

**City of Delaware City  
Delaware  
December 17, 2018**

**TO: Mayor and City Council**

**VIA: Carol S. Houck, City Manager**

**FROM: Ross T. McGinn, Finance Manager**

**SUBJECT: Financial Report as of November 30, 2018**

Below please find the internal (unaudited) income and expense statement and check register for the five months ended November 30, 2018.

<b>General Fund Revenues</b>			
<b>Department</b>	<b>Budget</b>	<b>Actual</b>	<b>%</b>
Non-Departmental	1,272,350.00	1,127,392.71	88.61%
General Administration	266,725.00	92,610.29	34.72%
Code Enforcement	45,000.00	7,300.00	16.22%
Public Safety	12,000.00	26,597.29	221.64%
Community Center	7,825.00	30,883.14	394.67%
Sanitation	6,200.00	819.00	13.21%
Drainage	1,334,277.00	584,986.65	43.84%
<b>Total General Fund Revenues</b>	<b>2,944,377.00</b>	<b>1,870,589.08</b>	<b>63.53%</b>
<b>General Fund Expenditures</b>			
<b>Department</b>	<b>Budget</b>	<b>Actual</b>	<b>%</b>
General Administration	709,394.00	298,233.56	42.04%
Code Enforcement	57,573.00	13,751.05	23.88%
Public Safety	392,147.00	194,552.25	49.61%
Community Center	20,500.00	30,883.14	150.65%
Public Works	43,852.00	19,379.78	44.19%
Sanitation	150,620.00	66,184.95	43.94%
Yard Waste	17,000.00	11,560.00	68.00%
Stormwater	49,000.00	1,290.00	2.63%
Streets	53,204.00	12,798.54	24.06%
Drainage	1,334,277.00	584,986.65	43.84%
Parks	38,000.00	27,408.96	72.13%
Tree Management	22,000.00	3,350.00	15.23%
Recycling Collections	19,000.00	8,307.00	43.72%
Debt Service	37,810.00	20,001.75	52.90%
<b>Total General Fund Expenditures</b>	<b>2,944,377.00</b>	<b>1,292,687.63</b>	<b>43.90%</b>
<b>General Fund Operating Surplus (Deficit)</b>	<b>-</b>	<b>577,901.45</b>	<b>-</b>

**General Fund:**

The General Fund is still showing an operating surplus of \$577,901.45 as of November 30, 2018. As the year progresses, this surplus will erode as the majority of our largest revenues have been received, namely real estate taxes and the Delaware City Refinery’s payment-in-lieu-of-taxes.

In examining our current account structure, you will notice the inclusion of a Non-Departmental category under the “Department” column of General Fund Revenues. Utilizing a Non-Departmental category will assist in accounting for all revenues that are not specifically aligned with individual divisions or programs. As an example, the action of paying a code fine can be directly attributable to activities provided by the Code Enforcement department. Paying your real estate tax bill however, is not directly attributable to one department, and supports multiple departments. To demonstrate the usefulness of segregating Non-Departmental revenues from the rest of the budget, please direct your attention to the chart below:

<b>General Fund Budget</b>		
<b>Non-Departmental</b>	<b>1,272,350.00</b>	<b>100.00%</b>
General Administration	(442,669.00)	34.79%
Code Enforcement	(12,573.00)	0.99%
Public Safety	(380,147.00)	29.88%
Community Center	(12,675.00)	1.00%
Public Works	(43,852.00)	3.45%
Sanitation	(144,420.00)	11.35%
Yard Waste	(17,000.00)	1.34%
Stormwater	(49,000.00)	3.85%
Streets	(53,204.00)	4.18%
Drainage	-	0.00%
Parks	(38,000.00)	2.99%
Tree Management	(22,000.00)	1.73%
Recycling Collections	(19,000.00)	1.49%
Debt Service	(37,810.00)	2.97%
<b>Total</b>	<b>-</b>	<b>-</b>

By pulling non-departmental revenues out of department budgets, we can examine just how much each department of the City is subsidized by those revenues. If it is assumed all Non-Departmental revenues are allocated proportionally amongst all departments, you can get a more transparent picture of how the City allocates its funding.

In an effort to create a more comprehensive finance report I intend to provide detail of each department, along with any concerns staff may have regarding our performance and recommendations for adjustments.

**Non-Departmental Revenues:**

As touched upon earlier in this report, Non-Departmental revenues are not attributable to the actions of one department's activities. The accounts that would fall under this classification are below:

ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	%
01-000-4000	REAL ESTATE TAXES	760,000.00	788,770.08	103.79%
01-000-4060	CABLE FRANCHISE FEE	20,000.00	8,148.20	40.74%
01-000-4065	PILOT	200,000.00	200,000.00	100.00%
01-000-4810	TRANSFER IN - WATER FUND	222,350.00	92,645.85	41.67%
01-000-4811	TRANSFER IN - REAL ESTATE TRANSFER TAX	70,000.00	37,828.58	54.04%
<b>TOTAL NON-DEPARTMENTAL REVENUE</b>		<b>1,272,350.00</b>	<b>1,127,392.71</b>	<b>88.61%</b>

As the table indicates, 88.61% of all Non-Departmental revenues have been received as of November 30, 2018. Currently, both real estate taxes and the Delaware City Refinery's payment-in-lieu of taxes have met or exceeded their budget projections. One outstanding item regarding real estate taxes is the effect of the Verizon agreement to credit back excessive real estate taxes over the next five years. Further adjustments may be required to lower Cable Franchise Fee revenue budgeted by \$4,000 to match expected receipts. Franchise fee revenue is dependent on the amount of revenue received by the franchisee.

**General Administration Revenues:**

General Administration revenues are those revenues directed directly attributable to those activities performed by the General Administration department. These include business and contractor's licenses, building permits, and property and lease rental agreements.

ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	%
01-000-4010	FINES/ADMINISTRATIVE FEES - GA	9,000.00	750.00	8.33%
01-000-4020	LICENSES AND PERMITS	98,675.00	34,675.25	35.14%
01-000-4025	MISCELLANEOUS REVENUE	50.00	3,610.75	7221.50%
01-000-4035	SALES - GA	-	205.37	0.00%
01-000-4045	RENTAL PROPERTY	18,000.00	8,135.00	45.19%
01-000-4050	CELL TOWER LEASE / BALLFIELD	82,000.00	35,061.72	42.76%
01-000-4055	AAT (CNS) LEASES	54,000.00	9,372.20	17.36%
01-000-4070	SURPLUS EQUIPMENT SALES	5,000.00	800.00	16.00%
<b>TOTAL GENERAL ADMINISTRATION REVENUES</b>		<b>266,725.00</b>	<b>92,610.29</b>	<b>34.72%</b>

As of November 30, 2018, revenues collected amount to 34.72% of budget. While it does appear these revenues are lagging behind expectations, we should be receiving an annual rent payment from Sprint Spectrum's lease agreement for use of the water tower sometime in December. Adjustments will still be necessary to recognize Reedy Point Players' rent payments as Community Center revenue, and to temper revenue expectations for Cell Tower Lease revenue to match the contractual amounts paid to the City by Atlantic Communications.

**Code Enforcement Revenues:**

Code Enforcement revenues are all fines, fees, and penalties related to violations of the City's ordinances and act as an effort to promote upkeep of properties located in the City's jurisdiction.

ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	%
01-050-4010	FINES/FEES/PENALTIES - CE	45,000.00	7,300.00	16.22%
<b>TOTAL CODE ENFORCEMENT REVENUES</b>		<b>45,000.00</b>	<b>7,300.00</b>	<b>16.22%</b>

As of November 30, 2018, Code Enforcement revenues have remained static at \$7,300. This is a direct result of the removal of the full-time Code Enforcement Officer position that was included in the original budget for FY 2019. Budgeted revenues will need to be lowered as code enforcement activities have been outsourced to Building Inspection Underwriters and have yet to fully ramp up. Further, it was necessary to limit the hours to align with the budget limits for this position.

**Public Safety Revenues:**

Public Safety revenues are those revenues generated by the activities of the Delaware City Police Department. These include judgements rendered by courts, towing fees, extra duty requests, and grant revenues provided by State law enforcement programs.

ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	%
01-100-4010	FINES - PS	12,000.00	4,808.51	40.07%
01-100-4020	CHARGE SERVICES - EXTRA DUTY PS	-	9,277.50	0.00%
01-101-4900	COMBAT VIOLENT CRIME	-	11,281.28	0.00%
01-103-4900	OFFICE OF HIGHWAY SAFETY	-	1,230.00	0.00%
<b>TOTAL PUBLIC SAFETY REVENUES</b>		<b>12,000.00</b>	<b>26,597.29</b>	<b>221.64%</b>

As of November 30, 2018, revenues directly related to the activities of the Delaware City Police Department are \$26,597.29. Fines received have matched expectations and require no adjustment. Extra duty revenue and grant revenues require a budget adjustment to recognize the revenues we have received thus far this year. One notable difference in the Public Safety budget as displayed above, is the removal of the Intra-fund Transfer of \$392,720 from the General Administration. The prior set up of budgeting this amount created an overstatement of revenues in the Public Safety department, and an overstatement of expenditures in the General Administration department. This will be addressed in a future budget amendment.

**Community Center Revenues:**

Community Center revenues are those revenues that are received to support the operation and maintenance of the Community Center. Primarily, these are rental payments from Reedy Point Players, reimbursement of utility expenditures for the Delaware City Library, and Grant-In-Aid revenues received from the State.

ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	%
01-200-4015	DONATIONS - CC	2,000.00	500.00	25.00%
01-200-4035	SALES - CC	325.00	-	0.00%
01-200-4045	EVENT/ACTIVITY RENTAL REVENUE - CC	2,000.00	2,100.00	105.00%
01-200-4046	RENTAL/MAINTENANCE SURCHARGE - CC	3,500.00	-	0.00%
01-200-4100	DELAWARE CITY LIBRARY	-	5,120.16	0.00%
01-200-4900	GRANT-IN-AID	-	23,162.98	0.00%
<b>TOTAL COMMUNITY CENTER REVENUES</b>		<b>7,825.00</b>	<b>30,883.14</b>	<b>394.67%</b>

As of November 30, 2018, we have recognized \$30,883.14 in revenue. Of this amount, Grant-In-Aid represents \$23,162.98; more than half of the \$40,000 FY19 allocation of Grant-In-Aid revenue from the State. In past years, poor accounting practices have resulted in past allocations of Grant-In-Aid revenue received by the City to go unrecognized, creating a liability of “unearned revenue” on the balance sheet. Simply stated, these revenues were not being tracked properly. Moving forward, these revenues will be recognized until the remaining unearned revenue liability is removed. This does not represent additional funding available to the City as the funding has already been received. Budgeted amounts will need to be adjusted to account for differences discovered since adoption of the FY 2019 original budget. This is not unexpected as efforts to address our financial reporting were underway when the budget was being developed.

**Sanitation Revenues:**

Current Sanitation revenues are those fees charged to property owners that are outside of the property limits, and extra cart fees for City residents.

ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	%
01-350-4000	SANITATION FEES	6,200.00	819.00	13.21%
<b>TOTAL SANITATION REVENUES</b>		<b>6,200.00</b>	<b>819.00</b>	<b>13.21%</b>

As of November 30, 2018, Sanitation revenues have remained static since my first report to Council. This is the result of a function in Edmunds having not been correctly implemented. I am currently working with Edmunds representatives to correct the error which will have a positive impact on the revenues by approximately \$2,000.

