

City of Delaware City
Delaware
November 15, 2018

TO: Mayor and City Council

VIA: Carol S. Houck, City Manager

FROM: Ross T. McGinn, Finance Manager

SUBJECT: Financial Report as of October 31, 2018

Below please find the internal (unaudited) income and expense statement and check register for the three months ended October 31, 2018.

General Fund Revenues			
Department	Budget	Actual	%
General Administration	1,539,075.00	1,174,218.76	76.29%
Code Enforcement	45,000.00	7,300.00	16.22%
Public Safety	404,720.00	146,872.22	36.29%
Community Center	7,825.00	24,711.54	315.80%
Sanitation	6,200.00	819.00	13.21%
Total General Fund Revenues	2,002,820.00	1,353,921.52	67.60%

General Fund Expenditures*			
Department	Budget	Actual	%
General Administration	1,139,924.00	393,842.20	34.55%
Code Enforcement	57,573.00	13,841.26	24.04%
Public Safety	392,147.00	153,031.30	39.02%
Community Center	20,500.00	24,711.54	120.54%
Public Works	43,852.00	15,513.75	35.38%
Sanitation	150,620.00	66,184.95	43.94%
Yard Waste	17,000.00	9,248.00	54.40%
Stormwater	49,000.00	1,290.00	2.63%
Streets	53,204.00	6,440.00	12.10%
Drainage	-	20,420.65	0.00%
Parks	38,000.00	29,873.82	78.62%
Tree Management	22,000.00	2,550.00	11.59%
Recycling Collections	19,000.00	8,307.00	43.72%
Total General Fund Expenditures	2,002,820.00	745,254.47	37.21%

General Fund Operating Surplus (Deficit)	-	608,667.05	-
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*By sub-accounts - see Accounting Legend attached.

General Fund: The operating surplus in the General Fund is currently \$608,667.05. The largest contributions to the positive variance are Real Estate Taxes, which are due before October 1st of each

year, and the receipt of the Delaware City Refinery’s payment-in-lieu-of-taxes. This can be made evident in the chart above by noting that General Administration actual revenues are at 67.60% of budgeted revenues through the first quarter of this fiscal year. It is important to note that the operating surplus does not represent funds available for use, and are intended to balance this year’s operating budget.

Overall expenditures are tracking at 37.21% of budget, representing a positive variance through the first five periods of this fiscal year. Three departments are currently tracking higher than budgeted through three months: the Community Center, Parks, and Yard Waste. The Community Center’s while showing an unfavorable variance in its expenditure accounts, this effect is offset by its favorable variance in revenues. Additional work performed by The Cutting Edge on both landscape clean-up and brush removal has been the seasonal driver of the trend in the Parks and Yard Waste departments respectively and we will see a reduction in the pace of spending as we enter the winter months. The budgets for these departments will be reviewed and adjusted accordingly. Any changes to the overall General Fund budget will be brought before Council for approval.

Water Fund Revenues

Account	Description	Budget	Actual	%
02-000-4000	WATER UTILITY FEES	330,000.00	72,415.28	21.94%
02-000-4020	OTHER WATER REVENUE	12,034.00	-	0.00%
02-000-4040	REFINERY WATER UTILITY FEES	30,000.00	8,130.99	27.10%
Total Water Fund Revenues		372,034.00	80,546.27	21.65%

Water Fund Expenses

Account	Description	Budget	Actual	%
02-000-5070	CONTRACTUAL/PROFESSIONAL SERVICES - WF	69,000.00	18,897.19	27.39%
02-000-5100	DUES / MEETINGS - WF	524.00	250.00	47.71%
02-000-5120	ELECTRICITY - WF	23,000.00	4,971.15	21.61%
02-000-5135	FEES/INTEREST/PENALTIES - WF	110.00	-	0.00%
02-000-5150	HEATING FUEL - WF	2,000.00	217.04	10.85%
02-000-5270	LEGAL - WF	500.00	-	0.00%
02-000-5280	MAILINGS / POSTAGE - WF	200.00	-	0.00%
02-000-5290	MAINTENANCE / BUILDING - WF	2,700.00	273.90	10.14%
02-000-5310	MAINTENANCE / SYSTEM - WF	7,000.00	-	0.00%
02-000-5330	MATERIALS & SUPPLIES - WF	12,000.00	4,449.15	37.08%
02-000-5340	MISCELLANEOUS EXPENSE - WF	450.00	-	0.00%
02-000-5365	SEWER CHARGES NEW CASTLE COUNTY - WF	700.00	282.88	40.41%
02-000-5370	TELEPHONE - WF	1,500.00	569.01	37.93%
02-000-5380	TESTING - WF	500.00	-	0.00%
02-000-5900	DEBT SERVICE - G/O WATER BOND	24,000.00	5,847.38	24.36%
02-000-5940	DEBT SERVICE - WELL 5 FILTERS (SRF)	5,500.00	2,142.12	38.95%
02-000-8000	TRANSFER OUT - GENERAL FUND	222,350.00	74,116.68	33.33%
Total Water Fund Expenses**		372,034.00	112,016.50	30.11%

