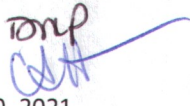


TOWN OF OCEAN VIEW
DELAWARE

July 9, 2021

TO: Honorable Mayor and Council
FROM: Dawn Mitchell Parks, Finance Director 
VIA: Carol S. Houck, Town Manager
SUBJECT: Monthly Financial Update as of June 30, 2021

1. Real Estate Tax

The FY22 Tax bills were processed and postmarked by June 1st for the assessments that were posted on February 15, 2021. The property tax bills totaled \$2,677,404. Taxpayers have 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 June, 573 property owners have taken advantage of the early payment discount in a savings of \$5,120.

2. Balances – Reserve and Committed Funds

(a) Trust Funds:

Emergency Reserve Trust Fund (ERTF) \$912,486

The Emergency Reserve Trust continues to be funded at 20% of the FY21 operating budget. ERTF currently has \$605,276 available for use in a Fulton Money Market account and \$307,210 invested with Raymond James Financial Services (a division of Fulton Financial Services).

Capital Replacement Trust Fund (CRTF) \$1,019,780

Prior year project obligations are \$229,464 and FY22 obligation from the Capital Replacement Trust is \$141,165. CRTF currently has \$679,658 available for use in WSFS Money Market account and \$340,122 invested with WSFS in the form of a 12-month, 1.9% CD that comes due 8/28/2021.

Street Repair and Replacement Trust Fund (SRRTF) \$4,242,895

Prior year project obligations are \$1,124,928 and FY22 obligation from the Street Repair and Replacement Trust is \$943,260 for drainage projects, \$416,180 for street paving, \$519,100 for sidewalk connectivity projects. SRRTF currently has \$2,282,039 available for use in a Fulton Money Market account and \$1,884,695 invested with Fulton CRIM and includes \$76,161 held in MSA Money market account at Fulton Bank.

(b) American Rescue Plan Act Fund (ARPA): \$591,170

On June 16th, the Town received the first install of the ARPA funds and transferred the amount to the newly opened account. We continue to participate in webinars concerning the use and reporting of the ARPA funds. Accordingly, the GFOA, Government Financial Officers Association, distributed the formula to determine Revenue loss due to the pandemic. Per the formula, the Town potentially lost 3.3% or \$249,800 from April 2019 to December 2020 (fiscal years 2020 and 2021).

(c) 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 FY21 is based on 84 new home construction permits and .5% of the construction value of permits issued. As of the end of June, no new home construction permits have been issued.

	Accumulation and Use			
	Collected	Used	Available	
FY18 & prior	1,085,486	(817,019)	268,467	<i>\$815,019 to MVFC + \$2,000 to Beebe Med. Fdn.</i>
FY19	245,327	(80,000)	433,793	<i>MVFC</i>
FY20	380,444	(80,000)	734,238	<i>MVFC</i>
FY21	277,989	(80,000)	932,227	<i>MVFC</i>
FY22	9,595		941,822	
Cumulative collected and disbursed	1,998,841	(1,057,019)	941,822	

3. Transfer Taxes

FY21 concluded with Transfer Taxes collected from 50.5% new home sales (\$896,685) of which 6% was from land sales (\$122,100) and 49.5% resales of existing homes (\$1,000,428). The total Transfer Tax Collected in FY21 is \$2,019,393.

Transfer Taxes collected through 5/31/2021 are from 43.6% new construction home sales (\$83,994) with 1.2% of new construction being from land sales, developer to builder (\$2,430) and 56.4% resales of existing homes (\$111,769).

