

TOWN OF OCEAN VIEW
DELAWARE

February 5, 2025

TO: Honorable Mayor and Council
FROM: Dawn Mitchell Parks, Finance Director *DM*
VIA: Carol S. Houck, Town Manager
SUBJECT: Monthly Financial Update as of January 31, 2025

1. Real Estate Tax

The FY25 Tax bills were processed and available online on May 1st for the assessments that were posted on February 15, 2024 (\$1,416,109,300). The property tax bills totaled \$3,279,198. The bills were postmarked May 31st and taxpayers had until July 31 to take advantage of the 1% discount and until August 31 to pay their current year taxes without penalty. As of the end of January, we've collected 99.72% of the current year's taxes and 2,698 property owners took advantage of the early payment discount in a savings of \$27,482.

2. Balances – Reserve and Committed Funds

(a) Trust Funds:

Emergency Reserve Trust Fund (ERTF) \$ 1,174,554

The Emergency Reserve Trust will be funded at 20% of the FY25 operating budget after the budgeted transfer of \$68,140 to General Fund. ERTF currently has \$844,819 available for use in a Fulton Money Market account and \$329,735 invested with Raymond James Financial Services (a division of Fulton Financial Services).

Capital Replacement Trust Fund (CRTF) \$ 1,281,993

The FY25 obligation from the Capital Replacement Trust is \$218,500. CRTF currently has \$928,786 available for use in WSFS Money Market account and \$353,207 invested with WSFS in the form of a 12-month, 2.225% CD that will come due on 8/28/2025.

Street Repair and Replacement Trust Fund (SRRTF) \$ 1,297,524

The FY25 obligation from the Street Repair and Replacement Trust is \$1,483,945 for capital projects and \$265,000 for street paving and sidewalks. SRRTF currently has \$657,390 available for use in a Fulton Money Market account and \$481,132 invested with Fulton CRIM and includes \$159,002 held in MSA Money market account at Fulton Bank.

(b) American Rescue Plan Act Fund (ARPA): \$ 277,170

On June 16, 2021, the Town received the first installment of the ARPA funds. The 2nd installment was received on June 23, 2022. The Final Rule published in January 2022 went into effect April 1, 2022. To date \$912,490 of the ARPA funds have been expended (\$100,000 MVFD, \$7,813 MVFD, \$121,486 towards Employee Premium Pay, \$82,850 for Motorola Portable Radios, \$31,530 for 33 West Parking Lot, \$292,136 for Berzins Natural & Park Area, \$10,300 for 32 West Access Control System, \$4,610 for Barnes & Thornburg legal services, \$247,312 for the purchase and development of 8 Oakwood Ave parking lot, 14,454 for Stalker Speed sign/trailer and \$1,150 for the OVPD Evidence Building Concept). The remaining balance is encumbered for the 8 Oakwood Ave Parking Lot, Berzin's Natural & Park Area and DPW Storage Building (Holiday Décor).

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

The chart below shows the funds accumulated from the issuance of building permits which are committed and available for distribution. The amount collected as of the end of December for FY25 consists of 41 new home construction permits issued of the 45 that were budgeted along with .5% of the construction value of permits issued.

	Accumulation and Use			
	Collected	Used	Available	
FY21 & prior	1,989,246	(1,057,019)	932,227	<i>\$1,055,019 to MVFC + \$2,000 to Beebe Med. Fdn.</i>
FY22	155,956	(80,000)	1,008,183	<i>MVFC</i>
FY23	114,656	(80,000)	1,042,838	<i>MVFC</i>
FY24	76,019	(130,000)	988,858	<i>\$50K OVPD & \$80K to MVFC</i>
FY25	123,328	(50,000)	1,062,186	<i>OVPD & MVFC Budgeted (\$130,000)</i>
Cumulative collected and disbursed	2,459,205	(1,397,019)	1,062,186	

3. Transfer Taxes

Transfer Taxes collected through 01/31/2025 are from 27.7% new construction home sales (\$272,460) with 7.7% from land sales, developer to builder (\$75,453) and 64.6% resales of existing homes (\$635,967).

	Current	1st Prior Yr.	2nd Prior Yr.	3rd Prior Yr.	4th Prior Yr.
Collections	FY25	FY24	FY23	FY22	FY21
May	\$ 111,480	\$ 132,109	\$ 133,281	\$ 198,193	\$ 123,231
June	\$ 114,711	\$ 73,594	\$ 102,401	\$ 174,067	\$ 102,828
July	\$ 115,241	\$ 54,532	\$ 133,542	\$ 118,532	\$ 153,975
August	\$ 84,321	\$ 93,268	\$ 136,067	\$ 173,294	\$ 203,328
September	\$ 45,510	\$ 73,868	\$ 187,793	\$ 148,578	\$ 232,105
October	\$ 188,453	\$ 110,222	\$ 92,352	\$ 170,418	\$ 171,100
November	\$ 159,307	\$ 164,863	\$ 63,445	\$ 190,268	\$ 155,611
December	\$ 89,360	\$ 61,631	\$ 63,075	\$ 101,272	\$ 182,214
January	\$ 75,496	\$ 89,072	\$ 21,093	\$ 156,492	\$ 194,287
February	\$ -	\$ 75,585	\$ 24,762	\$ 55,620	\$ 126,990
March	\$ -	\$ 100,791	\$ 111,132	\$ 141,865	\$ 182,629
April	\$ -	\$ 105,163	\$ 114,985	\$ 135,551	\$ 191,094
Total	\$ 983,880	\$ 1,134,700	\$ 1,183,926	\$ 1,764,150	\$ 2,019,393

