

TOWN OF OCEAN VIEW  
DELAWARE

March 7, 2023

TO: Honorable Mayor and Council  
FROM: Dawn Mitchell Parks, Finance Director  
VIA: Carol S. Houck, Town Manager  
SUBJECT: Monthly Financial Update as of February 28, 2023

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**1. Real Estate Tax**

As of February 28th, we have collected 99.86% of the current year taxes including New Construction half-year tax bills in the amount of \$3,122,670 leaving a balance due of \$4,504. Currently, we only have one account with prior year taxes due in the amount of \$1,303.

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

**(a) Trust Funds:**

**Emergency Reserve Trust Fund (ERTF)** \$ 1,036,593

The Emergency Reserve Trust is funded at just under 20% of the FY23 operating budget. ERTF currently has \$726,157 available for use in a Fulton Money Market account and \$310,436 invested with Raymond James Financial Services (a division of Fulton Financial Services).

**Capital Replacement Trust Fund (CRTF)** \$ 1,158,734

The FY23 obligation from the Capital Replacement Trust is \$131,355. CRTF currently has \$816,740 available for use in WSFS Money Market account and \$341,994 invested with WSFS in the form of a 12-month, .4% CD that will come due on 8/31/2023.

**Street Repair and Replacement Trust Fund (SRRTF)** \$ 3,856,552

The FY23 obligation from the Street Repair and Replacement Trust is \$1,340,100 for capital projects, \$1,136,100 for street paving and sidewalks. SRRTF currently has \$1,677,481 available for use in a Fulton Money Market account and \$1,907,101 invested with Fulton CRIM and includes \$271,970 held in MSA Money market account at Fulton Bank.

**(b) American Rescue Plan Act Fund (ARPA):** \$ 618,415

On June 16, 2021, the Town received the first install of the ARPA funds. The 2<sup>nd</sup> install was received on June 23, 2022. The Final Rule published in January 2022 went into effect April 1, 2022. To date \$567,802 of the ARPA funds have been encumbered or 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, \$210,293 for the purchase of the Berzin's property, \$9,220 for 32 West Access Control System and \$4,610 for Barnes & Thornburg legal services).

**(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. As of the end of February, 23 new home construction permits have been issued.

	Accumulation and Use			
	Collected	Used	Available	
FY19 & prior	1,330,813	(897,019)	433,794	\$815,019 to MVFC + \$2,000 to Beebe Med. Fdn.
FY20	380,444	(80,000)	734,237	MVFC
FY21	277,989	(80,000)	932,227	MVFC
FY22	155,956	(80,000)	1,008,183	MVFC
FY23	93,890		1,102,073	
Cumulative collected and disbursed	2,239,092	(1,137,019)	1,102,073	

### 3. Transfer Taxes

Transfer Taxes collected through 01/31/2023 are from 30% new construction home sales (\$280,327) with 3.1% of new construction being from land sales, developer to builder (\$28,587) and 66.9% resales of existing homes (\$624,044).

	Current	1st Prior Yr.	2nd Prior Yr.	3rd Prior Yr.	4th Prior Yr.
Collections	FY23	FY22	FY21	FY20	FY19
May	\$ 133,281	\$ 198,193	\$ 123,231	\$ 183,612	\$ 210,567
June	\$ 102,401	\$ 174,067	\$ 102,828	\$ 266,180	\$ 85,391
July	\$ 133,542	\$ 118,532	\$ 153,975	\$ 128,196	\$ 127,263
August	\$ 136,067	\$ 173,294	\$ 203,328	\$ 211,145	\$ 85,443
September	\$ 187,793	\$ 148,578	\$ 232,105	\$ 142,100	\$ 130,912
October	\$ 92,352	\$ 170,418	\$ 171,100	\$ 231,319	\$ 197,866
November	\$ 63,445	\$ 190,268	\$ 155,611	\$ 168,247	\$ 122,412
December	\$ 63,075	\$ 101,272	\$ 182,214	\$ 200,885	\$ 115,343
January	\$ 21,093	\$ 156,492	\$ 194,287	\$ 108,708	\$ 93,695
February	\$ -	\$ 55,620	\$ 126,990	\$ 138,441	\$ 100,434
March	\$ -	\$ 141,865	\$ 182,629	\$ 128,217	\$ 107,562
April	\$ -	\$ 135,551	\$ 191,094	\$ 108,575	\$ 148,957
Total	\$ 933,049	\$ 1,764,150	\$ 2,019,393	\$ 2,015,627	\$ 1,525,844

For FY23, to meet our \$1,250,000 budgeted goal we will need to collect \$104,167 monthly. Currently, we are \$ 4,452 behind of our year-to-date target.

