

TOWN OF OCEAN VIEW
DELAWARE

November 6, 2024

TO: Honorable Mayor and Council
FROM: Dawn Mitchell Parks, Finance Director *Tomp*
VIA: Carol S. Houck, Town Manager *CH*
SUBJECT: Monthly Financial Update as of October 31, 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 had 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 October, we have collected 99% of current year taxes and 2,698 property owners took advantage of the early payment discount in a savings of \$27,482.

2. Balances – Reserve and Committed Funds

(a) Trust Funds:

Emergency Reserve Trust Fund (ERTF) \$ 1,231,167

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 \$905,573 available for use in a Fulton Money Market account and \$325,594 invested with Raymond James Financial Services (a division of Fulton Financial Services).

Capital Replacement Trust Fund (CRTF) \$ 1,234,570

The FY25 obligation from the Capital Replacement Trust is \$218,500. CRTF currently has \$881,363 available for use in WSFS Money Market account and \$353,207 invested with WSFS in the form of a 12-month, 2.225% CD that will come due on 8/28/2025.

Street Repair and Replacement Trust Fund (SRRTF) \$ 967,165

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 \$396,776 available for use in a Fulton Money Market account and \$475,548 invested with Fulton CRIM and includes \$94,841 held in MSA Money market account at Fulton Bank.

(b) American Rescue Plan Act Fund (ARPA): \$ 274,407

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 \$907,934 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, \$292,136 for Berzins Natural & Park Area, \$10,300 for 32 West Access Control System, \$4,610 for Barnes & Thornburg legal services, \$241,605 for the purchase and development of 8 Oakwood Ave parking lot, 14,454 for Stalker Speed sign/trailer and \$1,150 for the OVPD Evidence Building Concept). The remaining balance is encumbered for the 8 Oakwood Ave Parking Lot and Berzin's Natural & Park Area.

(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 October for FY25 consists of 20 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	\$50K OVPD & \$80K to MVFC
FY25	64,200	-	1,053,057	OVPD & MVFC Budgeted (\$130,000)
Cumulative collected and disbursed	2,400,076	(1,347,019)	1,053,057	

3. Transfer Taxes

Transfer Taxes collected through 9/30/2024 are from 10.2% new construction home sales (\$45,845) with 7.7% from land sales, developer to builder (\$34,443) and 82.1% resales of existing homes (\$368,889).

	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	\$ 86,625	\$ 73,594	\$ 102,401	\$ 174,067	\$ 102,828
July	\$ 115,241	\$ 54,532	\$ 133,542	\$ 118,532	\$ 153,975
August	\$ 84,321	\$ 93,268	\$ 136,067	\$ 173,294	\$ 203,328
September	\$ 45,510	\$ 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	\$ 443,177	\$ 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. As of the end of September, we are \$26,511 ahead of our year-to-date target amount.

4. Financial Statement Recap (pages 3 & 4) followed by the October Analytics (pages 5 & 6)

Attached are updated Revenue and Expenditure financial reports for the date ending October 31, 2024.

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

Respectfully submitted November 6, 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, 2025

Revenues	October YTD Actual	FY25 Adopted Budget	Over (Under) Budget	Period 06 50% % of Budget	
PROPERTY TAX REVENUE	\$ 3,281,953	\$ 3,350,940	\$ (68,987)	98%	A
Early Payment Discount - Taxes (1% if paid by 7/31/24)	\$ (27,496)	(33,290)	\$ 5,794	83%	
TRANSFER TAXES	471,264	1,000,000	\$ (528,736)	47%	B
BUILDING PERMITS					
Building Permits	128,854	175,000	\$ (46,146)	74%	
Impact Fees	92,920	137,120	\$ (44,200)	68%	
Other Permits/Fees	10,305	12,000	\$ (1,695)	86%	
GRANTS					
State Grant - Municipal Street Aid	64,070	130,000	\$ (65,930)	49%	C
Other Grant Proceeds (Public Safety and ARPA)	211,028	145,000	\$ 66,028	146%	D
GROSS RENTAL RECEIPT TAXES	260,960	650,000	\$ (389,040)	40%	E
LICENSES	22,600	212,500	\$ (189,900)	11%	F
MISCELLANEOUS					G
Cable Franchise Fee	41,884	80,000	\$ (38,116)	52%	
Interest	150,914	182,350	\$ (31,436)	83%	
Other	97,879	192,100	\$ (94,221)	51%	
P&Z and BOA Fees	750	10,000	\$ (9,250)	8%	
POLICE: Fines & Fees	14,835	30,500	\$ (15,665)	49%	
REVENUE WITH OFFSETTING EXPENSE					H
Reimbursable Fees	79,321	105,000	\$ (25,679)	76%	
Pass through MVFC Ambulance Service	151,300	155,000	\$ (3,700)	98%	
Total Revenues	\$ 5,053,340	\$ 6,534,220	\$ (1,480,880)	77%	
SRRTF: Sidewalk work	\$ 36,378	\$ 75,000	(38,622)	49%	
ESEF: committed funds being granted	\$ 50,000	\$ 130,000	(80,000)	38%	
SRRTF: Street Paving	\$ -	\$ 190,000	(190,000)	0%	
Emerging Projects: to balance budget	\$ -	\$ 25,385	(25,385)	0%	
FY25 Revenue Restricted/Committed					I
ARPA (American Rescue Plan Act)	\$ (55,099)	0	(55,099)		
Capital Budget: Public Safety Grants		(35,000)	35,000	0%	
Capital Replacement Trust Fund (CRTF 12.5%)	\$ (58,908)	(125,000)	66,092	47%	
Emergency Reserve Trust Fund (ERTF)		68,140	(68,140)	0%	
Emergency Services Enhancement Fund (ESEF)	\$ (52,952)	(72,500)	19,548	73%	
Street Repair & Replacement Trust (SRRTF 25% + Add'l)	\$ (412,356)	\$ (875,000)	462,644	47%	
Total Revenues Available for Operations	\$ 4,560,403	\$ 5,915,245	\$ (1,354,842)		

