

ORDINANCE NO. 358

AN ORDINANCE ESTABLISHING THE ANNUAL OPERATING BUDGET  
FOR FISCAL YEAR ENDING APRIL 30, 2020

The Town of Ocean View hereby ordains:

Section 1: The statement of anticipated revenues and other funding sources for the fiscal year ending April 30, 2020 is established as follows:

<u>General Fund</u>	<u>Amount Year Ending April 30, 2020</u>
<b>Revenues:</b>	
Taxes:	
Real Estate Tax and Penalties	\$ 2,219,210
Real Estate Transfer Tax	1,000,000
Rental Gross Receipts Tax	282,000
Intergovernmental Revenues:	
State Grant - Municipal Street Aid	118,000
Public Safety Grant - Sussex County	25,000
Public Safety Grant - Police Pensions	30,000
Public Safety Grant - Community Orienting Policing Services	39,500
Charges for Services:	
Building and Sign Permits	449,000
Impact Fees	300,000
Business and Rental Licenses	155,000
Cable TV Franchise Fee	63,000
Zoning and Other Fees	51,000
Millville Ambulance Fee (pass-through)	91,000
Expense Reimbursements	100,500
Miscellaneous	28,500
Other Revenue Sources:	
Public Safety Fines & Fees	33,000
Interest	28,830
Donations	500
<b>Total Budgeted Revenues</b>	<b>5,014,040</b>
<b>Transfers of Revenues To/From Trust Funds:</b>	
Transfer in from SRRTF for ADA sidewalk work	147,000
Transfer in ESEF committed funds being granted	80,000
Transfer in from SRRTF for Street Paving	327,500
Transfer Tax to SRRTF (@ 25%)	(250,000)
Transfer Tax to CRTF (@ 12.5%)	(125,000)
Public Safety Grants to Capital Budget	(25,000)
ESEF Committed Funds (\$500/impact fee + fee on Bldg Permit)	(175,000)
Transfer to ERTF (balance to 20% of budgeted expenses)	(129,900)
Additional allocation to SRRTF	(495,100)
<b>Budgeted Revenues Available for Operations</b>	<b>\$ 4,368,540</b>

The Town Council of Ocean View has determined and fixed a rate of taxation for real estate at \$ .2478 per \$100 of assessed value.

**General Fund**

**Amount  
Year Ending  
April 30, 2020**

**Budgeted Revenues Available for Operations (Section 1) \$ 4,368,540**

**Section 2: The statement of anticipated expenditures for the fiscal year ending April 30, 2020 is established as follows:**

**Budgeted Operating Expenditures:**

General & Administrative	\$ 1,519,205	
Public Safety	1,593,450	
Public Works	1,085,460	4,198,115

**Excess of Operating Revenue Over Operating Expenditures 170,425**

**Budgeted Capital Expenditures:**

General & Administrative	\$ 15,000	
Public Safety	73,000	
Public Works	1,033,572	
Capital Repairs funded from CRTF	839,131	1,960,703

**Excess of Expenditures over Operating Revenue (1,790,278)**

Transfers from CRTF for Capital Expenditures 839,131

Transfers from SRRTF for Capital Expenditures 952,237

Transfers from Grants for Capital Expenditures 25,000

**Excess/(Deficit) to/(from) Town Reserves \$ 26,090**

**Proprietary Fund**

Water System Revenues \$ 560,222

Water System Operating Costs 344,994

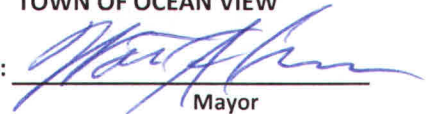
Excess Revenues over Operating Costs 215,228

Debt Service - USDA Notes 215,228

**Net - Anticipated Budget Surplus \$ -**

**Section 3: This Ordinance shall become effective on May 1, 2019.**

**TOWN OF OCEAN VIEW**

By:   
Mayor

Adopted: April 9, 2019

Attest:   
Town Clerk

# Town of Ocean View

FY20 Operating Budget - All Departments

9-Apr

## Supporting Schedule for FY20

				Amount
	G&A	OVPD	DPW	Year Ending April 30, 2020
Salary, including OT & Bonus	\$ 610,570	\$ 884,590	\$ 185,220	\$ 1,680,380
Insurances: Dental, Health, Life	151,075	194,815	75,820	421,710
Payroll Taxes	49,525	71,435	15,425	136,385
Pension	45,490	130,360	13,715	189,565
Worker's Compensation	5,275	60,600	11,210	77,085
<b>TOTAL SALARY &amp; RELATED EMPLOYEE EXPENSES</b>	<b>\$ 861,935</b>	<b>\$ 1,341,800</b>	<b>\$ 301,390</b>	<b>\$ 2,505,125</b>
Committee Stipends	5,000			5,000
Computer/Copier Maintenance & related expenses	35,100	9,650	1,400	46,150
Other	16,000	8,350	2,000	26,350
Employee related expenses, other	27,300	15,000	1,000	43,300
Grant awards: ESEF Funds	80,000			80,000
Insurance: Business and Bonds	20,370	47,250	22,470	90,090
Audit	19,500			19,500
Engineering	25,000		5,500	30,500
Legal	35,000	1,000	25,000	61,000
Other	62,500	10,000	1,000	73,500
Pass thru MVFC Ambulance Service	91,000			91,000
Reimbursable - Engineering	100,000			100,000
Reimbursable - Other	500			500
Public Relations	29,500	2,100	500	32,100
Buildings	10,000	7,700	1,000	18,700
Drainage			10,000	10,000
Machinery & Equipment	1,000	3,000	3,000	7,000
Park			28,000	28,000
Street & Sidewalk Maintenance & Repair			528,500	528,500
Vehicles	1,000	12,000	2,500	15,500
Other(Cleaning, Inspections, etc.)	11,700	8,400	4,000	24,100
Advertising	10,000	200	1,000	11,200
Departement Specific Supplies	18,000	21,000	27,500	66,500
Gas & Diesel	1,000	28,000	7,000	36,000
NonCapital Equipment/Grant Equipment	14,000	32,000	10,300	56,300
Office Supplies/Postage	15,000	4,000	300	19,300
Uniforms	1,000	10,000	2,800	13,800
Telephone and Communications	14,100	18,700	4,500	37,300
Street Lights			84,000	84,000
Utilities	13,700	13,300	10,800	37,800
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 1,519,205</b>	<b>\$ 1,593,450</b>	<b>\$ 1,085,460</b>	<b>\$ 4,198,115</b>

