 for mandated training expenses, and \$12,000 for recruiting. Funding for allied agency assistance for major special events at a cost of \$20,000 has also been included. Consultants for legal and policy review have been included at \$30,000 and psychological testing for seasonal officers has been included at \$28,800. A Sergeant Assessment process has been funded at \$11,250. The contract to cover the costs of boarding, hay and feed for the Mounted unit has been funded at a cost of \$36,000. Overall funding for Contracted Services increases 2% for FY 18. Funding for general building and equipment maintenance increases to include \$117,700 in repairs to the HVAC system recommended by the Public Works Facilities Manager. Additional HVAC repairs totaling \$62,000 were deferred until FY 19. The FY 17 budget included HVAC repairs totaling \$93,000. Supplies and Materials include all operational supplies and uniform costs. Ammunition purchases are also included in this line item at a cost of \$33,170. Replacement uniforms and items included in the Fraternal Order of Police contract are included in this line item at a cost of \$199,270, an increase of \$19,330 from the FY 17 adopted budget. Ballistic and tactical vests have been budgeted \$15,000 higher and PSA Safety shirts have been included at \$3,600. Personal safety tourniquet kits and vehicle emergency GO bags have been funded at \$15,000. Items purchased with forfeiture and grant funds were included in the FY 16 actual expenses. Vehicle fuel costs are expected to increase in FY 18, while vehicle parts and labor costs are projected to decrease. Funds to add lights, sirens, and striping to five replacement vehicles has been included at \$88,840. 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 \$115,130 annually. Overall, the allocation for IT services increases \$15,493. Vehicle lease payments to the Vehicle Trust Fund decrease \$2,958 in FY 18. Property and General Liability insurance allocations decrease for this division. Capital outlay in FY 16 included items purchased with Homeland Security and Customs grants, and a replacement fingerprint reader. A replacement Animal Control van, Marked Tahoe 4x2 and four marked Caprices have been funded through Vehicle Trust.

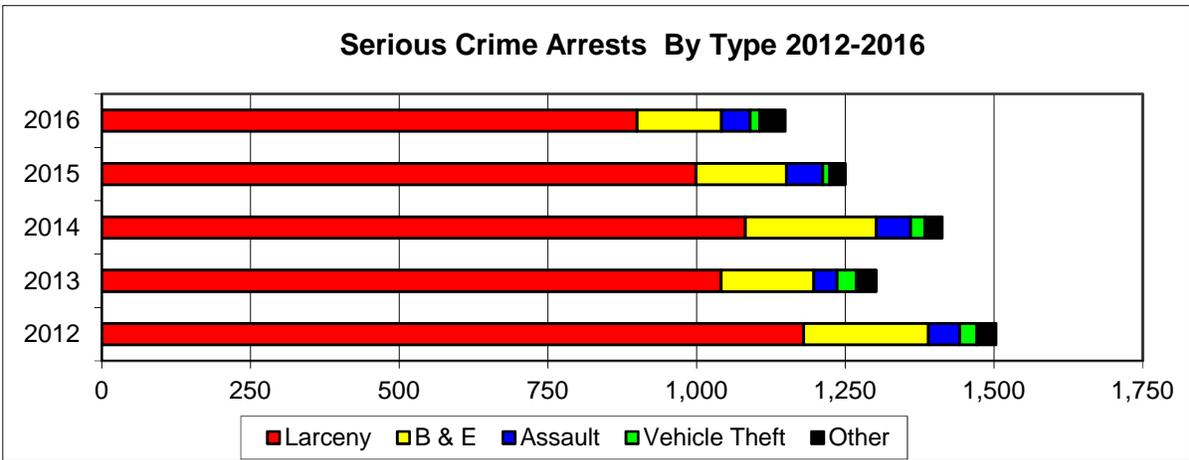
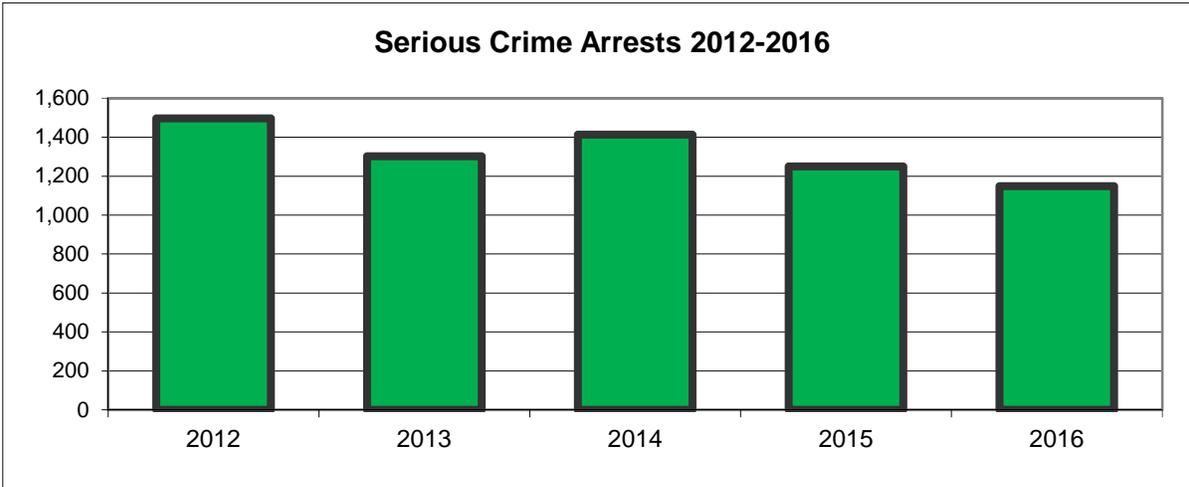
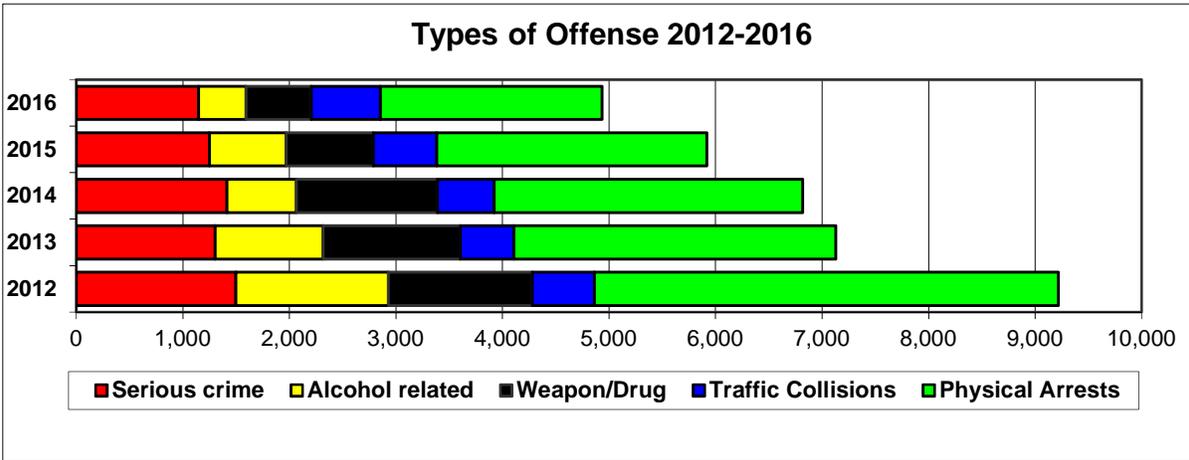
TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET
GENERAL FUND EXPENDITURES
POLICE DIVISION

EXPENDITURES	ACTUAL 2016	ADOPTED 2017	CITY MANAGER PROPOSED 2018	COUNCIL ADOPTED 2018
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 10,826,738	\$ 11,303,007	\$ 11,634,459	\$ 11,660,014
EMPLOYEE BENEFITS	5,353,725	5,552,842	5,970,136	5,974,688
	<u>16,180,463</u>	<u>16,855,849</u>	<u>17,604,595</u>	<u>17,634,702</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	877,951	969,931	968,760	994,919
MAINTENANCE	212,852	279,523	296,828	296,828
SUPPLIES & MATERIALS	594,128	507,260	542,401	554,820
ENERGY	169,478	158,129	160,115	160,115
VEHICLE SUPPLIES & REPAIR	588,754	708,452	698,890	698,890
INTRAGOVERNMENTAL	965,890	934,858	920,055	920,055
	<u>3,409,053</u>	<u>3,558,153</u>	<u>3,587,049</u>	<u>3,625,627</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	0	0	0	0
TRANSFER OUT	0	0	0	0
CAPITAL OUTLAY	177,521	0	0	0
	<u>177,521</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	<u>\$ 19,767,037</u>	<u>\$ 20,414,002</u>	<u>\$ 21,191,644</u>	<u>\$ 21,260,329</u>
LESS REVENUE GENERATED BY DIVISION				
ANIMAL LICENSES	(741)	(750)	(700)	(700)
NOISE PERMITS	(202,938)	(204,000)	(201,000)	(201,000)
PARKING FINES	(228,524)	(210,000)	(255,000)	(255,000)
STATE-POLICE AID	(409,286)	(405,000)	(474,146)	(474,146)
STATE - OTHER GRANTS	(22,069)	0	0	0
FEDERAL- EMG MGT GRANT	(31,356)	0	(5,000)	(5,000)
FEDERAL- OTHER GRANTS	(117,901)	0	0	0
FINGERPRINTING	(1,905)	(2,000)	(2,000)	(2,000)
DONATIONS	(5,256)	0	0	0
POLICE TOW FINES	(202,440)	(230,000)	(187,000)	(295,000)
PRIVATE TOW FINES	(99,925)	(90,000)	(100,000)	(166,865)
FALSE ALARMS	(2,950)	(2,000)	(2,000)	(2,000)
MUNICIPAL INFRACTIONS	(48,453)	(28,000)	(28,000)	(28,000)
BUILDING RENTAL	(117,296)	(121,071)	(126,396)	(126,396)
IMPOUNDED VEHICLES/FUNDS	(109,519)	(40,000)	(35,000)	(35,000)
	<u>(1,600,559)</u>	<u>(1,332,821)</u>	<u>(1,416,242)</u>	<u>(1,591,107)</u>
TOTAL TOWN CONTRIBUTION	<u>\$ 18,166,478</u>	<u>\$ 19,081,181</u>	<u>\$ 19,775,402</u>	<u>\$ 19,669,222</u>

OCEAN CITY POLICE DEPARTMENT
 FULL-TIME SWORN PERSONNEL ALLOCATIONS
 2016, 2017, BUDGET 2018

	FY-2016	FY-2017	FY-2018
Chief	1	1	1
Captain	3	3	3
Lieutenant	9	9	9
Sergeant	13	13	13
Corporal	17	17	17
PFC	40	46	51
Officer	22	16	12
	<u>105</u>	<u>105</u>	<u>106</u>





**TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET**

COMMUNICATIONS, ELECTRONICS, EMERGENCY MANAGEMENT

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

FY 18 revenue reflects continued participation in the Emergency Management Assistance (EMA) funding from the Federal Emergency Management Agency. A grant equivalent to the partial salary and benefits of the Emergency Management Director has been included. A portion of the Homeland Securities grant funds will be allocated to cover the partial salary and benefits of the Emergency Planner. Grants shown in FY 16 will be added to the FY 18 budget if received. The estimate for antenna rents for the Ocean Pines tower increases slightly.

PERSONNEL CHANGES:

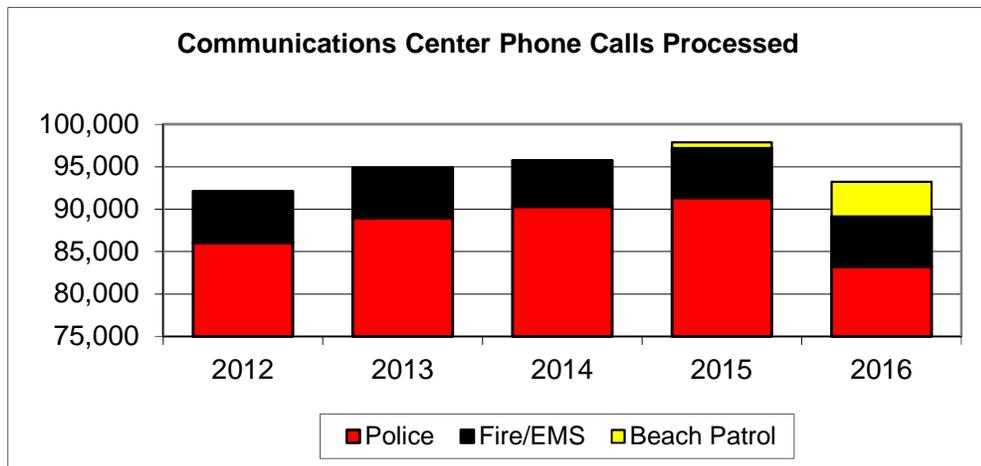
Twenty-two full-time positions are funded in this division. One additional Communications operator position was funded in FY 15. To address the ongoing training needs of the department, one Communications Operator II position was promoted to an Operator III position in FY 16. An Electronics Technician and a Communications Operator were requested, but not funded in FY 18. Salary increases reflect a step increase effective January 1, 2018. Both full-time and seasonal Communications operator positions were upgraded as a result of the recent pay study. Nineteen temporary Communications Operator positions are funded in this division. Seasonal staffing includes two dispatch positions to handle the Beach Patrol's dispatching needs and three dispatch positions to staff the "City Watch" surveillance program. A part-time Emergency Management Specialist position was requested, but not funded. Allocations for health insurance and pension account for most of the increase in Employee benefits. Estimated unemployment was increased for the Communications division.

CHANGES IN OPERATIONS:

Contracted Services include equipment maintenance, training costs, printing and other services. Training costs increase and include OSSSI 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) regional conference for two employees has also been included. Attendance at the Hurricane Conference for the Director and the Planner has been funded. Contracted radio maintenance technical assistance during the radio project has been included at \$25,600. Maintenance costs increase slightly and include the maintenance on the logging recorder purchased in FY 16, \$9,000, and building maintenance on the radio shop and radio shelter, \$15,488, which includes an \$8,500 HVAC repair. Maintenance on the transfer switch at the Ocean Pines radio tower was included in FY 17 at \$12,400. Other maintenance costs include the HVAC contracts for the Electronics shop and the radio towers. Supplies & Materials include operational and uniform costs for the three divisions. Replacement tables and chairs for the EOC have been included at a cost of \$3,000. Outerwear for the CERT team has been included at \$1,000. Energy costs decrease and are based on the actual expense for the past twelve months. Vehicle fuel costs are expected to increase slightly for FY 18, while vehicle maintenance expenses are expected to decrease. Intragovernmental expenses increase \$12,588 for IT Services, which includes \$66,538 for the Comcast connection for boardwalk surveillance. Allocations for insurance and Vehicle Lease also increase slightly. Capital outlay funded in the FY 16 budget included a replacement telephone and radio recorder at \$75,000 and a replacement city alarm system at \$20,000.

TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET
GENERAL FUND EXPENDITURES
COMMUNICATIONS, ELECTRONICS, EMERGENCY MANAGEMENT

EXPENDITURES	ACTUAL 2016	ADOPTED 2017	CITY MANAGER PROPOSED 2018	COUNCIL ADOPTED 2018
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 1,481,679	\$ 1,511,373	\$ 1,552,992	\$ 1,552,992
EMPLOYEE BENEFITS	712,740	697,031	731,724	731,724
	<u>2,194,419</u>	<u>2,208,404</u>	<u>2,284,716</u>	<u>2,284,716</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	103,692	90,356	115,486	115,486
MAINTENANCE	20,053	46,578	46,718	46,718
SUPPLIES & MATERIALS	37,497	40,312	45,162	45,162
ENERGY	36,104	40,683	36,867	36,867
VEHICLE SUPPLIES & REPAIR	13,880	23,918	21,433	21,433
INTRAGOVERNMENTAL	217,946	207,734	220,924	220,924
	<u>429,172</u>	<u>449,581</u>	<u>486,590</u>	<u>486,590</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	0	0	0	0
TRANSFER OUT	0	0	0	0
CAPITAL OUTLAY	107,979	0	0	0
	<u>107,979</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	<u>\$ 2,731,570</u>	<u>\$ 2,657,985</u>	<u>\$ 2,771,306</u>	<u>\$ 2,771,306</u>
LESS REVENUE GENERATED BY DIVISION				
FEDERAL EMERGENCY MGT. GRANT	(177,996)	(117,000)	(122,000)	(122,000)
OTHER GRANTS	(30,866)	0	0	0
ANTENNA RENTS	(54,669)	(53,000)	(54,000)	(54,000)
	<u>(232,665)</u>	<u>(170,000)</u>	<u>(176,000)</u>	<u>(176,000)</u>
TOTAL TOWN CONTRIBUTION	<u>\$ 2,498,905</u>	<u>\$ 2,487,985</u>	<u>\$ 2,595,306</u>	<u>\$ 2,595,306</u>



**TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET**

VOLUNTEER FIRE DIVISION

BUDGET HIGHLIGHTS:

PERSONNEL CHANGES:

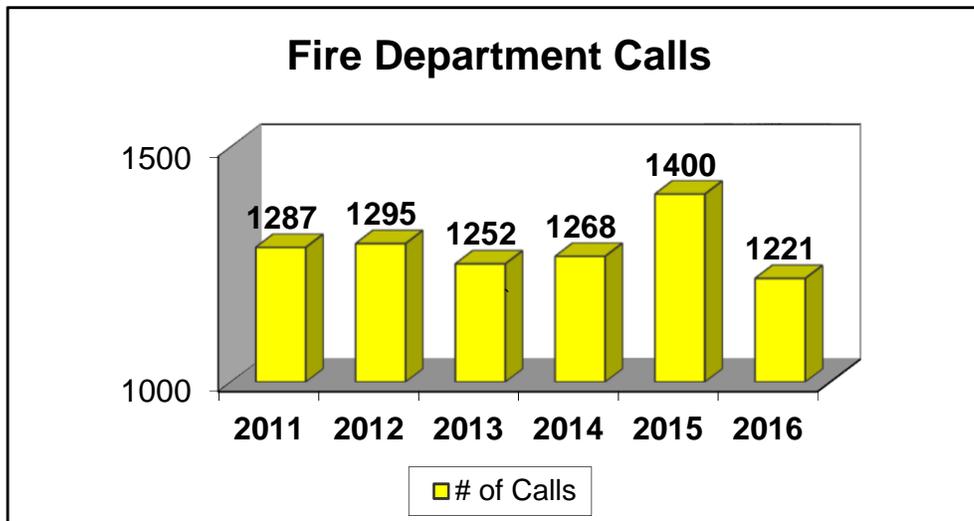
There are three full-time positions in this division, two firefighter/mechanics and one clerical position. Salary changes include a step increase effective January 1, 2018. Allocations for health insurance, retiree health, pension and worker's compensation are projected to increase for FY 18, with the major increases in health insurance and pension.

CHANGES IN OPERATIONS:

Contracted Services include such items as: training, fire company physicals, equipment maintenance, communications, and fire company insurance policies. Approved training decreases \$1,600 from the FY 17 adopted budget and includes two training sessions for the Firefighter/mechanic positions. Attendance at the FDIC and the IAFC conferences have also been included. Communications expense is anticipated to decrease \$2,326 in FY 18. Phone costs, replacement pagers and Verizon wireless cards are funded in this line item. The Fire Company insurance policies are budgeted at \$64,575, a slight increase from FY 17. Physicals for volunteer firemen have been budgeted at a cost of \$35,500, an increase of \$5,500 over FY 17. Fire hose testing and Hurst tool testing have been included at a combined cost of \$23,075. Maintenance on the Self Contained Breathing Apparatus has been funded at \$9,490. Building and equipment maintenance are projected to increase \$55,116. Replacement of five gas fired furnaces at Fire Station 1 has been included at \$44,000. Skim coating of the kitchen and bathroom tile at Headquarters at \$15,000, tube overhead radiant heat at Station 4 at \$16,000 and painting the Engine bay at Station 2 for \$8,800 have been funded. Operational supplies include items such as replacement hose, shop supplies, and marine unit supplies. Fire fighter turnout gear has been included at a cost of \$37,600. Replacement Class "A" uniforms, at a cost of \$38,000 were funded in the FY 17 budget. Energy costs are funded slightly lower than the FY 17 adopted level. Vehicle fuel costs have been budgeted to decrease next fiscal year, and are based on the average number of gallons used in the past few fiscal years. An allowance for fuel costs for the fire boat has been included at \$10,000. Vehicle maintenance costs increase and include \$20,000 to purchase equipment for the new brush truck, and \$30,000 for hydraulic hose repairs on Tower 6. Routine items such as tires, brake drums and valves for the other fire apparatus make up the remainder of the cost. Allocations for IT Services and property insurance decrease for this division. Capital outlay reflects an increase of the Town's contribution to the fire equipment fund of \$40,000, for total annual funding of \$213,910. Funding for replacement generators at Headquarters and Station 2 have been included at a combined cost of \$107,000.

TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET
GENERAL FUND EXPENDITURES
VOLUNTEER FIRE DIVISION

EXPENDITURES	ACTUAL 2016	ADOPTED 2017	CITY MANAGER PROPOSED 2018	COUNCIL ADOPTED 2018
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 169,870	\$ 173,801	\$ 177,007	\$ 177,007
EMPLOYEE BENEFITS	123,101	116,210	129,574	129,574
	<u>292,971</u>	<u>290,011</u>	<u>306,581</u>	<u>306,581</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	199,437	213,303	214,413	214,413
MAINTENANCE	38,990	70,619	125,735	125,735
SUPPLIES & MATERIALS	130,070	208,809	162,619	162,619
ENERGY	60,326	71,951	63,650	63,650
VEHICLE SUPPLIES & REPAIR	210,692	224,697	275,434	275,434
INTRAGOVERNMENTAL	77,929	80,914	77,685	77,685
	<u>717,444</u>	<u>870,293</u>	<u>919,536</u>	<u>919,536</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	0	0	0	0
TRANSFER OUT	0	0	0	0
CAPITAL OUTLAY	250,415	173,910	320,910	320,910
	<u>250,415</u>	<u>173,910</u>	<u>320,910</u>	<u>320,910</u>
TOTAL EXPENDITURES	<u>\$ 1,260,830</u>	<u>\$ 1,334,214</u>	<u>\$ 1,547,027</u>	<u>\$ 1,547,027</u>
LESS REVENUE GENERATED BY DIVISION				
EMERGENCY MGT GRANTS	(67,135)	0	0	0
COUNTY FIRE GRANT	(123,000)	(87,000)	(93,000)	(93,000)
FALSE ALARM FINES	(2,950)	(2,000)	(2,000)	(2,000)
	<u>(193,085)</u>	<u>(89,000)</u>	<u>(95,000)</u>	<u>(95,000)</u>
TOTAL TOWN CONTRIBUTION	<u><u>\$ 1,067,745</u></u>	<u><u>\$ 1,245,214</u></u>	<u><u>\$ 1,452,027</u></u>	<u><u>\$ 1,452,027</u></u>



TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET

CAREER FIRE/EMS DIVISION

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

The current fee schedule was adopted in FY 14, with no differentiation in charges to residents of Ocean City and residents of West Ocean City. Fees consist of an Advanced Life Support or a Basic Life Support charge depending upon the level of service rendered and a charge for mileage. Basic Life Support fees were increased from \$425 to \$450 in FY 16. Advanced life support level one fees are \$600 and advanced life support level two fees are \$650. The mileage rate is currently \$15 per mile. Revenue for FY 17 has been set at the FY 16 actual level. Worcester County reimburses the Town \$190 per run for in-town and \$760 per run for out-of-town calls. The per-paramedic subsidy remained at \$5,000, and the per-ambulance subsidy remained at \$10,000. Reimbursement for 24/7 coverage was increased from \$30,000 to \$40,000. County grants have been included at \$1,226,530.

PERSONNEL CHANGES:

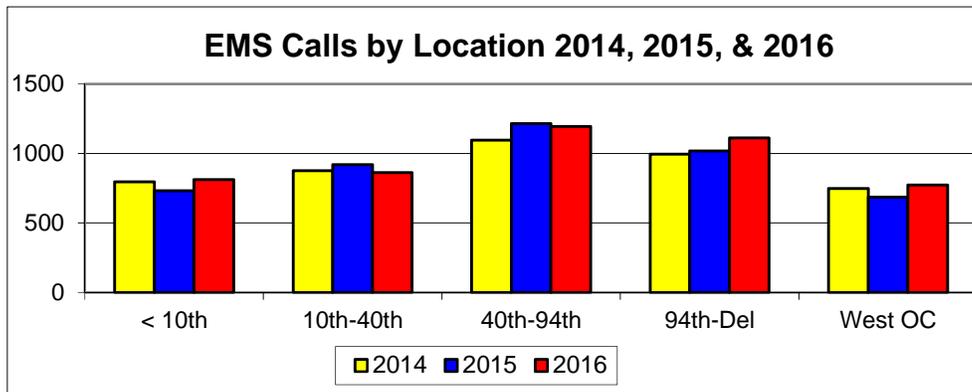
The FY 18 budget includes forty-four full-time positions. Positions included are: a Fire Chief, a Deputy Chief, an Assistant Chief, four Captains, six Lieutenants, and thirty-one Firefighter/EMTs. This is a reduction of one Captain and two Lieutenants and an increase of four Firefighter/EMTs, or an overall increase of one employee. Per the contract, one step and a 1.5% cost of living adjustment will be granted on July 1, 2017. A transitional bonus has also been funded per the contract. For the past few years, power units consisting of two-person EMS units were funded from Memorial Day to Labor Day and special event weekends as needed. Benefit cost allocations increased for health insurance, retiree health, pension and worker's compensation, but decreased for unemployment. Employee benefits also include health insurance for one additional employee.

CHANGES IN OPERATIONS:

Contracted Services includes \$37,500 for required physicals for all Fire/EMS personnel. This cost includes the cost of a comprehensive physical, stress ECGs and blood tests for hazmat technicians. Training and travel costs, also included here, are budgeted at \$15,945. Funding has been requested of the Paramedic Foundation for an additional \$4,500 in training. Building and equipment maintenance costs decrease slightly for FY 17. Dive Team equipment maintenance is included at \$6,235 as is the maintenance on the video-laryngoscopes, \$10,788, and maintenance on other EMS equipment. Supplies and Materials include medical and training supplies and uniform costs. This category decreases nearly \$86,000, as the FY 17 budget included Phase II of the replacement of the City's Automated External Defibrillators (AEDs) at a cost of \$72,273. Funding for the textbooks for EMS training has been requested of the Paramedic Foundation in FY 18. Water Rescue Team supplies are included at a cost of \$11,721. Uniform costs increase to \$98,935 for FY 18. Energy costs are anticipated to decrease. Vehicle fuel costs and vehicle maintenance costs are projected to increase for FY 18. Intragovernmental allocations for Vehicle lease and IT Services increase for FY 18. A continuation of the project to add tablets to the medic units has been included in the IT budget at \$20,068. A replacement ambulance was approved through the Vehicle Trust fund budget.

TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET
GENERAL FUND EXPENDITURES
CAREER FIRE/EMS DIVISION

EXPENDITURES	ACTUAL 2016	ADOPTED 2017	CITY MANAGER PROPOSED 2018	COUNCIL ADOPTED 2018
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 4,778,737	\$ 4,802,749	\$ 4,846,014	\$ 4,846,014
EMPLOYEE BENEFITS	1,953,439	1,972,609	2,127,057	2,127,057
	<u>6,732,176</u>	<u>6,775,358</u>	<u>6,973,071</u>	<u>6,973,071</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	99,041	101,915	100,000	100,000
MAINTENANCE	47,208	47,364	46,664	46,664
SUPPLIES & MATERIALS	625,857	316,490	230,599	230,599
ENERGY	13,200	25,000	16,086	16,086
VEHICLE SUPPLIES & REPAIR	212,939	212,929	227,255	227,255
INTRAGOVERNMENTAL	281,810	298,825	349,865	349,865
	<u>1,280,055</u>	<u>1,002,523</u>	<u>970,469</u>	<u>970,469</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>8,012,231</u>	\$ <u>7,777,881</u>	\$ <u>7,943,540</u>	\$ <u>7,943,540</u>
LESS REVENUE GENERATED BY DIVISION				
AMBULANCE SERVICE FEES	(1,040,274)	(1,066,000)	(1,048,000)	(1,048,000)
EMERGENCY MGT GRANTS	(16,501)	0	0	0
COUNTY OPERATING GRANT	(1,246,707)	(1,192,123)	(1,226,530)	(1,226,530)
DONATIONS	(42,624)	0	0	0
	<u>(2,346,106)</u>	<u>(2,258,123)</u>	<u>(2,274,530)</u>	<u>(2,274,530)</u>
TOTAL TOWN CONTRIBUTION	\$ <u>5,666,125</u>	\$ <u>5,519,758</u>	\$ <u>5,669,010</u>	\$ <u>5,669,010</u>



**TOWN OF OCEAN CITY
FISCAL YEAR 2018 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 \$200,500, a projected increase of \$13,500. In FY 16, funds received from Homeland Securities grants were included, and will be added to the budget as received.

PERSONNEL CHANGES:

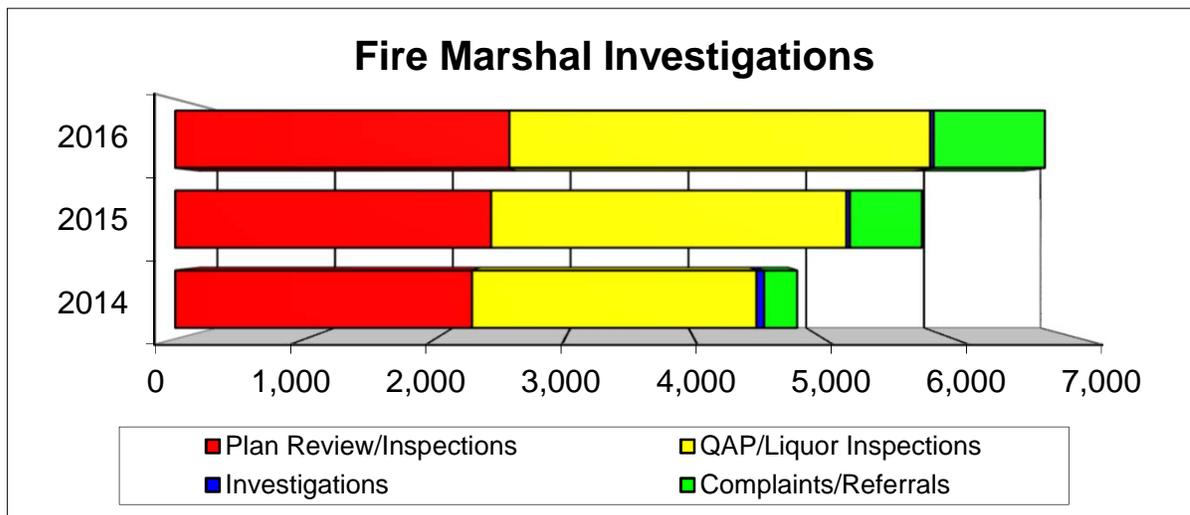
Seven full-time employees are included in this division. Two positions have been eliminated since 2009. A Fire Safety Inspector position was requested, but not funded. A step increase and a 1.5% COLA has been scheduled for members of the IAFF bargaining unit and the Command staff on July 1, 2017. Employees not in the bargaining unit are scheduled to receive a step increase on January 1, 2018. One employee is scheduled to be promoted from Deputy Fire Marshal I to Deputy Fire Marshal II. Allocations for health insurance, retiree health and pension increase.

CHANGES IN OPERATIONS:

Comprehensive physicals, communications expense, and training are examples of costs included in Contracted Services. Estimates for Communications and medical payments remain steady for FY 18. Training has been budgeted at \$6,917 and includes hazardous materials training, monthly bomb training and attendance for one employee at the International Association of Arson Investigators seminar. FBI Hazardous Device School will be funded through Homeland Securities grants, a savings of \$6,225. Equipment maintenance costs are expected to decrease. Equipment maintained in this division includes x-ray machines, a dosimeter and hazardous materials id equipment. Maintenance on the bomb robot has been completed in-house since FY 15. An allowance of \$4,650 for repair parts has been included in Operational Supplies. Uniform costs are funded \$328 lower than the FY 17 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 16, resulting in higher expenses that year. Vehicle fuel has been budgeted at the three-year average number of gallons, and is expected to increase \$699. In FY 16, Vehicle maintenance included \$6,200 for the purchase of a light package and truck cap for the replacement vehicle approved in the Vehicle Trust Fund. Intragovernmental expenses reflect an increase in the allocation for IT services. No capital outlay has been included for this division. No vehicle replacements for this division have been proposed in the Vehicle Trust Fund.

TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET
GENERAL FUND EXPENDITURES
FIRE MARSHAL DIVISION

EXPENDITURES	ACTUAL 2016	ADOPTED 2017	CITY MANAGER PROPOSED 2018	COUNCIL ADOPTED 2018
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 551,278	\$ 554,458	\$ 576,182	\$ 576,182
EMPLOYEE BENEFITS	323,355	332,542	347,803	347,803
	<u>874,633</u>	<u>887,000</u>	<u>923,985</u>	<u>923,985</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	16,417	17,217	18,581	18,581
MAINTENANCE	10,492	14,500	12,400	12,400
SUPPLIES & MATERIALS	35,292	27,328	27,000	27,000
ENERGY	0	0	0	0
VEHICLE SUPPLIES & REPAIR	19,185	28,452	27,151	27,151
INTRAGOVERNMENTAL	46,424	56,141	61,072	61,072
	<u>127,810</u>	<u>143,638</u>	<u>146,204</u>	<u>146,204</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>1,002,443</u>	\$ <u>1,030,638</u>	\$ <u>1,070,189</u>	\$ <u>1,070,189</u>
LESS REVENUE GENERATED BY DIVISION				
EMERGENCY MGT. GRANT	(5,069)	0	0	0
SITE PLAN REVIEW	(110,141)	(90,000)	(100,000)	(100,000)
SPECIAL REVIEW FEES	(13,369)	(13,500)	(13,500)	(13,500)
QUALITY ASSURANCE	(80,861)	(70,000)	(70,000)	(70,000)
INSPECTION FEES	(22,698)	(13,500)	(17,000)	(17,000)
	<u>(232,138)</u>	<u>(187,000)</u>	<u>(200,500)</u>	<u>(200,500)</u>
TOTAL TOWN CONTRIBUTION	\$ <u>770,305</u>	\$ <u>843,638</u>	\$ <u>869,689</u>	\$ <u>869,689</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.

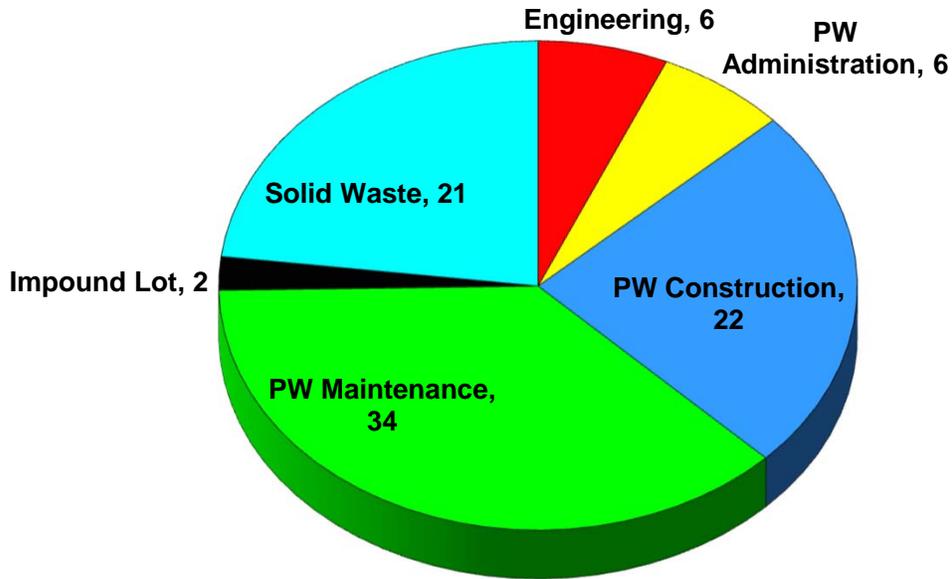
PUBLIC WORKS MAINTENANCE

The Maintenance Division is responsible for the daily upkeep of Ocean City's 10 miles of beach and 2 1/2 miles of boardwalk, the seawall, street cleaning, the Cale parking system, signage, set-up of special events and janitorial service.

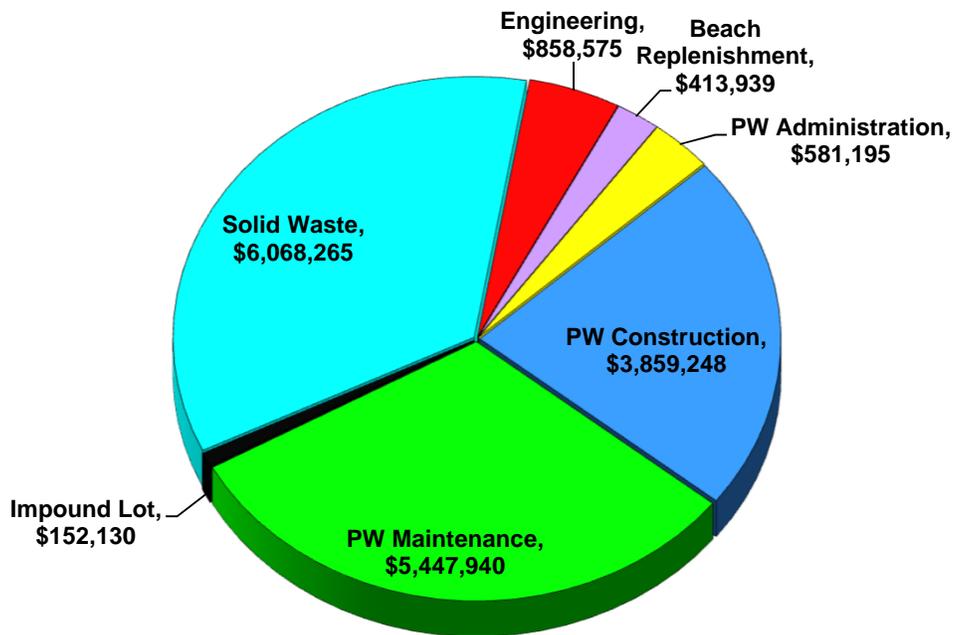
SOLID WASTE AND TRANSFER STATION

The Solid Waste division is responsible for the collection, processing, and disposal of residential and commercial refuse. Bulk pickup collection service is also handled by 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 and commercial establishments is three times a week from mid-October through mid-May and five times per week from mid-May through mid-October. If service is required more than five days per week, an additional fee is charged. FY 18 is the fifth year of the contract with Covanta for the disposal of all solid waste.

FY 18 Public Works Full Time Personnel



FY 18 Public Works Expenses



**TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET**

PUBLIC WORKS ADMINISTRATION AND CONSTRUCTION

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

Sidewalk condemnations remain the same in FY 18, as much of this effort is being accounted for in the Street paving project. One-half of this cost is billable to the owners of the condemned sidewalks. The Vehicle Franchise fee also remains the same, as FY 18 is year 3 of 4 of the agreement. 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 \$351,756 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. In FY 17, a Heavy Equipment Operator position was eliminated and replaced with a Safety/COOP Coordinator. Currently, there are six employees in the Administrative division and twenty-two employees in the Construction division. A Supervisor, Crew Leader and four Heavy Equipment Operator positions were requested, but not funded. A step increase effective January 1, 2018 has been included. Deductions for Public Works labor charged to Water and Wastewater capital projects and to Street Paving totaling \$100,000 have been made. This labor deduction is \$11,000 less than the deduction made in the FY 17 budget. Allocations for health insurance, retiree health, pension, and worker's compensation all increase for this division.

CHANGES IN OPERATIONS:

Sidewalk replacement and condemnation has been reduced to \$25,000. Costs for concrete disposal are included at \$17,500. Building Maintenance covers maintenance for city-owned buildings such as City Hall, the Art League, the Post Office and the Public Works office buildings. Routine building maintenance and the HVAC contracts for these locations have been budgeted at \$53,007. HVAC repairs recommended by the Public Works Facilities Manager have been budgeted at \$44,250 for this division, which includes \$31,000 for work at City Hall and \$9,000 for a replacement HVAC at the Animal Shelter. Security upgrades for City Hall were included in FY 16 at \$30,000. Supplies for streets, storm drains and buildings and grounds have been budgeted at \$117,500. Replacement light poles have been budgeted at a cost of \$22,000. Snow removal supplies are also included in this category, and \$10,500 has been budgeted. Replacement equipment including traffic control signs, a generator, tools, tamps, and chainsaws have been budgeted at \$36,763. Uniforms and safety equipment are budgeted at \$13,580. ARC flash safety gear for the electricians has been included in the uniform cost at \$2,340. In Energy, street lighting is the major expense and was calculated at the actual cost for the past twelve months. Estimates for vehicle fuel increase, while the estimates for vehicle maintenance have been projected to decrease. Allocations for vehicle lease and IT services increase, while the allocation for property insurance decreases. Vehicle lease expense increases \$66,037 due to the mass purchase of equipment through capital lease. For FY 18, miscellaneous bulkhead repairs have been included at \$10,000. Replacement of the bulkhead at Tunnel Avenue was funded in FY 16. Two solar message boards were purchased in FY 16 with grant funds. A replacement fuel truck and a replacement dump truck have been funded through Vehicle Trust in FY 18.

TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET
GENERAL FUND EXPENDITURES
PUBLIC WORKS ADMINISTRATION AND CONSTRUCTION

EXPENDITURES	ACTUAL 2016	ADOPTED 2017	CITY MANAGER PROPOSED 2018	COUNCIL ADOPTED 2018
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 1,592,082	\$ 1,688,862	\$ 1,753,803	\$ 1,753,803
EMPLOYEE BENEFITS	887,312	947,714	1,015,826	1,015,826
	<u>2,479,394</u>	<u>2,636,576</u>	<u>2,769,629</u>	<u>2,769,629</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	86,612	117,967	132,084	132,084
MAINTENANCE	82,508	61,168	101,406	101,406
SUPPLIES & MATERIALS	225,394	227,728	207,820	207,820
ENERGY	779,856	740,986	767,276	767,276
VEHICLE SUPPLIES & REPAIR	285,099	359,306	356,970	356,970
INTRAGOVERNMENTAL	292,104	379,917	447,014	447,014
	<u>1,751,573</u>	<u>1,887,072</u>	<u>2,012,570</u>	<u>2,012,570</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	0	0	0	0
TRANSFER OUT	0	0	0	0
CAPITAL OUTLAY	101,348	10,000	10,000	10,000
	<u>101,348</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
TOTAL EXPENDITURES	<u>\$ 4,332,315</u>	<u>\$ 4,533,648</u>	<u>\$ 4,792,199</u>	<u>\$ 4,792,199</u>
LESS REVENUE GENERATED BY DIVISION				
REIMBURSEMENT FROM OTHER FUNDS FOR				
ADMINISTRATIVE SERVICES	(334,869)	(314,807)	(351,756)	(351,756)
FEDERAL - OTHER GRANTS	(41,272)	0	0	0
FRANCHISE FEES - VEHICLE	(33,100)	(32,100)	(32,100)	(32,100)
STATE - STREET AID	0	(26,363)	(26,363)	(26,363)
STREET CUT FEES	(4,303)	(4,000)	(7,500)	(7,500)
SIDEWALK PAYMENTS	(5,317)	(12,500)	(12,500)	(12,500)
	<u>(418,861)</u>	<u>(389,770)</u>	<u>(430,219)</u>	<u>(430,219)</u>
TOTAL TOWN CONTRIBUTION	<u>\$ 3,913,454</u>	<u>\$ 4,143,878</u>	<u>\$ 4,361,980</u>	<u>\$ 4,361,980</u>

**TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET**

PUBLIC WORKS MAINTENANCE DIVISION

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

No changes in parking rates have been proposed for FY 18. A Pay by Phone parking app was introduced for the FY 16 season. All parking revenue has been projected to increase for FY 18 and is the result of the extended parking season (beginning of April through end of October) and the increase in rates implemented during wrap-up of the FY 17 budget. Additional parking spaces were added at Worcester Street and at 2nd street, generating \$76,891 in additional parking revenue. Leases for the Public Safety Building lot were extended through FY 17. No revenue from these leases has been budgeted for FY 18. The Beach Photo franchise has been included at \$434,500 for year three of the four-year franchise agreement.

PERSONNEL CHANGES:

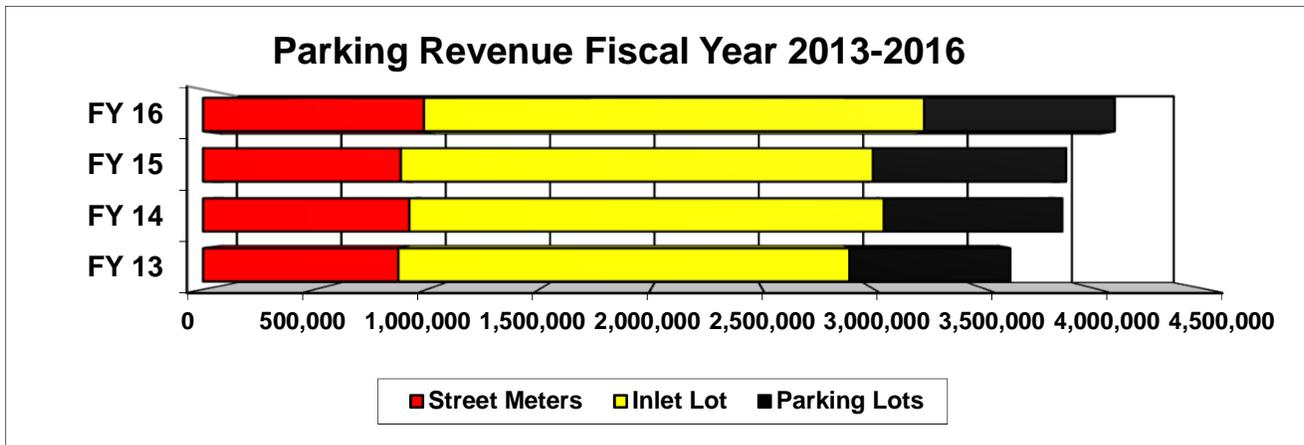
In FY 2009, thirty-eight full-time positions were funded in this division, which has been reduced to the current number of thirty-four full-time employees. As in other divisions, a step increase effective January 1, 2018 has been funded. Positions requested, but not funded include: A Meter Technician, Maintenance Worker and two Heavy Equipment Operators. Two Maintenance Worker positions were upgraded to Heavy Equipment Operator in the FY 16 budget. Hours for part-time staff have been increased as there is an increased demand for coverage through October. In the Street Maintenance division, staffing has been increased from nine employees for the first five days of October, to twelve employees for the entire month of October. As it was not necessary to fund boat ramp attendants, this cost was covered. In this division, a seasonal Office Associate position was requested, but not funded. In the Boardwalk division, four employees have been funded through the month of October at an additional cost of \$7,329. Comfort Station attendants have been funded for weekends through the month of October and additional hours have been budgeted for Inlet Lot attendants and Supervisors to cover the month of October. Part-time salaries have increased a total of \$32,056 over FY 17. In this division, pension costs increase \$31,888. Allocations for health insurance, retiree health, and worker's compensation increase, while the estimate for unemployment decreases.

CHANGES IN OPERATIONS:

Credit Card fees for use of the Cale parking meters have been budgeted at \$130,000 in FY 18, an increase of \$15,000 from FY 17. Other expenses in Contracted Services include tipping fees for this division, and printing of tickets for the Inlet Lot. The beach tractor lease increases \$6,000 in FY 18, from \$96,000 to \$102,000. A weed prevention service at a cost of \$25,000 and an allowance of \$45,000 for boardwalk re-decking have also been included. Maintenance costs include \$16,200 for the maintenance contract on the Cale meters, and an additional \$17,021 for a maintenance agreement on the Inlet Lot equipment that is currently out of warranty. Porta-potties for holiday weekends and some special events has been included at \$4,500. HVAC repairs and general maintenance costs increase for the Comfort Stations. 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, \$5,900, a paint sprayer unit, and ten 300-gallon waste containers for a pilot program on the beach. Other supplies include comfort station supplies, replacement banners for the boardwalk, beach ramp supplies and replacement sand fence. In FY 16, donations totaling \$63,000 were made toward the purchase of boardwalk benches. Vehicle fuel and maintenance costs increase from the FY 17 budgeted amount. Allocations for Vehicle Lease increase \$47,698, while the allocations for IT Services and insurance also increase.

TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET
GENERAL FUND EXPENDITURES
PUBLIC WORKS MAINTENANCE DIVISION

EXPENDITURES	ACTUAL 2016	ADOPTED 2017	CITY MANAGER PROPOSED 2018	COUNCIL ADOPTED 2018
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 2,161,325	\$ 2,273,866	\$ 2,331,626	\$ 2,336,801
EMPLOYEE BENEFITS	1,066,923	1,159,243	1,192,978	1,193,374
	<u>3,228,248</u>	<u>3,433,109</u>	<u>3,524,604</u>	<u>3,530,175</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	380,851	415,113	454,389	454,389
MAINTENANCE	71,673	64,579	79,074	79,074
SUPPLIES & MATERIALS	285,907	305,961	324,631	324,631
ENERGY	71,029	84,630	73,663	73,663
VEHICLE SUPPLIES & REPAIR	581,381	467,393	597,086	597,086
INTRAGOVERNMENTAL	355,903	335,363	388,922	388,922
	<u>1,746,744</u>	<u>1,673,039</u>	<u>1,917,765</u>	<u>1,917,765</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>4,974,992</u>	\$ <u>5,106,148</u>	\$ <u>5,442,369</u>	\$ <u>5,447,940</u>
LESS REVENUE GENERATED BY DIVISION				
STREET PARKING METER REVENUE	(987,022)	(890,000)	(1,143,000)	(1,143,000)
PARKING LOT REVENUE	(854,644)	(805,000)	(940,000)	(1,016,891)
INLET PARKING LOT REVENUE	(2,234,825)	(2,148,700)	(2,304,217)	(2,304,217)
RESIDENTIAL PARKING PERMITS	(1,667)	(1,500)	(1,500)	(1,500)
FRANCHISE FEES-PHOTO	(434,500)	(434,500)	(434,500)	(434,500)
SERVICE CHARGES	(18,573)	(18,000)	(18,000)	(18,000)
	<u>(4,531,231)</u>	<u>(4,297,700)</u>	<u>(4,841,217)</u>	<u>(4,918,108)</u>
TOTAL TOWN CONTRIBUTION	\$ <u>443,761</u>	\$ <u>808,448</u>	\$ <u>601,152</u>	\$ <u>529,832</u>



**TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET**

SOLID WASTE AND TRANSFER STATION

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

Revenue from recycling sales is expected to remain constant for FY 18. 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 were increased by the Council during budget wrap-up. Bulk collection fees for the collection of one item and the collection of up to three items were last increased in FY 14. It is anticipated that bulk collection revenue will increase \$4,000.

PERSONNEL CHANGES:

The FY 18 budget includes funding for twenty-one full-time positions, the same number of positions since 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, 2018. Solid Waste Worker II positions were upgraded as part of the pay study conducted in FY 16. Part-time employees in this division also received upgrades through the pay and benefits study. Health insurance, retiree health, and pension are projected to increase in FY 18, while unemployment is projected to decrease.

CHANGES IN OPERATIONS:

Contracted Services includes building and equipment maintenance costs, travel and training, communications and dues. For FY 16, a replacement heat pump was included at \$9,879. In FY 17, repair and painting of the truck shed was included at \$26,400. Transport/Tipping Fees reflects the contract with Covanta, our waste contractor. In FY 18, the price per ton increases from \$62.92 per ton to \$64.20. The contract was renegotiated in FY 14 and has been budgeted at \$2,128,100; an increase of \$28,050 over FY 17. The estimated number of tons to be transported remains the same, at 33,500 tons. Supplies and Materials includes \$15,000 for the purchase of 175 wastewheelers that will be resold to the public. Three 55 gallon containers of bulk motor oil have been included at a cost of \$2,200. Four replacement front end containers and five 300-gallon trash containers have also been funded. A replacement power washer has been included at \$8,000. Energy costs are projected to decrease. Vehicle Supplies and Repair is the second major expense category in this division. Fuel costs are expected to increase and vehicle fuel has been budgeted at the FY 16 actual number of gallons of diesel fuel. Vehicle maintenance costs are projected to increase for FY 18. Painting of two trash trucks were included in the FY 17 budget at a cost of \$20,000. Replacement rubber tires for the loader in the Transfer Station division have been included at \$28,000. An increase in the allocation for vehicle lease is the main factor in the intragovernmental expense increase. One front-end trash truck and two side-load trash trucks have been included in Vehicle Trust purchases for FY 18.

TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET
GENERAL FUND EXPENDITURES
SOLID WASTE AND TRANSFER STATION DIVISION

EXPENDITURES	ACTUAL 2016	ADOPTED 2017	CITY MANAGER PROPOSED 2018	COUNCIL ADOPTED 2018
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 1,264,554	\$ 1,281,595	\$ 1,316,173	\$ 1,316,173
EMPLOYEE BENEFITS	725,968	744,565	774,820	774,820
	<u>1,990,522</u>	<u>2,026,160</u>	<u>2,090,993</u>	<u>2,090,993</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	100,379	79,997	50,514	50,514
TRANSPORT/TIPPING FEES	2,007,542	2,100,050	2,128,100	2,128,100
SUPPLIES & MATERIALS	72,315	71,023	79,023	79,023
ENERGY	44,328	49,830	46,186	46,186
VEHICLE SUPPLIES & REPAIR	1,002,857	1,011,055	1,077,040	1,077,040
INTRAGOVERNMENTAL	417,343	516,839	596,409	596,409
	<u>3,644,764</u>	<u>3,828,794</u>	<u>3,977,272</u>	<u>3,977,272</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>\$ 5,635,286</u>	<u>\$ 5,854,954</u>	<u>\$ 6,068,265</u>	<u>\$ 6,068,265</u>
LESS REVENUE GENERATED BY DIVISION				
SALES - RECYCLING	(10,008)	(10,000)	(10,000)	(10,000)
SALES - CONTAINERS	(18,475)	(19,000)	(19,000)	(19,000)
SOLID WASTE COLLECTION	(70,946)	(45,000)	(52,000)	(67,000)
BULK PICK UP FEE	(34,961)	(27,000)	(31,000)	(31,000)
	<u>(134,390)</u>	<u>(101,000)</u>	<u>(112,000)</u>	<u>(127,000)</u>
TOTAL TOWN CONTRIBUTION	<u>\$ 5,500,896</u>	<u>\$ 5,753,954</u>	<u>\$ 5,956,265</u>	<u>\$ 5,941,265</u>

CULTURE AND RECREATION

RECREATION

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

PARKS

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

BEACH PATROL

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

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

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

BEACH PATROL (CONTINUED)

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

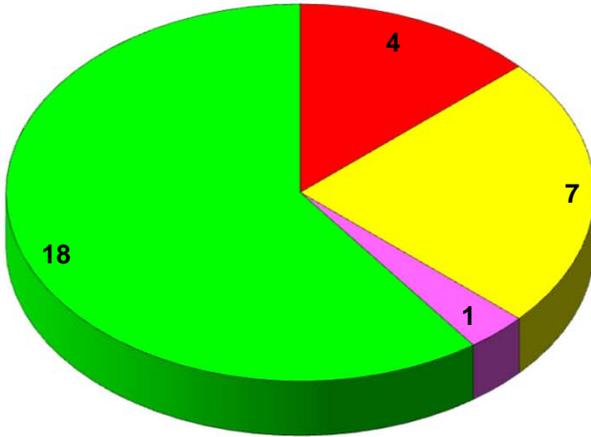
SPECIAL EVENTS

The Special Events Department has responsibility to produce and manage Special Events for the Town, including Springfest, Sunfest and Winterfest of Lights. 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. Special Events also collaborates on new event-based marketing efforts that benefit the Town and meet strategic plan objectives. The purpose of high-profile Special Events and approved private 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, Fourth of July Fireworks and the OC Beach Dance Party music series.

TOURISM AND ECONOMIC DEVELOPMENT

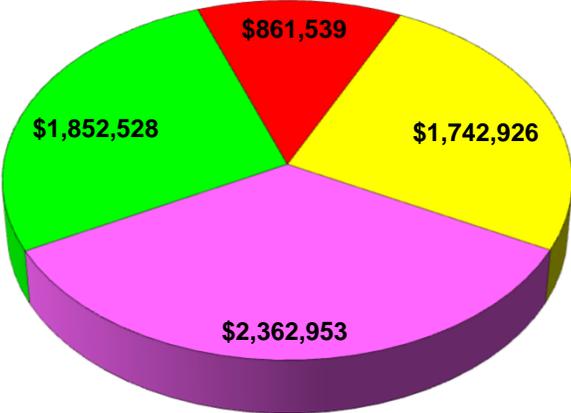
This division includes the costs for the Tourism Department, and for the Town sponsored festivals, Sunfest, Winterfest and Springfest. Production and management of the Town sponsored festivals is the responsibility of the Special Events Department. Tourism provides the focus for the Town's efforts to 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 18 Recreation Full Time Personnel



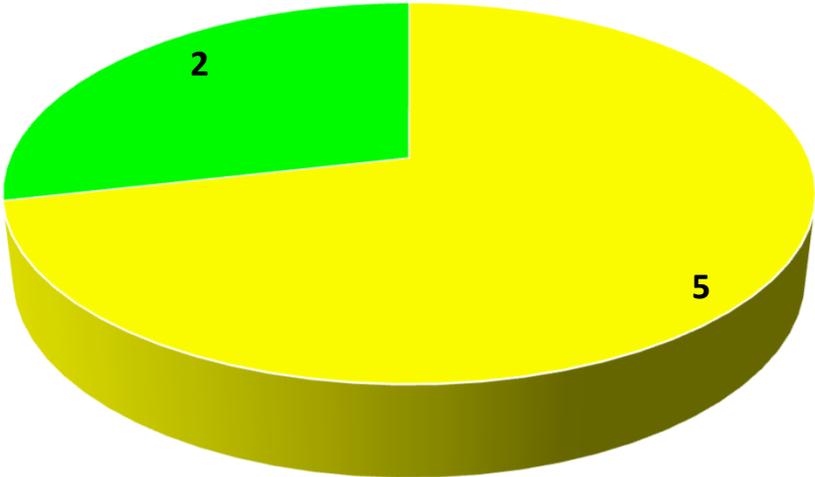
■ Administration ■ Programs ■ Beach Patrol ■ Park Maintenance

FY 18 Recreation Expenses



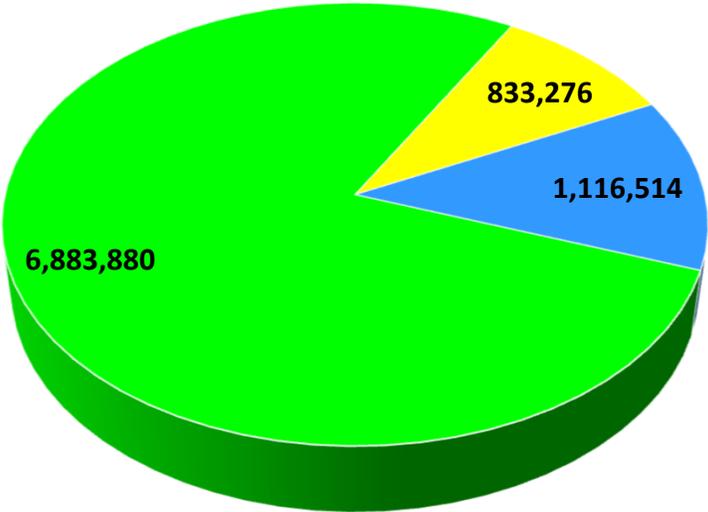
■ Administration ■ Programs ■ Beach Patrol ■ Park Maintenance

Full-Time Personnel Tourism and Special Events



■ Special Events ■ Tourism

FY 18 Tourism , Special Event and Festival Expenses



■ Special Events ■ Festivals ■ Tourism

**TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET**

RECREATION DIVISION

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

Projected Program revenue increases \$34,550 and includes revenue for many new programs camps, and leagues. Concession revenue is anticipated to increase and reflects additional tournament revenue. Franchise fees from the kayak concession at Northside Park are included at \$41,900.

PERSONNEL CHANGES:

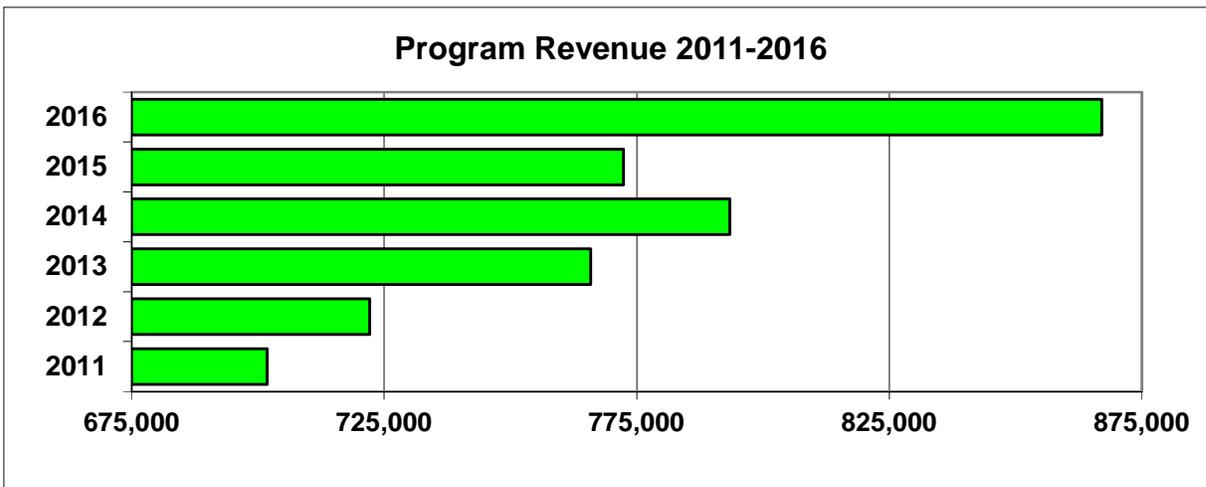
There are four full-time positions budgeted in the Administration division and seven full-time positions budgeted in the Programs division. A step increase effective January 1, 2018 has been included. There are currently three part-time, year-round Recreation Coordinator positions in this department. For FY 18, these positions were re-evaluated by Human Resources, and as a result, their hourly rate increased from \$16.96 to \$19.64, a total additional annual cost of \$13,421. A part-time Office Associate position was funded in FY 17 and has been included in FY 18 as well. Hours have been increased for the seasonal Facilities Monitor in the Administration division. Estimates for health insurance, retiree health, pension, and worker's compensation increase for FY 18.

CHANGES IN OPERATIONS:

Contracted Services include payments to sports camp directors, building maintenance, equipment maintenance, equipment rental, and training and travel. Building maintenance funding decreases as the FY 17 budget included replacement of the obsolete auto control system in the west gym at \$17,000, as well as a replacement patron net for the East gym, at \$18,000. Repair of the ceiling in the East gym and of the exterior metal on the west side of the building, and repair of the Community Room floor were funded through capital projects in FY 17. Expenses for a volleyball league have been included in the Programs division, and contributes to the increased estimate for Program revenue. Training costs include attendance at the National Recreation and Parks Association conference for the Director and the Recreation Superintendent. Year two of Facilities Supervisor training has been funded, and is offered through NC State in Oglebay, West Virginia. Training has also been included for an upgrade to the Rec Trac system. Contracted Services also includes the costs for Senior programs including the bowling alley rental for the Senior Bowling League and the Senior Valentine's party. Credit card fees increase \$2,000 for this division. Supply & Material costs for both the Programs division and the Administrative division increase, and include supplies for all program offerings. A replacement water fountain, a replacement EZ Go, and replacement tables and chairs have been funded. Energy costs are expected to increase for this division. Vehicle expenses for fuel, and labor are expected to decrease, but the projected expense for vehicle parts will increase. Intragovernmental allocations for vehicle lease and IT Services decrease for this division. No vehicle replacements were funded for this division.

TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET
GENERAL FUND EXPENDITURES
RECREATION, PROGRAMS AND SENIORS

EXPENDITURES	ACTUAL 2016	ADOPTED 2017	CITY MANAGER PROPOSED 2018	COUNCIL ADOPTED 2018
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 1,179,916	\$ 1,232,878	\$ 1,266,427	\$ 1,266,427
EMPLOYEE BENEFITS	416,863	420,333	458,146	458,146
	<u>1,596,779</u>	<u>1,653,211</u>	<u>1,724,573</u>	<u>1,724,573</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	451,723	468,589	477,086	477,086
SUPPLIES & MATERIALS	184,595	187,632	200,329	200,329
ENERGY	89,881	85,263	87,346	87,346
VEHICLE SUPPLIES & REPAIR	5,483	9,017	8,201	8,201
INTRAGOVERNMENTAL	109,430	113,571	106,930	106,930
	<u>841,112</u>	<u>864,072</u>	<u>879,892</u>	<u>879,892</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>\$ 2,440,341</u>	<u>\$ 2,517,283</u>	<u>\$ 2,604,465</u>	<u>\$ 2,604,465</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	(42,700)	(41,900)	(41,900)	(41,900)
PROGRAM REVENUE	(867,091)	(835,450)	(870,000)	(870,000)
ADMISSIONS/RENTAL	(103,645)	(110,000)	(110,000)	(110,000)
CONCESSION REVENUE	(65,756)	(65,000)	(75,600)	(75,600)
ADVERTISING REVENUE	(4,300)	(5,000)	(4,300)	(4,300)
MEALS - SENIOR CITIZENS	(6,600)	(8,000)	(7,000)	(7,000)
MISCELLANEOUS	(497)	(75)	(75)	(75)
	<u>(1,190,589)</u>	<u>(1,165,425)</u>	<u>(1,208,875)</u>	<u>(1,208,875)</u>
TOTAL TOWN CONTRIBUTION	<u>\$ 1,249,752</u>	<u>\$ 1,351,858</u>	<u>\$ 1,395,590</u>	<u>\$ 1,395,590</u>



TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET

PARKS DIVISION

BUDGET HIGHLIGHTS:

PERSONNEL CHANGES:

In FY '09, there were twenty-two full-time employees in this division. In FY 17, the current Superintendent retired and was replaced by the current Assistant Superintendent. In the FY 18 budget, the Assistant Superintendent's position was eliminated and replaced with a Crew Leader position. One part-time Parks Worker position will be converted to full-time, increasing the number of full-time positions to eighteen, from the current seventeen. Two Crew Leader positions were promoted to Supervisor in FY 16 as step 1 of the succession plan. Wage adjustments include a step increase effective January 1, 2018 for full-time employees. Part-time salaries decrease \$13,517. Projected overtime costs increase \$1,256. FY 15 labor costs appear to be lower because deductions were made for labor charged to the Town festivals. No labor deductions were included in the FY 17 Adopted or the FY 18 Proposed budgets, but deductions will be made at the conclusion of the festivals. Allocations for pension and health insurance increase and include health insurance for the additional position. Projected unemployment decreases for this division.

CHANGES IN OPERATIONS:

Contracted Services in this division include maintenance for the parks and landscaping throughout the Town. Contract mowing of city-owned median strips, bulkheads, undeveloped lots, etc. has been included at \$16,675 in FY 18. Walkway and drainage repairs at Northside Park have been budgeted at \$10,250. Also included is \$10,000 to resurface 4th street basketball courts and \$11,800 to replace fencing at Northside Park. All other expenses in this line item cover routine maintenance. Tennis court resurfacing and repairs were requested, but not funded. Training costs are also included in Contracted Services and include attendance at the Sports Turf Management Association conference for the Superintendent, the second year of Maintenance Management School, and Playground re-certification. Normal maintenance and supply costs have been budgeted for FY 18. Supplies include athletic field supplies, landscaping supplies, and general maintenance supplies. A replacement gator and a replacement lawn mower were funded in FY 17, and a replacement gator has been funded in FY 18. A beach toy was funded in FY 16 at a cost of \$26,000. Special Appropriations reflects the budget for requests from the Beautification Committee. Energy costs are expected to decrease, as a result of the Energy Performance contract. Projected costs for vehicle fuel and vehicle parts increase, while the estimate for vehicle labor decreases. Allocations for Vehicle Lease, IT Services and insurance increase for this division. Maintenance on the garage doors of the Maintenance building were requested and could be funded through savings in funds set aside for Northside Park improvements. No vehicles were funded for this division through Vehicle Trust.

TOWN OF OCEAN CITY
 FISCAL YEAR 2018 BUDGET
 GENERAL FUND EXPENDITURES
 PARKS DIVISION

EXPENDITURES	ACTUAL 2016	ADOPTED 2017	CITY MANAGER PROPOSED 2018	COUNCIL ADOPTED 2018
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 742,101	\$ 901,029	\$ 887,284	\$ 887,284
EMPLOYEE BENEFITS	416,333	458,125	510,898	510,898
	<u>1,158,434</u>	<u>1,359,154</u>	<u>1,398,182</u>	<u>1,398,182</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	70,780	82,680	101,101	101,101
SUPPLIES & MATERIALS	167,472	142,035	135,385	135,385
SPECIAL APPROPRIATIONS	3,825	5,600	5,700	5,700
ENERGY	17,899	25,734	18,491	18,491
VEHICLE SUPPLIES & REPAIR	63,679	82,109	82,861	82,861
INTRAGOVERNMENTAL	96,383	101,749	110,808	110,808
	<u>420,038</u>	<u>439,907</u>	<u>454,346</u>	<u>454,346</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>\$ 1,578,472</u>	<u>\$ 1,799,061</u>	<u>\$ 1,852,528</u>	<u>\$ 1,852,528</u>
 TOTAL TOWN CONTRIBUTION	 <u>\$ 1,578,472</u>	 <u>\$ 1,799,061</u>	 <u>\$ 1,852,528</u>	 <u>\$ 1,852,528</u>

**TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET**

BEACH PATROL DIVISION

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

Beach Stand franchise fees increase and reflect 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 \$21,000 from program registration and uniform sales.

PERSONNEL CHANGES:

Recruitment has been positive for FY 18 and should result in more guards in the stands for longer in the season. In addition, due to the change in the Maryland school calendar, as many as seventeen of the Sergeants, Crew Chiefs and Assistant Crew Chiefs will be able to work an additional one to two weeks providing increased beach coverage through Labor Day. Funded hours are based on the actual hours staffed for the past five years, and was increased by the amount of extra hours described above. Approximately two hundred part-time employees are employed by the Beach Patrol. There is one full-time employee in this division. A step increase effective January 1, 2018 has been included for the full-time employee. Interdepartmental labor for Public Works employees to build and repair beach stands remains at \$7,000. The allocations for health insurance, retiree health, pension and worker's compensation increase, while projected unemployment expenses decrease.

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 included, and increase to cover an additional testing date. Certification costs for the American Red Cross have been included at \$19.00 each for 200 certifications. American Heart Association certification is also included at a cost of \$600, as all Beach Patrol members must be certified. Maintenance contracts for the HVAC system and the elevator in the Headquarters building have been funded. Rental of three offsite testing facilities has been included: SSU, York College and Ocean Pines. Uniform purchases and operational supplies were budgeted slightly above the FY 17 approved level. Operational Supplies include three replacement ATVs and a rescue watercraft at a cost of \$27,200. Replacement equipment including first aid supplies, rescue boards and materials to replace beach patrol stands have also been included. Estimated energy costs have been reduced for FY 18. Estimates for vehicle fuel increased, while estimates for parts and labor decreased. Allocations for IT Services, Vehicle Lease and insurance increase for this division.

TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET
GENERAL FUND EXPENDITURES
BEACH PATROL DIVISION

EXPENDITURES	ACTUAL 2016	ADOPTED 2017	CITY MANAGER PROPOSED 2018	COUNCIL ADOPTED 2018
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 1,678,883	\$ 1,856,627	\$ 1,874,029	\$ 1,874,029
EMPLOYEE BENEFITS	185,956	206,284	204,618	204,618
	<u>1,864,839</u>	<u>2,062,911</u>	<u>2,078,647</u>	<u>2,078,647</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	66,423	51,468	51,550	51,550
SUPPLIES & MATERIALS	121,621	88,234	89,608	89,608
ENERGY	12,147	13,765	11,244	11,244
VEHICLE SUPPLIES & REPAIR	39,518	37,215	37,959	37,959
INTRAGOVERNMENTAL	82,289	90,415	93,945	93,945
	<u>321,998</u>	<u>281,097</u>	<u>284,306</u>	<u>284,306</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>\$ 2,186,837</u>	<u>\$ 2,344,008</u>	<u>\$ 2,362,953</u>	<u>\$ 2,362,953</u>
LESS REVENUE GENERATED BY DIVISION				
BEACH PATROL MISC	(23,077)	(20,000)	(21,000)	(21,000)
FRANCHISE FEES-BEACH STAND	(835,655)	(877,525)	(995,641)	(995,641)
	<u>(858,732)</u>	<u>(897,525)</u>	<u>(1,016,641)</u>	<u>(1,016,641)</u>
TOTAL TOWN CONTRIBUTION	<u>\$ 1,328,105</u>	<u>\$ 1,446,483</u>	<u>\$ 1,346,312</u>	<u>\$ 1,346,312</u>

**TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET**

TOWN SPONSORED EVENTS AND FESTIVALS

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

Private Event Revenue includes revenue from Bikefest, the Car cruises and application and Permit fees. Revenue from trailer permits for the two car cruise events and Bikefest has been estimated at \$22,500. Equipment usage fees are also included in this line item and have been estimated to increase \$12,000. Winterfest fees remain at \$5 for everyone twelve and older. Estimated revenue for Sunfest decreases, while the estimates for Springfest and Winterfest are projected to increase. Special Event revenue has been estimated at the FY 17 adopted level, and includes revenue from OOctoberfest and sponsorship revenue for the Christmas parade. Corporate Sponsorships include funds received from the beverage franchise and Esskay.

PERSONNEL CHANGES:

Since FY 09, the full-time staff has been reduced from six full-time positions to five. One of the positions, the Private Events Coordinator was converted from full-time to part-time in FY 10 and then was converted back to full-time in January of FY 15. Salaries in FY 18 reflect funding of a step increase effective January 1, 2018. Salary expenses in the FY 16 actual column include costs for labor from other city departments for Sunfest, Winterfest and Springfest. The FY 17 Adopted budget and the FY 18 Proposed budget do not include labor costs for other departments. These costs will be adjusted in future budget amendments. Projected benefit costs for health insurance, pension contributions and unemployment increase for this division.

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. \$338,000 has been budgeted for entertainment costs for all events and festivals in FY 18. Entertainment in Sunset Park has been included at \$3,500. Fireworks for July 4th and New Year's Eve have been budgeted at \$65,500. Funds for the continuation of the Halloween celebration have been included, as have funds for the Ocean City Christmas parade. Dance parties at Caroline Street will take the place of Concerts on the Beach. Other major expenditures in this division are tent rental, accommodations for the entertainers and back-up services for the shows. Tent rental expense is budgeted at \$181,253 and increased over \$60,000 in the last contract. Refurbishment of Winterfest displays has been budgeted at \$29,723. Supplies and Materials increase slightly and include replacement bulbs for the trees of light on Baltimore Avenue and Philadelphia Avenue and the cost to replace 24 picnic tables used at Sunfest and Springfest. A replacement storage trailer to store the Winterfest decorations has been budgeted in FY 18 at \$9,000. Purchases for resale increase \$5,000 for Winterfest and contributes to the increased estimate for Winterfest revenue. Vehicle maintenance increases and reflects the transfer of maintenance costs for the Special Events trailers from the Parks division. The allocations for Vehicle lease, insurance and IT Services increase for FY 18. Funding for the replacement Winterfest pavilion structures and the replacement Winterfest 50' Christmas tree were funded in FY 16 by recognizing Winterfest revenue exceeding the budget estimate. As these purchases were not made in FY 16, the unspent funds went into fund balance in the General Fund and will be recognized and included in Budget Amendment number 2 in FY 17 to cover the purchase price.

TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET
GENERAL FUND EXPENDITURES
TOWN SPONSORED EVENTS AND FESTIVALS

EXPENDITURES	ACTUAL 2016	ADOPTED 2017	CITY MANAGER PROPOSED 2018	COUNCIL ADOPTED 2018
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 615,509	\$ 406,106	\$ 424,294	\$ 424,294
EMPLOYEE BENEFITS	245,477	184,729	199,761	199,761
	<u>860,986</u>	<u>590,835</u>	<u>624,055</u>	<u>624,055</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	908,910	999,987	1,006,711	1,006,711
SUPPLIES & MATERIALS	216,386	218,435	225,320	225,320
SPECIAL APPROPRIATIONS	0	0	0	0
ENERGY	20,827	29,260	29,266	29,266
VEHICLE SUPPLIES & REPAIR	16,045	17,831	19,180	19,180
INTRAGOVERNMENTAL	43,733	42,355	45,258	45,258
	<u>1,205,901</u>	<u>1,307,868</u>	<u>1,325,735</u>	<u>1,325,735</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	0	0	0	0
TRANSFER OUT	0	0	0	0
CAPITAL OUTLAY	1,000	0	0	0
	<u>1,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	<u>\$ 2,067,887</u>	<u>\$ 1,898,703</u>	<u>\$ 1,949,790</u>	<u>\$ 1,949,790</u>
LESS REVENUE GENERATED BY DIVISION				
SUNFEST REVENUE	(438,510)	(445,950)	(440,000)	(440,000)
SPRINGFEST REVENUE	(407,055)	(400,000)	(405,000)	(405,000)
WINTERFEST REVENUE	(658,235)	(510,000)	(532,812)	(532,812)
SPECIAL EVENT REVENUE	(60,992)	(55,300)	(55,000)	(55,000)
PRIVATE EVENT REVENUE	(222,622)	(183,000)	(190,000)	(190,000)
CORPORATE SPONSORSHIP	(70,000)	(70,000)	(70,000)	(70,000)
	<u>(1,857,414)</u>	<u>(1,664,250)</u>	<u>(1,692,812)</u>	<u>(1,692,812)</u>
TOTAL TOWN CONTRIBUTION	<u>\$ 210,473</u>	<u>\$ 234,453</u>	<u>\$ 256,978</u>	<u>\$ 256,978</u>

**TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET**

TOURISM PROMOTIONS

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

The State Tourism grant has not been included in FY 18 as the amount of this grant is uncertain. \$467,714 was received in FY 16 and \$460,560 is anticipated in FY 17. 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 18.

