

TOWN OF OCEAN VIEW  
DELAWARE

September 5, 2024

TO: Honorable Mayor and Council  
FROM: Dawn Mitchell Parks, Finance Director *DMP*  
VIA: Carol S. Houck, Town Manager  
SUBJECT: Monthly Financial Update as of August 31, 2024

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**1. Real Estate Tax**

The FY25 Tax bills were processed and available online on May 1<sup>st</sup> 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 31<sup>st</sup> 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 August 31<sup>st</sup>, we collected 96% 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)** \$ 1,218,484

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 \$897,310 available for use in a Fulton Money Market account and \$321,174 invested with Raymond James Financial Services (a division of Fulton Financial Services).

**Capital Replacement Trust Fund (CRTF)** \$ 1,331,593

The FY25 obligation from the Capital Replacement Trust is \$218,500. CRTF currently has \$986,179 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 came due on 8/28/2024.

**Street Repair and Replacement Trust Fund (SRRTF)** \$ 1,325,957

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 \$279,782 available for use in a Fulton Money Market account and \$1,015,599 invested with Fulton CRIM and includes \$30,576 held in MSA Money market account at Fulton Bank.

**(b) American Rescue Plan Act Fund (ARPA):** \$ 304,482

On June 16, 2021, the Town received the first installment of the ARPA funds. The 2<sup>nd</sup> installment was received on June 23, 2022. The Final Rule published in January 2022 went into effect April 1, 2022. To date \$927,686 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, \$285,895 for Berzins Natural & Park Area, \$10,300 for 32 West Access Control System, \$4,610 for Barnes & Thornburg legal services, \$225,980 for the purchase and development of 8 Oakwood Ave parking lot and \$1,150 for the OVPD Evidence Building Concept). The remaining balance is encumbered for the 8 Oakwood Ave Parking Lot, Berzin's Natural & Park Area and 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 August for FY25 consists of 16 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   | <i>\$1,055,019 to MVFC + \$2,000 to Beebe Med. Fdn.</i> |
| FY22                               | 155,956              | (80,000)    | 1,008,183 | <i>MVFC</i>   |
| FY23                               | 114,656              | (80,000)    | 1,042,838 | <i>MVFC</i>   |
| FY24                               | 76,019               | (130,000)   | 988,858   | <i>OVPD &amp; MVFC</i>                                  |
| FY25                               | 48,753               | -           | 1,037,611 | <i>OVPD &amp; MVFC Budgeted (\$130,000)</i>             |
| Cumulative collected and disbursed | 2,384,630            | (1,347,019) | 1,037,611 |   |

### 3. Transfer Taxes

Transfer Taxes collected through 7/31/2024 are from 4.1% new construction home sales (\$12.825) with 9.3% from land sales, developer to builder (\$29,250) and 86.6% resales of existing homes (\$271,271).

|              | 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       | \$ -              | \$ 93,268           | \$ 136,067          | \$ 173,294          | \$ 203,328          |
| September    | \$ -              | \$ 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          |
| <b>Total</b> | <b>\$ 313,346</b> | <b>\$ 1,134,700</b> | <b>\$ 1,183,926</b> | <b>\$ 1,764,150</b> | <b>\$ 2,019,393</b> |

For FY25, to meet our \$1,000,000 budgeted goal we will need to collect \$83,333 monthly. As of the end of July, we are \$63,346 ahead of our year-to-date target amount.

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

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

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

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Respectfully submitted September 5, 2024  
Dawn Mitchell Parks  
Finance Director



## Town of Ocean View

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

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#### 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 should be received in September 2024 and the second installment 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 135<sup>th</sup> 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.



