



Municipal Services Commission
of the City of New Castle

NIXON

M E D I C A L

APPAREL & LINEN SERVICE SPECIALISTS

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Secretary's Message

The beginning of 2018, the Commissioners voted to approve a rate reduction in electric rates and an increase in water rates. The changes in rates were based on recommendations from the Municipal Services Commission's (MSC) rate design consultants, Utility Financial Solutions. Engaging with third party providers with industry experience is one way the MSC is able to stay viable and make good financial and operational decisions.

The MSC's auditors, Barbacane, Thornton & Company reported an unmodified opinion on the financial statements fiscal year ending March 31, 2018. They indicated no exceptions were noted in internal controls and the audit revealed no material weaknesses. The MSC was pleased with these results especially considering the accounting software was converted to an integrated system during the year. I want to extend an appreciation to the accounting staff and accounting manager Tara French for the efforts to insure accurate financial reporting while performing the additional work necessary to change software.

This edition of the newsletter provides the citizens of New Castle with the financial statements. You can find the complete report on the MSC website <https://newcastlemsc.delaware.gov/> Please feel free to stop in and discuss any questions or concerns you may have regarding the financial health of the MSC

In addition to the financial statements, you will find an update on the electric and water projects and some helpful tips regarding conservation. Utilizing LED light bulbs and fixing leaky toilets are important conservation steps all City of New Castle residents can take.

Have a Happy and Safe Holiday Season!!

Pamela A. Patone

General Manager/Secretary

Resources

At Your Fingertips

City Administration Office	322-9801
Mayor's Office	322-9802
Public Works Department	322-9813
MSC Main Office	323-2330
MSC Utility Building	323-2333
Pamela A. Patone Secretary / General Manager	221-4513
Mary Jane Stubbs Business Manager / Treasurer	323-2332
Tara French Accounting & Customer Service Manager	221-4517
Scott Blomquist Electric Utility Manager	221-4514
Jay Guyer Water Utility Manager	221-4515

**Planning a project at home that involves
digging on your property?**

Call MISS UTILITY

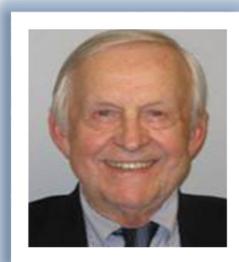
1-800-282-8555

Calendar Of Events

December 24th - Christmas Eve - MSC Closed

December 25th - Christmas Day - MSC Closed

January 1st - New Years Day - MSC Closed



Dr. Roy J. Sippel
President

Appointed by The Mayor
Term: April 1, 2016 to March 31, 2019



Daniel F. Knox
Commissioner

Appointed by City Council
Term: April 1, 2017 to March 31, 2020



Dr. Allen R. Hansen
Commissioner

Appointed by the Trustees
Term: April 1, 2018 to March 31, 2021



Ms. Vivienne Cameron

Is the DEMEC/MSC Storm Prep Emergency
Raffle Winner



The Emergency Kit was presented to Ms. Cameron by General Manager Pam Patone and was filled with items to assist individuals during a Storm if they should lose power.



MSC is utilizing Tyler Notify, a platform designed to send messages to citizens in a secure auditable environment. You may have received such a voice message recently in an attempt to test our system. In order for this system to be effective, it is important for the customer database to have current contact information. If you received a test phone call on or around November 29, 2018 at the telephone number that you would like to receive messages, then you do not need to do anything. If you did not receive a call or would like to utilize a different phone number, please feel free to contact the Customer Service Department at 302-323-2330. We look forward to being able to keep you informed of important events within the City of New Castle.

Meet Our Customer

Nixon Medical is a leading service provider of medical apparel and linens that has served outpatient healthcare centers since 1967. Originally founded by Murray Berstein in Chester, Pennsylvania, the company started as a dry-cleaning business and rapidly evolved into a B2B apparel rental and management services provider. Today, Nixon Medical continues to be family-owned and operated, and is recognized for the outstanding service it provides to outpatient facilities and their practice managers.