PERSONNEL CHANGES:

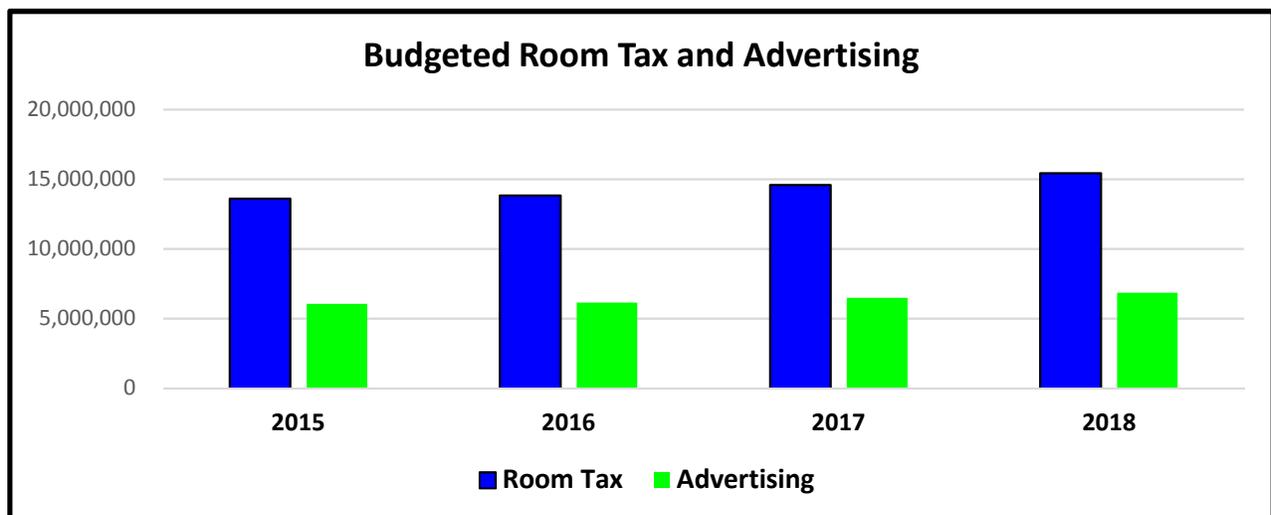
Since FY 10, there have been two full-time employees in this division, the Tourism Director and an Office Associate. Prior to FY 10, five full-time employees were funded. A step increase effective January 1, 2018 has been funded. The Visitor's Center is staffed by part-time employees. A part-time Office Associate position was added in FY 15 and has been funded, at a cost of \$18,186. Increases in Employee Benefits are due to an anticipated 5% increase in health insurance as of January 1, 2018 and an increase in pension contributions.

CHANGES IN OPERATIONS:

Advertising is the main expense in the department. \$6,140,722 has been budgeted for advertising in FY 18. The FY 17 adopted budget for advertising totaled \$5,767,389, while an additional \$460,560 will be recognized from the State Advertising grant in FY 17. The funding formula outlined in the FY 08 ordinance has been followed for FY 18. 2.0% of the estimated gross room receipts has been budgeted for advertising for FY 18. Sponsorship of TEAM Productions free events has been included in the advertising line item, while an additional \$300,000 in Tourism Advisory Board event funding has also been included. Tourism Advisory Board, "TAB" is also funded by the Room Tax formula and funds Council approved special events and promotions. FY 12 was the first year for the allocation, and it has been funded at \$300,000 for seven consecutive fiscal years. The White Marlin Catch and Release sponsorship for the first white marlin of the season is now funded through this budget. Expenses in Contracted Services include marketing research, Team MD, a postage and handling fee for the Visitor's Guide and the travel and exhibit space for bus tour travel and trade shows. Marketing research and Smith travel research have been included at a combined cost of \$16,000 in FY 18. The Visitor's Guide postage and handling fees remain at \$20,000. Office supplies and promotional giveaways are funded in the Supplies and Materials line item. The allocations for vehicle lease, IT Services and insurance increase. No capital outlay has been requested.

TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET
GENERAL FUND EXPENDITURES
TOURISM PROMOTIONS

EXPENDITURES	ACTUAL 2016	ADOPTED 2017	CITY MANAGER PROPOSED 2018	COUNCIL ADOPTED 2018
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 169,314	\$ 176,517	\$ 181,646	\$ 181,646
EMPLOYEE BENEFITS	73,864	76,593	86,199	86,199
	<u>243,178</u>	<u>253,110</u>	<u>267,845</u>	<u>267,845</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	111,444	136,645	128,748	128,748
ADVERTISING	6,033,023	5,767,389	6,140,722	6,140,722
TAB FUNDING	360,660	300,000	300,000	300,000
SUPPLIES & MATERIALS	14,341	14,860	14,860	14,860
ENERGY	7,033	8,500	7,467	7,467
VEHICLE SUPPLIES & REPAIR	3,460	1,723	2,848	2,848
INTRAGOVERNMENTAL	19,881	20,862	21,390	21,390
	<u>6,549,842</u>	<u>6,249,979</u>	<u>6,616,035</u>	<u>6,616,035</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>\$ 6,793,020</u>	<u>\$ 6,503,089</u>	<u>\$ 6,883,880</u>	<u>\$ 6,883,880</u>
LESS REVENUE GENERATED BY DIVISION				
ROOM TAX	(5,947,469)	(6,088,889)	(6,462,222)	(6,462,222)
STATE - TOURISM GRANT	(467,714)	0	0	0
COUNTY-TOURISM GRANT	(300,000)	(300,000)	(300,000)	(300,000)
SALES/OTHER MISC.	(228)	0	0	0
	<u>(6,715,411)</u>	<u>(6,388,889)</u>	<u>(6,762,222)</u>	<u>(6,762,222)</u>
TOTAL TOWN CONTRIBUTION	<u>\$ 77,609</u>	<u>\$ 114,200</u>	<u>\$ 121,658</u>	<u>\$ 121,658</u>



**TOWN OF OCEAN CITY
FISCAL YEAR 2018 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 Approved</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
Worcester Youth & Family Counseling	9,000	9,000
Cricket Center	20,000	14,333
Life Crisis Center	8,000	8,000
Stephen Decatur After Prom Party	750	750
Wor Wic	20,000	10,000
Coastal Hospice	10,000	0
Atlantic General Hospital	200,000	0
Worcester Warriors Against Opiate Addiction	<u>2,500</u>	<u>2,500</u>
Total	\$ 333,750	\$ 92,083
Interfund Transfers:		
Town events at Convention Center	\$ 50,000	\$ 50,000
Rent of Airport Land (Lion's Club)	3,600	3,600
Debt Service includes principal and interest for:		
DNR Loans		48,505
2006 Airport G.O. Bond		280,638
2007 Municipal Refunding Bonds		1,161,568
2009 Municipal Refunding Bonds		535,179
2010 Municipal Purpose Bonds		338,279
2012 Municipal Purpose Bonds		1,925,360
2013 Municipal Purpose Bonds		359,071
2014 Municipal & Refunding Bonds		107,115
2016 Municipal & Refunding Bonds		211,541
2017 Municipal Purpose Bonds		181,826
Energy Performance Lease		<u>261,030</u>
Total		\$ 5,410,112
Transfers to Other Funds consist of the following:		
Operating Transfers:		
Transportation		\$ 1,254,618
Airport		808,440
Convention Center		1,451,648
Capital Projects		2,820,000

TOWN OF OCEAN CITY
 FISCAL YEAR 2018 BUDGET
 GENERAL FUND EXPENDITURES
 MISCELLANEOUS DIVISION

EXPENDITURES	ACTUAL 2016	ADOPTED 2017	CITY MANAGER PROPOSED 2018	COUNCIL ADOPTED 2018
OPERATING EXPENSES:				
SPECIAL APPROPRIATIONS	\$ 150,576	\$ 133,183	\$ 148,183	\$ 145,683
DEBT SERVICE - PRINCIPAL	3,566,514	4,644,997	4,187,263	4,187,263
INTEREST EXPENSE	1,260,119	1,411,329	1,222,849	1,222,849
TRANSFER TO TRANSPORTATION	1,310,013	1,335,668	1,254,618	1,254,618
TRANSFER TO AIRPORT	364,791	244,307	808,440	808,440
TRANSFER TO GOLF COURSE	0	0	0	0
TRANSFER TO CONVENTION CENTER	1,437,183	1,412,507	1,451,648	1,451,648
TRANSFER TO VEHICLE IT	83,854	0	0	0
TRANSFER TO CAPITAL CONSTRUCTION	4,424,009	2,724,250	2,820,000	2,820,000
 TOTAL EXPENDITURES	 \$ 12,597,059	 \$ 11,906,241	 \$ 11,893,001	 \$ 11,890,501
 TOTAL TOWN CONTRIBUTION	 \$ 12,597,059	 \$ 11,906,241	 \$ 11,893,001	 \$ 11,890,501

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 five elevated water storage tanks and one ground level tank, the fund delivers water to 7,582 metered connections through 141 miles of distribution lines. Additional connections to 847 fire hydrants are also provided utilizing the Supervisory Control and Data Acquisition System (SCADA). The system can be monitored and controlled from various locations. All treatment processes are monitored and necessary adjustments made, by licensed operators that meet and maintain both State and Federal standards.

WASTEWATER FUND

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

TRANSPORTATION FUND

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

ENTERPRISE FUNDS (CONTINUED)

AIRPORT FUND

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

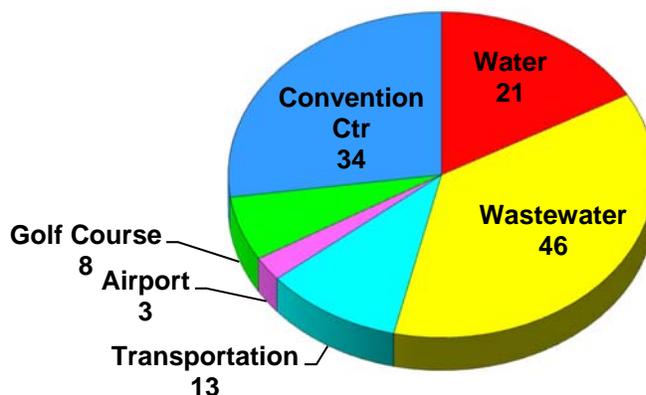
GOLF COURSE FUND

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

CONVENTION CENTER FUND

This fund accounts for the activities of the Roland E. Powell Convention Center. The facility hosts numerous conventions, trade shows, large-scale meetings and various entertainment events during the year. These events will attract an estimated 600,000 exhibitors, attendees, and vendors to the facility and the Town, which creates an economic impact to the Town hotels, restaurants, and retail sales. Revenue for the building's operations will be generated from hall rental, expanded event services and commissions from food and beverage operations. A Performing Arts Center was opened in December 2014 and is now fully operational.

FY 18 Enterprise Fund Full-Time Personnel



**TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET**

WATER FUND

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

In accordance with the most recent rate study, the metered rate increases from \$3.90 to \$4.00 per 1,000 gallons, and the fixture rates remain at \$1.60 per equivalent fixture. Fixture rates were \$2.60 per equivalent fixture in FY 15. Revenue from water connections is expected to decrease. 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 \$98,280 to fund Water department capital projects. The FY 18 budget does not require funding from fund balance in the Water fund.

PERSONNEL CHANGES:

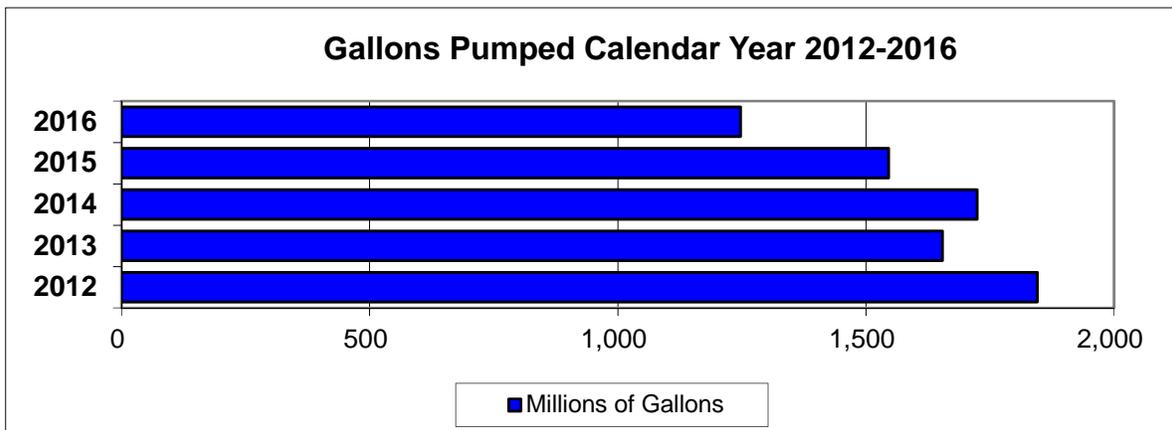
Twenty-one full-time positions are included in the Water Fund. A step increase effective January 1, 2018 has been included. Three additional positions are currently shared with the Wastewater Fund. They are: an Office Associate, a Purchasing Technician and a SCADA Technician. Interdepartmental labor has been budgeted at \$57,000 for the use of Public Works' manpower, an increase of \$4,500 from the FY 17 budget. Deductions have been made from Public Works for like amounts. Increases are projected for health insurance, retiree health, pension and the allocation for worker's compensation.

CHANGES IN OPERATIONS:

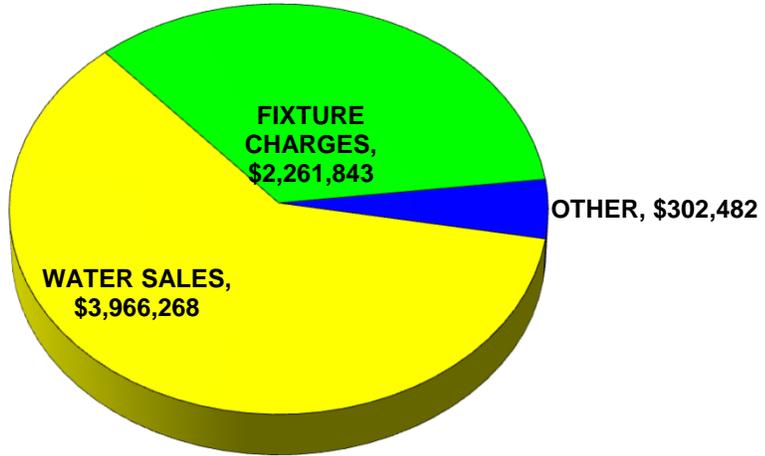
The Contracted Services line item includes professional and contracted services. Professional Services, which include engineering services and tank painting inspection services are budgeted at \$97,788, the same level as the FY 17 adopted budget. Demolition and removal of the Worcester Street and 15th Street water towers was also included in the FY 17 budget at \$250,000. The Maintenance line item includes costs for building and equipment maintenance. Touch-ups for the 64th street water tower paint were included in the FY 17 budget at a cost of \$75,000. The FY 18 budget includes an estimate for the 100th street tank painting at \$250,000. Plant building and equipment maintenance have been projected to decrease \$37,647. HVAC repairs and maintenance recommended by the Public Works Facilities Manager were included in FY 17 at a cost of \$27,000. No similar projects have been requested in FY 18. Routine equipment maintenance, such as well maintenance, has also been included in this category and totals \$301,400. Routine well maintenance has been included at \$140,000. Inspection and repair of the chlorination equipment has been budgeted at \$33,000, and replacement of the variable frequency drives at three well houses has been included at \$27,000. Costs for Supplies and Materials are expected to increase in FY 18. Water chemicals are budgeted at \$250,673. Supplies for repairs to water pipes, fire hydrants and valves are included at \$90,000. Three replacement meter reading devices have been included at \$23,501. Energy costs are expected to increase in FY 18. Vehicle fuel has been budgeted at the average number of gallons used for the past two to three years, and is anticipated to increase due to a projected increase in fuel costs. Vehicle parts and labor costs are expected to decrease, partially offsetting the anticipated increase in fuel costs. Intragovernmental allocations increase for General Overhead, IT Services, and Vehicle lease. Debt service costs decrease for this fund. Transfer to capital projects includes \$306,499 for water main upgrades and \$200,000 for the Disinfection By-product project. An estimated \$114,673 will go into Water Reserves to fund future capital projects. A replacement ¾ ton pick-up truck has been funded through the Vehicle Trust Fund.

TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET
WATER FUND

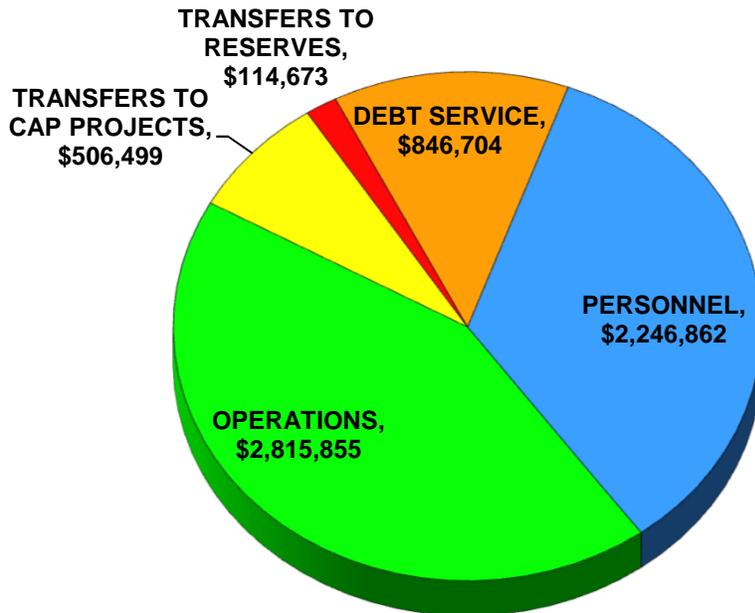
EXPENDITURES	ACTUAL 2016	ADOPTED 2017	CITY MANAGER PROPOSED 2018	COUNCIL ADOPTED 2018
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 1,197,213	\$ 1,388,961	\$ 1,430,529	\$ 1,430,529
EMPLOYEE BENEFITS	677,148	740,129	816,333	816,333
	<u>1,874,361</u>	<u>2,129,090</u>	<u>2,246,862</u>	<u>2,246,862</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	195,610	489,843	239,930	239,930
MAINTENANCE	592,709	497,505	692,768	692,768
SUPPLIES & MATERIALS	471,192	522,736	534,237	534,237
ENERGY	401,687	400,050	418,227	418,227
VEHICLE SUPPLIES & REPAIR	92,132	106,898	103,620	103,620
INTRAGOVERNMENTAL	762,331	806,984	827,073	827,073
	<u>2,515,661</u>	<u>2,824,016</u>	<u>2,815,855</u>	<u>2,815,855</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	1,184,453	1,119,878	846,704	846,704
TRANSFER TO RESERVES	0	184,776	114,673	114,673
TRANSFER TO CAP PROJECTS	5,489,449	447,709	506,499	506,499
CAPITAL OUTLAY	0	0	0	0
	<u>6,673,902</u>	<u>1,752,363</u>	<u>1,467,876</u>	<u>1,467,876</u>
TOTAL EXPENDITURES	\$ <u>11,063,924</u>	\$ <u>6,705,469</u>	\$ <u>6,530,593</u>	\$ <u>6,530,593</u>
LESS REVENUE GENERATED BY DEPARTMENT				
WATER SALES	(3,828,116)	(4,179,104)	(3,966,268)	(3,966,268)
WATER FIXTURE CHARGE	(2,178,030)	(2,198,182)	(2,261,843)	(2,261,843)
CAPACITY FEES	(36,990)	(102,060)	(98,280)	(98,280)
INTEREST	(26,941)	(18,840)	(26,000)	(26,000)
WATER VACANT LOT CHARGE	(17,927)	(19,085)	(18,202)	(18,202)
WATER CONNECTION CHARGES	(141,698)	(158,198)	(130,000)	(130,000)
SALES - MATERIALS & SERVICE	(30,271)	(30,000)	(30,000)	(30,000)
PROCEEDS OF LONG TERM DEBT	(5,223,200)	0	0	0
	<u>(11,483,173)</u>	<u>(6,705,469)</u>	<u>(6,530,593)</u>	<u>(6,530,593)</u>
REVENUE (OVER)/UNDER EXPENDITURES	\$ <u>(419,249)</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>



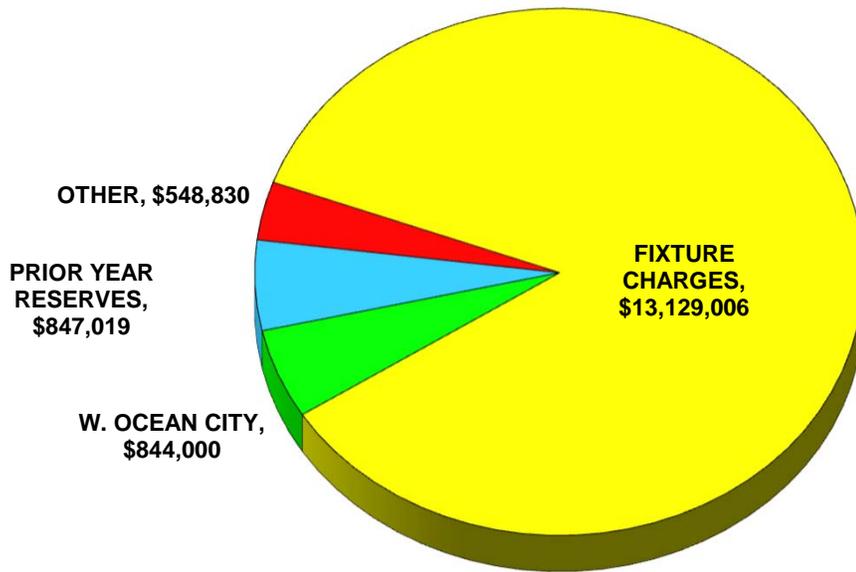
Water Fund Revenue 2018 Adopted



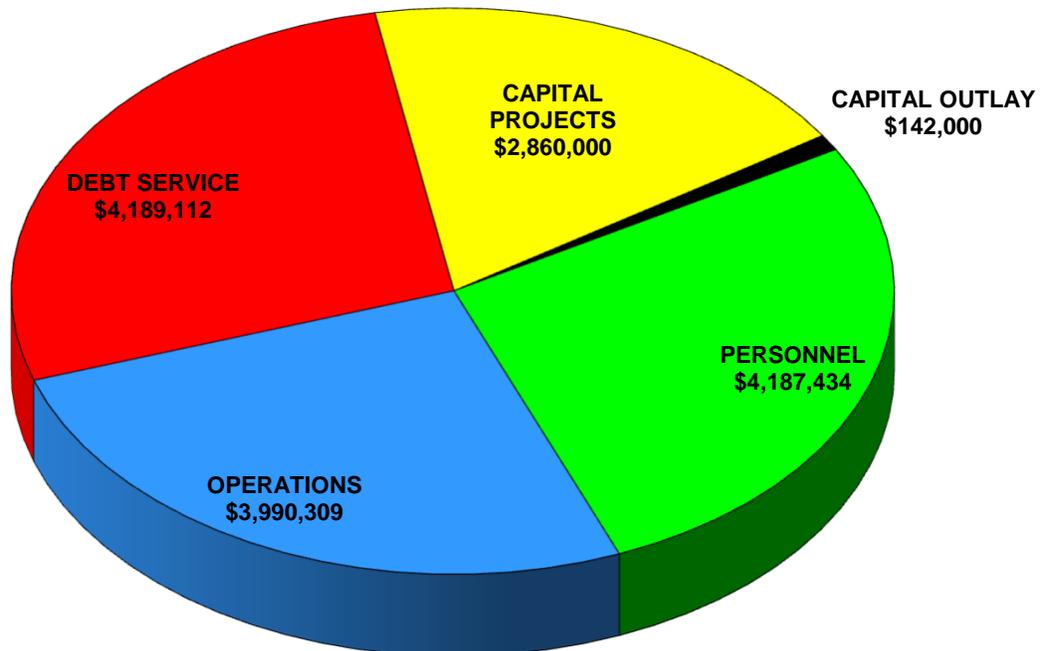
Water Fund Expenditures 2018 Adopted



Wastewater Fund Revenue 2018 Adopted



Wastewater Fund Expenditures 2018 Adopted



**TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET**

WASTEWATER FUND

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

In accordance with the rate study, the rates for wastewater service increase from \$8.95 per quarter to \$9.25 per quarter, generating an additional \$781,908 in revenue. Capacity fees are expected to generate \$171,600 in FY 18. Capacity fees are used to offset debt service costs for Wastewater department capital projects. Service to West Ocean City is budgeted at \$844,000 as the actual revenue for FY 17 was \$832,433. Revenue from plumbing permits and lab fees are expected to remain level in FY 18. Federal Government grants include the Build America Bond interest subsidy. Wastewater fund balance of \$847,019 is necessary to support this budget. When the last rate study was completed, it was anticipated that \$1.1 million would come from reserves for FY 18.

PERSONNEL CHANGES:

Forty-six positions are funded in the Wastewater Fund. Three positions are currently shared with Water: an Office Associate, the Purchasing Technician and a SCADA Technician. A step increase effective January 1, 2018 has been included. Benefit costs for health insurance and pension account for most of the increase in employee benefits.

CHANGES IN OPERATIONS:

Contracted Services include services provided by professional architects and engineers and tipping fees. Professional Services include a facility assessment update at a cost of \$130,000. Contracted safety training has been included at \$10,000 and contracted biomonitoring and toxicity testing has been included at \$20,000. Tipping fees and land application disposal fees are projected to remain the same in FY 18, and have been included at \$381,900. Permit fees paid to the Maryland Department of the Environment have been budgeted at \$6,000. Camera inspection of sewer laterals in conjunction with street paving projects has been included at \$65,000. Building maintenance has been budgeted at \$232,690, an increase of \$35,658 from FY 17, and includes \$100,000 in concrete repairs in the plant. In FY 17, a drywell work platform at 2nd street was funded at \$28,000. Plant equipment maintenance has been budgeted at \$212,250, a reduction of \$36,650 and covers routine maintenance. Supplies and Materials increase \$55,325 from FY 17. Approximately \$676,927 of this line item is budgeted to purchase chemicals for wastewater treatment. Costs for lime and polymer increase nearly \$88,000, to a total cost of \$304,304. Sodium hypochlorite is included at \$235,000, and sodium bisulfite at \$52,900. Supplies necessary for the SCADA radio system upgrade have been included at \$24,080. Energy costs have been budgeted to decrease. Vehicle fuel and repair cost estimates were reduced for this department. Intragovernmental allocations for IT Services, General Overhead, Vehicle Lease and Insurance increase. Debt service in FY 18 decreases. Capital outlay includes \$60,000 to replace the East primary clarifier drive, \$32,000 to replace the third of three pumps at Montego Bay, and \$50,000 to renovate the lab. Transfer to capital projects includes \$1,960,000 for the Cure In Place pipe project and \$900,000 for Main repair, which includes \$100,000 for the Public Safety/Emergency Operations sewer bypass on 65th street. No vehicles were funded through Vehicle Trust for this division.

TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET
WASTEWATER FUND

EXPENDITURES	ACTUAL 2016	ADOPTED 2017	CITY MANAGER PROPOSED 2018	COUNCIL ADOPTED 2018
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 2,483,327	\$ 2,583,856	\$ 2,630,694	\$ 2,630,694
EMPLOYEE BENEFITS	1,426,870	1,468,578	1,556,740	1,556,740
	<u>3,910,197</u>	<u>4,052,434</u>	<u>4,187,434</u>	<u>4,187,434</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	710,309	644,700	807,757	807,757
MAINTENANCE	841,055	484,457	481,980	481,980
SUPPLIES & MATERIALS	736,121	798,840	854,165	854,165
ENERGY	539,755	597,510	578,152	578,152
VEHICLE SUPPLIES & REPAIR	104,239	137,617	129,813	129,813
INTRAGOVERNMENTAL	1,086,426	1,095,421	1,138,442	1,138,442
	<u>4,017,905</u>	<u>3,758,545</u>	<u>3,990,309</u>	<u>3,990,309</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	3,876,131	4,254,841	4,189,112	4,189,112
TRANSFER TO RESERVES	0	0	0	0
TRANSFER TO CAPITAL PROJECTS	13,717,668	1,362,580	2,860,000	2,860,000
CAPITAL OUTLAY	51,314	340,000	142,000	142,000
	<u>17,645,113</u>	<u>5,957,421</u>	<u>7,191,112</u>	<u>7,191,112</u>
TOTAL EXPENDITURES	<u>\$ 25,573,215</u>	<u>\$ 13,768,400</u>	<u>\$ 15,368,855</u>	<u>\$ 15,368,855</u>
LESS REVENUE GENERATED BY DEPARTMENT				
FIXTURE CHARGES	(12,066,145)	(12,347,098)	(13,129,006)	(13,129,006)
INTEREST	(34,256)	(36,000)	(32,000)	(32,000)
VACANT LOT CHARGE	(40,026)	(42,941)	(42,091)	(42,091)
CONNECTION CHARGES	0	(8,000)	(8,000)	(8,000)
SALES - MATERIALS & SERVICES	(8,197)	(9,600)	(9,600)	(9,600)
SERVICE TO WEST OCEAN CITY	(851,781)	(850,000)	(844,000)	(844,000)
PLUMBING PERMITS	(96,810)	(75,000)	(75,000)	(75,000)
LAB FEES	(101,246)	(100,000)	(100,000)	(100,000)
CAPACITY FEES	(64,579)	(178,000)	(171,600)	(171,600)
INTEREST EARNED ON INVESTMENTS	(7,192)	(2,000)	(2,000)	(2,000)
FEDERAL GOVERNMENT GRANTS	(118,163)	(116,761)	(105,539)	(105,539)
MISCELLANEOUS	(4,000)	(3,000)	(3,000)	(3,000)
PROCEEDS OF LONG TERM DEBT	(12,787,879)	0	0	0
	<u>(26,180,274)</u>	<u>(13,768,400)</u>	<u>(14,521,836)</u>	<u>(14,521,836)</u>
REVENUE (OVER)/UNDER EXPENDITURES	<u>\$ (607,059)</u>	<u>\$ 0</u>	<u>\$ 847,019</u>	<u>\$ 847,019</u>

Fixture Charge	8.80	8.95	9.25
Vacant Lot	21.00	21.60	22.20

TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET

TRANSPORTATION FUND

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

In February 2011, bus fare was increased from \$2 ride-all-day to \$3 ride-all-day, or \$1 per boarding. In FY 15, the \$1 per boarding option was eliminated, resulting in a 17.5% increase in bus revenue. Additional deployments were added in FY 16. FY 18 bus revenue has been budgeted at the FY 16 actual level, which is a reduction of \$176,352 from the FY 17 adopted budget. Projected revenue from bus advertising is \$253,000. Tram fare will continue to be \$3.00 one-way seven days a week. Projected tram revenue is \$1,275,000 for FY 18, which includes revenue for extending the tram season the week after Labor Day and for several days during Bikefest. Tram advertising has been included at \$81,000. A County grant to cover ½ the deficit for providing service to the West Ocean City Park and Ride has been included. Federal and State operating grants are budgeted at \$825,782, the same level since FY 07. Capital grants include the purchase of two transit buses, and reimbursement for preventative maintenance on the buses. The General Fund contribution to Transportation decreases \$81,050 for FY 18, and includes an allocation of \$200,000 towards the purchase of replacement boardwalk trams.

PERSONNEL CHANGES:

Since FY '09, four full-time positions were eliminated in this division. Thirteen full-time employees have been funded in FY 18. A step increase effective January 1, 2018 has been included. Nearly 200 seasonal employees are employed by this department. Part-time salaries for the money room were increased \$22,187 to match the actual expense for FY 15 and FY 16. Part time salaries in the bus division were decreased \$35,535 to a level slightly higher than the FY 16 actual. Tram part-time salaries were increased slightly. The allowance for Police officers to patrol the buses has been increased from \$30,000 to \$35,000. Budgeted hours for the operation of the medical transport program have also been included. In the Employee benefits category, costs for health insurance, retiree health, pension and unemployment are projected to increase. Unemployment accounts for \$558,000 of the Employee Benefits line item for FY 18.

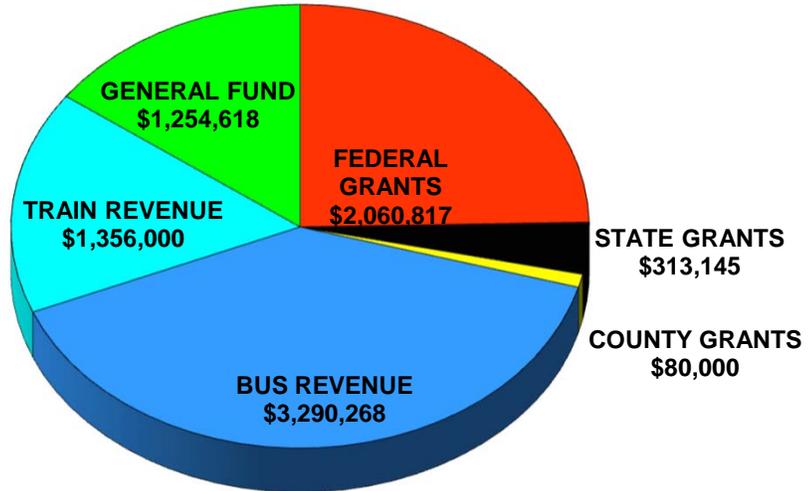
OPERATIONAL CHANGES:

Contracted Services include building and equipment maintenance, printing, dues and credit card fees. The FY 16 budget included \$22,500 for repairs to the South end tram station. Attendance at the APTA conference has been included for the Manager and the Administrative Manager. This training is reimbursable through MTA's RTAP program. Campaign media recruiting has been included at \$3,850. Credit card fees were increased \$8,000 for the Tram division. Operational Supplies included replacement currency counters in FY 15 and FY 16, which were covered by 90% grant funding. Marketing materials for both the Tram and Bus divisions have been included at \$1,250. Other supply items include oil and diesel exhaust fluid. Energy costs decrease 4%. Vehicle fuel is a major expense for this department and is budgeted at \$813,111, an increase of \$92,451, due to projected increases in fuel costs. Parts and labor for the bus division have been budgeted at \$1,310,000, a decrease of \$65,000. Grant funds in the amount of \$706,500 have been requested to offset this cost. This grant request is \$166,500 more than the amount requested in FY 17. Intragovernmental allocations for General Overhead, Vehicle lease, and IT Services increase. Vehicle lease includes a "place holder" for the purchase of replacement boardwalk trams in the amount of \$200,000. Vehicle lease in the bus division only covers the amount for vehicle insurance costs. Vehicle Lease in the Administrative and Tram divisions includes an amount for vehicle lease and for vehicle insurance. Capital Outlay includes two transit buses budgeted at \$467,600 each. 90% of this cost will be covered by FTA/MTA grants if approved.

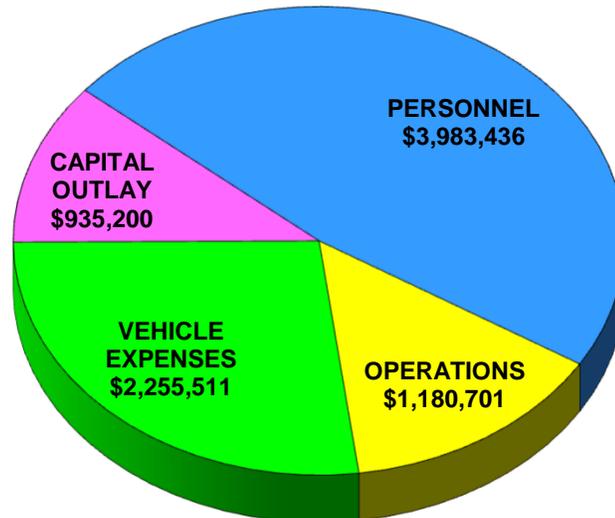
TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET
TRANSPORTATION FUND

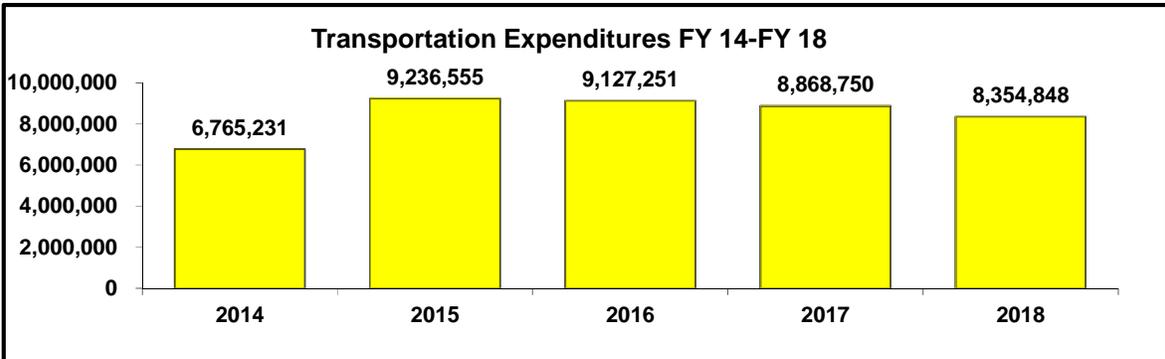
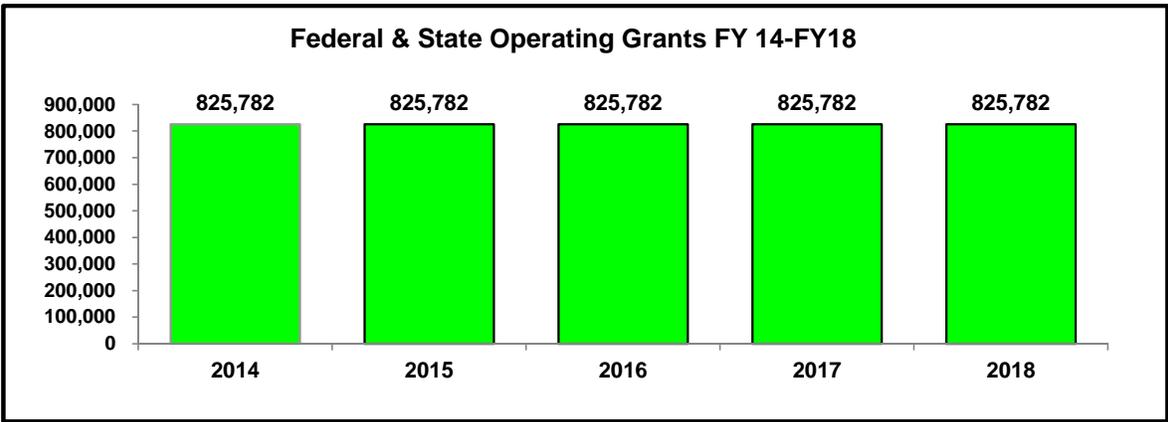
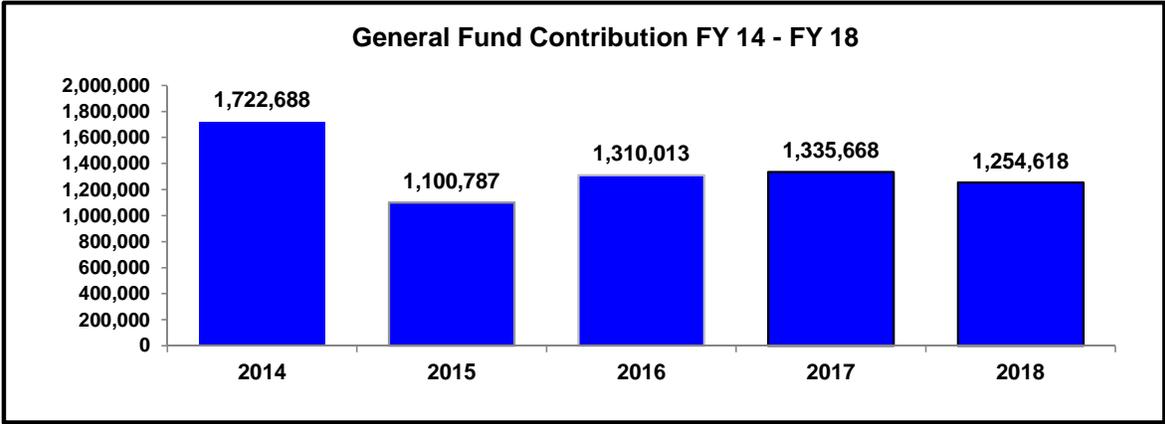
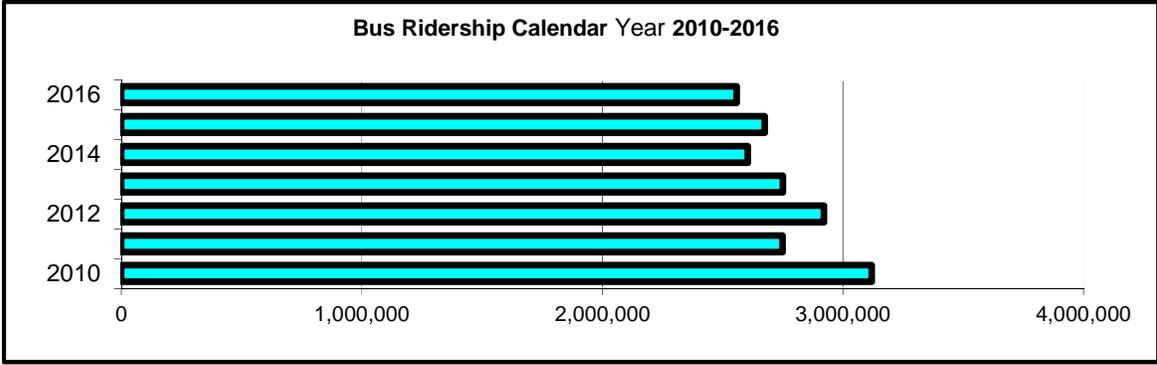
EXPENDITURES	ACTUAL 2016	ADOPTED 2017	CITY MANAGER PROPOSED 2018	COUNCIL ADOPTED 2018
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 2,813,277	\$ 2,830,447	\$ 2,868,408	\$ 2,868,408
EMPLOYEE BENEFITS	<u>1,030,548</u>	<u>1,074,745</u>	<u>1,115,028</u>	<u>1,115,028</u>
	3,843,825	3,905,192	3,983,436	3,983,436
OPERATING EXPENSES:				
CONTRACTED SERVICES	186,734	95,295	102,778	102,778
SUPPLIES & MATERIALS	62,938	59,590	61,165	61,165
ENERGY	63,688	67,810	65,047	65,047
VEHICLE SUPPLIES & REPAIR	1,967,901	2,238,160	2,255,511	2,255,511
INTRAGOVERNMENTAL	<u>694,303</u>	<u>713,281</u>	<u>951,711</u>	<u>951,711</u>
	2,975,564	3,174,136	3,436,212	3,436,212
OTHER FINANCIAL USES:				
DEBT SERVICE	0	0	0	0
TRANSFER OUT	0	0	0	0
CAPITAL OUTLAY	<u>1,594,737</u>	<u>1,789,422</u>	<u>935,200</u>	<u>935,200</u>
	1,594,737	1,789,422	935,200	935,200
TOTAL EXPENDITURES	\$ <u>8,414,126</u>	\$ <u>8,868,750</u>	\$ <u>8,354,848</u>	\$ <u>8,354,848</u>
LESS REVENUE GENERATED BY DEPARTMENT				
BUS REVENUE	(3,056,915)	(3,211,620)	(3,035,268)	(3,035,268)
TRAIN REVENUE	(1,350,653)	(1,315,000)	(1,356,000)	(1,356,000)
COUNTY GRANT	0	0	(80,000)	(80,000)
BUS ADVERTISING	(242,267)	(255,000)	(253,000)	(253,000)
INTEREST ON INVESTMENTS	(2,818)	(200)	(2,000)	(2,000)
CAPITAL ASSET SALES	(1,663)	0	0	0
CAPITAL GRANT - FEDERAL	(1,443,304)	(1,711,538)	(1,376,160)	(1,376,160)
CAPITAL GRANT - STATE	(180,712)	(213,942)	(172,020)	(172,020)
ADA GRANT - STATE	(110,000)	(110,000)	(110,000)	(110,000)
OPERATING GRANT - FEDERAL	(684,657)	(684,657)	(684,657)	(684,657)
OPERATING GRANT - STATE	<u>(31,125)</u>	<u>(31,125)</u>	<u>(31,125)</u>	<u>(31,125)</u>
	(7,104,114)	(7,533,082)	(7,100,230)	(7,100,230)
TOWN CONTRIBUTION	\$ <u>1,310,012</u>	\$ <u>1,335,668</u>	\$ <u>1,254,618</u>	\$ <u>1,254,618</u>

Transportation Fund Revenue 2018 Adopted



Transportation Fund Expenditures 2018 Adopted





TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET

AIRPORT FUND

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

Anticipated fuel sales are based on the average number of gallons sold for the past five years. The average number of gallons of jet fuel has increased, while the average number of gallons of 100 LL have decreased. Per gallon costs for both types of fuel are projected to decrease. T-Hangar 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 \$1,080. Usage of the concrete crushing operation has been anticipated to decrease. Revenue from this operation is shown in the Service Charges line item. Federal and State grants for Runway 14/32 design have been included. The total project cost is \$450,000 and is funded 90% Federal, 5% State and 5% local match. A state grant has been included for the West Ramp Rehabilitation project, with a total project cost of \$2,000,000, funded 75% State and 25% local match. Also included is a State grant for property acquisition and easements with a total project cost of \$300,000, which is also funded at 75% State and 25% local match. Delmarva Power will pay the Airport a fee for staging equipment at the Airport, which is shown in Miscellaneous Revenue. The General Fund subsidy of the Airport increases \$564,133, from \$244,307 to \$808,440. Included in the subsidy is \$597,500 for the Town's local match for the grant-funded projects.

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 step increase effective January 1, 2018 has been included. Two part-time, year-round Office Associates and two seasonal line technicians are employed by this division. Benefit costs for health insurance, pension, and unemployment are projected to increase.

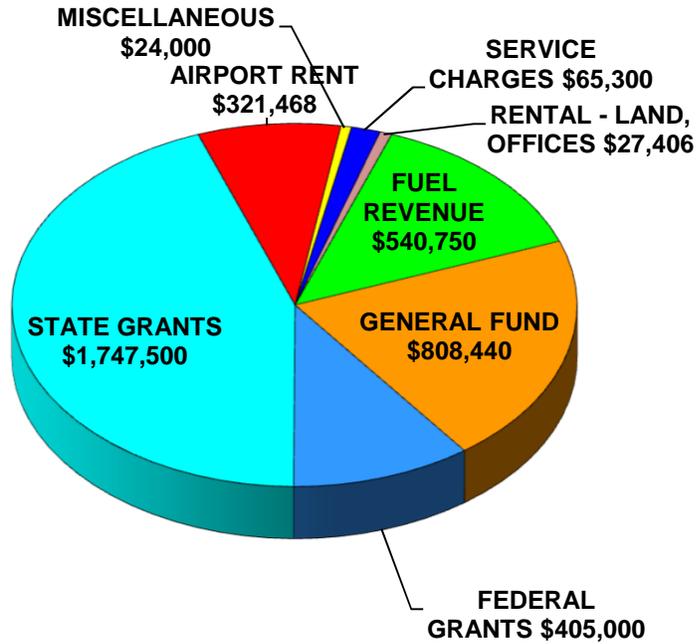
CHANGES IN OPERATIONS:

Contracted Services include professional services, building and equipment maintenance, credit card fees and other services. The Airport business plan was included at \$60,000 in the FY 17 budget, but the State did not fund in FY 17. Credit card fees are anticipated to decrease, while legal fees are projected to increase. A replacement heat pump for the main terminal 2nd floor office has been included at \$6,500, and replacement of the jet fueler hoses has been included at \$2,000. Concrete crushing has been included at \$42,000, a reduction of \$13,000 from the FY 17 budget. Mowing of the fields surrounding the airport has been included at a cost of \$17,664. 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 \$375,500 for the coming year, a decrease of \$95,500, and an anticipated reduction of the costs of both types of fuel. The number of gallons of jet fuel has increased, while the number of gallons of 100LL is declining. Energy costs have been budgeted to decrease slightly. Vehicle fuel, parts and labor costs are projected to decrease for this division. Allocations for property and liability insurance and for vehicle lease increase for this division, while allocations for General Overhead expense and IT Services decrease. Debt Service reflects Airport improvement bonds of 2005 and 2010. Capital projects include the West Ramp Rehabilitation, design of runway 14/32 and property acquisition/easements, requiring a total local match of \$597,500.

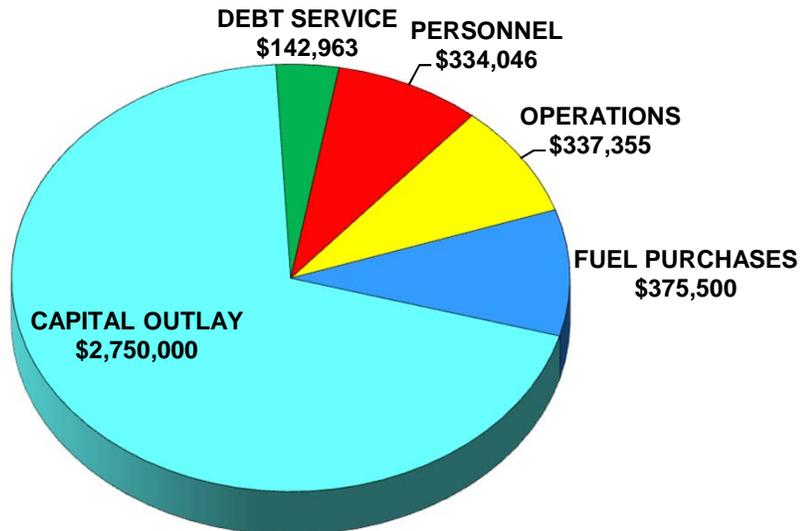
TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET
AIRPORT FUND

EXPENDITURES	ACTUAL 2016	ADOPTED 2017	CITY MANAGER PROPOSED 2018	COUNCIL ADOPTED 2018
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 219,786	\$ 233,979	\$ 239,412	\$ 239,412
EMPLOYEE BENEFITS	90,376	89,368	94,634	94,634
	<u>310,162</u>	<u>323,347</u>	<u>334,046</u>	<u>334,046</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	153,814	240,304	176,505	176,505
SUPPLIES & MATERIALS	13,876	16,609	13,095	13,095
PURCHASES FOR RESALE	381,185	471,000	375,500	375,500
ENERGY	38,519	42,600	37,936	37,936
VEHICLE SUPPLIES & REPAIR	15,840	24,322	22,532	22,532
INTRAGOVERNMENTAL	88,356	91,097	87,287	87,287
	<u>691,590</u>	<u>885,932</u>	<u>712,855</u>	<u>712,855</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	138,627	142,923	142,963	142,963
TRANSFER TO CAPITAL PROJECTS	600,000	0	0	0
TRANSFER TO RESERVES	73,446	0	0	0
CAPITAL OUTLAY	0	0	2,750,000	2,750,000
	<u>812,073</u>	<u>142,923</u>	<u>2,892,963</u>	<u>2,892,963</u>
TOTAL EXPENDITURES	\$ <u>1,813,825</u>	\$ <u>1,352,202</u>	\$ <u>3,939,864</u>	\$ <u>3,939,864</u>
LESS REVENUE GENERATED BY DEPARTMENT				
FUEL REVENUE	(539,625)	(615,800)	(540,750)	(540,750)
RENT REVENUES	(311,967)	(321,696)	(321,468)	(321,468)
RENTAL - LAND, OFFICE SPACE	(26,464)	(27,799)	(26,406)	(26,406)
FEDERAL GRANTS	(90,000)	0	(405,000)	(405,000)
STATE GRANTS	(380,000)	(45,000)	(1,747,500)	(1,747,500)
SERVICE CHARGES	(88,351)	(77,500)	(65,300)	(65,300)
MISCELLANEOUS REVENUE	(12,000)	(20,000)	(24,000)	(24,000)
INTEREST EARNED	(627)	(100)	(1,000)	(1,000)
PRIOR YEAR SURPLUS	0	0	0	0
	<u>(1,449,034)</u>	<u>(1,107,895)</u>	<u>(3,131,424)</u>	<u>(3,131,424)</u>
TOTAL TOWN CONTRIBUTION	\$ <u>364,791</u>	\$ <u>244,307</u>	\$ <u>808,440</u>	\$ <u>808,440</u>

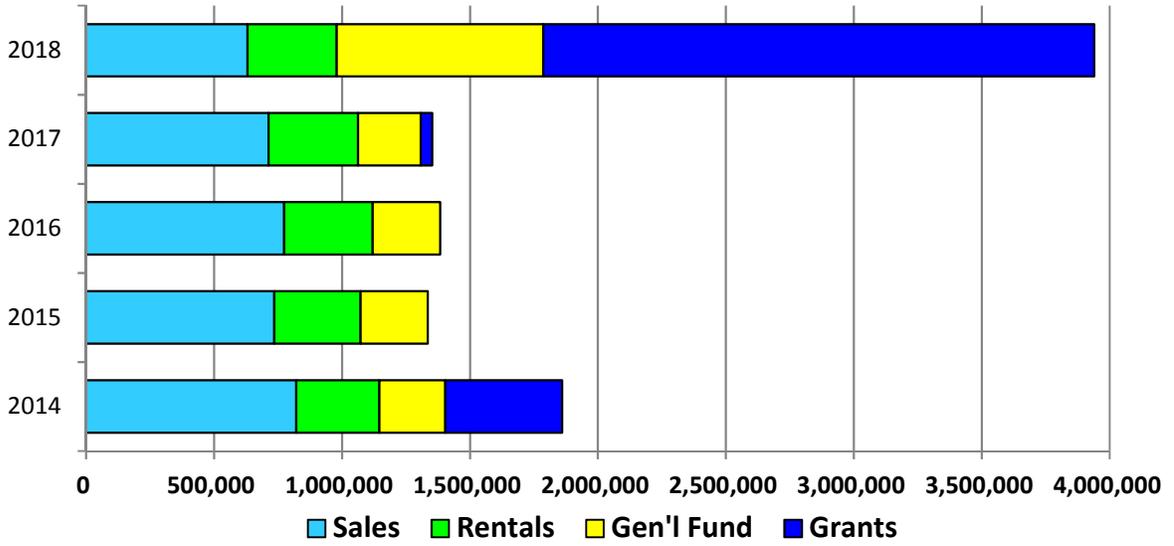
Airport Fund Revenues 2018 Adopted



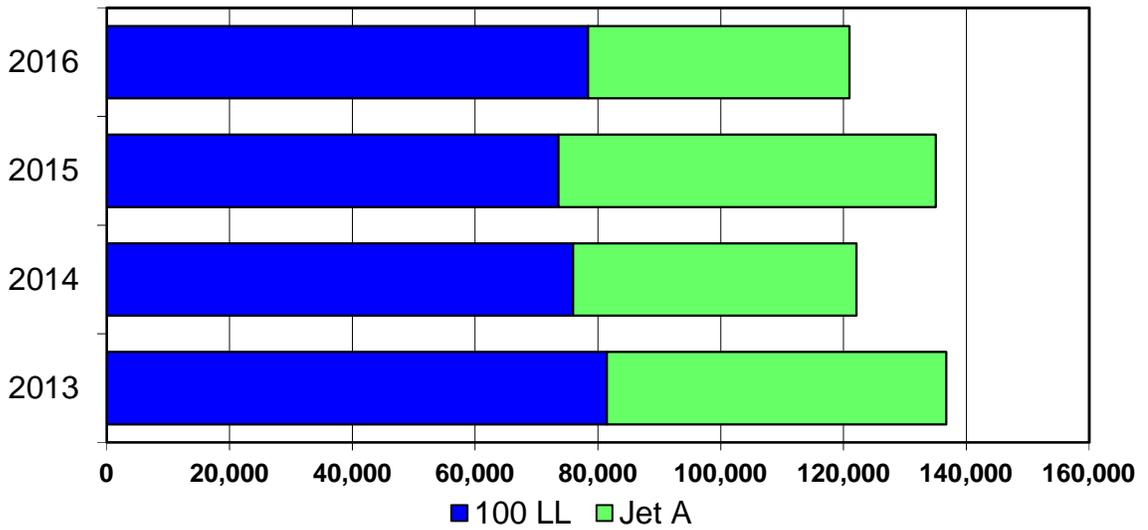
Airport Fund Expenditures 2018 Adopted



Airport Revenue by Type FY 14 - FY 18



Gallons of Fuel Sold FY 13 - FY 16



**TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET**

GOLF COURSE FUND

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

Weekday and weekend rate increases will be instituted for peak spring and fall seasons, and Talon Club and local rates will increase by \$5. These changes result in an anticipated revenue increase of \$31,513. Admissions Tax revenue for Eagle's Landing, previously assigned to the General Fund, was assigned to the Golf Course beginning in FY 10. Miscellaneous revenue includes junior golf camps and clinics. A portion of the funds received from Worcester County have been recognized to offset EDU charges for FY 18.

