

TOWN OF OCEAN VIEW
DELAWARE

June 7, 2019

TO: Honorable Mayor and Council
FROM: Dawn Mitchell Parks, Finance Director *DM*
VIA: Carol S. Houck, Town Manager *CSH*
SUBJECT: Monthly Financial Update as of May 31, 2019

1. Real Estate Tax

The FY20 Tax bills were processed and postmarked by the end of May for the assessments that were posted on February 15, 2019. Re-assessments were completed for the time period 5/1/2017 through 4/30/2018.

The property tax bills totaled \$2,146,178. Taxpayers have until August 31 to pay their current year taxes without penalty. FY19 Revised Tax Billing was processed in April. Amounts due as well as any credits generated by the revised billing were included on the May 2019 Tax Bill as a previous balance.

Re-assessments for the time period 5/01/2018 through 03/31/2019 have been received. A supplemental billing will be processed and mailed in July. The 2019 May and July bills will be due by August 31, 2019.

New construction will be assessed quarterly.

2. Grants

In addition to the grants that the Town is awarded and budgets for each year, the Town also applies for other grants (ie OHS, CJC, Salle/Eide). Revenue tied with these grants are reported under Public Safety Grants. The expenses are accounted for in the appropriate expense line and are recapped below.

Overtime	\$ 2,185.24
Employee Related, other	-
Non-Capital Equipment	-
Supplies	-
TOTAL OPERATING:	\$ 2,185.24
CAPITAL:	\$ -

3. Transfer Taxes

FY19 Transfer Taxes collected were from 50.7% new home sales (\$772,920), 7.2% from land sales (109,125) and 42.2% resales of existing homes (\$643,799). May sales were not available and are not included in the percentage calculation.

4. Water System

The USDA debt was retired in August 2018 with proceeds from General Obligation Bonds. Payments are due in March and September of each year with the final payment being made in 2047. The March 2019 – March 2021 payments will be interest only. After that time March payments will be interest only and September payments will be principal and interest.

The 1st interest only payment of 83,187 was made to the GO Bonds on March 15th. The next interest only payment of \$71,304 will be paid on September 15th. The original balance of the GO Bond for the USDA debt that was retired in August 2018 was \$4,160,000.

5. Balances – Reserve and Committed Funds

(a) Trust Funds:

Emergency Reserve Trust Fund (ERTF)	\$707,061
Capital Replacement Trust Fund (CRTF)	\$1,026,061
Street Repair and Replacement Trust Fund (SRRTF)	\$2,736,088
(includes \$84,059 held in MSA account)	

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

The chart below shows the funds accumulated from the issuance of building permits which is committed and available for distribution. The amount collected in FY19 is based on 116 new home construction permits.

	Accumulation and Use			
	Collected	Used	Available	
FY16 & prior	653,141	(652,815)	326	<i>\$650,815 to MVFC + \$2,000 to Beebe Med.</i>
FY17	182,968	(80,000)	103,292	<i>MVFC</i>
FY18	249,378	(84,204)	268,467	<i>MVFC</i>
FY19	245,327	(80,000)	433,794	<i>MVFC</i>
FY20	24,949		458,742	
Cumulative collected and disbursed	1,355,761	(897,019)	458,742	