Monthly Collections	Current FY22	1st Prior Yr. FY21	2nd Prior Yr. FY20	3rd Prior Yr. FY19	4th Prior Yr. FY18
May	\$ 198,193	\$ 123,231	\$ 183,612	\$ 210,567	\$ 152,387
June	\$ -	\$ 102,828	\$ 266,180	\$ 85,391	\$ 159,104
July	\$ -	\$ 153,975	\$ 128,196	\$ 127,263	\$ 92,164
August	\$ -	\$ 203,328	\$ 211,145	\$ 85,443	\$ 130,322
September	\$ -	\$ 232,105	\$ 142,100	\$ 130,912	\$ 134,777
October	\$ -	\$ 171,100	\$ 231,319	\$ 197,866	\$ 114,789
November	\$ -	\$ 155,611	\$ 168,247	\$ 122,412	\$ 122,542
December	\$ -	\$ 182,214	\$ 200,885	\$ 115,343	\$ 88,622
January	\$ -	\$ 194,287	\$ 108,708	\$ 93,695	\$ 75,919
February	\$ -	\$ 126,990	\$ 138,441	\$ 100,434	\$ 69,753
March	\$ -	\$ 182,629	\$ 128,217	\$ 107,562	\$ 131,159
April	\$ -	\$ 191,094	\$ 108,575	\$ 148,957	\$ 163,649
Total	\$ 198,193	\$ 2,019,393	\$ 2,015,627	\$ 1,525,844	\$ 1,435,187

For FY22, to meet our \$1,250,000 budgeted goal we will need to collect \$104,167 monthly.

4. Financial Statement Recap (FY21 - pages 3 and 4 with FY22 – pages 7 and 8)

Attached are Revenue and Expenditure financial reports for the dates ending April 30, 2021, and June 30, 2021. As you are aware, our fiscal year ended on April 30th so the numbers reported are updated but are not audited and reflect the original budget, not the amended budget that is being voted on for adoption. We completed processing Accounts Payable and Revenues associated with FY21 on June 30th.

The annual audit is scheduled for this week. We have been working remotely with our Auditors, PKS and Company, in an effort to keep the annual audit on target. The audit will be remote with daily ZOOM meetings and one day onsite for testing that cannot be completed remotely.

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

Respectfully submitted July 9, 2021
Dawn Mitchell Parks
Finance Director

Town of Ocean View

Comparison of Budget to Actual

Year-to-Date for the Fiscal Year Ending April 30, 2021

Revenues	April YTD Actual	FY21 Adopted Budget	Over (Under) Budget	Period 12 100% % of Budget	
PROPERTY TAX REVENUE	\$ 2,374,493	\$ 2,421,965	\$ (47,472)	98%	A
Early Payment Discount - Taxes (1% if paid by 7/31/20)	\$ (16,345)	(23,745)	\$ 7,400	69%	
TRANSFER TAXES	2,019,393	1,250,000	\$ 769,393	162%	B
BUILDING PERMITS					
Building Permits	570,592	503,875	\$ 66,717	113%	
Impact Fees	401,485	519,650	\$ (118,165)	77%	
Other Permits/Fees	50,953	56,500	\$ (5,547)	90%	
GRANTS					
State Grant - Municipal Street Aid	114,751	115,000	\$ (249)	100%	C
Public Safety Grants	217,790	106,500	\$ 111,290	204%	D
GROSS RENTAL RECEIPT TAXES	420,692	310,200	\$ 110,492	136%	E
LICENSES	153,815	127,000	\$ 26,815	121%	F
MISCELLANEOUS					G
Cable Franchise Fee	81,298	70,000	\$ 11,298	116%	
Interest	17,355	63,810	\$ (46,455)	27%	
Other	69,489	29,000	\$ 40,489	240%	
P&Z and BOA Fees	10,750	15,000	\$ (4,250)	72%	
POLICE: Fines & Fees	38,536	40,000	\$ (1,464)	96%	
REVENUE WITH OFFSETTING EXPENSE					H
Reimbursable Fees	118,226	101,000	\$ 17,226	117%	
Pass through MVFC Ambulance Service	96,983	90,000	\$ 6,983	108%	
Total Revenues	\$ 6,740,255	\$ 5,795,755	\$ 944,500	116%	
SRRTF: Sidewalk work FY21	\$ 149,650	\$ 150,000	(350)	100%	
ESEF: committed funds being granted FY21	\$ 80,000	\$ 80,000	0	100%	
SRRTF: Street Paving	\$ 376,645	\$ 416,345	(39,701)	90%	
FY20 Revenue Restricted/Committed					I
Capital Budget: Public Safety Grants	\$ (35,000)	(25,000)	(10,000)	140%	
Capital Replacement Trust Fund (CRTF 12.5%)	\$ (252,424)	(156,250)	(96,174)	162%	
Emergency Reserve Trust Fund (ERTF)	\$ (63,045)	(63,045)	0	100%	
Emergency Services Enhancement Fund (ESEF)	\$ (253,249)	(311,430)	58,181	81%	
Street Repair & Replacement Trust (SRRTF 25% + Add'l)	\$ (1,703,924)	\$ (1,030,705)	(673,219)	165%	
Total Revenues Available for Operations	\$ 5,038,907	\$ 4,855,670	\$ 183,237		

