
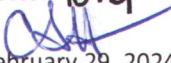


TOWN OF OCEAN VIEW
DELAWARE

March 8, 2024

TO: Honorable Mayor and Council
FROM: Dawn Mitchell Parks, Finance Director 
VIA: Carol S. Houck, Town Manager 
SUBJECT: Monthly Financial Update as of February 29, 2024

1. Real Estate Tax

As of February 29th, we have collected 99.92% of the current year taxes including New Construction half-year tax bills in the amount of \$3,223,201 leaving a balance due of \$2,468 (three accounts). Currently, we only have two accounts with prior year taxes due in the amount of \$5,232. Leins have been placed on these properties.

The Assessment List for FY 2025 was posted on February 15th (as required by Town Charter). Citizens can examine property assessments online as well as in person. All appeals are due by (or postmarked by March 7th) with informal appeals being processed until March 20th and formal appeals being heard by the Board of Assessments on March 27th.

2. Municipal Water System

On March 5th, Tidewater Utilities Inc, TUI, provided a list of 21 customers with past due balances over 130 days in a total of \$8,330. Courtesy calls were completed on March 6th with disconnection notices being mailed on March 14th. Services to properties remaining unpaid will be disconnected on April 3rd. Currently, we have three (3) properties that services remain disconnected with balances due. These properties do not have residents.

3. Balances – Reserve and Committed Funds

(a) Trust Funds:

Emergency Reserve Trust Fund (ERTF) \$ 1,200,358

The Emergency Reserve Trust is funded at just under 20% of the FY24 operating budget. ERTF currently has \$883,375 available for use in a Fulton Money Market account and \$316,983 invested with Raymond James Financial Services (a division of Fulton Financial Services).

Capital Replacement Trust Fund (CRTF) \$ 1,275,365

The FY24 obligation from the Capital Replacement Trust is \$84,030. CRTF currently has \$929,951 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) \$ 2,217,880

The FY24 obligation from the Street Repair and Replacement Trust is \$2,634,200 for capital projects and \$845,000 for street paving and sidewalks. SRRTF currently has \$405,011 available for use in a Fulton Money Market account and \$1,474,786 invested with Fulton CRIM and includes \$338,083 held in MSA Money market account at Fulton Bank.

(b) American Rescue Plan Act Fund (ARPA): \$ 244,339

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 \$712,078 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, \$353,113 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 \$1,200 for 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 February consists of nine (9) new home construction permits issued of the 20 that were budgeted for FY24 along with .5% of the construction value of permits issued.

	Accumulation and Use			
	Collected	Used	Available	
FY20 & prior	1,711,257	(977,019)	734,238	\$975,019 to MVFC + \$2,000 to Beebe Med. Fdn.
FY21	277,989	(80,000)	932,227	MVFC
FY22	155,956	(80,000)	1,008,183	MVFC
FY23	114,656	(80,000)	1,042,838	MVFC
FY24	56,733	(50,000)	1,049,571	OVPD
Cumulative collected and disbursed	2,316,590	(1,267,019)	1,049,571	

4. **Transfer Taxes**

Transfer Taxes collected through 01/31/2024 are from 19.8% new construction home sales (\$168,874) with 2.0% from land sales, developer to builder (\$16,837) and 78.2% resales of existing homes (\$667,449).

	Current	1st Prior Yr.	2nd Prior Yr.	3rd Prior Yr.	4th Prior Yr.
Collections	FY24	FY23	FY22	FY21	FY20
May	\$ 132,109	\$ 133,281	\$ 198,193	\$ 123,231	\$ 183,612
June	\$ 73,594	\$ 102,401	\$ 174,067	\$ 102,828	\$ 266,180
July	\$ 54,532	\$ 133,542	\$ 118,532	\$ 153,975	\$ 128,196
August	\$ 93,268	\$ 136,067	\$ 173,294	\$ 203,328	\$ 211,145
September	\$ 73,868	\$ 187,793	\$ 148,578	\$ 232,105	\$ 142,100
October	\$ 110,222	\$ 92,352	\$ 170,418	\$ 171,100	\$ 231,319
November	\$ 164,863	\$ 63,445	\$ 190,268	\$ 155,611	\$ 168,247
December	\$ 61,631	\$ 63,075	\$ 101,272	\$ 182,214	\$ 200,885
January	\$ 89,072	\$ 21,093	\$ 156,492	\$ 194,287	\$ 108,708
February	\$ -	\$ 24,762	\$ 55,620	\$ 126,990	\$ 138,441
March	\$ -	\$ 111,132	\$ 141,865	\$ 182,629	\$ 128,217
April	\$ -	\$ 114,985	\$ 135,551	\$ 191,094	\$ 108,575
Total	\$ 853,160	\$ 1,183,926	\$ 1,764,150	\$ 2,019,393	\$ 2,015,627

For FY24, to meet our \$1,000,000 budgeted goal we need to collect \$83,333 monthly. As of the end of December, Transfer Tax is \$103,160 above the YTD target at 9 months of \$750,000.

5. **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 29, 2024.

