Town of Ocean View

Monthly Financial Update for Town Council
As of June 30, 2017

1. **Real Estate Tax**

FY18 property tax bills totaling $1,397,430 were mailed May 30, 2017 and taxpayers have until August 31 to pay their current year taxes without penalty. At present we have open appeals, so the total billed will be revised. YTD month-end property taxes receivable during the past four fiscal years are as follows:

Period owed	Current Year FY18	1st Prior Yr. FY17	2nd Prior Yr. FY16	3rd Prior Yr. FY15
2015 & prior	$ 4,836	$ 6,537	$ 6,537	$ 862,065
2016	909	2,598	886,445	-
2017	1,421	1,109,943	-	-
2018	1,397,430	-	-	-
Total	**$ 1,404,597**	**$ 1,119,078**	**$ 892,982**	**$ 862,065**

2. **Water System**

The 38th quarterly payment of $59,746 was made to the USDA on June 21. The original balance on the two bonds that were issued for the water system was $4,600,000 – the remaining principal balance is $4,082,400. The next payment on this debt is due on September 21.

The June month end accounts receivable balance is $44,700 compared to $42,800 for the comparable period in FY17. The first quarter 2017 water bills were billed out on April 5, 2017 in the amount of $122,000. The second quarter bills will go out in the next day or so.

3. **Transfer Tax collections**

Transfer taxes collected during the current month totaled $159,100. This amount is the highest amount collected since October 2005. Transfer taxes budgeted for FY18 are $770,000, with $160,000 being earmarked to go to the Street Repair and Replacement Trust Fund at the end of the fiscal year. That leaves $610,000 to help cover operating expenses.

YTD monthly transfer tax collections during the past four fiscal years are as follows:

Monthly Collections	Current Yr. FY18	1st Prior Yr. FY17	2nd Prior Yr. FY16	3rd Prior Yr. FY15
May	152,400	73,800	51,800	85,900
June	$ 159,100	$ 100,900	$ 89,900	$ 66,400
Total	**$ 311,500**	**$ 174,700**	**$ 141,700**	**$ 152,300**

4. Balances – Special Funds and Accounts

(a) Trust Funds:

Emergency Reserve Trust Fund (ERTF)	$285,400
Capital Replacement Trust Fund (CRTF)	$880,700
Street Repair and Replacement Trust Fund (SRRTF) (includes $55,525 held in MSA account)	$1,429,300

(b) Impact Fees:

Per Ordinance 221, which established the Impact Fee, the intended use is for capital expenditures and improvements by the Town for public works projects and police, fire, code enforcement and emergency protection and services to the residents and properties of the Town. The annual budget ordinance has taken into account this revenue and the allowed offsetting expenses.

(c) Emergency Services Enhancement Funding (ESEF) Program:

At the end of FY17, a total of $103,293 in ESEF collections was carried over to FY18. In past years the carryover was significantly less, however council made the conscious decision in FY17 to limit the grant so that as less fees are collected in future years the Town will be able to continue to grant MVFC funds to assist with necessary capital purchases. Currently there is $154,070 accumulated from the issuance of building permits restricted and available for distribution.

	Accumulation and Use			
	Collected	Used	Available	
FY14 & prior	394,209	(389,815)	4,394	*$307,815 to MVFC + $2,000 to Beebe Med. Fdn.*
FY15	113,891	(110,000)	8,284	*MVFC*
FY16	145,041	(153,000)	326	*MVFC*
FY17	182,968	(80,000)	103,293	*MVFC*
FY18	50,777	-	154,070	
Total	886,885	(732,815)	154,070	

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Respectfully submitted July 6, 2017,
Sandra Peck
Finance Director