In fact, The Nixon Medical Service Difference™ is its proven process for seamlessly managing the inventory and distribution of medical apparel and linens to alleviate burdens, allowing the medical staff to focus on patient needs. It combines a focus on service and outpatient facilities with processes, technology and an enriching culture to save practice managers' valuable time, money and resources.

Additionally, Nixon Medical's line of apparel and linen products was carefully aggregated with the needs of outpatient facilities in mind, including everything from lab coats, scrubs and patient apparel to medical linens, towels, floor mats, mops and storage solutions. And beyond the products themselves, Nixon Medical's friendly Route Service Representatives meticulously stock and organize shelves, moving in and out of each facility efficiently and professionally and taking pride in every step along the way.





Aerial to Underground

Van Dyke Village Project

The Electric Department met with the Community twice this past year to explain the Van Dyke Village aerial to underground electric conversion project which began in the fall of 2018. Due to the age of the infrastructure and the current backyard design of the electric system, the Commission approved the 5-6 year project. The Community was invited in June and July to meet with staff to review the plans and discuss the challenges. In addition, the Commission is communicating via phone notifications to keep residents informed of the work being performed. Baldt Avenue was the first area to be affected. Due to the weather, work has slowed down but will continue when possible. If you have any questions regarding this project feel free to contact our office at 302-323-2330.



The logo for MSC GIS Mapping System features three circular icons on the left: a water drop, a lightbulb, and a leaf. To the right, the letters 'MSC' are in large blue font, 'GIS' is in large yellow font, and 'Mapping System' is in smaller black font below it.

MSC GIS Mapping System

What is GIS?

A geographic information system (GIS) is a framework for gathering, managing and analyzing data. The key word to this technology is **Geography**, this means that some portion of the data is spatial or in other words, in some way is referenced to locations on the Earth.

Coupled with this spatial data is information about each of the spatial features, this is called attribute data. An example of this would be a Fire Hydrant. The actual location of the Fire Hydrant is the spatial data. Additional data such as manufacturer, manufactur-

er date, install date, diameter and condition would make up the attribute data.

It is the partnership of these two data types that enables GIS to be such an effective problem solving tool through spatial analysis and being able to display information in a map form.

How does the MSC utilize GIS?

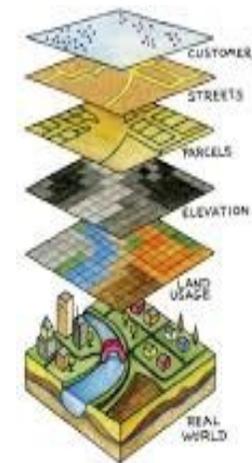
Prior to GIS, the MSC's existing records and data were primarily in paper format. The MSC utilizes ArcFM and ESRI software for our GIS Mapping System. The water and electric departments used a Trimble handheld GPS unit to get sub-meter accuracy in locating all of our assets. Along with spatially locating our assets, a geodatabase was created to input all known attribute information about each asset.

Having all this information in a GIS Format, allows the MSC to make informed decisions when planning future projects, developing Asset Management Plans and marking our utilities in the field for Miss Utility requests. MSC asset changes and updates are more accu-

rate and easily identifiable, reducing the chances for outages and increasing reliability for customers.

The MSC was able to help the City staff with GPS locating the Stormwater facilities. The MSC has also acquired GIS data from New Castle County Sanitary Sewer, DelDot Stormwater, City Trees and FirstMap to be able to overlay assets which helps the MSC make smarter decisions with our utilities.

The State of Delaware shares GIS data on their FirstMap website <http://firstmap.delaware.gov/> which is a great resource for residents to see how GIS is changing the way the world works.



GIS

geographic
information
system



MUNICIPAL SERVICES COMMISSION
(A Component Unit of the City of New Castle)
STATEMENTS OF NET POSITION
MARCH 31, 2018 AND 2017