PERSONNEL CHANGES:

Eight full-time positions are included in this budget. A step increase effective January 1, 2018 has been included for all eligible employees. Seasonal golf laborers, pro shop employees, concession workers and cart attendants are also employed by this division. Changes in the pay scale resulting from the increase in minimum wage from \$8.75 to \$9.25 per hour increase part-time salaries for the Golf Course by nearly \$6,000. Increases in health insurance, and pension account for nearly \$25,000 of the increase in employee benefits. Unemployment, retiree health and worker's compensation also increase.

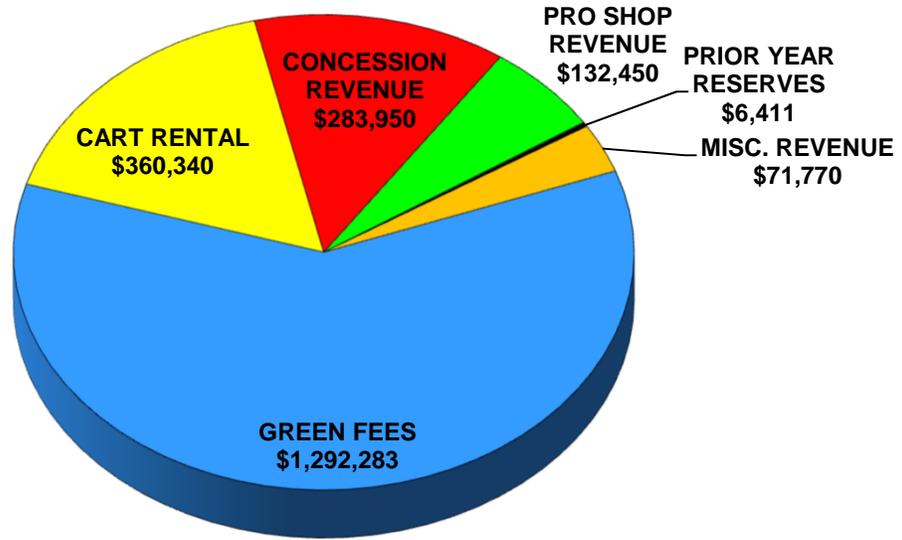
CHANGES IN OPERATIONS:

Contracted Services include building & equipment maintenance and golf cart rental, advertising and credit card fees. Greater Ocean City Golf Association fees have been budgeted at \$48,338, an increase of \$3,263. Advertising has been budgeted at \$54,700, and includes a contract with 121 Marketing at \$14,600. Payment to Worcester County for septic service has been included at \$5,000. Training and travel costs decrease slightly and include attendance at two golf trade shows and at the Golf Course Superintendent's national conference. The golf cart lease was renegotiated in August 2015 and increased from \$5,842 to \$6,205 per month. A GPS system at a \$24,600 annual cost has been funded. Supplies & Materials decrease \$6,570. Most of this reduction was in the Operations division as the FY 17 budget included replacement trash cans, a replacement microwave for the Caddy Shack and shelving for the walk-in refrigerator. Maintenance supplies are budgeted at \$214,000, which covers all chemicals, fertilizers, irrigation and landscaping supplies for the Golf Course. In the FY 16 budget, a lightweight utility vehicle and the GPS cart changeover were funded at a total cost of \$20,500. Purchases for Resale for the Golf Shop and the Golf Concession account for \$201,838 of the Golf Course budget, and are budgeted to increase from FY 17. Energy costs are budgeted to decrease as Worcester County will assume the expense for the irrigation pump station electric. Costs for vehicle fuel and maintenance are anticipated to increase in FY 18. Intragovernmental allocations for Vehicle lease, General Overhead, IT and insurance increase for FY 18. No capital outlay was requested. Equipment approved in the Vehicle Trust Fund includes: a rotary mower, \$20,500; two greensmowers, \$58,950; and a fairway mower, \$54,200.

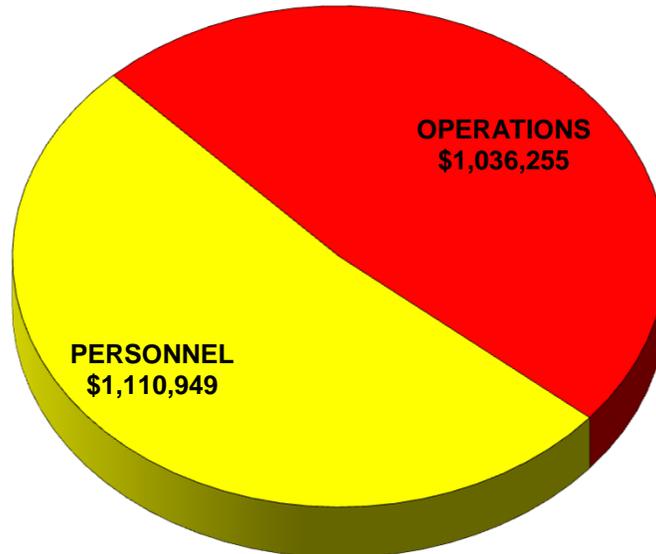
TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET
GOLF COURSE FUND

EXPENDITURES	ACTUAL 2016	ADOPTED 2017	CITY MANAGER PROPOSED 2018	COUNCIL ADOPTED 2018
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 720,692	\$ 742,631	\$ 759,742	\$ 759,742
EMPLOYEE BENEFITS	319,079	323,459	351,207	351,207
	<u>1,039,771</u>	<u>1,066,090</u>	<u>1,110,949</u>	<u>1,110,949</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	177,418	188,899	187,180	187,180
GOLF CART LEASE	85,059	109,813	108,200	108,200
SUPPLIES & MATERIALS	260,855	245,705	239,135	239,135
PURCHASES FOR RESALE	211,041	194,586	201,838	201,838
ENERGY	47,794	46,500	36,657	36,657
VEHICLE SUPPLIES & REPAIR	41,814	39,842	42,959	42,959
INTRAGOVERNMENTAL	203,205	208,062	220,286	220,286
	<u>1,027,186</u>	<u>1,033,407</u>	<u>1,036,255</u>	<u>1,036,255</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	0	0	0	0
TRANSFERS OUT	0	3,481	0	0
CAPITAL OUTLAY	0	0	0	0
	<u>0</u>	<u>3,481</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	<u>\$ 2,066,957</u>	<u>\$ 2,102,978</u>	<u>\$ 2,147,204</u>	<u>\$ 2,147,204</u>
LESS REVENUE GENERATED BY DIVISION				
ADMISSIONS TAX	(46,032)	(47,000)	(49,000)	(49,000)
GREEN FEES	(1,202,155)	(1,259,978)	(1,292,283)	(1,292,283)
CART RENTAL	(350,179)	(367,875)	(360,340)	(360,340)
CONCESSION REVENUE	(278,912)	(277,524)	(283,950)	(283,950)
PRO SHOP REVENUE	(139,465)	(132,133)	(132,450)	(132,450)
CLUB RENTAL	(2,516)	(3,410)	(3,410)	(3,410)
TOURNAMENT REVENUE	(1,940)	(2,500)	(2,500)	(2,500)
PRIOR YEAR RESERVES	0	0	(6,411)	(6,411)
INTEREST ON INVESTMENTS	(67)	(100)	(100)	(100)
MISCELLANEOUS REVENUE	(44,681)	(9,760)	(14,460)	(14,460)
DISCOUNTS TAKEN	(2,301)	(2,698)	(2,300)	(2,300)
	<u>(2,068,248)</u>	<u>(2,102,978)</u>	<u>(2,147,204)</u>	<u>(2,147,204)</u>
REVENUE (OVER)/UNDER EXPENDITURES	<u>\$ (1,291)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

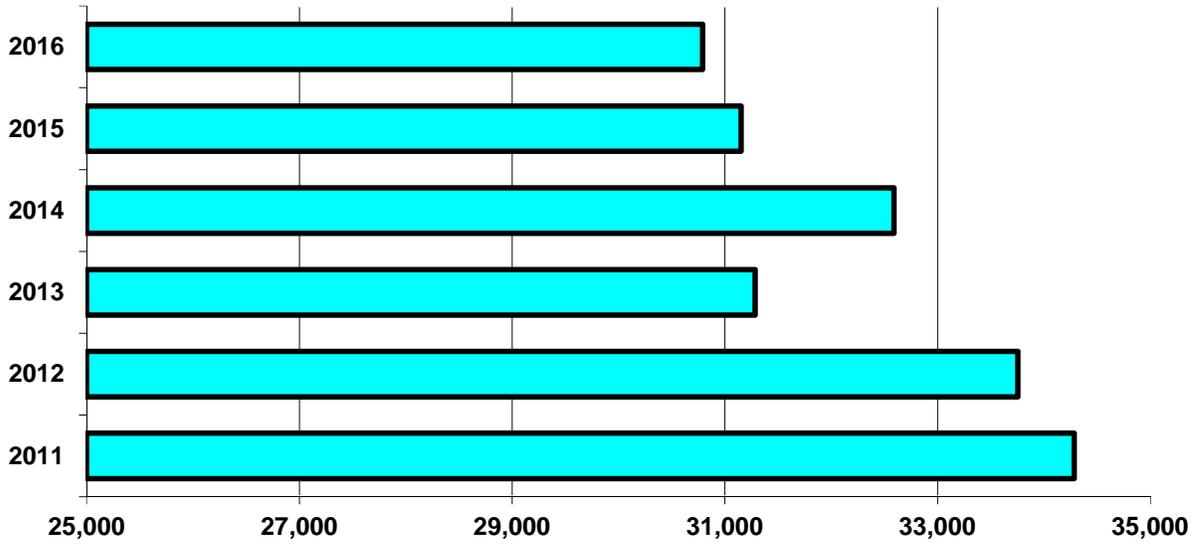
Golf Course Revenue 2018 Adopted



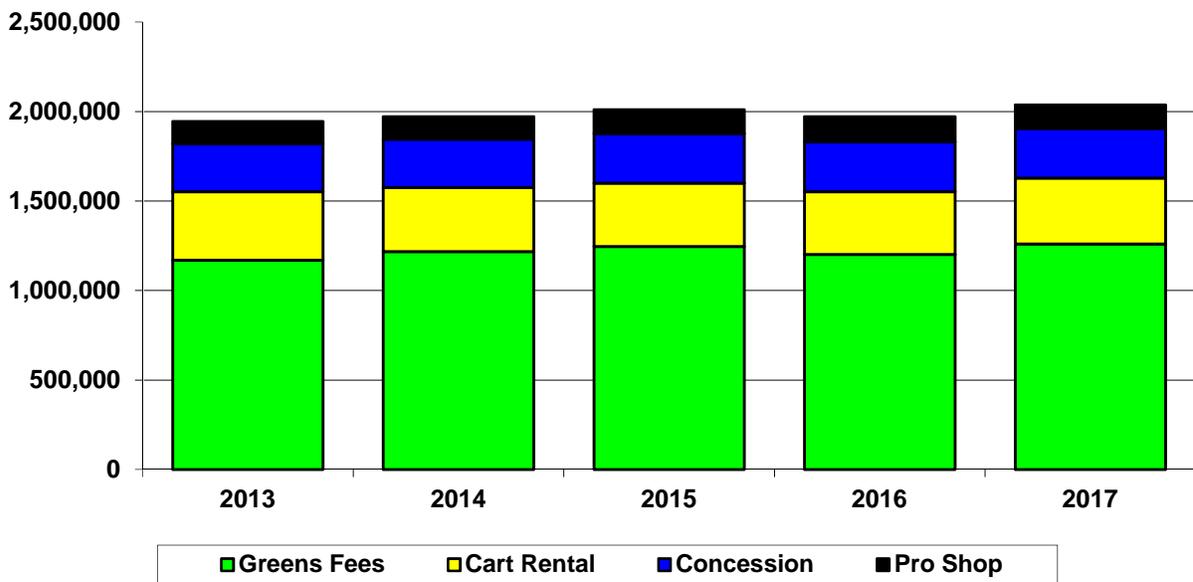
Golf Course Expenditures 2018 Adopted



Eagle's Landing Rounds Played CY 11 - CY 16



Source of Revenue FY 2013 - FY 2017



TOWN OF OCEAN CITY FISCAL YEAR 2018 BUDGET

CONVENTION CENTER FUND and MUSEUM

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

Budgeted revenue from Hall Rental is expected to decrease from \$860,000 to \$830,000. Revenue for the Performing Arts Center has been shown separately at \$60,000. Special Events revenue includes \$50,000 anticipated from the Holiday Shopper's Fair, and \$25,000 for city-sponsored events to be held in the Performing Arts Center. Concession and Service Charge revenue are projected to increase. Sales/Other reflects membership dues for the Convention & Visitor's Bureau and is expected to remain level. 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 \$1,350,000 that will go toward debt retirement in FY 18. An additional \$100,000 will go into a fund for capital improvements at the Convention Center. The State Operating grant and General Fund subsidy are budgeted to increase \$39,141 each.

PERSONNEL CHANGES:

Thirty-four full-time positions are funded in FY 18. Six positions have been eliminated since FY 09. In the FY 15 budget, one part-time Maintenance Worker position was converted to full-time. In FY 16, the Sales Director position was replaced with a Sales Manager position, and one additional Maintenance Worker II position was included as well. A step increase effective January 1, 2018 has been included. The Museum division employs two full-time employees. Part-time and seasonal positions are used by both the Convention Center and the Museum. Staffing of the box office for Performing Arts ticketed events has been included at a cost of \$6,669. Overtime in the Maintenance division has been budgeted at \$82,000. Projected costs for health insurance, pension, retiree health and worker's compensation costs are budgeted to increase, with the majority of the cost increase in health insurance and pension.

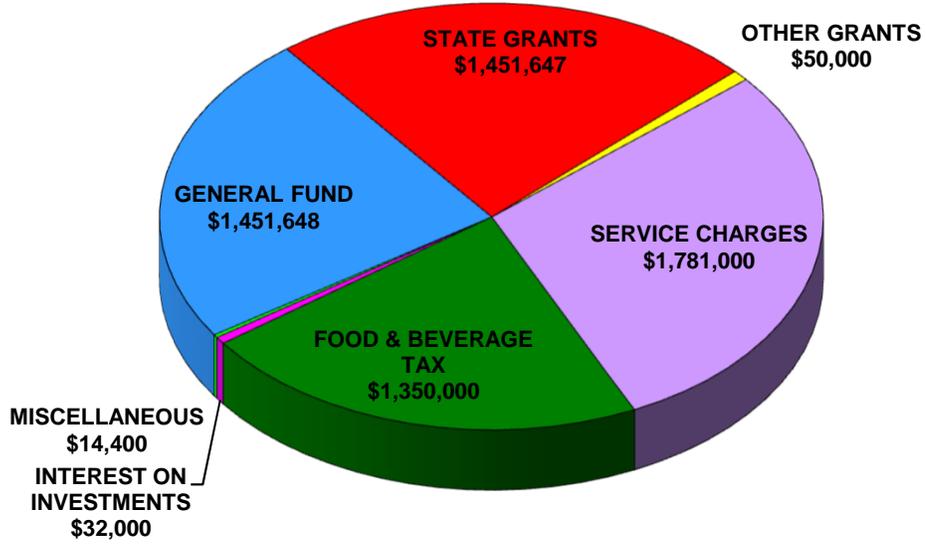
CHANGES IN OPERATIONS:

Contracted Services decrease in FY 18, and include travel, credit card fees, dry cleaning and advertising. In FY 18, \$25,000 has been included for potential city-sponsored events held in the Performing Arts Center. This is a reduction from FY 17, when \$80,000 was budgeted. Communications and advertising costs have been reduced nearly \$30,000. An Economic Impact Study was funded in FY 16 at a cost of \$35,000. Maintenance costs account for \$307,442 of the Convention Center budget. Escalator, elevator, HVAC, and equipment repair are budgeted at \$251,265, and include HVAC repairs recommended by the Public Works Facilities Manager totaling \$38,700. Additional HVAC repairs totaling \$29,500 will be funded through the Phase III expansion project. Building maintenance accounts for another \$56,177. Overall maintenance costs decrease \$35,031. Operational supplies include costs for such items as replacement seats and backs for folding chairs, supplies to clean and maintain the building, aisle and booth carpet, and replacement AV equipment. The Museum's operating expenses decrease \$1,211 overall. Painting of the Museum building has been funded at \$16,500. Energy costs for the Convention Center are budgeted to remain the same for FY 18. Vehicle fuel and maintenance costs are expected to decrease. Intragovernmental allocations for IT Services, property insurance, General Overhead and Vehicle Lease increase. Debt Service includes principal and interest on the 2013 bonds and the Energy Performance Lease. The 2014 bond was paid off in March 2016. Food and Beverage tax receipts and interest will be used to pay the debt service on the 2013 bonds. Transfer to Reserves reflects the amount to be set aside for the capital reserve fund and the food tax that exceeds bond payments. FY 16 capital purchases include items purchased for the Energy Performance contract and the replacement of ballroom curtains, a walk-in refrigerator, a genie lift and a burnisher, funded by a private contribution from Centerplate as part of their contract renegotiation.

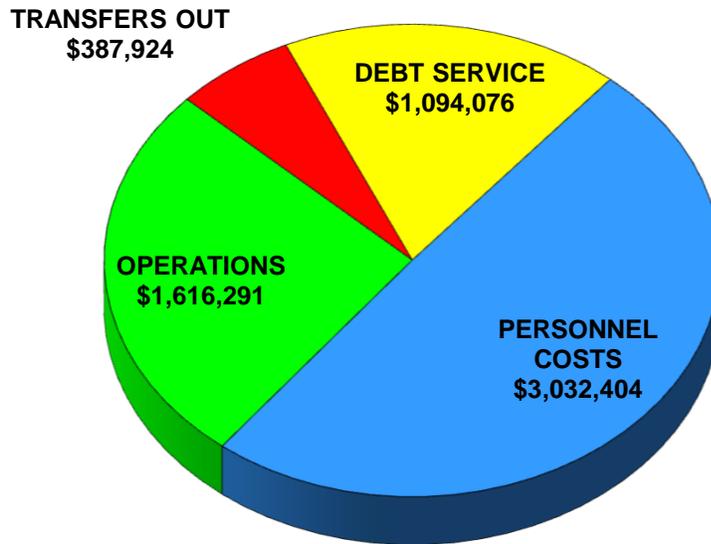
TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET
CONVENTION CENTER FUND AND MUSEUM

EXPENDITURES	ACTUAL 2016	ADOPTED 2017	CITY MANAGER PROPOSED 2018	COUNCIL ADOPTED 2018
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 1,872,011	\$ 1,968,149	\$ 2,015,697	\$ 2,015,697
EMPLOYEE BENEFITS	917,122	959,898	1,016,707	1,016,707
	<u>2,789,133</u>	<u>2,928,047</u>	<u>3,032,404</u>	<u>3,032,404</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	175,167	272,626	199,956	199,956
MAINTENANCE	356,907	342,473	307,442	307,442
SUPPLIES & MATERIALS	191,135	173,013	204,646	204,646
ENERGY	488,977	535,157	535,157	535,157
VEHICLE SUPPLIES & REPAIR	10,260	23,770	20,205	20,205
INTRAGOVERNMENTAL	320,684	339,527	348,885	348,885
	<u>1,543,130</u>	<u>1,686,566</u>	<u>1,616,291</u>	<u>1,616,291</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	3,241,197	1,110,566	1,094,076	1,094,076
TRANSFER TO RESERVES	0	309,434	387,924	387,924
CAPITAL OUTLAY	772,417	0	0	0
	<u>4,013,614</u>	<u>1,420,000</u>	<u>1,482,000</u>	<u>1,482,000</u>
TOTAL EXPENDITURES	<u>\$ 8,345,877</u>	<u>\$ 6,034,613</u>	<u>\$ 6,130,695</u>	<u>\$ 6,130,695</u>
LESS REVENUE GENERATED BY DIVISION				
HALL RENTAL REVENUE	(808,420)	(860,000)	(830,000)	(830,000)
PERFORMING ARTS CENTER	(49,470)	(55,200)	(60,000)	(60,000)
SPECIAL EVENT REVENUE	(48,987)	(140,000)	(75,000)	(75,000)
CONCESSION REVENUE	(378,970)	(360,000)	(390,000)	(390,000)
SERVICE CHARGES	(300,433)	(315,000)	(331,000)	(331,000)
BUS PARKING REVENUE	(1,630)	0	0	0
MONTHLY LEASE REVENUE	(7,500)	(7,500)	(7,500)	(7,500)
SALES/OTHER	(95,217)	(87,500)	(87,500)	(87,500)
FOOD & BEVERAGE TAX	(1,354,506)	(1,270,000)	(1,350,000)	(1,350,000)
INTEREST ON INVESTMENTS	(25,337)	(50,000)	(32,000)	(32,000)
INSURANCE CLAIM PAYMENTS	(27,637)	0	0	0
ATM REVENUE	(14,400)	(14,400)	(14,400)	(14,400)
COUNTY - VISITORS/CONV BUREAU	(50,000)	(50,000)	(50,000)	(50,000)
FEDERAL GRANTS	(9,835)	0	0	0
CAPITAL LEASE ISSUANCE	(713,600)	0	0	0
PRIVATE CONTRIBUTIONS	(500,000)	0	0	0
PRIOR YEAR RESERVES	(1,178,824)	0	0	0
STATE OPERATING/CAPITAL GRANT	(1,343,928)	(1,412,506)	(1,451,647)	(1,451,647)
	<u>(6,908,694)</u>	<u>(4,622,106)</u>	<u>(4,679,047)</u>	<u>(4,679,047)</u>
TOTAL TOWN CONTRIBUTION	<u>\$ 1,437,183</u>	<u>\$ 1,412,507</u>	<u>\$ 1,451,648</u>	<u>\$ 1,451,648</u>
MUSEUM				
	ACTUAL	ADOPTED	CITY MANAGER	COUNCIL
	2016	2017	PROPOSED	ADOPTED
	2018	2018		
PERSONNEL COSTS:	197,492	201,575	215,926	215,926
OPERATING EXPENSES:	19,808	47,701	46,490	46,490
TOTAL EXPENDITURES	<u>217,300</u>	<u>249,276</u>	<u>262,416</u>	<u>262,416</u>

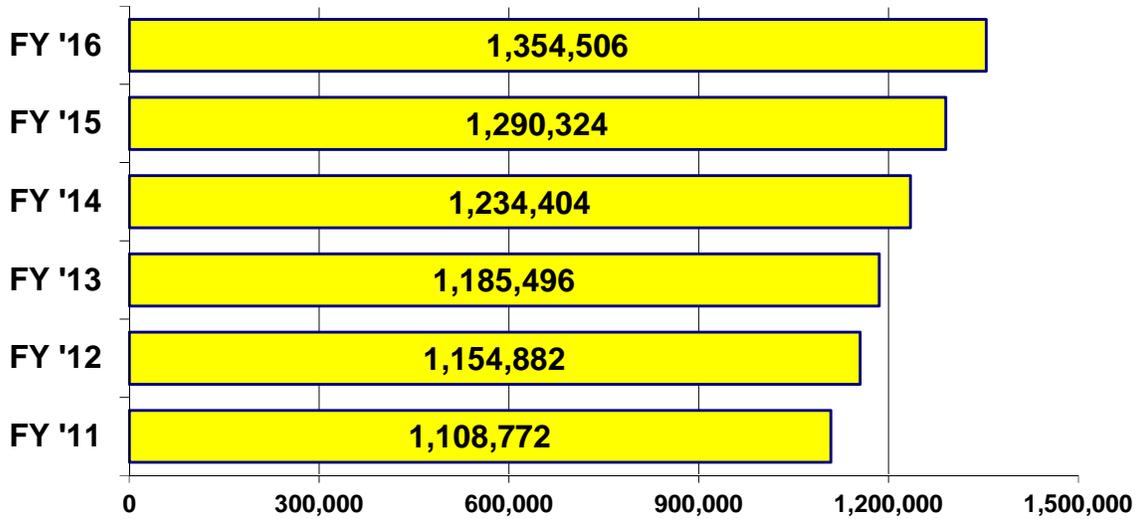
Convention Center Fund Revenue FY 2018 Adopted



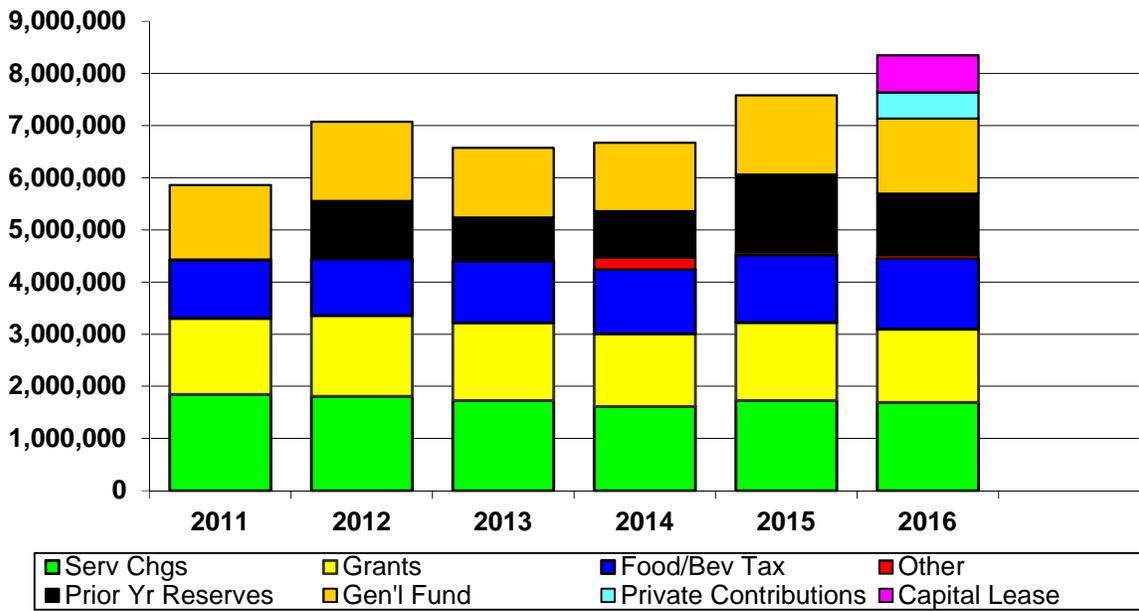
Convention Center Fund Expenditures 2018 Adopted



Food & Beverage Tax FY 2011 - FY 2016



OCCC Operations Revenue by Type FY 11 - FY 16



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.

