



Town of Ocean View FY2026 Operating, 5-year Capital Improvement Plan and Water System Budget



Proposed Version - 2/11/2025



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INTRODUCTION



Town of Ocean View, Delaware

Fiscal Year 2026

May 1, 2025 to April 30, 2026



Ocean View! Welcoming You Home Yesterday, Today and Tomorrow!

Ocean View Administrative Offices

201 Central Avenue
Ocean View, Delaware 19970
(302) 539-9797
www.oceanviewde.gov

Ocean View Town Council

John Reddington, Mayor
Stephen Cobb, Council Member, District 1
Colleen Twardzik, Council Member, District 2
Jay Tyminski, Council Member District 3
Don Walsh, Mayor Pro-Tem & Council Member, District 4

Ocean View Town Administration

Carol S. Houck, Town Manager
Kenneth McLaughlin, Chief of Police
Dawn Mitchell Parks, Finance Director
Ken Cimino, Planning, Zoning & Development Director
Donna Schwartz, Town Clerk

Distinguished Budget Presentation Award



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

**Town of Ocean View
Delaware**

For the Fiscal Year Beginning

May 01, 2024

Christopher P. Morill

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a second Distinguished Budget Presentation Award to Town of Ocean View, Delaware, for its Annual Budget for the fiscal year beginning May 01, 2024. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.





Fiscal Year (FY) 2026 Budget Message

February 11, 2025

Honorable Mayor and Council,

On behalf of the Administrative departments of the Town of Ocean View, with engagement from all departmental teams, we are pleased to submit our proposed FY2026 Budget (5/1/2025 – 4/30/2026) for your consideration. This document represents the Town’s financial plan for the next fiscal year, including an Operating Budget, five-year Capital Improvement Program and Water Utility budget. The overall budget, as presented, relies on forecasting, recommendations from the Towns 10-year Comprehensive Development Plan, planned projects, and trends. We have attempted to position our community so that we can address near and longer-term needs as well as react to changing revenue trends while maintaining a high level of service delivery. Of note is the pending sale of the Town’s water distribution system which is expected to take place prior to this budget year. In addition, recommendations within this document have taken into consideration information and guidance gained from the long-range financial planning forecast recently completed for out-year decision making and hopefully implementation. The outcome and recommendations of the long-range financial planning effort will be presented during our budget workshop.

The FY2026 Budget as presented herein represents a total **Operating Budget of \$6,377,515 and a Capital Program totaling \$1,623,640.**

The development of the FY2026 Budget was impacted by higher estimated costs for certain aspects of our operations, including equipment, materials, supplies, health care premiums, and the newly mandated paid family medical leave insurance.

For full awareness, we reduced expenses and / or revisited forecasted revenues from our first draft (prior to this submission) amounting to **\$119,455 in cuts** to limit our tax rate increase to two-cent. The cuts were as follows:

Originator	Revisions to proposed budget (first draft)	Revision Amount
Administration	Reduced COLA to 3% from the CPI-U Mid-Atlantic (3.315%) for all staff	(\$6,100)
Administration	Consulting Services (Risk Analysis & OVPD Compensation Analysis) funded by unassigned fund balance (one-time costs). FB unassigned 04/30/2024 - \$2,002,043.	(\$69,500)
Administration	Software Maintenance cut (\$5500), Professional Services (\$2500), and Old Town Market and Tree Lighting Event (\$585) to further balance the proposed budget (original omission had been reduced by \$2,500 previously).	(\$8,585)
PZ	Professional Services (\$12,500) and Advertising (\$1500)	(\$14,000)
Public Safety	Fuel to actual (\$2K) and Virtual Upload Appliance moved from Capital to Noncapital Equipment (\$4700).	(\$6,700)
DPW	Reduced OT from 10% to 5% with two (2) PT positions being budgeted at 2080 hours.	(\$9,570)
Administration	Reduced Healthcare Insurance increase from 5% to 4.1%	(\$5,000)



Some highlights from the past year include:

- Ocean View received another **Unmodified Audit opinion** for 2024, the best outcome available to local governments, and received a Distinguished Budget award from the Government Finance Officers Association.
- The total amount of **grant revenue awarded** to the Town in 2024 was **\$1,528,538**, including over \$785,356 specific to the design and development of the Berzins Natural Area and Trail expected to break ground later this year.
- The Ocean View Police Department established and remains the lead department for the newly mandated **Regional Police Accountability Committee**, also composed of representatives from other neighboring towns and including the hiring of a part-time employee to manage both this requirement and the department's now mandated Accreditation program.
- **Drainage improvement projects** were completed in Country Estates, the Cottages and Savannah's Landing, and designs for future projects along Betts Avenue and in Woodland Park were completed.
- **Sidewalk improvements** were completed along Daisey Avenue, in Savannah's Landing and the design for both Woodland Avenue (north and south) and West Avenue (north and south) have been completed.
- Curb repairs were completed in Bear Trap Dunes.
- Tree trimming projects were completed in Country Village and Country Estates.
- **Street maintenance and paving projects** were completed in the Cottages, along Sea Hawk Lane, in Wedgefield, and along Elliott Drive and Daisey Avenue.
- **Ocean View celebrated 135 years as an incorporated Town in June 2024** with a parade and celebration at John West Park.
- The OVPD K9 units were certified by the National Police Canine Association.
- The Ocean View Police Department volunteers logged over 1939 hours in 2024. This equates to the approximate value of \$61,660 at \$31.80 a volunteer hour!
- 361 residence checks, and 597 business checks were conducted by our Police Department.
- Over 2,400 hours of Police in-service training were completed by our officers and our K9 teams participated in over 380 hours of training.
- The Ocean View Police Department received **Gold Level Recognition for Excellence in Policy Development** and Police Officer Training from Lexipol for the fifth year in a row in 2024.
- The Town's record of being named by several sources as one of the safest places to live in Delaware has continued, highlighting the Town's strong commitment to public safety, and remaining a favorable place to do business, vacation and call home!



Basic Budget Objectives Maintained

- Annual operating revenues shall cover annual operating expenses within a balanced budget. The Operating Budget can be found in **Section 2, General Fund**.
- **Maintain cash holdings** equal to at least two-months operational costs for the start of the next fiscal year without relying on state or federal grants. We have traditionally identified and held more than this required funding from our Unassigned Fund Balance. As currently proposed, our Unassigned Fund Balance Objective is met with the availability of \$2,002,043 of which \$992,086 has been identified to provide 4.5 months of operational cash holdings. **Section 1, Budget Highlights and Assumptions**.
- **Manage the condition of existing Town sidewalks** based on the recommendations of the consulting Town engineer and our 2016 ADA Right-Of-Way Transition Plan (moved in FY2019 to the Operating Budget).
- **Transfer Taxes**. We continue to recognize the benefit **of limiting our Town's dependence on transfer taxes for operational expenses in the FY2026 Budget**. This Budget continues to utilize transfer tax revenues to support the following trust funds:
 - **Capital Reserve Trust Fund (CRTF)** -12.5% of each month's transfer taxes realized and as necessary supplemented by an annual contribution from the General Fund, as established by our Reserve Study) ; the
 - **Street Repair and Replacement Trust Fund (SRRTF)** - 25% of each month's transfer taxes realized); and the
 - **Emergency Reserve Trust Fund (ERTF)** – 20% of Operating Budget “as approved”).
- **The Town's Capital Assets shall be maintained in good repair with the benefit of funding from the Capital Reserve Trust Fund (CRTF)**. The CRTF is aligned with a 5-year update to our Capital Reserve Study (most recently updated in December 2024). The FY2026 Reserve Funding requirement is met without additional funding as a result of projects deferred as not currently required. The Capital Reserve Trust Fund Balance after accounting for FY2026 projects will remain at approximately \$1,129,708. The CRTF details are part of the Capital Improvement Program (CIP) and can be found in **Section 3, Other Funding Sources**.
- **Annually Fund the Emergency Reserve Trust Fund (ERTF)** at 20% of the current year's operating budget. The ERTF is funded by transfer tax revenue not transferred during a fiscal year to the CRTF or the SRRTF. More specifically, we budget for the difference between what remains in the ERTF from the previous year(s) and the current budget year's 20% calculation. This proposed budget forecast is expected to meet this requirement of \$1,275,503 by the end of FY2026. **Section 3, Other Funding Sources**.

Note: Excess Transfer Tax Revenues, over what is required for each Trust Fund as noted above and not needed to hit the ERTF 20% target is added to the Street Repair and Replacement Trust Fund (SRRTF).



Key Budget Assumptions

- **The recommended FY2026 budget is presented with the requirement of a 2-cent tax rate increase.** Therefore, the tax rate set for FY2026, if supported by Mayor and Council will be .2578 per \$100 assessed value, following 3 years of no tax rate increases.

The value of one cent on the tax rate in FY2026 is \$142,165, up \$2,188 from FY2025. Absent the identification of new revenue source(s) or cuts to services, we currently anticipate a 1-cent tax rate increase will also be necessary in FY2027. Our code required (every 5 years) full town reassessment will be conducted in FY2027 for FY2028 tax rate setting/billing. However, a full review will be conducted of the Sussex County reassessment during FY2026 which may result in the recommendation to move to the Counties reassessment which is now required to remain current.

- Our out-year revenue forecasting reflects an anticipated decline in Transfer Tax and new construction permit revenue and was a key driver for our long-range financial planning forecast undertaken.
- Gross Rental Receipt Taxes (GRRT) . The GRRT rate was increased from 5% to 6% effective January 1, 2025, which will earn an estimated additional \$133,790 of revenue (almost equal to the FY2025 value of 1 cent of a tax dollar) in association with the workload and effort to manage the rental permitting program.
- The State of Delaware's FY2025 Budget year funded **Municipal Street Aid** (MSA) for Ocean View at \$128,139.63. We have assumed funding of \$128,140 for FY2026.
- **New construction permitting** is again expected to see a further reduction in the next few years with the exception of the Shore Vista development (currently moving through our planning process) and the anticipated completion of the *revised* Silverwood's project. Both projects have been conservatively factored into our revenue forecast in relationship to timing and market concerns. The proposed FY2026 budget anticipates 68 permits for new home construction compared to 45 in FY2025. Our FY2025 new home permit count has reached 40 as of December 2024, with four months remaining.
- **Town owned streets** (26.69 total miles as of spring of 2024 **will be maintained** through the continuation of our annual paving maintenance program as recommended by the Town's consulting engineer with guidance from a regularly updated pavement management study. The study was most recently completed in December 2021. Funding for planned street rehabilitation projects is available from the Street Repair and Replacement Trust Fund (SRRTF). Street Funds are accounted for in the Operating Budget. A listing of the locations for improvement in FY2025 can be found in **Section 1, Budget Highlights and Assumptions.**
- **Impact Fees** – there are various components to how Impact Fees are disbursed and what they fund. Impact fees are collected from new construction permits at \$1,936 of which \$1,436 is sent to the General Fund to support our Police Department operations. The remaining \$500 from new construction permits plus .5% of each regular (existing properties) building permits are transferred to the Emergency Services Enhancement Fund (ESEF).

Additional Impact Fee Commentary:

- The Emergency Service Enhancement Fund (ESEF) is the fund that supports grants awarded to first responder services provided in our community or the Ocean View Police Department. Typically, the Millville Volunteer Fire Company has been awarded this grant annually. The proposed budget includes the anticipation of funding up to \$80,000 in FY26 to the Millville Volunteer Fire Company pending receipt of an application and approval by the Mayor and Council. New revenue to this fund is forecasted to total \$84,000 in FY2026. This is an increase of \$11,500 from the FY2025 budgeted forecast based on anticipated new construction and regular building permit expectations. Additionally, while having budgeted conservatively, our early forecast for how we will end FY2025 suggests we will hit our current year Impact fee budget figures. This is good news as we fell short in FY2024.
 - Impact Fee funding sources (primarily new construction) for ESEF are expected to reduce in out years in relationship with a decline of new construction permits as the Town reaches full build out.
 - The ESEF balance after the anticipated FY2025 grant to the Millville Fire Company will be approximately \$1,114,987. If left accruing, we likely have 9 years at the current level of funding including funding support for the replacement of an OVPD police vehicle at \$45,000.
 - **Emerging Projects Fund**- We've included this funding source for the last four years, which initially totaled \$422,845 and was identified from past administrations surviving funds in a former money market account held prior to 2019 for transfer taxes. This non-recurring funding source has allowed the Town to react to opportunities that evolved over the course of the years. Its availability has helped to support two such endeavors including the Town share of the development of our Bocce Ball Courts (\$18,500) and the purchase of 33 West Ave. (\$297,702). The FY2026 balance totals \$81,278, including the use of \$25,385 at year end to balance the budget in FY2025, with no tax rate increase. We have allotted the balance of this funding(which will be closed out in FY2026) to the Berzins project to be used as matching funds for the high number of grants awarded and being applied for.
- Section 5, Capital Improvement Plan.**
- **American Rescue Planning Act (ARPA) funding:** The Towns full allotment of ARPA funding was received totaling \$1,182,341. To date, all funds have been spent or are encumbered. The ARPA monies had to be spent or encumbered by the end of 2024.
- Section 5, Capital Improvement Plan.**
- **Use of Unassigned Fund Balance for One-Time Analyses:** The FY2026 proposed budget anticipates the use of \$69,500 from our unassigned fund balance to complete two timely analysis associated with the operations of the Ocean View Police Department.

It is our hope to initiate a police department compensation analysis in FY2026 that will provide necessary information related to full compensation comparisons and the consideration of the creation of a pay scale for police department personnel, if



feasible and in the Town's best interest. This effort is deemed necessary to manage the constant information being shared between departments regarding compensation, benefits, etc. Often this information is antidotal and possibly hearsay. PFM, the firm that completed our long-range finance forecast is well suited to complete this analysis on our behalf.

In addition, it is our plan to initiate an International Association of Chiefs of Police (IACP) Legal and Financial Risk Analysis associated with our department responding to calls for service originating in neighboring jurisdictions that could further impact OVPD operations, reputation, and the Town's budget. This too is timely given the continued discussion regarding being dispatched to areas that provide no funding for the time, training and costs associated with doing so, including the Town of Millville that does not have a police department and contracts only 40 hours a week (last advised) for Delaware State Police specific coverage.

o **Compensation/Personnel** – This Budget proposal:

- Continues to support a paid volunteer for the Ocean View Police Department front desk from Memorial Day to Labor Day at the total cost not to exceed \$4,980.
- Includes a part-time seasonal code enforcement officer for Planning and Zoning with a not to exceed value of \$14,755.
- Allocates a Cost-of-Living Adjustment (COLA) for employees (not including contractual employees - Town Manager and Chief) of 3% (reduced from the Dec. 2024 CPI- U Mid-Atlantic Rate of 3.315% to balance the budget), and Charter required COLA for Mayor and Council matching the December 2024 CPI-U of 3.315% .
- Includes a new starting salary for OVPD of \$68,000 from \$65,000 for sworn police officers deemed necessary to remain competitive, and to allow for FY26 funding of a full police compensation study and consideration of establishing a pay scale. The starting salary increase amounts to \$3,000 across the sworn members of the department (non-contractual).
- Includes an employee holiday bonus of \$350 with the exception of contractual employees, presented in December.
- Includes a 6-year contract extension and salary increase of \$19,000 for the Chief of Police with 3.5% annual wage increases, plus Town Manager increases to match that of the Chief and maintain the historic \$2,000 salary difference between the Town's two contractual employees.
- Includes the newly mandated paid family leave insurance funding for 4 months of FY26 valued at \$5,400.
- Includes funding for six (6) Police Officers that are now eligible for promotion and a step increase having completed the necessary requirements.
- Includes the continuation of the part-time position of Police Accountability and Accreditation Manager instituted mid FY25 at the cost of \$25,000 (\$15,000 to Ocean View). This position receives support from participating agencies totaling \$10,000.
- Includes the hourly value of one full time employee (wages only/no health benefits) to maintain two (2) part-time Public Works employees brought

onboard in 2024 to assist during transition and now as needed for events, storm response, vacation/sick coverage and mosquito spraying.

o **Employee Benefits**

- Health Insurance – at this time the State of Delaware has reported an increase to the cost of participating in their plans. We have included a 4.1% increase in association with written communication with the Statewide Benefit Office. A final determination will not be made until March. We have therefore projected a \$39,025 increase to healthcare costs over FY2025. In addition, this budget assumes employees sharing in the cost of their monthly premium selection and matching that of the State employees as follows:
 - 4% of premium for Highmark DE First State Basic
 - 5% of premium for Aetna CDH Gold Plan
 - 13.25% of premium for Highmark DE Comprehensive PPO Plan
 - Dental Insurance – Guardian Dental increase of 5%.
 - Short Term Disability – increase of 5%.
 - Workers Compensation – costs are set by formula by the DeLea Founders Insurance Trust (DFIT). DFIT is a workers' compensation self-insured municipal program of which Town Manager Houck is a current Trustee. Ocean View has been a member since its start. DFIT provides an estimate each January for the year as well as performs a true-up based on our “actual” experience for the previous year in relation to employee count changes, that can result in a credit or additional monies due. For January 2025 the combined classification of employee categories rate is 8% less than January 2024. This is a result of the group's success in managing claims and offering proactive safety training.
 - Life Insurance – increase of 5%.
 - Vision – Available to all full-time employees from the State of Delaware plan with 5% increase.
 - Pension – An increase of 1.5% per employee for sworn officers and 3.9% decrease for civilian employees based on the preliminary actuarial defined rates as supplied from the Delaware Office of Management and Budget.
 - Business Insurance - Increases for the May 2025 renewal include a 5% increase, and we have 5% assumed for the out years.
 - Overtime – The Overtime lines have been assigned as follows: 12% of Public Safety Salaries; 5% of Public Works Salaries; 3% of Planning and Zoning and 2.5% of General & Administration Salaries. The Salary totals used do not include ineligible staff salaries – such as the Town Manager, Chief of Police and Division Heads.
- o **CATV – Mediacom Cable Franchise** – The franchise revenue we receive is based on 5% of the services purchased by properties in the Town. If another provider enters a franchise agreement with the Town for Cable TV, the same 5% requirement will be included. The FY2024 actual funding received totaled \$89,660 We budgeted \$80,000 in FY2026.



- **Community Events** - This budget proposal assumes that three Seasons of Family friendly community events will be held in FY2026 with a funding level of \$50,415 for Town Sponsored events and \$12,000 for partnership events as follows:
 - Classic Movie Theme Nights (Fridays, May 9 and 16, 2025)
 - Summer Concerts in the park (Fridays, June 6, 20, and 27, 2025)
 - Fall – Cops and Goblins (Saturday – Oct. 25, 2025)
 - Winter – Old Town Holiday Market, Tree Lighting and Trail of Lights (Saturday – November 29, 2025)
 - Fire and Ice (date in 2026 TBD)
- Our **Fee Schedule** includes modifications associated with our review of time spent completing various tasks, solicitor billings, and or comparisons with other towns in our area. **Introduction, Page 41.**
- **Capital Improvement Program** - The Capital Improvement Program portion of the proposed budget aligns with past discussions and needs as identified by our departments. Information is available in **Section 5, Capital Improvement Plan with details of each project.**
 - In addition, our 5-year reserve study, intended to better prepare the Town for outyear equipment replacement and facility improvements was developed to conservatively determine our annual contributions to the Capital Reserve Trust Fund (funds required in excess of those earned from our monthly transfer of 12.5% of transfer tax revenues). More clearly, if our 12.5% transferred for the previous year hits the Reserve study annual contribution we are not required to fund more from the General Fund, and conversely if it doesn't we make up the difference from the General Fund. No contribution is included in the FY2026 budget as the balance is projected to be \$1,274,794 at the end of FY2025.

FY2026 Capital Program Highlights include:

- Berzin's Natural Area & Trail – The town purchased property at the corner of Muddy Neck Road and Double Bridges Road in FY2023 with grant funds. Plans are near completion for this coastal forest habitat complete with a paved walking trail, scenic boardwalk overlooks, an outdoor classroom, small pavilion, restrooms and small parking lot. Construction is scheduled to begin in the fall of 2025. This project is benefiting from a high level of grant funding and links with DeIDOT improvements along Double Bridges Road. There is also great synergy with the States planned expansion of the Assawoman Trail.
- John West Park Playground Improvements – The FY2026 budget maintains past planned savings from the 2019 Reserve Study for playground upgrades at John West Park totaling \$311,500. A funding and implementation plan will need to be developed in future years due to the high costs and limited window to making improvements.
- Continued drainage projects and sidewalk connectivity projects planned to start or be completed in FY2025:
 - Woodland Park drainage project
 - Hunters Run drainage and pipe replacement



- Eastgate Boulevard Pipe Replacement in Avon Park
- Oakwood Avenue Drainage improvements
- Woodland Avenue and West Avenue Sidewalk Projects
- West Avenue (Phase Iv) Sidewalk Project
- Woodland Avenue Street Widening Project
- **Trust Funds** – Full detail of our three Trust Fund Accounts is attached in **Section 3, Other Funding Sources.**
- **Water System** – Our Water System remains fully self-funded, and no rate increases have been included. **Section 2, Water System.**

In closing, we look forward to discussing the details of the Proposed FY2026 Operating and Capital Program Budgets and responding to your questions as we move through the budget process. Please let us know if you have any questions in advance to your regular **Council meeting of February 11th** and/or our **Budget Workshop of February 25, 2025**. As noted above a presentation from PFM will be offered at the workshop related to our long-range planning forecast effort recently completed.

Thank you to the Mayor and Council, Town employees, volunteers, board and commission members, and CERT team for their dedication, which is the necessary ingredient that allows us to look back on another successful year serving our community.

Respectfully Submitted,

Carol S. Houck
Town Manager

Dawn Mitchell Parks
Finance Director

ABOUT OCEAN VIEW



From its humble beginnings as a small village developed around a general store, Ocean View has remained focused on service to its community. Today, Route 26/Atlantic Avenue is the town's primary commercial corridor. There is a small, potential secondary commercial corridor along Central Avenue consisting of older structures, some of which have been converted into small retail shops and businesses. The older, established neighborhoods are concentrated north of Route 26 and dispersed throughout the Town on the south side of Route 26, intertwined with newer planned communities. As such, the development of Ocean View has resulted in an eclectic mix of both historic and newer structures.

Ocean View has a history of promoting the Town and showcasing its civic pride through community events. Starting in the early 1900s, the Town held its first Homecoming, which featured bands, food, and appearances by governors and senators. Some early years, the crowds reached 5,000 people. This event continued annually until the 32nd Homecoming, when it stopped due to gas rationing during World War II. The Town also held its Centennial from June 12-15, 1999. The festival included food, music, and activities. The event was also paired with the 41st Delmarva Chicken Festival. A smaller Historic Village in Ocean View Chicken Festival took place in Ocean View in May of 2022. In 2024, the Town celebrated its 135th anniversary of being incorporated with a parade, live music, food and more in John West Park.

In recent years, the Town has placed great effort into offering unique, family-friendly community events, and they have become popular among residents of all ages. The Town hosts events such as summer concerts and Classic Movie nights as well as seasonal events like the very popular Halloween festival Cops & Goblins coordinated by the Ocean View Police Department, and the Old Town Holiday Market, and Tree Lighting - mentioned by some as a "Hallmark" worthy event! Additional activities are offered in partnership with other entities, such as the Quiet Resorts Chamber of Commerce and the Historic Village in Ocean View.

Town events are currently held at beautiful John West Park, which has become a focal point for gathering with family and friends. The well maintained shaded park and playground areas are now hosting 2nd and 3rd generation visitors that welcome the opportunity to reminisce, slow down and be a part of a safe and peaceful community, just two miles from the Atlantic Ocean.

HISTORY OF OCEAN VIEW



The Town of Ocean View was officially incorporated on April 13, 1889, with nine (9) elected council members. The first town council president elected was Captain George W. West.

The history of Ocean View, however, dates back to the colonial era. The present site of Ocean View was originally a tract of 500 acres known as "Middlesex" granted to Matthew Scarborough under the authority of "Charles, Absolute Lord and Proprietary of the Provinces of Maryland and Avalon, Lord Baron of Baltimore".

After Scarborough's death, his land passed into the hands of the Hazzard family and then into the hands of the Hall family. W.S. Hall opened a store on his farmland near White's Creek, a portion of the old Middlesex Plantation, in 1800. Following the establishment of the general store, the area became known as Hall's Store. The village that sprang up around the store was composed of families of farmers, watermen, and seamen. In 1833, a post office was established on Central Avenue. Legend has it that the name of the village was changed to the Town of Ocean View due to its proximity to the beach with the Atlantic Ocean located just two (2) miles to the east. It is said that one could see the Atlantic Ocean from the second floor of many homes at the time.

Local businesses listed in the Sussex County Farm Directory of 1875-1877 included J.M. Steel (blacksmith), Holt & Townsend (lumber), Js. F. Holt, G.W. Tunnell, McNeal & Williams (merchants), Miss M. Townsend (milliner), Jas. B. Davis (shoemaker), Lemuel H. Derrickson and Geo H. West (vessel captains), John W. Evans, James A. Firman, Joseph E. Hall, James F. Holt, Willian H. Hudson, Benton Mitchell, Jacob Pusey, Nathaniel F. Quillen, Thomas H. Richards, John Taylor, Peter Townsend, and John M. Turner (farmers and fruit growers).

An 1890 map of the Town, drawn by John T. West, included 44 residential dwellings, four stores, and two churches – Ocean View Presbyterian Church and Mariner's Ocean View Methodist Church, still in existence today. By 1895 the Town had a population of 350 residents according to the Sussex County Farm Directory of 1895-1897. Residents at that time held jobs as sailors, life savers, masons, shopkeepers, carpenters, fishermen, mill operators, and farmers.

In 1923, Mrs. Cecile Long Steele ordered 50 chicks for her egg-laying business but received 500 birds due to a clerical error and raised her first flock of broiler-fryer chickens for commercial consumption, establishing Ocean View as the birthplace of the commercial broiler industry. This is Delaware's number one agricultural enterprise.

The Town would eventually shift from a predominately agricultural community to a year-round residential community with a commercial corridor. In the 1980s and 90s, the Town started to see an increase in retirees and vacationers. Ocean View is home to a year-round population of nearly 3000 as of 2025 with seasonal property owners and vacationers substantially increasing the Town's population during the summer months.



Population Overview



TOTAL POPULATION

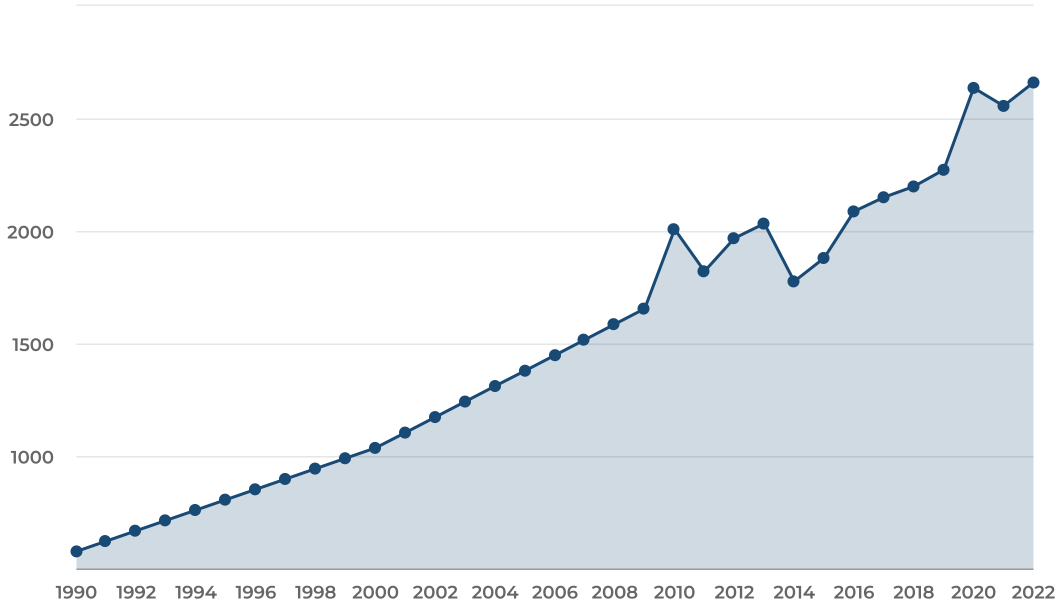
2,660

▲ **4.1%**
vs. 2021

GROWTH RANK

21 out of **57**

Municipalities in Delaware



* Data Source: U.S. Census Bureau American Community Survey 5-year Data and the 2020, 2010, 2000, and 1990 Decennial Censuses



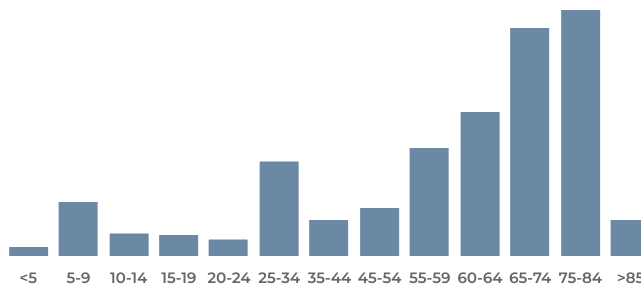
DAYTIME POPULATION

2,895

Daytime population represents the effect of persons coming into or leaving a community for work, entertainment, shopping, etc. during the typical workday. An increased daytime population puts greater demand on host community services which directly impacts operational costs.