**Drainage Revenues:**

Revenues received in the Drainage Department are a direct result of the Washington Street Flood Mitigation project. These revenues are grant revenues received from the State through the Department of Natural Resources and Environmental Control, grant revenues received from the Federal Emergency Management Agency, and loan proceeds from the Clean Water State Revolving Loan Fund.

As of November 30, 2018, the revenue situation in the Drainage department is still fluid. While the project has progressed, City staff has worked diligently with each of our funding partners to correct inaccuracies in past reimbursements. For the purposes of this report, the General Fund summary on the first page shows \$584,986.65 in revenues. This is the correct amount, however the amount from each source is still undetermined. I have attached a worksheet to show the status of the Washington Street Project Fund at the end of this report.

**General Administration Expenditures:**

Expenditures tied to the General Administration department are appropriated to fund the administrative costs of running the City.

ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	%
01-000-5000	SALARIES - GENERAL ADMINISTRATION	252,462.00	80,327.76	31.82%
01-000-5005	SALARIES - MAYOR & COUNCIL	20,950.00	435.00	2.08%
01-000-5006	SALARIES - CITY SECRETARY	-	6,401.00	0.00%
01-000-5010	PAYROLL TAXES - GA	22,000.00	7,240.05	32.91%
01-000-5020	RETIREMENT PLAN - GA	3,000.00	2,173.12	72.44%
01-000-5035	ADVERTISING - GA	3,000.00	1,355.72	45.19%
01-000-5040	ASSESSOR - GA	3,000.00	2,500.00	83.33%
01-000-5050	AUDIT - GA	13,000.00	17,541.68	134.94%
01-000-5055	PAYROLL PROCESSING FEES - GA	1,532.00	580.75	37.91%
01-000-5065	CELL PHONES - GA	600.00	180.05	30.01%
01-000-5070	CONTRACTUAL/PROFESSIONAL SERVICES - GA	72,300.00	34,890.04	48.26%
01-000-5090	DONATIONS - GA	300.00	-	0.00%
01-000-5095	GIFTS AND AWARDS	140.00	89.90	64.21%
01-000-5100	DUES/SUBSCRIPTIONS/MEETINGS - GA	1,500.00	1,564.95	104.33%
01-000-5110	ELECTION EXPENSE - GA	600.00	-	0.00%
01-000-5120	ELECTRICITY - GA	55,000.00	32,973.88	59.95%
01-000-5130	ENTERTAINMENT/ACTIVITIES - GA	250.00	448.97	179.59%
01-000-5135	FEES/INTEREST/PENALTIES - GA	1,300.00	1,240.24	95.40%
01-000-5150	HEATING FUEL - GA	3,000.00	230.92	7.70%
01-000-5160	INSURANCE / GENERAL - GA	45,000.00	25,959.35	57.69%
01-000-5170	INSURANCE / HEALTH - GA	49,160.00	17,759.19	36.13%
01-000-5190	INSURANCE / PUB. OFF. LIAB. - GA	4,700.00	-	0.00%
01-000-5250	LEASE - PURCHASE/EQUIPMENT - GA	5,200.00	4,061.11	78.10%
01-000-5270	LEGAL - GA	70,000.00	22,104.93	31.58%
01-000-5280	MAILINGS / POSTAGE - GA	2,000.00	1,415.36	70.77%
01-000-5290	MAINTENANCE / BUILDING - GA	8,000.00	9,118.00	113.98%
01-000-5300	MAINTENANCE / EQUIPMENT - GA	300.00	106.25	35.42%
01-000-5310	MAINTENANCE / SYSTEM - GA	3,000.00	-	0.00%
01-000-5330	MATERIALS & SUPPLIES - GA	400.00	336.82	84.21%
01-000-5340	MISCELLANEOUS EXPENDITURES - GA	-	79.43	0.00%
01-000-5350	OFFICE SUPPLIES - GA	12,000.00	4,971.77	41.43%
01-000-5355	PLANNING & INSPECTIONS - GA	45,000.00	17,332.00	38.52%
01-000-5365	SEWER CHARGES NEW CASTLE COUNTY - GA	400.00	64.30	16.08%
01-000-5370	TELEPHONE - GA	6,000.00	3,183.35	53.06%
01-000-5390	TRAINING, TRAVEL, FOOD - GA	4,000.00	1,567.67	39.19%
01-000-5400	UNIFORM & PERSONAL EQUIPMENT - GA	300.00	-	0.00%
<b>TOTAL GENERAL ADMINISTRATION EXPENDITURES</b>		<b>1,242,844.00</b>	<b>483,454.14</b>	<b>38.90%</b>

As of November 30, 2018, overall General Administration expenditures are trending in line with expectations of the original budget appropriated by Council. As mentioned above with the Public Safety revenue discussion, the removal of the Intra-fund Transfer from the General Administration of \$392,720 is to prevent overstatement of expenditures. Of those expenditures shown above, some areas of concern do exist that were not anticipated by the original budget: audit fees and maintenance costs. Audit fees have exceeded the original budget due to the increased number of hours required to create FY 2018 financial statements. Maintenance expenditures for town hall have also exceeded budget, largely due to repairs required to fix leaks in the roof and the recognition of general maintenance costs previously recognized in other departments that can be directly related to the upkeep of town hall. Other budget adjustments will be needed to take into account the City Manager's departure, provide more detailed employee compensation records, as well as to change some assumptions that have not panned out as expected.

