

TOWN OF OCEAN VIEW  
DELAWARE

June 3, 2021

TO: Honorable Mayor and Council  
FROM: Dawn Mitchell Parks, Finance Director *DMP*  
VIA: Carol S. Houck, Town Manager *CSH*  
SUBJECT: Monthly Financial Update as of May 31, 2021

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**1. Real Estate Tax**

As of May 31st, we have collected 99.9% of our FY21 taxes (\$2,378,957) leaving \$1,005 remaining due. We have one (1) property with prior year taxes outstanding in the amount of \$542.

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.

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

**(a) Trust Funds:**

**Emergency Reserve Trust Fund (ERTF)** \$ 912,469

The Emergency Reserve Trust is now funded at 20% of the FY21 operating budget. ERTF currently has \$605,261 available for use in a Fulton Money Market account and \$307,208 invested with Raymond James Financial Services (a division of Fulton Financial Services).

**Capital Replacement Trust Fund (CRTF)** \$ 998,114

The FY22 obligation from the Capital Replacement Trust is \$141,165. CRTF currently has \$657,992 available for use in WSFS Money Market account and \$340,122 invested with WSFS in the form of a 12-month, .4% CD that will come due on 8/28/2021.

**Street Repair and Replacement Trust Fund (SRRTF)** \$ 4,236,816

The FY22 obligation from the Street Repair and Replacement Trust is \$943,260 for drainage projects, \$416,180 for street paving and \$150,000 for Sidewalks. SRRTF currently has \$2,118,391 available for use in a Fulton Money Market account and \$1,884,671 invested with Fulton CRIM and includes \$233,754 held in MSA Money market account at Fulton Bank.

**(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 amount collected in FY21 is based on 84 new home construction permits.

|                                    | Accumulation and Use |             |           |  |
|------------------------------------|----------------------|-------------|-----------|--|
|                                    | Collected            | Used        | Available |  |
| FY18 & prior                       | 1,085,486            | (817,019)   | 268,467   | \$815,019 to MVFC + \$2,000 to Beebe Med. Fdn. |
| FY19                               | 245,327              | (80,000)    | 433,793   | MVFC   |
| FY20                               | 380,444              | (80,000)    | 734,238   | MVFC   |
| FY21                               | 277,989              | (80,000)    | 932,227   | MVFC   |
| FY22                               | 7,398                |             | 939,624   |  |
| Cumulative collected and disbursed | 1,996,643            | (1,057,019) | 939,624   |  |

### 3. Transfer Taxes

Transfer Taxes collected through 4/30/2021 are from 50.5% new construction home sales (\$896,865), 6% of new construction being from land sales developer to builder (\$122,100) and 49.5% resales of existing homes (\$1,000,428).

| Monthly Collections | Current FY21        | 1st Prior Yr. FY20  | 2nd Prior Yr. FY19  | 3rd Prior Yr. FY18  | 4th Prior Yr. FY17 |
|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|
| May                 | \$ 123,231          | \$ 183,612          | \$ 210,567          | \$ 152,400          | \$ 73,800          |
| June                | \$ 102,828          | 266,180             | 85,391              | 159,100             | 100,900            |
| July                | \$ 153,975          | 128,196             | 127,263             | 92,200              | 39,000             |
| August              | \$ 203,328          | 211,145             | 85,443              | 130,300             | 81,700             |
| September           | \$ 232,105          | 142,100             | 130,912             | 134,800             | 41,100             |
| October             | \$ 171,100          | 231,319             | 197,866             | 114,800             | 44,900             |
| November            | \$ 155,611          | 168,247             | 122,412             | 122,500             | 101,900            |
| December            | \$ 182,214          | 200,885             | 115,343             | 88,600              | 68,600             |
| January             | \$ 194,287          | 108,708             | 93,695              | 75,900              | 62,300             |
| February            | \$ 126,990          | 138,441             | 100,434             | 69,800              | 37,100             |
| March               | \$ 182,629          | 128,217             | 107,561             | 131,100             | 105,400            |
| April               | \$ 191,094          | 108,575             | 148,957             | 163,700             | 105,100            |
| <b>Total</b>        | <b>\$ 2,019,393</b> | <b>\$ 2,015,627</b> | <b>\$ 1,525,844</b> | <b>\$ 1,435,200</b> | <b>\$ 861,800</b>  |

For FY21 there were 79 new construction home sales with the average transfer tax amount of \$11,353, 176 resales of existing properties with the average transfer tax amount of \$5,684 and 72 land sales from developer to builder with the average transfer tax amount of \$1,696.

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

Attached are updated Revenue and Expenditure financial reports for the date ending April 30, 2021. As you are aware, our fiscal year ends on April 30<sup>th</sup>, so the numbers reported are not final. We will continue to process Accounts Payable, and Revenues associated with FY21 through June 30<sup>th</sup>.

The annual audit is tentatively scheduled for the week of July 12<sup>th</sup>. 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.