* Data Source: American Community Survey 5-year estimates

POPULATION BY AGE GROUP



Aging affects the needs and lifestyle choices of residents. Municipalities must adjust and plan services accordingly.

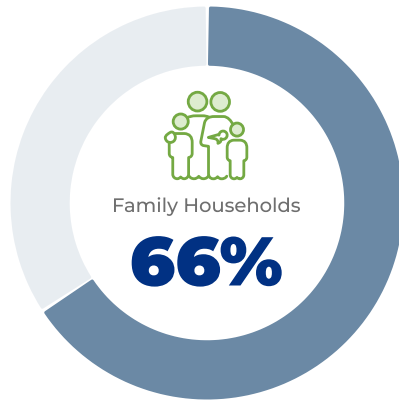
* Data Source: American Community Survey 5-year estimates

Household Analysis

TOTAL HOUSEHOLDS

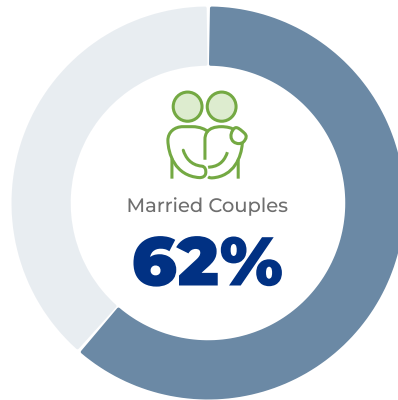
1,277

Municipalities must consider the dynamics of household types to plan for and provide services effectively. Household type also has a general correlation to income levels which affect the municipal tax base.



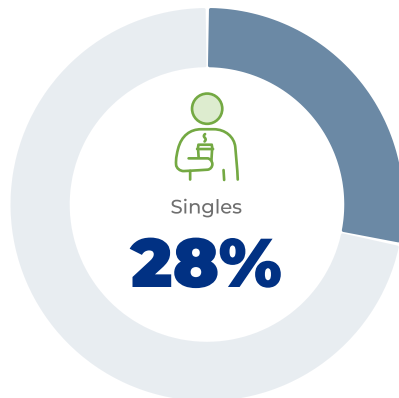
▲ 39%

higher than state average



▲ 26%

higher than state average



▲ 3%

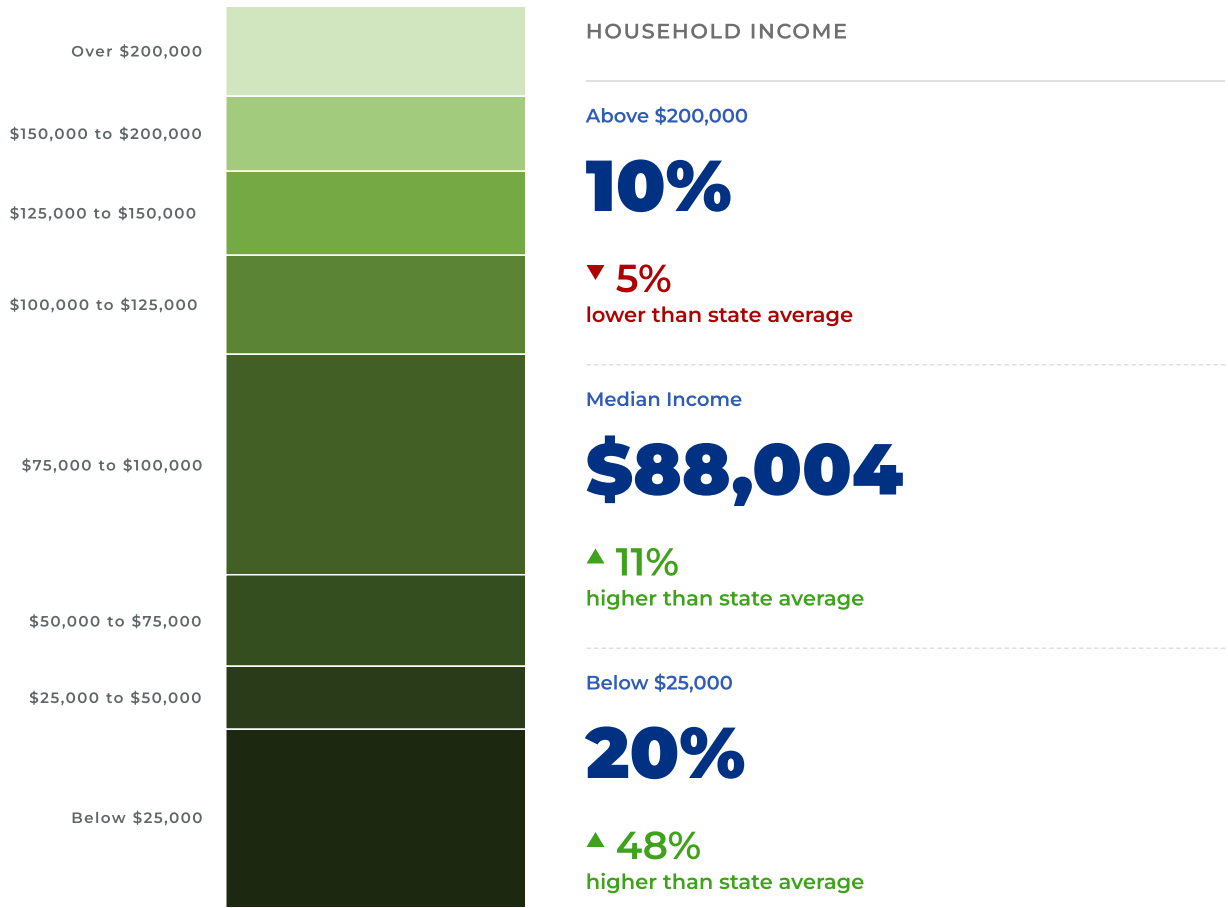
higher than state average



** Data Source: American Community Survey 5-year estimates*

Economic Analysis

Household income is a key data point in evaluating a community's wealth and spending power. Pay levels and earnings typically vary by geographic regions and should be looked at in context of the overall cost of living.



* Data Source: American Community Survey 5-year estimates

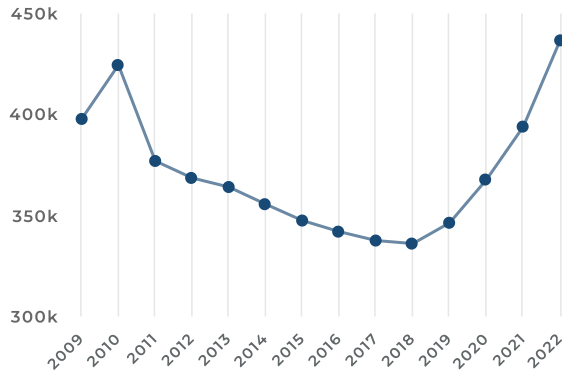


Housing Overview



2022 MEDIAN HOME VALUE

\$436,700



* Data Source: 2022 US Census Bureau (<http://www.census.gov/data/developers/data-sets.html>), American Community Survey. Home value data includes all types of owner-occupied housing.

HOME OWNERS VS RENTERS

Ocean View State Avg.



HOME VALUE DISTRIBUTION



* Data Source: 2022 US Census Bureau (<http://www.census.gov/data/developers/data-sets.html>), American Community Survey. Home value data includes all types of owner-occupied housing.

* Data Source: 2022 US Census Bureau (<http://www.census.gov/data/developers/data-sets.html>), American Community Survey. Home value data includes all types of owner-occupied housing.



Basis of Budgeting

Basis of Accounting and Budgeting

Accounting Basis

The basis of accounting refers to the timing of when transactions (revenues or expenditures) are recorded for reporting on the financial statements. Ocean View conforms to generally accepted accounting principles (GAAP) as applicable to government entities.

The Governmental Fund is accounted for on a modified accrual basis. Under the modified accrual basis accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered available if collected within 60 days after year-end while expenditures are recorded as the liabilities are incurred. Depreciation is not a recognized expense. Property taxes, interest revenue, intergovernmental and miscellaneous revenue are the primary revenue sources subject to accrual. Property taxes are reported as a receivable and considered available in the fiscal year for which they are levied if they are collected within the 60 days after year-end. The Town bills and collects its own property taxes. The Proprietary Fund is reported using the accrual basis of accounting. Under the accrual basis accounting, Water System revenues are recorded when earned and expenses are recorded at the time they are incurred while estimated uncollectible accounts receivable are reserved at year-end.

Budgetary Basis

In the General fund, including Capital Projects, the budgets are adopted using a modified accrual basis of accounting with the following exceptions:

- Budget amounts are encumbered when contracts are approved by Council and signed. At year-end, encumbered amounts that have not yet been expended are carried forward to be paid in the next fiscal year and are reflected in the Town's Committed Fund Balance. These amounts for expenditures are included in the fiscal year where they are budgeted, rather than the fiscal year the liability incurred. In accordance with Town Charter, appropriations that are not spent or encumbered lapse at the end of the fiscal year.
- Capital Projects, although part of the General Fund, are budgeted in perpetual or multi-year accounts. The Capital Project budgets do not lapse until the project is complete or considered abandoned as stated in the adopted budget ordinance.

In the Water System fund, the budget is adopted using an accrual basis of accounting with the following exceptions:

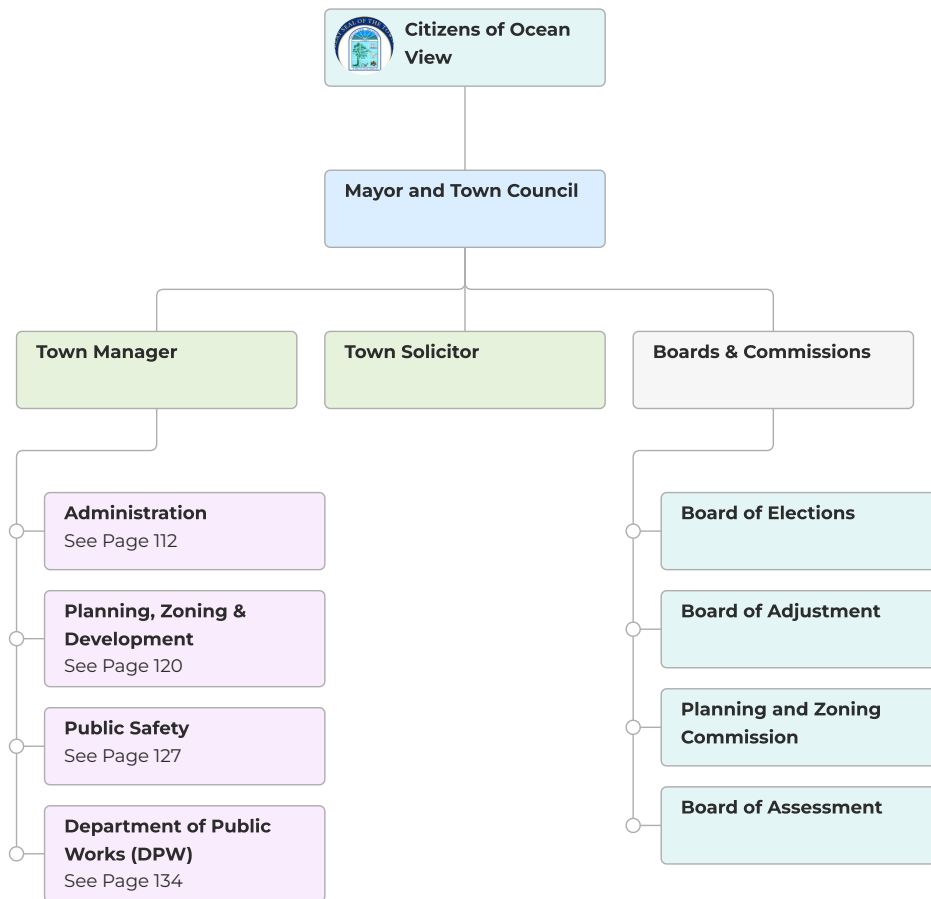
- Capital outlay is budgeted. This expenditure is not considered an expense on the accrual basis of accounting.
- Depreciation and amortization are not budgeted since these items do not require an expenditure of funds. These are considered expenses on the accrual basis of accounting,

Organization Chart

The Town of Ocean View is governed by a five-member elected Council. The Town's Charter specifies the election of the Councilpersons and the Mayor. Each Councilperson, as well as the Mayor, is elected by a plurality of all registered town voters for three (3) year terms and are limited to two (2) consecutive terms in office. The Town Council appoints the Town Manager. The Town Manager implements the Council's policies, serves as the Town's Chief Executive Officer, supervising the day-to-day operations of all the departments of the Town government as well as being charged with developing the annual and capital improvement budgets. He/She supervises an overall staff of 27 employees and is assisted by four (4) division heads including - Chief of Police, Director of Finance, Director of Planning, Zoning & Development and the Public Works Manager.

The organizational chart below represents an overview of the Town with more detailed organizational charts being found for each department, as noted.

TOV Organizational Chart



Fund Structure

The Town of Ocean View's accounting system is organized and operated on a fund basis. Its funds are classified into two types: governmental and proprietary funds. Both are represented in the budget document.

Governmental Funds

The focus of the governmental fund is the determination of financial position and changes in financial position rather than net income. The Town has the following major governmental fund.

General Fund

The General Fund is the general operating fund of the Town of Ocean View. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund revenues are used to maintain and operate the general government operations such as Administration, Public Safety, Planning & Zoning and Public Works. The General Fund is appropriated and adopted by budget ordinance. Appropriations are detailed at the departmental level.

The Capital Projects Fund is part of the General Fund but is appropriated and adopted by its own budget ordinance. Appropriations are at the departmental level with funding sources from the General Fund ("Pay Go"), Capital Replacement Trust, Street Repair / Replacement Trust and grants. Transfer Tax is solely used to fund the Capital Replacement Trust (12.5%), the Street Repair / Replacement Trust (25% plus any additional) and the Town's Emergency Reserve (20% of current year's budget).

Proprietary Funds (solely Enterprise Funds)

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position and cash flow similar to businesses in the private sector. The Town has the following major proprietary fund.

Water Fund

The Water Fund accounts for water services provided to customers on the Town's water distribution system. Only a portion of Ocean View properties are served by the Town's fully outsourced water utility. Activities of the enterprise fund include administration, operation, and maintenance of the water distribution system. The costs of providing water service as well as debt payment are recovered primarily through water usage charges. The Water Fund is appropriated and adopted in the same budget ordinance as the General Fund.

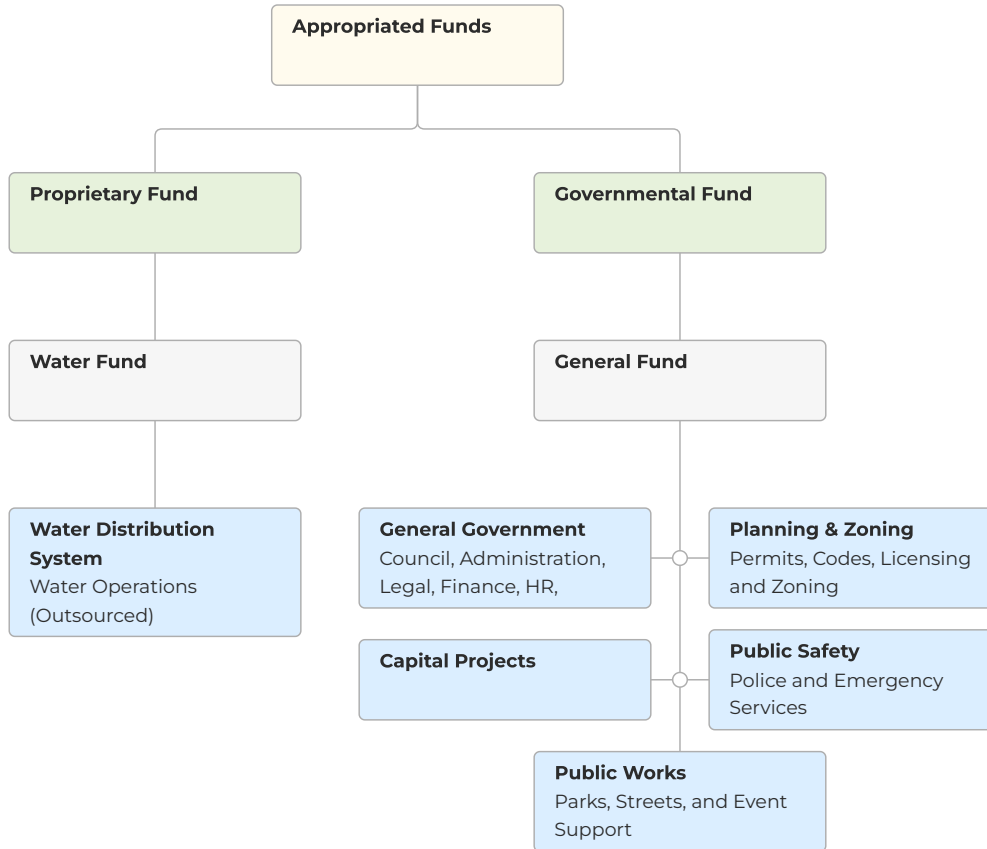
Major Funds

Major Funds are funds whose revenues and expenditures constitute more than 10 percent of the revenues or expenditures of the appropriated budget. The major funds for the Town of Ocean View, as noted above, are the General Fund and Water Fund.



Department / Fund Relationships

The chart below shows the relationship of the funds to the functions and departments of the Town government.



Relationship Among the General and Water System Funds

As stated above, the Water Fund accounts for water services provided to customers on the municipal water distribution system. Activities of the water fund include administration, operation, and maintenance of the water distribution system. Personnel costs associated with the water system are based on the estimated hours per month that staff spend on water system matters. The projected personnel costs are for the following Town staff; Town Manager, Planning & Zoning staff, Finance Director, Accountant and Public Works crew.

The Municipal Water Systems' budgeted salary and benefits along with audit professional services are expensed and recognized in the General Fund as a reimbursement of current year's expense revenue.

The FY2026 projected costs for the Water Fund can be found on page 83.

Budget Process

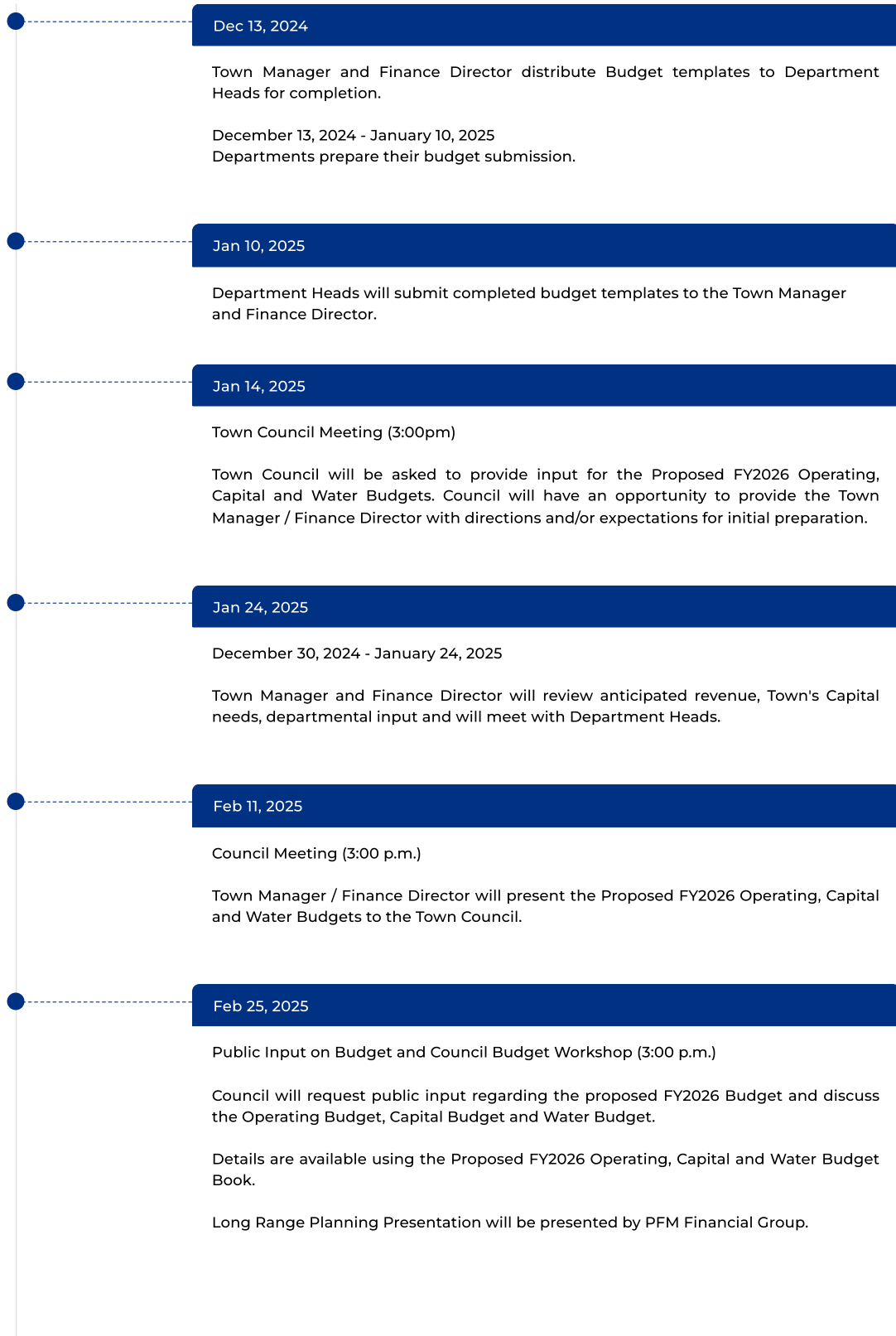
By Town Charter, the Town Manager shall submit a balanced operating budget to the Town Council no later than the fifteenth (15th) day of March each year. The budget shall provide a complete financial plan and shall contain estimates of anticipated revenues and proposed expenditures for the coming year. The total anticipated revenues shall equal or exceed that total of proposed expenditures. The budget shall be open to inspection by anyone during the normal business hours and is currently also available on the Town's website.

The Town Manager shall also propose and submit to the Town Council a five (5) year Capital Improvements Program which includes a clear summary of its content, a list of all capital improvements proposed to be undertaken during the next five (5) years along with cost estimates, funding sources and recommended time schedule for each of the projects. The Capital Improvements Program is revised and extended each year.

The Town Council shall hold a public hearing and by ordinance adopt the Operating and Capital Improvements Program, as submitted or amended. A favorable vote of at least a majority of all members elected to the Town Council shall be necessary for adoption in advance to the Town's Fiscal Year commencing on May 1st.

Budget Timeline

The Fiscal Year 2026 budget timeline is shown below:





Changes to Budget After Adoption

If, during the fiscal year, the Town Manager certifies that there are available funds for appropriations, revenues in excess of those estimated in the budget, the Town Council may make supplemental appropriations for the year up to the amount of such excess.

If a category (Salary & Related Employee Expense, Professional Services, Contractual Services, Utilities, etc) within a department's budget exceeds the appropriation approved by Town Council, the budget must be formally amended by going through the same process in which the budget was adopted, by ordinance through the public hearing process.

Financial Policies

Ocean View's Financial Policies are set either by the Town Charter, the Town Council or Town Administration. These policies are used to establish goals and targets for the Town's financial operations, so that the Town Council and Administration can monitor the Town's performance.

The following pages contain the policies in the following areas:

1. Fiscal and Financial Affairs
2. Trust Reserve
3. Investment
4. Capitalization



Fiscal and Financial Affairs

The Charter of Ocean View article three (3) establishes the fiscal and financial affairs policies of the Town.

Fiscal Year

The Town shall operate on an annual budget. The fiscal year of the Town shall begin on the first day of May and end on the last day of April in the next succeeding calendar year. Such fiscal year shall constitute the budget year and the accounting year.

Duty to Prepare the Budget

The Town Manager shall submit an operating budget to the Town Council not later than the fifteenth (15th) day of March each year. The budget shall provide a complete financial plan for the budget year and shall contain estimates of anticipated revenues and proposed expenditures for the coming year. The total of the anticipated revenues shall equal or exceed that total of the proposed expenditures. The budget and all other financial records of the Town shall be open to inspection by anyone during normal business hours.

Capital Improvements Program

The Town Manager shall propose and submit to the Town Council a five (5) year Capital Improvements Program not later than the fifteenth (15th) day of March each year.

The Capital Improvements Program shall include:

1. A clear summary of its content.
2. A list of all capital improvements proposed to be undertaken during the next five (5) years.
3. Cost estimates, finding sources and recommended time schedules for each of the capital projects.

The Capital Improvements Program shall be revised and extended each year as the then current portion is adopted as part of the operating budget.

The Town Council shall hold public hearings and by ordinance adopt the Capital Improvements Program, as submitted or amended, at the same time as the adoption of the operating budget. The Town Manager shall include in the proposed operating budget those capital projects adopted by the Town Council for the ensuing year.

Adoption of the Budget

Before adopting the fiscal year budget and Capital Improvements Program, the Town Council shall hold a public hearing thereon after fifteen (15) days notice thereof in one (1) or more newspapers of general circulation within the Town. The Town Council may insert new items or may increase or decrease the items in the fiscal year budget. Where the Town Council shall increase the total proposed expenditures, it shall also increase the total anticipated revenues in an amount at least equal to such proposed expenditures. The fiscal year budget shall be prepared and adopted in the form of an ordinance. A favorable vote of at least a majority of all members elected to the Town Council shall be necessary for adoption.

Appropriations

No public money may be expended without having the approval of the Town Council. From the effective date of the budget, the general amounts stated therein as proposed expenditures shall be and become appropriated for the same general objects and purposes named therein with the following exceptions:



Supplemental Appropriations

If, during the fiscal year, the Town Manager certifies that there are available for appropriations, revenues in excess of those estimated in the budget, the Town Council by ordinance may make supplemental appropriations for the year up to the amount of such excess.

Emergency Appropriations

To meet a public emergency affecting life, health, property or the public good, the Town Council may make emergency appropriations. Such appropriations may be made by emergency ordinance in accordance with the provisions of Section 2.309 (B) of this Charter. To the extent that there are no available unappropriated revenues to meet such appropriations, the Town Council may by such, emergency ordinance, authorize the issuance of emergency notes which may be renewed from time to time, but the emergency notes and renewals of any fiscal year shall be paid not later than the last day of the fiscal year next succeeding that in which the emergency appropriation was made.

Reductions

If, at any time during the fiscal year, it shall appear to the Town Council that the revenues available will be insufficient to meet the amount appropriated, the Town Council shall then take such action, as it deems necessary to prevent or minimize any deficit and may by ordinance reduce one (1) or more appropriations.

Limitations; Effective Date

No appropriation for debt service may be reduced or transferred, and no appropriation may be reduced below any amount required by law to be appropriated or by more than the amount of the unencumbered balance thereof. The supplemental and emergency appropriations, and reduction or transfer of appropriations authorized by this Section, may be made effective immediately upon adoption.

Transfer of Funds

Any transfer of funds between appropriations proposed by the Town Manager or Chief Financial Officer must be approved by the Town Council before becoming effective.

Expenditures in Excess of Appropriations

No officer or employee shall, during any fiscal year, expend or contract to expend any money or incur any liability or enter into any contract which by its terms involves the expenditure of money for any purpose, in excess of the amounts appropriated for, or transferred to, that general classification of expenditure pursuant to this Charter. Any contract, verbal or written, made in violation of this Charter shall be null and void. Nothing contained in this section, however, shall prevent the making of contracts or the spending of money for capital improvements to be financed in whole or in part by the issuance of bonds, nor the making of contracts of lease or for services for any period exceeding the budget year in which such contract is made, when such contract is permitted by law.

