

TOWN OF OCEAN VIEW
DELAWARE

April 7, 2021

TO: Honorable Mayor and Council
 FROM: Dawn Mitchell Parks, Finance Director *DM*
 VIA: Carol S. Houck, Town Manager
 SUBJECT: Monthly Financial Update as of March 31, 2021

1. Real Estate Tax

As of March 31st, we have collected 99.66% of our current year taxes (\$2,378,957) leaving \$6,621 remaining due. We have two (2) properties with prior year taxes outstanding in the amount of \$1,625 of which one has been recently sold at Sheriff Sale.

On February 16th, the certified FY22 Property Tax Assessment List was made available to the public for review online or in person by appointment. The FY22 tax billing will be calculated on the taxable base as of 12/31/2020 which is \$998,311,900. All properties with new construction completed between January 2021 and September 2021, will receive a half-year billing in November.

2. Balances – Reserve and Committed Funds

(a) Trust Funds:

Emergency Reserve Trust Fund (ERTF) \$ 912,449

The Emergency Reserve Trust is now funded at 20% of the FY21 operating budget. ERTF currently has \$605,244 available for use in a Fulton Money Market account and \$307,205 invested with Raymond James Financial Services (a division of Fulton Financial Services).

Capital Replacement Trust Fund (CRTF) \$ 965,950

The remaining FY20 obligation was \$508,923 and FY21 obligation from the Capital Replacement Trust is \$208,800. CRTF currently has \$625,828 available for use in WSFS Money Market account and \$340,122 invested with WSFS in the form of a 12-month, .4% CD that will come due on 8/28/2021.

Street Repair and Replacement Trust Fund (SRRTF) \$ 3,894,198

The remaining FY20 obligation was \$238,325 and FY21 obligation from the Street Repair and Replacement Trust is \$1,144,785 for drainage projects, \$416,345 for street paving and \$150,000 for Sidewalks. SRRTF currently has \$1,755,656 available for use in a Fulton Money Market account and \$1,885,735 invested with Fulton CRIM and includes \$233,807 held in MSA Money market account at Fulton Bank.

(b) 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 FY21 is based on 76 new home construction permits.

	Accumulation and Use			
	Collected	Used	Available	
FY17 & prior	836,108	(732,815)	103,293	\$650,815 to MVFC + \$2,000 to Beebe Med. Fdn.
FY18	249,378	(84,204)	268,466	MVFC
FY19	245,327	(80,000)	433,794	MVFC
FY20	380,444	(80,000)	734,238	MVFC
FY21	253,252	(80,000)	907,490	MVFC
Cumulative collected and disbursed	1,964,509	(1,057,019)	907,490	

3. Transfer Taxes

Transfer Taxes collected through 2/28/2021 are from 45.3% new construction home sales (\$745,565), 6.3% of new construction being from land sales, developer to builder (\$103,515) and 48.4% resales of existing homes (\$796,590). We have not received March transfers yet but are estimating \$190,000 from Sussex County.

Monthly Collections	Current FY21	1st Prior Yr. FY20	2nd Prior Yr. FY19	3rd Prior Yr. FY18	4th Prior Yr. FY17
May	\$ 123,231	\$ 183,612	\$ 210,567	\$ 152,400	\$ 73,800
June	\$ 102,828	266,180	85,391	159,100	100,900
July	\$ 153,975	128,196	127,263	92,200	39,000
August	\$ 203,328	211,145	85,443	130,300	81,700
September	\$ 232,105	142,100	130,912	134,800	41,100
October	\$ 171,100	231,319	197,866	114,800	44,900
November	\$ 155,611	168,247	122,412	122,500	101,900
December	\$ 182,214	200,885	115,343	88,600	68,600
January	\$ 194,287	108,708	93,695	75,900	62,300
February	\$ 126,990	138,441	100,434	69,800	37,100
March	\$ -	128,217	107,561	131,100	105,400
April	\$ -	108,575	148,957	163,700	105,100
Total	\$ 1,645,670	\$ 2,015,627	\$ 1,525,844	\$ 1,435,200	\$ 861,800

4. Water System

We currently have 7 accounts with liens due to delinquent water bills in the amount of \$12,891, one of which has recently been sold at Sheriff Sale (\$843.04). I continue to work with Sussex County to see if any of the other accounts qualify for Sheriff Sale.