	<u>2018</u>	<u>2017</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 1,975,282	\$ 2,491,132
Investments	1,094,359	1,073,100
Accounts receivable, net	610,658	412,638
Dividends receivable	191	162
Other receivables	12,383	2,833
Inventory	620,429	553,153
Prepaid expenses	84,586	81,832
Total Current Assets	<u>4,397,888</u>	<u>4,614,850</u>
Restricted Assets:		
Cash and cash equivalents - restricted	<u>864,659</u>	<u>834,075</u>
Noncurrent Assets:		
Land	45,386	45,386
Construction-in-progress	75,308	146,806
Property, plant and equipment	23,264,611	22,117,702
Less: Accumulated depreciation	(12,262,232)	(11,573,716)
Total Noncurrent Assets	<u>11,123,073</u>	<u>10,736,178</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows - pension	128,908	81,365
Deferred outflows - DEMEC	<u>2,227,630</u>	<u>1,941,472</u>
Total Deferred Outflows	<u>2,356,538</u>	<u>2,022,837</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 18,742,158</u>	<u>\$ 18,207,940</u>



MUNICIPAL SERVICES COMMISSION
(A Component Unit of the City of New Castle)
STATEMENTS OF NET POSITION
MARCH 31, 2018 AND 2017



	<u>2018</u>	<u>2017</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
LIABILITIES		
Current Liabilities:		
Accounts payable	\$ 587,114	\$ 590,367
Accrued expenses	769	20,162
Payroll withholdings payable	10,644	2,284
Accrued wages	18,981	27,823
Developer deposits	39,083	857
Other liabilities	1,676	1,446
Total Current Liabilities	<u>658,267</u>	<u>642,939</u>
Noncurrent Liabilities:		
Escrow deposits	4,406	4,386
Customer deposits	860,253	829,689
Accrued compensated absences	343,395	315,965
Net pension liability	850,265	890,698
Total Noncurrent Liabilities	<u>2,058,319</u>	<u>2,040,738</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows - pension	<u>158,918</u>	<u>136,336</u>
NET POSITION		
Net investment in capital assets	11,123,073	10,736,178
Unrestricted	4,743,581	4,651,749
TOTAL NET POSITION	<u>15,866,654</u>	<u>15,387,927</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 18,742,158</u>	<u>\$ 18,207,940</u>



MUNICIPAL SERVICES COMMISSION
(A Component Unit of the City of New Castle)
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED MARCH 31, 2018 AND 2017



	<u>2018</u>	<u>2017</u>
OPERATING REVENUES:		
User charges	\$ 10,960,576	\$ 11,089,210
City service charges	72,553	60,881
Free service	52,127	54,733
Miscellaneous	66,527	112,003
TOTAL OPERATING REVENUES	11,151,783	11,316,827
LESS: Free service	(8,326)	(9,277)
NET OPERATING REVENUES	11,143,457	11,307,550
PURCHASE OF POWER AND WATER	6,567,286	7,042,404
OPERATING EXPENSES	2,540,898	2,341,336
GENERAL AND ADMINISTRATIVE EXPENSES	947,751	865,468
OPERATING INCOME	1,087,522	1,058,342
NONOPERATING REVENUES (EXPENSES):		
Investment income	33,883	33,337
Gain (loss) on sale of assets	-	8,550
Grant income	49,995	55,470
Grant expense	-	(11,878)
Appropriations to the Mayor and Council of New Castle:		
Ordinary	(665,353)	(664,281)
City services	(21,382)	(41,621)
Special	(18,874)	(30,063)
Realized loss on investments	(18,046)	
Unrealized gain (loss)	10,060	12,423
TOTAL NONOPERATING EXPENSES	(629,717)	(638,063)
CAPITAL CONTRIBUTIONS		
Private developer contributions	20,922	32,380
CHANGE IN NET POSITION	478,727	452,659
NET POSITION, BEGINNING OF YEAR	15,387,927	14,935,268
NET POSITION, END OF YEAR	\$ 15,866,654	\$ 15,387,927



MUNICIPAL SERVICES COMMISSION
(A Component Unit of the City of New Castle)
COMBINING SCHEDULES OF REVENUES AND EXPENSES BY DEPARTMENT
FOR THE YEARS ENDED MARCH 31, 2018 AND 2017