Town of Ocean View

Comparison of Budget to Actual
For the Fiscal Year Ending April 30, 2018

Revenues	JUNE YTD Actual	FY18 Budget	Over (Under) Budget	Period 1 = 17% % of Budget	
Taxes:					
Real Estate Tax and Penalties	$ 1,395,112	$ 1,381,900	$ 13,212	101%	A
Real Estate Transfer Tax	311,491	770,000	(458,509)	40%	B
Rental Gross Receipts Tax	1,420	239,000	(237,580)	1%	C
Intergovernmental Revenues:			0		
State Grant - Municipal Street Aid	-	100,000	(100,000)	0%	D
Public Safety Grant - Sussex County	-	25,000	(25,000)	0%	E
Public Safety Grant - Police Pensions	20,933	30,000	(9,067)	70%	
Charges for Services:			0		
Building and Sign Permits	111,174	350,000	(238,826)	32%	F
Impact Fees	41,644	82,000	(40,356)	51%	G
Business and Rental Licenses	9,800	132,000	(122,200)	7%	H
Cable TV Franchise Fee	-	60,000	(60,000)	0%	I
Zoning and Other Fees	1,650	14,500	(12,850)	11%	
Expense Reimbursements	97,429	89,500	7,929	109%	J
Miscellaneous	2,143	7,500	(5,357)	29%	K
Other Revenue Sources:			0		
Public Safety Fines	2,896	35,000	(32,104)	8%	
Interest	1,076	10,300	(9,224)	10%	
Donations	300	100	200	300%	
Total Revenues	**$ 1,997,069**	**$ 3,326,800**	**$ (1,329,731)**	**60%**	

Recap	Actual	Budget	Over (Under) Budget
Total Revenues (above)	**$ 1,997,069**	**$ 3,326,800**	**$ (1,329,731)**
Total Expenditures (Page 2 of 4)	**574,369**	**3,166,400**	**(2,592,031)**
Revenues Over (Under) Expenditures	**$ 1,422,700**	**$ 160,400**	**$ 1,262,300**

Town of Ocean View

Comparison of Budget to Actual
For the Fiscal Year Ending April 30, 2018

Expenditures	JUNE YTD Actual	FY18 Budget	Over (Under) Budget	Period 1 = 17% % of Budget	
Payroll - Gross Wages	$ 188,502	$ 1,263,200	$ (1,074,698)	15%	
Payroll - Overtime & Bonus	10,284	82,200	(71,916)	13%	
Payroll Taxes	16,046	111,700	(95,654)	14%	
Payroll - Council & Commissions	760	9,800	(9,040)	8%	
Subtotal - Compensation	**215,591**	**1,466,900**	**(1,251,309)**	**15%**	
Employee Retirement	18,205	113,600	(95,395)	16%	
Insurance - Medical, Dental, & Life	53,813	353,700	(299,887)	15%	
Insurance - Workers' Comp	2,363	59,300	(56,937)	4%	
Subtotal - Personnel related costs	**289,972**	**1,993,500**	**(1,703,528)**	**15%**	
Advertising	752	4,200	(3,448)	18%	
Ambulance Fees - MVFC pass thru	-	77,500	(77,500)	0%	
Communications - Telephone & Internet	5,313	36,700	(31,387)	14%	
Comprehensive Land Use Plan	-	40,000	(40,000)	0%	
Computer Software Updates & Website	2,002	26,800	(24,798)	7%	
Contracted Labor	467	15,000	(14,533)	3%	
Donations - from ESEF collections	-	-	-	0%	
Drainage Maintenance	-	30,000	(30,000)	0%	
Dues & Subscriptions	3,063	13,000	(9,937)	24%	
Education & Training	4,363	19,300	(14,937)	23%	
Insurance - Business	73,625	78,000	(4,375)	94%	L
K-9 Supplies	-	2,000	(2,000)	0%	
Maintenance & Repairs - Building & Facilities	2,395	17,000	(14,606)	14%	
Maintenance & Repairs - Contracted	6,340	53,000	(46,660)	12%	
Mileage	290	1,100	(810)	26%	
Non-capital Equipment	1,015	20,100	(19,085)	5%	
Park Expense	1,157	20,000	(18,843)	6%	
Postage, Printing, & Office Supplies	1,601	15,900	(14,299)	10%	
Professional Services	11,655	70,100	(58,445)	17%	M
Property Assessment	-	35,000	(35,000)	0%	
Public Relations	2,950	22,800	(19,850)	13%	N
Real Estate Transfer Tax Fees	2,793	7,700	(4,907)	36%	
Street Lighting	6,365	80,000	(73,635)	8%	
Street Maintenance	4,872	50,000	(45,128)	10%	
Street Paving & Repair	137,975	296,000	(158,025)	47%	
Street Signs	-	6,500	(6,500)	0%	
Supplies	3,992	38,600	(34,608)	10%	
Uniforms - New & Maintenance	913	13,000	(12,087)	7%	
Utilities	4,967	39,100	(34,133)	13%	
Vehicles & Equipment - Fuel	2,294	28,000	(25,706)	8%	
Vehicles & Equipment - Maintenance & Repairs	3,236	16,500	(13,264)	20%	
Total Expenditures	**$ 574,369**	**$ 3,166,400**	**$ (2,592,031)**	**18%**	