For FY25, to meet our \$1,000,000 budgeted goal we will need to collect \$83,333 monthly. As of the end of January, we are \$233,880 ahead of our year-to-date target amount.

4. Financial Statement Recap (pages 3 & 4) followed by the January Analytics (pages 5 & 6)

Attached are updated Revenue and Expenditure financial reports for the date ending January 31, 2025..

As always, if you have any questions concerning the Financial Reports, please do not hesitate to contact me.

Respectfully submitted February 5, 2025
Dawn Mitchell Parks
Finance Director

Town of Ocean View

Comparison of Budget to Actual Year-to-Date for the Fiscal Year Ending April 30, 2025

Revenues	January YTD Actual	FY25 Adopted Budget	Over (Under) Budget	Period 09 75% % of Budget	
PROPERTY TAX REVENUE	\$ 3,288,330	\$ 3,350,940	\$ (62,610)	98%	A
Early Payment Discount - Taxes (1% if paid by 7/31/24)	\$ (27,496)	(33,290)	\$ 5,794	83%	
TRANSFER TAXES	983,881	1,000,000	\$ (16,119)	98%	B
BUILDING PERMITS					
Building Permits	231,505	175,000	\$ 56,505	132%	
Impact Fees	182,319	137,120	\$ 45,199	133%	
Other Permits/Fees	19,595	12,000	\$ 7,595	163%	
GRANTS					
State Grant - Municipal Street Aid	128,140	130,000	\$ (1,860)	99%	C
Other Grant Proceeds (Public Safety and ARPA)	506,657	145,000	\$ 361,657	349%	D
GROSS RENTAL RECEIPT TAXES	406,580	650,000	\$ (243,420)	63%	E
LICENSES	214,650	212,500	\$ 2,150	101%	F
MISCELLANEOUS					G
Cable Franchise Fee	59,819	80,000	\$ (20,181)	75%	
Interest	232,824	182,350	\$ 50,474	128%	
Other	121,025	192,100	\$ (71,075)	63%	
P&Z and BOA Fees	4,750	10,000	\$ (5,250)	48%	
POLICE: Fines & Fees	21,821	30,500	\$ (8,679)	72%	
REVENUE WITH OFFSETTING EXPENSE					H
Reimbursable Fees	102,111	105,000	\$ (2,889)	97%	
Pass through MVFC Ambulance Service	151,300	155,000	\$ (3,700)	98%	
Total Revenues	\$ 6,627,810	\$ 6,534,220	\$ 93,590	101%	
SRRTF: Sidewalk work	\$ 47,283	\$ 75,000	(27,717)	63%	
ESEF: committed funds being granted	\$ 50,000	\$ 130,000	(80,000)	38%	
SRRTF: Street Paving	\$ 6,165	\$ 190,000	(183,835)	3%	
Emerging Projects: to balance budget	\$ -	\$ 25,385	(25,385)	0%	
FY25 Revenue Restricted/Committed					I
ARPA (American Rescue Plan Act)	\$ (41,108)	0	(41,108)		
Capital Budget: Public Safety Grants		(35,000)	35,000	0%	
Capital Replacement Trust Fund (CRTF 12.5%)	\$ (122,985)	(125,000)	2,015	98%	
Emergency Reserve Trust Fund (ERTF)	\$ 68,140	68,140	0	0%	
Emergency Services Enhancement Fund (ESEF)	\$ (52,952)	(72,500)	19,548	73%	
Street Repair & Replacement Trust (SRRTF 25% + Add'l)	\$ (860,895)	\$ (875,000)	14,105	98%	
Total Revenues Available for Operations	\$ 5,721,457	\$ 5,915,245	\$ (193,788)		

Recap	Actual	Budget	Over (Under) Budget
Total Revenues Available for Operations (above)	\$ 5,721,457	\$ 5,915,245	\$ (193,788)
Total Expenditures (Page 5 of 8)	4,222,630	5,870,245	(1,647,615)
Revenues Over (Under) Expenditures	\$ 1,498,827	\$ 45,000	\$ 1,453,827