Respectfully submitted June 7, 2019

Dawn Mitchell Parks

Finance Director

Town of Ocean View

Comparison of Budget to Actual

Year-to-Date for the Fiscal Year Ending April 30, 2020

Revenues	May YTD Actual	FY20 Adopted Budget	Over (Under) Budget	Period 01 8% % of Budget	
PROPERTY TAX REVENUE	\$ 2,146,178	\$ 2,219,210	\$ (73,032)	97%	A
TRANSFER TAXES	17,324	1,000,000	\$ (982,676)	2%	B
BUILDING PERMITS					
Building Permits	45,983	449,000	\$ (403,017)	10%	
Impact Fees	43,617	300,000	\$ (256,383)	15%	
Other Permits/Fees	6,218	36,000	\$ (29,782)	17%	
GRANTS					
State Grant - Municipal Street Aid	-	118,000	\$ (118,000)	0%	C
Public Safety Grants	1,300	94,500	\$ (93,200)	1%	D
GROSS RENTAL RECEIPT TAXES	2,716	282,000	\$ (279,284)	1%	E
LICENSES	5,670	155,000	\$ (149,330)	4%	F
MISCELLANEOUS					G
Cable Franchise Fee	-	63,000	\$ (63,000)	0%	
Interest	78	28,830	\$ (28,752)	0%	
Other	5,174	29,000	\$ (23,826)	18%	
P&Z and BOA Fees	1,145	15,000	\$ (13,855)	8%	
POLICE: Fines & Fees	200	33,000	\$ (32,800)	1%	
REVENUE WITH OFFSETTING EXPENSE					H
Reimbursable Fees	-	100,500	\$ (100,500)	0%	
Pass through MVFC Ambulance Service	92,645	91,000	\$ 1,645	102%	
Total Revenues	\$ 2,368,248	\$ 5,014,040	\$ (2,645,792)	47%	
SRRTF: ADA sidewalk work FY20	\$ -	\$ 147,000	(147,000)	0%	
ESEF: committed funds being granted FY19	\$ -	\$ 80,000	(80,000)	0%	
SRRTF: Street Paving	\$ -	\$ 327,500	(327,500)	0%	
FY20 Revenue Restricted/Committed					I
Capital Budget: Public Safety Grants	-	(25,000)	25,000	0%	
Capital Replacement Trust Fund (CRTF)	(2,165)	(125,000)	122,835	2%	
Emergency Reserve Trust Fund (ERTF)	-	(129,900)	129,900	0%	
Emergency Services Enhancement Fund (ESEF)	-	(175,000)	175,000	0%	
Street Repair and Replacement Trust Fund (SRRTF)	\$ (15,158)	\$ (745,100)	729,942		
Total Revenues Available for Operations	\$ 2,350,924	\$ 4,368,540	\$ (2,017,616)		

Recap	Actual	Budget	Over (Under) Budget
Total Revenues Available for Operations (above)	\$ 2,350,924	\$ 4,368,540	\$ (2,017,616)
Total Expenditures (Page 4 of 6)	3,707,513	3,534,900	172,613
Revenues Over (Under) Expenditures	\$ (1,356,589)	\$ 833,640	\$ (2,190,229)

Town of Ocean View

Comparison of Budget to Actual

Year-to-Date for the Fiscal Year Ending April 30, 2020

Expenditures	May YTD Actual	FY20 Adopted Budget	Over (Under) Budget	Period 01
				8% % of Budget
SALARY & RELATED EMPLOYEE EXPENSES				
Wages: Salary, Overtime, Bonus	135,248	1,680,380	\$ (1,545,132)	8%
Insurances: Dental, Health, Life	32,431	421,710	(389,279)	8%
Payroll Taxes	10,378	136,385	(126,007)	8%
Pension	-	189,565	(189,565)	0%
Worker's Compensation	-	77,085	(77,085)	0%
CONTRACTED SERVICES	-			
Committee Stipends	750	5,000	(4,250)	15%
Computer/Copier Maintenance & related expenses	2,354	46,150	(43,796)	5%
Other	338	26,350	(26,012)	1%
EMPLOYEE RELATED EXPENSES, OTHER	745	43,300	(42,555)	2%
GRANT AWARDS: ESEF FUNDS	-	80,000	(80,000)	0%
INSURANCE BUSINESS & BONDS	40,971	90,090	(49,119)	45%
PROFESSIONAL SERVICES	-			
Audit	-	19,500	(19,500)	0%
Engineering	-	30,500	(30,500)	0%
Legal	-	61,000	(61,000)	0%
Other	-	73,500	(73,500)	0%
Pass thru MVFC Ambulance Service	-	91,000	(91,000)	0%
Reimbursable - Engineering	-	100,000	(100,000)	0%
Reimbursable - Other	-	500	(500)	0%
PUBLIC RELATIONS	2,840	32,100	(29,260)	9%
REPAIRS & MAINTENANCE	-			
Buildings, non-capital	-	18,700	(18,700)	0%
Drainage	-	10,000	(10,000)	0%
Machinery & Equipment, non-capital	-	7,000	(7,000)	0%
Park	1,675	28,000	(26,325)	6%
Street & Sidewalk Maintenance & Repairs	-	528,500	(528,500)	0%
Vehicles	167	15,500	(15,333)	1%
Other(Cleaning, Inspections, etc.)	732	24,100	(23,368)	3%
SUPPLIES & MISCELLANEOUS	-			
Advertising	-	11,200	(11,200)	0%
Department Specific Supplies	83	66,500	(66,417)	0%
Gas & Diesel	-	36,000	(36,000)	0%
NonCapital Equipment/Grant Funded Equipment	-	56,300	(56,300)	0%
Office Supplies/Postage	3,019	19,300	(16,281)	16%
Uniforms	449	13,800	(13,351)	3%
TELEPHONE & COMMUNICATIONS	2,270	37,300	(35,030)	6%
UTILITIES	-			
Street Lights	100	84,000	(83,900)	0%
Utilities	1,639	37,800	(36,161)	4%
Total Expenditures	\$ 236,190	\$ 4,198,115	\$ (3,961,925)	6%

