

TOWN OF OCEAN VIEW  
DELAWARE

April 8, 2020

TO: Honorable Mayor and Council  
 FROM: Dawn Mitchell Parks, Finance Director *DMP*  
 VIA: Carol S. Houck, Town Manager *CH*  
 SUBJECT: Monthly Financial Update as of March 31, 2020

**1. Real Estate Tax**

FY20 property tax bills total \$2,238,142. Taxpayers had until September 30, 2019 to pay their current year taxes without penalty. Current year taxes have a 99.9% collection rate with the YTD month-end property tax receivable as of March 31, 2020 is \$2,013 for current year taxes and \$466 prior year taxes. One account has a payment agreement while the other three accounts are being reviewed for Sheriff sale.

As of today, the Town Assessor has resolved three of the four property assessment appeals. He continues to work with the 4<sup>th</sup> appeal request and believes it will be resolved with a formal appeal to the Board of Assessments.

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

**(a) Trust Funds:**

**Emergency Reserve Trust Fund (ERTF) \$848,862**

The Emergency Reserve Trust is fully funded at 20% of the FY20 operating budget. ERTF currently has \$541,696 available for use in a Fulton Money Market account and \$307,166 invested with Raymond James Financial Services (a division of Fulton Financial Services).

**Capital Replacement Trust Fund (CRTF) \$1,176,441**

The FY20 obligation from the Capital Replacement Trust is \$839,131. Certificates of Deposit have been redeemed to cover the obligation. CRTF currently has \$842,678 available for use in WSFS Money Market account and \$333,764 invested with WSFS in the form of a 12-month, 1.9% CD that comes due 8/28/2020.

**Street Repair and Replacement Trust Fund (SRRTF) \$2,496,038**

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. SRRTF currently has \$487,838 available for use in a Fulton Money Market account and \$1,882,275 invested with Fulton CRIM and includes \$125,925 held in MSA Money market account at Fulton Bank.

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

The FY20 amount collected for ESEF is based on 183 new home construction permits issued from May 1<sup>st</sup> through the end of March 2020. The ESEF account balance as of March 31<sup>st</sup> after the disbursement to Millville Volunteer Fire Company is \$720,202.

	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	366,408	(80,000)	720,202	MVFC
<b>Cumulative collected and disbursed</b>	<b>1,697,221</b>	<b>(977,019)</b>	<b>720,202</b>	

**3. Transfer Taxes**

Transfer Taxes collected through 02/29/2020 are from 65.5% new construction home sales (\$1,015,428) with 8.4% of new construction being from land sales, developer to builder (\$150,188) and 34.5% resales of existing homes (\$613,219). March sales are not yet available and are not included in the percentage calculation. We are estimating approximately \$127,000 in Transfer Tax from Sussex County for the month of March.

<b>Monthly Collections</b>	<b>Current FY20</b>	<b>1st Prior Yr. FY19</b>	<b>2nd Prior Yr. FY18</b>	<b>3rd Prior Yr. FY17</b>	<b>4th Prior Yr. FY16</b>
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	168,247	122,412	122,500	101,900	46,200
December	200,885	115,343	88,600	68,600	27,100
January	108,708	93,695	75,900	62,300	37,900
February	138,441	100,434	69,800	37,100	88,600
March	37,940	107,561	131,100	105,400	109,800
April	-	148,957	163,700	105,100	67,300
<b>Total</b>	<b>\$ 1,816,775</b>	<b>\$ 1,525,844</b>	<b>\$ 1,435,200</b>	<b>\$ 861,800</b>	<b>\$ 788,400</b>

\*\*\*\*\*

Respectfully submitted April 8, 2020  
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