## Town of Ocean View

### Comparison of Budget to Actual

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

| Revenues   | August<br>YTD Actual | FY25<br>Adopted<br>Budget | Over (Under)<br>Budget | Period 04<br>33%<br>% of Budget |   |
|--|----------------------|---------------------------|------------------------|---------------------------------|---|
| PROPERTY TAX REVENUE                                   | \$ 3,280,817         | \$ 3,350,940              | \$ (70,123)            | 98%                             | A |
| Early Payment Discount - Taxes (1% if paid by 7/31/24) | \$ (27,482)          | (33,290)                  | \$ 5,808               | 83%                             |   |
| TRANSFER TAXES   | 368,452              | 1,000,000                 | \$ (631,548)           | 37%                             | B |
| BUILDING PERMITS                                       |                      |                           |                        |                                 |   |
| Building Permits                                       | 96,206               | 175,000                   | \$ (78,794)            | 55%                             |   |
| Impact Fees  | 71,729               | 137,120                   | \$ (65,391)            | 52%                             |   |
| Other Permits/Fees                                     | 7,330                | 12,000                    | \$ (4,670)             | 61%                             |   |
| GRANTS   |                      |                           |                        |                                 |   |
| State Grant - Municipal Street Aid                     | -                    | 130,000                   | \$ (130,000)           | 0%                              | C |
| Other Grant Proceeds (Public Safety and ARPA)          | 143,178              | 145,000                   | \$ (1,822)             | 99%                             | D |
| GROSS RENTAL RECEIPT TAXES                             | 132,285              | 650,000                   | \$ (517,715)           | 20%                             | E |
| LICENSES   | 19,025               | 212,500                   | \$ (193,475)           | 9%                              | F |
| MISCELLANEOUS  |                      |                           |                        |                                 | G |
| Cable Franchise Fee                                    | 21,390               | 80,000                    | \$ (58,610)            | 27%                             |   |
| Interest   | 82,347               | 182,350                   | \$ (100,003)           | 45%                             |   |
| Other  | 38,366               | 192,100                   | \$ (153,734)           | 20%                             |   |
| P&Z and BOA Fees                                       | 750                  | 10,000                    | \$ (9,250)             | 8%                              |   |
| POLICE: Fines & Fees                                   | 8,554                | 30,500                    | \$ (21,946)            | 28%                             |   |
| REVENUE WITH OFFSETTING EXPENSE                        |                      |                           |                        |                                 | H |
| Reimbursable Fees                                      | 23,026               | 105,000                   | \$ (81,974)            | 22%                             |   |
| Pass through MVFC Ambulance Service                    | 154,350              | 155,000                   | \$ (650)               | 100%                            |   |
| <b>Total Revenues</b>                                  | <b>\$ 4,420,324</b>  | <b>\$ 6,534,220</b>       | <b>\$ (2,113,896)</b>  | <b>68%</b>                      |   |
| SRRTF: Sidewalk work                                   |                      | \$ 75,000                 | (75,000)               | 0%                              |   |
| 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)                        |                      | 0                         | 0                      |                                 |   |
| Capital Budget: Public Safety Grants                   |                      | (35,000)                  | 35,000                 | 0%                              |   |
| Capital Replacement Trust Fund (CRTF 12.5%)            | \$ (46,057)          | (125,000)                 | 78,943                 | 37%                             |   |
| Emergency Reserve Trust Fund (ERTF)                    |                      | 68,140                    | (68,140)               | 0%                              |   |
| Emergency Services Enhancement Fund (ESEF)             | \$ (48,753)          | (72,500)                  | 23,747                 | 67%                             |   |
| Street Repair & Replacement Trust (SRRTF 25% + Add'l)  | \$ (322,396)         | \$ (875,000)              | 552,604                | 37%                             |   |
| <b>Total Revenues Available for Operations</b>         | <b>\$ 4,053,119</b>  | <b>\$ 5,915,245</b>       | <b>\$ (1,862,126)</b>  |                                 |   |

| Recap   | Actual       | Budget       | Over (Under)<br>Budget |
|---|--------------|--------------|------------------------|
| Total Revenues Available for Operations (above) | \$ 4,053,119 | \$ 5,915,245 | \$ (1,862,126)         |
| Total Expenditures (Page 5 of 8)                | 1,698,522    | 5,870,245    | (4,171,723)            |
| Revenues Over (Under) Expenditures              | \$ 2,354,597 | \$ 45,000    | \$ 2,309,597           |



