

Town of Ocean View

Financial Update for the Town Council

As of April 30, 2014 – End of FY14

Report on finance department primary activities and projects:

1. Real Estate taxes

The FY15 Real Estate tax bills totaling \$1,220,100 were released for mailing as of May 1, and taxpayers have until August 31 to make payment without penalty. Property taxes receivable as of April 30, 2014 are as follows:

Period owed	Current Year FY14	1st Prior Yr. FY13	2nd Prior Yr. FY12	3rd Prior Yr. FY11
2009 & prior	\$ 2,154	\$ 3,496	\$ 3,496	\$ 3,507
2010	972	1,832	1,832	2,835
2011	2,025	2,955	3,162	7,910
2012	2,396	6,891	10,073	-
2013	2,399	12,822	-	-
2014	4,130	-	-	-
Total	\$ 14,075	\$ 27,996	\$ 18,563	\$ 14,252

2. Water System

The 25th quarterly payment of \$59,746 was made to the USDA on March 21 against the \$4,600,000 in bonds issued for the water system – the remaining principal balance on these bonds is \$4,283,600. The next payment is due on June 21.

The latest water bills were dated April 3. The April 30 accounts receivable report from Tidewater shows accounts receivable due of \$134,800.

3. Transfer Tax collections

Transfer taxes collected during the current month totaled \$90,300. Transfer taxes budgeted for FY14 were \$600,000 and actual collections of \$708,600 are \$108,600 ahead of this target. FY14 collections are the highest since FY06 when a total of \$1,612,500 was collected. Monthly transfer tax collections during the past four fiscal years are as follows:

Monthly Collections	Current Yr. FY14	1st Prior Yr. FY13	2nd Prior Yr. FY12	3rd Prior Yr. FY11
May	\$ 53,500	\$ 70,000	\$ 43,900	\$ 33,800
June	60,700	56,100	40,200	69,600
July	63,300	57,600	52,800	33,600
August	53,100	33,500	60,100	78,900
September	71,300	36,800	40,400	69,600
October	57,500	62,600	151,100	40,700
November	57,100	23,600	66,500	72,000
December	76,100	44,400	44,200	43,600
January	49,300	24,400	15,300	50,500
February	17,200	37,100	36,300	22,500
March	59,200	29,500	13,600	67,500
April	90,300	53,900	21,600	38,800
Total	\$ 708,600	\$ 529,500	\$ 586,000	\$ 621,100

4. Status of Special Funds and Accounts

As of the current month end, the balances in certain reserve accounts are:

(a) The three Trust Funds:

Emergency Reserve Trust Fund (ERTF)	\$281,000
Capital Replacement Trust Fund (CRTF)	\$620,800
Street Repair and Replacement Trust Fund (SRRTF)	\$719,700
(includes \$119,700 held in the MSA account)	

(b) Impact fees collected

At the end of FY13, a total of \$165,988 in impact fees was available and carried over to FY14. Through the current month, a total of \$41,644 has been collected during the issuance of building permits (at the rate of \$1,436 per building project) representing a total of 29 building permits.

	Accumulation and Use			
	Collected	Used	Available	
FY08	8,616		8,616	
FY09	27,284		35,900	
FY10	48,824	(25,000)	59,724	<i>\$25,000 to payoff the DNB note for 201 Central</i>
FY11	47,388		107,112	
FY12	34,464		141,576	
FY13	24,412		165,988	
FY14	41,644	(160,000)	47,632	<i>Applied to new DPW bldg per FY14 Budget</i>
Total	232,632	(185,000)	47,632	

(c) Emergency Services Enhancement Funding (ESEF) program

At the end of FY13, a total of \$100 in ESEF collections was carried over to FY14. Through the end of FY14, a total of \$84,300 was collected. At the April 8 Council Meeting, it was determined that \$70,000 would be granted to the Millville Volunteer Fire Company and a check was prepared on April 10. The balance of \$14,400 has been carried over to FY15.

