



TOWN OF OCEAN VIEW
DELAWARE

September 7, 2022

TO: Honorable Mayor and Council
FROM: Dawn Mitchell Parks, Finance Director 
VIA: Carol S. Houck, Town Manager 
SUBJECT: Monthly Financial Update as of August 31, 2022

1. Real Estate Tax

The FY23 Tax bills were processed and postmarked by June 3rd for the assessments that were posted on February 15, 2022. The property tax bills totaled \$3,132,677. As of August 31st, 94% of current year taxes have been collected. 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 the discount period, 2,662 property owners took advantage of the early payment discount in a savings of \$26,232.

2. Balances – Reserve and Committed Funds

(a) Trust Funds:

Emergency Reserve Trust Fund (ERTF) \$ 1,032,162

The Emergency Reserve Trust is funded at 20% of the FY23 operating budget. ERTF currently has \$724,516 available for use in a Fulton Money Market account and \$307,646 invested with Raymond James Financial Services (a division of Fulton Financial Services).

Capital Replacement Trust Fund (CRTF) \$ 1,104,448

The FY23 obligation from the Capital Replacement Trust is \$131,355. CRTF currently has \$762,790 available for use in WSFS Money Market account and \$341,658 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) \$ 4,110,662

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 \$2,029,712 available for use in a Fulton Money Market account and \$1,886,825 invested with Fulton CRIM and includes \$194,125 held in MSA Money market account at Fulton Bank.

(b) American Rescue Plan Act Fund (ARPA): \$ 914,443

On June 16, 2021, the Town received the first install of the ARPA funds. The 2nd install was received on June 23, 2022. The Final Rule published in January 2022 went into effect April 1, 2022. The required annual report was submitted on April 28th. To date, \$266,023 of the ARPA funds have been expended (\$100,000 MVFD, \$7,813 MVFD, \$119,508 towards Employee Premium Pay, 34,092 for Motorola Portable Radios 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. The amount collected in FY23 is based on eleven (11) new home construction permits.

	Accumulation and Use			
	Collected	Used	Available	
FY19 & prior	1,330,813	(897,019)	433,794	<i>\$815,019 to MVFC + \$2,000 to Beebe Med. Fdn.</i>
FY20	380,444	(80,000)	734,237	<i>MVFC</i>
FY21	277,989	(80,000)	932,227	<i>MVFC</i>
FY22	155,956	(80,000)	1,008,183	<i>MVFC</i>
FY23	43,887		1,052,070	
Cumulative collected and disbursed	2,189,089	(1,137,019)	1,052,070	

3. Transfer Taxes

Transfer Taxes collected through 7/31/2022 are from 37.9% new construction home sales (\$139,858), 2.7% of new construction being from land sales developer to builder (\$9,822) and 59.5% resales of existing homes (\$219,543).

	Current	1st Prior Yr.	2nd Prior Yr.	3rd Prior Yr.	4th Prior Yr.
Collections	FY23	FY22	FY21	FY20	FY19
May	\$ 133,281	\$ 198,193	\$ 97,193	\$ 166,288	\$ 193,389
June	\$ 102,401	\$ 174,067	\$ 94,948	\$ 210,487	\$ 79,949
July	\$ 133,542	\$ 110,971	\$ 151,075	\$ 97,999	\$ 116,612
August	\$ -	\$ 168,405	\$ 145,971	\$ 153,080	\$ 73,737
September	\$ -	\$ 148,578	\$ 165,025	\$ 87,901	\$ 118,563
October	\$ -	\$ 165,421	\$ 171,100	\$ 183,423	\$ 165,238
November	\$ -	\$ 182,708	\$ 124,729	\$ 156,173	\$ 114,268
December	\$ -	\$ 101,272	\$ 177,595	\$ 186,695	\$ 115,343
January	\$ -	\$ 152,745	\$ 140,985	\$ 90,347	\$ 86,073
February	\$ -	\$ 55,620	\$ 107,726	\$ 124,600	\$ 95,513
March	\$ -	\$ 141,865	\$ 174,606	\$ 90,277	\$ 91,458
April	\$ -	\$ 135,551	\$ 167,736	\$ 104,881	\$ 141,726
Total	\$ 369,223	\$ 1,735,397	\$ 1,718,689	\$ 1,652,151	\$ 1,391,867

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

Attached are updated Revenue and Expenditure financial reports for the date ending August 31, 2022.