Recap	Actual	Budget	Over (Under) Budget
Total Revenues Available for Operations (above)	\$ 5,038,907	\$ 4,855,670	\$ 183,237
Total Expenditures (Page 4 of 8)	4,211,552	4,611,420	(399,868)
Revenues Over (Under) Expenditures	\$ 827,355	\$ 244,250	\$ 583,105

Town of Ocean View

Comparison of Budget to Actual

Year-to-Date for the Fiscal Year Ending April 30, 2021

Expenditures	April YTD Actual	FY21 Adopted Budget	Over (Under) Budget	Period 12
				100% % of Budget
SALARY & RELATED EMPLOYEE EXPENSES				
Wages: Salary, Overtime, Bonus	1,813,258	1,816,155	\$ (2,897)	100%
Insurances: Dental, Health, Life	373,592	395,920	(22,328)	94%
Payroll Taxes	139,366	148,055	(8,689)	94%
Pension	194,397	204,900	(10,503)	95%
Worker's Compensation	47,509	81,365	(33,856)	58%
CONTRACTED SERVICES	-			
Committee Stipends	2,250	5,000	(2,750)	45%
Computer/Copier Maintenance & related expenses	47,187	57,450	(10,263)	82%
Other	22,825	28,880	(6,055)	79%
EMPLOYEE RELATED EXPENSES, OTHER	30,758	73,850	(43,092)	42%
GRANT AWARDS: ESEF FUNDS	80,000	80,000	-	100%
INSURANCE BUSINESS & BONDS	91,999	95,595	(3,596)	96%
PROFESSIONAL SERVICES	-			
Audit	17,000	21,000	(4,000)	81%
Engineering	20,103	25,000	(4,898)	80%
Legal	28,580	45,000	(16,420)	64%
Property Assessments	67,464	73,965	(6,501)	91%
Other	87,646	122,500	(34,854)	72%
Pass thru MVFC Ambulance Service	97,440	90,000	7,440	108%
Reimbursable - Engineering	153,634	100,000	53,634	154%
Reimbursable - Other	6,597	1,000	5,597	660%
PUBLIC RELATIONS	20,739	47,500	(26,761)	44%
REPAIRS & MAINTENANCE	-			
Buildings, non-capital	7,239	14,000	(6,761)	52%
Drainage	38,857	40,250	(1,393)	97%
Machinery & Equipment, non-capital	3,409	6,200	(2,791)	55%
Park	15,236	20,000	(4,764)	76%
Street & Sidewalk Maintenance & Repairs	362,514	566,345	(203,831)	64%
Vehicles	29,191	18,000	11,191	162%
Other(Cleaning, Inspections, etc.)	27,445	29,450	(2,005)	93%
SUPPLIES & MISCELLANEOUS	-			
Advertising	14,182	19,500	(5,318)	73%
Department Specific Supplies	77,851	75,040	2,811	104%
Gas & Diesel	31,151	36,500	(5,349)	85%
NonCapital Equipment/Grant Funded Equipment	81,094	66,550	14,544	122%
Office Supplies/Postage	23,285	19,300	3,985	121%
Uniforms	10,851	13,700	(2,849)	79%
TELEPHONE & COMMUNICATIONS	39,631	44,000	(4,369)	90%
UTILITIES	-			
Street Lights	77,021	90,000	(12,979)	86%
Utilities	30,249	39,450	(9,201)	77%
Total Expenditures	\$ 4,211,552	\$ 4,611,420	\$ (399,868)	91%

