

Town of Ocean View

Monthly Financial Update for Town Council As of February 28, 2018

1. Real Estate Tax

FY18 property tax bills total \$1,393,950. Taxpayers had until August 31 to pay their current year taxes without penalty. 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	\$ 10,740
2016	909	1,415	4,117	-
2017	1,421	1,927	-	-
2018	2,528	-	-	-
Total	\$ 9,694	\$ 9,879	\$ 10,654	\$ 10,740

2. Water System

The 40th quarterly payment of \$59,746 was made to the USDA on December 21. The original balance on the two bonds that were issued for the water system was \$4,600,000 – the remaining principal balance is \$4,049,100. The next debt payment is due on March 21.

The January month end accounts receivable balance was \$104,750 compared to \$100,900 for the comparable period in FY17.

3. Transfer Tax Collections

Transfer taxes budgeted for FY18 are \$770,000, with the amount available to cover operating expenses being \$321,250. The remainder of the funds are distributed as follows: Per ordinances 12.5% of receipts are added to the Capital Replacement Trust Fund and 25% to the Street Repair & Replacement Trust Fund (SRRTF). Additionally at the end of the fiscal year \$160,000 has been earmarked in the current year budget ordinance to go to the SRRTF. This last piece (160k) is part of the process of weaning our reliance off these funds which are not within our control.

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
July	92,200	39,000	95,100	78,400
August	130,300	81,700	42,000	52,500
September	134,800	41,100	70,200	54,900
October	114,800	44,900	62,500	83,100
November	122,500	101,900	46,200	59,200
December	88,600	68,600	27,100	62,600
January	75,900	62,300	37,900	34,800
February	69,800	37,100	88,600	40,200
Total	\$ 1,140,400	\$ 651,300	\$ 611,300	\$ 618,000

4. Balances – Special Funds and Accounts

(a) Trust Funds:

Emergency Reserve Trust Fund (ERTF)	\$285,640
Capital Replacement Trust Fund (CRTF)	\$996,800
Street Repair and Replacement Trust Fund (SRRTF) (includes \$142,765 held in MSA account)	\$1,739,300

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

At the end of FY17, a total of \$103,294 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 \$321,500 accumulated from the issuance of building permits, which is committed and available for distribution.

	Accumulation and Use			
	Collected	Used	Available	
FY14 & prior	394,209	(389,815)	4,394	\$387,815 to MVFC + \$2,000 to Beebe Med. Fdn.
FY15	113,891	(110,000)	8,285	MVFC
FY16	145,041	(153,000)	326	MVFC
FY17	182,968	(80,000)	103,294	MVFC
FY18	218,232	-	321,525	
Total	1,054,340	(732,815)	321,525	

Respectfully submitted March 5 2018
Sandra Peck
Finance Director

Town of Ocean View

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

Revenues	February YTD Actual	FY18 Budget	Over (Under) Budget	FY Period 10	
				= 83%	
				% of Budget	
Taxes:					
Real Estate Tax and Penalties	\$ 1,409,363	\$ 1,381,900	\$ 27,463	102%	A
Real Estate Transfer Tax	1,140,379	770,000	370,379	148%	B
Rental Gross Receipts Tax	272,836	239,000	33,836	114%	C
Intergovernmental Revenues:					
State Grant - Municipal Street Aid	98,107	100,000	(1,893)	98%	D
Public Safety Grant - Sussex County	25,000	25,000	0	100%	E
Public Safety Grant - Police Pensions	41,866	30,000	11,866	140%	
Public Safety Grant - Other	39,111	0	39,111	-	
Charges for Services:					
Building and Sign Permits	486,019	350,000	136,019	139%	F
Impact Fees	162,268	82,000	80,268	198%	G
Business and Rental Licenses	134,795	132,000	2,795	102%	H
Cable TV Franchise Fee	49,969	60,000	(10,031)	83%	I
Zoning and Other Fees	16,180	14,500	1,680	112%	
Expense Reimbursements	224,593	89,500	135,093	251%	J
Miscellaneous	81,882	7,500	74,382	1092%	K
Other Revenue Sources:					
Public Safety Fines	29,577	35,000	(5,423)	85%	
Interest	14,277	10,300	3,977	139%	
Donations	915	100	815	915%	
Total Revenues	\$ 4,227,136	\$ 3,326,800	\$ 900,336	127%	
(Transfers To)/From Trust Funds	(297,470)	(152,750)	(144,720)		L
Total Revenues Available for Operations	\$ 3,929,666	\$ 3,174,050	\$ 755,616		

Recap	Actual	Budget	Over (Under) Budget
Total Revenues Available for Operations (above)	\$ 3,929,666	\$ 3,174,050	\$ 755,616
Total Expenditures (Page 2 of 4)	2,646,012	3,166,400	(520,388)
Revenues Over (Under) Expenditures	\$ 1,283,653	\$ 7,650	\$ 1,276,003