	Accumulation and Use			
	Collected	Used	Available	
FY08	11,304	(8,615)	2,689	<i>MVFC</i>
FY09	45,861	(42,000)	6,550	<i>\$40,000 to MVFC & \$2,000 to Beebe Medical Fdn.</i>
FY10	69,469	(74,000)	2,018	<i>MVFC</i>
FY11	66,744	(68,000)	763	<i>MVFC</i>
FY12	58,026	(58,500)	289	<i>MVFC</i>
FY13	58,552	(58,700)	142	<i>MVFC</i>
FY14	84,252	(70,000)	14,394	<i>MVFC</i>
Total	394,209	(379,815)	14,394	

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Town of Ocean View

Comparison of Budget to Actual For the Fiscal Year Ending April 30, 2014

	April YTD Actual	FY14 Budget	Over (Under) Budget	Portion of FY Gone = 100% % of Budget	
Revenues					
Taxes:					
Real Estate Tax and Penalties	\$ 1,224,614	\$ 1,225,000	\$ (386)	100%	A.
Real Estate Transfer Tax	708,600	600,000	108,600	118%	B.
Rental Gross Receipts Tax	235,332	160,000	75,332	147%	C.
Intergovernmental Revenues:					
State Grant - Municipal Street Aid	99,657	99,000	657	101%	D.
Public Safety Grant - Sussex County	25,000	25,000	-	100%	E.
Public Safety Grant - Police Pensions	26,951	30,000	(3,049)	90%	
Charges for Services:					
Building and Sign Permits	211,561	165,000	46,561	128%	
Impact Fees	41,644	45,000	(3,356)	93%	
Business and Rental Licenses	124,313	108,000	16,313	115%	F.
Cable TV Franchise Fee	81,096	60,000	21,096	135%	G.
Zoning and Other Fees	10,110	10,300	(190)	98%	
Expense Reimbursements	58,727	12,000	46,727	489%	H.
Miscellaneous	18,586	12,000	6,586	155%	I.
Other Revenue Sources:					
Public Safety Fines	39,637	25,000	14,637	159%	
Interest	4,201	2,300	1,901	183%	
Donations	375	100	275	375%	
Total	\$ 2,910,406	\$ 2,578,700	\$ 331,706	113%	

Recap	Actual	Budget	Over (Under) Budget
Revenues (above)	\$ 2,910,406	\$ 2,578,700	\$ 331,706
Expenditures (Page 2 of 4)	2,035,640	2,139,300	(103,660)
Revenues Over (Under) Expenditures	\$ 874,766	\$ 439,400	\$ 435,366

Town of Ocean View

Comparison of Budget to Actual For the Fiscal Year Ending April 30, 2014

Expenditures	April YTD Actual	FY14 Budget	Over (Under) Budget	Portion of FY Gone = 100% % of Budget
Payroll Expenses - Gross Wages	\$ 875,329	\$ 940,200	\$ (64,871)	93%
Overtime and Bonuses	55,337	39,900	15,437	139%
Payroll Taxes	79,820	80,800	(980)	99%
Compensation - Council & Commissions	7,423	8,100	(677)	92%
Subtotal - Compensation	1,017,909	1,069,000	(51,091)	95%
Employee Retirement	92,959	100,600	(7,641)	92%
Insurance - Medical, Dental, Life	189,531	237,800	(48,269)	80%
Insurance - Workers Compensation	63,457	41,200	22,257	154%
Subtotal - Personnel related costs	1,363,856	1,448,600	(84,744)	94%
Advertising	4,358	8,000	(3,642)	54%
Communications & Telephone	26,845	21,800	5,045	123%
Computer Technology & Internet	21,910	22,000	(90)	100%
Contracted Labor	-	20,000	(20,000)	0%
Donations	70,000	70,000	-	0%
Drainage Maintenance	9,528	20,000	(10,472)	48%
Dues & Subscriptions	6,662	5,100	1,562	131%
Education	9,973	7,100	2,873	140%
Gas & Diesel	36,083	28,000	8,083	129%
Homecoming Event	2,369	5,000	(2,631)	47%
Insurance - Business	49,327	46,800	2,527	105%
Maintenance & Repairs	44,998	36,500	8,498	123%
Mileage	739	2,100	(1,361)	35%
Miscellaneous	1,230	2,600	(1,370)	47%
Non-capital Equipment	12,603	7,600	5,003	166%
Park Expense	12,112	12,200	(88)	99%
Postage & Shipping	4,813	8,500	(3,687)	57%
Office Supplies/Printing	9,523	2,300	7,223	414%
Professional Services	145,645	134,000	11,645	109%
Property Assessment	18,304	25,000	(6,696)	73%
Public Relations	8,286	8,700	(414)	95%
Real Estate Transfer Tax Fees	5,287	6,000	(713)	88%
Repairs & Maintenance - Vehicles/Equip.	21,463	19,000	2,463	113%
Street Lighting	65,716	70,000	(4,284)	94%
Street Maintenance	967	20,000	(19,033)	5%
Street Signs	4,703	7,500	(2,797)	63%
Supplies	31,587	37,000	(5,413)	85%
Trash Collection	8,019	6,900	1,119	116%
Uniforms (new & maintenance)	9,129	6,000	3,129	152%
Utilities	29,603	25,000	4,603	118%
Total	\$ 2,035,640	\$ 2,139,300	\$ (103,660)	95%

