TOWN OF OCEAN VIEW

<u>DELAWARE</u>

August 17, 2026

TO:	Honorable Mayor and Council
FROM:	Dawn Mitchell Parks, Finance Director
VIA:	Carol S. Houck, Town Manager
SUBJECT:	Monthly Financial Update as of July 31, 2026

1. **<u>Real Estate Tax</u>**

The FY2027 Tax bills were processed and available online on May 1st for the assessments that were posted by February 15, 2026 ($1,424,245,600). The property tax bills totaled $3,671,705. The bills were postmarked by June 5th, and taxpayers had until July 31 to take advantage of the 1% discount and until August 31 to pay their current year's taxes without penalty. To date, 2960 property owners have taken advantage of the early payment discount amounting to a savings of $31,298.

Currently, there are eight (8) property owners with prior year taxes due (a lien is held on one of the properties and payment arrangements on one other). If not paid in full by August 31st, we will start the lien process.

2. **<u>Balances – Reserve and Committed Funds</u>**

(a) Trust Funds:

Emergency Reserve Trust Fund (ERTF) $ 1,2884,530

The Emergency Reserve Trust is funded at just under 20% of the FY27 operating budget. ERTF currently has $941,373 available for use in a Fulton Money Market account and $343,157 invested in Raymond James Financial Services (a division of Fulton Financial Services).

Capital Replacement Trust Fund (CRTF) $ 1,843,303

The FY27 obligation from the Capital Replacement Trust is $298,960. CRTF currently has $1,482,149 available for use in WSFS Money Market account and $361,154 invested with WSFS in the form of a 12-month, 2.225% CD that will come due on 8/28/2026.

Street Repair and Replacement Trust Fund (SRRTF) $ 1,890,924

The FY27 obligation from the Street Repair and Replacement Trust is $144,860 for capital projects and $290,000 for street paving and sidewalks. SRRTF currently has $1,206,366 available for use in a Fulton Money Market account and $511,400 invested with Fulton CRIM and includes $173,158 held in MSA Money market account at Fulton Bank.

Tax Rate Stabilization Trust Fund (TRSTF) $ 1,531,268

The Tax Rate Stabilization Trust is funded at just under 20% of the FY27 operating budget. TRSTF currently has $678,109 available for use in a Fulton Money Market account and $853,159 invested with Raymond James Financial Services (a division of Fulton Financial Services). Beginning balance of $1,430,910 was established by Ordinance 415.

(b) Emergency Services Enhancement Funding (ESEF) Program: $ 1,337,569

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 July 2026 consists of 9 new home construction permits (70 were budgeted) along with .5% of the construction value of permits issued.

	Accumulation and Use			
	Collected	Used	Available	
FY23 & prior	2,259,858	(1,297,019)	962,839	*$1,295,019 to MVFC + $2,000 to Beebe Med. Fdn.*
FY24	76,019	(130,000)	908,858	*$50K OVPD & $80K to MVFC*
FY25	164,055	(129,284)	943,629	*OVPD & MVFC Budgeted ($130,000)*
FY26	279,009	(84,443)	1,138,195	*MVFC Budgeted ($80,000)*
FY27	36,663	-	1,174,858	*$210K to OVPD (3 vehicles), $146,305 to OVPD & $80K to MVFC*
Cumulative collected and disbursed	2,815,604	(1,640,746)	1,174,858	

Interest earned is these funds is restricted for use for ESEF grants only.

3. **Transfer Taxes**
Transfer Taxes collected through 07/31/2026 are from 25.6% new construction home sales ($136,437) with 0% from land sales, developer to builder ($0) and 74.4% resales of existing homes ($396,794).

Collections	Current FY27	1st Prior Yr. FY26	2nd Prior Yr. FY25	3rd Prior Yr. FY24	4th Prior Yr. FY23
May	$ 161,684	$ 144,636	$ 111,480	$ 132,109	$ 133,281
June	$ 172,474	$ 115,953	$ 114,711	$ 73,594	$ 102,401
July	$ 199,072	$ 234,735	$ 115,241	$ 54,532	$ 133,542
August	$ -	$ 200,602	$ 84,321	$ 93,268	$ 136,067
September	$ -	$ 185,974	$ 45,510	$ 73,868	$ 187,793
October	$ -	$ 198,650	$ 188,453	$ 110,222	$ 92,352
November	$ -	$ 116,228	$ 159,307	$ 164,863	$ 63,445
December	$ -	$ 196,064	$ 89,360	$ 61,631	$ 63,075
January	$ -	$ 157,041	$ 75,496	$ 89,072	$ 21,093
February	$ -	$ 86,694	$ 108,058	$ 75,585	$ 24,762
March	$ -	$ 278,971	$ 147,891	$ 100,791	$ 111,132
April	$ -	$ 171,336	$ 196,570	$ 105,163	$ 114,985
Total	**$ 533,231**	**$ 2,086,883**	**$ 1,436,400**	**$ 1,134,700**	**$ 1,183,926**

For FY27, to meet our $1,250,000 budgeted goal we needed to collect $104,166 monthly.