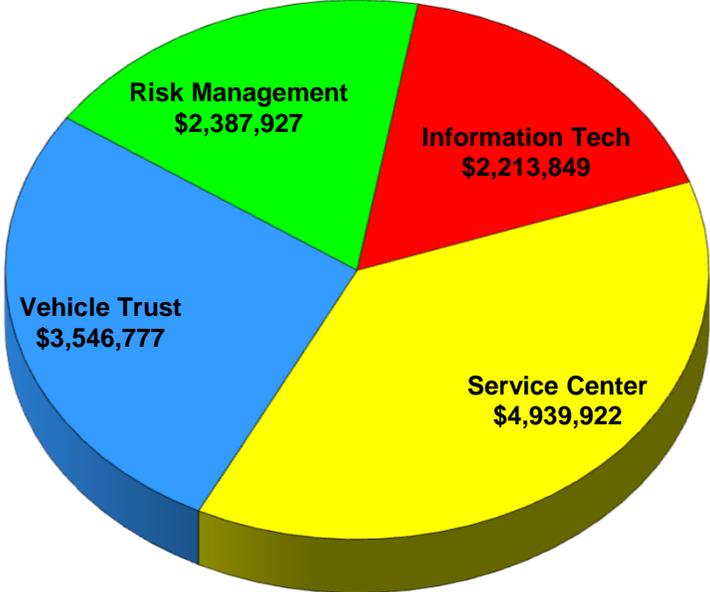
VEHICLE AND EQUIPMENT TRUST FUND

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.

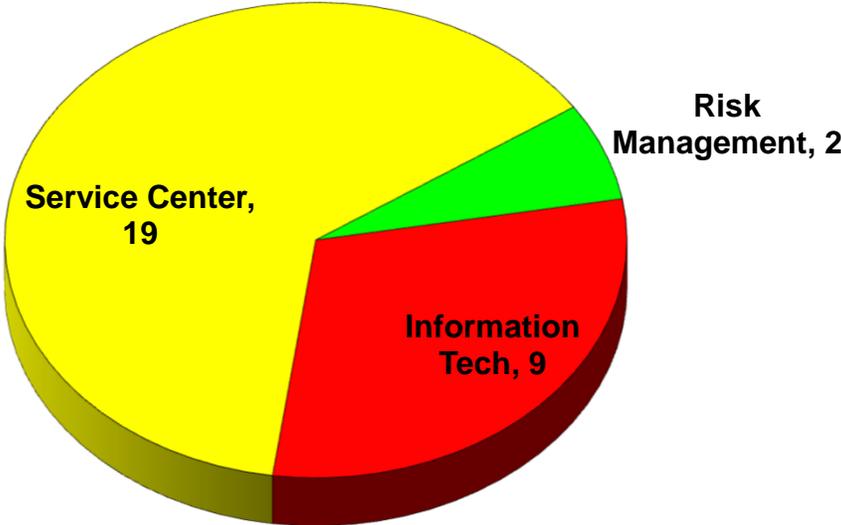
RISK MANAGEMENT FUND

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 18 Internal Service Funds Expenses



FY 18 Internal Service Fund Full-Time Personnel



TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET

INFORMATION TECHNOLOGY

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

The overall IT budget increases \$96,677 for FY 18, resulting in an increase in charges to most funds. Comcast Fiber connections for Fire station 4 and for the Convention Center and the Comcast circuit have been charged to the Equipment Trust Fund and paid for with funds collected from water tower antenna rental revenue dedicated to City-wide communications expenses. Maintenance costs for the CAD/RMS system cost \$156,790 and are allocated directly to the departments that use this software.

PERSONNEL CHANGES:

Nine positions are funded in this budget. One PC Specialist position was eliminated in FY 11. Funding for a step increase effective January 1, 2018 has been included. No part-time employees are utilized by this department. Benefit costs increase for health insurance, retiree health and pension.

CHANGES IN OPERATIONS:

Software support, maintenance and software upgrades account for \$595,860 of the IT budget. This accounts for more than half of the operating costs of the department. A large component of this line item is the software support for the CAD/RMS software. This maintenance agreement costs \$156,790 annually. Maintenance and software support for all other software programs totals \$439,070. Software support has increased \$164,000 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 \$66,538. Annual cleaning of all city surveillance cameras is included at \$12,475. Training and Travel costs were budgeted at \$18,000 for this division. Included items are: attendance at the H.T.E. National conference for two employees, \$3,800; an SQL class, \$4,600; H.T.E. web training and laserfiche training. A service to provide off-site data recovery was added during FY 17 budget wrap-up at a cost of \$54,000, and will be an on-going, annual expense. Operational Supplies have been increased \$11,975. Funded supplies include: Naviline Edge, \$13,920; Network storage, \$38,062; a replacement AS400 printer, \$11,625 and Microsoft software assurance, \$70,000. Police department approved equipment totals \$39,263, and EMS equipment has been included at \$20,068. Continuation of the surveillance camera project and the Radwin license radio upgrade totaling \$170,000 have been included in capital projects in the General Fund. Intragovernmental allocations for General Overhead expense and vehicle lease increase for this division.

TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET
INFORMATION TECHNOLOGY

EXPENDITURES	ACTUAL 2016	ADOPTED 2017	CITY MANAGER PROPOSED 2018	COUNCIL ADOPTED 2018
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 667,593	\$ 681,029	\$ 701,526	\$ 701,526
EMPLOYEE BENEFITS	316,969	323,125	351,553	351,553
	<u>984,562</u>	<u>1,004,154</u>	<u>1,053,079</u>	<u>1,053,079</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	119,212	184,375	181,632	181,632
MAINTENANCE	555,785	560,807	595,860	595,860
SUPPLIES & MATERIALS	309,727	295,815	307,790	307,790
ENERGY	5,753	6,810	6,333	6,333
VEHICLE SUPPLIES & REPAIR	1,043	6,670	5,256	5,256
INTRAGOVERNMENTAL	55,236	58,541	63,899	63,899
	<u>1,046,756</u>	<u>1,113,018</u>	<u>1,160,770</u>	<u>1,160,770</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>\$ 2,031,318</u>	<u>\$ 2,117,172</u>	<u>\$ 2,213,849</u>	<u>\$ 2,213,849</u>
LESS REVENUE GENERATED BY DEPARTMENT				
GENERAL FUND	(1,617,649)	(1,590,615)	(1,664,142)	(1,664,142)
WATER FUND	(103,054)	(118,890)	(123,881)	(123,881)
WASTEWATER FUND	(118,904)	(136,972)	(143,080)	(143,080)
TRANSPORTATION FUND	(49,842)	(56,836)	(65,644)	(65,644)
AIRPORT FUND	(12,187)	(13,299)	(11,587)	(11,587)
GOLF COURSE FUND	(29,126)	(25,515)	(25,987)	(25,987)
CONVENTION CENTER FUND	(46,634)	(50,874)	(51,886)	(51,886)
SERVICE CENTER FUND	(93,732)	(93,475)	(98,682)	(98,682)
RISK MANAGEMENT FUND	(25,856)	(30,696)	(28,960)	(28,960)
PRIOR YEAR RESERVES	(22)	0	0	0
	<u>(2,097,006)</u>	<u>(2,117,172)</u>	<u>(2,213,849)</u>	<u>(2,213,849)</u>
REVENUES (OVER)/UNDER EXPENDITURES	<u>\$ (65,688)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET**

SERVICE CENTER FUND AND IMPOUND LOT

BUDGET HIGHLIGHTS:

REVENUE:

Fuel revenue is dependent on fuel cost, and the Energy Administration has projected that both gasoline and diesel fuel rates will increase from the rates budgeted in FY 17.

Although the number of gallons of each type of fuel is anticipated to remain the same, overall fuel revenue will increase. Parts revenue has been projected to increase for FY 18. Labor rates for light equipment are set at \$67 per hour and labor rates for heavy equipment are currently \$86 per hour. It has not been necessary to increase labor rates for several years. Vehicle labor revenue has been budgeted at the FY 16 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. A Contract Specialist position was requested, but not funded. A step increase effective on January 1, 2018 has been included. Funding has been included for a seasonal vehicle technician. In the Impound Lot division, funding for seasonal staff and the estimate for Unemployment have been increased. Allocations for health insurance and pension contributions account for \$45,127 of the increases in employee benefits for this division. A tool allowance of \$500 per mechanic has been included in the Service Center budget.

CHANGES IN OPERATIONS:

Contracted Services expenses are expected to decrease. 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 Procurement Institute conference for one employee, online training for Purchasing staff, and automotive training for the mechanics. Building and equipment maintenance costs are projected to decrease as the FY 17 budget included \$7,500 to repair the drains in the Fleet garage. Purchases of fuel and inventory are the major expenses in this department. Vehicle fuel is purchased by this department and charged to all other City departments as it is consumed. This expense is reflected in the vehicle fuel line item in all City departments and is a notable cost for Transportation, Solid Waste and Police. Vehicle fuel costs are expected to increase, while the number of gallons purchased is expected to remain stable in FY 18. The estimate for fuel purchases has been increased \$188,978 from FY 17. Estimates of inventory for parts and supplies has been budgeted to increase \$22,676 for FY 18. Supplies and Materials increase \$57,700 in FY 18, and include the purchase of an electric forklift, \$18,000, an a/c reclamation machine, \$8,700 and a wireless lift for the garage, \$31,000. Energy costs for this department are anticipated to decrease for FY 18. Vehicle expenses are projected to increase. Intragovernmental allocations for vehicle lease, IT services, and General Overhead increase for this division.

TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET
SERVICE CENTER FUND AND IMPOUND LOT

EXPENDITURES	ACTUAL 2016	ADOPTED 2017	CITY MANAGER PROPOSED 2018	COUNCIL ADOPTED 2018
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 1,112,012	\$ 1,122,635	\$ 1,139,469	\$ 1,139,469
EMPLOYEE BENEFITS	598,413	582,002	631,480	631,480
	<u>1,710,425</u>	<u>1,704,637</u>	<u>1,770,949</u>	<u>1,770,949</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	98,061	81,265	71,157	71,157
SUPPLIES & MATERIALS	38,537	37,946	95,646	95,646
PURCHASES FOR RESALE	2,009,632	2,443,047	2,654,701	2,654,701
ENERGY	36,474	76,503	57,500	57,500
VEHICLE SUPPLIES & REPAIR	32,474	20,536	23,585	23,585
INTRAGOVERNMENTAL	282,051	258,313	266,384	266,384
	<u>2,497,229</u>	<u>2,917,610</u>	<u>3,168,973</u>	<u>3,168,973</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>\$ 4,207,654</u>	<u>\$ 4,622,247</u>	<u>\$ 4,939,922</u>	<u>\$ 4,939,922</u>
LESS REVENUE GENERATED BY DIVISION				
FUEL REVENUE	(1,265,046)	(1,699,125)	(1,930,729)	(1,930,729)
PARTS REVENUE	(1,501,659)	(1,435,519)	(1,480,772)	(1,480,772)
LABOR REVENUE	(1,534,943)	(1,485,770)	(1,525,421)	(1,525,421)
PRIOR YEAR RESERVES	0	0	0	0
DISCOUNTS TAKEN	(5,133)	(1,833)	(3,000)	(3,000)
	<u>(4,306,781)</u>	<u>(4,622,247)</u>	<u>(4,939,922)</u>	<u>(4,939,922)</u>
REVENUES (OVER)/UNDER EXPENDITURES	<u>\$ (99,127)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
IMPOUND LOT				
	ACTUAL 2016	ADOPTED 2017	CITY MANAGER PROPOSED 2018	COUNCIL ADOPTED 2018
PERSONNEL COSTS	134,482	130,682	141,890	141,890
OPERATING EXPENSES	8,797	9,869	10,240	10,240
TOTAL EXPENDITURES	<u>143,279</u>	<u>140,551</u>	<u>152,130</u>	<u>152,130</u>

**TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET**

VEHICLE AND EQUIPMENT TRUST FUND

<u>REQUESTED VEHICLES</u>	<u>REPLACEMENT Yes/No</u>	<u>COUNCIL APPROVED</u>
EMS:		
Ambulance	Y	315,000
GOLF COURSE:		
Rotary Mower	Y	20,500
Triplex Greensmower (2)	Y	58,950
Fairway Mower	Y	54,200
POLICE:		
Animal Control Van	Y	24,000
Marked Tahoe 4x2	Y	35,000
Marked Caprice (4)	Y	110,000
PUBLIC WORKS CONSTRUCTION:		
Fuel Truck	Y	115,000
Dump Truck	Y	225,000
PUBLIC WORKS MAINTENANCE:		
Beach Cleaner	Y	50,000
Pick Up ½ Ton 4x4 (5)	Y	115,000
Pick Up F150 4x4	Y	23,000
SOLID WASTE:		
Auto Side Load Trash Truck (2)	Y	479,000
Front End Trash Truck	Y	237,000
WATER:		
Pick Up ¾ Ton 4x4	Y	26,000
		\$1,887,650
Principal & Interest for Radio Equipment		563,739
Principal & Interest for Heavy Equipment		227,947
Contingency for Boardwalk Tram Purchase		200,000

TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET
VEHICLE AND EQUIPMENT TRUST FUND

EXPENDITURES	ACTUAL 2016	ADOPTED 2017	CITY MANAGER PROPOSED 2018	COUNCIL ADOPTED 2018
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	182,276	127,667	128,795	128,795
SUPPLIES & MATERIALS	35,104	5,000	5,000	5,000
ENERGY	0	0	0	0
VEHICLE SUPPLIES & REPAIR	0	0	0	0
INTRAGOVERNMENTAL	482,082	482,226	533,646	533,646
	<u>699,462</u>	<u>614,893</u>	<u>667,441</u>	<u>667,441</u>
OTHER FINANCIAL USES:				
DEBT SERVICE	14,105	179,635	991,686	991,686
TRANSFER OUT	0	0	0	0
CAPITAL OUTLAY	3,385,712	1,828,808	1,891,650	1,887,650
	<u>3,399,817</u>	<u>2,008,443</u>	<u>2,883,336</u>	<u>2,879,336</u>
TOTAL EXPENDITURES	<u>\$ 4,099,279</u>	<u>\$ 2,623,336</u>	<u>\$ 3,550,777</u>	<u>\$ 3,546,777</u>
LESS REVENUE GENERATED BY DEPARTMENT				
SALE - CAPITAL ASSETS	(359,556)	(60,000)	(101,000)	(101,000)
SALES - MATERIALS & SERVICE	(510,719)	(485,751)	(447,096)	(447,096)
GENERAL FUND CONTRIBUTION	(1,501,036)	(1,669,827)	(1,914,794)	(1,914,794)
WATER FUND CONTRIBUTION	(33,231)	(68,783)	(88,461)	(88,461)
WASTEWATER CONTRIBUTION	(100,182)	(111,154)	(114,725)	(114,725)
TRANSPORTATION CONTRIBUTION	(128,658)	(131,009)	(342,277)	(342,277)
AIRPORT FUND CONTRIBUTION	(5,588)	(5,552)	(6,701)	(6,701)
GOLF COURSE CONTRIBUTION	(61,852)	(70,657)	(80,962)	(80,962)
TOURISM FUND CONTRIBUTION	(5,227)	(7,025)	(10,142)	(10,142)
IT FUND CONTRIBUTION	(2,300)	(2,753)	(2,988)	(2,988)
SERVICE CENTER CONTRIBUTION	(9,810)	(9,392)	(10,533)	(10,533)
RISK MGT CONTRIBUTION	(1,037)	(1,433)	(1,547)	(1,547)
CAPITAL LEASE ISSUANCE	(1,655,483)	0	0	0
	<u>(4,374,679)</u>	<u>(2,623,336)</u>	<u>(3,121,226)</u>	<u>(3,121,226)</u>
REVENUES (OVER)/UNDER EXPENDITURES	<u>\$ (275,400)</u>	<u>\$ 0</u>	<u>\$ 429,551</u>	<u>\$ 425,551</u>

TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET
RISK MANAGEMENT FUND

BUDGET HIGHLIGHTS:

REVENUE CHANGES:

Interest earnings are expected to decrease in FY 18. 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 53% of the Risk Management budget. Projected expenses for General Liability have been increased \$25,000 for FY 18, as the State of Maryland has increased the liability cap for general liability and auto claims.

PERSONNEL CHANGES:

Two full-time positions are funded in this division. A step increase effective January 1, 2018 has been included. Funding has been included for one part-time Office Associate position to work two days per week for June, July and August and several days per month for the remainder of the year. Both health insurance and retirement contributions increase for this division.

CHANGES IN OPERATIONS:

Contracted Services include professional services and legal services. Legal fees have been budgeted at \$95,000. An Actuarial study to assess ultimate losses and outstanding liability associated with the Town's self-insured worker's compensation, general liability and auto exposure was funded in FY 16 at a cost of \$15,000. It has been recommended by the Town's auditing firm that this study be conducted every few fiscal years, and will be included in the FY 19 budget. This study determines the necessary reserves for each type of insurance claims and also determines the allocation of each type of insurance to each City department. The actuarial study increased the amount of Risk fund balance restricted for claims and liability and for future claims by \$736,366. Reserves necessary for worker's compensation claims increased from \$2.2 million to \$3.2 million, but the amount necessary for auto liability claims was reduced. Insurance coverage and payment of insurance claims are the largest expenses in this department. Overall insurance costs are expected to increase \$25,000 in FY 18. The Maryland cap on General Liability and Auto claims was increased to \$400,000 on October 1, 2015, increasing overall liability to the Town. The amount allocated for worker's compensation claims in FY 18 is \$750,000, while the total allocation for worker's compensation is \$1,177,836. Property insurance is estimated to remain at \$290,000 for FY 18, while General Liability claims have been increased \$25,000, and Automobile claims are budgeted at the FY 17 level. \$1,839,950 has been budgeted to cover the cost of insurance policies and insurance claims for FY 18. Intragovernmental expenses increase due to increases in General Overhead expense.

TOWN OF OCEAN CITY
FISCAL YEAR 2018 BUDGET
RISK MANAGEMENT FUND

EXPENDITURES	ACTUAL 2016	ADOPTED 2017	CITY MANAGER PROPOSED 2018	COUNCIL ADOPTED 2018
PERSONNEL COSTS:				
SALARY AND WAGES	\$ 183,174	\$ 183,708	\$ 186,989	\$ 186,989
EMPLOYEE BENEFITS	72,443	75,521	85,783	85,783
	<u>255,617</u>	<u>259,229</u>	<u>272,772</u>	<u>272,772</u>
OPERATING EXPENSES:				
CONTRACTED SERVICES	157,416	145,920	145,804	145,804
INSURANCE COSTS	3,016,303	1,814,950	1,839,950	1,839,950
SUPPLIES & MATERIALS	2,242	2,960	2,835	2,835
ENERGY	0	0	0	0
VEHICLE SUPPLIES & REPAIR	1,503	1,436	1,688	1,688
INTRAGOVERNMENTAL	93,380	110,722	124,878	124,878
	<u>3,270,844</u>	<u>2,075,988</u>	<u>2,115,155</u>	<u>2,115,155</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>\$ 3,526,461</u>	<u>\$ 2,335,217</u>	<u>\$ 2,387,927</u>	<u>\$ 2,387,927</u>
LESS REVENUE GENERATED BY DEPARTMENT				
INTEREST EARNED	(60,520)	(47,259)	(44,991)	(44,991)
GENERAL FUND	(1,450,980)	(1,322,132)	(1,312,189)	(1,312,189)
WATER FUND	(103,732)	(92,272)	(92,482)	(92,482)
WASTEWATER FUND	(142,766)	(123,427)	(123,069)	(123,069)
TRANSPORTATION FUND	(96,426)	(88,850)	(90,404)	(90,404)
AIRPORT FUND	(14,850)	(13,538)	(13,604)	(13,604)
GOLF COURSE FUND	(26,113)	(23,098)	(23,914)	(23,914)
CONVENTION CENTER FUND	(157,012)	(164,967)	(167,024)	(167,024)
SERVICE CENTER FUND	(30,384)	(23,684)	(23,793)	(23,793)
MIS FUND	(11,449)	(9,008)	(9,062)	(9,062)
VEHICLE TRUST FUND	(426,982)	(426,982)	(487,395)	(487,395)
INSURANCE CLAIMS	(17,438)	0	0	0
PRIOR YEAR RESERVES	0	0	0	0
	<u>(2,538,652)</u>	<u>(2,335,217)</u>	<u>(2,387,927)</u>	<u>(2,387,927)</u>
REVENUES (OVER)/UNDER EXPENDITURES	<u>\$ 987,809</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

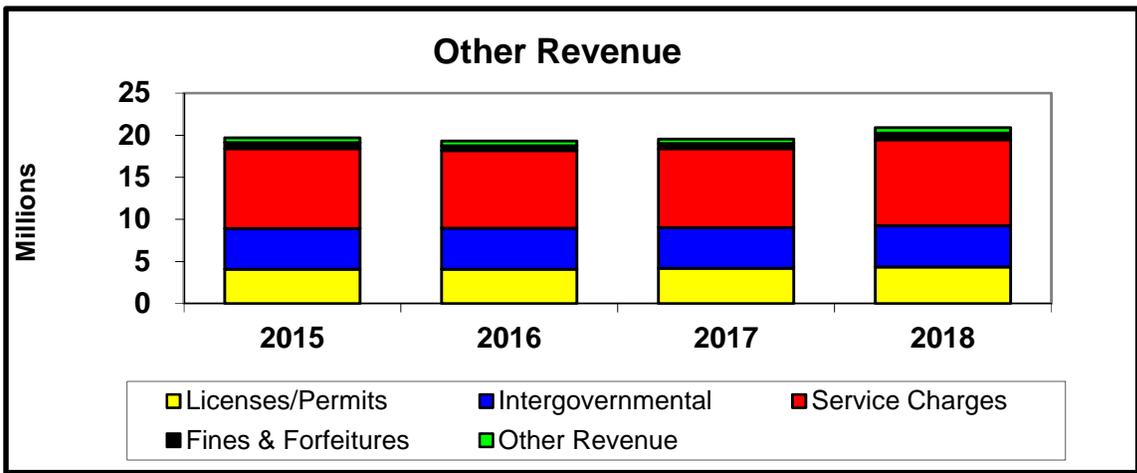
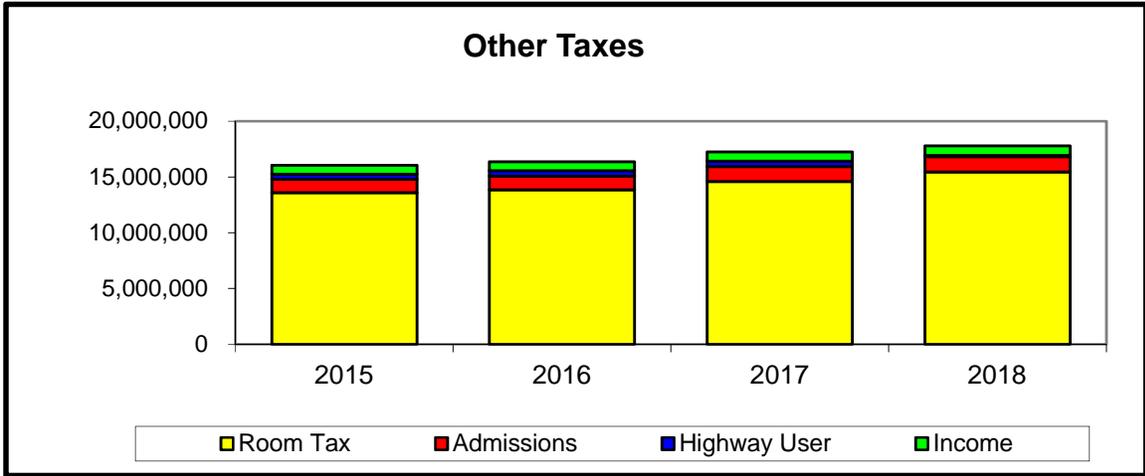
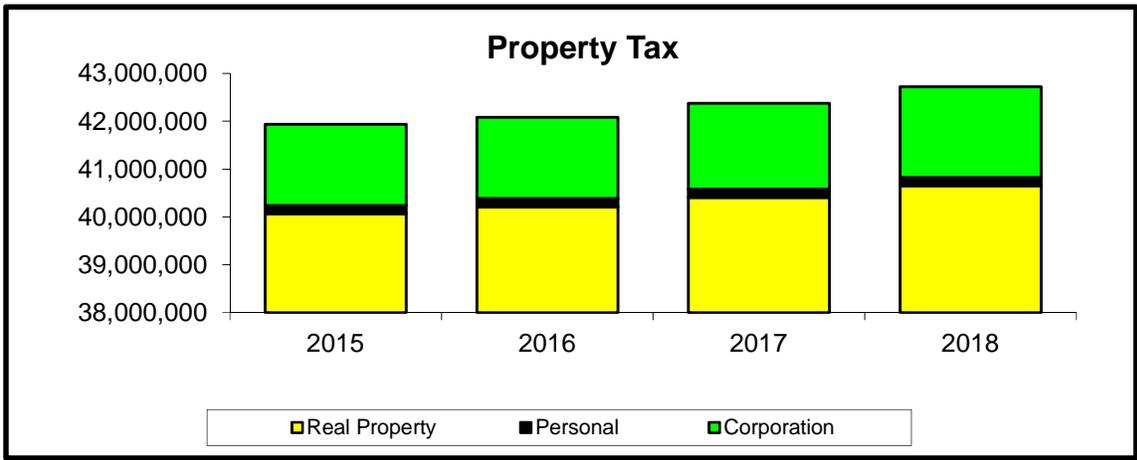


