

TOWN OF OCEAN VIEW
DELAWARE

December 5, 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 November 30, 2019

1. Real Estate Tax

As of November 30, 2019, we have collected \$2,254,434 of the FY20 and revised FY19 taxes and penalties leaving a balance due of \$35,482 (FY20 taxes due are \$24,747 and Prior Years are \$10,735). 87.13% of current year taxes have been paid to date. We are continuing to work 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 Police Department 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. The expenses are accounted for in the appropriate expense line and are recapped below.

Overtime	\$ 16,607.17
Employee Related, other	1,706.40
Non-Capital Equipment	8,725.00
Supplies	5,700.00
TOTAL OPERATING:	\$ 32,738.57
CAPITAL:	\$ 5,599.00

3. Balances – Reserve and Committed Funds

(a) Trust Funds:

Emergency Reserve Trust Fund (ERTF) \$847,675

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) \$1,105,831

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) \$2,053,339
(includes \$67,795 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 124 new home construction permits issued from May 1st through the end of November 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	239,207		673,001	
Cumulative collected and disbursed	1,570,020	(897,019)	673,001	

4. Transfer Taxes

Transfer Taxes collected through 10/31/19 are from 65.3% new construction home sales (\$656,736) with 8.8% of new construction being from land sales, developer to builder (\$102,113) and 34.7% resales of existing homes (\$403,704). November sales are not yet available and are not included in the percentage calculation. We are estimating approximately \$130,000 in Transfer Tax for the month of November.

Monthly Collections	Current FY20	1st Prior Yr. FY19	2nd Prior Yr. FY18	3rd Prior Yr. FY17	4th Prior Yr. FY16
May	\$ 183,612	\$ 210,567	\$ 152,400	\$ 73,800	\$ 51,800
June	266,180	85,391	159,100	100,900	89,900
July	128,196	127,263	92,200	39,000	95,100
August	211,145	85,443	130,300	81,700	42,000
September	142,100	130,912	134,800	41,100	70,200
October	231,319	197,866	114,800	44,900	62,500
November	12,074	122,412	122,500	101,900	46,200
December		115,343	88,600	68,600	27,100
January		93,695	75,900	62,300	37,900
February		100,434	69,800	37,100	88,600
March		107,561	131,100	105,400	109,800
April		148,957	163,700	105,100	67,300
Total	\$ 1,174,627	\$ 1,525,844	\$ 1,435,200	\$ 861,800	\$ 788,400

Respectfully submitted December 5, 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	November YTD Actual	FY20 Adopted Budget	Over (Under) Budget	Period 07	A B C D E F G H I
				58% % of Budget	
PROPERTY TAX REVENUE	\$ 2,496,087	\$ 2,219,210	\$ 276,877	112%	A
TRANSFER TAXES	1,162,553	1,000,000	\$ 162,553	116%	B
BUILDING PERMITS					
Building Permits	452,551	449,000	\$ 3,551	101%	
Impact Fees	411,527	300,000	\$ 111,527	137%	
Other Permits/Fees	50,919	36,000	\$ 14,919	141%	
GRANTS					
State Grant - Municipal Street Aid	58,060	118,000	\$ (59,940)	49%	C
Public Safety Grants	100,090	94,500	\$ 5,590	106%	D
GROSS RENTAL RECEIPT TAXES	130,439	282,000	\$ (151,561)	46%	E
LICENSES	19,340	155,000	\$ (135,660)	12%	F
MISCELLANEOUS					G
Cable Franchise Fee	40,536	63,000	\$ (22,464)	64%	
Interest	54,580	28,830	\$ 25,750	189%	
Other	68,409	29,000	\$ 39,409	236%	
P&Z and BOA Fees	10,245	15,000	\$ (4,755)	68%	
POLICE: Fines & Fees	28,837	33,000	\$ (4,163)	87%	
REVENUE WITH OFFSETTING EXPENSE					H
Reimbursable Fees	74,098	100,500	\$ (26,403)	74%	
Pass through MVFC Ambulance Service	89,845	91,000	\$ (1,155)	99%	
Total Revenues	\$ 5,248,114	\$ 5,014,040	\$ 234,074	105%	
SRRTF: Sidewalk work FY20	\$ 27,850	\$ 147,000	(119,150)	19%	
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%)	\$ (145,319)	(125,000)	(20,319)	116%	
Emergency Reserve Trust Fund (ERTF)	\$ (129,900)	(129,900)	0	100%	
Emergency Services Enhancement Fund (ESEF)	\$ (239,207)	(175,000)	(64,207)	137%	
Street Repair & Replacement Trust (SRRTF 25% + Add'l)	\$ (887,334)	(745,100)	(142,234)	119%	
Total Revenues Available for Operations	\$ 4,175,626	\$ 4,368,540	\$ (192,914)		