Town of Ocean View

Comparison of Budget to Actual

Year-to-Date for the Fiscal Year Ending April 30, 2025

Expenditures	January YTD Actual	FY25 Adopted Budget	Over (Under) Budget	Period 09
				75%
				% of Budget
SALARY & RELATED EMPLOYEE EXPENSES				
Wages: Salary, Overtime, Bonus	1,902,898	2,573,795	\$ (670,897)	74%
Insurances: Dental, Health, Life	442,277	543,995	(101,718)	81%
Payroll Taxes	152,496	207,465	(54,969)	74%
Pension	187,840	252,070	(64,230)	75%
Worker's Compensation	50,179	44,950	5,229	112%
CONTRACTED SERVICES	-			
Committee Stipends	1,590	6,500	(4,910)	24%
Computer/Copier Maintenance & related expenses	93,288	106,250	(12,962)	88%
Other	21,582	66,400	(44,818)	33%
EMPLOYEE RELATED EXPENSES, OTHER	63,408	81,750	(18,342)	78%
GRANT AWARDS: ESEF FUNDS	-	135,000	(135,000)	0%
INSURANCE BUSINESS & BONDS	120,661	138,200	(17,539)	87%
PROFESSIONAL SERVICES	-			
Audit	18,000	25,000	(7,000)	72%
Engineering	7,110	35,000	(27,890)	20%
Legal	34,304	51,000	(16,696)	67%
Property Assessments	38,411	75,000	(36,589)	51%
Other	69,107	115,000	(45,893)	60%
Pass thru MVFC Ambulance Service	151,300	155,000	(3,700)	98%
Reimbursable - Engineering	72,813	100,000	(27,187)	73%
Reimbursable - Other	1,989	5,000	(3,011)	40%
PUBLIC RELATIONS	61,104	80,100	(18,996)	76%
REPAIRS & MAINTENANCE	-			
Buildings, non-capital	10,256	9,000	1,256	114%
Drainage	35,637	75,000	(39,363)	48%
Machinery & Equipment, non-capital	2,000	5,500	(3,500)	36%
Park	21,829	25,000	(3,171)	87%
Street & Sidewalk Maintenance & Repairs	162,495	400,000	(237,505)	41%
Vehicles	17,760	24,500	(6,740)	72%
Other(Cleaning, Inspections, etc.)	24,024	42,100	(18,076)	57%
SUPPLIES & MISCELLANEOUS	-			
Advertising	21,287	27,000	(5,713)	79%
Department Specific Supplies	69,799	92,620	(22,821)	75%
Gas & Diesel	39,372	80,000	(40,628)	49%
NonCapital Equipment/Grant Funded Equipment	170,370	41,100	129,270	415%
Office Supplies/Postage	22,413	35,600	(13,187)	63%
Uniforms	12,967	17,200	(4,233)	75%
TELEPHONE & COMMUNICATIONS	34,941	50,800	(15,859)	69%
UTILITIES	-			
Street Lights	58,008	90,000	(31,992)	64%
Utilities	29,115	57,350	(28,235)	51%
Total Expenditures	\$ 4,222,630	\$ 5,870,245	\$ (1,647,615)	72%

Town of Ocean View

Comparison of Operating Budget to Actual – Analytic Comments Year-to-Date for the Fiscal Year Ending April 30, 2025

Revenues

- A. Property Tax Revenues:** The FY25 tax bills were postmarked May 31st. Taxpayers had until July 31 to take advantage of the 1% discount and until August 31 to pay without penalty. Penalties are billed monthly on unpaid taxes. New Construction Half-year bills were processed and mailed the first week of November.
- 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. For FY25, to meet our \$1,000,000 budgeted goal we needed to collect \$83,333 monthly.
- C. Grants – State Grant (Municipal Street Aid):** Historically, the Town's share of MSA funding has been approximately 1.9% of the total state-wide grant. For FY24, the Town received \$128,043 which is 2.13% of the total MSA funding. For FY25, the Town has been allotted \$128,140 which is 2.14% of the total MSA funding. The first installment was received in September 2024 and the second installment was received in January 2025.
- 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 (\$40K) to each municipal police department that responds to calls within the County but outside that department's normal jurisdiction. These funds are 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.
- 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) 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 (\$155,000 budgeted, \$154,350 actual). Funds collected by September 30th were turned over in October. (2) The charges billed by the Town to property developers for inspections of construction work related to roads, site development, and sidewalks that are done by the Town's engineer (\$105,000 budgeted).

Revenue not available for Operations

- I. FY25 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 is comprised of various maintenance agreements (ie elevator, HVAC, pest control, etc.), cleaning services, holiday décor management and the outsourcing of Town maintenance.
- 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 FY24, a total of \$988,858 in ESEF collections were carried over to FY25. 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 normally occurs in March.
- M. Insurance – Business:** The Town’s general business insurance policies are renewed annually on May 7 and the premiums are paid at the beginning of the fiscal year. For FY25, the Town changed providers with a savings of 37,610.
- N. Public Relations:** The primary expenses are for the Spring Fling, Concerts in the Park, Movies in the Park, Holiday Market, Cops & Goblins and for FY25, the Town’s 135th Celebration. 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 amended 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.