Expenditures	March YTD Actual	FY20 Adopted Budget	Over (Under) Budget	Period 11
				92% % of Budget
<b>SALARY &amp; RELATED EMPLOYEE EXPENSES</b>				
Wages: Salary, Overtime, Bonus	1,448,151	1,680,380	\$ (232,229)	86%
Insurances: Dental, Health, Life	383,333	421,710	(38,377)	91%
Payroll Taxes	120,545	136,385	(15,840)	88%
Pension	163,438	189,565	(26,127)	86%
Worker's Compensation	65,827	77,085	(11,258)	85%
<b>CONTRACTED SERVICES</b>				
Committee Stipends	4,530	5,000	(470)	91%
Computer/Copier Maintenance & related expenses	41,127	46,150	(5,023)	89%
Other	17,682	26,350	(8,668)	67%
<b>EMPLOYEE RELATED EXPENSES, OTHER</b>				
	37,328	43,300	(5,972)	86%
<b>GRANT AWARDS: ESEF FUNDS</b>				
	80,000	80,000	-	100%
<b>INSURANCE BUSINESS &amp; BONDS</b>				
	82,985	90,090	(7,105)	92%
<b>PROFESSIONAL SERVICES</b>				
Audit	17,500	19,500	(2,000)	90%
Engineering	23,109	30,500	(7,391)	76%
Legal	22,928	61,000	(38,072)	38%
Other	198,734	73,500	125,234	270%
Pass thru MVFC Ambulance Service	89,845	91,000	(1,155)	99%
Reimbursable - Engineering	145,071	100,000	45,071	145%
Reimbursable - Other	32,047	500	31,547	6409%
<b>PUBLIC RELATIONS</b>				
	39,156	32,100	7,056	122%
<b>REPAIRS &amp; MAINTENANCE</b>				
Buildings, non-capital	13,168	18,700	(5,532)	70%
Drainage	-	10,000	(10,000)	0%
Machinery & Equipment, non-capital	3,443	7,000	(3,557)	49%
Park	24,335	28,000	(3,665)	87%
Street & Sidewalk Maintenance & Repairs	294,376	528,500	(234,124)	56%
Vehicles	18,603	15,500	3,103	120%
Other(Cleaning, Inspections, etc.)	20,480	24,100	(3,621)	85%
<b>SUPPLIES &amp; MISCELLANEOUS</b>				
Advertising	8,337	11,200	(2,863)	74%
Department Specific Supplies	51,438	66,500	(15,062)	77%
Gas & Diesel	28,244	36,000	(7,756)	78%
NonCapital Equipment/Grant Funded Equipment	42,785	56,300	(13,515)	76%
Office Supplies/Postage	20,714	19,300	1,414	107%
Uniforms	12,077	13,800	(1,723)	88%
<b>TELEPHONE &amp; COMMUNICATIONS</b>				
	30,106	37,300	(7,194)	81%
<b>UTILITIES</b>				
Street Lights	69,229	84,000	(14,771)	82%
Utilities	28,082	37,800	(9,718)	74%
<b>Total Expenditures</b>	<b>\$ 3,678,754</b>	<b>\$ 4,198,115</b>	<b>\$ (519,361)</b>	<b>88%</b>

J

K

L

M

N

O

P

# Town of Ocean View

## Comparison of Budget to Actual

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

Revenues	March YTD Actual	FY20 Adopted Budget	Over (Under) Budget	Period 11 92% % of Budget	
PROPERTY TAX REVENUE	\$ 2,496,312	\$ 2,219,210	\$ 277,102	112%	A
TRANSFER TAXES	1,816,775	1,000,000	\$ 816,775	182%	B
BUILDING PERMITS					
Building Permits	686,323	449,000	\$ 237,323	153%	
Impact Fees	623,452	300,000	\$ 323,452	208%	
Other Permits/Fees	78,356	36,000	\$ 42,356	218%	
GRANTS					
State Grant - Municipal Street Aid	116,120	118,000	\$ (1,880)	98%	C
Public Safety Grants	155,461	94,500	\$ 60,961	165%	D
GROSS RENTAL RECEIPT TAXES	364,215	282,000	\$ 82,215	129%	E
LICENSES	146,126	155,000	\$ (8,874)	94%	F
MISCELLANEOUS					G
Cable Franchise Fee	59,739	63,000	\$ (3,261)	95%	
Interest	83,885	28,830	\$ 55,055	291%	
Other	85,610	29,000	\$ 56,610	295%	
P&Z and BOA Fees	12,395	15,000	\$ (2,605)	83%	
POLICE: Fines & Fees	40,198	33,000	\$ 7,198	122%	
REVENUE WITH OFFSETTING EXPENSE					H
Reimbursable Fees	103,336	100,500	\$ 2,836	103%	
Pass through MVFC Ambulance Service	89,845	91,000	\$ (1,155)	99%	
<b>Total Revenues</b>	<b>\$ 6,958,147</b>	<b>\$ 5,014,040</b>	<b>\$ 1,944,107</b>	<b>139%</b>	
SRRTF: Sidewalk work FY20	\$ 44,600	\$ 147,000	(102,400)	30%	
ESEF: committed funds being granted FY20	\$ 80,000	\$ 80,000	0	100%	
SRRTF: Street Paving	\$ 294,454	\$ 327,500	(33,046)	90%	
FY20 Revenue Restricted/Committed					I
Capital Budget: Public Safety Grants	\$ -	(25,000)	25,000	0%	
Capital Replacement Trust Fund (CRTF 12.5%)	\$ (227,097)	(125,000)	(102,097)	182%	
Emergency Reserve Trust Fund (ERTF)	\$ (129,900)	(129,900)	0	100%	
Emergency Services Enhancement Fund (ESEF)	\$ (366,408)	(175,000)	(191,408)	209%	
Street Repair & Replacement Trust (SRRTF 25% + Add'l)	\$ (1,459,778)	\$ (745,100)	(714,678)	196%	
<b>Total Revenues Available for Operations</b>	<b>\$ 5,194,018</b>	<b>\$ 4,368,540</b>	<b>\$ 825,478</b>		

Recap	Actual	Budget	Over (Under) Budget
Total Revenues Available for Operations (above)	\$ 5,194,018	\$ 4,368,540	\$ 825,478
Total Expenditures (Page 4 of 6)	3,678,754	4,198,115	(519,361)
<b>Revenues Over (Under) Expenditures</b>	<b>\$ 1,515,263</b>	<b>\$ 170,425</b>	<b>\$ 1,344,838</b>

## 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 18<sup>th</sup>, the State notified us of our portion, \$116,120. The first distribution of \$58,060 was received in July 2019 with the balance of \$58,060 received 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 occurred in February.
- 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.

\*\*\*\*\*