**Code Enforcement Expenditures:**

<b>ACCOUNT</b>	<b>DESCRIPTION</b>	<b>BUDGET</b>	<b>ACTUAL</b>	<b>%</b>
01-050-5000	SALARIES - CE	41,200.00	9,004.51	21.86%
01-050-5010	PAYROLL TAXES - CE	3,500.00	680.30	19.44%
01-050-5020	RETIREMENT PLAN - CE	1,236.00	-	0.00%
01-050-5065	CELL PHONES - CE	664.00	279.85	42.15%
01-050-5070	CONTRACTUAL/PROFESSIONAL SERVICES - CE	1,500.00	60.58	4.04%
01-050-5140	GAS & OIL / VEHICLE - CE	-	309.93	0.00%
01-050-5170	INSURANCE / HEALTH - CE	8,773.00	1,540.88	17.56%
01-050-5340	MISCELLANEOUS EXPENDITURES	-	1,875.00	0.00%
01-050-5390	TRAINING, TRAVEL & DEVELOPMENT - CE	500.00	-	0.00%
01-050-5400	UNIFORM & PERSONAL EQUIPMENT - CE	200.00	-	0.00%
<b>TOTAL CODE ENFORCEMENT EXPENDITURES</b>		<b>57,573.00</b>	<b>13,751.05</b>	<b>23.88%</b>

Code Enforcement expenditures have remained rather static since the elimination of the full-time Code Enforcement Officer position. While we have transitioned to utilize contractual services through Building Inspection Underwriters, a budget amendment will be necessary to recognize the increase to contractual and professional services and the reduction of costs associated with the elimination of the full-time position.



**Public Safety Expenditures:**

Public Safety expenditures are those expenditures associated with the daily operations of the Delaware City Police Department. As of November 30, 2018, the expenditures of the Public Safety department appear to have trended higher than anticipated. This can be explained by the adjustment to begin recognizing extra duty expenditures, grant expenditures, and the reclassification of some expenditures that were budgeted in other departments in the original budget. In addition to those changes, salaries have been broken into additional categories to better track those expenditures related to extra duty and overtime. Additional categories may be added to better account for special pay situations, such as holiday pay.

ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	%
01-100-5000	SALARIES - FULL-TIME DUTY	280,000.00	82,479.82	29.46%
01-100-5001	SALARIES - PART-TIME DUTY	-	10,014.00	0.00%
01-100-5002	SALARIES - EXTRA DUTY	-	4,596.00	0.00%
01-100-5003	SALARIES - OVERTIME	-	6,382.74	0.00%
01-100-5010	PAYROLL TAXES - PS	25,000.00	8,897.30	35.59%
01-100-5020	RETIREMENT PLANS - PS	4,500.00	745.72	16.57%
01-100-5065	CELL PHONES / MDT AIR-CARD SERVICE - PS	1,500.00	808.92	53.93%
01-100-5070	CONTRACTUAL/PROFESSIONAL SERVICE - PS	800.00	4,125.59	515.70%
01-100-5100	DUES/SUBSCRIPTIONS - PS	350.00	485.00	138.57%
01-100-5120	ELECTRICITY - PS	700.00	-	0.00%
01-100-5140	GAS & OIL / VEHICLE - PS	12,000.00	6,520.38	54.34%
01-100-5150	HEATING FUEL - PS	1,000.00	-	0.00%
01-100-5160	INSURANCE / GENERAL - PUBLIC SAFETY	-	12,211.00	0.00%
01-100-5170	INSURANCE / HEALTH - PS	25,838.00	16,610.75	64.29%
01-100-5190	INSURANCE / POLICE LIABILITY - PS	5,400.00	-	0.00%
01-100-5250	LEASE - PURCHASE/EQUIPMENT - PS	3,126.00	1,012.68	32.40%
01-100-5260	LEASE - PURCHASE/VEHICLE - PS	20,333.00	9,591.23	47.17%
01-100-5280	MAILINGS / POSTAGE - PS	-	7.41	0.00%
01-100-5290	MAINTENANCE / BUILDING - PS	1,200.00	6,344.15	528.68%
01-100-5300	MAINTENANCE / EQUIPMENT - PS	250.00	-	0.00%
01-100-5320	MAINTENANCE / VEHICLE - PS	4,000.00	6,250.93	156.27%
01-100-5330	MATERIALS & SUPPLIES - PS	1,000.00	484.70	48.47%
01-100-5340	MISCELLANEOUS EXPENDITURES - PS	300.00	129.27	43.09%
01-100-5350	OFFICE SUPPLIES - PS	1,000.00	431.33	43.13%
01-100-5370	TELEPHONE - PS	850.00	-	0.00%
01-100-5390	TRAINING, TRAVEL & FOOD - PS	300.00	50.00	16.67%
01-100-5400	UNIFORM & PERSONAL EQUIPMENT - PS	2,700.00	3,862.05	143.04%
01-101-5000	SALARIES - COMBAT VIOLENT CRIME	-	6,687.28	0.00%
01-101-5070	CONTRACTUAL/PROFESSIONAL SERVICES	-	3,099.00	0.00%
01-101-5250	MACHINERY AND EQUIPMENT	-	1,495.00	0.00%
01-103-5000	SALARIES - OFFICE OF HIGHWAY SAFETY	-	1,230.00	0.00%
<b>TOTAL PUBLIC SAFETY EXPENDITURES</b>		<b>392,147.00</b>	<b>194,552.25</b>	<b>49.61%</b>

**Community Center Expenditures:**

Community Center expenditures are those expenditures that are incurred during the operation and maintenance of the Community Center. The original budget adopted for the Community Center does not reflect the changes in accounting practice to recognize all revenues and expenditures. This will need to be corrected moving forward.

ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	%
01-200-5000	SALARIES - CC	-	2,416.67	0.00%
01-200-5010	PAYROLL TAXES - CC	-	230.11	0.00%
01-200-5070	CONTRACTUAL/PROFESSIONAL SERVICES - CC	2,000.00	178.50	8.93%
01-200-5120	ELECTRICITY - CC	-	7,285.36	0.00%
01-200-5150	HEATING FUEL - CC	-	1,008.24	0.00%
01-200-5290	MAINTENANCE / BUILDING - CC	18,000.00	18,489.22	102.72%
01-200-5330	MATERIALS & SUPPLIES - CC	500.00	299.42	59.88%
01-200-5365	SEWER CHARGES - NEW CASTLE COUNTY	-	141.44	0.00%
01-200-5370	TELEPHONE - CC	-	834.18	0.00%
<b>TOTAL COMMUNITY CENTER EXPENDITURES</b>		<b>20,500.00</b>	<b>30,883.14</b>	<b>150.65%</b>

**Public Works Expenditures:**

ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	%
01-300-5070	CONTRACTUAL/PROFESSIONAL SERVICES - PW	35,852.00	14,126.78	39.40%
01-300-5300	MAINTENANCE / EQUIPMENT - PW	500.00	1,135.30	227.06%
01-300-5353	OPERATIONS/EXPENDITURES - STORMS PW	7,500.00	4,117.70	54.90%
<b>TOTAL PUBLIC WORKS EXPENDITURES</b>		<b>43,852.00</b>	<b>19,379.78</b>	<b>44.19%</b>

As of November 30, 2018, the Public Works department expenditures incurred by the City are trending slightly higher than anticipated at this point of the year. This was the result of additional storm preparation needed in advance of Hurricane Michael's approach, as well higher than expected maintenance of the pumps used to assist in the draining of the Clinton Street drainage basin due to the blocked pipe in Outfall #2.

**Sanitation Expenditures:**

ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	%
01-350-5070	CONTRACTUAL/PROFESSIONAL SERVICES - SN	150,000.00	66,184.95	44.12%
01-350-5330	MATERIALS & SUPPLIES - SN	620.00	-	0.00%
<b>TOTAL SANITATION EXPENDITURES</b>		<b>150,620.00</b>	<b>66,184.95</b>	<b>43.94%</b>

Sanitation expenditures are currently trending slightly higher this year. In forecasting the remainder of FY 2019, expenditures will likely exceed budget by \$10,000. We are currently operating month to month with Waste Industries providing sanitation services to the City and will need to pursue a Request for Proposals from interested parties to secure a long-term contract.

**Yard Waste Expenditures:**

ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	%
01-360-5070	CONTRACTUAL/PROFESSIONAL SERVICES - YW	17,000.00	11,560.00	68.00%
<b>TOTAL YARD WASTE EXPENDITURES</b>		<b>17,000.00</b>	<b>11,560.00</b>	<b>68.00%</b>

Yard Waste expenditures are under contract with the Cutting Edge for \$2,312 per month. In the course of a full fiscal year, this equates to \$27,744. The budget will need to be corrected to account for this difference.

**Stormwater Expenditures:**

ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	%
01-380-5070	CONTRACTUAL/PROFESSIONAL SERVICES - SW	2,900.00	1,290.00	44.48%
01-380-5310	MAINTENANCE / SYSTEMS - SW	45,300.00	-	0.00%
01-380-5330	MATERIALS & SUPPLIES - SW	800.00	-	0.00%
<b>TOTAL STORMWATER EXPENDITURES</b>		<b>49,000.00</b>	<b>1,290.00</b>	<b>2.63%</b>

Stormwater expenditures are trending significantly lower than anticipated. This is largely due to the budgeting of payments on the Clean Water Revolving Loan related to the Washington Street Flood Mitigation project. Payments on this loan will not begin until the completion of the project and will be serviced through the newly created Debt Service department. The budget will need to be adjusted accordingly.

**Streets Expenditures:**

ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	%
01-400-5070	CONTRACTUAL/PROFESSIONAL SERVICES - ST	30,000.00	2,573.00	8.58%
01-400-5120	ELECTRICITY - ST	11,000.00	1,196.39	10.88%
01-400-5310	MAINTENANCE / STREETS - ST	5,704.00	6,440.00	112.90%
01-400-5330	MATERIALS & SUPPLIES - ST	6,500.00	2,589.15	39.83%
<b>TOTAL STREETS EXPENDITURES</b>		<b>53,204.00</b>	<b>12,798.54</b>	<b>24.06%</b>

Streets expenditures have trended favorably compared to expectations, however this department is responsible for funding the City's snow removal efforts and will likely increase as we enter the winter season. In addition, the Streets department will need to be adjusted to reflect the FY 2019 Road Maintenance program which came about after the budget was developed. The effects of the Road Maintenance program should be seen in either the December or January report depending on the timing of the reimbursement from the State and payment to the vendor.

**Drainage Expenditures:**

ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	%
01-450-5070	CONTRACTUAL/PROFESSIONAL SERVICES - DR	1,334,277.00	584,986.65	43.84%
<b>TOTAL DRAINAGE EXPENDITURES</b>		<b>1,334,277.00</b>	<b>584,986.65</b>	<b>43.84%</b>

The Drainage department's expenditures are related to the Washington Street Flood Mitigation project, which is due to be substantially completed in early 2019. So far this year we have expended \$584,986.65 to vendors associated with the project.

**Parks Maintenance Expenditures:**

ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	%
01-500-5310	MAINTENANCE / PARKS - PK	38,000.00	27,408.96	72.13%
<b>TOTAL PARKS MAINTENANCE EXPENDITURES</b>		<b>38,000.00</b>	<b>27,408.96</b>	<b>72.13%</b>

The Parks Maintenance department's expenditures are trending slightly higher than anticipated thus far. This is a result of significant landscape clean up conducted early in the year, as well as repeated repair of sinkholes forming behind the sea wall at Battery Park. The budget will need to be adjusted accordingly.

**Tree Maintenance Expenditures:**

ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	%
01-550-5310	MAINTENANCE / TREES - TR	22,000.00	3,350.00	15.23%
<b>TOTAL TREE MAINTENANCE EXPENDITURES</b>		<b>22,000.00</b>	<b>3,350.00</b>	<b>15.23%</b>

Tree Maintenance expenditures have so far been lower than anticipated. City staff will continue to field and address complaints related to the City maintained trees.

