


TOWN OF OCEAN VIEW
DELAWARE

July 3, 2024

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, 2024

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 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 June 30th, we collected 21% of current year taxes.

2. Municipal Water System

On June 6th, Tidewater Utilities Inc, TUI, provided a list of 24 customers with past due balances over 130 days. Courtesy calls were completed on June 6th with disconnection notices mailed on June 20th. Service disconnection is scheduled for July 9th due to the July 4th holiday. Currently, 6 properties remain unpaid, and we have 3 properties without water service from previous cycles.

3. Balances – Reserve and Committed Funds

(a) Trust Funds:

Emergency Reserve Trust Fund (ERTF) \$ 1,215,584

The Emergency Reserve Trust will be funded at 21% of the FY25 operating budget after the budgeted transfer of \$68,140 to General Fund. ERTF currently has \$894,469 available for use in a Fulton Money Market account and \$321,115 invested with Raymond James Financial Services (a division of Fulton Financial Services).

Capital Replacement Trust Fund (CRTF) \$ 1,303,037

The FY25 obligation from the Capital Replacement Trust is \$218,500. CRTF currently has \$957,623 available for use in WSFS Money Market account and \$345,414 invested with WSFS in the form of a 12-month, 2.25% CD that will come due on 8/28/2024.

Street Repair and Replacement Trust Fund (SRRTF) \$ 1,343,047

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 \$308,391 available for use in a Fulton Money Market account and \$1,004,117 invested with Fulton CRIM and includes \$30,539 held in MSA Money market account at Fulton Bank.

(b) American Rescue Plan Act Fund (ARPA): \$ 261,725

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 \$927,686 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, \$342,847 for Berzins Natural & Park Area, \$10,300 for 32 West Access Control System, \$4,610 for Barnes & Thornburg legal services, \$225,100 for the purchase of 8 Oakwood Ave 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 the OVPD Evidence Building Concept.

(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 FY24 consists of 15 new home construction permits issued of the 20 that were budgeted along with .5% of the construction value of permits issued. The amount collected as of the end of May for FY25 consists of 11 new home construction permits issued of the 40 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	\$1,055,019 to MVFC + \$2,000 to Beebe Med. Fdn.
FY22	155,956	(80,000)	1,008,183	MVFC
FY23	114,656	(80,000)	1,042,838	MVFC
FY24	76,019	(130,000)	988,858	OVPD & MVFC
FY25	32,598	-	1,021,455	OVPD & MVFC Budgeted (\$130,000)
Cumulative collected and disbursed	2,368,474	(1,347,019)	1,021,455	

4. **Transfer Taxes**

Transfer Taxes collected through 5/31/2024 are from 11.5% new construction home sales (\$12.825) with 8.9% from land sales, developer to builder (\$9,900) and 79.6% resales of existing homes (\$88,755).

	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	\$ -	\$ 73,594	\$ 102,401	\$ 174,067	\$ 102,828
July	\$ -	\$ 54,532	\$ 133,542	\$ 118,532	\$ 153,975
August	\$ -	\$ 93,268	\$ 136,067	\$ 173,294	\$ 203,328
September	\$ -	\$ 73,868	\$ 187,793	\$ 148,578	\$ 232,105
October	\$ -	\$ 110,222	\$ 92,352	\$ 170,418	\$ 171,100
November	\$ -	\$ 164,863	\$ 63,445	\$ 190,268	\$ 155,611
December	\$ -	\$ 61,631	\$ 63,075	\$ 101,272	\$ 182,214
January	\$ -	\$ 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	\$ 111,480	\$ 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.

5. **Financial Statement Recap (pages 3 and 4) followed by the April Analytics (pages 5 and 6)**

Attached are updated Revenue and Expenditure financial reports for the date ending April 30, 2024. As you are aware, our fiscal year ended on April 30th therefore, prior year receipts and invoices for FY24 were processed until June 30th.