Water Fund Operating Surplus (Deficit)		-	(31,470.23)	-
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**Not inclusive of depreciation expense.

Water Fund: The Water Fund as of October 31, 2018 has an operating deficit of (\$31,470.23). Revenue actuals displayed are inclusive of the increased base rates approved by Council; however, as consumption is billed in arrears, the rate change for consumption will take effect with the billing that will occur January 2019 for the period covering October through December.

Water Fund overall expenses are trending positively with budgeted amounts.

Notable Changes: Progress is continuing on the identification of mis-classed items from prior years and a standardization of accounts and their usage. Below is a list of a few of the changes made to the general ledger:

- Pursuant to Ch.16 §1601(c), Real Estate Transfer Taxes are no longer recorded within the General Fund. A new special revenue fund has been set up to be compliant with the section and the revenue will be transferred to the General Fund to cover eligible expenditures.
- Community Center Revenue and Expenditure Recognition: Prior accounting practice for revenues and expenditures was underreporting revenues and expenditures related to rental payments received by the Delaware City Library Society, corrective action has been taken to be in compliance will best practices in the industry.
- Public Safety Extra Duty Revenue and Expenditure Recognition: Similar to the Community Center, revenues and expenditures will begin to be recorded in compliance with best practices.

Forthcoming Changes: Prior accounting practices separated Operating and Capital Grants into sub-funds of the General Fund. For transparency purposes, and to ease internal tracking, these funds will be now budgeted and recorded directly within the General Fund. This will be evident with the inclusion of revenues and expenditures for the Washington Street Flood Mitigation Project, as well as the recently approved FY19 Road Maintenance Program.

Council Requests: At the request of Council, please find below the reconciled balances of our bank accounts, as of October 31, 2018 and compared to prior month balances, as well as a check register for the month of October 2018.

Description	9/30/2018	10/31/2018	Difference
CASH - GENERAL FUND CHECKING	\$ 745,344.68	\$ 684,043.39	\$ (61,301.29)
CASH - VIOLENT CRIMES CHECKING ACCOUNT	12,433.69	12,433.69	-
CASH - GRANT IN AID CHECKING	44,230.71	54,400.00	10,169.29
CASH - MUNICIPAL STREET AID FUND	42,920.86	42,920.86	-
CASH - REVOLVING LOAN FACADE FUND	71,717.64	71,726.77	9.13
CASH - SALLE FUND	3,474.69	3,474.69	-
CASH - EIDE FUND	3,189.17	3,189.17	-
CASH - MAYOR'S BALL ACCOUNT	43,015.52	38,015.52	(5,000.00)
CASH - DELAWARE CITY DAY COMMITTEE	38,201.77	16,051.76	(22,150.01)
Total Cash Accounts	\$ 1,004,528.73	\$ 926,255.85	\$ (78,272.88)