Lapse of Unexpended Appropriations

All appropriations shall lapse at the end of the budget year to the extent that they shall not have been expended or lawfully encumbered. Any unexpended and unencumbered funds shall be considered a surplus at the end of the budget year and shall be carried into the subsequent fiscal year in the Town's cash balances.

Disposition of Fees Received by Town Officers and Employees

All fees received by an officer or employee of the Town in his or her official capacity shall belong to the Town and shall be accounted for to the Town.

Power to Tax

The Town Council shall determine and fix a rate of taxation based upon the most recent assessment after the budget has been adopted. The Town Council shall determine and fix a rate of taxation, which will produce approximately the amount of money necessary to defray the expenses of the Town for the current year, including interest on bonded indebtedness, for redemption of maturing bonds, and for maintenance of a sinking fund. The Town tax rate shall be stated in terms of a certain rate on every One Hundred Dollars (\$100) of the assessed valuation.

Taxing Power

The Town Council shall have the power to levy and collect taxes on real property within the limits of the Town, except that which is not assessable and taxable by virtue of any law of the State of Delaware, to defray the expenses of the Town as determined pursuant to Section 3.110. The power to levy and collect taxes includes such amounts as are necessary to pay the principal and interest on general obligation bonds of the Town, for redemption of maturing bonds and for the maintenance of a building fund.

Revenues

Assessments

Taxation of Property

In the manner provided by law, the Town shall value and assess all property liable to assessment every five (5) years. All property that has increased in value because of additions, new buildings and improvements shall be assessed annually. The Town shall also in the annual assessment revise the assessment with respect to all real estate which has been sold or transferred during the year and keep current the assessment valuation of all other assessable property within the Town. The Town shall notify property owners by letter when their assessment has changed.

The Town shall make a written record showing the property; name(s) of owner(s), arranged alphabetically; the value of the property; and the amount of each owner's assessment. The assessment list shall be completed not later than the fifteenth (15th) day of February of each year. The Town shall post a copy of the assessment list in the Melson Administrative and Public Safety Building for public inspection and advertise by publication the inspection hours.

Any taxpayer of the Town aggrieved by the assessment on his or her property shall notice the Town, in writing, within twenty (20) days after being notified by letter that the assessment has changed, or by means of the posting of the assessment list for that year. Thereafter, Town Council shall hear and determine the appeal, and, not later than the thirty-first (31st) day of March, certify the assessment roll in its final form.

The Town Council may, by ordinance, assign any or all of its power under this Section to a Board of Assessment which shall be chosen in such fashion, serve for such term, and have such duties as the Town Council may ordain. After the valuation, assessment and any revision thereof, all taxes so assessed shall be levied and raised in equal proportions and rates.

Taxation of Real Estate Transfers

The Town Council of the Town of Ocean View shall levy, assess and collect, or provide for the levying, assessment and collection of such taxes as determined by ordinance.

Assessments When Due and Payable; Penalty for Late Payments

All Town taxes shall be due and payable May first (1st). After the thirty-first (31st) of August in the year in which the taxes shall be due, a penalty of one and a half percent (1.5%) per month shall be added until the same shall have been paid. The Council shall have the power to make just allowance for delinquencies in the collection of taxes.



Tax Collection

It shall be the duty of the Chief Financial Officer to proceed forthwith to collect all taxes in a fiscal year in which assessed and, in the collection of said taxes, the Chief Financial Officer shall have all the same powers conferred upon or vested in the Director of Finance for the Department of Finance of Sussex County.

The provisions of Title 25, Sections 2901 through 2905 of the Delaware Code Annotated, as amended, with reference to tax liens, shall be deemed and held to apply to all taxes late and opposed under the provisions of this Charter.

Authority to Borrow Money and Issue Bonds

The Town Council may borrow money, and issue bonds or certificates of indebtedness to secure the payment thereof, on the faith and credit of the Town of Ocean View, to provide funds to defray the cost or the share of the Town of the cost of any permanent municipal improvements or appeal bonds; provided, however, that the borrowing of the money therefore shall have been authorized by the Town Council and shall have been approved in the following manner:

1. Council by ordinance shall be permitted to borrow for the cost of permanent municipal improvements or appeal bonds. The ordinance shall state the amount of the money desired to be borrowed; the purpose for which it is desired; the manner of securing the same; and other facts relating to the loan, which are deemed pertinent. Such ordinance shall be passed by the affirmative vote of a majority vote of all members of the Town Council. The proposed borrowing ordinance must follow the same procedures for approving any ordinance enacted by the Town Council. If the sum to be borrowed does not exceed one-half percent (0.5%) of the current total assessable tax base of the Town of Ocean View in current fiscal year, the ordinance becomes effective immediately.

2. If the sum of money to be borrowed exceeds one-half percent (0.5%) of the current total assessable tax base of the Town of Ocean View, the ordinance shall not become operative until after a thirty-one (31) day waiting period to permit the filing of a petition for a Borrowing Referendum to be filed.

3.

(a) If not less than thirty three percent (33%) of the qualified voters of the Town of Ocean View shall sign and deliver to the Town Manager a petition calling for a Borrowing Referendum any time within the thirty-one (31) day waiting period established above, the Town Council shall, within twenty (20) days, adopt a resolution proposing to the electors of the Town that an amount of money be borrowed for any of the above purposes. The resolution shall state the amount of money desired to be borrowed, the purpose for which it is desired, the manner or securing the same, and other pertinent facts relating to the loan which are deemed pertinent by the Town Council, and ordering a Borrowing Referendum to be held not less than thirty (30) nor more than ninety (90) days after the adoption of said resolution.

(b) Notice of the date, time and place of holding of the said Borrowing Referendum shall be printed in two (2) issues of a newspaper having a general circulation in the Town of Ocean View within thirty (30) days prior to the date of said Borrowing Referendum.

(c) At said referendum, every owner of property, whether an individual, partnership, corporation, or other entity, shall have one (1) vote and every person who is a bona fide resident of the Town, but not an owner of property within the municipal limits of the Town and who shall be entitled at the time of the Borrowing Referendum to register and vote in the annual general election if such were held on the day of the Borrowing Referendum shall have one (1) vote whether or not such person be registered to vote in the annual general election.

(d) Any Borrowing Referendum shall be held pursuant to the provisions of this section shall be conducted by voting machines that shall have the ballot:

(e) In the event that an individual holds a power of attorney duly executed and acknowledged of another person or the resolution of the governing body of a partnership, corporation, or other entity, specifically authorizing the said individual to

vote at the Borrowing Referendum, a duly authenticated copy of which has been filed in the Board of Elections, such individual shall be entitled to cast the vote of such person, partnership, corporation, or other entity.

(f) Immediately upon the closing of the polling place, the Board of Elections shall count the ballots for and against the proposed borrowing and shall announce the results thereof and shall make a certificate under their hands of the number of votes cast for and the number of votes cast against the proposed borrowing and the number of void votes and shall deliver such certificate in duplicate to the Town Council. Said certificate shall be filed with the papers of the Town Council.

4. In the event that the Borrowing Referendum fails, no related ordinance shall again be considered for adoption for a period of at least six (6) months from the date of the Borrowing Referendum.

5. If the Borrowing Referendum passes, the Town Council shall determine the form of indebtedness; the interest rate; the time or times of payment of interest; the classes; the time or times of maturity; provisions as to registration; any callable or redeemable provision; the denomination and name, and other relative or pertinent matters. The bond or bonds or certificate or certificates of indebtedness may be sold at either public or private sale. The Council shall provide in its budget, and in fixing the rate of tax, for the payment of interest and principal on said bonds at the maturity or maturities thereof, and may establish a sinking fund therefore. The full faith and credit of the Town of Ocean View shall be deemed to be pledged for the due payment of the bonds and interest thereon issued under the provisions hereof, when the same have been properly executed and delivered for value. There shall be no limitation upon the amount which may be raised from the taxation of real estate for the payment of interest on, and the principal of, any bonded indebtedness whether hereinbefore or hereafter incurred.

6. The bonded indebtedness shall not at any time exceed in the aggregate the total sum of twenty-five (25%) percent of the assessable value of the real property situate within the limits of the Town as shown by the last assessment pending the creation of the said indebtedness.

The Town Council of the Town of Ocean View shall have full power and authority to anticipate revenue by borrowing upon the full faith and credit of the Town of Ocean View, when, in the opinion of the majority of the Town Council, the needs of the Town of Ocean View demand it. The Town Council may secure such sum or sums of money so borrowed by promissory notes of the Town executed by such officers as designated by Town Council, either with or without the corporate seal of the Town of Ocean View affixed, as is requested by the Bank or persons advancing the money on said notes. No officer or Council Member shall be personally liable for the payment of such note because it is signed by them as officers or Council Member of the Town of Ocean View, and said note is authorized by ordinance of the Town Council. And no part of the principal of or the interest on any borrowing authorized by this Section shall be taxable by the State of Delaware or any political subdivision thereof.

The Town Council may accept from any authorized agency of the State or Federal government, or from persons, firms, or corporations, grants, loans, or contributions, and enter into agreements with such agency respecting such loans or grants. The Town Council shall not borrow money for its annual budgetary needs.

Independent Audit

The Council shall provide for an independent audit of all Town accounts and may provide for more frequent audits, as it deems necessary. The person or persons selected to audit the accounts of the Town shall have no personal interest, direct or indirect, in the fiscal affairs of the Town or any of its officers. An annual audit of the financial records of the Town shall be made at the end of each fiscal year, the fiscal year being from May first (1st) of each year to April thirtieth (30th) of the following year.

Reserve Trust Policies

Emergency Reserve Trust

The Emergency Reserve Trust was adopted by Town Council by Ordinance 212 and revised by Ordinance 339.

In preparing the annual budget for the Town, the Town Manager shall include an appropriation for an Emergency Reserve Trust (hereinafter ERTF). The total accumulated balance to be maintained shall not be less than 20% of the current operating budget of the Town. Portions of the transfer tax revenue shall be allocated to achieve and maintain the accumulated balance.

Funds accumulated in the ERTF may be expended if the Town is included within a geographical area declared to be a natural disaster by the President of the United States of America or by the Governor of the State of Delaware. In addition, funds can be expended by the Town Council when, at its discretion, it declares a public emergency and only for those purposes concurred upon by a majority of the members elected to the Town Council. Additionally, funds in the ERTF may be expended to fund the Town's annual operating budget during a period of reduced revenues due to reductions in transfer tax.

The Emergency Reserve Trust shall be replenished after expenditure for a natural disaster or to fund the Town annual operating budget by the Town Council by additionally depositing funds appropriated from the annual operating budget equal to 20% of the ERTF funds expended commencing the fourth (4th) year after their expenditure.

Funds accumulated in the ERTF will not be considered unexpended and unencumbered funds at the end of the budget year as per Section 3.108, Lapse of Unexpended Appropriations, of the Town Charter. Funds accumulated in the ERTF shall be considered encumbered funds.

Capital Replacement Trust

The Capital Replacement Trust was adopted by Town Council by Ordinance 304 and revised by Ordinance 324.

In preparing the annual budget for the Town, the Town Manager shall include an appropriation for the Capital Replacement Trust (hereinafter CRTF). The CRTF shall be funded by twelve and one-half percent (12.5%) of the Town's transfer tax and any additional income that may be earned by the reasonable and prudent investment of the CRTF in secure investments.

Funds accumulated in the CRTF shall be expended only for the repair and replacement of capital assets or improvements determined by a majority of the members elected to the Town Council when the repair or replacement cost exceeds \$2,500. Repair and Replacement costs may include engineering fees and costs, if necessary.

Funds accumulated in the CRTF will not be considered unexpended and unencumbered funds at the end of the budget year as per Section 3.108, Lapse of Unexpended Appropriations, of the Town Charter. Funds accumulated in the CRTF shall be considered encumbered funds.

Street Repair and Replacement Trust

The Street Repair and Replacement Trust was adopted by Town Council by Ordinance 303 and revised by Ordinance 325.



In preparing the annual budget for the Town, the Town Manager shall include an appropriation for the Street Repair and Replacement Trust (hereinafter SRRTF). The SRRTF shall be funded by twenty-five (25%) of the Town's transfer tax and any additional income that may be earned by the reasonable and prudent investment of the SRRTF in secure investments.

Funds accumulated in the SRRTF shall be expended only on the repair and replacement of street repair and replacement projects concurred by a majority of the members elected to the Town Council when the repair or replacement cost exceeds \$10,000. Repair and Replacement refers to the act of repairing or replacing a street, drainage system, or sidewalk through restoration, repair or replacement, including upgrades in quality, technology, design, construction or the like, together with the incidental design and engineering costs.

Funds accumulated in the SRRTF will not be considered unexpended and unencumbered funds at the end of the budget year as per Section 3.108, Lapse of Unexpended Appropriations, of the Town Charter. Funds accumulated in the SRRTF shall be considered encumbered funds.

Investment Policy

It is the policy of the Town of Ocean View to invest public funds in a manner which will provide the highest investment return with the maximum security, while meeting the daily cash flow demand of the town. All investment activity must conform to any Federal, State or Local statutes governing the investment of public funds.

This investment policy applies to all financial assets of the Town. These funds are enumerated in the Town's Comprehensive Annual Report and include:

1. General Fund (Operating and Reserve Funds)
2. Special Revenue Funds
3. Enterprise Funds (e.g., Water Fund)

This statement of investment policy is set forth by the Town Council in order to:

1. Define and assign the responsibilities of all involved parties.
2. Establish a clear understanding for all involved parties of the investment goals and objectives for the Town's public funds.
3. Provide guidance and limitations to all third party investment managers regarding the investment of Town funds.
4. Establish a basis for evaluating investment results and investment manager's performance.
5. Establish the relevant investment horizon for which the Town's funds will be managed.
6. Meet the Town's fiduciary responsibilities by establishing policies and guidelines for investing the Town's funds.

The primary objectives, in priority order, of the Town's investment activities shall be:

1. Safety: Preservation of principal is the foremost objective of the investment program.
2. Liquidity: The Town's investment portfolio (both principal and earnings) shall remain sufficiently liquid to enable it to meet all the operating requirements that might be reasonably anticipated.
3. Return on investment: The Town's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles.

The Investment Officer may invest funds in the following:

- a. United States Government Securities: Issued and supported by the full faith and credit of the U.S. Government and Treasury.
- b. Commercial Bank Savings Accounts, Certificates of Deposit, Time Deposits, and Bankers Acceptances provided the banking institution is organized and supervised under federal or state laws; has assets of not less than \$5 billion; and is rated not lower than "B" by Fitch, Inc..
- c. Money Market Accounts in Commercial Banks.
- d. Delaware Local Government Investment Pool (DELGIP).
- e. Commercial Paper that is rated "A-1" by Standard & Poor's and/or "P-1" by Moody's Investor Services.

Prohibited investments include, but are not limited to the following:

- a. Commodities



- b. Private Placements
 - c. Limited Partnerships
 - d. Venture-Capital investments
 - e. Real Estate Properties, except by participating in an open-end fund holding a diverse portfolio of real estate securities
 - f. Unlisted or restricted securities
 - g. Derivatives such as options, futures, and swaps
 - h. Purchase of foreign securities, except those traded on an organized exchange and American Depositary Receipts (ADRs)
- The Town's investment policy was adopted by resolution of the Town Council.

Capitalization Policy

Purpose

This accounting policy establishes the minimum cost (capitalization amount) that shall be used to determine the capital assets that are to be recorded in the Town's annual financial statements.

Definitions

Materials and supplies – A material or supply is generally considered to be goods or property that are used or consumed in the business within twelve months of acquisition and are not inventory. Materials and supplies that meet this definition may be expensed.

Repair and maintenance costs – Expenditures that keep the property or equipment in ordinary efficient operating condition, restore property to previous condition, and routine maintenance costs. Repair and maintenance costs are reported as operating expenses and are not capitalized. Examples are: reconditioning or replacing parts, painting, paving an existing surface, or recurring maintenance costs.

Improvements – Expenditures that prolong the life of the equipment or property or increase the value, efficiency, safety, or capacity of the equipment or property. Improvements of this nature are capitalized.

Capital assets – Assets meeting the following criteria should be capitalized:

- Purchased, built, or leased assets with a useful life of one year or more.
- The cost of the asset exceeds the established threshold.
- Improvements to the assets which increase the value of the asset or significantly prolong its useful life.

Thresholds

The following thresholds will be used for different types of assets. Amounts under these thresholds will be considered repairs and will not be capitalized.

Furniture and Equipment	\$5,000
Vehicles	\$10,000
Buildings & Building Improvements	\$5,000
Land Improvements	Any amount

Estimated Useful Lives

The following guidelines are to be used to estimate the remaining useful lives of fixed assets.

Furniture and Equipment	5 to 7 years
Vehicles	5 to 10 years
Buildings & Building Improvements	40 years
Land Improvements	10 to 20 years

Capitalization method and procedures



All capital assets are recorded at their acquisition or construction cost as of the date acquired or date placed in service.

Donated equipment is recorded at the fair market value on the date of the gift.

When capital assets are sold or otherwise disposed of, the cost and accumulated depreciation will be removed from the capital asset listing.

For financial statement purposes, capital assets are depreciated using the straight-line method over the estimated useful life of the asset.

The Town's Capitalization Policy was adopted by resolution of the Town Council on January 14, 2025.



Fee Schedule

A schedule of fees for all administrative actions or services, applications, licenses, permits, impact fees, professional fees, financial security, performance, surety and utility bonds, rental licenses, Police Department fees, and such other fees as required by the Town's Code are established by resolution of the Town Council.

The current fee schedule was adopted by resolution 23-01 on April 11, 2023 and effective May 1, 2023.

Resolution 24-09 adopted on November 12, 2024 and effective January 1, 2025 amended the Fee Schedule.

The Fee Schedule can be viewed by clicking the following link, **[Fee Schedule - Resolution 24-09](#)**, or by visiting the Town website at www.oceanviewde.gov.

The following pages highlight the proposed changes to the Fee Schedule.

If adopted, by resolution, the Fee Schedule will become effective May 1, 2025.

Town of Ocean View Fee Schedule

ADMINISTRATIVE

Document Copies

See FOIA section for cost of copies.

Labels & Lists

❖ Current Business License Holders – mailing labels	\$ 150.00
❖ Property owner names and addresses – mailing labels:	
○ All parcels within Town of Ocean View	\$ 175.00
○ A subdivision up to 100 units	\$ 30.00
○ Each additional 100 units in a subdivision	\$ 30.00
❖ Business License Holders – current list	\$ 50.00
❖ Property owner names & addresses:	
○ All parcels within Town of Ocean View	\$ 100.00
○ A subdivision up to 100 units	\$ 25.00
○ Each additional 100 units in a subdivision	\$ 25.00
❖ Tax list	\$ 175.00

FOIA (Freedom of Information Act) Fees

❖ 20 pages single side copies & first hour search	Free
❖ Over 20 black & white single sided pages for 8.5"x11", 8.5"x14", and 11"x17" sized paper (two-sided copies shall be considered as two copies)	\$.10
❖ Color copies/printouts single sided pages for 8.5"x11", 8.5"x14", and 11"x17" sized paper (two-sided copies shall be considered as two copies)	\$ 1.00
❖ Color copies/printouts single sided pages larger than 11"x17"	\$ 2.00
❖ Oversized copies/printouts single sided 24"x36"	\$ 3.00
❖ Oversized copies/printouts single sided larger than 24"x36"	\$ 1.00 per square foot
❖ Other FOIA information and associated fees, such as labor costs for request requiring more than 1 hour of staff time to process are outlined in Resolution 15-7.	

Other Administrative Fees

❖ Credit card fee	3.00%
❖ Fax service	\$ 1.00 per page
❖ Gross Rental Receipts Tax late payment fee	\$ 25.00 per month
❖ Interest on past due invoices	1.5% per month / 18% annual
Such as reimbursable expenses and service fees.	
❖ Recordation of documents in Recorder of Deeds Office, in Sussex County	\$ 100.00
❖ Returned check	\$ 35.00
❖ Election Filing Fee	\$ 50.00



APPLICATIONS

Annexation Request

❖ Up to 1 acre	\$ 100.00
❖ 1 acre to 4.99 acres	\$ 300.00
❖ 5 acres to 9.99 acres	\$1,000.00
❖ 10 acres to 24.99 acres*	\$2,000.00
❖ 25 acres or more*	\$3,000.00
❖ Appeal of decision as enumerated in Town Code	\$ 250.00
❖ Rezoning application	\$ 900.00

*NOTE: Annexations of 10 or more acres are subject to professional fees.

Board of Adjustment

❖ Appeal of decision by Town Administrative Official	\$ 750.00
❖ Variance	\$ 750.00
❖ Additional Variance on same application (per request)	\$ 100.00
❖ Special exception	\$ 750.00
❖ Administrative variance	\$ 200.00
❖ Penalty for violation of terms/conditions of variance granted	\$ 750.00

Planning & Zoning

❖ Site plan review	\$1,000.00
❖ Site plan review for outside seating	\$ 400.00
❖ Modification to previously approved site plan	\$ 400.00
❖ Subdivision:	
○ 1 lot into 2 or combining 2 lots into 1	\$ 350.00
○ 3 to 5 lots	\$ 750.00
○ Greater than 5 lots	\$750 plus \$50 per lot in excess of 5 lots
❖ Rezoning Application	\$ 900.00

FINANCIAL SECURITY; PERFORMANCE and SURETY BONDS

- ❖ Financial security equal to 125% of the cost of completion of all infrastructure improvements required by the approved final plans, as outlined in Town Code Chapter 187-6L, Streets & Sidewalks
- ❖ Performance bond as outlined in Town Code Chapter 140-129B, Land use
- ❖ Bond with surety assuring completion as outlined in Town Code Chapter 140-82, Land use
- ❖ Surety bond for movement of oversized vehicles through the Town ~~\$2,000.00~~ \$4,000
- ❖ Utility bond as outlined Chapter Utility Control Ordinance - Surface Type:
 - Bituminous concrete pavement ~~\$80.00~~ \$ 190.00 per square yard
 - Surface treated (chip seal) pavement \$ 40.00 per square yard
 - Unpaved area within right-of-way \$ 10.00 per square yard
- ❖ Performance bond as outlined in Town Code Chapter 140-74A, Land use for landscaping.
- ❖ Completion and maintenance bond as outlined in Town Code Chapter 140-98F, Land use



IMPACT

For proportionate share of capital costs (as set out in Town Code Chapter 136-1A)

- ❖ Upon issuance of building permit, per unit, new construction \$1,436.00

For the benefit of volunteer fire & emergency services (as set out in Town Code Chapter 136-1B)

- ❖ Upon issuance of building permit, per unit, new construction \$ 500.00

Surcharge for emergency services enhancement funding program (as set out in Town Code Chapter 15)

- ❖ Upon issuance of building permit: not less than .25% and not more than .50% of the construction value shown on the building permit application.

JOHN WEST PARK AMENITIES

NOTE: Fees apply to the use of John West Park amenities. Deposits, if not used, will be refunded.

	<u>Rental</u>	<u>Deposit</u>
❖ Group w/ membership comprised entirely of Ocean View property owners/residents.	\$ 0.00	\$ 50.00
❖ Organization w/ member who is an Ocean View property owner/resident.	\$ 50.00	\$ 50.00
❖ Personal use by an Ocean View property owner/resident	\$ 0.00	\$ 50.00
❖ Personal use by non-Ocean View property owner/resident.	\$ 50.00	\$ 50.00
❖ Organizational or Nonprofit organizational use by non-Ocean View property owner/resident.	\$ 100.00	\$ 50.00
❖ Governmental agency	\$ 0.00	\$ 50.00
❖ Nonprofit organization with member who is an Ocean View resident.	\$ 0.00	\$ 50.00
❖ Youth organization. One hour of community service requested per 4 hours of use. Verification required.	\$ 0.00	\$ 50.00

COMMUNITY CENTER @ 32 WEST (formerly Town Hall)

NOTE: Fees apply to the use of the Community Center. Deposits, if not used, will be refunded.

	<u>Rental</u>	<u>Deposit</u>
❖ Group w/ membership comprised entirely of Ocean View property owners/residents.	\$ 50.00	\$ 50.00
❖ Organization w/ member who is an Ocean View property owner/resident.	\$ 75.00	\$ 50.00
❖ Personal use by an Ocean View property owner/resident	\$ 75.00	\$ 50.00
❖ Personal, Nonprofit organizational or organizational use by non-Ocean View property owner/resident.	\$ 125.00	\$ 50.00
❖ Governmental agency	\$ 0.00	\$ 50.00
❖ Nonprofit organization with member who is an Ocean View resident.	\$ 0.00	\$ 50.00
❖ Youth organization. One hour of community service requested per 4 hours of use. Verification required.	\$ 0.00	\$ 50.00

LICENSES

❖ Business		
○ Annual, calendar year (1/1 – 12/31)	\$	200.00
❖ Temporary, 30 consecutive days (2 per calendar year)	\$	75.00
❖ Event, per approved event for up to 3 consecutive days	\$	50.00
❖ Peddling, soliciting, and canvassing	\$	\$ 100.00
❖ Rental agent: independent contractors.	\$	100.00
Annual, calendar year (1/1 – 12/31) (Excludes agents paid as an employee.)		
❖ Rental: each commercial or residential unit rented or offered for rent. Annual, calendar year (1/1 – 12/31).	\$	150.00
❖ Late fee for all license types postmarked after due date (1/1)	\$	40.00

PERMITS

NOTE: Permit fees are non-refundable nor transferrable.

Building

❖ Principal and accessory structures:		
○ Gross floor area of each story for all uses, all covered porches and entryways and improvements to an existing open deck or patio by adding walls and roof for the purposes of creating additional enclosed living space.	\$	1.50 per square foot
○ Improvements to principal and accessory structures by adding walls and/or roof that increase the gross floor area.	\$	1.50 per square foot
❖ Open decks and/or patios:		
○ Gross floor area of attached or unattached open deck, patio or similar structure with a floor area free from enclosed walls and/or roof.	\$	1.00 per square foot
❖ Repairs and renovations (for work identical or substantially the same):		
⊖ 1% of Contract Cost or \$ 100.00 Minimum, whichever is greater.		
❖ All others:		
○ Dumpster placement (subject to town approval)	\$	0.00
○ Dumpster placement (not associated with a permit)	\$	100.00
○ Fence, sidewalk, and driveway	\$	100.00
○ Demolition of any structure or building	\$	100.00
○ Moving any structure or building in or through Town	\$	100.00
Note: Police escort required @ additional costs.		
○ Swimming pools (in and above ground)	\$	1.00 per square foot
❖ Minimum charge for any building permit	\$	100.00
❖ Administrative Fee – Reissue of voided permit	\$	50.00
❖ Failure to obtain permit before work is performed penalty:		
○ Penalties as specified in Town Code 140 (Land Use).		

Sign

❖ Illuminated, direct or indirect	\$ 4.00 per square foot
❖ Non-Illuminated	\$ 2.00 per square foot
❖ Subdivision, permanent	\$ 500.00 per sign
❖ Minimum sign permit	\$ 100.00

Utility

❖ Base permit	\$ 175.00
❖ Utility permit (all based on as-built)	
○ Boring under paved road, per boring	\$ 100.00
○ Cut in paved street	\$ 10.00 per square foot
○ Trenching outside edge of pavement	\$ 1.00 per linear foot

POLICE

Road construction and escort to move structures through the streets of Ocean View

NOTE: Minimum 2-hour charge. Charge may vary if specified in state contract.

❖ Per officer	\$ 65.00 per hour
❖ Additional town expenses (employee benefits & vehicle costs)	\$ 30.00 per hour

Special Duty Officer (or other Town staff)

❖ Officer or other Town employee	Employees hourly rate plus applicable payroll taxes. Note: if employee brought in on day off cost will be 1 ½ x hourly rate plus applicable payroll taxes.
❖ Administrative fee	10% of employee's hourly rate plus applicable payroll taxes.
❖ Vehicle use by employee	\$ 25.00 per hour
❖ Exception for service funded by a grant which specifies payment terms.	

Other Charges

❖ Police report copy	\$ 25.00
❖ Fingerprints*	\$ 50.00

* Property owners & residents of Ocean View exempt from this fee.