The annual audit is scheduled for the week of July 22nd. We are working remotely with our Auditors, PKS and Company, in an effort to keep the annual audit on target.

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

Respectfully submitted July 3, 2024
Dawn Mitchell Parks
Finance Director

Town of Ocean View

Comparison of Budget to Actual

Year-to-Date for the Fiscal Year Ending April 30, 2024

Revenues	April YTD Actual	FY24 Adopted Budget	Over (Under) Budget	Period 12 100% % of Budget	
PROPERTY TAX REVENUE	\$ 3,226,160	\$ 3,308,780	\$ (82,620)	98%	A
Early Payment Discount - Taxes (1% if paid by 7/31/22)	\$ (27,772)	(32,925)	\$ 5,153	84%	
TRANSFER TAXES	1,134,700	1,000,000	\$ 134,700	113%	B
BUILDING PERMITS					
Building Permits	148,452	232,000	\$ (83,548)	64%	
Impact Fees	97,559	88,720	\$ 8,839	110%	
Other Permits/Fees	10,975	13,500	\$ (2,525)	81%	
GRANTS					
State Grant - Municipal Street Aid	128,043	130,000	\$ (1,957)	98%	C
Other Grant Proceeds (Public Safety and ARPA)	1,400,187	147,000	\$ 1,253,187	953%	D
GROSS RENTAL RECEIPT TAXES	668,950	601,140	\$ 67,810	111%	E
LICENSES	257,125	205,000	\$ 52,125	125%	F
MISCELLANEOUS					G
Cable Franchise Fee	84,076	80,000	\$ 4,076	105%	
Interest	357,446	24,000	\$ 333,446	1489%	
Other	146,611	77,500	\$ 69,111	189%	
P&Z and BOA Fees	10,750	10,000	\$ 750	108%	
POLICE: Fines & Fees	27,472	40,500	\$ (13,028)	68%	
REVENUE WITH OFFSETTING EXPENSE					H
Reimbursable Fees	88,249	113,000	\$ (24,751)	78%	
Pass through MVFC Ambulance Service	152,250	107,975	\$ 44,275	141%	
Total Revenues	\$ 7,911,233	\$ 6,146,190	\$ 1,765,043	129%	
SRRTF: Sidewalk work	\$ 119,767	\$ 100,000	19,767	120%	
ESEF: committed funds being granted	\$ 130,000	\$ 130,000	0	100%	
SRRTF: Street Paving	\$ 186,759	\$ 745,000	(558,241)	25%	
Use of Unassigned Fund Balance					
FY24 Revenue Restricted/Committed					I
ARPA (American Rescue Plan Act)	\$ (358,857)	0	(358,857)		
Capital Budget: Public Safety Grants	\$ (35,000)	(30,000)	(5,000)	117%	
Capital Replacement Trust Fund (CRTF 12.5%)	\$ (141,837)	(125,000)	(16,837)	113%	
Emergency Reserve Trust Fund (ERTF)	\$ (131,530)	(131,530)	0	100%	
Emergency Services Enhancement Fund (ESEF)	\$ (76,019)	(60,000)	(16,019)	127%	
Street Repair & Replacement Trust (SRRTF 25% + Add'l)	\$ (861,332)	\$ (743,470)	(117,862)	116%	
Total Revenues Available for Operations	\$ 6,743,184	\$ 6,031,190	\$ 711,994		

Recap	Actual	Budget	Over (Under) Budget
Total Revenues Available for Operations (above)	\$ 6,743,184	\$ 6,031,190	\$ 711,994
Total Expenditures (Page 5 of 8)	5,668,515	5,921,190	(252,675)
Revenues Over (Under) Expenditures	\$ 1,074,669	\$ 110,000	\$ 964,669