***Payroll Checking has been included with General Fund Checking**

Check Date	Vendor	Description	Amount
10/2/2018	CARROT-TOP INDUSTRIES, INC.	6 4x8' NYLON US FLAGS	276.27
10/2/2018	DE LAGE LANDEN FINANCIAL SERV	COPIER LEASE 09/15 - 10/14	161.70
10/2/2018	DELMARVA POWER	5500 0544 167 - 407 CLINTON ST	2,957.63
10/2/2018	FIRST STATE BANK OF LIVINGSTON	2016 FORD POLICE INTERCEPTOR	9,491.23
10/2/2018	STAPLES BUSINESS ADVANTAGE	FILE FOLDERS	30.17
10/4/2018	BUILDING INSPECTION	APRIL 2018 - BUILDING PERMITS	1,715.00
10/4/2018	BUILDING INSPECTION	MAY 2018 - BUILDING PERMITS	1,942.00
10/4/2018	CONNOLLY GALLAGHER, LLP	AUGUST GENERAL REPRESENTATION	8,088.99
10/4/2018	DELMARVA POWER	5000 0009 378 - 321 WASHINGTON	869.86
10/4/2018	DELMARVA POWER	5000 0009 386 - 407 CLINTON ST	562.96
10/4/2018	DELMARVA POWER	5000 0009 717 - CLINTON ST	138.26
10/4/2018	DELMARVA POWER	5000 0009 725 - CLINTON ST	92.41
10/4/2018	DELMARVA POWER	5000 0009 774 - RT 9	56.40
10/4/2018	DELMARVA POWER	5500 8576 260 - 3RD & CANAL ST	108.27
10/4/2018	DELMARVA POWER	5500 8576 807 - 321 WASHINGTON	75.88
10/4/2018	DELMARVA POWER	5500 6398 873 - CLINTON ST	6.31
10/4/2018	DELMARVA POWER	5000 0009 758 - CANAL & WILLIAMS ST	80.24
10/4/2018	DELMARVA POWER	5000 1281 877 - BAYARD ST	50.90
10/4/2018	DIAMOND COMPUTER INC.	ONLINE BACKUP SERV / STORAGE	154.95
10/4/2018	DIAMOND COMPUTER INC.	LABOR - NORMAL HOURLY RATE	25.00
10/4/2018	MCDONALD SAFETY EQUIPMENT, INC	10235	50.00
10/4/2018	ONE CALL CONCEPTS, INC.	ACCT # 0000035 SEPT 2018	15.35
10/12/2018	2J BEST CAR WASH	SEPTEMBER CAR WASHES	5.50
10/12/2018	BERRY REFRIGERATION	COMM CNTR AC - NO FANS ON RTU3	171.00
10/12/2018	BERRY REFRIGERATION	LIBRARY - HIGH HUMIDITY	582.50
10/12/2018	BERRY REFRIGERATION	LIBRARY - HIGH HUMIDITY 09/24	145.00
10/12/2018	BY THE BOOK SERVICES, INC.	SEPTEMBER INSTALLMENTS	5,555.00
10/12/2018	CITY OF NEW CASTLE	RIVERTOWN SPONSOR - REFINERY	8,333.33
10/12/2018	CRYSTAL SPRINGS	3 X 5.0 GALLON SPRING WATER	13.50
10/12/2018	DELTA FORMS INC.	ACCT#D01327 - CARDS/LETTERHEAD	179.00
10/12/2018	FUELMAN	ACCT#BG232783 FUELMAN 09/19	1,091.04
10/12/2018	WASTE INDUSTRIES	OCTOBER 2018 SANITATION	15,020.22
10/16/2018	ARROWHEAD PLUMBING	PLUMBING AT TOWN HALL/CM CNTR	248.00
10/16/2018	BUILDING INSPECTION	JUNE 2018 INSPECTIONS	580.00
10/16/2018	DE LAGE LANDEN FINANCIAL SERV	COPIER LEASE CONTRACT 25346353	372.27
10/16/2018	DE LEAGUE OF LOCAL GOVERNMENTS	DLLG 10-25-18 MEETING	60.00
10/16/2018	GS DIRECT, LLC (AU1)	JB-197003-00 SEPTEMBER 2018	2,312.78
10/16/2018	SUSSEX ENVIRONMENTAL HEALTH	INDOOR AIR QUALITY/MOLD SAMPLE	650.00
10/16/2018	TALKINGTON COMMUNICATIONS	1 ZOOM CAM AND INSTALLATION	337.00
10/16/2018	VERIZON WIRELESS	720104185-00001 09/04-10/03	304.15
10/16/2018	BEAR INDUSTRIES, INC.	COMM CNTR SPRINKLERS TRIPPED	510.00
10/18/2018	108 INC	RENTAL REGISTRATION REFUND	75.00
10/18/2018	132 CLINTON, LLC	RENTAL REGISTRATION REFUND	75.00
10/18/2018	ANNE PRESS	RENTAL REGISTRATION REFUND	75.00
10/18/2018	BERRY REFRIGERATION	PD A/C COMPRESSOR INSTALLATION	802.63
10/18/2018	BROOKS RENTALS, LLC	RENTAL REGISTRATION REFUND	75.00