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

Attached are Revenue and Expenditure financial reports for the date ending February 28, 2023.

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

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Respectfully submitted March 7, 2023  
Dawn Mitchell Parks  
Finance Director



## Town of Ocean View

### Comparison of Budget to Actual

Year-to-Date for the Fiscal Year Ending April 30, 2023

Revenues	February YTD Actual	FY23 Adopted Budget	Over (Under) Budget	Period 10 83% % of Budget	
PROPERTY TAX REVENUE	\$ 3,158,713	\$ 3,169,060	\$ (10,347)	100%	A
Early Payment Discount - Taxes (1% if paid by 7/31/22)	\$ (26,242)	(31,340)	\$ 5,098	84%	
TRANSFER TAXES	938,911	1,250,000	\$ (311,089)	75%	B
BUILDING PERMITS					
Building Permits	167,104	280,500	\$ (113,396)	60%	
Impact Fees	126,918	162,440	\$ (35,522)	78%	
Other Permits/Fees	17,040	8,000	\$ 9,040	213%	
GRANTS					
State Grant - Municipal Street Aid	129,766	115,000	\$ 14,766	113%	C
Other Grant Proceeds (Public Safety and ARPA)	1,085,756	720,170	\$ 365,586	151%	D
GROSS RENTAL RECEIPT TAXES	516,017	422,815	\$ 93,202	122%	E
LICENSES	197,775	227,500	\$ (29,725)	87%	F
MISCELLANEOUS					G
Cable Franchise Fee	68,956	80,000	\$ (11,044)	86%	
Interest	63,894	3,475	\$ 60,419	1839%	
Other	146,657	21,000	\$ 125,657	698%	
P&Z and BOA Fees	15,650	10,000	\$ 5,650	157%	
POLICE: Fines & Fees	31,713	38,500	\$ (6,787)	82%	
REVENUE WITH OFFSETTING EXPENSE					H
Reimbursable Fees	66,033	107,500	\$ (41,467)	61%	
Pass through MVFC Ambulance Service	105,105	105,000	\$ 105	100%	
<b>Total Revenues</b>	<b>\$ 6,809,767</b>	<b>\$ 6,689,620</b>	<b>\$ 120,147</b>	<b>102%</b>	
SRRTF: Sidewalk work	\$ 84,677	\$ 334,100	(249,423)	25%	
ESEF: committed funds being granted		\$ 80,000	(80,000)	0%	
SRRTF: Street Paving	\$ 17,164	\$ 697,000	(679,836)	2%	
Use of Unassigned Fund Balance		\$ 188,715	(188,715)	0%	
FY23 Revenue Restricted/Committed					I
ARPA (American Rescue Plan Act)	\$ (591,170)	(591,170)	0	100%	
Capital Budget: Public Safety Grants		(30,000)	30,000	0%	
Capital Replacement Trust Fund (CRTF 12.5%)	\$ (117,364)	(156,250)	38,886	75%	
Emergency Reserve Trust Fund (ERTF)	\$ (59,520)	(59,520)	0	100%	
Emergency Services Enhancement Fund (ESEF)	\$ (16,493)	(105,000)	88,507	16%	
Street Repair & Replacement Trust (SRRTF 25% + Add'l)	\$ (762,027)	\$ (1,034,230)	272,203	74%	
<b>Total Revenues Available for Operations</b>	<b>\$ 5,365,034</b>	<b>\$ 6,013,265</b>	<b>\$ (648,231)</b>		

Recap	Actual	Budget	Over (Under) Budget
Total Revenues Available for Operations (above)	\$ 5,365,034	\$ 6,013,265	\$ (648,231)
Total Expenditures (Page 5 of 8)	3,728,973	5,522,870	(1,793,897)
Revenues Over (Under) Expenditures	\$ 1,636,061	\$ 490,395	\$ 1,145,666