PROFESSIONAL FEES

Legal

❖ Attorney collection letter	\$ 250.00
❖ Municipal lien filed in Sussex County by Town Solicitor	\$ 250.00
❖ Municipal lien satisfaction filed in Sussex County by Town Solicitor	\$ 250.00
❖ Municipal lien renewal filed in Sussex County by Town Solicitor	\$ 250.00

Reviews/inspections/approvals by professionals and consultants

- ❖ Applications to Town Council for land development site plan reviews, request for zoning change and annexation requests to Planning & Zoning Commission or Board of Adjustment (fee charged plus administrative fee of 10%)
- ❖ Compliance assessments: Road grading plan reviews and inspections, lot development, water service installation sand hookups, driveway construction and culvert installations, etc.: fee charged plus administrative fee of 10%, legal reviews for compliance.

STIPENDS – as set by Town Council

NOTE: Fees are per member.

❖ Board of Adjustment, per application at meeting	\$ 30.00
❖ Board of Assessment, per appeal	\$ 30.00
❖ Board of Elections per election when voting polls are necessary	\$ 100.00
❖ Board of Elections to certify results of unopposed election	\$ 30.00
❖ Planning & Zoning Board, per hearing at meeting	\$ 30.00

TAXES

Gross Rental Receipts Tax

- ❖ On all rental property income 6%
 - January 1 – June 30 of calendar year: due by August 31 of same year
 - July 1 – December 31 of calendar year; due by February 15 of following year
- ❖ Gross Rental Receipts Tax late payment fee \$ 25.00 per month

Real Estate Tax (as set out in annual budget ordinance adopted in April for the upcoming fiscal year)

- ❖ Property Tax rate per \$100 of assessed valuation, as set by Town Assessor
 - Billed in May of each calendar year, due by August 31 of same year

Real Property Transfer Tax (as set out in Town Code Chapter 195)

- ❖ Value of property. 1 ½%

VIOLATIONS/FINES

Animals (as set out in Town Code Chapter 68)

- ❖ Barking and howling dogs,
 - 1st offense \$ 50.00
 - 2nd offense & each subsequent offense \$ 100.00
- ❖ Domesticated animal at large nuisance (Ordinance 373) \$ 100.00

Disorderly Conduct (as set out in Town Code Chapter 107)

- ❖ Sleeping in public, mandatory Court appearance and Court fees may also apply
 - 1st offense \$100.00
 - 2nd offense & each subsequent offense \$200.00

Property Maintenance (as set out in Town Code Chapter 169)

- ❖ Removal of grasses, weeds and other vegetative growth as defined in Town Code,
 - On lots less than or equal to ½ acre \$100 1st offense, \$200 each subsequent offense within a calendar year
 - On lots greater than ½ acre \$100 1st offense, \$200 each subsequent offense within a calendar year plus cost of private contractor to cut.
 - Property maintenance on rights-of-way \$100 1st offense, \$200 each subsequent offense within a calendar year

WATER FEES, RATES AND METERS

Water Meters (as set out in Town Code Chapter 213 or by DE Public Service Commission)

- ❖ General Water Service Charges
 - Service availability charge \$ 97.66
 - Facilities Charge

Size of Meter (inches)	Quarterly Charge
5/8 to 3/4	\$107.66
1	\$172.78
1 1/2	\$303.00
2	\$463.26
3	\$885.20
4	\$1,369.74
6	\$2,664.37
8	\$4,151.80
- Water use charge \$ 4.8024 per 1,000 gallons
- ❖ Private fire service line
 - Private fire facilities charge

Size of Meter (inches)	Quarterly Facilities Charge
1	\$52
2	\$155
4	\$725
6	\$1,600
8	\$2,820
- ❖ Turn-off and turn-on charges
 - Turn off (regular hours) \$ 72.00
 - Turn on (regular hours) \$ 72.00
 - After hours (turn on or off) \$ 105.00
 - Shut off for non-Payment \$ 150.00
 - Check meter for accuracy \$ 72.00



(refunded if meter is found to be defective)

❖ Service connection charges

Size of Meter (inches)	Charge
5/8 to 3/4	\$1,900
1	\$2,500
1 1/2	\$3,200
2	\$4,100
3	\$7,260
4	\$8,540
6	\$12,420
8	\$22,000

❖ Other miscellaneous charges

- Inspection fee for initial hook up \$125.00
- Utility permit \$ 100.00
- Transfer charge (service call to read meter
Due to change in ownership) \$ 45.00
- Service all for frozen lines or leaks that are
Customer's responsibility
 - Regular hours \$ 72.00
 - After hours \$ 105.00
- Unauthorized entry of meter pit \$ 100.00 plus cost of repair
- Unauthorized water withdrawal from
Fire hydrants \$ 300.00
- Returned check charge \$ 35.00

❖ Interest Fee

1.5% of the outstanding charge
until payment is made.

❖ Reconnection Fees; late fees

- Reconnection fee
 - First reconnection \$ 150.00
 - Subsequent reconnections within 1 year \$ 200.00
- Late fee 1.5% per month

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BUDGET OVERVIEW



Budget Highlights and Assumptions

The following pages show an overview of the budget highlights and assumptions for revenues, expenditures and capital improvements.

Budget Highlights

Continue to have no reliance on Transfer Tax for Operating Expenses

At the January 14, 2025 Council Meeting, Council recommended that the Town continue to eliminate reliance on Transfer Tax revenue.

	FY25	FY26	FY27	FY28	FY29	FY30
Transfer Taxes projected	\$ 1,000,000	\$ 1,180,000	\$ 1,000,000	\$ 900,000	\$ 800,000	\$ 800,000
Transfers to Trust Funds, detailed below	\$ (1,000,000)	\$ (1,180,000)	\$ (1,000,000)	\$ (900,000)	\$ (800,000)	\$ (800,000)
Allocated to Operations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Projected Transfer Tax collections to be moved from General Fund to the Street Repair & Replacement Trust(SRRTF), Emergency Reserve Trust (ERTF) and Capital Replacement Trust (CRTF) Funds:

	% of Transfer Tax	FY25	FY26	FY27	FY28	FY29	FY30
CRTF (ORD 304)	12.5%	\$ 125,000	\$ 147,500	\$ 125,000	\$ 112,500	\$ 100,000	\$ 100,000
SRRTF (ORD 303)	25.0%	250,000	295,000	250,000	225,000	200,000	200,000
Emergency Reserve Trust Fund (Ord 339)		0	54,589	0	0	0	0
Balance Transfer Tax Collections available		625,000	682,911	625,000	562,500	500,000	500,000
Total deposited to Trust Funds		\$ 1,000,000	\$ 1,180,000	\$ 1,000,000	\$ 900,000	\$ 800,000	\$ 800,000

Summary of Operating Budget

The totals below are revenues and operating expenses only and do not include capital expenditures funded by the General Fund. The shortages must be available from the Unassigned Fund Balance. The operating expenses include street repair and maintenance that is funded by the Street Repair & Replacement Trust, which is also reflected in the revenues. The out-year's fluctuation in expenses is directly related to street repair and maintenance of currently scheduled projects, the 2024 Reserve Study annual contribution and the required 5-year full-town reassessment.

	FY25	FY26	FY27	FY28	FY29	FY30
Revenues	\$ 5,915,245	\$ 6,308,015	\$ 5,965,170	\$ 6,055,760	\$ 6,049,730	\$ 6,272,200
Expenses	(5,870,245)	(6,377,515)	(6,212,939)	(6,293,054)	(6,462,585)	(6,616,022)
Revenue Over (Under) Operating Expense	\$ 45,000	\$ (69,500)	\$ (247,769)	\$ (237,295)	\$ (412,855)	\$ (343,822)

Balanced Budget Objective

The totals below are both operating and capital expenditures. The shortages must be available from the unassigned fund balance. As of the end of FY2024 (April 30, 2024), the Town's unassigned fund balance is \$2,002,043 and is also used for our goal of having at least a minimum of four (4) to six (6) months of projected expenses available.

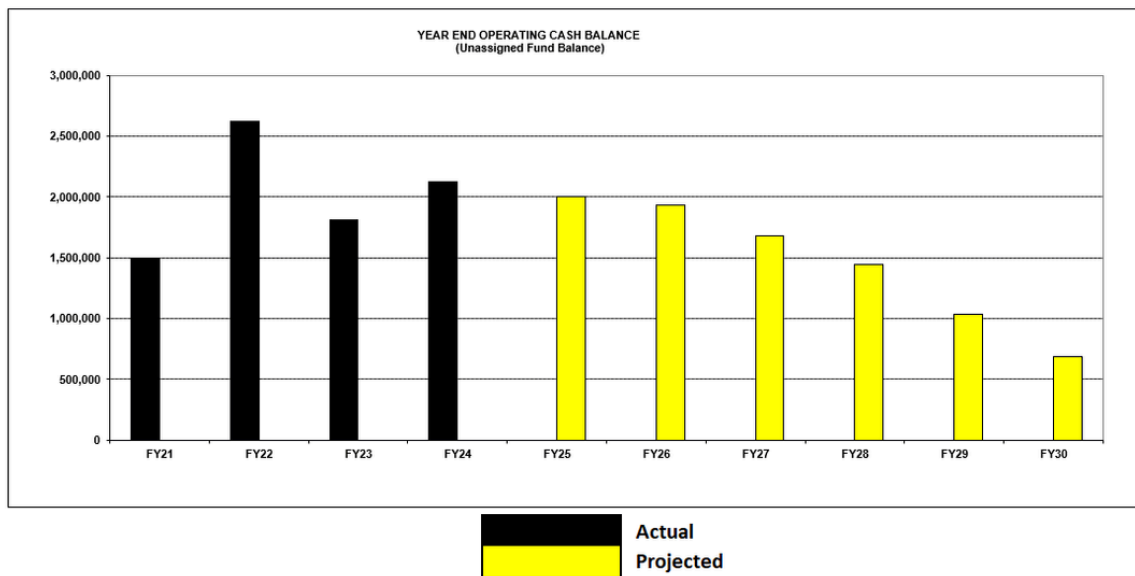
The FY2026 proposed budget assumes the use of \$69,500 from unassigned fund balance for one-time consulting costs (Risk Analysis and OVPD Compensation Analysis).

	FY25	FY26	FY27	FY28	FY29	FY30
Excess Annual Revenue (Expenditures)	\$0	(\$69,500)	(\$247,769)	(\$237,295)	(\$412,855)	(\$343,822)

Fund Balance Objective

The Town's goal is to have a minimum of four (4) to six (6) months of total operating expenses in unassigned fund balance. As noted above, the proposed budget assumes the use of \$69,500 from unassigned fund balance and is included below.

	FY25	FY26	FY27	FY28	FY29	FY30
Goal - 4 to 6 months of Total Operating Budget	\$ 978,374	\$ 992,086	\$ 1,004,657	\$ 1,018,009	\$ 1,046,264	\$ 1,071,837
Projected - from prior fiscal year	\$ 2,002,043	\$ 1,932,543	\$ 1,684,772	\$ 1,447,477	\$ 1,034,622	\$ 690,800
Difference - Excess (Shortfall)	\$ 1,023,669	\$ 940,457	\$ 680,116	\$ 429,468	\$ (11,642)	\$ (381,037)



Assumptions - Revenues

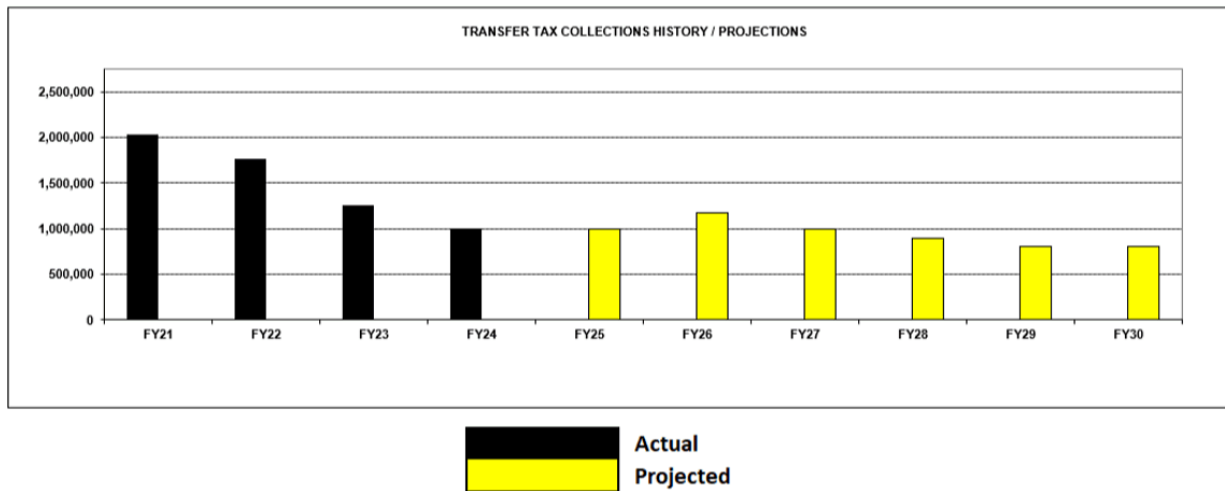
Projected Transfer Tax

For FY 2026, Transfer Tax is increased with the anticipation of new home construction in Silver Woods Community and the Shore Vista Community, which was annexed into Town limits.

With Ocean View reaching a limited opportunity for new property annexation, in future years, the realty transfer tax will be transitioning from mostly the sale of new homes in recent years to the sale of existing homes. With this in mind and the rising interest rates, the realty transfer tax revenue is being decreased in the out-years.

For Fiscal Year 2025, the amount represents revenues budgeted, not projected. As of December 31st, the total Transfer Tax collected is \$908,360 (\$241,717 ahead of our year-to-date target). For FY2026, to meet our \$1,180,000 budgeted goal, we would need to collect \$98,333 monthly.

	FY25	FY26	FY27	FY28	FY29	FY30
Total Amount	\$ 1,000,000	\$ 1,180,000	\$ 1,000,000	\$ 900,000	\$ 800,000	\$ 800,000
Calculated % incr	0.0%	18.0%	-15.3%	-10.0%	-11.1%	0.0%



Projected Property Tax

The tax rate in FY2025 was .2378 per \$100 assessed value. We have proposed a two-cent change to the rate in FY2026 bringing the tax rate to .2578 per \$100 assessed value. The FY2026 property taxes are projected based on the total assessed values updated through 12/31/2024.

One cent is approximately equal to an increase / decrease of \$142,165 in tax revenue.

At the January 14, 2024 Council meeting, Council recommended that the Town continue to grant a 1% discount for early payment of property taxes.

	FY25	FY26	FY27	FY28	FY29	FY30
<i>Tax Rate per \$100 of Assessed Value :</i>	\$ 0.2378	\$ 0.2378	\$ 0.2478	\$ 0.2578	\$ 0.2678	\$ 0.2778
<i>Tax Rate per \$100 of Assessed Value FY25:</i>	\$ 0.2378					
Changes in the Property Tax rate:		0.02	0.01	0.01	0.01	0.01
Impact of additional construction:		0.3%	0.2%	0.00%	0.00%	0.00%
1% Impact of discount	(26,242)	(36,650)	(35,228)	(36,650)	(38,072)	(39,493)
Actual Property Taxes billed - Current FY	\$ 3,284,295					
Projected Property Taxes	\$ 3,367,508	\$ 3,660,730	\$ 3,808,898	\$ 3,951,063	\$ 4,093,227	\$ 4,235,392

Building & Sign Permits, Site Plan Reviews

Permit cost for principal and accessory structures is \$1.50 per square foot.
 Permit cost for open decks and / or patio areas free from an enclosed wall and / or roof is \$1.00 per square foot.

The increase in FY 2026 is in anticipation of site plan reviews and permits for new construction in Silver Woods and Shore Vista Communities.

	FY25	FY26	FY27	FY28	FY29	FY30
Building & Sign Permits, Site Plan Review	\$ 187,000	\$ 267,000	\$ 187,000	\$ 187,000	\$ 187,000	\$ 187,000

Business & Rental Licenses

Projections are based on trends in licenses issued over the past several years. As of July 1, 2020, Realtors were no longer required to have a license.

Effective May 1, 2021, the rental license fee increased from \$75 to \$150.
 Effective May 1, 2023, the business license fee increased from \$150 to \$200.

With more property owners permanently living in Ocean View, Rental License revenue was decreased by 25 licenses in FY 2026.

	FY25	FY26	FY27	FY28	FY29	FY30
Business & Rental Licenses	\$ 212,500	\$ 207,250	\$ 207,250	\$ 207,250	\$ 207,250	\$ 207,250



Gross Rental Receipt Tax

Gross rental receipt tax revenue projections are based on trends in prior year collections. The gross rental receipt tax revenue has increased an average of 19% over the last three (3) fiscal years versus the 24% increase that was seen in FY 2025.

Effective January 1, 2025, the Gross Rental Receipt tax rate is 6% of rental income. To calculate the FY 2026 anticipated revenue, FY 2024 actual rental income was decreased by 4% and then calculated using the 6% tax rate.

	FY25	FY26	FY27	FY28	FY29	FY30
Gross Rental Receipts Tax	\$ 650,000	\$ 774,700	\$ 778,000	\$ 780,000	\$ 780,000	\$ 780,000

**Impact Fees and Emergency Services Enhancement Funding (ESEF)
- collections from new construction permits**

Impact fees are collected with certain building permits (at rate of \$1,936) and are projected based on recent construction activity. For the purposes of the FY 2026 budget, 68 new construction permits are budgeted versus 45 new construction permits that were budgeted in FY 2025.

ESEF fees - \$500 is collected as part of the Impact Fee. The funds are committed to ESEF until approved and distributed. The amount also includes .5% of the construction value of permits issued.

	FY25	FY26	FY27	FY28	FY29	FY30
Impact Fees	\$ 137,120	\$ 181,650	\$ 103,080	\$ 103,080	\$ 88,720	\$ 88,720

CATV Revenue (Mediacom)

Projections are based on collections from Mediacom over the past several years. The current Franchise Cable Agreement expires October 1, 2027. Although we recognize that 27% of cable households are estimated to cut the cord / increase streaming, we do not see that within the Town of Ocean View due to having a large short-term rental community and continue to adjust our estimate to reflect current collections.

	FY25	FY26	FY27	FY28	FY29	FY30
CATV revenue (Mediacom)	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000

Polices Fines & Fees

Projections are based on the level of collections from the court system over the past several years.

	FY25	FY26	FY27	FY28	FY29	FY30
Police Fines & Fees	\$ 30,500	\$ 25,250	\$ 25,250	\$ 25,250	\$ 25,250	\$ 25,250



Interest Earned on Investments

	FY25	FY26	FY27	FY28	FY29	FY30
Interest earned on investments	3.00%	3.00%	2.50%	2.00%	2.00%	2.00%

Grant Income (Intergovernmental Revenue)

Only those grants that can be reasonably estimated and that have been consistently received are included in the budget. As in previous years, staff will be engaged to increase our grant activity.

	FY25	FY26	FY27	FY28	FY29	FY30
County - Local Law Enforcement	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ -
State - Police Pension Grant	\$ 110,000	\$ 110,000	\$ 113,000	\$ 118,000	\$ 123,000	\$ 128,000
State - Municipal Street Aid (MSA)	\$ 130,000	\$ 128,140	\$ 128,140	\$ 130,000	\$ 130,000	\$ 130,000
Federal - COPS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

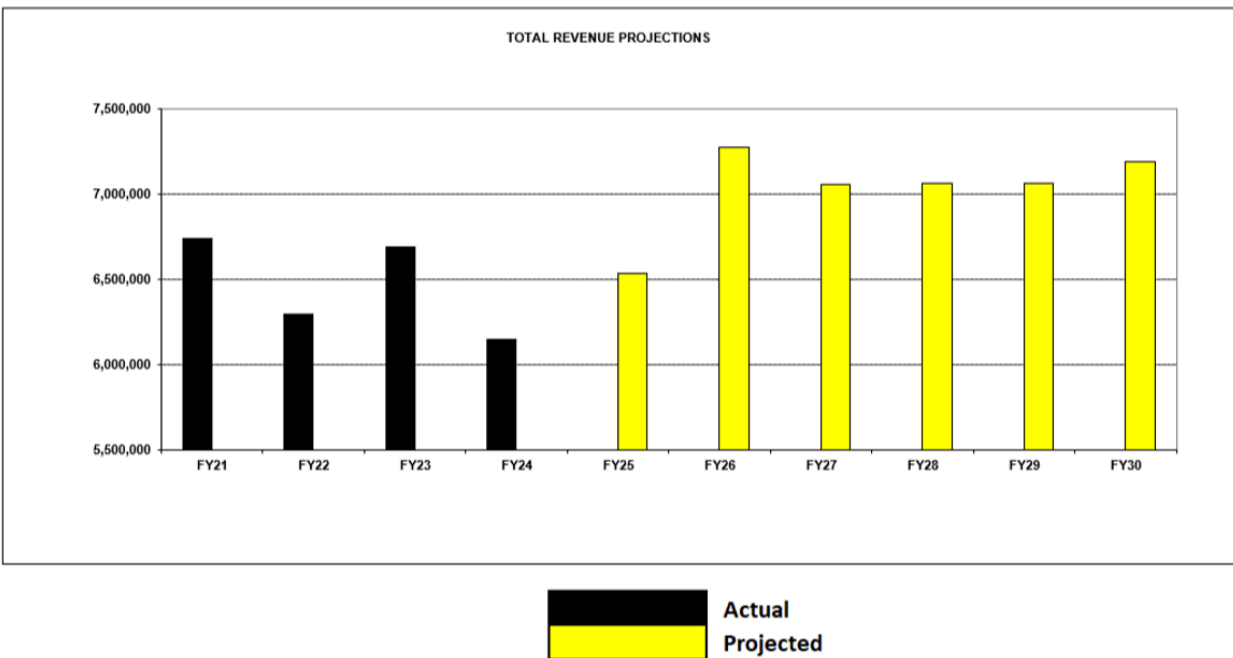
Total Revenue Projections

The Total Revenue Projections are prior to restricted and committed funds have been transferred out from General Fund Revenue.

For FY2025, the amount represents revenues budgeted, not projected.

The downward slope from FY2021 to FY2022 is the reduction of Transfer Taxes with the increase in 2023 reflecting the Town's final ARPA distribution that was anticipated. The increase in FY 2026 is in anticipation of revenues generated from the 2-cent tax rate increase, the 1% increase in the gross rental receipt tax and a slight increase in Transfer Tax.

	FY25	FY26	FY27	FY28	FY29	FY30
Total Revenue	\$ 6,534,220	\$ 7,271,515	\$ 7,056,628	\$ 7,066,392	\$ 7,063,812	\$ 7,192,084
Calculated % increase		11.3%	-3.0%	0.1%	0.0%	1.8%



Assumptions - Expenses

Salary Increases

FY2026 is calculated using the 3% COLA. The December 2024 CPI-U (Mid-Atlantic Region) was 3.315%.

FY2025 is calculated using the 3.901% COLA from the December 2023 CPI-U (Mid-Atlantic Region).

FY2027 to FY2030 are calculated at a straight 3% COLA increase and will be reanalyzed and adjusted based on the December 31 CPI-U (Mid-Atlantic Region).

	FY25	FY26	FY27	FY28	FY29	FY30
% Increase	3.9%	3.0%	3.0%	3.0%	3.0%	3.0%

Overtime

OVPD, DPW and P&Z includes overtime for scheduled events such as Cops & Goblins, Fire & Ice and other Town Community Events.

Public Works overtime was reduced with the budget including two (2) part-time maintenance staff. With the completion of Berzin's Natural Area & Park, we will reevaluate the Department of Public Work's needs in FY2027.

	FY25	FY26	FY27	FY28	FY29	FY30
Police Department	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Public Works	10.0%	5.0%	10.0%	10.0%	10.0%	10.0%
Administration	1.5%	2.25%	2.25%	2.25%	2.25%	2.25%
Planning & Zoning	2.0%	3.0%	3.0%	3.0%	3.0%	3.0%

Employee Insurance Premiums
-Annual Increases

According to the December 2024 Statewide Benefits Office (SBO) Subcommittee, a 4.1% rate increase for FY2026 for active employees and non-Medicare retirees is anticipated. The final decision will be voted on by the State Employee Benefits Committee (SEBC) in March 2025 and communicated in the 2025 Open Enrollment materials.

FY2026 rates: To date we have not received renewal rates for Life / Disability or Dental. Health (Medical, Hospitalization, Vision) will not increase prior to July 1, 2025.

Worker's Compensation rate changes vary depending on the classification of the individual positions and claims filed.

	FY25	FY26	FY27	FY28	FY29	FY30
Medical/Hospitalization/Vision	26.9%	4.1%	5.0%	5.0%	5.0%	5.0%
Life/Disability	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Dental	2.5%	5.0%	5.0%	5.0%	5.0%	5.0%
Workers Compensation	n/a*	5.0%	5.0%	5.0%	5.0%	5.0%

State Pension Plan - Employer Share Cost

FY2026 estimated rates were received from the Office of Pensions in January and have been used to calculate pension expense.

Employer pension contribution for Public Safety increased from 14.98% to 15.20% while the civilian plan rates decreased from 5.7% to 5.48%.

The increase in the Public Safety Pension Plan is primarily caused by the pay in excess of actuarially assumed salary increases. Per the Delaware Office of Management and Budget, this has been normal across most pension plans as employers face recruitment and detainment challenges.

	FY25	FY26	FY27	FY28	FY29	FY30
% Increase	n/a	n/a	2.0%	2.0%	2.0%	2.0%

Comprehensive Land Use Plan
- must be periodically updated as defined in the Delaware Code

The complete plan update which council approved at the February 14, 2017 meeting was not completed in FY2018 due to staffing changes at the consulting company. The CLUP was completed and approved by the State Planning Office in June 2020. The 5-year simple review required in 2025 (FY2026) has been completed with the next full update being required in 2030 (FY2031).



Departmental Operating Budgets
- Non-employee related costs, except business insurance

The departments use incremental-based budgeting, starting with the current budget as a base and line items are adjusted for inflation, growth and other factors. The out-years are increased by the percentages noted below unless specific expenses are known.

	FY25	FY26	FY27	FY28	FY29	FY30
FY2026 - FY2030 increase by	0.0%	0.0%	0.5%	0.5%	0.5%	0.5%
		<i>"incremental based"</i>				

Departmental Operating Budgets - Business Insurance

	FY25	FY26	FY27	FY28	FY29	FY30
FY2026 - FY2030 increase by	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%

Street Repair & Improvements

The Street Repair and Replacement Trust Fund ("SRRTF") - established in January 2009, by Ordinance No. 243 - was created to ensure that adequate funding is provided each year to properly maintain the ~ 26.21 miles of Town-owned streets.

During 2021, an updated paving study of the Town's streets was prepared by Kercher Engineering (as required by the ordinance). The Paving study is represented in the FY2025 and FY2026 budget figures with modifications. An updated paving study is part of the PZ engineering services in the FY2026 proposed budget and will be implemented in the FY2027 operating budget.

The list of planned street rehabilitation projects is below. Originally, the paving projects were planned and budgeted to be completed in FY2025 but have been spread over FY2025, FY2026 and FY2027 following the completion of drainage projects currently part of the Capital Improvement Program.

Street Name	Repair Cost
Demarie Drive	\$ 69,000
Hudson Avenue	\$ 85,000
Wade-Winn Street	\$ 28,000
Total	\$ 182,000

The total budgeted amount needed, including construction management and contingency is \$ 200,000.