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

Attached are updated Revenue and Expenditure financial reports for the date ending July 31, 2026.

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

Respectfully submitted August 17, 2026
Dawn Mitchell Parks
Finance Director

Comparison of Budget to Actual
Year-to-Date for the Fiscal Year Ending April 30, 2027

Revenues	July YTD Actual	FY27 Adopted Budget	Over (Under) Budget	Period 03 25% % of Budget
PROPERTY TAX REVENUE	$ 3,669,610	$ 3,710,480	$ (40,870)	99%
Early Payment Discount - Taxes (1% if paid by 7/31/26)	$ (31,270)	(36,805)	$ 5,535	85%
TRANSFER TAXES	$ 533,231	1,250,000	$ (716,769)	43%
BUILDING PERMITS				
Building Permits	$ 70,369	374,805	$ (304,436)	19%
Impact Fees	$ 49,587	255,520	$ (205,933)	19%
Other Permits/Fees	$ 6,310	27,250	$ (20,940)	23%
GRANTS				
State Grant - Municipal Street Aid	$ -	126,350	$ (126,350)	0%
Other Grant Proceeds (Public Safety and ARPA)	$ 234,468	170,000	$ 64,468	138%
GROSS RENTAL RECEIPT TAXES	$ 47,217	789,700	$ (742,483)	6%
LICENSES	$ 17,450	227,250	$ (209,800)	8%
MISCELLANEOUS				
Cable Franchise Fee	$ -	75,000	$ (75,000)	0%
Interest	$ 57,767	181,000	$ (123,233)	32%
Other	$ 24,140	160,200	$ (136,060)	15%
P&Z and BOA Fees	$ 5,600	10,000	$ (4,400)	56%
POLICE: Fines & Fees	$ 3,423	25,250	$ (21,827)	14%
REVENUE WITH OFFSETTING EXPENSE				
Reimbursable Fees	$ 2,300	155,000	$ (152,700)	1%
Pass through MVFC Ambulance Service	$ 161,950	160,600	$ 1,350	101%
Total Revenues	**$ 4,852,152**	**$ 7,661,600**	**$ (2,809,448)**	**63%**
SRRTF: Sidewalk work	$ 5,760	$ 75,000	(69,240)	8%
ESEF: committed funds being granted	$ 146,305	$ 436,305	(290,000)	34%
SRRTF: Street Paving	$ 21,827	$ 260,000	(238,173)	8%
Use of Unassigned Fund Balance	$ -	$ 235,000	(235,000)	0%
Transfer from Water Sale Proceeds	$ 82,155	$ 82,155	0	100%
FY27 Revenue Restricted/Committed				
ARPA (American Rescue Plan Act)	$ 121,496	0	121,496	
Capital Budget: Public Safety Grants		(45,000)	45,000	
Capital Replacement Trust Fund (CRTF 12.5%)	(66,654)	(156,250)	(89,596)	43%
Emergency Reserve Trust Fund (ERTF)		(139,820)	(139,820)	0%
Emergency Services Enhancement Fund (ESEF)		(155,000)	(155,000)	0%
Street Repair & Replacement Trust (SRRTF 25% + Add'l)	$ (466,577)	$ (953,930)	(487,353)	49%
Total Revenues Available for Operations	**$ 4,696,464**	**$ 7,300,060**	**$ (4,347,134)**	

Recap	Actual	Budget	Over (Under) Budget
Total Revenues Available for Operations (above)	**$ 4,696,464**	**$ 7,300,060**	**$ (2,603,596)**
Total Expenditures (Page 5 of 8)	**1,532,461**	**7,065,060**	**(5,532,599)**
Revenues Over (Under) Expenditures	**$ 3,164,003**	**$ 235,000**	**$ 2,929,003**