**Recycling Collection Expenditures:**

ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	%
01-560-5070	CONTRACTUAL/PROFESSIONAL SERVICES - RC	19,000.00	8,307.00	43.72%
<b>TOTAL RECYCLING COLLECTION EXPENDITURES</b>		<b>19,000.00</b>	<b>8,307.00</b>	<b>43.72%</b>

Recycling Collection expenditures are trending higher than the original budget anticipated. Waste Industries performs the recycling collection duties for the City at a rate of approximately \$1,674 per month. For a full fiscal year this equates to \$20,088, the budget will need to be adjusted accordingly. It is worth noting that we will be receiving a \$0.31 increase per household, per month, to provide this service in FY 2020 (approximately \$2,604 increase annually).

**Debt Service Expenditures:**

ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	%
01-600-5901	DEBT SERVICE - COMMUNITY CENTER ROOF	16,810.00	6,260.00	37.24%
01-600-5902	DEBT SERVICE - STREET BOND WSFS REFI	21,000.00	13,741.75	65.44%
<b>TOTAL DEBT SERVICE EXPENDITURES</b>		<b>37,810.00</b>	<b>20,001.75</b>	<b>52.90%</b>

The newly created Debt Service department will segregate costs involved in servicing the City's outstanding debt. The original budget included the payment of interest only for the Street Bond. This will need to be corrected to include the principal payment on the loan in addition to creating a new

budget for the debt service related to the payment on the Washington Street Flood Mitigation Project's Clean Water Revolving Loan.

**Water Fund:** The Water Fund as of November 30, 2018 has an operating deficit of (\$66,745.23). This is largely due to the nature of billing quarterly, as significant revenue increases occur only during the months of October, January, April, and July. While the billing due to occur in January will include the 15% rate increase on consumption, staff is forecasting that revenues may not meet the original budget's anticipated revenue. This may require adjustments to be made to maintain a balanced budget, which may have an impact on the transfer to the General Fund, requiring further budget adjustments to be made within the General Fund. Water Fund overall expenses are trending in line with budgeted amounts.

ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	%
02-000-4000	WATER UTILITY FEES	330,000.00	72,460.52	21.96%
02-000-4020	OTHER WATER REVENUE	12,034.00	-	0.00%
02-000-4040	REFINERY WATER UTILITY FEES	30,000.00	9,717.55	32.39%
<b>TOTAL WATER FUND REVENUES</b>		<b>372,034.00</b>	<b>82,178.07</b>	<b>22.09%</b>
ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	%
02-000-5070	CONTRACTUAL/PROFESSIONAL SERVICES - WF	69,000.00	26,328.30	38.16%
02-000-5100	DUES / MEETINGS - WF	524.00	442.00	84.35%
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	170.00	34.00%
02-000-5280	MAILINGS / POSTAGE - WF	200.00	-	0.00%
02-000-5290	MAINTENANCE / BUILDING - WF	2,700.00	498.90	18.48%
02-000-5310	MAINTENANCE / SYSTEM - WF	7,000.00	-	0.00%
02-000-5330	MATERIALS & SUPPLIES - WF	12,000.00	5,092.28	42.44%
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	692.40	46.16%
02-000-5380	TESTING - WF	500.00	-	0.00%
02-000-5900	DEBT SERVICE - G/O WATER BOND	24,000.00	15,440.38	64.33%
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	92,645.85	41.67%
<b>TOTAL WATER FUND REVENUES</b>		<b>372,034.00</b>	<b>148,923.30</b>	<b>40.03%</b>
<b>WATER FUND OPERATING SURPLUS (DEFICIT)</b>		<b>-</b>	<b>(66,745.23)</b>	<b>-</b>

**Notable Changes:** Progress is continuing on the identification of mis-classed items from prior years and a standardization of accounts and their usage. It is anticipated that we will be in a much better forecasting position going into the FY20 Budget process. Below is a list of a few of the changes made to the general ledger:

- Establishment of Non-Departmental Revenues, as mentioned above.
- Establishment of Debt Service as a department within the General Fund.

- Removal of the Intra-fund transfer between General Administration and Public Safety. This is to avoid overstating revenue and expenditures.

**Forthcoming Changes:** A budget amendment will be introduced to Council to make necessary changes to detail significant departures from the original budget as a result of newer, more accurate information becoming available. When the FY 2018 financial statements are available, a better understanding of the City's financial situation will become available, and a more in-depth analysis can be completed.

**Recap of Financial Report:** All in all, the City's financial situation continues to be a moving target, however we are continuing to make strides in improving our reporting. Of the information learned so far, early indications are showing that there is a structural deficiency in the City's finances that Council has taken the first steps into improving with the increases in the City's tax and water rates.

**Council Requests:** At the request of Council, please find below the reconciled balances of our bank accounts, as of November 30, 2018 and compared to prior month balances\*, as well as a check register for the month of November 2018.

DESCRIPTION	10/31/2018	11/30/2018	DIFFERENCE
CASH - GENERAL FUND CHECKING	\$ 684,043.39	\$ 249,633.37	\$ (434,410.02)
CASH - VIOLENT CRIMES CHECKING ACCOUNT	12,433.69	23,963.97	11,530.28
CASH - GRANT IN AID CHECKING	54,400.00	54,400.00	-
CASH - MUNICIPAL STREET AID FUND	42,920.86	42,920.86	-
CASH - REVOLVING LOAN FACADE FUND	71,726.77	71,735.62	8.85
CASH - SALLE FUND	3,474.69	3,501.68	26.99
CASH - EIDE FUND	3,189.17	3,216.16	26.99
CASH - MAYOR'S BALL ACCOUNT	38,015.52	38,015.52	-
CASH - DELAWARE CITY DAY COMMITTEE	16,051.76	11,825.01	(4,226.75)
<b>TOTAL</b>	<b>926,255.85</b>	<b>499,212.19</b>	<b>(427,043.66)</b>

\*It is important to note that the balances in these accounts do not necessarily agree with the actual amount of the available funding for each activity. Past accounting practices did not reconcile these accounts with the corresponding fund on the general ledger.