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

Respectfully submitted March 8, 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	February YTD Actual	FY24 Adopted Budget	Over (Under) Budget	Period 9 83% % of Budget	
PROPERTY TAX REVENUE	\$ 3,226,728	\$ 3,308,780	\$ (82,052)	98%	A
Early Payment Discount - Taxes (1% if paid by 7/31/22)	\$ (27,772)	(32,925)	\$ 5,153	84%	
TRANSFER TAXES	853,160	1,000,000	\$ (146,840)	85%	B
BUILDING PERMITS					
Building Permits	112,493	232,000	\$ (119,507)	48%	
Impact Fees	69,657	88,720	\$ (19,063)	79%	
Other Permits/Fees	8,230	13,500	\$ (5,270)	61%	
GRANTS					
State Grant - Municipal Street Aid	128,043	130,000	\$ (1,957)	98%	C
Other Grant Proceeds (Public Safety and ARPA)	807,532	147,000	\$ 660,532	549%	D
GROSS RENTAL RECEIPT TAXES	626,038	601,140	\$ 24,898	104%	E
LICENSES	239,475	205,000	\$ 34,475	117%	F
MISCELLANEOUS					G
Cable Franchise Fee	64,402	80,000	\$ (15,598)	81%	
Interest	257,555	24,000	\$ 233,555	1073%	
Other	85,146	77,500	\$ 7,646	110%	
P&Z and BOA Fees	6,150	10,000	\$ (3,850)	62%	
POLICE: Fines & Fees	21,636	40,500	\$ (18,864)	53%	
REVENUE WITH OFFSETTING EXPENSE					H
Reimbursable Fees	52,912	113,000	\$ (60,088)	47%	
Pass through MVFC Ambulance Service	152,250	107,975	\$ 44,275	141%	
Total Revenues	\$ 6,683,634	\$ 6,146,190	\$ 537,444	109%	
SRRTF: Sidewalk work	\$ 119,767	\$ 100,000	19,767	120%	
ESEF: committed funds being granted	\$ 50,000	\$ 130,000	(80,000)	38%	
SRRTF: Street Paving	\$ 12,420	\$ 745,000	(732,580)	2%	
Use of Unassigned Fund Balance			0		
FY24 Revenue Restricted/Committed					I
ARPA (American Rescue Plan Act)	\$ (370,382)		(370,382)		
Capital Budget: Public Safety Grants	\$ (35,000)	(30,000)	(5,000)	117%	
Capital Replacement Trust Fund (CRTF 12.5%)	\$ (106,645)	(125,000)	18,355	85%	
Emergency Reserve Trust Fund (ERTF)	\$ (131,530)	(131,530)	0	100%	
Emergency Services Enhancement Fund (ESEF)	\$ (11,875)	(60,000)	48,125	20%	
Street Repair & Replacement Trust (SRRTF 25% + Add'l)	\$ (614,985)	\$ (743,470)	128,485	83%	
Total Revenues Available for Operations	\$ 5,595,404	\$ 6,031,190	\$ (435,786)		

Recap	Actual	Budget	Over (Under) Budget
Total Revenues Available for Operations (above)	\$ 5,595,404	\$ 6,031,190	\$ (435,786)
Total Expenditures (Page 5 of 8)	4,595,152	5,921,190	(1,326,038)
Revenues Over (Under) Expenditures	\$ 1,000,252	\$ 110,000	\$ 890,252

Town of Ocean View

Comparison of Budget to Actual

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

Expenditures	February YTD Actual	FY24 Adopted Budget	Over (Under) Budget	Period 9
				83%
				% of Budget
SALARY & RELATED EMPLOYEE EXPENSES				
Wages: Salary, Overtime, Bonus	1,965,314	2,333,620	\$ (368,306)	84%
Insurances: Dental, Health, Life	389,697	471,120	(81,423)	83%
Payroll Taxes	160,266	184,035	(23,769)	87%
Pension	168,412	204,715	(36,303)	82%
Worker's Compensation	42,133	67,075	(24,942)	63%
CONTRACTED SERVICES	-			
Committee Stipends	1,950	6,530	(4,580)	30%
Computer/Copier Maintenance & related expenses	76,419	79,800	(3,381)	96%
Other	27,846	64,200	(36,354)	43%
EMPLOYEE RELATED EXPENSES, OTHER	49,230	89,550	(40,320)	55%
GRANT AWARDS: ESEF FUNDS	-	80,000	(80,000)	0%
INSURANCE BUSINESS & BONDS	143,940	132,500	11,440	109%
PROFESSIONAL SERVICES	-			
Audit	21,850	20,500	1,350	107%
Engineering	13,475	30,000	(16,526)	45%
Legal	27,544	46,000	(18,456)	60%
Property Assessments	51,591	75,000	(23,409)	69%
Other	86,235	115,200	(28,965)	75%
Pass thru MVFC Ambulance Service	152,250	107,975	44,275	141%
Reimbursable - Engineering	50,387	100,000	(49,613)	50%
Reimbursable - Other	1,350	10,000	(8,650)	14%
PUBLIC RELATIONS	56,217	81,600	(25,383)	69%
REPAIRS & MAINTENANCE	-			
Buildings, non-capital	559	10,000	(9,441)	6%
Drainage	78,203	75,000	3,203	104%
Machinery & Equipment, non-capital	4,738	5,500	(762)	86%
Park	10,858	25,000	(14,142)	43%
Street & Sidewalk Maintenance & Repairs	591,359	980,000	(388,641)	60%
Vehicles	32,431	24,000	8,431	135%
Other(Cleaning, Inspections, etc.)	19,035	32,700	(13,665)	58%
SUPPLIES & MISCELLANEOUS	-			
Advertising	13,923	31,500	(17,577)	44%
Department Specific Supplies	56,419	88,620	(32,201)	64%
Gas & Diesel	43,396	63,500	(20,104)	68%
NonCapital Equipment/Grant Funded Equipment	74,179	47,500	26,679	156%
Office Supplies/Postage	28,875	31,600	(2,725)	91%
Uniforms	17,724	17,200	524	103%
TELEPHONE & COMMUNICATIONS	37,128	49,100	(11,972)	76%
UTILITIES	-			
Street Lights	66,844	90,000	(23,156)	74%
Utilities	33,377	50,550	(17,173)	66%
Total Expenditures	\$ 4,595,152	\$ 5,921,190	\$ (1,326,038)	78%

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.