

TOWN OF OCEAN VIEW
DELAWARE

November 11, 2019

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

1. **Real Estate Tax**

As of October 31, 2019, we have collected \$2,235,848 of the FY20 and revised FY19 taxes leaving a balance due of \$53,299 (FY20 taxes due are \$40,062 and Prior Years are \$13,237). 86.44% of current year taxes have been paid to date. We are working with owners and mortgage companies on the delinquent balances.

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). These are captured in the budget amendment at the end of the fiscal year. Revenue tied with these grants are reported under Public Safety Grants. As of the end of October, the Police Department has received \$102,540 in grant funding. The expenses are accounted for in the appropriate expense line and are recapped below.

Overtime	\$ 15,476.03
Employee Related, other	1,706.40
Non-Capital Equipment	2,450.00
Supplies	5,700.00
TOTAL OPERATING:	\$ 25,332.43
CAPITAL:	\$ -

3. **Balances – Reserve and Committed Funds**

(a) **Trust Funds:**

Emergency Reserve Trust Fund (ERTF) \$847,212

The Emergency Reserve Trust is fully funded at 20% of the FY20 operating budget. Funds above \$250,000 will be transferred to our Raymond James Reserve Fund account for investing.

Capital Replacement Trust Fund (CRTF) \$1,082,015

The FY20 obligation from the Capital Replacement Trust is \$839,131. Certificates of Deposit have been redeemed to cover the obligation. Funds above the FY20 obligations have been invested with WSFS.

Street Repair and Replacement Trust Fund (SRRTF) \$2,044,986
(includes \$67,745 held in MSA account)

The FY20 obligation from the Street Repair and Replacement Trust is \$952,237 for drainage projects, \$327,500 for street paving and \$147,000 for Sidewalks. Funds above the FY20 obligation have been invested in our Fulton CRIM 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 FY20 amount collected is based on 113 new home construction permits issued from May 1st through the end of October 2019. Once the FY20 Grant is disbursed, we will analyze the account for investment opportunities.

	Accumulation and Use			
	Collected	Used	Available	
FY16 & prior	653,141	(652,815)	326	\$650,815 to MVFC + \$2,000 to Beebe Med. Fdn.
FY17	182,968	(80,000)	103,292	MVFC
FY18	249,378	(84,204)	268,467	MVFC
FY19	245,327	(80,000)	433,794	MVFC
FY20	218,714		652,508	
Cumulative collected and disbursed	1,549,527	(897,019)	652,508	

4. Transfer Taxes

Transfer Taxes collected through 9/30/19 are from 63.6% new construction home sales (\$547,481) with 7.7% of new construction being from land sales, developer to builder (\$75,713) and 36.4% resales of existing homes (\$355,937). October sales are not yet available and are not included in the percentage calculation. We are estimating approximately \$183,000 in Transfer Tax for the month of October. Below is a recap of FY20, current year, along with the previous three fiscal years. October reflects actual collections from permits only.

Monthly Collections	Current FY20	1st Prior Yr. FY19	2nd Prior Yr. FY18	3rd Prior Yr. FY17
May	\$ 183,612	\$ 210,567	\$ 152,400	\$ 73,800
June	266,180	85,391	159,100	100,900
July	128,196	127,263	92,200	39,000
August	211,145	85,443	130,300	81,700
September	142,100	130,912	134,800	41,100
October	47,897	197,866	114,800	44,900
November		122,412	122,500	101,900
December		115,343	88,600	68,600
January		93,695	75,900	62,300
February		100,434	69,800	37,100
March		107,561	131,100	105,400
April		148,957	163,700	105,100
Total	\$ 979,131	\$ 1,525,844	\$ 1,435,200	\$ 861,800

Respectfully submitted November 11, 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	October YTD Actual	FY20 Adopted Budget	Over (Under) Budget	Period 06 50% % of Budget	
PROPERTY TAX REVENUE	\$ 2,495,319	\$ 2,219,210	\$ 276,109	112%	A
TRANSFER TAXES	979,131	1,000,000	\$ (20,869)	98%	B
BUILDING PERMITS					
Building Permits	413,595	449,000	\$ (35,405)	92%	
Impact Fees	375,238	300,000	\$ 75,238	125%	
Other Permits/Fees	46,684	36,000	\$ 10,684	130%	
GRANTS					
State Grant - Municipal Street Aid	58,060	118,000	\$ (59,940)	49%	C
Public Safety Grants	102,540	94,500	\$ 8,040	109%	D
GROSS RENTAL RECEIPT TAXES	129,256	282,000	\$ (152,744)	46%	E
LICENSES	18,875	155,000	\$ (136,125)	12%	F
MISCELLANEOUS					G
Cable Franchise Fee	20,035	63,000	\$ (42,965)	32%	
Interest	52,035	28,830	\$ 23,205	180%	
Other	52,489	29,000	\$ 23,489	181%	
P&Z and BOA Fees	8,745	15,000	\$ (6,255)	58%	
POLICE: Fines & Fees	25,364	33,000	\$ (7,636)	77%	
REVENUE WITH OFFSETTING EXPENSE					H
Reimbursable Fees	62,925	100,500	\$ (37,575)	63%	
Pass through MVFC Ambulance Service	89,845	91,000	\$ (1,155)	99%	
Total Revenues	\$ 4,930,136	\$ 5,014,040	\$ (83,904)	98%	
SRRTF: Sidewalk work FY20	\$ -	\$ 147,000	(147,000)	0%	
ESEF: committed funds being granted FY19	\$ -	\$ 80,000	(80,000)	0%	
SRRTF: Street Paving	\$ 301,421	\$ 327,500	(26,079)	92%	
FY20 Revenue Restricted/Committed					I
Capital Budget: Public Safety Grants	\$ -	(25,000)	25,000	0%	
Capital Replacement Trust Fund (CRTF 12.5%)	\$ (122,391)	(125,000)	2,609	98%	
Emergency Reserve Trust Fund (ERTF)	\$ (129,900)	(129,900)	0	100%	
Emergency Services Enhancement Fund (ESEF)	\$ (218,714)	(175,000)	(43,714)	125%	
Street Repair & Replacement Trust (SRRTF 25% + Add'l)	\$ (719,682)	\$ (745,100)	25,418	97%	
Total Revenues Available for Operations	\$ 4,040,870	\$ 4,368,540	\$ (327,670)		