According to Middlesex Water Company, they are turning off water service for non-payment for the property owners in the Town of Ocean View that are not on the Town's water system. We will be coming to you in May with a Shut Off process.

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 March 31, 2021. As always, if you have any questions concerning the Financial Reports, please do not hesitate to contact me.

Respectfully submitted April 7, 2021

Dawn Mitchell Parks
Finance Director

Town of Ocean View

Comparison of Budget to Actual

Year-to-Date for the Fiscal Year Ending April 30, 2021

Revenues	March YTD Actual	FY21 Adopted Budget	Over (Under) Budget	Period 11 92% % of Budget	
PROPERTY TAX REVENUE	\$ 2,374,529	\$ 2,421,965	\$ (47,436)	98%	A
Early Payment Discount - Taxes (1% if paid by 7/31/20)	\$ (16,374)	(23,745)	\$ 7,371	69%	
TRANSFER TAXES	1,653,693	1,250,000	\$ 403,693	132%	B
BUILDING PERMITS					
Building Permits	524,015	503,875	\$ 20,140	104%	
Impact Fees	362,385	519,650	\$ (157,265)	70%	
Other Permits/Fees	46,063	56,500	\$ (10,437)	82%	
GRANTS					
State Grant - Municipal Street Aid	114,751	115,000	\$ (249)	100%	C
Public Safety Grants	210,528	106,500	\$ 104,028	198%	D
GROSS RENTAL RECEIPT TAXES	417,613	310,200	\$ 107,413	135%	E
LICENSES	149,540	127,000	\$ 22,540	118%	F
MISCELLANEOUS					G
Cable Franchise Fee	61,840	70,000	\$ (8,160)	88%	
Interest	16,870	63,810	\$ (46,940)	26%	
Other	62,771	29,000	\$ 33,771	216%	
P&Z and BOA Fees	10,000	15,000	\$ (5,000)	67%	
POLICE: Fines & Fees	33,688	40,000	\$ (6,312)	84%	
REVENUE WITH OFFSETTING EXPENSE					H
Reimbursable Fees	108,699	101,000	\$ 7,699	108%	
Pass through MVFC Ambulance Service	96,983	90,000	\$ 6,983	108%	
Total Revenues	\$ 6,227,592	\$ 5,795,755	\$ 431,837	107%	
SRRTF: Sidewalk work FY21	\$ 152,481	\$ 150,000	2,481	102%	
ESEF: committed funds being granted FY21	\$ 80,000	\$ 80,000	0	100%	
SRRTF: Street Paving	\$ 391,373	\$ 416,345	(24,972)	94%	
FY20 Revenue Restricted/Committed					I
Capital Budget: Public Safety Grants	\$ -	(25,000)	25,000	0%	
Capital Replacement Trust Fund (CRTF 12.5%)	\$ (206,712)	(156,250)	(50,462)	132%	
Emergency Reserve Trust Fund (ERTF)	\$ (63,045)	(63,045)	0	100%	
Emergency Services Enhancement Fund (ESEF)	\$ (253,249)	(311,430)	58,181	81%	
Street Repair & Replacement Trust (SRRTF 25% + Add'l)	\$ (1,383,936)	\$ (1,030,705)	(353,231)	134%	
Total Revenues Available for Operations	\$ 4,944,504	\$ 4,855,670	\$ 88,834		

Recap	Actual	Budget	Over (Under) Budget
Total Revenues Available for Operations (above)	\$ 4,944,504	\$ 4,855,670	\$ 88,834
Total Expenditures (Page 4 of 6)	3,834,236	4,611,420	(777,184)
Revenues Over (Under) Expenditures	\$ 1,110,268	\$ 244,250	\$ 866,018