Town of Ocean View

Comparison of Operating Budget to Actual – Analytic Comments
For the Fiscal Year Ending April 30, 2018

Comments on specific revenue and expense accounts are as follows:

Revenues

A. **Real Estate Tax and Penalties:** The FY18 tax bills were mailed the last week of May and taxpayers have until the end of August to pay without penalty. The appeal process is ongoing, so there will be some adjusted bills sent which will be reflected in upcoming financial reports. Penalties are billed monthly on unpaid taxes.

B. **Real Estate Transfer Tax:** Assuming that the revenue is earned evenly throughout the year ($770,000/12 = $64,167), we start FY18 ahead of schedule. Based on June receipts we need to collect $45,850 per month for the balance of the year to meet budget.

C. **Gross Rental Receipts Tax:** The collection of GRRT tax is based on the calendar year and payments are due in two installments – no later than August 15 and February 15. Therefore, we expect minimal income the first 3 months of the fiscal year.

D. **State Grant (Municipal Street Aid):** Historically, the Town's share of MSA funding has been approximately 2% of the total state-wide grant and the FY18 budget includes $100,000 for this grant. The total funding allocated to the town will not be known until the State's FY18 budget is adopted and the allocation factors have been calculated. Payment is expected in August and January.

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 end.

F. **Building & Sign Permits:** It continues to be a good start to the year. Last year after the first two months of the fiscal year we were at 21% of budget. After 2 months, FY18 is @ 32% of budget.

G. **Impact Fees:** FY17 ended with the collection of 74 impact fees. FY18 to date we have collected 29 fees. This, like building permits is not something that is earned evenly throughout the year, so it is too early to tell where the year will end.

H. **Business and Rental Licenses:** Licenses are issued on annual basis and are due at the beginning of each calendar year. Accordingly, during the first eight months of the fiscal year, license collections are expected to be minimal. Normal collections primarily occur in December and January.

I. **Cable TV Franchise Fee:** This revenue 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 FY18 budget includes $60,000 for this franchise fee and Mediacom is

to make payments at the end of each calendar quarter. The first payment for the current fiscal year is expected sometime in late July and covers the 2nd quarter of 2017.

J. **Expense Reimbursements:** There are 2 major components of this revenue line. (i) The pass-thru ambulance fee for MVFC, with $82,390 billed. Funds collected will be turned over in September. (ii) The charges billed by the Town to property developers for inspections of construction work related to roads, site development, sidewalks, etc. that is done by the Town's engineer (Kercher Engineering). This revenue offsets the related expenses that are recorded under Professional Services (item M). The charges invoiced to developers and builders ($12,965) are based on the engineer's charge for the professional services rendered plus a 10% Administrative Fee.

K. **Miscellaneous:** Revenue reported in this category primarily includes (i) the 10% Administrative Fee referred to in item J above ($1,000); (ii) lease income from the University of Delaware's Osher Lifelong Learning Institute for use of Town Hall at 32 West Avenue ($0); and (iii) OVPD report and finger printing fees ($450).

Expenditures

L. **Insurance – Business:** The Town's general business insurance policies renew annually on May 7 and the premiums are paid at the beginning of the fiscal year.

M. **Professional Services:** Included in this category are charges from Kercher Engineering for construction and are billed out to developers along with a 10% Administrative Fee. The offsetting revenue is recorded in Expense Reimbursements as described at item J.

N. **Public Relations:** This amount includes costs for Concerts in the Park, Cops & Goblins, etc. Most of these costs will be incurred in the first half of the fiscal year.

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