**Town of Ocean View Water System**

**FY20 Budget**

**Final April 9, 2019**

**Proprietary Fund - Water System - Budget Ordinance Format**

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Water System Revenue	\$ 560,222
Water System Operating Costs	<u>\$ 344,994</u>
Excess Revenues over Operating Costs	\$ 215,228
*Debt Service - General Obligation Bonds	<u>\$ 215,228</u>
Anticipated Budget Surplus (Deficit)	<u><u>\$ (0)</u></u>

\*Debt Service includes an additional interest payment in the amount of \$72,620

**Town of Ocean View Water System**

**FY20**

**Final April 9, 2019**

**Projected Revenue**

	# of		Total
	Rate (a)	accts (b)	
<b>Quarterly Facilities Charges:</b>			
<u>Improved - metered lots</u>			
5/8 " meters	\$ 107.66	750	\$ 80,745
1 " meters	172.78	3	518
1 1/2 " meters	303.00	2	606
2 " meters	463.26	6	2,780
<u>Unimproved lots</u>	97.66	150	14,649
Quarterly Water Facilities Charges		911	99,298
<u>6" fire service lines</u>	\$ 1,600.00	2	3,200
<b>Quarterly Facilities Charges</b>	<b>Total Per Quarter</b>		<b>\$ 102,498</b>
<b>Annualized Facilities Charges</b>			
<b>Estimated water charge</b>	(c)	Annual	\$ 409,992
<b>Other revenue:</b>	(d)		\$ 140,000
Interest			1,200
Late Fees billed			7,500
Miscellaneous income			1,530
<b>Total Projected Revenue</b>			<b>\$ 560,222</b>

**Notes:**

- (a) The quarterly billing rates were established by Ord. No. 249 and 255 dated May 12, 2009 and September 8, 2009, respectively. At this time, there is no rate increase proposed for FY20.
- (b) The "# of accts" is based on a January 15, 2019 report from TUI/Middlesex that shows the number of accounts being billed for each account type and meter size.
- (c) Annualized Facilities charges (\$102,498 X 4 quarters).
- (d) Estimated water charge is a pass-through of the bulk water purchases.

**Note regarding revenue items that are not included in these projections**

Revenue and Cost projections do not include items that are a "wash" from a revenue and cost standpoint that do not necessarily occur on an annual basis - e.g. new installations, utility permits & inspection fees for new connections, and additional services such as temporary shut off/turn on, check of meter for accuracy, etc.

**Town of Ocean View Water System**

**FY20**

**Final April 9, 2019**

**Projected Costs (includes debt service)**

	<u>Annual Projection</u>
Debt service - based on Maturity & Debt Service Schedule - \$71,303.75 twice annually	\$ 142,608
Additional Debt Service Payment (September 2019)	<u>\$ 72,620</u>
Balance due on notes ( <i>as of refinance August 2018</i> ) = \$ 4,160 million	\$ 215,228
Final payment due March 2048	
<b>Operating Costs:</b>	
(a) <u>Personnel</u> - Projected Town staff time spent on water matters (Town Manager, P&Z staff, Finance Director, Accountant, Office Coordinator and DPW crew)	<u>32,028</u>
<u>Other Operating Costs</u>	
(b) TUI annual operation and maintenance - rate from Water Service Agreement	33,491
(c) TUI meter reading charges - rate from Water Service Agreement	30,255
Bulk Water Purchase	140,000
Miss Utility marking charges - based on recent history and trends	0
Advertising - to meet legal and regulatory requirements	880
Annual water sampling and quality report - regulatory requirement	750
Annual audit - separate financial statements required for Proprietary Fund	2,500
Bank Fees/Office	80
Dues - Delaware Rural Water Association	250
Insurance, Business	3,360
Maintenance and service calls - billed by White Marsh      Hourly rate = \$ 89	8,000
Professional services - Legal & Engineering	9,000
Repairs & Upgrades - Hydrant "barrel extensions" & Utility Locator	56,400
Reserve for Repairs	<u>28,000</u>
<b>Subtotal other operating costs</b>	<u><b>312,966</b></u>
<b>Total Operating Costs</b>	<u><b>344,994</b></u>
<b>Total Projected Costs</b>	<u><b>\$ 560,222</b></u>

**Notes:**

- (a) Projected personnel costs are based on FY20 proposed salaries.
- (b) Includes on going services such as water testing, hydrant maintenance, flushing of mains, meter inspections, valve "exercising", etc.
- (c) Note that the current Water Service Agreement - Amendment #2 - was effective April 10, 2018. This amendment will expire on April 30, 2022. FY20 is year 2 of the agreement.

**Note regarding revenue items that are not included in these projections**

Revenue and Cost projections do not include items that are a "wash" from a revenue and cost standpoint that do not necessarily occur on an annual basis - e.g. new installations, utility permits & inspection fees for new connections, and additional services such as temporary shut off/turn on, check of meter for accuracy, etc.