Town of Ocean View

Comparison of Budget to Actual

Year-to-Date for the Fiscal Year Ending April 30, 2021

Expenditures	March YTD Actual	FY21 Adopted Budget	Over (Under) Budget	Period 11
				92% % of Budget
SALARY & RELATED EMPLOYEE EXPENSES				
Wages: Salary, Overtime, Bonus	1,624,902	1,816,155	\$ (191,253)	89%
Insurances: Dental, Health, Life	380,727	395,920	(15,193)	96%
Payroll Taxes	129,968	148,055	(18,087)	88%
Pension	180,863	204,900	(24,037)	88%
Worker's Compensation	47,779	81,365	(33,586)	59%
CONTRACTED SERVICES				
Committee Stipends	2,100	5,000	(2,900)	42%
Computer/Copier Maintenance & related expenses	45,030	57,450	(12,420)	78%
Other	22,119	28,880	(6,761)	77%
EMPLOYEE RELATED EXPENSES, OTHER				
GRANT AWARDS: ESEF FUNDS	80,000	80,000	-	100%
INSURANCE BUSINESS & BONDS	91,999	95,595	(3,596)	96%
PROFESSIONAL SERVICES				
Audit	17,000	21,000	(4,000)	81%
Engineering	14,115	25,000	(10,885)	56%
Legal	22,118	45,000	(22,882)	49%
Property Assessments	62,484	73,965	(11,481)	84%
Other	76,179	122,500	(46,321)	62%
Pass thru MVFC Ambulance Service	97,440	90,000	7,440	108%
Reimbursable - Engineering	140,984	100,000	40,984	141%
Reimbursable - Other	6,597	1,000	5,597	660%
PUBLIC RELATIONS				
REPAIRS & MAINTENANCE	-			
Buildings, non-capital	3,446	14,000	(10,554)	25%
Drainage	38,857	40,250	(1,393)	97%
Machinery & Equipment, non-capital	3,147	6,200	(3,053)	51%
Park	15,178	20,000	(4,822)	76%
Street & Sidewalk Maintenance & Repairs	318,159	566,345	(248,186)	56%
Vehicles	27,726	18,000	9,726	154%
Other(Cleaning, Inspections, etc.)	24,995	29,450	(4,455)	85%
SUPPLIES & MISCELLANEOUS				
Advertising	13,566	19,500	(5,934)	70%
Department Specific Supplies	59,633	75,040	(15,407)	79%
Gas & Diesel	25,295	36,500	(11,205)	69%
NonCapital Equipment/Grant Funded Equipment	54,921	66,550	(11,629)	83%
Office Supplies/Postage	22,050	19,300	2,750	114%
Uniforms	9,638	13,700	(4,062)	70%
TELEPHONE & COMMUNICATIONS				
UTILITIES	-			
Street Lights	64,037	90,000	(25,963)	71%
Utilities	28,659	39,450	(10,791)	73%
Total Expenditures	\$ 3,834,236	\$ 4,611,420	\$ (777,184)	83%

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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, 2021

Revenues

- A. Property Tax Revenues:** The FY21 tax bills were mailed May 26th. 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. As of the end of September, 2,037 residents took advantage of the 1% discount with a total savings of \$16,412. New Construction Half-year bills were processed and mailed the first week of November in the amount of \$31,885 with a due date of December 31, 2020.
- 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 FY21 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 \$63,045, which was transferred in December. For FY21, to meet our \$1,250,000 budgeted goal we will need to collect \$104,167 monthly.
- C. Grants – State Grant (Municipal Street Aid):** Historically, the Town's share of MSA funding has been approximately 2% of the total state-wide grant. On July 20th, we were notified that our portion of the \$6,000,000 State's Municipal Street Aid Program is \$114,751. The first installment in the amount of \$57,386 was received on September 11th with the balance being received on January 25, 2021.
- 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 were 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. For FY21, we will also submit for reimbursement to FEMA, CARES act and CESF (Corona Virus Emergency Supplemental Fund) for COVID-19 related expenses.
- 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. As of the end of March, Gross Rental Receipts taxes for FY21 (\$417,613) are more than our FY20 taxes (\$364,215) for the same time frame.
- 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.

Comparison of Operating Budget to Actual – Analytic Comments Year-to-Date for the Fiscal Year Ending April 30, 2021

- H. Revenue with Offsetting Expense:** The major components of this category are (1) The pass-thru ambulance fee for MVFC (\$90,000 budgeted). Funds collected (\$97,400) were 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 (\$100,000 budgeted).

Revenue not available for Operations

- I. FY21 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

With the adoption of the FY21 Operating Budget, the Town of Ocean View now has four departments. Previously, Administration and Planning & Zoning were combined. Moving forward, Planning and Zoning now is its own distinct department. There were no changes to Public Safety or Public Works.

- 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 FY20, a total of \$734,238 in ESEF collections were carried over to FY21. 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 occurred in March 2021.
- 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.