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Town of Ocean View

Comparison of Budget to Actual

Year-to-Date for the Fiscal Year Ending April 30, 2022

Revenues	June YTD Actual	FY22 Adopted Budget	Over (Under) Budget	Period 2 17% % of Budget	
PROPERTY TAX REVENUE	\$ 2,677,441	\$ 2,760,065	\$ (82,624)	97%	A
Early Payment Discount - Taxes (1% if paid by 7/31/20)	\$ (5,120)	(26,735)	\$ 21,615	19%	
TRANSFER TAXES	198,193	1,250,000	\$ (1,051,807)	16%	B
BUILDING PERMITS					
Building Permits	19,252	388,440	\$ (369,188)	5%	
Impact Fees	9,595	174,570	\$ (164,975)	5%	
Other Permits/Fees	3,835	18,500	\$ (14,665)	21%	
GRANTS					
State Grant - Municipal Street Aid	-	115,000	\$ (115,000)	0%	C
Public Safety Grants	46,074	136,000	\$ (89,926)	34%	D
GROSS RENTAL RECEIPT TAXES	6,418	410,500	\$ (404,082)	2%	E
LICENSES	10,305	181,000	\$ (170,695)	6%	F
MISCELLANEOUS					G
Cable Franchise Fee	-	80,000	\$ (80,000)	0%	
Interest	1,293	17,400	\$ (16,107)	7%	
Other	596,417	29,000	\$ 567,417	2057%	
P&Z and BOA Fees	3,000	10,000	\$ (7,000)	30%	
POLICE: Fines & Fees	3,302	38,500	\$ (35,198)	9%	
REVENUE WITH OFFSETTING EXPENSE					H
Reimbursable Fees	5,165	106,000	\$ (100,835)	5%	
Pass through MVFC Ambulance Service	104,755	95,000	\$ 9,755	110%	
Total Revenues	\$ 3,679,926	\$ 5,783,240	\$ (2,103,314)	64%	
SRRTF: Sidewalk work FY21	\$ 415	\$ 150,000	(149,585)	0%	
ESEF: committed funds being granted FY21	\$ -	\$ 80,000	(80,000)	0%	
SRRTF: Street Paving	\$ 179,293	\$ 416,180	(236,887)	43%	
FY20 Revenue Restricted/Committed					I
Capital Budget: Public Safety Grants	\$ -	(25,000)	25,000	0%	
Capital Replacement Trust Fund (CRTF 12.5%)	\$ (24,774)	(156,250)	131,476	16%	
Emergency Reserve Trust Fund (ERTF)	\$ -	(59,520)	59,520	0%	
Emergency Services Enhancement Fund (ESEF)	\$ (9,595)	(120,000)	110,405	8%	
Street Repair & Replacement Trust (SRRTF 25% + Add'l)	\$ (173,419)	\$ (1,034,230)	860,811	17%	
Total Revenues Available for Operations	\$ 3,651,846	\$ 5,034,420	\$ (1,382,574)		

Recap	Actual	Budget	Over (Under) Budget
Total Revenues Available for Operations (above)	\$ 3,651,846	\$ 5,034,420	\$ (1,382,574)
Total Expenditures (Page 5 of 8)	764,089	4,865,170	(4,101,081)
Revenues Over (Under) Expenditures	\$ 2,887,758	\$ 169,250	\$ 2,718,508