Recap	Actual	Budget	Over (Under) Budget
Total Revenues Available for Operations (above)	\$ 4,175,626	\$ 4,368,540	\$ (192,914)
Total Expenditures (Page 4 of 6)	2,228,327	4,198,115	(1,969,788)
Revenues Over (Under) Expenditures	\$ 1,947,298	\$ 170,425	\$ 1,776,873

Town of Ocean View

Comparison of Budget to Actual

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

Expenditures	November YTD Actual	FY20 Adopted Budget	Over (Under) Budget	Period 07
				58% % of Budget
SALARY & RELATED EMPLOYEE EXPENSES				
Wages: Salary, Overtime, Bonus	911,659	1,680,380	\$ (768,721)	54%
Insurances: Dental, Health, Life	260,314	421,710	(161,396)	62%
Payroll Taxes	73,857	136,385	(62,528)	54%
Pension	103,179	189,565	(86,386)	54%
Worker's Compensation	52,505	77,085	(24,580)	68%
CONTRACTED SERVICES	-			
Committee Stipends	3,120	5,000	(1,880)	62%
Computer/Copier Maintenance & related expenses	23,651	46,150	(22,499)	51%
Other	14,973	26,350	(11,377)	57%
EMPLOYEE RELATED EXPENSES, OTHER	27,289	43,300	(16,011)	63%
GRANT AWARDS: ESEF FUNDS	-	80,000	(80,000)	0%
INSURANCE BUSINESS & BONDS	86,162	90,090	(3,928)	96%
PROFESSIONAL SERVICES	-			
Audit	17,500	19,500	(2,000)	90%
Engineering	14,038	30,500	(16,463)	46%
Legal	15,858	61,000	(45,142)	26%
Other	139,046	73,500	65,546	189%
Pass thru MVFC Ambulance Service	89,845	91,000	(1,155)	99%
Reimbursable - Engineering	104,564	100,000	4,564	105%
Reimbursable - Other	360	500	(140)	72%
PUBLIC RELATIONS	26,737	32,100	(5,363)	83%
REPAIRS & MAINTENANCE	-			
Buildings, non-capital	6,671	18,700	(12,029)	36%
Drainage	-	10,000	(10,000)	0%
Machinery & Equipment, non-capital	816	7,000	(6,184)	12%
Park	11,089	28,000	(16,911)	40%
Street & Sidewalk Maintenance & Repairs	44,152	528,500	(484,349)	8%
Vehicles	10,520	15,500	(4,980)	68%
Other(Cleaning, Inspections, etc.)	10,436	24,100	(13,664)	43%
SUPPLIES & MISCELLANEOUS	-			
Advertising	7,683	11,200	(3,517)	69%
Department Specific Supplies	28,998	66,500	(37,502)	44%
Gas & Diesel	18,079	36,000	(17,921)	50%
NonCapital Equipment/Grant Funded Equipment	24,871	56,300	(31,429)	44%
Office Supplies/Postage	16,115	19,300	(3,185)	83%
Uniforms	4,971	13,800	(8,829)	36%
TELEPHONE & COMMUNICATIONS	18,649	37,300	(18,651)	50%
UTILITIES	-			
Street Lights	43,257	84,000	(40,743)	51%
Utilities	17,365	37,800	(20,435)	46%
Total Expenditures	\$ 2,228,327	\$ 4,198,115	\$ (1,969,788)	53%

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.