Recap	Actual	Budget	Over (Under) Budget
Total Revenues Available for Operations (above)	\$ 4,560,403	\$ 5,915,245	\$ (1,354,842)
Total Expenditures (Page 5 of 8)	2,855,352	5,870,245	(3,014,893)
Revenues Over (Under) Expenditures	\$ 1,705,051	\$ 45,000	\$ 1,660,051

Town of Ocean View

Comparison of Budget to Actual

Year-to-Date for the Fiscal Year Ending April 30, 2025

Expenditures	October YTD Actual	FY25 Adopted Budget	Over (Under) Budget	Period 06
				50%
				% of Budget
SALARY & RELATED EMPLOYEE EXPENSES				
Wages: Salary, Overtime, Bonus	1,283,381	2,573,795	\$ (1,290,414)	50%
Insurances: Dental, Health, Life	269,760	543,995	(274,235)	50%
Payroll Taxes	103,519	207,465	(103,946)	50%
Pension	129,560	252,070	(122,510)	51%
Worker's Compensation	25,926	44,950	(19,024)	58%
CONTRACTED SERVICES	-			
Committee Stipends	570	6,500	(5,930)	9%
Computer/Copier Maintenance & related expenses	56,648	106,250	(49,602)	53%
Other	10,842	66,400	(55,558)	16%
EMPLOYEE RELATED EXPENSES, OTHER	31,338	81,750	(50,412)	38%
GRANT AWARDS: ESEF FUNDS	-	135,000	(135,000)	0%
INSURANCE BUSINESS & BONDS	120,480	138,200	(17,720)	87%
PROFESSIONAL SERVICES	-			
Audit	18,000	25,000	(7,000)	72%
Engineering	7,110	35,000	(27,890)	20%
Legal	22,335	51,000	(28,665)	44%
Property Assessments	20,144	75,000	(54,856)	27%
Other	32,244	115,000	(82,756)	28%
Pass thru MVFC Ambulance Service	151,300	155,000	(3,700)	98%
Reimbursable - Engineering	42,491	100,000	(57,509)	42%
Reimbursable - Other	1,839	5,000	(3,161)	37%
PUBLIC RELATIONS	42,728	80,100	(37,372)	53%
REPAIRS & MAINTENANCE	-			
Buildings, non-capital	10,376	9,000	1,376	115%
Drainage	35,637	75,000	(39,363)	48%
Machinery & Equipment, non-capital	1,133	5,500	(4,367)	21%
Park	26,548	25,000	1,548	106%
Street & Sidewalk Maintenance & Repairs	66,188	400,000	(333,812)	17%
Vehicles	13,451	24,500	(11,049)	55%
Other(Cleaning, Inspections, etc.)	15,094	42,100	(27,006)	36%
SUPPLIES & MISCELLANEOUS	-			
Advertising	15,922	27,000	(11,078)	59%
Department Specific Supplies	56,301	92,620	(36,319)	61%
Gas & Diesel	28,255	80,000	(51,745)	35%
NonCapital Equipment/Grant Funded Equipment	113,567	41,100	72,467	276%
Office Supplies/Postage	16,890	35,600	(18,710)	47%
Uniforms	5,193	17,200	(12,007)	30%
TELEPHONE & COMMUNICATIONS	24,654	50,800	(26,146)	49%
UTILITIES	-			
Street Lights	34,955	90,000	(55,045)	39%
Utilities	20,973	57,350	(36,377)	37%
Total Expenditures	\$ 2,855,352	\$ 5,870,245	\$ (3,014,893)	49%

Town of Ocean View

Comparison of Operating Budget to Actual – Analytic Comments Year-to-Date for the Fiscal Year Ending April 30, 2025

Revenues

- A. Property Tax Revenues:** The FY25 tax bills were postmarked May 31st. 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. For FY25, 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 FY24, the Town received \$128,043 which is 2.13% of the total MSA funding. For FY25, the Town has been allotted \$128,140 which is 2.14% of the total MSA funding. The first installment was received in September 2024 and the second installment should be received in February 2025.
- 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.
- 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 (\$155,000 budgeted, \$154,350 actual). Funds collected by September 30th will be turned over in October. (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 (\$105,000 budgeted).

Revenue not available for Operations

- I. FY25 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 FY24, a total of \$988,858 in ESEF collections were carried over to FY25. 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. For FY25, the Town changed providers with a savings of 37,610.
- N. Public Relations:** The primary expenses are for the Spring Fling, Concerts in the Park, Movies in the Park, Holiday Market, Cops & Goblins and for FY25, the Town’s 135th Celebration. 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 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.