	Water Department		Electric Department		Total	
	2018	2017	2018	2017	2018	2017
OPERATING REVENUES:						
User charges	\$ 1,619,841	\$ 1,587,561	\$ 9,340,735	\$ 9,501,649	\$ 10,960,576	\$ 11,089,210
City service charges	21,382	22,483	51,171	38,398	72,553	60,881
Free service	2,299	3,488	49,828	51,245	52,127	54,733
Miscellaneous	29,799	29,229	36,728	82,774	66,527	112,003
TOTAL OPERATING REVENUES	1,673,321	1,642,761	9,478,462	9,674,066	11,151,783	11,316,827
LESS: Free service	(2,386)	(2,902)	(5,940)	(6,375)	(8,326)	(9,277)
NET OPERATING REVENUES	1,670,935	1,639,859	9,472,522	9,667,691	11,143,457	11,307,550
PURCHASE OF POWER AND WATER	25,049	24,428	6,542,237	7,017,976	6,567,286	7,042,404
OPERATING EXPENSES	1,296,759	1,204,593	1,244,139	1,136,743	2,540,898	2,341,336
GENERAL AND ADMINISTRATIVE EXPENSES	358,631	330,007	589,120	535,461	947,751	865,468
OPERATING INCOME	(9,504)	80,831	1,097,026	977,511	1,087,522	1,058,342
NONOPERATING REVENUES (EXPENSES):						
Investment income	4,739	4,970	29,144	28,367	33,883	33,337
Gain/(Loss) on sale of assets	-	-	-	8,550	-	8,550
Grant income	49,995	55,470	-	-	49,995	55,470
Grant expense	-	(11,878)	-	-	-	(11,878)
Private developer contributions	20,922	16,458	-	15,922	20,922	32,380
Appropriations to the Mayor and Council of New Castle:						
Ordinary	(95,248)	(100,006)	(570,105)	(564,275)	(665,353)	(664,281)
City services	(21,382)	(22,483)	-	(19,138)	(21,382)	(41,621)
Special	(8,161)	(12,772)	(10,713)	(17,291)	(18,874)	(30,063)
Realized losses on investments	(2,707)	-	(15,339)	-	(18,046)	-
Unrealized Gains/(Losses)	1,509	1,863	8,551	10,560	10,080	12,423
TOTAL NONOPERATING REVENUES (EXPENSES)	(50,333)	(68,378)	(558,462)	(537,305)	(608,795)	(605,683)
CHANGE IN NET POSITION	\$ (59,837)	\$ 12,453	\$ 538,564	\$ 440,206	\$ 478,727	\$ 452,659



MUNICIPAL SERVICES COMMISSION
(A Component Unit of the City of New Castle)
COMBINING SCHEDULES OF OPERATING EXPENSES BY DEPARTMENT
FOR THE YEARS ENDED MARCH 31, 2018 AND 2017



	<u>Water Department</u>		<u>Electric Department</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
OPERATING EXPENSES:						
Clothing allowance	\$ 4,497	\$ 3,749	\$ 8,142	\$ 9,811	\$ 12,639	\$ 13,360
Computer expense	9,912	12,431	16,945	17,548	26,857	29,979
Depreciation:						
Plant and equipment	356,640	336,158	222,410	233,986	579,050	570,144
Trucks and autos	35,536	16,069	43,432	58,076	78,968	74,145
Employee benefits	119,627	99,668	122,348	90,309	241,975	189,977
Engineering fees	146	1,166	1,760	800	1,906	1,966
Equipment rental	927	337	714	412	1,641	749
Insurance	55,933	55,458	47,242	47,786	103,175	103,244
Payroll taxes	37,257	30,464	41,641	32,548	78,898	63,012
Pension expense	58,856	64,181	71,403	77,863	130,259	142,044
Plant materials and supplies	2,223	11,669	3,964	18,139	6,187	29,808
Repairs and maintenance:						
Buildings and grounds	5,954	6,237	2,360	2,597	8,314	8,834
Hydrants, mains, and valves	11,560	6,255	-	-	11,560	6,255
Lines and poles	-	-	34,515	5,576	34,515	5,576
Meters and services	5,299	23,359	911	6,789	6,210	30,148
Pumping stations	30,025	28,693	-	-	30,025	28,693
Street lights	-	-	2,463	2,758	2,463	2,758
Substations	-	-	5,147	2,754	5,147	2,754
Salaries and wages	481,447	421,698	547,539	447,992	1,028,986	869,690
Safety expense	882	2,949	1,963	3,480	2,845	6,429
Sampling and testing	4,519	15,277	13,392	11,300	17,911	26,577
Security	205	-	3,302	3,602	3,507	3,602
Seminars/Training	5,350	4,799	2,506	2,291	7,856	7,090
Supplies	13,471	11,288	16,798	17,985	30,269	29,273
Truck expense	17,384	18,883	22,661	29,037	40,045	47,720
Utilities	39,109	34,005	10,581	13,504	49,690	47,509
TOTAL OPERATING EXPENSES	\$ 1,296,759	\$ 1,204,593	\$ 1,244,139	\$ 1,136,743	\$ 2,540,898	\$ 2,341,336