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Respectfully submitted June 3, 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<br>YTD Actual | FY21<br>Adopted<br>Budget | Over (Under)<br>Budget | Period 12<br>100%<br>% 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%                             |   |
| <b>Total Revenues</b>                                  | <b>\$ 6,740,255</b> | <b>\$ 5,795,755</b>       | <b>\$ 944,500</b>      | <b>116%</b>                      |   |
| 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                                   | \$ 411,532          | \$ 416,345                | (4,813)                | 99%                              |   |
| 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%                             |   |
| <b>Total Revenues Available for Operations</b>         | <b>\$ 5,073,794</b> | <b>\$ 4,855,670</b>       | <b>\$ 218,124</b>      |                                  |   |

| Recap   | Actual       | Budget       | Over (Under)<br>Budget |
|---|--------------|--------------|------------------------|
| Total Revenues Available for Operations (above) | \$ 5,073,794 | \$ 4,855,670 | \$ 218,124             |
| Total Expenditures (Page 4 of 6)                | 4,128,049    | 4,611,420    | (483,371)              |
| Revenues Over (Under) Expenditures              | \$ 945,745   | \$ 244,250   | \$ 701,495             |



# Town of Ocean View

## Comparison of Budget to Actual

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

| Expenditures                                   | April<br>YTD Actual | FY21<br>Adopted<br>Budget | Over (Under)<br>Budget | Period 12           |
|--|---------------------|---------------------------|------------------------|---------------------|
|  |                     |                           |                        | 100%<br>% 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 | 47,046              | 57,450                    | (10,404)               | 82%                 |
| Other  | 22,474              | 28,880                    | (6,406)                | 78%                 |
| 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                                    | 15,225              | 25,000                    | (9,775)                | 61%                 |
| Legal  | 26,785              | 45,000                    | (18,215)               | 60%                 |
| Property Assessments                           | 64,294              | 73,965                    | (9,671)                | 87%                 |
| Other  | 81,974              | 122,500                   | (40,526)               | 67%                 |
| Pass thru MVFC Ambulance Service               | 97,440              | 90,000                    | 7,440                  | 108%                |
| Reimbursable - Engineering                     | 151,254             | 100,000                   | 51,254                 | 151%                |
| Reimbursable - Other                           | 6,597               | 1,000                     | 5,597                  | 660%                |
| PUBLIC RELATIONS                               | 20,739              | 47,500                    | (26,761)               | 44%                 |
| REPAIRS & MAINTENANCE                          | -                   |                           |                        |                     |
| Buildings, non-capital                         | 5,114               | 14,000                    | (8,886)                | 37%                 |
| 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        | 320,502             | 566,345                   | (245,843)              | 57%                 |
| Vehicles                                       | 28,656              | 18,000                    | 10,656                 | 159%                |
| Other(Cleaning, Inspections, etc.)             | 27,445              | 29,450                    | (2,005)                | 93%                 |
| SUPPLIES & MISCELLANEOUS                       | -                   |                           |                        |                     |
| Advertising                                    | 13,818              | 19,500                    | (5,682)                | 71%                 |
| Department Specific Supplies                   | 69,824              | 75,040                    | (5,216)                | 93%                 |
| Gas & Diesel                                   | 31,151              | 36,500                    | (5,349)                | 85%                 |
| NonCapital Equipment/Grant Funded Equipment    | 76,186              | 66,550                    | 9,636                  | 114%                |
| Office Supplies/Postage                        | 23,274              | 19,300                    | 3,974                  | 121%                |
| Uniforms                                       | 10,637              | 13,700                    | (3,063)                | 78%                 |
| TELEPHONE & COMMUNICATIONS                     | 39,576              | 44,000                    | (4,424)                | 90%                 |
| UTILITIES                                      | -                   |                           |                        |                     |
| Street Lights                                  | 70,570              | 90,000                    | (19,430)               | 78%                 |
| Utilities                                      | 29,836              | 39,450                    | (9,614)                | 76%                 |
| <b>Total Expenditures</b>                      | <b>\$ 4,128,049</b> | <b>\$ 4,611,420</b>       | <b>\$ (483,371)</b>    | <b>90%</b>          |

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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, 2021

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#### Revenues

- A. Property Tax Revenues:** The FY21 tax bills were mailed May 26<sup>th</sup>. 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. As of the end of September, 2,037 residents took advantage of the 1% discount with a total savings of \$16,412. New Construction Half-year bills were processed and mailed the first week of November in the amount of \$31,885 with a due date of December 31, 2020.
- 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 FY21 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 \$63,045, which was transferred in December. 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. On July 20<sup>th</sup>, we were notified that our portion of the \$6,000,000 State's Municipal Street Aid Program is \$114,751. The first installment in the amount of \$57,386 was received on September 11<sup>th</sup> with the balance being received on January 25, 2021.
- 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. For FY21, we will also submit for reimbursement to FEMA, CARES act and 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**

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- H. Revenue with Offsetting Expense:** The major components of this category are (1) The pass-thru ambulance fee for MVFC (\$90,000 budgeted). Funds collected (\$97,400) were 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 (\$100,000 budgeted).

**Revenue not available for Operations**

- I. FY21 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 FY20, a total of \$734,238 in ESEF collections were carried over to FY21. 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 March 2021.
- 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.