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Town of Ocean View

Comparison of Operating Budget to Actual – Analytic Comments For the Fiscal Year Ending April 30, 2014

Comments on specific revenue and expense accounts are as follows:

Revenues

- A. Real Estate Tax and Penalties** – The FY14 tax bills were mailed on June 26, 2013. Penalties are billed monthly on unpaid real estate taxes and additional penalty revenue will be billed during the year. FY15 tax bills were released for mailing as of May 1, 2014.
- B. Real Estate Transfer Tax** – As of the current month end, transfer tax collections are \$708,600, or \$108,600 ahead of the YTD target based on the \$600,000 budgeted for the current fiscal year.
- C. Rental Gross Receipts Tax** – The collection of this tax is based on the calendar year and payments are due in two installments – no later than August 15 and February 15. As of the current month end, a total of \$235,300 has been collected compared to \$218,600 for the comparable period in FY13.
- D. State Grant (Municipal Street Aid)** – The Town's FY14 budget includes \$99,000 for the MSA grant. On July 15 DelDOT published its FY14 MSA allocations and the Town's share is \$99,657, or 1.99% of the total \$5 million MSA pool. This is comparable to the FY13 allocation. The final installment for the MSA grant was received in February.
- E. Public Safety Grant (Sussex County)** – This local law enforcement grant is from the Sussex County Council and is provided to each municipal police department that responds to calls within the County but outside that department's normal jurisdiction. The County accounts for these local law enforcement grants according to its June 30 fiscal year period. The \$25,000 included in the Town's FY14 budget was received in January.
- F. Business and Rental Licenses** are billed in advance and are due at the beginning of each calendar year. Accordingly, during the first eight months of each fiscal year, the license collections are expected to be minimal and the "normal" collection date will occur near the end of the fiscal year in December 2013/January 2014.
- G. Cable TV Franchise Fee** is provided for in the franchise agreement with Mediacom and is based on 5% of the cable company's revenue from its customers in Town. The Town's FY14 budget includes \$60,000 for this franchise fee – prior annual payments were \$60,900 and \$61,100 in FY13 and FY12, respectively. Total franchise fees for calendar year 2013 totaled \$65,100 – slightly ahead of the two prior calendar years.

The updated 2013 franchise agreement provides that franchise fees are to be remitted to the Town quarterly. A \$16,020 franchise fee payment was received in late April representing payment for the 3-month period ended March 31, 2014. Accordingly, the Town's FY14 financial statements will reflect an additional quarterly payment.

Comparison of Operating Budget to Actual – Analytic Comments
For the Fiscal Year Ending April 30, 2014

- H. Expense Reimbursements** – The majority of these collections are a result of charges by the Town to property developers for inspection work that is done by the Town’s engineer relating to roads, site development, sidewalks, etc. This revenue offsets the related expenses recorded under Professional Services. These charges are invoiced to developers and builders based on the engineer’s charge for the professional service plus an Administrative Fee of 10%. Charges for lot clean up and grass cutting violations are also recorded in this account.
- I. Miscellaneous** – The primary amount budgeted in this category is the annual payments due from the taxpayers in The Preserve at Ocean View. This represents amounts owed to the Town (\$9,900 annually through FY16) for final street paving that was done in that community in 2011.

Expenditures

- J. Insurance – Business** – The Town’s general business insurance policies renew on May 7 and the premium is paid at the beginning of the fiscal year.
- K. Professional Services** – Included in this category are charges from the Town’s Engineer, Kercher Engineering, Inc. (“KEI”) for site reviews at various development projects in Town. These charges are billed out to developers along with a 10% Administrative Fee and the offsetting revenue is recorded in Expense Reimbursements as described in item **H** above.
- L. Donations** – This amount represents the grant made in April 2014 to the Millville Volunteer Fire Company from ESEF collections made during the issuance of building permits. ESEF collections and the offsetting contributions are not included in the annual budgeting process and the annual award (determined for FY14 at the April 8 Council meeting) is treated as a budget amendment.

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