Street repair and improvements	FY25	FY26	FY27	FY28	FY29	FY30
	\$ 190,000	\$ 200,000	\$ -	\$ -	\$ -	\$ -

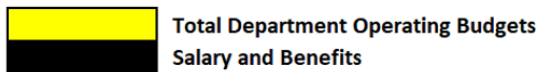
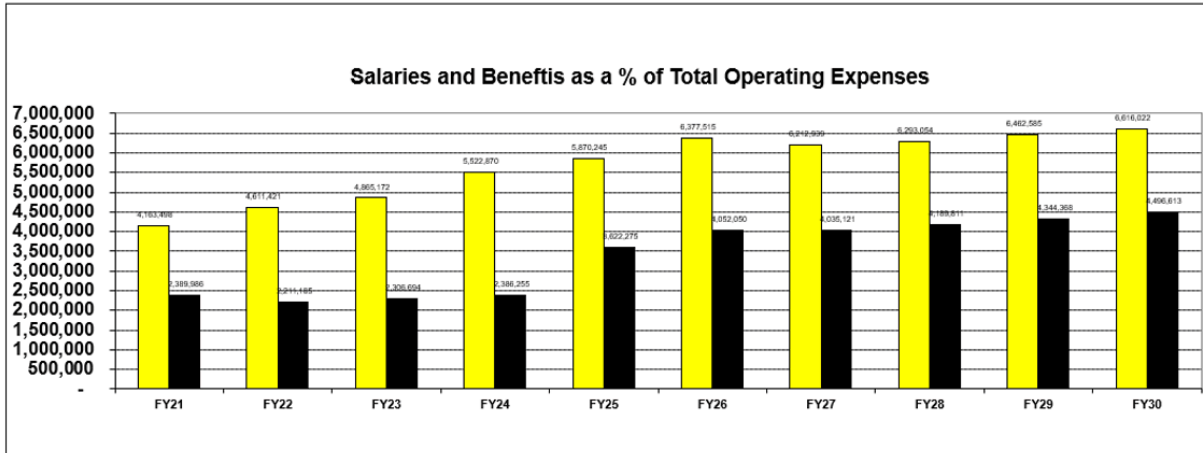


Trends - Projected Growth

Salaries and Benefits as a % of Total Operating Expenses

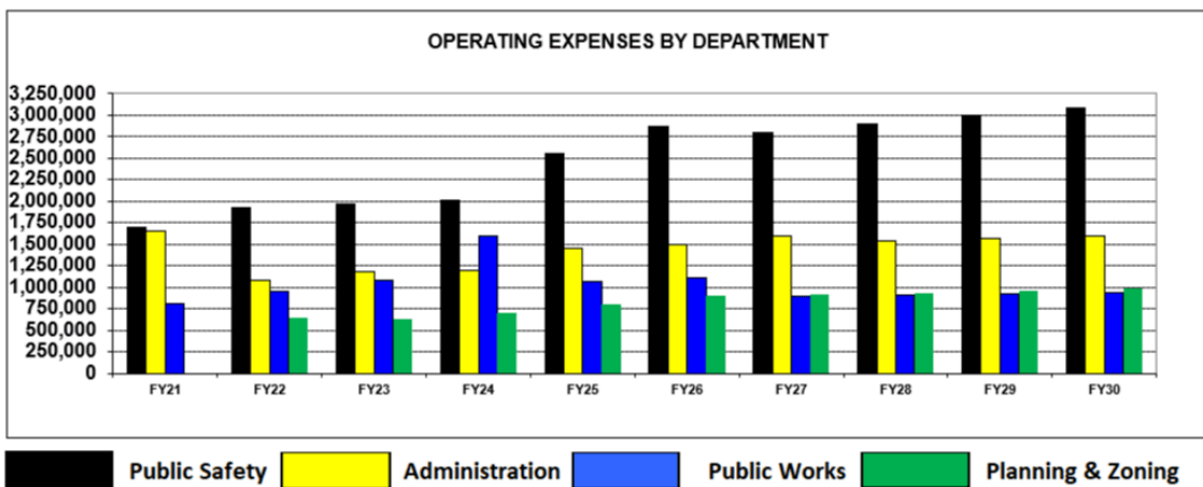
Personnel costs are the major driver of the operating budget.

The FY 2026 increase in personnel costs is a result of the 4.1% budgeted increase in Health Insurance, the across the board \$3K increase given to Sworn Officers to bring the starting salary to \$68K, step increases, sworn and non-sworn COLA of 3%, year one Delaware paid family leave, and contractual salary increases.



Salaries and Benefits calculated as a % of Total Operating Expenses	FY25	FY26	FY27	FY28	FY29	FY30
	62%	64%	65%	67%	67%	68%

Operating Expenses by Department:



Planning & Zoning became it's own department in FY2021 which is reflected by the decrease in Administration with FY22.



Assumptions - Capital Improvements

Drainage

Below is a description, projected timing and our engineer's most recent cost estimates to complete critical drainage issues within the Town.

	FY26	FY27	FY28	FY29	FY30
Woodland Park Drainage Phase 2	\$ -	\$ -	\$ 527,000		
Hunter's Run Pipe Replacement	\$ -	\$ 1,187,000	\$ -	\$ -	\$ -
Eastgate Blvd Pipe Replacement	\$ 184,680	\$ -	\$ -	\$ -	\$ -
Oakwood Ave Drainage Improvements	\$ 240,000	\$ -	\$ -	\$ -	\$ -
Total projected by Fiscal Year	\$ 424,680	\$ 1,187,000	\$ 527,000	\$ -	\$ -

\$ - *not yet included in Budget*

Total Estimated Drainage Project Costs = \$ 2,138,680

Sidewalks - ADA Transition Plan

In accordance with the Americans with Disabilities Act of 1990 (ADA), certain public entities are required to complete a transition plan that addresses pedestrian access routes on the public right-of-way. A detailed 2016 Transition Plan was reviewed and approved by the Town Council at its February 14, 2017 meeting. The FY2026 is based on projects currently being planned.

ADA repairs to sidewalks were moved in FY2019 to the operating budget and are reimbursed by the Street Repair & Replacement Trust Fund.

	FY25	FY26	FY27	FY28	FY29	FY30
Sidewalks - ADA Transitio	\$ 75,000	\$ 90,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000

Police Vehicles

The FY2026 budget assumes no police vehicles will be ordered with one (1) replacement in FY2027, 28, 29 and 30.

The cost is based on the most recent new vehicle acquired and will be purchased with the \$40K from Sussex County as well as \$45K granted by Town Council from the Emergency Services Enhancement Fund (ESEF).

In the near future, administration will analyze if the Town should recommend that replacement vehicles for the police department be included in the Reserve Study and purchased with funds from the Capital Replacement Trust Fund.

	FY25	FY26	FY27	FY28	FY29	FY30
Police Vehicles	\$ 85,000	\$ -	\$ 85,000	\$ 85,000	\$ 85,000	\$ 85,000

Capital Repairs and Replacement

The Capital Replacement Trust Fund ("CRTF") was established in March 2007, by Ordinance No. 213. The CRTF was created to ensure that adequate funding is provided each year to repair and replace the Town's capital assets and improvements.

The April 5, 2019 review of the Town's Reserve Study was prepared by The Whayland Group, LLC and was amended in January 2024 and again in November 2024 adding contingency for one-time expenses. The reserve study identifies out-year costs of known and recurring infrastructure needs. This detail is then used to assist in determining the funding allocated for/sent to the Capital Reserve Trust Fund (CRTF).

The below projected capital expenditures are based on the amended study.

	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Capital repair and replacements	\$ 218,500	\$ 298,960	\$ 18,565	\$ 145,330	\$ 78,225	\$ 713,655

Strategic Plan

The State of Delaware requires that towns participate in comprehensive planning for the purpose of encouraging the most appropriate uses of the physical and fiscal resources of the municipality and the coordination of the municipal growth, development, and infrastructure investment actions with those of other towns, Sussex County and the State. The Town of Ocean View's plan was written to comply with the requirements of a municipal development strategy as described in the Delaware Code for towns with a population greater than 2,000. It is intended to cover a 10-year planning window and be reviewed at least every five years.

The Town Council on Tuesday, March 10, 2020, adopted the Town's 2020 Comprehensive Plan update. **The Plan received a 2020 American Planning Association Small Town Award**, which is presented to an outstanding Comprehensive Plan that addresses the development of a neighborhood, community, county or region. Ocean View's success in receiving this award was its high level of community engagement opportunities provided to get feedback and input, as well as the Town's commitment to the Plan. This accomplishment was followed in November 2021 by the announcement that the **State of Delaware's local chapter of the National Planning Association awarded Ocean View's 2020 Comprehensive Plan update its 2021 Outstanding Planning Project.**

In striving to become a complete community, Ocean View, Delaware, with the support of an involved citizenry, attempted to further define its unique character, by improving connectivity, supporting mixed and efficient uses of land, honoring our history, promoting healthy and engaging environments, focusing on cleanliness and safety and encouraging business diversity and job growth. In short, the future complete Ocean View community will in turn be a place where people desire to live, open a business and be engaged.

The most important considerations identified in the Comprehensive Plan are:

- Exploring strategies for managing growth, both inside and outside of Town boundaries.
- Fostering a stronger sense of community by identifying unique features, encouraging more community events, and possibly acquiring additional community gathering spaces.
- Expanding streetscaping along Route 26 and restricting commercial growth to mainly this corridor.
- Exploring options with other local partners and the state to increase the Town's multi-modal transportation offerings by extending sidewalks/crosswalks/bikelanes and off-road pedestrian corridors throughout Town.
- Examining an array of transportation options to get visitors and residents to the beach safely.
- Protecting invaluable natural and recreational resources and assets such as the Assawoman Canal and Trail.

The Community Vision Statement is based on comments and suggestions received during the public outreach process, as well as deliberation by the Comprehensive Plan Advisory Committee. They developed the following vision:

Ocean View: Embracing our history, managing our growth, and working together to become a complete community.



Achieving the Objectives Outlined in the Strategic Plan

The Town of Ocean View will implement the plan and ensure that current and future projects align with the established objectives and will work closely with the entities and all other organizations that have a community or economic impact on the Town. Future planning efforts will build upon the goals and vision established within the document. Therefore, the Comprehensive Land Use Plan is fully integrated into the Town's current planning initiatives, leading to a long-lasting impact and implementation. Below shows how each the Council, Administration and Departments are striving to achieve the objectives of the Comp Plan.

- (1) The Comprehensive Plan adopted by the Town Council provides long-term objectives;
- (2) Town Administration sets annual goals that align with the long-term objectives adopted by Council; and
- (3) The Town's Departments create goals to meet the objectives of Administration that will assist in achieving the long-term objectives set by the Comp Plan.

The Town has myriad tools at its disposal, such as the Route 26 Design Guidelines, the Historical Society and an active community. Each of the Plan's recommendations has been compiled and labeled as either a 'short-term' or 'long-term' goal and is reviewed periodically. The 2020 Certified Copy of the Comprehensive Plan is located on the Town's website.

Long-Term Objectives

The Comprehensive Land Use Plan (CLUP) outlines 11 long-term objectives which are used to set the annual goals for the upcoming budget year.

The 11 long-term objectives are:

Population and Demographics: Consideration of population projections, future housing and build-out, other demographic characteristics and aging-friendly communities.

Community Character and Design: Community character, history, community events and community design.

Future Land Use: Existing land use, future land use, annexation and zoning.

Environment: Habitat preservation, Forestry grants, Tree City USA, Wetlands Buffer, total maximum daily loads for the Inland Bays Watershed, source water protection, FEMA, hazard mitigation, air quality, and climate change.

Open Space and Recreation: Adhere to the Statewide Comprehensive Outdoor Recreation Plan (SCORP), Town recreation (both active and passive), Assawoman Canal along with Open Space and recreation opportunities.

Historic Resources: Retain the historic district, historic structures, and continued support of the Ocean View Historical Society.

Housing: Occupancy, housing composition, age of structures and future housing.

Community Services and Facilities: Community facilities, public safety and services, along with water and wastewater.

Economic Development: Monitor and assess economic conditions.

Transportation: Roads, traffic trends, bicycle facilities, pedestrian facilities and transit.

Intergovernmental Coordination: Engagement with neighboring communities, Sussex County, and State and Federal departments

Annual Goals

The Town administration sets annual goals that align with the long-term objectives set forth with the adoption of the Comprehensive Land Use Plan by the Town Council and then the Town's Departments create goals to meet the objectives of the Administration that will assist in achieving the long-term objectives set by the plan.

Ocean View's administrative annual goals are as follows:

- (1) Maintain a strong financial position through fiscal discipline
- (2) Provide services for an active, healthy and involved community
- (3) Promote economic development and growth
- (4) Preserve the Town's character and its natural resources
- (5) Maintain the safety of our community for residents, businesses and visitors
- (6) Provide superb customer service for the citizens through the dedicated staff



Annual Goal Relationship to Long-term Objective

Each annual goal is linked to long-term objectives. The relationship between the annual goal set by administration and the long-term objectives outlined in the Comprehensive Land Use Plan (CLUP) are shown below.

Annual Goal	Long-term Objective
<p>Goal 1: Maintain a strong financial position through fiscal discipline.</p>	<ul style="list-style-type: none"> ● Population / Demographics ● Community Character / Design ● Future Land Use ● Environment ● Open Space / Recreation ● Historic Resources ● Housing ● Community Services / Facilities ● Economic Development ● Transportation ● Intergovernmental Coordination
<p>Goal 2: Provide services for an active, healthy, and involved community.</p>	<ul style="list-style-type: none"> ● Population / Demographics ● Future Land Use ● Open Space / Recreation ● Community Services / Facilities ● Intergovernmental Coordination

Annual Goal	Long-term Objective
<p>Goal 3: Promote economic development and growth.</p>	<ul style="list-style-type: none"> ● Population / Demographics ● Community Character / Design ● Economic Development ● Transportation ● Intergovernmental Coordination
<p>Goal 4: Preserve the Town's character and its natural resources.</p>	<ul style="list-style-type: none"> ● Community Character / Design ● Future Land Use ● Open Space / Recreation ● Historic Resources ● Community Services / Facilities ● Transportation ● Intergovernmental Coordination
<p>Goal 5: Maintain the safety of our community for residents, businesses, and visitors.</p>	<ul style="list-style-type: none"> ● Population / Demographics ● Community Character / Design ● Housing ● Community Services / Facilities ● Intergovernmental Coordination
<p>Goal 6: Provide superb customer service for the citizens through the dedicated staff.</p>	<ul style="list-style-type: none"> ● Population / Demographics ● Community Character / Design ● Future Land Use ● Environment ● Open Space / Recreation ● Historic Resources ● Housing ● Community Services / Facilities ● Economic Development ● Transportation ● Intergovernmental Coordination

Short-term Factors

There are many short-term factors that influence the development of a budget. The main factors that influenced the Town's FY2026 budget include inflation, revenue limitations, anticipated increase in Health Insurance Premiums and the Town's 5-year reassessment.

Inflation

Inflation is a concern when developing a budget. The CPI-U which is used to monitor inflation had a 3.315% change from December 31, 2024. The CPI-U Mid Atlantic is used to set the pay scale for the Town Council and Mayor as well as to help determine increases in expenditures that may be needed, such as fuel, construction supplies and utilities.

Inflation is affecting all aspects of the budget including salaries and projects associated with the Capital Improvement Plan. Original estimates of projects are now being reviewed and revised based on current costs.

Revenue Limitations

The Town is seeing pressures from the following revenue limitations:

Transfer tax growth subsiding

As the Town becomes built-out, it will likely see transfer tax at least leveling at \$1 million if not dropping below that threshold. The status of interest rates and the real estate market in general will impact sales.

Impact fee revenue subsiding

As the new construction slows, the Town expects to see impact fees subside as well, which may decrease the amount it can dedicate to emergency service grants absent other revenue subsidies. Currently, the Impact Fee is dedicated to capital grants to Millville Fire Department and to the Town's Police Department for vehicle replacement.

Assessment growth declining

In the last two years, the Town has already seen declining assessment growth. Prior to FY2023, the Town's taxable assessable value grew by at least 4% annually. Since then, growth has declined.

Health Insurance Premiums

The December 2024 update from the Statewide Benefits Office (SBO) subcommittee meeting covered the question of a health plan premium (rate) increase for employees and retirees in Fiscal Year 2026. According to the Financial Update, the SEBC, State Employee Benefits Committee, is not actively considering State health plan premium (rate) increase but to spread future increases over multiple years, consultants presented a possible premium increase of 4.1% in FY2026 for active employees, non-Medicare retirees and Medicare retirees (who retired after July 1, 2012).

According to the December 2024 update, the final decision for FY2026 (Effective July 1, 2025) will be voted on by the SEBC in March 2025 and communicated in 2025 Open Enrollment materials.

The FY2025 budget was adopted with an anticipated 22.8% increase in Health Insurance Premiums (rates). The rate adopted by the SEBC in March 2024 increased 26.9% over FY2024 rates.



Property Reassessment

In 2022, the Town conducted a revaluation of all tax proprieties located in the Town's corporate boundaries in accordance with the Town Charter that requires a reassessment every five years. These new assessed values were used for the Town's Fiscal Year 2023 property tax bills that were mailed in late May 2022. The town had last reassessed properties in 2017 and these values were used for the property tax billings beginning with the fiscal year 2018 property taxes.

The Town contracted with Pearson's Appraisal Services, Inc. to conduct the reassessment. The Town's reassessment was independent and not associated with the reassessment by Sussex County.

As a result of the reassessment, the FY2023 Budget was adopted with the proposed three-cent tax rate reduction. The tax rate per \$100 assessed value decreased from .2678 to .2378 and was reflected in the May 2022 Real Estate tax bill. The tax rate remained the same in FY2024 and FY2025. A two-cent increase is proposed in the FY2026 budget which will bring the tax rate to .2578 per \$100 assessed value.

The next revaluation of all properties located in the Town's corporate boundaries in accordance with the Town Charter is scheduled to be completed by December 2026 (FY2027) for the property tax bills being mailed in May 2027 (FY2028). At that time, the Town will determine if coordinating with Sussex County is in the best interest of the Town and its citizens.

Priorities & Issues

The Town of Ocean View focuses on the following identified issues or priorities, either financial in nature or having an impact on long-range goals. It is our goal to provide adequate services to the residents of Ocean View by continuing to budget conservatively, continuing to eliminate reliance on Transfer Tax and to continue to plan projects that encompass the importance of maintaining a high level of attractions.

Financial Burden

- Continue to fund the Town's pension liability at the actuarial required contribution determined by the State of Delaware Pension Office.
- Maintaining an operating reserve of at minimum two (2) months operating expense with five (5) months being preferred.
- Anticipating future reduction in transfer tax revenue (not relied on for operations but needed to maintain adequate trust fund levels) in relationship to the Town reaching its limit of annexation. This fact impacts our out-year focus by underscoring the importance of maintaining a high level of attraction in relationship to service delivery and livability, including safety, cleanliness, walkability, bike lanes, community events, financial standing, etc. Ocean View will strive to maintain property values and resale interests as it manages this probability.
- Continued planned maintenance of infrastructure including streets, stormwater facilities, buildings, etc.

Long Range Planning

- Completion of sidewalk and bike lane networks which allow for increased walkability / bikeability and less reliance on vehicles.
- Increased open space availability through partnerships with the State of Delaware and other property owners. In FY2023, the Town purchased four (4) acres located on the corner of Muddy Neck and Double Bridges Roads for just this purpose. In FY2024, the Town purchase 8 Oakwood Avenue which is adjacent to John West Park.
- Work to develop an "Arts" focus in our business district that allows Ocean View to stand out in comparison to surrounding communities.
- Continue to support Ocean View's historic past and corridor, including the Historic Village in Ocean View and the Coastal Towns Museum, to increase interest in living or maintaining a business within the Town.
- Employee / Council / Boards and Commission recruitment, retention and succession planning.

Personnel Changes

Over the last three (3) fiscal years, the Town has added staff due to an increase in demand for services provided by the Town and with the addition of the SRO at Lord Baltimore Elementary School, an additional officer was hired in FY2024.

Management discusses succession planning annually and expects that certain key positions may turn over in 2 to 4 years. In order to prepare and separate certain Public Works (DPW) duties from Planning & Zoning (PZ), a DPW Facility Operations Manager was hired in FY2025.

With the State of Delaware's unfunded mandates that local police departments establish a Police Accountability Committee (PAC) and be a State accredited department. The council approved the hiring of a part-time coordinator position to oversee the PAC meetings and assist in the accreditation process.

With the anticipation of the completion of Berzin's Natural & Park Area and to reduce the amount of overtime in Public Works, the addition of two (2) part-time employees to Public Works is proposed in the FY2026 Budget.

Proposed staffing levels (full and part-time by department) are represented in the table below.

Department	FY2023	FY2024	FY2025	FY2026	Reason for Change
Administration					
Full-time Employees	4	4	4	4	No change since FY2021 when F/T Accountant went P/T and a new Accountant was hired.
Part-time Employees	1	1	1	1	
Planning & Zoning (PZ)					
Full-time Employees	5	5	5	5	No change since FY2023 when a Seasonal Code Enforcement Officer (3 days a week between May and October) was hired.
Part-time Employees	1	1	1	1	
Public Safety					
Full-time Employees	14	15	15	15	14 Sworn Officers / 1 Administrative Secretary / 1 PTE Coordinator / 1 Seasonal Front Desk - With the addition of an SRO at Lord Baltimore Elementary School, an additional officer was hired in FY2024. Council approved the hiring of a coordinator to oversee PAC and assist with accreditation in FY2025.
Part-time Employees	1	1	2	2	
Public Works (DPW)					
Full-time Employees	2	2	3	3	To move typical DPW duties from the PZ department, a Facility Operations Manager was hired in FY2025. FY2026 will add 2 P/T staff.
Part-time Employees				2	
	28	29	31	33	

Pay Scale

The Town of Ocean View has two (2) pay scales as seen below. The first represents administrative employees while the second represents sworn officers and includes both full and part-time employees.

For the FY2026 proposed budget, the administrative pay scale was adjusted based on the December 31st CPI-U for the mid-Atlantic region (3.315%) except for contractual employees (Town Manager and Police Chief). Again in FY2026, in order to keep a competitive starting salary, public safety was increased to \$68,000 from \$65,000. The pay scale was adjusted by 4.61%, giving each officer a \$3,000 pay increase.

Below is the pay scales proposed for FY2026 and the number of employees per department by grade:

Pay Scale - Administrative				Department			
	Minimum	Midpoint	Maximum	Adm	PZ	PS	DPW
1	\$ 29,381	\$ 38,195	\$ 47,009				
2	\$ 31,764	\$ 41,293	\$ 50,822				
3	\$ 34,340	\$ 44,642	\$ 54,944			1	2
4	\$ 37,125	\$ 48,263	\$ 59,401				
5	\$ 40,137	\$ 52,178	\$ 64,218		1		1
6	\$ 43,392	\$ 56,410	\$ 69,427				
7	\$ 46,912	\$ 60,985	\$ 75,058		1	2	
8	\$ 50,717	\$ 65,932	\$ 81,146		2		1
9	\$ 54,830	\$ 71,279	\$ 87,728	3			
10	\$ 59,277	\$ 77,061	\$ 94,844		1		
11	\$ 64,085	\$ 83,311	\$ 102,537				
12	\$ 69,283	\$ 90,068	\$ 110,853				1
13	\$ 74,903	\$ 97,374	\$ 119,845	1	1		
14	\$ 80,978	\$ 105,272	\$ 129,565	1			
				5	6	3	5
Pay Scale - Public Safety							
	Minimum	Midpoint	Maximum				
9	68,000	88,400	108,800				
10	73,515	95,570	117,625				
11	79,478	103,322	127,165				
12	85,925	111,702	137,480				
13	92,894	120,762	148,631				
				0	0	14	0
Total Employee Count by Department				5	6	17	5



FUND SUMMARIES



The General Fund accounts for all financial transactions and resources for the Town of Ocean View other than those required to be accounted for in another fund (Water System). Revenues in the General Fund are primarily from taxes (property, realty transfer and gross rental receipts), intergovernmental sources and charges for services.

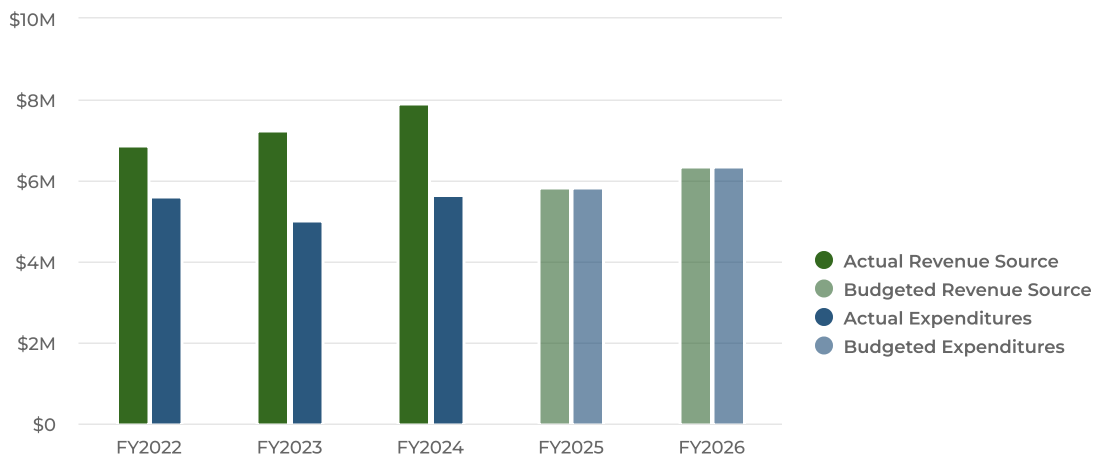
 **General Fund**

The General Fund includes the Town administration, planning, zoning & development, public safety and public works, including capital expense funding for the nonproprietary fund (non-water projects), such as improvements to Town buildings, equipment and vehicles, public works equipment and projects, community events and John West Park improvements.

Summary

The Town of Ocean View is projecting \$7,202,015 of revenue in FY2026 prior to transfers to the Town's trusts, which represents an 11.3% increase over the prior year (\$6,534,220). Budgeted expenditures are projected to increase by 8.6% or from \$5,870,245 in FY2025 to \$6,377,515 in FY2026.

The above totals are revenues and operating expenses only and do not include capital expenditures funded by the General Fund or the transfer to / from the Trust accounts. The shortages must be available from the unassigned fund balance. The operating expenses include Street Repair and Maintenance, which is funded by the Street Repair and Replacement Trust fund (SRRTF).



Revenues by Source

Taxes are the largest revenue source for the General Fund. Taxes include property taxes, realty transfer taxes and gross rental receipts tax. Property tax is the largest of these three revenue sources.

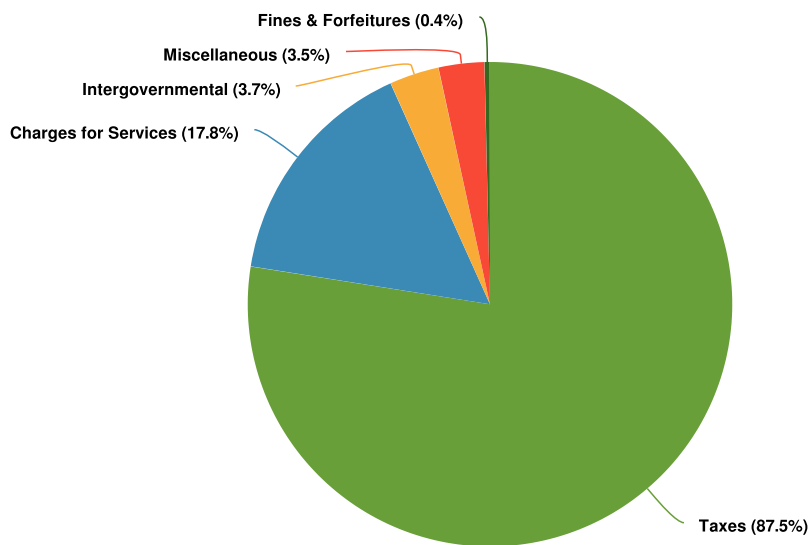
Property assessments continue to increase due to additional improvements and new construction added to the tax roll. Property tax assessments for FY2023 increased 24% over FY2022 due to the required town-wide 5-year reassessment. The FY2023 budget included a three-cent decrease in the property tax rate.

A two-cent increase to the tax rate is being proposed in FY2026, taking the tax rate from .2378 per \$100 assessed valuation as set in FY2023 to .2578 per \$100 assessed valuation.

Realty transfer tax continues to be a restricted revenue for FY2026, giving no support to the general operations of the Town. Realty transfer tax is restricted to the Capital Replacement Trust (CRTF), Street Repair and Replacement Trust (SRRTF) and the Emergency Reserve Trust (ERTF).

Gross rental receipt tax has shown an average increase of 19% over the past three (3) years, compared to 24% last fiscal year, and is continuing that trend in FY2025. The gross rental tax rate increased from 5% to 6% in calendar year 2025.

Projected 2026 Revenues by Source



For Fiscal Year 2026, the following revenues are transferred out of the General Fund and shown below under Other Revenue Sources:

- Transfer Tax to CRTF, SRRTF and ERTF in the amount of \$1,180,000
- Impact Fees to ESEF in the amount of \$84,000

For Fiscal Year 2026, the following revenues are transferred to the General Fund and shown below as part of Other Revenue Sources:

- Use of Unassigned Fund Balance in the amount of \$69,500 (one-time costs for consulting services).
- Street and Sidewalk Maintenance from SRRTF in the amount of \$290,000
- Grant award from ESEF in the amount of \$80,000 (awarded to Millville VFD annually).