Town of Ocean View

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

Expenditures	February YTD Actual	FY18 Budget	Over (Under) Budget	FY Period 10
				= 83%
				% of Budget
Payroll - Gross Wages	\$ 993,000	\$ 1,263,200	\$ (270,200)	79%
Payroll - Overtime & Bonus	71,436	82,200	(10,764)	87%
Payroll Taxes	88,722	111,700	(22,978)	79%
Payroll - Council	2,149	9,800	(7,651)	22%
Subtotal - Compensation	1,155,307	1,466,900	(311,593)	79%
Employee Retirement	92,333	113,600	(21,267)	81%
Insurance - Medical, Dental, & Life	308,351	353,700	(45,349)	87%
Insurance - Workers' Comp	55,414	59,300	(3,886)	93%
Subtotal - Personnel related costs	1,611,406	1,993,500	(382,094)	81%
Advertising	3,059	4,200	(1,141)	73%
Ambulance Fees - MVFC pass thru	80,290	77,500	2,790	104%
Ammunition	6,489	1,100	5,389	590%
Communications - Telephone & Internet	27,494	36,700	(9,206)	75%
Comprehensive Land Use Plan	-	40,000	(40,000)	0%
Computer Software/Subscription Services/Web	29,919	26,800	3,119	112%
Contracted Labor	3,589	15,000	(11,411)	24%
Contracted Services	39,272	53,000	(13,728)	74%
Donations - from ESEF collections	-	-	-	0%
Drainage Maintenance	593	30,000	(29,408)	2%
Dues & Memberships	6,703	13,000	(6,297)	52%
Education & Training/Mileage	19,480	19,300	180	101%
Grant Expense - Various	99,895	-	99,895	
Insurance - Business	78,518	78,000	518	101%
K-9 Supplies	880	2,000	(1,120)	44%
Maintenance & Repairs - Building & Facilities	13,256	17,000	(3,744)	78%
Non-capital Equipment	4,380	20,100	(15,720)	22%
Park Expense	17,946	20,000	(2,054)	90%
Postage, Printing, & Office Supplies	16,085	15,900	185	101%
Professional Services	198,413	70,100	128,313	283%
Property Assessment	27,918	35,000	(7,083)	80%
Public Relations	20,395	22,800	(2,405)	89%
Real Estate Transfer Tax Fees	10,094	7,700	2,394	131%
Street Lighting	57,684	80,000	(22,316)	72%
Street Maintenance	16,763	50,000	(33,237)	34%
Street Paving & Repair	148,698	296,000	(147,302)	50%
Street Signs	3,601	6,500	(2,899)	55%
Supplies	24,627	38,600	(13,973)	64%
Uniforms - New & Maintenance	8,176	13,000	(4,824)	63%
Utilities	29,852	39,100	(9,248)	76%
Vehicles & Equipment - Fuel	24,455	28,000	(3,545)	87%
Vehicles & Equipment - Maintenance & Repairs	16,087	16,500	(413)	97%
Total Expenditures	\$ 2,646,012	\$ 3,166,400	\$ (520,388)	84%

M
N

O
P

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 had until the end of August to pay without penalty. Penalties are billed monthly on unpaid taxes.
- B. Real Estate Transfer Tax:** At 10 months into the year we are at 148% of budget. We continue to build the various trust funds for future capital repairs and replacement needs, street and sidewalk repairs, as well as the emergency reserve fund.
- C. Gross Rental Receipts Tax:** The collection of GRRT tax is based on the calendar year and payments are due August 15 and February 15. Therefore, most revenue is received in July/August and January/February.
- 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. Our award this year is \$98,107, down slightly from last year.
- 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.
- F. Building & Sign Permits:** We continue to have a good year. 10 months into the fiscal year we have exceeded budget (139%).
- G. Impact Fees:** FY17 ended with 74 impact fees collected. To date for FY18 we have collected 112 fees and have exceeded budget for the year.
- H. Business and Rental Licenses:** Licenses are issued on an 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 third payment for the current fiscal year was received in the amount of \$16,200 and covers the 4th quarter of 2017. The fourth payment is expected in April.
- J. Expense Reimbursements:** The major components of this revenue line includes (i) The pass-thru ambulance fee for MVFC (\$80,290). Funds collected have been turned over. (ii) The charges billed by the Town to property developers for inspections of construction work related to roads, site development, and sidewalks that is done by the Town's engineer (Kercher Engineering). This revenue offsets the related expenses that are recorded under Professional Services (item **O**). The charges

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

invoiced to developers and builders (\$137,475) 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 (\$13,460); (ii) lease income from the University of Delaware’s Osher Lifelong Learning Institute for use of Town Hall at 32 West Avenue (\$3,690); (iii) OVPD reports, finger printing fees & sale of seized asset (\$5,100); (iv) Reimbursement of prior year expenses, primarily from an insurance claim for a damaged speed monitor (\$3,230), refund of premium for Worker’s Compensation Insurance (\$16,285), and refund on Phase III of the Streetscapes Project (\$13,515), and (v) DPW “sold” equipment through trade-in when purchasing new equipment (\$21,500).

Transfers To/From Trust Funds

- L.** Transfers to the General Fund from Trust Funds or vice versa per FY18 budget ordinance are as follows:

To CRTF from General	(96,250)
To SRRTF from General	(192,500)
To SRRTF from General	(160,000)
To General from SRRTF	296,000
	(152,750)

Expenditures

- M. Grant Expense - Various:** This represents various Public Safety Grants that are unbudgeted due to the availability changing from year to year. These will be included in the budget amendment presented towards the end of the fiscal year. The breakdown of expenses to date is as follows:

Payroll - Overtime	18,844
Education & Training	9,790
Public Relations	4,950
Supplies	3,375
Informant Funds	700
Assets Seized	1,152
Capital Purchases	36,084
TOTAL	\$ 74,895

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