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Town of Ocean View

Comparison of Operating Budget to Actual – Analytic Comments Year-to-Date for the Fiscal Year Ending April 30, 2020

Revenues

- A. Property Tax Revenues:** The FY20 tax bills were mailed the last full week of May and taxpayers have until the end of August to pay without penalty. Penalties are billed monthly on unpaid taxes.
- B. Transfer Taxes:** We continue to build the various reserve funds for future capital repairs and replacement needs and street and sidewalk repairs. The reserve funds were established by ordinance for specific purposes. The FY20 budget includes using a portion of transfer tax to fund the Emergency Reserve Trust Fund up to the balance established by ordinance, 20% of the current year operating budget.
- C. Grants – State Grant (Municipal Street Aid):** Historically, the Town’s share of MSA funding has been approximately 2% of the total state-wide grant. The total amount being distributed this year has been increased by \$1,000,000. Our award in FY19 was \$117,227, an increase of \$19,120 over FY18. The first half of these funds were received in August 2018 (\$58,613) with the balance having been received in January 2019 (\$58,614).
- D. Public Safety Grants:** This category is comprised of various grants to aid in public safety including: (1) Sussex County Council provides an annual grant to each municipal police department that responds to calls within the County but outside that department’s normal jurisdiction. These funds were moved to the capital budget and are used towards the purchase of a new police vehicle; (2) The State provides an annual grant to assist with the cost of the pension expense for those in the plan for sworn officers; (3) The Federal COPS Hiring Grant that was awarded to help offset the salary and benefits associated with the first 3 years of employing an additional officer.
- E. 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.
- F. Licenses:** The town issues business (annual and temporary), real estate/rental agent, 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. Miscellaneous:** This category is primarily comprised of: (1) Cable Franchise Fees: The franchise agreement with Mediacom and is based on 5% of the cable company’s revenue from its customers in Town and is paid quarterly. (2) reimbursement of prior year expenses; (3) rental of meeting room and park; (4) administrative fee (10% of reimbursable reviews); (5) Sale of assets; and (6) Donations.
- H. Revenue with Offsetting Expense:** The major components of this category are (1) The pass-thru ambulance fee for MVFC (\$91,000 budgeted). Funds collected will be turned over in September. (2) 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 (\$100,500 budgeted).

Comparison of Operating Budget to Actual – Analytic Comments
Year-to-Date for the Fiscal Year Ending April 30, 2019

Revenue not available for Operations

- I. FY20 Revenue Restricted/Committed:** These funds are committed or restricted for specific purposes and thus are not available for general operations. The restricted funds are comprised of transfer tax revenue and interest earned on the restricted funds. A portion of the Impact Fees collected are committed for Emergency Services Enhancement Fund (ESEF) which are distributed as a grant award each spring.

Expenditures

- J. Contracted Services, Other:** Contracted services other are comprised of various maintenance agreements (ie elevator, HVAC, pest control, etc.), cleaning services, and holiday décor management.
- K. Employee Related Expenses, Other:** This line includes expenses for dues and membership, meetings and seminars, and travel reimbursement.
- L. Grant Awards: ESEF Funds:** At the end of FY19, a total of \$433,794 in ESEF collections were carried over to FY20. In past years the carryover was significantly less, however council made the conscious decision in FY17 to limit the grant award so that as less fees are collected in future years that Town will be able to continue to grant funds to assist with necessary capital purchases. The grant request and subsequent distribution occurs in the spring.
- M. 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.
- N. Public Relations:** The primary expenses are for Concerts in the Park, Movies in the Park, Holiday Market and Cops & Goblins. Most of these costs are incurred in the first half of the fiscal year.
- O. Repairs & Maintenance – Street & Sidewalk Maintenance, Replacement & Repairs:** This line represents ADA Sidewalk repairs and annual street maintenance. Street Paving determined by the 2019 Street Paving Study is also included in this line item.
- P. Supplies & Miscellaneous -Department Specific:** Related to G&A are fees associated with banking/investments and transfer tax collections. With Public Safety the expenses are primarily ammunition, canine and various PS specific supplies. DPW the expenses include street signage.