Below is a summary of Revenues by Source
The Revenue Detail by line item for each Revenue Source can be found in Section 3, Funding Sources.

Name	FY2024 Actual	FY2025 Budgeted	FY2026 Budgeted	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Taxes	\$5,002,037	\$4,967,650	\$5,582,075	12.4%
Intergovernmental	\$1,528,538	\$275,000	\$238,140	-13.4%
Miscellaneous	\$396,378	\$215,450	\$220,500	2.3%
Fines & Forfeitures	\$27,472	\$30,500	\$25,250	-17.2%
Charges for Services	\$957,116	\$381,645	\$1,136,050	197.7%
Other Revenue Sources	\$0	\$0	-\$824,500	N/A
Total:	\$7,911,541	\$5,870,245	\$6,377,515	8.6%

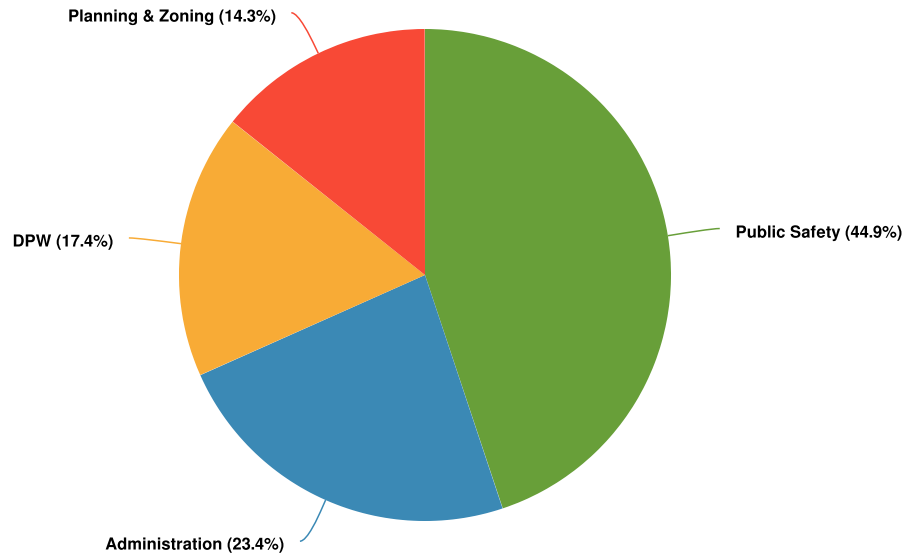


Expenditures by Function

The pie chart below indicates the function (or department) supported by the Town's revenues for the citizens of Ocean View. Public Safety is 44.9% of the town's expenditure. During the year, Public Safety applies for and is awarded many grants which aid in offsetting the expenses associated with overtime and equipment, although these grants are not budgeted.

DPW (Department of Public Works) includes expenses funded from the Street Repair and Replacement Fund for the purposes of sidewalk and street improvements. For FY2026, \$290,000 has been budgeted.

Budgeted Expenditures by Function



Below is a summary of Expenditures by Function (or Department)

The Expenditure Detail by line item for each Department can be found in Section 4, Departments.

Administration (page 110)

Public Safety (page 126)

Planning & Zoning (page 119)

Public Works - (page 134)

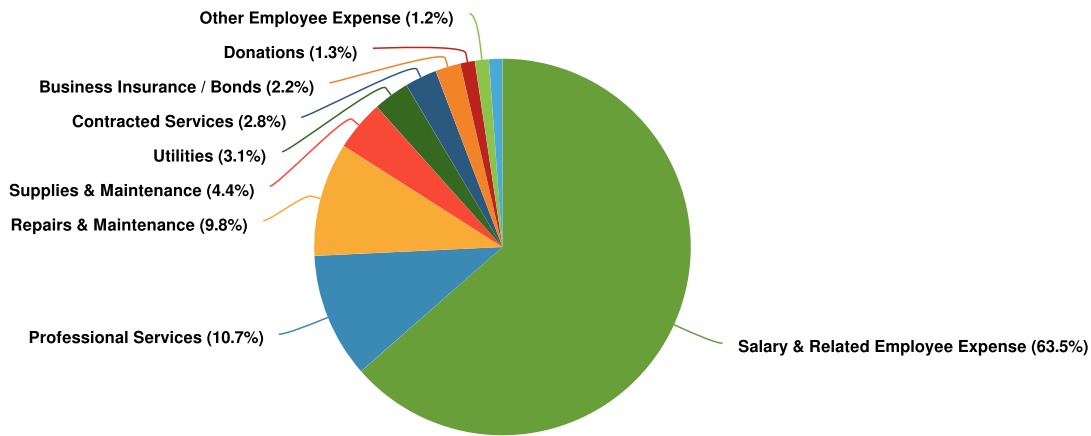
Name	FY2024 Actual	FY2025 Budgeted	FY2026 Budgeted	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Expenditures				
Administration	\$1,218,050	\$1,449,665	\$1,495,400	3.2%
Planning & Zoning	\$701,736	\$802,450	\$910,620	13.5%
Public Safety	\$2,338,506	\$2,550,230	\$2,863,200	12.3%
Public Safety - Grants	\$147,901	\$0	\$0	0%
DPW	\$1,263,580	\$1,067,900	\$1,108,295	3.8%
Total Expenditures:	\$5,669,773	\$5,870,245	\$6,377,515	8.6%



Expenditures by Expense Type

The pie chart below shows the FY2026 expenditures by category. Salaries and related employee expenses are the Town's largest expenditure category at 63.5% or \$4.05 million. Salaries and related employee expenses were \$3.62 million in FY2025. The 11.9% increase over last year is the result of the 3% COLA, The \$3,000 (per sworn officer) increase in public safety starting salary and the increase in 4.1% Health Insurance Premiums (rates) as noted in the Budget Message.

Budgeted Expenditures by Expense Type



Name	FY2024 Actual	FY2025 Budgeted	FY2026 Budgeted	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Expense Objects				
Salary & Related Employee Expense	\$3,224,184	\$3,622,275	\$4,052,050	11.9%
Other Employee Expense	\$66,280	\$81,750	\$76,950	-5.9%
Business Insurance / Bonds	\$141,476	\$138,200	\$137,900	-0.2%
Professional Services	\$555,247	\$561,000	\$683,580	21.9%
Contracted Services	\$116,251	\$179,150	\$176,030	-1.7%
Supplies & Maintenance	\$302,512	\$296,520	\$277,540	-6.4%
Repairs & Maintenance	\$942,389	\$578,100	\$623,200	7.8%
Utilities	\$175,386	\$198,150	\$197,250	-0.5%
Public Relations	\$66,048	\$80,100	\$73,015	-8.8%
Donations	\$80,000	\$135,000	\$80,000	-40.7%
Total Expense Objects:	\$5,669,773	\$5,870,245	\$6,377,515	8.6%

Fund Balance

Funds saved from prior years are represented in the Town's financial statements as Fund Balance. Governmental funds report amounts for five classifications of fund balances based on the constraints imposed on the use of resources.

The **Nonspendable Fund Balance** classification includes the amounts that cannot be spent because they are either (1) not in spendable form such as prepaid items or inventories; or (2) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications:

- **Restricted Fund Balance** - this classification reflects the constraints imposed on resources either (1) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.
- **Committed Fund Balance** - these amounts can only be used for specific purposes pursuant to constraints imposed by formal ordinances or resolution by a majority vote of the Town Council.
- **Assigned Fund Balance** - this classification reflects the amount constrained by the Town's "intent" to be used for specific purposes, but is neither restricted nor committed. The Town Council solely has the authority to specifically assign funds. There were no funds assigned as of the year ending April 30, 2023.
- **Unassigned Fund Balance** - this fund balance is the residual classification for the General Fund. This represents the resources available for future spending.

Financial Summary	FY2022	FY2023	FY2024	% Change
Fund Balance	—	—	—	
Unassigned	\$1,810,287	\$2,128,289	\$2,002,043	-5.9%
Committed	\$1,040,040	\$1,430,634	\$1,708,179	19.4%
Restricted	\$6,790,830	\$5,663,276	\$4,455,675	-21.3%
Nonspendable	\$57,473	\$56,662	\$73,806	30.3%
Total Fund Balance:	\$9,698,630	\$9,278,861	\$8,239,703	-11.2%

Net Change in Fund Balance

Below the Statement of Revenues, Expenditures and Changes in Fund Balance reflects actual net changes in FY2022, FY2023 and FY2024, projected net change in FY2025 and proposed (estimated) net change in FY2026.

REVENUES	ACTUAL			BUDGET	
	FY2022	FY2023	2024	FY2025 (Projected)	FY2026 (Proposed)
Taxes	\$ 5,080,397	\$ 4,979,925	\$ 5,002,037	\$ 4,964,650	\$ 5,582,075
Intergovernmental revenues	640,143	1,018,547	1,528,538	275,000	238,140
Charges for services	1,038,011	972,622	957,116	915,220	1,136,050
Other Revenue	131,280	303,304	423,850	379,350	245,750
Total Revenues	6,889,831	7,274,398	7,911,541	6,534,220	7,202,015
EXPENDITURES					
Current					
General Government (Administration)	1,497,656	1,128,334	1,213,675	1,449,665	1,495,400
Planning and Zoning	613,721	658,369	697,360	802,450	910,620
Public Safety	1,992,076	2,168,209	2,484,418	2,550,230	2,863,200
Public Works	1,539,960	1,179,494	1,263,579	1,067,900	1,108,295
Capital Outlay and Leases	1,776,306	2,559,761	3,291,667	1,995,595	1,623,640
Total Expenditures	7,419,719	7,694,167	8,950,699	7,865,840	8,001,155
Net Change in Fund Balance	(529,888)	(419,769)	(1,039,158)	(1,331,620)	(799,140)
Fund Balance, Beginning of Year	10,228,518	\$ 9,698,630	9,278,861	8,239,703	6,908,083
Fund Balance, End of Year	\$ 9,698,630	\$ 9,278,861	\$ 8,239,703	\$ 6,908,083	\$ 6,108,943



The Town of Ocean View Water Distribution System is a municipal utility that is fully outsourced to the Private water utility Tidewater. It serves approximately 928 properties within the Town. The system is operated for the Town by Tidewater Utilities and water is provided from Tidewater's wells in the Bethany Bay District. Included in the system are fire hydrants located along streets in the Town's service territory. All properties located within the service territory are required to connect to the system.

In addition, the Town has an operations agreement with Tidewater, to provide meter reading and billing on behalf of the Town's water distribution system. Meters are read quarterly and water bills are mailed in January, April, July and October. Payment is due within 30 days of the billing date. An interest fee of 1.5% of the outstanding account balance will be assessed each month until water charges are paid in full.

Summary

After four (4) years of negotiations, the Town signed an APA (Asset Purchase Agreement) in June 2024 with Tidewater Utilities, Inc. for the sale of the Water Distribution System. At the July 2024, Town Council meeting, the Mayor and Council voted unanimously in favor of the sale of the Water Distribution System. Resolution 24-06 was signed into action pending the final approval of the National USDA and the Delaware Public Service Commission. The Town anticipates the sale of the Water Distribution System to be completed during fiscal year 2025.

Although it is expected that the sale will be completed by the end of fiscal year 2025, the Town continued to budget for the Water Distribution System, preparing for any delays in closing or an unexpected event that would cause the sale to be terminated.

The Town of Ocean View is projecting \$653,290 of revenue in FY2025, which represents a 4.6% increase over the prior year. Budgeted expenditures are projected to increase by \$28,790 due to the increase in water usage.

The current water service agreement was effective April 1, 2023, and expires in April 2028. We are currently in Year 3 of the 5-year agreement.

Revenue and cost projections do not include items that are a "wash" from a revenue and cost standpoint that do not necessarily occur on an annual basis - e.g. new installations, utility permits & inspections fees for new constructions and additional services such as temporary shut off / turn on, check of meter accuracy, etc.

Fiscal Year 2026 Projected Revenue

The Water Fund's revenue is budgeted based on the number of accounts provided to the Town by Tidewater Utilities.

The break-down of accounts is seen below:

The "# of acct" is based on October 2024 billing report from TUI / Middlesex Water Company that shows the number of accounts being billed for each account type and meter size.

The quarterly billing rates were established by Ordinance No. 249 and 255 dated May 12, 2009 and September 8, 2009, respectively. At this time, there is no rate increase proposed for FY2026.

	Rate	# of accts	Total
Quarterly Facilities Charges:			
<u>Improved - metered lots</u>			
5/8 " meters	\$ 107.66	831	\$ 89,465
1 " meters	172.78	8	1,382
1 1/2 " meters	303.00	2	606
2 " meters	463.26	9	4,169
3" meters	885.20	1	885
<u>Unimproved lots</u>	97.66	117	11,426
Quarterly Water Facilities Charges	-	968	107,934
<u>6" fire service lines</u>	\$ 1,600.00	2	3,200
Quarterly Facilities Charges	Total Per Quarter		\$ 111,134
Annualized Facilities Charges			Annual \$ 444,538

Revenues by Source

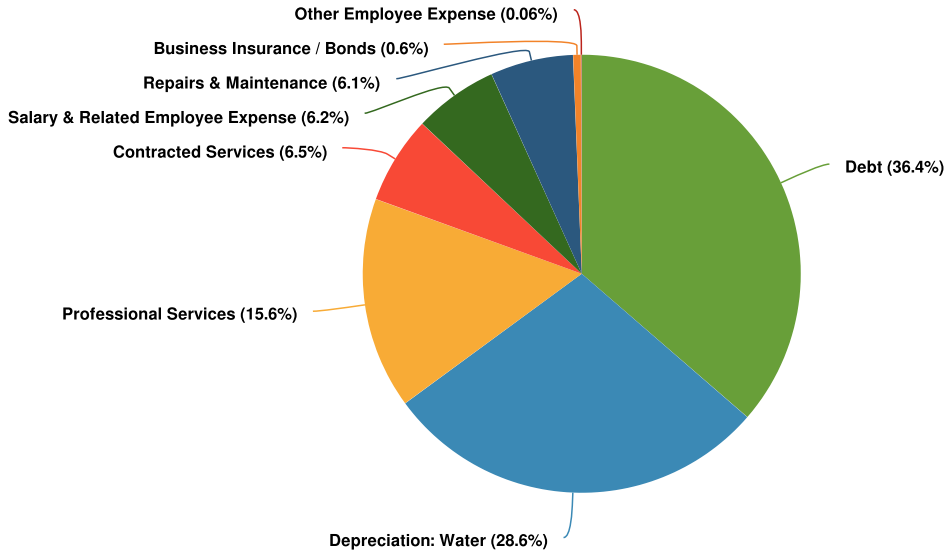
Name	FY2022 Actual	FY2023 Actual	FY2024 Actual	FY2025 Budgeted	FY2026 Budgeted	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Revenue Source						
Water Revenues						
Water Facility & Use Charges	\$575,732	\$594,448	\$614,353	\$594,300	\$614,540	3.4%
Water Permits	\$2,500	\$2,700	\$600	\$1,000	\$200	-80%
Water Connections	\$48,550	\$52,500	\$10,700	\$15,200	\$2,800	-81.6%
Water Inspections	\$3,125	\$3,375	\$750	\$1,000	\$250	-75%
Miscellaneous	\$124	\$549	\$782	\$500	\$500	0%
Reimbursement of Current Yr Expense	\$5,766	\$2,864	\$1,605	\$0	\$0	0%
Legal Fees Billed	\$800	\$199	\$750	\$0	\$0	0%
Credit Card Conv Fee: Water	\$4		\$23	\$0	\$0	0%
Interest Earned - Unrestricted	\$355	\$12,735	\$34,532	\$12,500	\$35,000	180%
Total Water Revenues:	\$636,956	\$669,370	\$664,096	\$624,500	\$653,290	4.6%
Total Revenue Source:	\$636,956	\$669,370	\$664,096	\$624,500	\$653,290	4.6%



Expenditures by Expense Type

The Water Fund's largest expense is the Debt Service, followed by the purchase of water from Tidewater Utilities.

Budgeted Expenditures by Expense Type



Projected personnel costs are based on the FY2026 proposed salaries and benefits.

Contracted Services is the Tidewater Utilities operation and maintenance rate from the Water Service Agreement, which includes ongoing services such as water testing, hydrant maintenance, flushing of mains, meter inspections, valve "exercising", etc.

Name	FY2022 Actual	FY2023 Actual	FY2024 Actual	FY2025 Budgeted	FY2026 Budgeted	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Expense Objects						
Salary & Related Employee Expense	\$35,743	\$49,483	\$51,151	\$89,000	\$40,650	-54.3%
Other Employee Expense	\$250	\$350	\$350	\$350	\$375	7.1%
Business Insurance / Bonds	\$0	\$3,360	\$3,530	\$3,700	\$3,700	0%
Professional Services	\$48,096	\$69,228	\$136,890	\$49,330	\$101,990	106.8%
Contracted Services	\$34,068	\$33,536	\$41,341	\$40,360	\$42,375	5%
Repairs & Maintenance	\$77,400	\$55,983	\$36,879	\$51,300	\$40,040	-21.9%
Utilities	\$94	-\$297		\$0	\$0	0%
Capital Purchase: Water	\$148,930	\$148,930	\$148,930	\$0	\$0	0%
Depreciation: Water	\$142,796	\$154,368	\$159,513	\$154,500	\$186,575	20.8%
Debt	\$238,421	\$238,524	\$238,377	\$235,960	\$237,585	0.7%
Total Expense Objects:	\$725,798	\$753,464	\$816,961	\$624,500	\$653,290	4.6%



Net Position

Below the Statement of Revenues, Expenditures and Changes in Net Position reflects actual net changes in FY2022, FY2023 and FY2024, projected net change in FY2025 and proposed (estimated) net change in FY2026 for the proprietary fund, Water System.

Note that the FY2022 Beginning Net Position was restated due to the change in the capitalization of CPCN's (Certificate of Public Convenience and Necessity) as associated with the Town Water Utility.

	ACTUAL			BUDGET	
	FY22	FY23	FY24	FY25 (Projected)	FY26 (Proposed)
OPERATING REVENUES					
Charges for services	575,732	594,448	614,353	594,300	614,540
OPERATING EXPENSES					
Advertising	-	1,581	740	1,500	1,500
Bank fees	127	945	89	3,000	2,000
Depreciation	148,930	148,930	148,930	148,930	148,930
Dues & subscriptions	250	350	350	350	375
Insurance expense - allocated	-	3,360	3,530	3,700	3,700
Meter reading charges - TUI billing	32,100	33,064	34,716	36,450	38,280
Miscellaneous	1,578	1,662	1,967	-	-
Miss Utility charges	-	-	-	-	-
Payroll wages, taxes & benefits - allocated	35,743	49,483	51,151	89,000	40,650
Professional fees & water inspections	15,996	32,162	102,174	12,880	63,710
Repairs & maintenance	77,400	55,983	36,876	51,300	41,040
Water charges - treated water from TUI	141,090	150,181	156,718	150,000	182,075
Water Service Agreement - TUI billing	34,068	37,538	41,341	40,360	42,375
TOTAL OPERATING EXPENSES	487,282	515,239	578,582	537,470	564,635
OPERATING INCOME	88,450	79,209	35,771	56,830	49,905
NON-OPERATING REVENUES (EXPENSES)					
Connection & inspection fees	54,175	58,575	12,050	17,200	3,250
Interest income	355	12,735	34,532	12,500	35,000
Miscellaneous income (expense)	6,789	3,909	3,161	500	500
Interest expense	(143,421)	(138,524)	(133,377)	(125,960)	(122,585)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(82,102)	(63,305)	(83,634)	(95,760)	(83,835)
CHANGE IN NET POSITION	6,348	15,904	(47,863)	(38,930)	(33,930)
CAPITAL CONTRIBUTIONS					
TOTAL NET POSITION - BEGINNING	1,643,877	1,650,225	1,666,129	1,618,266	1,579,336
TOTAL NET POSITION - ENDING	1,650,225	1,666,129	1,618,266	1,579,336	1,545,406

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FUNDING SOURCES

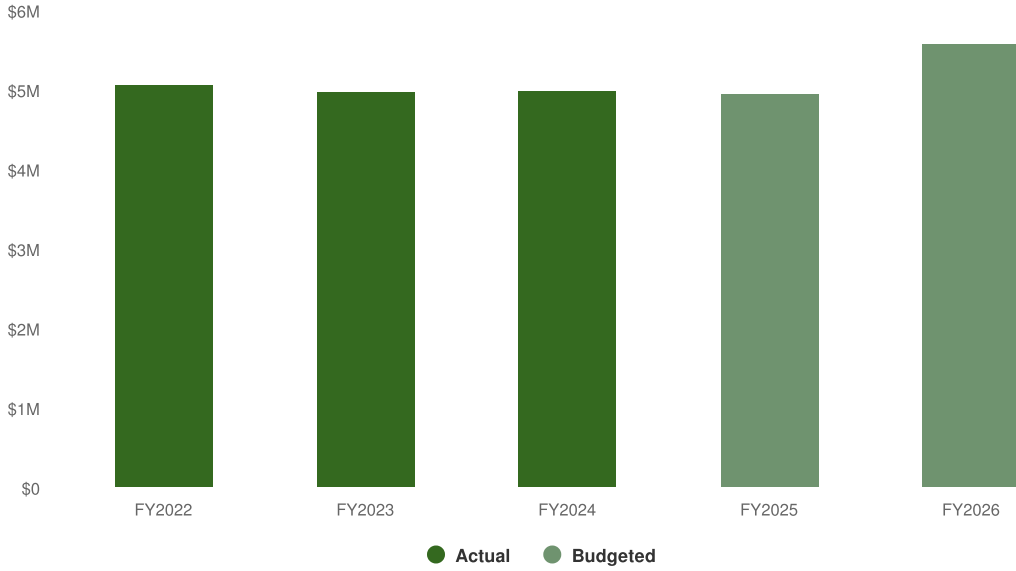


Taxes Summary

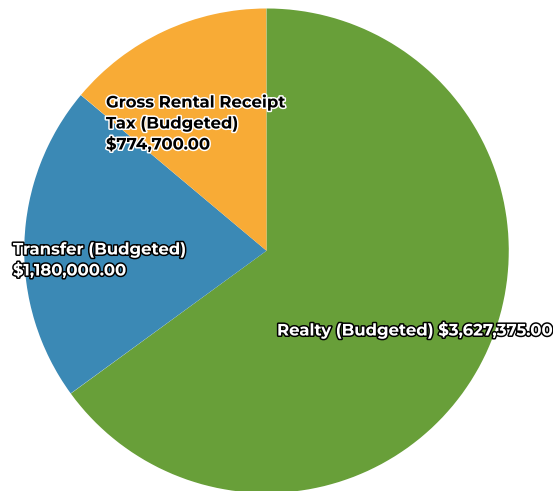
Taxes include property taxes, realty transfer taxes and gross rental receipts tax. All of which are General Fund Revenue.

\$5,582,075
\$614,425
(12.37% vs. prior year)

Taxes Proposed and Historical Budget vs. Actual



Tax Revenue by Source



Revenues by Source

Name	FY2024 Actual	FY2025 Budgeted	FY2026 Budgeted	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Revenue Source				
Taxes				
Realty				
Property Taxes Billed	\$3,222,505	\$3,347,940	\$3,660,730	9.3%
Late Penalties - Taxes	\$3,655	\$3,000	\$3,295	9.8%
Discount	-\$27,772	-\$33,290	-\$36,650	10.1%
Total Realty:	\$3,198,388	\$3,317,650	\$3,627,375	9.3%
Transfer				
Transfer Taxes				
Transfer Taxes	\$1,134,700	\$1,000,000	\$1,180,000	18%
Total Transfer Taxes:	\$1,134,700	\$1,000,000	\$1,180,000	18%
Total Transfer:	\$1,134,700	\$1,000,000	\$1,180,000	18%
Gross Rental Receipt Tax				
Gross Rental Receipt Taxes				
Gross Rental Receipt Taxes	\$668,950	\$650,000	\$774,700	19.2%
Total Gross Rental Receipt Taxes:	\$668,950	\$650,000	\$774,700	19.2%
Total Gross Rental Receipt Tax:	\$668,950	\$650,000	\$774,700	19.2%
Total Taxes:	\$5,002,037	\$4,967,650	\$5,582,075	12.4%
Total Revenue Source:	\$5,002,037	\$4,967,650	\$5,582,075	12.4%

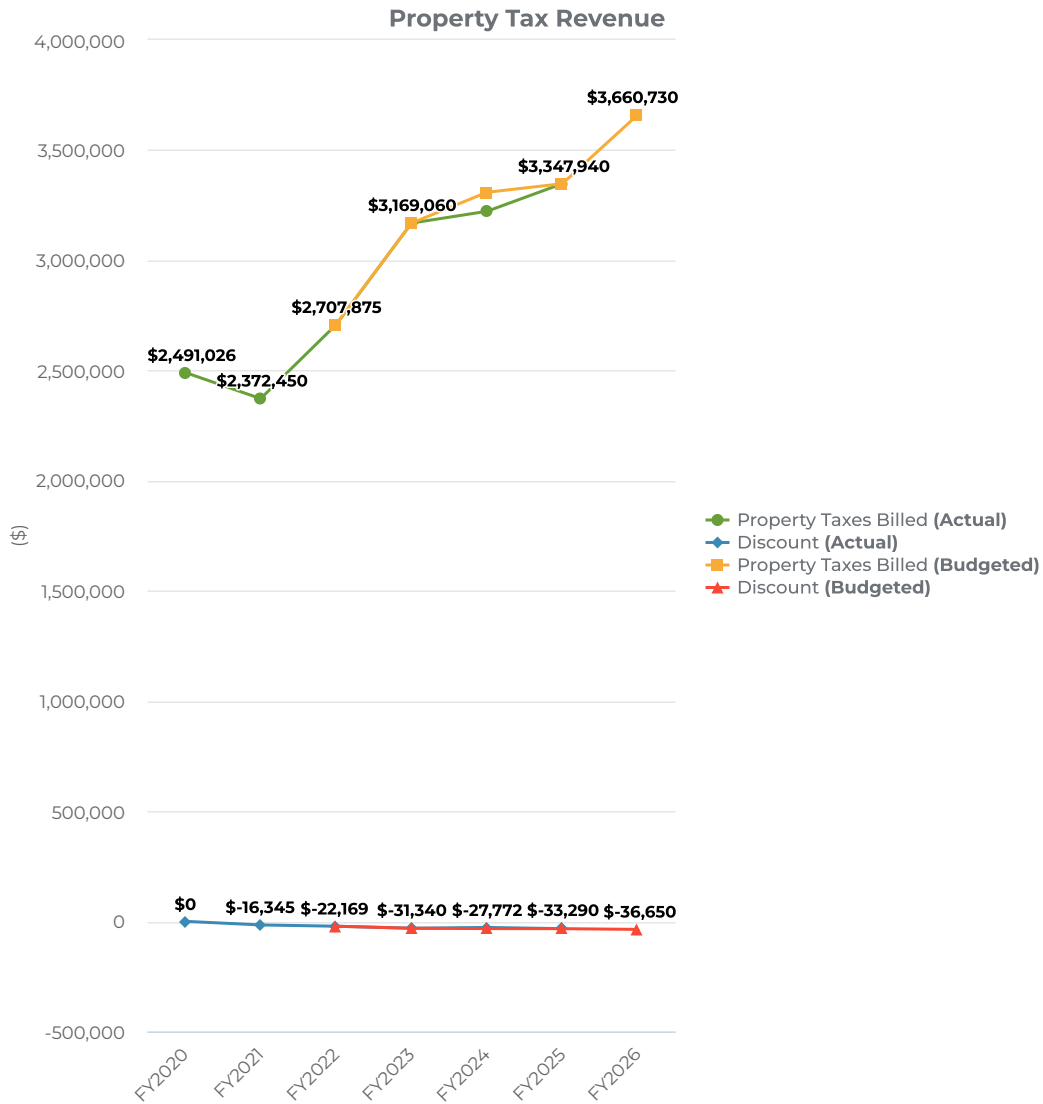


Property Tax Revenue

The tax rate in FY2025 was .2378 per \$100 assessed value. A two-cent increase to the tax rate is being proposed in FY2026. The FY2026 property taxes are projected based on the total assessed values updated through 12/31/2024.

One cent is approximately equal to an increase / decrease of \$142,165 in tax revenue.

At the January 11, 2025, Council meeting, the Council recommended that the Town continue to grant a 1% discount for early payment of property taxes or \$36,650.



Historical Chart of Tax Rates

The tax rate is per \$100 of assessed valuation.

The years in red notate the full Town 5-year reassessment as required by Town Charter.