MUNICIPAL SERVICES COMMISSION
(A Component Unit of the City of New Castle)
COMBINING SCHEDULES OF GENERAL AND ADMINISTRATIVE EXPENSES BY DEPARTMENT
FOR THE YEARS ENDED MARCH 31, 2018 AND 2017

	Water Department		Electric Department		Total	
	2018	2017	2018	2017	2018	2017
GENERAL AND ADMINISTRATIVE EXPENSES:						
Administrative	\$ 16,114	\$ 15,000	\$ 24,625	\$ 18,523	\$ 40,739	\$ 33,523
Bad debts	3,732	-	18,557	-	22,289	-
Computer Expense	15,010	-	18,346	-	33,356	-
Depreciation - furniture and fixtures	13,724	9,022	16,774	10,987	30,498	20,009
Dues and subscriptions	3,038	3,247	1,456	1,414	4,494	4,661
Employee benefits	31,331	30,567	46,869	51,185	78,200	81,752
Fees and permits	-	258	-	193	-	451
Insurance	15,296	15,567	17,346	17,750	32,642	33,317
Office salaries	166,527	156,498	292,659	274,307	459,186	430,805
Office supplies	18,281	19,369	25,844	26,286	44,125	45,655
Payroll taxes	13,469	14,847	23,293	23,059	36,762	37,906
Pension expense	13,777	15,024	45,211	49,302	58,988	64,326
Professional fees	25,150	26,452	29,749	32,447	54,899	58,899
Rent	-	-	-	485	-	485
Repairs and maintenance - equipment	5,762	5,522	7,043	6,749	12,805	12,271
Security system	1,802	1,707	2,202	2,087	4,004	3,794
Telephone	11,228	10,945	13,768	13,377	24,996	24,322
Training - administrative	2,923	4,478	3,573	5,473	6,496	9,951
Utilities and other expenses	1,467	1,504	1,805	1,837	3,272	3,341
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	\$ 358,631	\$ 330,007	\$ 589,120	\$ 535,461	\$ 947,751	\$ 865,468

*Quality
You can see*



Greenlite ENERGY STAR certified lightbulbs

**LEDs Now
\$0.99**

LEDs last up to 25 times longer than incandescent lightbulbs and can save you \$90 or more over their lifetime.

FIND THEM AT: New Castle Historical Society at The Arsenal 30 Market St., New Castle

One of the energy efficiency initiatives
Offered in partnership between



SAVE WATER BY FIXING THAT LEAKING TOILET

WHAT CAUSES TOILETS TO LEAK?

It could be the flapper in the toilet is damaged or not sealing properly. There are several reasons why toilets leak, if repairs are not made it can cost you on your water bill. A large toilet leak can waste thousands of gallons per day which equates to a very large water bill. Most repairs can be done yourself after a trip to the local hardware store.



In addition there are things you can do to prevent leaks. Be aware of the toilet cleaner you use, chlorine liquid and large chemical tablets can wear away toilet flappers. In addition if your toilet was manufactured before 1994 you may want to consider purchasing a new high-efficiency toilet. These water saving toilets can save \$30-\$40 per year for each person in your home.

The MSC wants to help you conserve so feel free to contact our office with any questions.

**CHECK
YOUR TOILET
FOR LEAKS**





Municipal Services Commission
of the City of New Castle

216 Chestnut St.
New Castle, De 19720
302-323-2330

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