## Town of Ocean View

### Comparison of Budget to Actual

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

| Expenditures                                   | August<br>YTD Actual | FY25<br>Adopted<br>Budget | Over (Under)<br>Budget | Period 04   |
|--|----------------------|---------------------------|------------------------|-------------|
|  |                      |                           |                        | 33%         |
|  |                      |                           |                        | % of Budget |
| SALARY & RELATED EMPLOYEE EXPENSES             |                      |                           |                        |             |
| Wages: Salary, Overtime, Bonus                 | 787,001              | 2,573,795                 | \$ (1,786,794)         | 31%         |
| Insurances: Dental, Health, Life               | 177,770              | 543,995                   | (366,225)              | 33%         |
| Payroll Taxes                                  | 66,360               | 207,465                   | (141,105)              | 32%         |
| Pension  | 80,852               | 252,070                   | (171,218)              | 32%         |
| 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 | 43,727               | 106,250                   | (62,523)               | 41%         |
| Other  | 8,407                | 66,400                    | (57,993)               | 13%         |
| EMPLOYEE RELATED EXPENSES, OTHER               | 13,571               | 81,750                    | (68,179)               | 17%         |
| GRANT AWARDS: ESEF FUNDS                       | -                    | 135,000                   | (135,000)              | 0%          |
| INSURANCE BUSINESS & BONDS                     | 120,499              | 138,200                   | (17,701)               | 87%         |
| PROFESSIONAL SERVICES                          | -                    |                           |                        |             |
| Audit  | 11,500               | 25,000                    | (13,500)               | 46%         |
| Engineering                                    | 7,110                | 35,000                    | (27,890)               | 20%         |
| Legal  | 18,404               | 51,000                    | (32,596)               | 36%         |
| Property Assessments                           | 11,752               | 75,000                    | (63,248)               | 16%         |
| Other  | 22,659               | 115,000                   | (92,341)               | 20%         |
| Pass thru MVFC Ambulance Service               | -                    | 155,000                   | (155,000)              | 0%          |
| Reimbursable - Engineering                     | 27,946               | 100,000                   | (72,054)               | 28%         |
| Reimbursable - Other                           | 600                  | 5,000                     | (4,400)                | 12%         |
| PUBLIC RELATIONS                               | 28,330               | 80,100                    | (51,770)               | 35%         |
| REPAIRS & MAINTENANCE                          | -                    |                           |                        |             |
| Buildings, non-capital                         | 9,390                | 9,000                     | 390                    | 104%        |
| Drainage                                       | 10                   | 75,000                    | (74,990)               | 0%          |
| Machinery & Equipment, non-capital             | 993                  | 5,500                     | (4,507)                | 18%         |
| Park   | 13,599               | 25,000                    | (11,401)               | 54%         |
| Street & Sidewalk Maintenance & Repairs        | 36,409               | 400,000                   | (363,591)              | 9%          |
| Vehicles                                       | 10,601               | 24,500                    | (13,899)               | 43%         |
| Other(Cleaning, Inspections, etc.)             | 8,546                | 42,100                    | (33,554)               | 20%         |
| SUPPLIES & MISCELLANEOUS                       | -                    |                           |                        |             |
| Advertising                                    | 13,001               | 27,000                    | (13,999)               | 48%         |
| Department Specific Supplies                   | 44,790               | 92,620                    | (47,830)               | 48%         |
| Gas & Diesel                                   | 18,353               | 80,000                    | (61,647)               | 23%         |
| NonCapital Equipment/Grant Funded Equipment    | 22,693               | 41,100                    | (18,407)               | 55%         |
| Office Supplies/Postage                        | 12,918               | 35,600                    | (22,682)               | 36%         |
| Uniforms                                       | 2,849                | 17,200                    | (14,351)               | 17%         |
| TELEPHONE & COMMUNICATIONS                     | 15,576               | 50,800                    | (35,224)               | 31%         |
| UTILITIES                                      | -                    |                           |                        |             |
| Street Lights                                  | 22,156               | 90,000                    | (67,844)               | 25%         |
| Utilities                                      | 13,654               | 57,350                    | (43,696)               | 24%         |
| <b>Total Expenditures</b>                      | <b>\$ 1,698,522</b>  | <b>\$ 5,870,245</b>       | <b>\$ (4,171,723)</b>  | <b>29%</b>  |