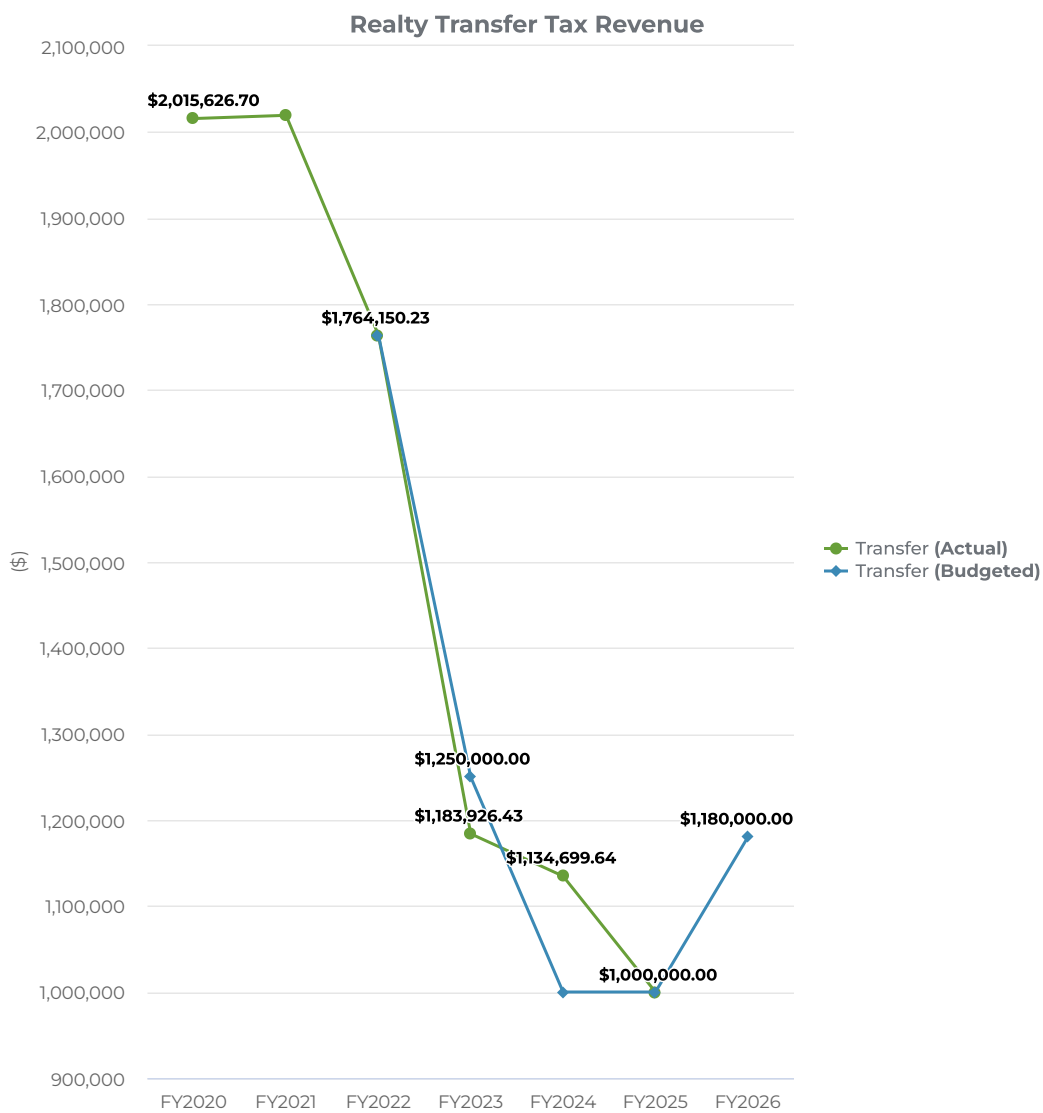
2012-2013	\$	0.1588	0.0352
2013-2014	\$	0.1588	0.0000
2014-2015	\$	0.1620	0.0032
2015-2016	\$	0.1652	0.0032
2016-2017	\$	0.1652	0.0000
2017-2018	\$	0.1652	0.0000
2018-2019	\$	0.2478	0.0826
2019-2020	\$	0.2478	0.0000
2020-2021	\$	0.2478	0.0000
2021-2022	\$	0.2678	0.0200
2022-2023	\$	0.2378	(0.0300)
2023-2024	\$	0.2378	0.0000
2024-2025	\$	0.2378	0.0000
<i>Proposed</i>			
2025-2026	\$	0.2578	0.0200

Realty Transfer Tax Revenue

Realty Transfer Tax are restricted and fund the Capital Replacement Trust (CRTF), Street Repair & Replacement Trust (SRRTF) and the Emergency Reserve Trust (ERTF)

At the January 9, 2024 Council meeting, Council recommended that the Town continue to eliminate reliance on transfer tax. The CRTF (ordinance 304) is funded with 12.5% of the collected transfer tax, the SRRTF (ordinance 303) is funded with 25% of the transfer tax and the ERTF (ordinance 339) is funded with transfer tax with the balance to be maintained at 20% of the annual operating budget.

With the Town reaching its limit of annexation, the realty transfer tax will be transitioning from mostly the sale of new homes to the sale of existing homes which with rising interest rates has started to stall. With this in mind, the realty transfer tax revenue is being maintained at the same level as last fiscal year as shown in the below chart.

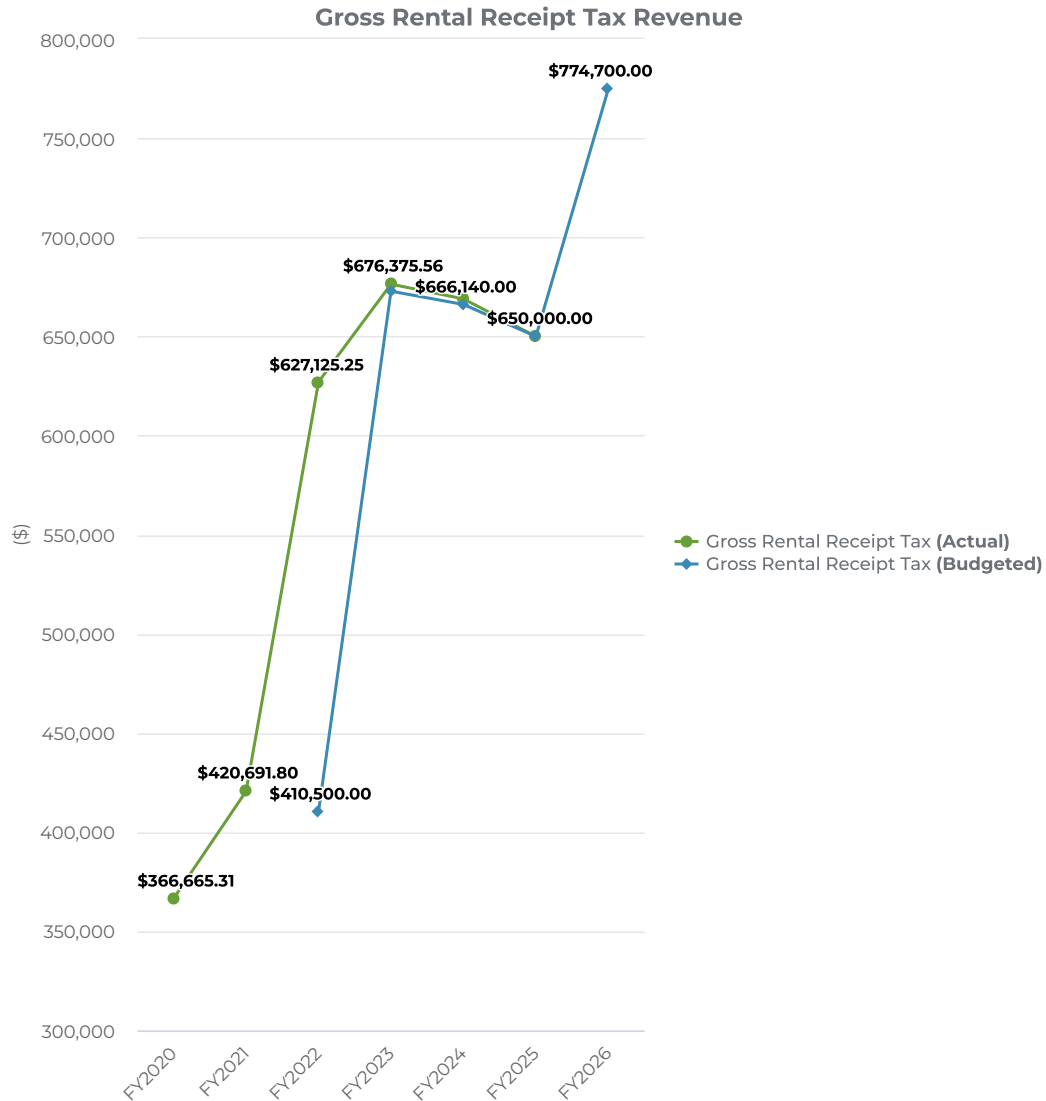


Gross Rental Receipt Tax Revenue

Gross rental receipt tax revenue projections are based on trends in prior year collections. The gross rental receipt tax has shown an average increase of 19% over the past three (3) years, compared to 24% last fiscal year, and is continuing that trend in FY2025.

The gross rental tax rate increased from 5% to 6% in calendar year 2025.

For fiscal year 2026, we have budgeted \$774,750.



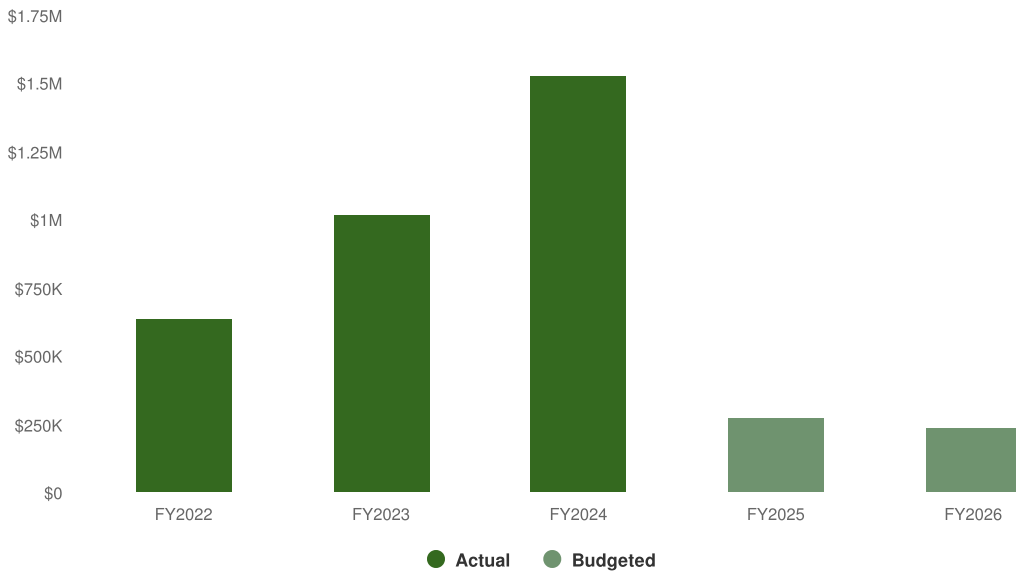
Intergovernmental Summary

Intergovernmental revenue is made up of monies from other governmental agencies, including grantor for general financial support. The town budgets for only those grants that can be reasonably estimated and that have been consistently received. Other grants, that are non-budgeted, are applied for and awarded during the fiscal year to offset Police Department overtime, training, and supplies.

The significant increases in fiscal years 2022 and 2023 are the two (2) installments of the American Recovery Plan (ARPA) grant in the amount of \$591,170 each and \$288,253 from Sussex County (excess Transfer Tax).

\$238,140 **-\$36,860**
(-13.40% vs. prior year)

Intergovernmental Proposed and Historical Budget vs. Actual



Intergovernmental Revenue by Category

Grants that are applied for by the Police Department on an annual basis are not budgeted as shown below.

FY2024 was the final year of the 36 month (3-year) COPS (Community Oriented Policing Services) grant.

Name	FY2024 Actual	FY2025 Budgeted	FY2026 Budgeted	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
General Fund				
Intergovernmental				
Grant Proceeds G&A	\$601,167	\$0	\$0	0%
TAP Grant Proceeds G&A	\$485,656	\$0	\$0	0%
State Pension Funding PD	\$98,325	\$110,000	\$110,000	0%
County Revenue Sharing Funds PD	\$35,000	\$35,000	\$0	-100%
Public Safety: Other Grants - COPS	\$27,796	\$0	\$0	0%
SALLE/EDIE Grant Proceeds	\$13,970	\$0	\$0	0%
SLEAF Grant Proceeds	\$31,762	\$0	\$0	0%
OHS Grant Proceeds	\$9,219	\$0	\$0	0%
SLEAF Receipts - Assets Seized	\$57,418	\$0	\$0	0%
CVC Grant Proceeds	\$32,638	\$0	\$0	0%
DEMA Grant Proceeds	\$1,246	\$0	\$0	0%
CJC Grant Proceeds	\$6,300	\$0	\$0	0%
Municipal Street Aid DPW	\$128,043	\$130,000	\$128,140	-1.4%
Total Intergovernmental:	\$1,528,538	\$275,000	\$238,140	-13.4%
Total General Fund:	\$1,528,538	\$275,000	\$238,140	-13.4%

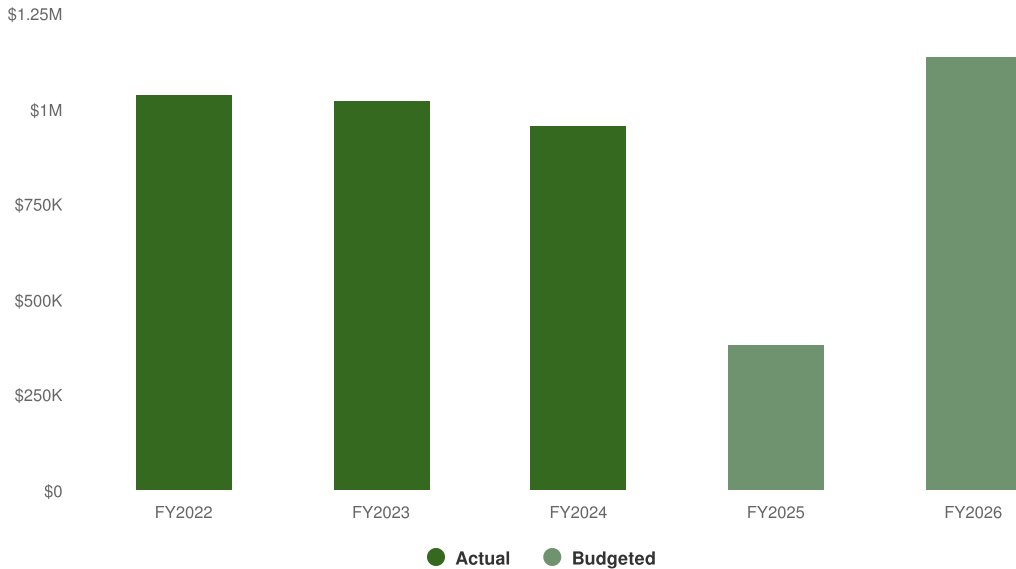
Charges for Services Summary

Charges for Services are collected by the Town of Ocean View. These services include licenses, reimbursable fees and permits or building-related fees.

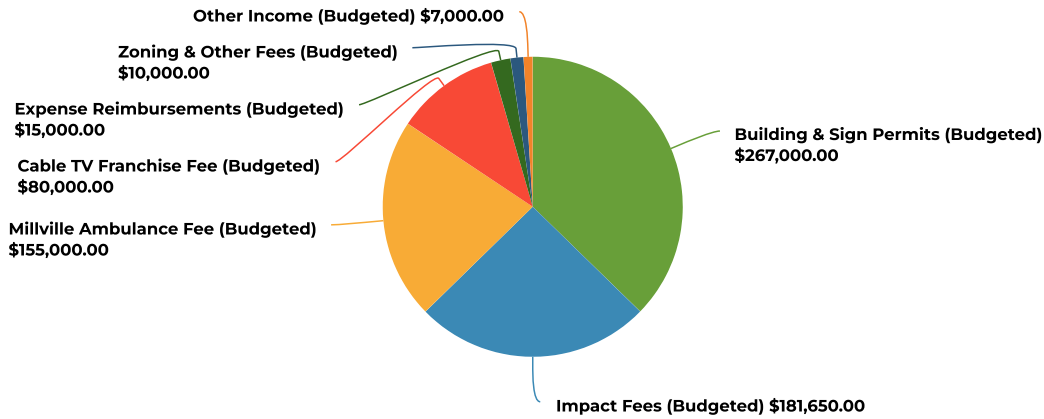
With the Town reaching its limit of annexation, building-related fees will be decreasing as the Town transitions from permits for new home construction to permits for maintenance or improvements of existing homes. With this in mind, we have conservatively budgeted for 68 new home permits in fiscal year 2026, which is an increase over fiscal year 2024 due to anticipating two (2) communities starting to build in FY2025.

\$1,136,050 **\$754,405**
(197.67% vs. prior year)

Charges for Services Proposed and Historical Budget vs. Actual



Charges for Services Revenue



Shown as Charges for Services revenue, the Ambulance Fee is a pass-thru to Millville Volunteer Fire Company. Included on the property tax bill is a separate line item for \$50.00 which represents a discount from the MVFC's usual \$75.00 donation request. This service covers the property owners, occupants, renters, visitors or employees of a business entity on the property identified on the tax bill.

Early in 2016, the Millville Volunteer Fire Company requested the Town of Ocean View to assess a fee of \$35.00 per taxpayer to assist in providing financial support in order to maintain the existing ambulance service and to incorporate a permanent second shift so as to have 24 hour ambulance service availability seven days a week. After much consideration and discussion at public meetings, the Town Council agreed in November 2016 to institute an annual fee of \$35.00 per improved property and businesses within the Town of Ocean View starting with fiscal year 2018 tax billing. The agreement was for a period of three (3) years and extended in February 2020 for an additional three (3) years. At the April 2023 Council meeting, the Town Council agreed to to extend the agreement for a period of three (3) years and to increase the assessed fee to \$50.00 per taxpayer.

Other items such as Professional Reviews and Property Maintenance Violations are for services expensed by the Town and reimbursed by the contractor or property owner. These revenues do not support the Town's operating expenses as well as a portion of the Impact Fee that is transferred to the Emergency Services Enhancement Fund (ESEF).

Charges for Service Revenue by Line Item

NOTE: Beginning with the FY2026 Budget, Transfers to / from General Fund have been moved to Other Revenue Sources from Reimburse Current Year Expense.

Name	FY2024 Actual	FY2025 Budgeted	FY2026 Budgeted	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
General Fund				
Charges for Services				
Building Permits	\$148,452	\$175,000	\$250,000	42.9%
Sign Permit	\$200	\$500	\$500	0%
Impact Fee - New Construction	\$21,540	\$64,620	\$97,650	51.1%
ESEF Impact Fee / Permits	\$76,019	\$72,500	\$84,000	15.9%
Site Plan/Lot Development Fees	\$9,625	\$10,000	\$15,000	50%
Other Fees and Permits	\$1,150	\$1,500	\$1,500	0%
Temporary Business License	\$0	\$3,750	\$2,250	-40%
Business Licenses	\$162,550	\$130,000	\$130,000	0%
Real Estate Sale/Rental Agent License	\$600	\$0	\$0	0%
Rental License	\$92,925	\$78,750	\$75,000	-4.8%
Other License	\$1,050	\$0	\$0	0%
Application & Review Fees	\$10,750	\$10,000	\$10,000	0%
Misc G&A: Cable Franchise Fees	\$84,076	\$80,000	\$80,000	0%
Misc G&A: Refund of Pr Yr Expenses	\$6,206	\$2,000	\$2,000	0%
Misc G&A: Reimb of Current Yr Expense	\$23,235	-\$574,975	\$43,150	-107.5%
Misc G&A: Legal Fees Reimbursed	\$1,750	\$0	\$0	0%
Misc G&A: SCAT Reimbursement	\$38	\$3,000	\$0	-100%
Misc G&A: 10% Admin Fee - Reimb Reviews	\$7,922	\$5,000	\$5,000	0%
Reimbursable Prof Reviews G&A	\$79,224	\$100,000	\$125,000	25%
Prop Maintenance Code Violations G&A	\$6,025	\$5,000	\$5,000	0%
Ambulance Fees - pass thru - MVFCo	\$152,250	\$155,000	\$155,000	0%
Misc PD: Special Duty Officer Fees	\$1,853	\$0	\$0	0%
Misc PD: Reimb Current Yr Expense	\$69,675	\$60,000	\$55,000	-8.3%
Total Charges for Services:	\$957,116	\$381,645	\$1,136,050	197.7%
Total General Fund:	\$957,116	\$381,645	\$1,136,050	197.7%

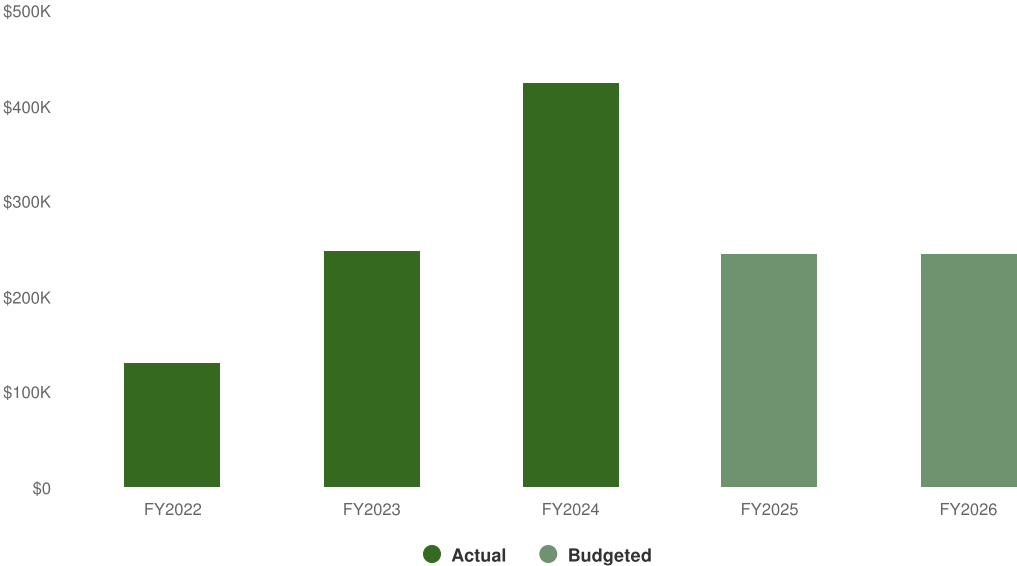


Miscellaneous

Miscellaneous Revenue includes investment earnings, restricted and unrestricted, expense reimbursements, lease payments, sale of assets, police fines & fees along with other income such as donations.

\$245,750 **-\$200**
(-0.08% vs. prior year)

Miscellaneous Proposed and Historical Budget vs. Actual



Revenues by Category

For fiscal year 2026, interest has been conservatively budgeted based on the current year's interest revenue, reflecting increases in all interest categories as shown below. Interest (restricted and unrestricted) collections in the first eight (8) months for FY2026 is \$207,388.

Name	FY2024 Actual	FY2025 Budgeted	FY2026 Budgeted	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Revenue Source				
Miscellaneous				
Investment Earnings	\$355,900	\$181,850	\$185,000	1.7%
Total Investment Earnings:	\$355,900	\$181,850	\$185,000	1.7%
Expense Reimbursements	\$3,500	\$3,500	\$15,000	328.6%
Total Expense Reimbursements:	\$3,500	\$3,500	\$15,000	328.6%
Miscellaneous				
Misc G&A: Lease Pymts/Rental Fees	\$12,240	\$12,600	\$13,500	7.1%
Total Miscellaneous:	\$12,240	\$12,600	\$13,500	7.1%
Sale of Assets	\$11,014	\$12,000	\$0	-100%
Total Sale of Assets:	\$11,014	\$12,000	\$0	-100%
Other Income	\$13,624	\$5,500	\$7,000	27.3%
Total Other Income:	\$13,624	\$5,500	\$7,000	27.3%
Donations	\$100	\$0	\$0	0%
Total Donations:	\$100	\$0	\$0	0%
Total Miscellaneous:	\$396,378	\$215,450	\$220,500	2.3%
Fines & Forfeitures				
Public Safety Fines & Fees				
Misc PD: Report Fees & Other	\$575	\$500	\$250	-50%
Misc PD: Fines	\$26,897	\$30,000	\$25,000	-16.7%
Total Public Safety Fines & Fees:	\$27,472	\$30,500	\$25,250	-17.2%
Total Fines & Forfeitures:	\$27,472	\$30,500	\$25,250	-17.2%
Total Revenue Source:	\$423,850	\$245,950	\$245,750	-0.1%

Other Revenue Sources

For Fiscal Year 2026, the transfers to / from General from the Town's Trusts have been allocated to Other Revenue Sources to be more transparent with the activity within the Trust Funds.

For Fiscal Year 2026, the following revenues are transferred out of the General Fund and shown below under Other Revenue Sources:

- Transfer Tax to CRTF, SRRTF and ERTF in the amount of \$1,180,000
- Impact Fees to ESEF in the amount of \$84,000

For Fiscal Year 2026, the following revenues are transferred to the General Fund and shown below as part of Other Revenue Sources:

- Use of Unassigned Fund Balance in the amount of \$69,500 (one-time costs for consulting services).
- Street and Sidewalk Maintenance from SRRTF in the amount of \$290,000
- Grant award from ESEF in the amount of \$80,000 (awarded to Millville VFD annually).

-\$824,500 **-\$824,500**
(100.00% vs. prior year)

Revenues by Category

Name	FY2024 Actual	FY2025 Budgeted	FY2026 Budgeted	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Revenue Source				
Other Revenue Sources				
Transfers In / Out				
Emergency Reserve Trust Fund	\$0	\$0	-\$54,589	N/A
Street Repair & Replacement Trust Fund	\$0	\$0	-\$687,911	N/A
Capital Reserve Trust Fund	\$0	\$0	-\$147,500	N/A
Emergency Services Enhancement Fund	\$0	\$0	-\$4,000	N/A
General Fund Capital Pay as You Go	\$0	\$0	\$69,500	N/A
Total Transfers In / Out:	\$0	\$0	-\$824,500	N/A
Total Other Revenue Sources:	\$0	\$0	-\$824,500	N/A
Total Revenue Source:	\$0	\$0	-\$824,500	N/A



Recap of Trust Accounts

The Town's trusts are the Capital Replacement Trust (CRTF), Street Repair and Replacement Trust (SRRTF) and the Emergency Reserve Replacement Trust (ERTF).

The recap below is for the the 10-year period ending April 30, 2034, followed by an analysis of each of these trusts.

In FY2025, the Town hired a consulting firm to perform a financial condition assessment and forecast of the Town's financial status and to assist with the development of the Town's Long-term Financial Plan. From diagnosis to treatment options and recommendations will be presented at the February 25th Budget Workshop. With the decline in Transfer Tax, the Town needs to prepare for other alternative funding options for capital programs and infrastructure needs.