Town of Ocean View

Comparison of Budget to Actual

Year-to-Date for the Fiscal Year Ending April 30, 2022

Expenditures	June YTD Actual	FY22 Adopted Budget	Over (Under) Budget	Period 2
				17% % of Budget
SALARY & RELATED EMPLOYEE EXPENSES				
Wages: Salary, Overtime, Bonus	228,708	1,904,545	\$ (1,675,837)	12%
Insurances: Dental, Health, Life	62,856	397,505	(334,649)	16%
Payroll Taxes	23,456	153,760	(130,304)	15%
Pension	32,446	212,010	(179,564)	15%
Worker's Compensation	2,053	60,120	(58,067)	3%
CONTRACTED SERVICES	-			
Committee Stipends	960	5,000	(4,040)	19%
Computer/Copier Maintenance & related expenses	3,969	62,100	(58,131)	6%
Other	2,855	29,130	(26,275)	10%
EMPLOYEE RELATED EXPENSES, OTHER	15,244	72,450	(57,206)	21%
GRANT AWARDS: ESEF FUNDS	-	80,000	(80,000)	0%
INSURANCE BUSINESS & BONDS	98,855	104,805	(5,950)	94%
PROFESSIONAL SERVICES	-			
Audit	-	21,000	(21,000)	0%
Engineering	-	25,000	(25,000)	0%
Legal	2,863	31,000	(28,137)	9%
Property Assessments	15,198	171,800	(156,602)	9%
Other	5,432	78,400	(72,968)	7%
Pass thru MVFC Ambulance Service	-	95,000	(95,000)	0%
Reimbursable - Engineering	-	100,000	(100,000)	0%
Reimbursable - Other	800	3,000	(2,200)	27%
PUBLIC RELATIONS	3,061	48,500	(45,439)	6%
REPAIRS & MAINTENANCE	-			
Buildings, non-capital	460	11,500	(11,040)	4%
Drainage	-	60,000	(60,000)	0%
Machinery & Equipment, non-capital	19	5,700	(5,681)	0%
Park	4,541	26,500	(21,959)	17%
Street & Sidewalk Maintenance & Repairs	206,191	646,180	(439,989)	32%
Vehicles	2,406	34,000	(31,594)	7%
Other(Cleaning, Inspections, etc.)	3,219	33,950	(30,731)	9%
SUPPLIES & MISCELLANEOUS	-			
Advertising	1,917	21,500	(19,583)	9%
Department Specific Supplies	5,679	77,020	(71,341)	7%
Gas & Diesel	3,548	41,400	(37,852)	9%
NonCapital Equipment/Grant Funded Equipment	4,878	38,745	(33,867)	13%
Office Supplies/Postage	11,760	26,300	(14,540)	45%
Uniforms	3,070	13,700	(10,630)	22%
TELEPHONE & COMMUNICATIONS	6,538	44,000	(37,462)	15%
UTILITIES	-			
Street Lights	6,466	90,000	(83,534)	7%
Utilities	4,638	39,550	(34,912)	12%
Total Expenditures	\$ 764,089	\$ 4,865,170	\$ (4,101,081)	16%

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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, 2022

Revenues

- A. Property Tax Revenues:** The FY22 tax bills were mailed June 1st. Taxpayers have 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. As of the end of June, 573 property owners took advantage of the 1% discount with a total savings of \$5,120. New Construction Half-year bills will be 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. The FY22 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 or \$59,520. For FY21, to meet our \$1,250,000 budgeted goal we needed to collect \$104,167 monthly.
- 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. As of the end of June, we have not yet been notified of the Town's portion for the upcoming fiscal year.
- 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 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; (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. For FY22, we will continue to submit for reimbursement CESF (Corona Virus Emergency Supplemental Fund) for COVID-19 related expenses.
- 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. As of the end of April, Gross Rental Receipts taxes for FY21 (\$420,692) are more than our FY20 taxes (\$366,665) at the end of the fiscal year by 15%.
- 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.

Comparison of Operating Budget to Actual – Analytic Comments
Year-to-Date for the Fiscal Year Ending April 30, 2021

- H. Revenue with Offsetting Expense:** The major components of this category are (1) The pass-thru ambulance fee for MVFC (\$95,000 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 (\$106,000 budgeted).

Revenue not available for Operations

- I. FY22 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

With the adoption of the FY21 Operating Budget, the Town of Ocean View now has four departments. Previously, Administration and Planning & Zoning were combined. Moving forward, Planning and Zoning now is its own distinct department. There were no changes to Public Safety or Public Works.

- J. Contracted Services, Other:** Contracted services other are 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 FY21, a total of \$932,227 in ESEF collections were carried over to FY22. 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 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 amended 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.