

Town of Ocean View

Monthly Financial Update for Town Council As of April 30, 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	\$ 6,537
2016	909	1,415	2,598	-
2017	1,421	1,927	-	-
2018	2,528	-	-	-
Total	\$ 9,694	\$ 9,879	\$ 9,135	\$ 6,537

2. Water System

The 40th quarterly payment of \$59,746 was made to the USDA on March 21. The original balance on the two bonds that were issued for the water system was \$4,600,000 – the remaining principal balance is \$4,032,130. The next debt payment is due on June 21.

3. Transfer Tax Collections

Transfer taxes budgeted for FY18 were \$1,300,000, 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 all excess funds collected have been earmarked in the budget ordinance to go to the SRRTF. This last piece 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
March	131,100	105,400	109,800	86,100
April	163,700	105,100	67,300	63,600
Total	\$ 1,435,200	\$ 861,800	\$ 788,400	\$ 767,700

4. Balances – Special Funds and Accounts

(a) Trust Funds:

Emergency Reserve Trust Fund (ERTF)	\$285,640
Capital Replacement Trust Fund (CRTF)	\$935,935
Street Repair and Replacement Trust Fund (SRRTF) (includes \$142,770 held in MSA account)	\$1,791,400

(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 \$268,465 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	249,378	(84,204)	268,467	MVFC
Total	1,085,486	(817,019)	268,467	

Respectfully submitted May 2, 2018
Sandra Peck
Finance Director

Town of Ocean View

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

Revenues	April YTD Actual	FY18 Budget	Over (Under) Budget	FY Period 12	
				= 100%	
				% of Budget	
Taxes:					
Real Estate Tax and Penalties	\$ 1,409,653	\$ 1,409,650	\$ 3	100%	A
Real Estate Transfer Tax	1,435,187	1,300,000	135,187	110%	B
Rental Gross Receipts Tax	287,184	284,000	3,184	101%	C
Intergovernmental Revenues:					
State Grant - Municipal Street Aid	98,107	98,107	(0)	100%	D
Public Safety Grant - Sussex County	25,000	25,000	0	100%	E
Public Safety Grant - Police Pensions	41,866	41,866	0	100%	
Public Safety Grant - Other	40,071	39,830	241	101%	
Charges for Services:					
Building and Sign Permits	553,987	560,700	(6,713)	99%	
Impact Fees	431,750	429,500	2,250	101%	
Business and Rental Licenses	145,645	142,200	3,445	102%	F
Cable TV Franchise Fee	66,838	65,000	1,838	103%	G
Zoning and Other Fees	21,580	19,000	2,580	114%	
Expense Reimbursements	264,426	240,290	24,136	110%	H
Miscellaneous	88,446	83,500	4,946	106%	I
Other Revenue Sources:					
Public Safety Fines	39,422	42,700	(3,278)	92%	
Interest	16,774	36,500	(19,726)	46%	
Donations	915	915	0	100%	
Total Revenues	\$ 4,966,850	\$ 4,818,758	\$ 148,092	103%	
(Transfers To)/From Restricted Funds	(1,161,615)	(903,959)	(257,656)		J
Total Revenues Available for Operations	\$ 3,805,235	\$ 3,914,799	\$ (109,564)		

Recap	Actual	Budget	Over (Under) Budget
Total Revenues Available for Operations (above)	\$ 3,805,235	\$ 3,914,799	\$ (109,564)
Total Expenditures (Page 2 of 4)	3,237,763	3,389,608	(151,845)
Revenues Over (Under) Expenditures	\$ 567,473	\$ 525,191	\$ 42,282