DATE	CHECK	VENDOR	DESCRIPTION	AMOUNT
11/01/18	12946	ACTION SECURITY/MD ELECTRIC	SPRINKLER SYSTEM REPAIR CC	240.00
11/01/18	12947	AECOM TECHNICAL SERVICES, INC.	OLD BATTERY PLAN REVIEW	2,512.53
11/01/18	12948	ARTESIAN WATER COMPANY	OPERATIONS/BILLING/MATERIALS	4,847.17
11/01/18	12949	BUILDING INSPECTION	PERMIT INSPECTIONS - SEPT 18	4,428.00
11/01/18	12949	BUILDING INSPECTION	PERMIT INSPECTIONS - AUG 18	2,612.00
11/01/18	12949	BUILDING INSPECTION	PERMIT INSPECTIONS - JUL 18	898.00
11/01/18	12950	CANON FINANCIAL SERVCIES, INC.	GEN ADMIN COPIER LEASE	397.93
11/01/18	12951	CASSIDY GRAPHICS, LLC	DCPD GRAPHICS FOR VEHICLES	1,315.00
11/01/18	12952	DE LAGE LANDEN FINANCIAL SERV	PUBLIC SAFETY COPIER LEASE PMT	154.00
11/01/18	12953	DELAWARE RURAL WATER ASSOC.	DEL RURAL WATER MEMBERSHIP	250.00
11/01/18	12954	DELTA DENTAL OF DELAWARE, INC.	DENTAL INSURANCE NOV 2018	372.36
11/01/18	12955	DIAMOND COMPUTER INC.	DISABLED D. DURAND ACCESS	50.00
11/01/18	12955	DIAMOND COMPUTER INC.	DEPOSIT ON BUSINESS NOTEBOOK	1,571.57
11/01/18	12955	DIAMOND COMPUTER INC.	SET UP NEW COPIER	100.00
11/01/18	12955	DIAMOND COMPUTER INC.	REPLACEMENT PC CONFIGURATION	200.00
11/01/18	12955	DIAMOND COMPUTER INC.	ESTABLISH VPNS CONFIGURE PCS	600.00
11/01/18	12955	DIAMOND COMPUTER INC.	2 REFURBISHED DCIXPC COMPUTERS	850.00
11/01/18	12956	DUFFIELD ASSOCIATES, INC.	WASHINGTON ST PAVEMENT REVIEW	4,500.00
11/01/18	12957	ICMA	ICMA MEMBERSHIP RENEWAL	840.00
11/01/18	12958	KASH SRINIVASAN GROUP, LLC	MANAGEMENT CONSULTING - RFP	2,320.00
11/01/18	12959	LAWMEN SUPPLY CO. OF NEW JERSE	LINED DUTY BELT	50.40
11/01/18	12960	MCDONALD SAFETY EQUIPMENT, INC	FIRE EXTINGUISHER MAINTENANCE	93.90
11/01/18	12961	NEW CASTLE COUNTY	2018 Q4 SEWER CHARGES	244.31
11/01/18	12962	OCCUPATIONAL HEALTH SERVICES O	OFC. CRAMER PHYSICAL/DRUG TEST	123.00
11/01/18	12963	PSC CONTRACTING, INC.	GENERATOR LIGHT INSTALLATION	214.80
11/01/18	12963	PSC CONTRACTING, INC.	REPAIR MULTIPLE LIGHTS	2,580.75
11/01/18	12965	RUSH UNIFORM INC.	BOOTS / METAL NAME PIN (WITTE)	121.90
11/01/18	12966	TRI-COUNTY TERMITE & PEST CONT	PEST CONTROL MONITORING	150.00
11/01/18	12967	VERIZON	302 834-4573 493 86Y TOWN HALL	694.67
11/01/18	12968	VERIZON	302 834-7184 797 66Y WATER	56.67
11/01/18	12969	WHISMAN GIORDANO	SECOND PROGRESS BILLING -AUDIT	9,183.36
11/01/18	12970	XYLEM DEWATERING SOLUTIONS INC	MAINTENANCE ON DRI-PRIME PUMPS	1,135.30
11/14/18	12971	2J BEST CAR WASH	OCTOBER 2018 CAR WASHES	5.50
11/14/18	12972	ACTION SECURITY/MD ELECTRIC	SECURITY SYSTEM/FIRE ALARM	1,146.00
11/14/18	12973	ARTESIAN WATER COMPANY	OPERATIONS FEE/BILLING SVCS	5,352.24
11/14/18	12974	BERRY REFRIGERATION	PREVENTATIVE HVAC CONTRACT	1,615.00
11/14/18	12975	CAPITOL CLEANERS & LAUNDERERS	OCTOBER DRY CLEANING	29.60
11/14/18	12976	CRYSTAL SPRINGS	3 X 5 GALLON BOTTLES	13.50
11/14/18	12977	THE CUTTING EDGE, INC.	OCTOBER 2018 MOWING	4,820.00
11/14/18	12977	THE CUTTING EDGE, INC.	NOVEMBER 2018 MOWING	2,410.00
11/14/18	12977	THE CUTTING EDGE, INC.	REPAIR SINK HOLE BATTERY PARK	1,840.00
11/14/18	12977	THE CUTTING EDGE, INC.	BRUSH PICK UP/MAINT. CONTRACT	4,232.00
11/14/18	12978	DELMARVA POWER	5000 1281 877 - COMMUNITY CNTR	1,721.91
11/14/18	12979	DELMARVA POWER	5500 0544 167 - TOWN HALL	2,900.01
11/14/18	12980	DELMARVA POWER	5500 6398 055 - WASHINGTON ST	74.22
11/14/18	12981	DELMARVA POWER	5500 6398 873 - CLINTON ST	55.32
11/14/18	12982	DIAMOND STATE TIRE, INC.	VEHICLE MAINTENACE FOR TAHOE	1,937.00
11/14/18	12982	DIAMOND STATE TIRE, INC.	CHEVY TAHOE TIRE PATCH	100.00
11/14/18	12983	DIAMOND COMPUTER INC.	REMOVED SECONDARY AV APP	25.00
11/14/18	12983	DIAMOND COMPUTER INC.	ONLINE BACKUP SERVICE/EXCHANGE	154.95