Check Date	Vendor	Description	Amount
10/18/2018	CHESTER BLUCK	RENTAL REGISTRATION REFUND	225.00
10/18/2018	CORY MILLER	RENTAL REGISTRATION REFUND	75.00
10/18/2018	COUNTY BUILDING SERVICES, INC.	SEPTEMBER CLEANING CONTRACT	574.00
10/18/2018	THE CUTTING EDGE, INC.	CLEAN UP/SET UP DCDC FIREWORKS	2,390.00
10/18/2018	THE CUTTING EDGE, INC.	MOWING SEPTEMBER 2018	4,820.00
10/18/2018	THE CUTTING EDGE, INC.	TREE TRIM 301 MADISON	750.00
10/18/2018	THE CUTTING EDGE, INC.	TREE TRIM AT 2ND/BAYARD ST	450.00
10/18/2018	THE CUTTING EDGE, INC.	TREE TRIM AT 3RD/BAYARD	200.00
10/18/2018	THE CUTTING EDGE, INC.	MAINTENANCE/BRUSH REMOVAL	4,232.00
10/18/2018	THE CUTTING EDGE, INC.	PREPARATION FOR HURR. MICHAEL	2,753.20
10/18/2018	THE CUTTING EDGE, INC.	HAMILTON ST POTHOLE REPAIR	1,940.00
10/18/2018	THE CUTTING EDGE, INC.	REPAIR SINK HOLE AT BATTERY PK	1,670.00
10/18/2018	THE CUTTING EDGE, INC.	INSTALL MUMS ON CLINTON ST	660.00
10/18/2018	THE CUTTING EDGE, INC.	CLEAN UP RIVERTOWN FESTIVAL	215.00
10/18/2018	DIAMOND COMPUTER INC.	NEW USER SETUP AND DOMAIN	50.00
10/18/2018	DONALD CRAMER	REFUND OF FUEL PURCHASE 10/12	45.45
10/18/2018	GERALD BAFFONE	RENTAL REFUND REGISTRATION	75.00
10/18/2018	HELEN POWELL TRUSTEE	RENTAL REGISTRATION REFUND	75.00
10/18/2018	JOHN LEMAK	RENTAL REGISTRATION REFUND	75.00
10/18/2018	JOHN PARKS	RENTAL REGISTRATION REFUND	75.00
10/18/2018	KIM STEELE	RENTAL REGISTRATION REFUND	75.00
10/18/2018	LAUREN TWARDOWSKI	RENTAL REGISTRATION REFUND	75.00
10/18/2018	MARY LANDOLT	RENTAL REGISTRATION REFUND	75.00
10/18/2018	MONIKA ZUEFLE	RENTAL REGISTRATION REFUND	75.00
10/18/2018	NATIONWIDE	ACCT#838956801 - INSURANCE POLICY	4,326.94
10/18/2018	PETER SCHAEFFER	RENTAL REGISTRATION REFUND	75.00
10/18/2018	PORT PENN HOLDINGS, LLC	RENTAL REGISTRATION REFUND	375.00
10/18/2018	RAYMOND BAXTER	RENTAL REGISTRATION REFUND	75.00
10/18/2018	REEDY POINT DEVELOPMENT CORP	RENTAL REGISTRATION REFUND	75.00
10/18/2018	SAGE SOFTWARE INC.	REFUND OF CREDIT IN ERROR	25.00
10/18/2018	STEPHEN DIVIRGILIO	RENTAL REGISTRATION REFUND	75.00
10/18/2018	VERIZON	152-119-184-0001-76 COMM CNTR	170.80
10/22/2018	CAPITOL CLEANERS & LAUNDERERS	SEPT 2018 UNIFORM CLEANING	26.33
10/22/2018	CONNOLLY GALLAGHER, LLP	GENERAL REPRESENTATION SEPT 18	2,465.94
10/22/2018	VERIZON	302 838 1706 455 90Y - OCT 18	56.64
10/25/2018	STATE OF DE - OMB FINANCIAL OP	HEALTH INSURANCE - NOV 2018	6,588.66
			100,507.66