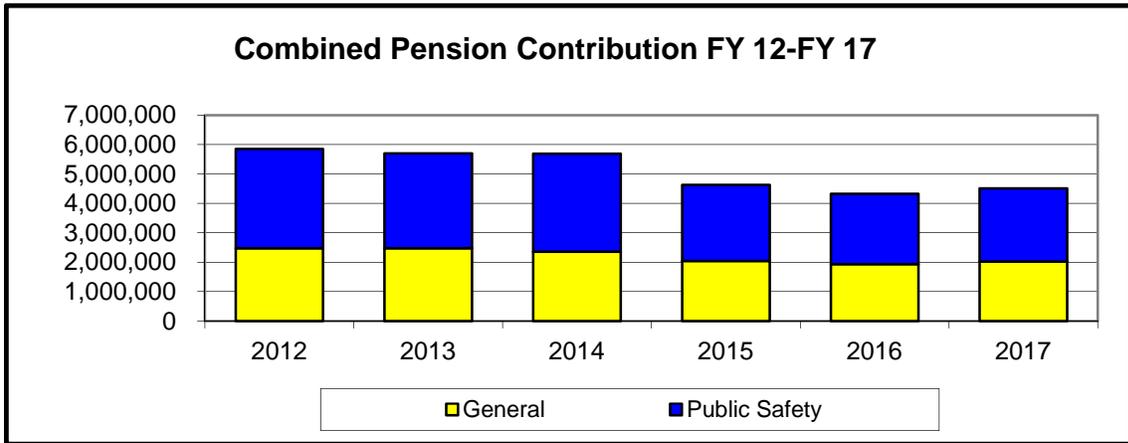
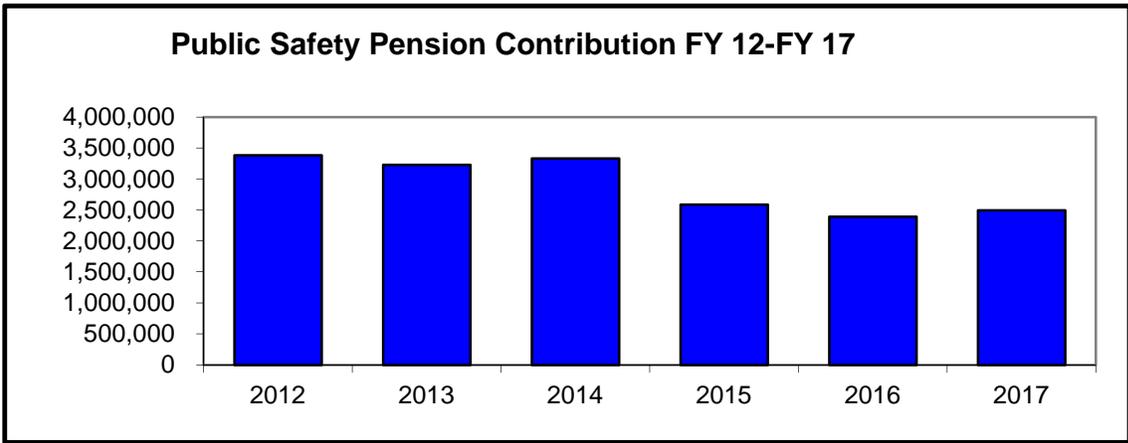
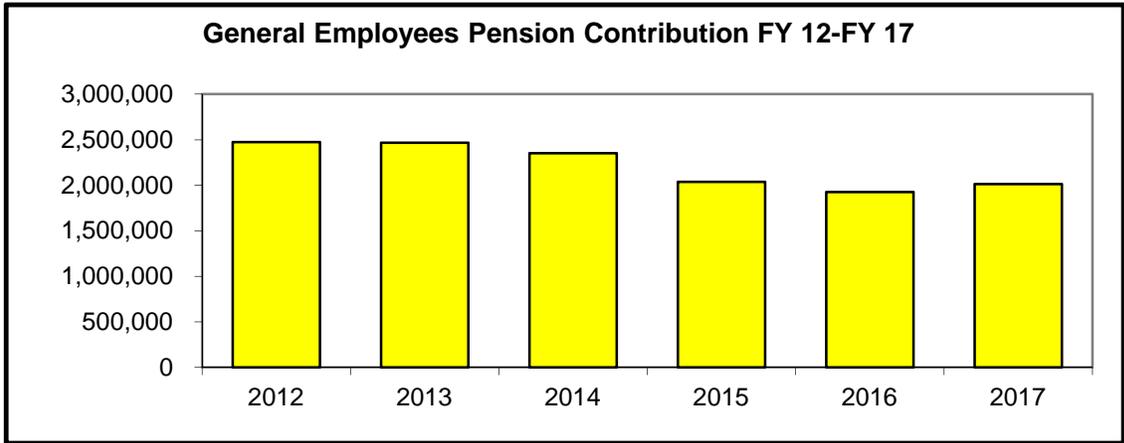
SUPPLEMENTARY INFORMATION

TOWN OF OCEAN CITY
 FULL TIME PERSONNEL, ALLOCATIONS
 1987, 1997, 1999, 2009, 2014, 2015, 2016, 2017 AND BUDGET 2018

	<u>FY-87</u>	<u>FY-97</u>	<u>FY-99</u>	<u>FY-09</u>	<u>FY -14</u>	<u>FY -15</u>	<u>FY -16</u>	<u>FY-17</u>	<u>FY-18</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	14	14	14	14	0	-2
Human Resources	3	3	4	4	4	5	5	5	5	0	1
	<u>27</u>	<u>26</u>	<u>29</u>	<u>31</u>	<u>31</u>	<u>31</u>	<u>31</u>	<u>31</u>	<u>31</u>	<u>0</u>	<u>0</u>
PLANNING AND BUILDING											
Planning Administration	11	4	4	8	6	6	5	5	5	0	-3
Building Inspection	9	5	6	7	7	6	6	6	7	1	0
	<u>20</u>	<u>9</u>	<u>10</u>	<u>15</u>	<u>13</u>	<u>12</u>	<u>11</u>	<u>11</u>	<u>12</u>	<u>1</u>	<u>-3</u>
PUBLIC SAFETY											
Police - Administration	34	21	24	14	14	12	12	12	12	0	-2
Police - Services		15	17	26	25	21	21	21	21	0	-5
Police - CID	10	12	13	22	20	25	25	25	25	0	3
Police - Patrol	54	60	58	71	71	72	72	72	73	1	2
Animal Control	2	2	2	2	2	2	2	2	2	0	0
Communications	1	14	14	22	21	22	22	22	22	0	0
Fire	3	3	3	3	3	3	3	3	3	0	0
Emergency Medical	27	26	26	42	43	43	43	43	44	1	2
Fire Marshal	5	5	5	9	7	7	7	7	7	0	-2
	<u>136</u>	<u>158</u>	<u>162</u>	<u>211</u>	<u>206</u>	<u>207</u>	<u>207</u>	<u>207</u>	<u>209</u>	<u>2</u>	<u>-2</u>
PUBLIC WORKS											
Engineering	11	5	5	8	5	6	6	6	6	0	-2
PW - Administration	3	3	3	4	5	5	5	5	6	1	2
PW - Bldg & Grounds	6	8	10	11	10	10	10	10	10	0	-1
PW - Streets	23	21	16	25	13	13	13	13	12	-1	-13
PW - Storm Drains	7	7	8	0	0	0	0	0	0	0	0
PW - Street Maintenance			13	15	15	16	16	16	16	0	1
PW - Beach	5	7	4	5	5	5	5	5	5	0	0
PW - Boardwalk	6	6	4	5	5	5	5	5	5	0	0
PW - Janitorial	2	5	6	9	6	6	6	6	6	0	-3
PW - Parking	1	1	1	4	2	2	2	2	2	0	-2
Impound Lot	5	4	4	5	2	2	2	2	2	0	-3
	<u>69</u>	<u>67</u>	<u>74</u>	<u>91</u>	<u>68</u>	<u>70</u>	<u>70</u>	<u>70</u>	<u>70</u>	<u>0</u>	<u>-21</u>
SOLID WASTE											
Solid Waste - Operations	49	32	31	19	17	16	16	16	16	0	-3
Solid Waste - Transfer Station		7	7	9	5	5	5	5	5	0	-4
Solid Waste - Recycling		7	8	16	0	0	0	0	0	0	-16
	<u>49</u>	<u>46</u>	<u>46</u>	<u>44</u>	<u>22</u>	<u>21</u>	<u>21</u>	<u>21</u>	<u>21</u>	<u>0</u>	<u>-23</u>
RECREATION AND PARKS											
Administration	4	7	7	6	5	5	4	4	4	0	-2
Recreation Programs	4	5	6	7	7	7	7	7	7	0	0
Beach Patrol				1	1	1	1	1	1	0	0
Park Maintenance	11	12	13	22	17	17	17	17	18	1	-4
Special Events		2	2	6	4	5	5	5	5	0	-1
	<u>19</u>	<u>26</u>	<u>28</u>	<u>42</u>	<u>34</u>	<u>35</u>	<u>34</u>	<u>34</u>	<u>35</u>	<u>1</u>	<u>-7</u>

TOURISM											
Tourism Promotions		1	2	5	2	2	2	2	2	0	-3
Public Relations	3	6	6	1	0	0	0	0	0	0	-1
Museum	2	2	6	3	2	2	2	2	2	0	-1
	<u>5</u>	<u>9</u>	<u>14</u>	<u>9</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>0</u>	<u>-5</u>
WATER											
Water Administration	2	2	2	2	1	1	1	1	1	0	-1
Distribution System	7	7	7	7	7	7	7	7	7	0	0
Plants	10	10	10	11	10	10	10	10	10	0	-1
Meter Reading/Install	5	5	5	4	3	3	3	3	3	0	-1
	<u>24</u>	<u>24</u>	<u>24</u>	<u>24</u>	<u>21</u>	<u>21</u>	<u>21</u>	<u>21</u>	<u>21</u>	<u>0</u>	<u>-3</u>
WASTEWATER											
Administration		4	4	5	4	4	4	4	4	0	-1
Treatment Plant		32	32	32	31	31	31	31	31	0	-1
Collection System		8	8	9	8	8	8	8	8	0	-1
Farm		3	3	0	0	0	0	0	0	0	0
Lab		3	3	3	3	3	3	3	3	0	0
		<u>50</u>	<u>50</u>	<u>49</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	3	3	0	-2
Buses	9	12	9	12	9	9	9	10	10	0	-2
	<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
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	5	5	5	5	5	0	-2
Convention Sales		3	4	3	3	3	3	3	3	0	0
Maintenance	12	11	25	30	24	25	26	26	26	0	-4
	<u>17</u>	<u>19</u>	<u>34</u>	<u>40</u>	<u>32</u>	<u>33</u>	<u>34</u>	<u>34</u>	<u>34</u>	<u>0</u>	<u>-6</u>
INFORMATION TECH											
	2	4	5	11	9	9	9	9	9	0	-2
SERVICE CENTER											
Administration	3	3	4	2	3	3	3	3	3	0	1
Central Purchasing	6	5	4	5	4	4	4	4	4	0	-1
Garage	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>531</u>	<u>534</u>	<u>533</u>	<u>533</u>	<u>537</u>	<u>4</u>	<u>-85</u>







BUDGET ORDINANCE

ORDINANCE 2017- *08*

TOWN OF OCEAN CITY
OPERATING BUDGET
FISCAL YEAR 2018

SOURCE	1ST READING FY-2018	2ND READING FY 2018
Section I. General Fund:		
A. Anticipated Revenue:		
Property Taxes	\$ 42,848,691	\$ 42,848,691
Other Taxes	18,454,636	18,454,636
Licenses and Permits	4,321,632	4,321,632
Revenue From Other Agencies	4,950,201	4,950,201
Charges For Services	10,211,476	10,211,476
Fines and Forfeitures	783,865	783,865
Other Revenue	621,237	621,237
Prior Year Reserves	<u>2,237,944</u>	<u>2,237,944</u>
 Total Revenue	 \$ <u>84,429,682</u>	 \$ <u>84,429,682</u>
B. Anticipated Expenditures:		
General Government	\$ 4,033,090	\$ 4,033,090
Public Safety	35,354,450	35,354,450
Public Works/Beach Maintenance	5,547,830	5,547,830
Sanitation and Waste Removal	6,068,265	6,068,265
Highways and Streets	5,765,197	5,765,197
Economic Development -Tourism	8,000,394	8,000,394
Culture and Recreation	7,915,638	7,915,638
Debt Service	<u>5,410,112</u>	<u>5,410,112</u>
 Sub Total	 \$ 78,094,976	 \$ 78,094,976
To Transportation Fund	1,254,618	1,254,618
To Airport Fund	808,440	808,440
To Convention Center Fund	1,451,648	1,451,648
To Capital Projects	<u>2,820,000</u>	<u>2,820,000</u>
 Total Expenditures	 \$ <u>84,429,682</u>	 \$ <u>84,429,682</u>

SOURCE	1ST READING FY-2018	2ND READING FY 2018
Section II, Water Fund:		
A. Anticipated Revenue:		
Water Sales	\$ 3,966,268	\$ 3,966,268
Water Fixture Charge	2,261,843	2,261,843
Service Charges	204,202	204,202
Capacity/Impact Fees	98,280	98,280
Prior Year Reserves	<u>0</u>	<u>0</u>
Total Revenue	<u>\$ 6,530,593</u>	<u>\$ 6,530,593</u>
B. Anticipated Expenditures:		
Personal Services	\$ 2,246,862	\$ 2,246,862
Non-Personal Services	2,815,855	2,815,855
Debt Service	846,704	846,704
Transfer to Reserves	114,673	114,673
Capital Outlay	<u>506,499</u>	<u>506,499</u>
Total Expenditures	<u>\$ 6,530,593</u>	<u>\$ 6,530,593</u>

Section III, Transportation Fund:

A. Anticipated Revenue:		
Bus Revenue	\$ 3,290,268	\$ 3,290,268
Train Revenue	1,356,000	1,356,000
Federal and State Grants	2,453,962	2,453,962
Transfer-In From General Fund	1,254,618	1,254,618
Prior Year Reserves	<u>0</u>	<u>0</u>
Total Revenue	<u>\$ 8,354,848</u>	<u>\$ 8,354,848</u>
B. Anticipated Expenditures:		
Personal Services	\$ 3,983,436	\$ 3,983,436
Non-Personal Services	3,436,212	3,436,212
Capital Outlay	<u>935,200</u>	<u>935,200</u>
Total Expenditures	<u>\$ 8,354,848</u>	<u>\$ 8,354,848</u>

SOURCE	1ST READING FY-2018	2ND READING FY 2018
Section IV, Wastewater Fund:		
A. Anticipated Revenue:		
Wastewater Treatment Charges	\$ 13,129,006	\$ 13,129,006
Service Charges	1,115,691	1,115,691
Capacity/Impact Fees	171,600	171,600
Build America Bond Subsidy	105,539	105,539
Prior Year Reserves	<u>847,019</u>	<u>847,019</u>
Total Revenue	<u>\$ 15,368,855</u>	<u>\$ 15,368,855</u>
B. Anticipated Expenditures:		
Personal Services	\$ 4,187,434	\$ 4,187,434
Non-Personal Services	3,990,309	3,990,309
Debt Service	4,189,112	4,189,112
Capital Outlay	<u>3,002,000</u>	<u>3,002,000</u>
Total Expenditures	<u>\$ 15,368,855</u>	<u>\$ 15,368,855</u>

Section V, Airport Fund:

A. Anticipated Revenue:		
Fuel Sales	\$ 540,750	\$ 540,750
Rents and Other Revenue	372,874	372,874
Federal and State Grants	2,152,500	2,152,500
Service Charges	65,300	65,300
Transfer-In From General Fund	<u>808,440</u>	<u>808,440</u>
Total Revenue	<u>\$ 3,939,864</u>	<u>\$ 3,939,864</u>
B. Anticipated Expenditures:		
Personal Services	\$ 334,046	\$ 334,046
Non-Personal Services	712,855	712,855
Debt Service	142,963	142,963
Capital Outlay	<u>2,750,000</u>	<u>2,750,000</u>
Total Expenditures	<u>\$ 3,939,864</u>	<u>\$ 3,939,864</u>

SOURCE	1ST READING FY-2018	2ND READING FY 2018
Section VI, Municipal Golf Course Fund:		
A. Anticipated Revenue:		
Service Charges	\$ 1,675,393	\$ 1,675,393
Sales and Concessions	416,400	416,400
Other Revenue	49,000	49,000
Prior Year Reserves	<u>6,411</u>	<u>6,411</u>
Total Revenue	<u>\$ 2,147,204</u>	<u>\$ 2,147,204</u>
B. Anticipated Expenditures:		
Personal Services	\$ 1,110,949	\$ 1,110,949
Non-Personal Services	1,036,255	1,036,255
Capital Outlay	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$ 2,147,204</u>	<u>\$ 2,147,204</u>
Section VII, Convention Center Fund:		
A. Anticipated Revenue:		
Service Charges	\$ 1,827,400	\$ 1,827,400
State and County Grants	1,501,647	1,501,647
Food & Beverage Tax	1,350,000	1,350,000
Transfer-In From General Fund	<u>1,451,648</u>	<u>1,451,648</u>
Total Revenue	<u>\$ 6,130,695</u>	<u>\$ 6,130,695</u>
B. Anticipated Expenditures:		
Personal Services	\$ 3,032,404	\$ 3,032,404
Non-Personal Services	1,616,291	1,616,291
Debt Service	1,094,076	1,094,076
Transfer to Reserves	387,924	387,924
Capital Outlay	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$ 6,130,695</u>	<u>\$ 6,130,695</u>

SOURCE	1ST READING FY-2018	2ND READING FY 2018
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Section VIII, Information Technology Fund:

A. Anticipated Revenue:

Service Charges To Other Funds	\$ 2,213,849	\$ 2,213,849
Prior Year Reserves	<u>0</u>	<u>0</u>
Total Revenue	\$ <u>2,213,849</u>	\$ <u>2,213,849</u>

B. Anticipated Expenditures:

Personal Services	\$ 1,053,079	\$ 1,053,079
Non-Personal Services	1,160,770	1,160,770
Capital Outlay	<u>0</u>	<u>0</u>
Total Expenditures	\$ <u>2,213,849</u>	\$ <u>2,213,849</u>

Section IX, Service Center Fund:

A. Anticipated Revenue:

Service Charges To Other Funds	\$ 4,939,922	\$ 4,939,922
Prior Year Reserves	<u>0</u>	<u>0</u>
Total Revenue	\$ <u>4,939,922</u>	\$ <u>4,939,922</u>

B. Anticipated Expenditures:

Personal Services	\$ 1,770,949	\$ 1,770,949
Non-Personal Services	3,168,973	3,168,973
Debt Service	0	0
Capital Outlay	<u>0</u>	<u>0</u>
Total Expenditures	\$ <u>4,939,922</u>	\$ <u>4,939,922</u>

SOURCE	1ST READING FY-2018	2ND READING FY 2018
Section X, Vehicle & Equipment Trust Fund:		
A. Anticipated Revenue:		
Service Charges To Other Funds	\$ 2,573,130	\$ 2,573,130
Sales - Materials & Service	447,096	447,096
Sale of Assets	101,000	101,000
Prior Year Reserves	<u>425,551</u>	<u>425,551</u>
Total Revenue	<u>\$ 3,546,777</u>	<u>\$ 3,546,777</u>
B. Anticipated Expenditures:		
Non-Personal Services	\$ 667,441	\$ 667,441
Debt Service	991,686	991,686
Transfers Out	0	0
Capital Outlay	<u>1,887,650</u>	<u>1,887,650</u>
Total Expenditures	<u>\$ 3,546,777</u>	<u>\$ 3,546,777</u>

Section XI. Risk Management Fund:

A. Anticipated Revenue:		
Service Charges To Other Funds	\$ 2,342,936	\$ 2,342,936
Interest Earned	44,991	44,991
Prior Year Reserves	<u>0</u>	<u>0</u>
Total Revenue	<u>\$ 2,387,927</u>	<u>\$ 2,387,927</u>
B. Anticipated Expenditures:		
Personal Services	\$ 272,772	\$ 272,772
Non-Personal Services/Claims	2,115,155	2,115,155
Capital Outlay	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$ 2,387,927</u>	<u>\$ 2,387,927</u>

SOURCE	1ST READING FY-2018	2ND READING FY 2018
Section XII, Pension Trust Funds:		
A. Anticipated Revenue:		
Employer Contributions	\$ 5,506,624	\$ 5,506,624
Employee Contributions	1,570,000	1,570,000
Investment Earnings	<u>4,305,000</u>	<u>4,305,000</u>
Total Revenue	\$ <u>11,381,624</u>	\$ <u>11,381,624</u>
B. Anticipated Expenditures:		
Benefit Payments	\$ 6,175,000	\$ 6,175,000
Non-Personal Services	835,000	835,000
Reserve for Employee's Retirement	<u>4,371,624</u>	<u>4,371,624</u>
Total Expenditures	\$ <u>11,381,624</u>	\$ <u>11,381,624</u>
Section XIII, OPEB Trust Funds:		
A. Anticipated Revenue:		
Employer Contributions	\$ 3,034,000	\$ 3,034,000
Employee Contributions	250,000	250,000
Investment Earnings	<u>506,000</u>	<u>506,000</u>
Total Revenue	\$ <u>3,790,000</u>	\$ <u>3,790,000</u>
B. Anticipated Expenditures:		
Benefit Payments	\$ 1,405,000	\$ 1,405,000
Non-Personal Services	163,000	163,000
Reserve for Retiree Health	<u>2,222,000</u>	<u>2,222,000</u>
Total Expenditures	\$ <u>3,790,000</u>	\$ <u>3,790,000</u>

SOURCE	1ST READING FY-2018	2ND READING FY 2018
Section XIV, General Capital Projects Fund:		
A. Anticipated Revenue:		
General Fund Contribution	2,820,000	2,820,000
Inlet Lot Parking Revenue	<u>260,000</u>	<u>260,000</u>
Total Revenue	\$ <u>3,080,000</u>	\$ <u>3,080,000</u>
B. Anticipated Expenditures:		
Street Paving	2,200,000	2,200,000
Canal Dredging	450,000	450,000
IT Projects	170,000	170,000
Reserve for Future Capital Projects	<u>260,000</u>	<u>260,000</u>
Total Expenditures	\$ <u>3,080,000</u>	\$ <u>3,080,000</u>

Section XIV. All Funds Expenditure Summary:

General Fund	\$ 84,429,682	\$ 84,429,682
Water Fund	6,530,593	6,530,593
Transportation Fund	8,354,848	8,354,848
Wastewater Fund	15,368,855	15,368,855
Airport Fund	3,939,864	3,939,864
Municipal Golf Course Fund	2,147,204	2,147,204
Convention Center Fund	6,130,695	6,130,695
Information Technology Fund	2,213,849	2,213,849
Service Center Fund	4,939,922	4,939,922
Vehicle & Equipment Trust Fund	3,546,777	3,546,777
Risk Management Fund	2,387,927	2,387,927
Pension Trust Funds	11,381,624	11,381,624
OPEB Trust Fund	<u>3,790,000</u>	<u>3,790,000</u>
Sub Total	\$ 155,161,840	\$ 155,161,840
LESS: Interfund Transfers	<u>(26,945,167)</u>	<u>(26,945,167)</u>
Total Expenditures	\$ 128,216,673	\$ 128,216,673
Capital Projects Fund - General	<u>3,080,000</u>	<u>3,080,000</u>
Grand Total	\$ <u>131,296,673</u>	\$ <u>131,296,673</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:

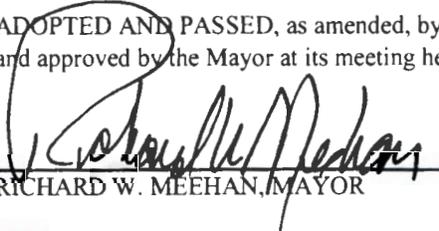
- A. The utilization of any contingency appropriation shall be accomplished only with prior authorization from the Mayor and Council.
- B. Utilization of appropriations established in the Capital Improvement Fund may be accomplished only with the express approval of the Mayor and Council.

Section XVII, Tax Rate:

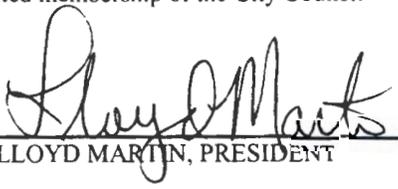
An Ad Valorem Tax Rate of \$0.4656 per \$100 of assessed valuation of real property and a rate of \$1.29 per \$100 of assessed valuation of corporate and personal property tax is required to fund this budget.

INTRODUCED at a meeting of the City Council of Ocean City, Maryland held on May 1, 2017.

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 15, 2017.



 RICHARD W. MEEHAN, MAYOR



 LLOYD MARTIN, PRESIDENT



 DIANA CHAVIS, CITY CLERK



 MARY P. KNIGHT, SECRETARY

ADOPTED: Date *May 15, 2017*

MOTION TO ADOPT BY: *Council Secretary Mary Knight*

MOTION SECONDED BY: *Council Member Wayne Hartman*

VOTE: FOR: *7* AGAINST: *0*