Town of Ocean View

Comparison of Budget to Actual

Year-to-Date for the Fiscal Year Ending April 30, 2024

Expenditures	April YTD Actual	FY24 Adopted Budget	Over (Under) Budget	Period 12
				100% % of Budget
SALARY & RELATED EMPLOYEE EXPENSES				
Wages: Salary, Overtime, Bonus	2,380,391	2,333,620	\$ 46,771	102%
Insurances: Dental, Health, Life	416,089	471,120	(55,031)	88%
Payroll Taxes	182,574	184,035	(1,461)	99%
Pension	196,924	204,715	(7,791)	96%
Worker's Compensation	43,663	67,075	(23,412)	65%
CONTRACTED SERVICES	-			
Committee Stipends	2,610	6,530	(3,920)	40%
Computer/Copier Maintenance & related expenses	83,738	79,800	3,938	105%
Other	29,903	64,200	(34,297)	47%
EMPLOYEE RELATED EXPENSES, OTHER	67,684	89,550	(21,866)	76%
GRANT AWARDS: ESEF FUNDS	80,000	80,000	-	100%
INSURANCE BUSINESS & BONDS	140,476	132,500	7,976	106%
PROFESSIONAL SERVICES	-			
Audit	21,850	20,500	1,350	107%
Engineering	27,280	30,000	(2,720)	91%
Legal	34,826	46,000	(11,174)	76%
Property Assessments	70,341	75,000	(4,659)	94%
Other	109,797	115,200	(5,403)	95%
Pass thru MVFC Ambulance Service	152,250	107,975	44,275	141%
Reimbursable - Engineering	83,604	100,000	(16,396)	84%
Reimbursable - Other	58,768	10,000	48,768	588%
PUBLIC RELATIONS	66,187	81,600	(15,413)	81%
REPAIRS & MAINTENANCE	-			
Buildings, non-capital	13,969	10,000	3,969	140%
Drainage	78,203	75,000	3,203	104%
Machinery & Equipment, non-capital	6,766	5,500	1,266	123%
Park	17,736	25,000	(7,264)	71%
Street & Sidewalk Maintenance & Repairs	774,924	980,000	(205,076)	79%
Vehicles	35,323	24,000	11,323	147%
Other(Cleaning, Inspections, etc.)	23,756	32,700	(8,944)	73%
SUPPLIES & MISCELLANEOUS	-			
Advertising	17,888	31,500	(13,612)	57%
Department Specific Supplies	89,890	88,620	1,270	101%
Gas & Diesel	56,377	63,500	(7,123)	89%
NonCapital Equipment/Grant Funded Equipment	76,806	47,500	29,306	162%
Office Supplies/Postage	32,923	31,600	1,323	104%
Uniforms	19,612	17,200	2,412	114%
TELEPHONE & COMMUNICATIONS	44,650	49,100	(4,450)	91%
UTILITIES	-			
Street Lights	88,279	90,000	(1,721)	98%
Utilities	42,457	50,550	(8,093)	84%
Total Expenditures	\$ 5,668,515	\$ 5,921,190	\$ (252,675)	96%

Town of Ocean View

Comparison of Operating Budget to Actual – Analytic Comments Year-to-Date for the Fiscal Year Ending April 30, 2024

Revenues

- A. Property Tax Revenues:** The FY24 tax bills were mailed June 9th. 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. The FY24 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 \$131,530. For FY24, 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 FY23, the Town received \$129,766 which was 2.16% of the total MSA funding. For FY24, the Town received \$128,043 which is 2.13% of the total MSA funding. The first installment was received in August 2023 and the second install was received in February 2024.
- 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 (\$35K) 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.
- 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 (\$107,975 budgeted, \$152,250 actual). Funds collected by August 31st 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 are done by the Town's engineer (\$113,000 budgeted).

Revenue not available for Operations

- I. **FY24 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 FY23, a total of \$1,042,838 in ESEF collections were carried over to FY24. 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.
- N. **Public Relations:** The primary expenses are for the Spring Fling, 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.