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

Respectfully submitted September 7, 2022

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	August YTD Actual	FY23 Adopted Budget	Over (Under) Budget	Period 04 33% % of Budget	
PROPERTY TAX REVENUE	\$ 3,135,506	\$ 3,169,060	\$ (33,554)	99%	A
Early Payment Discount - Taxes (1% if paid by 7/31/22)	\$ (26,233)	(31,340)	\$ 5,107	84%	
TRANSFER TAXES	505,290	1,250,000	\$ (744,710)	40%	B
BUILDING PERMITS					
Building Permits	76,337	280,500	\$ (204,163)	27%	
Impact Fees	59,683	162,440	\$ (102,757)	37%	
Other Permits/Fees	7,745	8,000	\$ (255)	97%	
GRANTS					
State Grant - Municipal Street Aid	-	115,000	\$ (115,000)	0%	C
Other Grant Proceeds (Public Safety and ARPA)	954,170	720,170	\$ 234,000	132%	D
GROSS RENTAL RECEIPT TAXES	210,497	422,815	\$ (212,318)	50%	E
LICENSES	19,050	227,500	\$ (208,450)	8%	F
MISCELLANEOUS					G
Cable Franchise Fee	25,077	80,000	\$ (54,923)	31%	
Interest	5,051	3,475	\$ 1,576	145%	
Other	44,822	21,000	\$ 23,822	213%	
P&Z and BOA Fees	8,300	10,000	\$ (1,700)	83%	
POLICE: Fines & Fees	15,153	38,500	\$ (23,347)	39%	
REVENUE WITH OFFSETTING EXPENSE					H
Reimbursable Fees	30,587	107,500	\$ (76,913)	28%	
Pass through MVFC Ambulance Service	106,910	105,000	\$ 1,910	102%	
Total Revenues	\$ 5,177,946	\$ 6,689,620	\$ (1,511,674)	77%	
SRRTF: Sidewalk work	\$ 23,247	\$ 334,100	(310,853)	7%	
ESEF: committed funds being granted		\$ 80,000	(80,000)	0%	
SRRTF: Street Paving	\$ 9,970	\$ 697,000	(687,030)	1%	
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%)	\$ (63,161)	(156,250)	93,089	40%	
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)	\$ (382,609)	\$ (1,034,230)	651,621	37%	
Total Revenues Available for Operations	\$ 4,098,210	\$ 6,013,265	\$ (1,915,055)		

Recap	Actual	Budget	Over (Under) Budget
Total Revenues Available for Operations (above)	\$ 4,098,210	\$ 6,013,265	\$ (1,915,055)
Total Expenditures (Page 5 of 8)	1,382,850	5,522,870	(4,140,020)
Revenues Over (Under) Expenditures	\$ 2,715,360	\$ 490,395	\$ 2,224,965

Town of Ocean View

Comparison of Budget to Actual

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

Expenditures	August YTD Actual	FY23 Adopted Budget	Over (Under) Budget	Period 04
				33% % of Budget
SALARY & RELATED EMPLOYEE EXPENSES				
Wages: Salary, Overtime, Bonus	650,746	2,054,630	\$ (1,403,884)	32%
Insurances: Dental, Health, Life	164,500	385,230	(220,730)	43%
Payroll Taxes	55,261	166,135	(110,874)	33%
Pension	67,810	167,895	(100,085)	40%
Worker's Compensation	40,783	59,200	(18,417)	69%
CONTRACTED SERVICES	-			
Committee Stipends	960	5,500	(4,540)	17%
Computer/Copier Maintenance & related expenses	32,436	72,200	(39,764)	45%
Other	4,766	64,950	(60,184)	7%
EMPLOYEE RELATED EXPENSES, OTHER	17,133	77,450	(60,317)	22%
GRANT AWARDS: ESEF FUNDS	-	80,000	(80,000)	0%
INSURANCE BUSINESS & BONDS	44,955	110,985	(66,030)	41%
PROFESSIONAL SERVICES	-			
Audit	10,000	21,500	(11,500)	47%
Engineering	4,900	25,000	(20,100)	20%
Legal	10,946	31,000	(20,054)	35%
Property Assessments	12,494	75,000	(62,506)	17%
Other	34,133	109,350	(75,217)	31%
Pass thru MVFC Ambulance Service	-	105,000	(105,000)	0%
Reimbursable - Engineering	22,750	100,000	(77,250)	23%
Reimbursable - Other	2,413	7,500	(5,087)	32%
PUBLIC RELATIONS	20,634	56,300	(35,666)	37%
REPAIRS & MAINTENANCE	-			
Buildings, non-capital	2,767	10,000	(7,233)	28%
Drainage	-	60,000	(60,000)	0%
Machinery & Equipment, non-capital	84	5,500	(5,416)	2%
Park	9,605	28,675	(19,070)	33%
Street & Sidewalk Maintenance & Repairs	46,294	1,136,100	(1,089,806)	4%
Vehicles	5,690	29,000	(23,310)	20%
Other(Cleaning, Inspections, etc.)	6,500	35,350	(28,850)	18%
SUPPLIES & MISCELLANEOUS	-			
Advertising	5,254	28,500	(23,247)	18%
Department Specific Supplies	16,520	78,370	(61,850)	21%
Gas & Diesel	21,494	51,000	(29,506)	42%
NonCapital Equipment/Grant Funded Equipment	8,145	50,500	(42,355)	16%
Office Supplies/Postage	15,737	27,600	(11,863)	57%
Uniforms	1,755	17,300	(15,545)	10%
TELEPHONE & COMMUNICATIONS	13,779	48,600	(34,821)	28%
UTILITIES	-			
Street Lights	20,561	90,000	(69,439)	23%
Utilities	11,045	51,550	(40,505)	21%
Total Expenditures	\$ 1,382,850	\$ 5,522,870	\$ (4,140,020)	25%

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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, 2023

Revenues

- A. Property Tax Revenues:** The FY23 tax bills were mailed June 3rd. Taxpayers have 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 will be 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.
- 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 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

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.