Town of Ocean View

Comparison of Budget to Actual

Year-to-Date for the Fiscal Year Ending April 30, 2027

Expenditures	July YTD Actual	FY27 Adopted Budget	Over (Under) Budget	Period 03 25% % of Budget	
SALARY & RELATED EMPLOYEE EXPENSES					
Wages: Salary, Overtime, Bonus	716,721	3,119,820	$ (2,403,099)	23%	
Insurances: Dental, Health, Life	160,422	669,815	(509,393)	24%	
Payroll Taxes	53,671	249,705	(196,034)	21%	
Pension	71,210	331,655	(260,445)	21%	
Worker's Compensation	16,363	77,890	(61,527)	21%	
CONTRACTED SERVICES	-				
Committee Stipends	690	7,000	(6,310)	10%	
Computer/Copier Maintenance & related expenses	47,605	156,005	(108,400)	31%	
Other	5,742	55,625	(49,883)	10%	J
EMPLOYEE RELATED EXPENSES, OTHER	10,304	77,450	(67,146)	13%	K
GRANT AWARDS: ESEF FUNDS	-	80,000	(80,000)	0%	L
INSURANCE BUSINESS & BONDS	154,715	160,845	(6,130)	96%	M
PROFESSIONAL SERVICES	-				
Audit	-	27,500	(27,500)	0%	
Engineering	-	32,500	(32,500)	0%	
Legal	34,769	81,000	(46,231)	43%	
Property Assessments	11,818	250,000	(238,182)	5%	
Other	45,863	159,850	(113,987)	29%	
Pass thru MVFC Ambulance Service	-	160,600	(160,600)	0%	
Reimbursable - Engineering	-	150,000	(150,000)	0%	
Reimbursable - Other	900	5,000	(4,100)	18%	
PUBLIC RELATIONS	25,738	71,600	(45,862)	36%	N
REPAIRS & MAINTENANCE	-				
Buildings, non-capital	2,220	17,000	(14,780)	13%	
Drainage	9,863	100,000	(90,137)	10%	
Machinery & Equipment, non-capital	2,815	7,000	(4,185)	40%	
Park	3,828	25,000	(21,172)	15%	
Street & Sidewalk Maintenance & Repairs	29,030	480,000	(450,970)	6%	O
Vehicles	4,789	29,500	(24,711)	16%	
Other(Cleaning, Inspections, etc.)	1,900	10,550	(8,650)	18%	
SUPPLIES & MISCELLANEOUS	-				
Advertising	6,530	28,500	(21,970)	23%	
Department Specific Supplies	10,832	92,520	(81,688)	12%	P
Gas & Diesel	12,461	63,500	(51,039)	20%	
NonCapital Equipment/Grant Funded Equipment	42,663	42,500	163	100%	
Office Supplies/Postage	13,903	36,600	(22,697)	38%	
Uniforms	2,206	17,500	(15,294)	13%	
TELEPHONE & COMMUNICATIONS	10,775	49,405	(38,630)	22%	
UTILITIES	-				
Street Lights	15,292	90,000	(74,708)	17%	
Utilities	6,827	51,625	(44,798)	13%	
Total Expenditures	**$ 1,532,461**	**$ 7,065,060**	**$ (5,532,599)**	**22%**	

Town of Ocean View

Comparison of Operating Budget to Actual – Analytic Comments
Year-to-Date for the Fiscal Year Ending April 30, 2027

Revenues

A. **Property Tax Revenues:** The FY27 tax bills were postmarked on June 6th. 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 in 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 FY27, to meet our $1,250,000 budgeted goal we needed to collect $104,166 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 FY26, the Town was allotted $126,351, which is 2.11% of the total MSA funding. The State released the FY27 allotments in late July. Based on 27.33 miles of streets, the Town will be allotted $126,391 or 2.1% of the total MSA funding ($6 million).

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.

E. **Gross Rental Receipts Tax:** The Gross Rental Receipt tax rate increased to 6% for rental income received after January 1, 2025. 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 ($160,600 budgeted, $161,950 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 ($150,000 budgeted).

Revenue not available for Operations

I. **FY27 Restricted/Committed Revenue:** These funds are committed to or restricted to 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 to the Emergency Services Enhancement Fund (ESEF), which are distributed as a grant award each spring.

Expenditure

J. **Contracted Services, Other:** Contracted services 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 FY26, a total of $1,218,195 in ESEF collections were carried over to FY27. The MVFC grant request and subsequent distribution normally occur in March. For FY27, $80K has been budgeted for MVFC, $210K for OVPD for vehicle replacement and $146,305 for the OVPD Pay Scale implementation.

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 Concerts in the Park, Holiday Market & Tree Lighting, 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 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.