## Town of Ocean View

### Comparison of Budget to Actual

Year-to-Date for the Fiscal Year Ending April 30, 2023

Expenditures	February YTD Actual	FY23 Adopted Budget	Over (Under) Budget	Period 10
				83% % of Budget
SALARY & RELATED EMPLOYEE EXPENSES				
Wages: Salary, Overtime, Bonus	1,742,770	2,054,630	\$ (311,860)	85%
Insurances: Dental, Health, Life	360,900	385,230	(24,330)	94%
Payroll Taxes	142,960	166,135	(23,175)	86%
Pension	151,260	167,895	(16,635)	90%
Worker's Compensation	50,694	59,200	(8,506)	86%
CONTRACTED SERVICES	-			
Committee Stipends	2,820	5,500	(2,680)	51%
Computer/Copier Maintenance & related expenses	69,213	72,200	(2,987)	96%
Other	14,971	64,950	(49,979)	23%
EMPLOYEE RELATED EXPENSES, OTHER	54,114	77,450	(23,336)	70%
GRANT AWARDS: ESEF FUNDS	-	80,000	(80,000)	0%
INSURANCE BUSINESS & BONDS	113,110	110,985	2,125	102%
PROFESSIONAL SERVICES	-			
Audit	19,000	21,500	(2,500)	88%
Engineering	12,641	25,000	(12,359)	51%
Legal	28,163	31,000	(2,837)	91%
Property Assessments	49,237	75,000	(25,763)	66%
Other	81,941	109,350	(27,409)	75%
Pass thru MVFC Ambulance Service	105,105	105,000	105	100%
Reimbursable - Engineering	58,146	100,000	(41,854)	58%
Reimbursable - Other	6,201	7,500	(1,299)	83%
PUBLIC RELATIONS	49,975	56,300	(6,325)	89%
REPAIRS & MAINTENANCE	-			
Buildings, non-capital	3,632	10,000	(6,368)	36%
Drainage	41,620	60,000	(18,380)	69%
Machinery & Equipment, non-capital	919	5,500	(4,581)	17%
Park	18,049	28,675	(10,626)	63%
Street & Sidewalk Maintenance & Repairs	178,481	1,136,100	(957,619)	16%
Vehicles	20,445	29,000	(8,555)	71%
Other(Cleaning, Inspections, etc.)	22,965	35,350	(12,385)	65%
SUPPLIES & MISCELLANEOUS	-			
Advertising	15,141	28,500	(13,359)	53%
Department Specific Supplies	39,981	78,370	(38,389)	51%
Gas & Diesel	48,749	51,000	(2,251)	96%
NonCapital Equipment/Grant Funded Equipment	56,565	50,500	6,065	112%
Office Supplies/Postage	25,304	27,600	(2,296)	92%
Uniforms	14,714	17,300	(2,586)	85%
TELEPHONE & COMMUNICATIONS	34,853	48,600	(13,747)	72%
UTILITIES	-			
Street Lights	60,739	90,000	(29,261)	67%
Utilities	33,596	51,550	(17,954)	65%
<b>Total Expenditures</b>	<b>\$ 3,728,973</b>	<b>\$ 5,522,870</b>	<b>\$ (1,793,897)</b>	<b>68%</b>



## Town of Ocean View

### Comparison of Operating Budget to Actual – Analytic Comments Year-to-Date for the Fiscal Year Ending April 30, 2023

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#### Revenues

- A. Property Tax Revenues:** The FY23 tax bills were mailed June 3rd. 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 FY23 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 FY23, 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 1.9% of the total state-wide grant. For FY23, the Town will receive \$129,766 which is 2.16% of the total MSA funding. The first install was received in September 2022 and the second install was received in February 2023.
- 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 (\$30K) 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 (\$105,000 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 (\$107,500 budgeted).



**Comparison of Operating Budget to Actual – Analytic Comments**  
**Year-to-Date for the Fiscal Year Ending April 30, 2022**

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**Revenue not available for Operations**

- I. FY23 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, 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 FY22, a total of \$1,008,183 in ESEF collections were carried over to FY23. 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.