DATE	CHECK	VENDOR	DESCRIPTION	AMOUNT
11/14/18	12983	DIAMOND COMPUTER INC.	DEL-GIS INSTALL AND SETUP	50.00
11/14/18	12983	DIAMOND COMPUTER INC.	BALANCE ON BUSINESS NOTEBOOK	846.23
11/14/18	12984	DUFFIELD ASSOCIATES, INC.	PROF SERV 07/29/18 - 09/29/18	20,420.65
11/14/18	12985	EDMUNDS & ASSOCIATES, INC	WIPP MISC-ONLINE INQ. AND PMT	600.00
11/14/18	12986	FUELMAN	OCTOBER FUEL PURCHASES	1,298.63
11/14/18	12987	GATEHOUSE MEDIA DE HOLDINGS	2 EMPLOYMENT POSTINGS	400.00
11/14/18	12988	G. FEDALE ROOFING AND SIDING	REPLACE LEAKING PIPE COLLAR	450.00
11/14/18	12989	GS DIRECT, LLC (AU1)	JB-197003-00 OCTOBER 2018	2,567.36
11/14/18	12990	KUHN CONSTRUCTION COMPANY	PHASE 2 APPLICATION 2	408,538.00
11/14/18	12991	NATIONWIDE	NOVEMBER INSURANCE POLICY	4,326.94
11/14/18	12992	ONE CALL CONCEPTS, INC.	MAINTENANCE TICKETS WF	8.03
11/14/18	12993	STAPLES BUSINESS ADVANTAGE	OFFICE SUPPLIES	184.25
11/14/18	12994	VERIZON WIRELESS	CELL PHONES/AIR CARDS	296.11
11/14/18	12995	VERIZON	152-016-685-0001-78 -TOWN HALL	455.53
11/14/18	12996	WASTE INDUSTRIES	NOVEMBER SANITATION/RECYCLING	14,870.49
11/19/18	12997	ACTION SECURITY/MD ELECTRIC	DISCONNECT BAD MODULE AC	440.00
11/19/18	12998	CANON FINANCIAL SERVCIES, INC.	COPIER LEASE 1ST FLOOR	397.93
11/19/18	12999	COUNTY BUILDING SERVICES, INC.	JANITORIAL SRVCS - OCT 2018	525.00
11/19/18	13000	DELTA FORMS INC.	#10 ENVELOPES	235.00
11/19/18	13001	IACP	MEMBERSHIP RENEWAL - D. BAYLOR	210.00
11/19/18	13002	FREDERICK KURZ, PH.D.	PRE-EMPLOYMENT PYSCH EVAL	375.00
11/19/18	13002	FREDERICK KURZ, PH.D.	PRE-EMPLOYMENT PSYCH EVAL	375.00
11/19/18	13003	NICKLE INSURANCE AGENCY, INC	UMBRELLA COVERAGE THRU 12/2019	4,223.00
11/19/18	13004	PSC CONTRACTING, INC.	REPAIR LAMP AT 145 ADAMS ST	271.03
11/19/18	13005	VERIZON	152-119-184-0001-76 COMM CNTR	170.63
11/19/18	13006	VERIZON	450-378-229-0001-41 - WF	57.35
11/19/18	13007	VERIZON	450-378-063-0001-73 - WF	57.35
11/27/18	13008	AMERICAN WATER WORKS ASSOCIATI	MEMBERSHIP RENEWAL AWWA	192.00
11/27/18	13009	ARROW LEASING CORP	PORTABLE TOILETS-BOAT PARADE	175.00
11/27/18	13010	CONNOLLY GALLAGHER, LLP	GENERAL REPRESENTATION OCTOBER	2,211.10
11/27/18	13011	DEARBORN NATIONAL	LIFE/STD/LTD INSURANCE	287.34
11/27/18	13012	DELTA DENTAL OF DELAWARE, INC.	DENTAL INSURANCE - DECEMBER	305.02
11/27/18	13013	DIAMOND COMPUTER INC.	SET UP ROSS' COMPUTER AND VPN	400.00
11/27/18	13014	MORTON SALT, INC.	ROAD SALT	2,589.15
11/27/18	13015	MOTOROLA SOLUTIONS, INC.	CHARGER CORD - PATROL LAPTOP	109.50
11/27/18	13016	PSC CONTRACTING, INC.	COMPRESSOR PUMP - COMM CNTR	165.00
11/27/18	13017	SECURITY INSTRUMENT CORP.	SECURITY 5TH/WASHINGTON ST	198.00
11/27/18	13017	SECURITY INSTRUMENT CORP.	SECURITY 4TH/WASHINGTON ST	204.00
11/27/18	13018	STATE OF DE - OMB FINANCIAL OP	HEALTH INSURANCE - DECEMBER	6,588.66
11/27/18	13019	TOWN OF ELSMERE	REIMBURSEMENT POLICE TESTING	60.00
				<b>548,274.15</b>