Town of Ocean View

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

Expenditures	April YTD Actual	FY18 Amended Budget	Over (Under) Budget	FY Period 12
				= 100%
				% of Budget
Payroll - Gross Wages	\$ 1,281,557	\$ 1,283,300	\$ (1,743)	100%
Payroll - Overtime & Bonus	109,611	106,720	2,891	103%
Payroll Taxes	112,225	113,050	(825)	99%
Payroll - Council	4,317	5,075	(758)	85%
Subtotal - Compensation	1,507,710	1,508,145	(435)	100%
Employee Retirement	115,570	113,820	1,750	102%
Insurance - Medical, Dental, & Life	334,526	337,360	(2,834)	99%
Insurance - Workers' Comp	57,973	56,445	1,528	103%
Subtotal - Personnel related costs	2,015,778	2,015,770	8	100%
Advertising	4,325	3,800	525	114%
Ambulance Fees - MVFC pass thru	80,290	80,290	-	100%
Ammunition	6,489	6,489	-	100%
Communications - Telephone & Internet	34,164	34,475	(311)	99%
Comprehensive Land Use Plan	-	-	-	
Computer Software/Subscription Services/Web	33,154	31,825	1,329	104%
Contracted Labor	3,589	3,589	(0)	100%
Contracted Services	45,220	51,910	(6,690)	87%
Donations - from ESEF collections	84,204	84,200	4	0%
Drainage Maintenance	613	5,000	(4,388)	12%
Dues & Memberships	8,095	8,730	(635)	93%
Education & Training/Mileage	32,191	35,850	(3,659)	90%
Grant Expense - Various	-	-	-	
Insurance - Business	78,968	78,972	(4)	100%
K-9 Supplies	880	1,500	(620)	59%
Maintenance & Repairs - Building & Facilities	22,067	19,000	3,067	116%
Non-capital Equipment	7,236	24,405	(17,169)	30%
Park Expense	22,676	21,500	1,176	105%
Postage, Printing, & Office Supplies	18,349	19,087	(738)	96%
Professional Services	270,490	254,750	15,740	106%
Property Assessment	27,918	27,918	(1)	100%
Public Relations	25,591	25,750	(159)	99%
Real Estate Transfer Tax Fees	12,692	11,500	1,192	110%
Sidewalk Repairs	9,910	128,000	(118,091)	8%
Street Lighting	70,732	77,500	(6,768)	91%
Street Maintenance	17,313	22,000	(4,687)	79%
Street Paving & Repair	148,698	148,698	(0)	100%
Street Signs	3,697	6,500	(2,803)	57%
Supplies	51,647	56,750	(5,103)	91%
Uniforms - New & Maintenance	13,975	13,000	975	107%
Utilities	36,101	37,800	(1,699)	96%
Vehicles & Equipment - Fuel	29,887	32,850	(2,963)	91%
Vehicles & Equipment - Maintenance & Repairs	20,824	20,200	624	103%
Total Expenditures	\$ 3,237,763	\$ 3,389,608	\$ (151,845)	96%

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Town of Ocean View

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

This report was prepared with the amended budget for fiscal year '18. Work will continue as we prepare for audit. The audit report is expected to be presented at the September council meeting.

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:** We continue to build the various trust funds for future capital repairs and replacement needs and street and sidewalk repairs. The reserve funds were established by ordinance for specific purposes.
- 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. 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. 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.
- G. 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 amended budget includes \$65,000 for this franchise fee and Mediacom is to make payments at the end of each calendar quarter. The fourth and final payment for the current fiscal year was received in the amount of \$16,870 and covers the 1st quarter of 2018.
- H. 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 **M**). The charges invoiced to developers and builders (\$177,195) are based on the engineer's charge for the professional services rendered plus a 10% Administrative Fee.
- I. Miscellaneous:** Revenue reported in this category primarily includes (i) the 10% Administrative Fee referred to in item **H** above (\$17,430); (ii) lease income from the University of Delaware's Osher Lifelong

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

Learning Institute for use of Town Hall at 32 West Avenue (\$3,690); (iii) OVPD sale of seized asset (\$1,955); (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 (\$27,550).

Transfers To/From Trust Funds

J. Transfers of restricted funds to/(from) the General Fund per FY18 amended budget ordinance:

	<u>Actual</u>	<u>Budget</u>
PS Grants to Capital Budget	(41,107)	(41,107)
To CRTF from General	(179,398)	(162,500)
To SRRTF from General	(934,538)	(816,250)
To ESEF from General	(249,378)	(245,000)
To General from ESEF	84,200	84,200
To General from SRRTF	158,607	276,698
	<u>(1,161,615)</u>	<u>(903,959)</u>

Expenditures

K. Grant Expense - Various: This represents various Public Safety Grants that are unbudgeted in the original budget adoption due to the availability changing from year to year. With the amended budget these items are now reflected in the appropriate expense line. The breakdown of expenses to date follows:

Payroll - Overtime	24,898
Education & Training	9,790
Public Relations	4,950
Non-capital Equipment	780
Supplies	7,307
Informant Funds	700
Assets Seized	1,152
Capital Purchases	41,107
TOTAL	\$ 90,683

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 **H**.

N. 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.