Recap	Actual	Budget	Over (Under) Budget
Total Revenues Available for Operations (above)	\$ 4,040,870	\$ 4,368,540	\$ (327,670)
Total Expenditures (Page 4 of 6)	1,926,497	4,198,115	(2,271,618)
Revenues Over (Under) Expenditures	\$ 2,114,373	\$ 170,425	\$ 1,943,948

Town of Ocean View

Comparison of Budget to Actual

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

Expenditures	October YTD Actual	FY20 Adopted Budget	Over (Under) Budget	Period 06	
				50% % of Budget	
SALARY & RELATED EMPLOYEE EXPENSES					
Wages: Salary, Overtime, Bonus	788,285	1,680,380	\$ (892,095)	47%	
Insurances: Dental, Health, Life	227,422	421,710	(194,288)	54%	
Payroll Taxes	64,525	136,385	(71,860)	47%	
Pension	89,640	189,565	(99,925)	47%	
Worker's Compensation	52,505	77,085	(24,580)	68%	
CONTRACTED SERVICES					
Committee Stipends	2,970	5,000	(2,030)	59%	
Computer/Copier Maintenance & related expenses	21,067	46,150	(25,083)	46%	
Other	9,237	26,350	(17,113)	35%	J
EMPLOYEE RELATED EXPENSES, OTHER	20,880	43,300	(22,420)	48%	K
GRANT AWARDS: ESEF FUNDS	-	80,000	(80,000)	0%	L
INSURANCE BUSINESS & BONDS	86,162	90,090	(3,928)	96%	M
PROFESSIONAL SERVICES					
Audit	17,500	19,500	(2,000)	90%	
Engineering	12,763	30,500	(17,738)	42%	
Legal	10,998	61,000	(50,002)	18%	
Other	107,442	73,500	33,942	146%	
Pass thru MVFC Ambulance Service	89,845	91,000	(1,155)	99%	
Reimbursable - Engineering	83,160	100,000	(16,840)	83%	
Reimbursable - Other	360	500	(140)	72%	
PUBLIC RELATIONS	23,774	32,100	(8,326)	74%	N
REPAIRS & MAINTENANCE					
Buildings, non-capital	4,151	18,700	(14,549)	22%	
Drainage	-	10,000	(10,000)	0%	
Machinery & Equipment, non-capital	588	7,000	(6,412)	8%	
Park	11,888	28,000	(16,112)	42%	
Street & Sidewalk Maintenance & Repairs	34,500	528,500	(494,000)	7%	O
Vehicles	9,075	15,500	(6,425)	59%	
Other(Cleaning, Inspections, etc.)	7,936	24,100	(16,164)	33%	
SUPPLIES & MISCELLANEOUS					
Advertising	5,810	11,200	(5,390)	52%	
Department Specific Supplies	26,274	66,500	(40,226)	40%	P
Gas & Diesel	15,285	36,000	(20,715)	42%	
NonCapital Equipment/Grant Funded Equipment	15,680	56,300	(40,620)	28%	
Office Supplies/Postage	15,922	19,300	(3,378)	82%	
Uniforms	3,088	13,800	(10,712)	22%	
TELEPHONE & COMMUNICATIONS	16,737	37,300	(20,563)	45%	
UTILITIES					
Street Lights	36,864	84,000	(47,136)	44%	
Utilities	14,164	37,800	(23,636)	37%	
Total Expenditures	\$ 1,926,497	\$ 4,198,115	\$ (2,271,618)	46%	

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 had until the end of August to pay without penalty. Supplemental bills were mailed mid-July and were also due by August 31. Penalties are billed 1.5% monthly on unpaid taxes.
- B. Transfer Taxes:** We continue to build the various reserve funds for future capital repairs and replacement needs, street and sidewalk repairs and emergency 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. On July 18th, the State notified us of our portion, \$116,120. The first distribution of \$58,060 was received in July 2019 with the balance to be distributed in January 2020.
- 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 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.