Balances shown are as of the end of each Fiscal Year

Fiscal Year	SRRTF	CRTF	ERTF	Projected Totals	
FY24	1,574,189	1,314,223	1,209,434	4,097,846	Actual Balances as of 04/30/2024
FY25	792,759	1,274,794	1,181,568	3,249,121	
FY26	1,207,913	1,129,708	1,275,503	3,613,124	
FY27	(903,165)	1,420,309	1,307,391	1,824,535	
FY28	(1,278,910)	1,592,077	1,340,076	1,653,243	
FY29	(1,067,655)	1,839,491	1,373,578	2,145,414	
FY30	(237,655)	1,443,830	1,407,917	2,614,092	
FY31	504,845	1,256,988	1,443,115	3,204,948	
FY32	1,262,491	1,391,901	1,479,193	4,133,584	
FY33	2,042,865	1,659,693	1,516,173	5,218,731	
FY34	2,066,276	1,930,872	1,554,077	5,551,226	

Legend

SRRTF	Street Repair and Replacement Trust Fund (reflects projects planned)
CRTF	Capital Replacement Trust Fund (Reflects the 2024 Reserve Study)
ERTF	Emergency Reserve Trust Fund (20% of Annual Operation Budget)

Street Repair and Replacement Trust

Balance in SRRTF at April 30, 2024		\$ 1,389,742
Total Restricted for the SRRTF - see pg. 30 audited financial statements		184,447
Add balance in MSA money market account at Fulton Bank		\$ 1,574,189
Total restricted at beginning of FY24 for street and drainage projects =		

	Projected Additions				Projected Expenditures			Balance at end of Fiscal Year
	MSA Grant Receipts	Transfer Tax Deposits		Interest Income	Street Maintenance Costs	Sidewalk Connectivity Costs	Drainage Project Costs	
		Monthly Collections	"Excess" Collections					
	(a)	(b)	(c)	(d)	(e)		\$ 1,574,189	
FY25	128,140	250,000	625,000	92,525	(265,000)	(1,175,595)	\$ (436,500)	792,759
FY26	128,140	295,000	682,911	23,783	(290,000)	-	(424,680)	1,207,913
FY27	128,140	250,000	625,000	36,237	-	(1,963,455)	(1,187,000)	(903,165)
FY28	130,000	225,000	562,500	-	-	(766,245)	(527,000)	(1,278,910)
FY29	130,000	200,000	500,000	-	-	(618,745)	-	(1,067,655)
FY30	130,000	200,000	500,000	-	-	-	-	(237,655)
FY31	130,000	175,000	437,500	-	-	-	-	504,845
FY32	130,000	175,000	437,500	15,145	-	-	-	1,262,491
FY33	130,000	175,000	437,500	37,875	-	-	-	2,042,865
FY34	130,000	175,000	437,500	61,286	-	-	-	2,066,276

As of 12/31/2024, the Trust had a balance of \$1,321,825 with \$745,799 available for use in Fulton Government Interest Money Market, \$94,894 available for use in the Municipal Street Aid account, also a Fulton Government Interest Money Market, and \$481,132 invested with Fulton Cash Reserve Investment Management (CRIM).

As shown above, the Street Repair & Replacement Trust will not be able to fund all the Town's needs starting in FY2027. The Town will need to fund the projects from General Fund through the increase of the property tax rate, unassigned fund balance or find alternative funding options.

NOTES:

(a) Deposits are made each month to the SRRTF based on the level of Transfer Tax collected. Ord. No. 303 (adopted May 14, 2013) provides that the 25% of total transfer taxes collected are to be used to fund the SRRTF.

(b) During the preparation of the FY2017 & FY2018 Budget, Town Council confirmed that the Town should continue to reduce the amount of Transfer Tax collections applied to operations to (i) accumulate additional funds for infrastructure projects and (ii) gradually wean the Town from the use of this tax for operations.

Beginning with FY2019 Town Council confirmed that the Town will remove all reliance on Transfer Tax collections in order to build necessary reserves while the revenue stream is still strong, with the expectation that in the foreseeable future the Town will see a steep decline in these funds.

(c) Interest income is projected based on the beginning of the fiscal year balance.

(d) Projected expenditures are based on studies completed by the Town's Engineer.

(e) Engineer's costs for construction project management (design, bidding process, construction inspections, etc.) are based on studies completed by the Town's Engineer.



Capital Replacement Trust

Balance in CRTF at April 30, 2024
 Total Restricted for the CRTF - see pg. 30 audited financial statements = **\$ 1,314,223**

	Deposits from Transfer Tax	Projected Interest Income	Reserve Study Annual	Projected Capital Repairs Current Yr \$\$	Balance at end of Fiscal Year
	(a)	(b)	(c)	(d) (e)	
FY24					\$ 1,314,223
FY25	125,000	6,571	-	(171,000)	1,274,794
FY26	147,500	6,374	-	(298,960)	1,129,708
FY27	125,000	5,649	178,517	(18,565)	1,420,309
FY28	112,500	7,102	197,496	(145,330)	1,592,077
FY29	100,000	7,960	217,679	(78,225)	1,839,491
FY30	100,000	9,197	208,797	(713,655)	1,443,830
FY31	87,500	7,219	222,687	(504,248)	1,256,988
FY32	87,500	6,285	230,836	(189,708)	1,391,901
FY33	87,500	6,960	239,584	(66,252)	1,659,693
FY34	87,500	8,298	248,448	(73,067)	1,930,872

As of 12/31/2024, the Trust had a balance of \$1,270,950 with \$917,743 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.

NOTES:

(a) Deposits are made each month to the CRTF based on the level of Transfer Tax collected. Ordinance No. 304 adopted effective May 14, 2013, provides that 12.5% of total transfer tax collections are to be used to fund the CRTF.

(b) Interest income is projected based on the beginning of the fiscal year balance.

(c) With the 2024 Reserve Study, the Town will start making annual contributions from the General Fund. Previously, the deposits from Transfer Tax covered the annual contribution amount as stated in the Reserve Study. The General Fund will contribute the amount above the deposits from transfer tax receipts and projected interest income.

(d) Projected Capital Expenditures are based on the January 30, 2024, review of the Town's capital assets titled "Reserve Study" prepared by Bob Wheatley of The Whayland Group, LLC. The expenditures projected by Mr. Wheatley in this study have been inflated at the rate of 3% per year.

It should be noted that the timing of certain projects included in the approved study have been adjusted in the Capital Improvement Budget. Some projects have been accelerated, while others have been delayed because repair and/or replacement is not deemed necessary as of the current budget year.

(e) Note that effective with the FY19 budget, the expenditure of CRTF fund changed from being limited to those cases when the repair or replacement cost exceeds \$1,500 to costs exceeding \$2,500.



Emergency Reserve Trust

Balance in ERTF at April 30, 2024

Total Restricted for the ERTF - see pg. 30 audited financial statements = \$ 1,209,434

	Deposits from Transfer Tax Receipts	Projected Interest Income	Budgeted Expenditures	Balance at end of Fiscal Year	Budgeted or Proposed Operating Expenses	Required 20% of budgeted or Proposed Expenses
	<i>(a)</i>	<i>(b)</i>		<i>(c)</i>	<i>(d)</i>	<i>(e)</i>
FY24	-	-	-	\$ 1,209,434	5,522,870	1,104,574
FY25	-	40,274	(68,140)	1,181,568	5,870,245	1,174,049
FY26	54,589	39,346	-	1,275,503	6,377,515	1,275,503
FY27	-	31,888	-	1,307,391	6,212,939	1,242,588
FY28	-	32,685	-	1,340,076	6,293,054	1,258,611
FY29	-	33,502	-	1,373,578	6,462,585	1,292,517
FY30	-	34,339	-	1,407,917	6,616,022	1,323,204
FY31	-	35,198	-	1,443,115	-	-
FY32	-	36,078	-	1,479,193	-	-
FY33	-	36,980	-	1,516,173	-	-
FY34	-	37,904	-	1,554,077	-	-

The Emergency Reserve Trust is funded over 20% of the FY24 Operating Budget due to the increase in interest rates over the past 12 months.

As of 12/31/2024, the Trust had a balance of \$1,238,168 with \$910,625 available for use in Fulton Bank Government Interest Money Market and \$327,543 invested with Raymond James Financial Services. Funds above \$250,000 will be transferred to Raymond James for investing according to the Town's Investment policy once any FY2026 needs, if any, are determined.

NOTES:

(a) The ERTF was established in 2007 by Ordinance No. 212. When the Street Repair & Replacement Trust Fund was established in 2009, that ordinance provided that future deposits from Transfer Tax collections should be used to "fund" the SRRTF instead of the ERTF.

(b) Interest income is projected based on the beginning of the fiscal year balance.

(c) Note that Town Code Sec. 14-3 D "Method of Funding" (Ord. No 278 adopted on 05/17/11) provides that the ERTF shall be funded by "appropriations from the annual operating budget to maintain the ERTF at \$275,000".

Ordinance No. 339 adopted on 5/9/17 revises the balance to be maintained to 20% of the current operating budget and shall be funded through excess transfer tax revenues, with FY22 being when the balance must have been met and maintained.

(d) (e) Columns (d) and (e) represent the budgeted amount whether adopted or proposed in the fiscal year draft of the Operating Budget and the required balance to maintain for each fiscal year.



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DEPARTMENTS



Administration

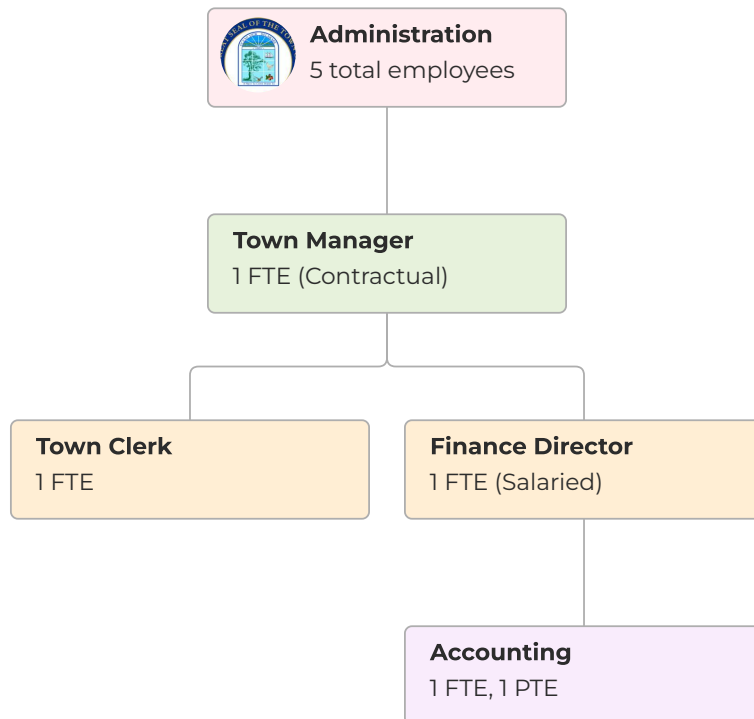


Carol S. Houck
Town Manager

The Town Administration includes the Town Manager and her staff. The Town Manager is appointed by the Mayor and Council and serves at the pleasure of the Mayor and Council. The role of the Town Manager is to be the Chief Executive Officer of the Town and to supervise the day-to-day operations of all the departments of Town Government. The Town Manager is charged with developing the annual and long-range capital improvement budgets. She is assisted by four (4) department division heads - including the Director of Finance, Director of Planning & Zoning, Public Works Facility Operations Manager and the Chief of Police.

The administrative department oversees all finance operations, records management, human resources management, Town Clerk duties, financial oversight of the municipal water system, website and advertising, event management, budgeting and tax collection. The Town Clerk is the staff liaison to the Board of Elections.

Administration Organizational Chart



Finance



Dawn Mitchell Parks
Director of Finance

The Finance Department is responsible for all Ocean View financial operations including general accounting and reporting, accounts payable, payroll, property tax billing and collection. The department also coordinates the development of the Town's annual operating and capital budgets and works with the independent auditors during the annual audit and the preparation of the Town's annual financial statements. The Finance Director is the staff liaison to the Board of Assessment. The Finance Director reports directly to the Town Manager.

Prior Year's Achievements

1. Implemented GASB No. 96, Subscription-Based Information Technology Arrangements
2. Earned the Government Finance Officers Association's Distinguished Budget Presentation Award for the 2nd year
3. Earned an Unmodified Audit Opinion of the FY2024 Financial Statement
4. Maintained AA+ credit rating
5. Collected 99.92% of Property Taxes

Performance Measures

Administration Annual Goal	Measure	FY2024 Actual	FY 2025 Target	FY2026 Target
Goal 1: Maintain a strong financial position through fiscal discipline	Maintain a AA+ Credit Rating	Maintained AA+ Credit Rating	Maintain AA+ Credit Rating	Maintain AA+ Credit Rating
	Implement audit recommendations within 3 months of the presentation of the annual audit	Completed 100% of the recommendations by December 2024	Complete 100% of the recommendations	Complete 100% of the recommendations
	Achieve 99% collection rate of current year property taxes	99.92% collection rate of current year	99.63% collection rate as of 12/31/24	> 99% collection rate
	Achieve Unmodified opinion from external auditor	Achieved an Unmodified Opinion	Achieve an Unmodified Opinion	Achieve an Unmodified Opinion
	Manage total budget expenditures at or below 96%	Achieved - 92%	Achieve	Achieve
	Achieve the GFOA's Distinguished Budget Award	Received - 2nd year	Receive	Receive
Goal 6: Provide superb customer service to the citizens by the Town's dedicated staff	Staff participation in Community Events	Achieved - Spring Fling, 135th Celebration, Cops & Goblins, and Holiday Market /Tree Lighting	Achieve	Achieve
	Education participation by Finance staff	Achieved - Attended GFOA, MDGFOA and Fraud Conferences	Achieve	Achieve

Expenditures Summary

Administration expenditures have increased \$45,735, or 3.15% over the prior year.

The increase in FY2022 is in association with the increase in the Property Assessment line as a result of the full-town reassessment that was completed in December 2022 for the FY2023 real estate tax billing.

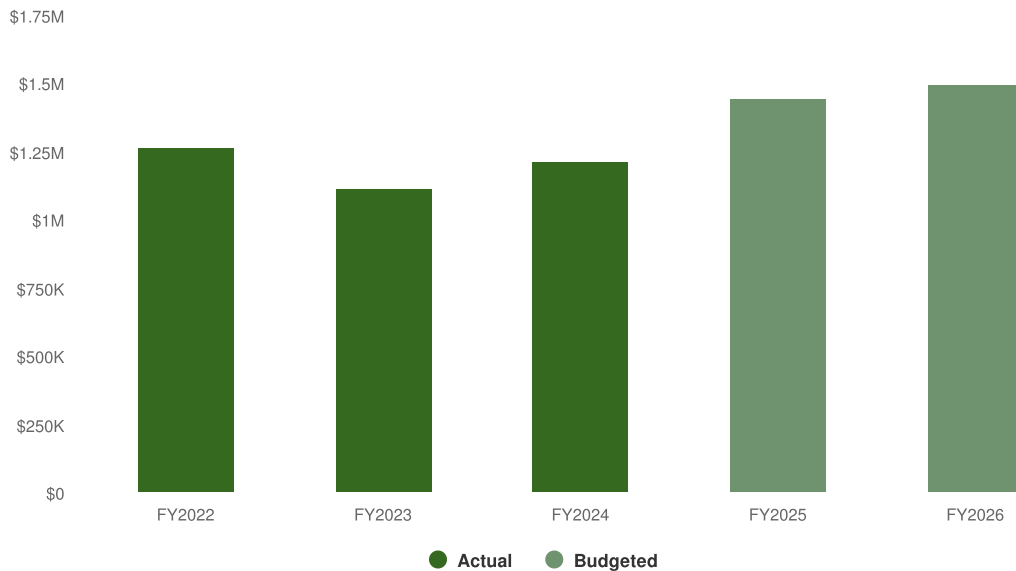
The FY2024 increase is related to community events such as adding a Spring event and increased costs for other events such as Cops and Goblins.

The FY2025 significant increase is directly related to salary & related employee expenses as well as increases in utilities and other contracted services due to inflation, as well as increased expenses associated with the Town's 135th year celebration.

Fiscal year 2026 finds Administration leveling its budgetary needs by reducing expenses associated with one-time costs such as advertising, public relations (events) and the grant award from the Emergency Service Enhancement Fund (ESEF).

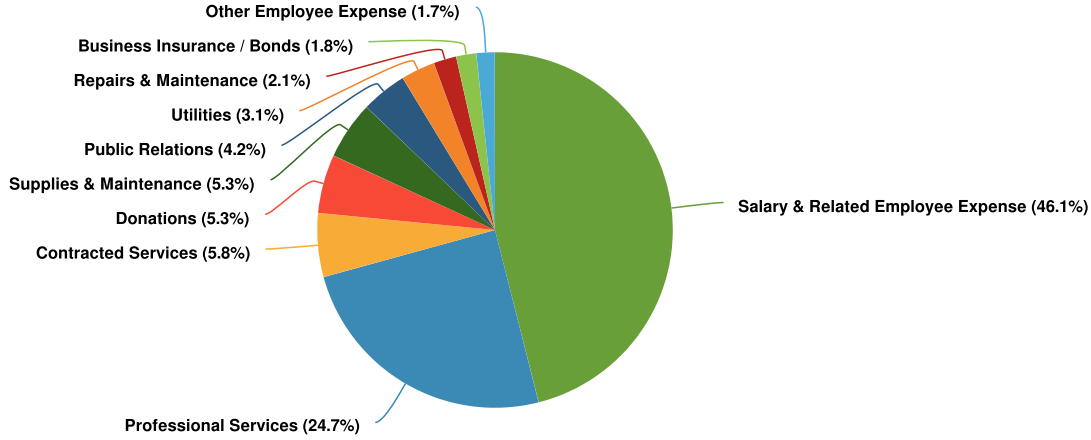
\$1,495,400 **\$45,735**
(3.15% vs. prior year)

Administration Proposed and Historical Budget vs. Actual



Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Administration salaries and benefits consist of one (1) contractual employee, one (1) salaried, two (2) full-time and one (1) part-time employee as shown in the above organizational chart. Administration salaries also include the Mayor and Town Council compensation.

Name	Account ID	FY2024 Actual	FY2025 Budgeted	FY2026 Budgeted	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Expense Objects					
Salary & Related Employee Expense					
Administration					
Town Council G&A	01-500-510-105	\$5,241	\$5,345	\$5,520	3.3%
Gross Salaries G&A	01-500-510-110	\$417,163	\$460,950	\$503,780	9.3%
Bonus G&A	01-500-510-160	\$9,745	\$1,600	\$1,600	0%
Overtime G&A	01-500-510-161	\$1,886	\$4,600	\$4,450	-3.3%
Health/Hosp Insurance G&A	01-500-510-170	\$61,379	\$78,330	\$96,750	23.5%
<i>State of Delaware Health Insurance Coverage</i>	<i>01-500-510-170</i>	<i>\$0</i>	<i>\$0</i>	<i>\$103,050</i>	<i>N/A</i>
<i>Employee Cost Share</i>	<i>01-500-510-170</i>	<i>\$0</i>	<i>\$0</i>	<i>-\$6,300</i>	<i>N/A</i>
Dental Insurance G&A	01-500-510-171	\$3,671	\$3,870	\$4,100	5.9%



Name	Account ID	FY2024 Actual	FY2025 Budgeted	FY2026 Budgeted	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Life/Disability Insurance G&A	01-500-510-172	\$1,562	\$2,910	\$3,080	5.8%
<i>Guardian Disability & Life Insurance</i>	<i>01-500-510-172</i>	<i>\$0</i>	<i>\$0</i>	<i>\$2,280</i>	<i>N/A</i>
<i>DE Paid Leave Program - Private Insurance Cost</i>	<i>01-500-510-172</i>	<i>\$0</i>	<i>\$0</i>	<i>\$800</i>	<i>N/A</i>
Social Security ER Share G&A	01-500-510-180	\$26,160	\$29,295	\$31,950	9.1%
Medicare ER Share G&A	01-500-510-181	\$6,118	\$6,850	\$7,475	9.1%
Employee Retirement ER Share G&A	01-500-510-182	\$22,734	\$25,425	\$27,940	9.9%
Unemployment Compensation G&A	01-500-510-183	\$689	\$1,470	\$1,570	6.8%
Worker's Compensation Insurance G&A	01-500-510-184	\$753	\$500	\$500	0%
State Employment Training Fund G&A	01-500-510-185	\$85	\$100	\$100	0%
Total Administration:		\$557,186	\$621,245	\$688,815	10.9%
Total Salary & Related Employee Expense:		\$557,186	\$621,245	\$688,815	10.9%
Other Employee Expense					
Administration					
Dues & Memberships G&A	01-500-510-205	\$3,968	\$6,000	\$5,000	-16.7%
Education/Meetings/Seminars G&A	01-500-510-210	\$9,119	\$15,000	\$15,000	0%
Mileage/Travel Reimbursement G&A	01-500-510-215	\$1,137	\$1,500	\$1,500	0%
Holiday G&A	01-500-510-220	\$2,919	\$3,500	\$3,500	0%
Total Administration:		\$17,142	\$26,000	\$25,000	-3.8%
Total Other Employee Expense:		\$17,142	\$26,000	\$25,000	-3.8%
Business Insurance / Bonds					
Administration					
Business Insurance/Bonds G&A	01-500-510-305	\$20,386	\$27,300	\$27,500	0.7%
Total Administration:		\$20,386	\$27,300	\$27,500	0.7%
Total Business Insurance / Bonds:		\$20,386	\$27,300	\$27,500	0.7%
Professional Services					
Administration					
Codification Services G&A	01-500-510-405	\$3,659	\$2,500	\$2,500	0%
Consulting Services G&A	01-500-510-410	\$5,675	\$5,000	\$75,000	1,400%



Name	Account ID	FY2024 Actual	FY2025 Budgeted	FY2026 Budgeted	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Legal Services G&A	01-500-510-415	\$11,014	\$25,000	\$15,000	-40%
Auditing Services G&A	01-500-510-425	\$21,850	\$25,000	\$25,000	0%
Payroll Processing Services G&A	01-500-510-430	\$5,138	\$5,000	\$5,200	4%
Property Assessments G&A	01-500-510-435	\$70,341	\$75,000	\$75,000	0%
Contracted Labor G&A	01-500-510-440	\$10,637	\$10,500	\$10,815	3%
Other Services G&A	01-500-510-460	\$4,493	\$2,500	\$2,500	0%
Ambulance Fees - pass thru - MVFCo	01-500-510-465	\$152,250	\$155,000	\$155,000	0%
EG Programming Expenses	01-500-510-470	\$2,264	\$3,000	\$3,000	0%
Total Administration:		\$287,321	\$308,500	\$369,015	19.6%
Total Professional Services:		\$287,321	\$308,500	\$369,015	19.6%
Contracted Services					
Administration					
Computer Maintenance Contract G&A	01-500-510-505	\$10,985	\$12,000	\$15,000	25%
Copier Lease G&A	01-500-510-511	\$4,376	\$4,500	\$4,500	0%
Elevator Maintenance G&A	01-500-510-515	\$2,238	\$2,300	\$2,575	12%
Generator Maintenance Agreement G&A	01-500-510-520	\$488	\$500	\$515	3%
HVAC Maintenance Agreement G&A	01-500-510-525	\$0	\$1,000	\$1,030	3%
Pest Control G&A	01-500-510-530	\$1,093	\$1,000	\$1,545	54.5%
Security Monitoring/Maintenance G&A	01-500-510-540	\$3,131	\$2,000	\$2,000	0%
Software Maint/Subscription Serv G&A	01-500-510-545	\$25,639	\$30,000	\$26,500	-11.7%
Website/Domain Hosting G&A	01-500-510-550	\$1,200	\$2,650	\$2,500	-5.7%
Holiday Decor Mgmt G&A	01-500-510-555	\$15,026	\$48,000	\$28,000	-41.7%
Sprinkler System Inspection G&A	01-500-510-560	\$783	\$1,000	\$1,000	0%
Committee StipendsG&A	01-500-510-565	\$270	\$1,500	\$1,500	0%
Total Administration:		\$65,228	\$106,450	\$86,665	-18.6%
Total Contracted Services:		\$65,228	\$106,450	\$86,665	-18.6%
Supplies & Maintenance					



Name	Account ID	FY2024 Actual	FY2025 Budgeted	FY2026 Budgeted	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Administration					
Advertising G&A	01-500-510-605	\$12,457	\$18,000	\$15,000	-16.7%
Office Supplies/Printing/Copies G&A	01-500-510-610	\$10,095	\$10,000	\$12,000	20%
Postage/Shipping G&A	01-500-510-615	\$12,583	\$15,000	\$12,000	-20%
Miscellaneous G&A	01-500-510-620	\$2,076	\$3,000	\$3,000	0%
NonCapital Equipment G&A	01-500-510-625	\$1,489	\$5,000	\$5,000	0%
Transfer Tax Bank Fees/Charges G&A	01-500-510-630	\$11,137	\$12,000	\$12,000	0%
Other Supplies G&A	01-500-510-635	\$1,516	\$2,000	\$2,000	0%
Uniforms/Clothing G&A	01-500-510-645	\$95	\$500	\$500	0%
Bank Charges: General Fund Transfer Tax	01-500-510-650	\$225	\$300	\$300	0%
Bank Charges: MSA	01-500-510-653	\$370	\$360	\$420	16.7%
Bank Charges: General Fund ESEF	01-500-510-655	\$370	\$360	\$420	16.7%
Bank Charges: GF Money Market G&A	01-500-510-660	\$5,766	\$5,000	\$5,500	10%
Bank Charges: GF Checking G&A	01-500-510-665	\$3,030	\$4,000	\$3,500	-12.5%
Bank Charges: CRIM Fees Gen Fund	01-500-510-670	\$4,323	\$3,000	\$3,500	16.7%
Credit Card Service Charges: G&A CKG	01-500-510-675	\$2,151	\$2,000	\$2,500	25%
Bank Charges: CRIM Fees SRRTF	01-500-510-681	\$816	\$1,000	\$500	-50%
Bank Charges: SRRTF MM Acct	01-500-510-685	\$846	\$600	\$600	0%
Bank Charges: Grant Fund SALLE	01-500-510-690	-\$10	\$0	\$0	0%
Total Administration:		\$69,336	\$82,120	\$78,740	-4.1%
Total Supplies & Maintenance:		\$69,336	\$82,120	\$78,740	-4.1%
Repairs & Maintenance					
Administration					
Cleaning Service G&A	01-500-510-705	\$14,961	\$18,700	\$19,000	1.6%
Inspections - Building G&A	01-500-510-710	\$93	\$1,700	\$1,000	-41.2%
Repairs to Machinery/Equipment G&A	01-500-510-715	\$1,896	\$1,000	\$1,000	0%
Repairs to Buildings - NonCapital G&A	01-500-510-720	\$6,972	\$5,000	\$10,000	100%



Name	Account ID	FY2024 Actual	FY2025 Budgeted	FY2026 Budgeted	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Total Administration:		\$23,922	\$26,400	\$31,000	17.4%
Total Repairs & Maintenance:		\$23,922	\$26,400	\$31,000	17.4%
Utilities					
Administration					
Electric G&A	01-500-510-805	\$10,328	\$12,000	\$12,000	0%
Propane Gas G&A	01-500-510-815	\$359	\$1,500	\$500	-66.7%
Sewer G&A	01-500-510-820	\$3,158	\$3,800	\$3,800	0%
Trash/Recycling G&A	01-500-510-830	\$1,736	\$2,500	\$2,000	-20%
Water G&A	01-500-510-835	\$3,182	\$5,000	\$5,000	0%
Other G&A	01-500-510-840	\$795	\$550	\$550	0%
Mobile Devices G&A	01-500-510-851	\$1,639	\$1,800	\$2,400	33.3%
Telephone & Internet G&A	01-500-510-852	\$18,448	\$20,000	\$20,000	0%
Total Administration:		\$39,644	\$47,150	\$46,250	-1.9%
Total Utilities:		\$39,644	\$47,150	\$46,250	-1.9%
Public Relations					
Administration					
Holiday in the Park G&A	01-500-510-905	\$8,993	\$15,000	\$11,915	-20.6%
Concerts in the Park G&A	01-500-510-910	\$6,506	\$8,500	\$8,500	0%
Spring Fling G&A	01-500-510-915	\$6,719	\$5,000	\$3,500	-30%
Cops & Goblins G&A	01-500-510-923	\$23,517	\$24,000	\$24,000	0%
Movies in the park	01-500-510-930	\$2,912	\$3,500	\$2,000	-42.9%
Arbor Day	01-500-510-935	\$174	\$0	\$500	N/A
Other G&A	01-500-510-938	\$9,063	\$13,500	\$12,000	-11.1%
<i>Fire & Ice</i>	<i>01-500-510-938</i>	<i>\$0</i>	<i>\$0</i>	<i>\$6,000</i>	<i>N/A</i>
<i>Night To Shine</i>	<i>01-500-510-938</i>	<i>\$0</i>	<i>\$0</i>	<i>\$1,000</i>	<i>N/A</i>
<i>Chamber Basket</i>	<i>01-500-510-938</i>	<i>\$0</i>	<i>\$0</i>	<i>\$500</i>	<i>N/A</i>
<i>Miscellaneous Support for Local Events</i>	<i>01-500-510-938</i>	<i>\$0</i>	<i>\$0</i>	<i>\$2,000</i>	<i>N/A</i>



Name	Account ID	FY2024 Actual	FY2025 Budgeted	FY2026 Budgeted	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
<i>Ball4All</i>	01-500-510-938	\$0	\$0	\$500	N/A
<i>Bocce Ball Tournaments</i>	01-500-510-938	\$0	\$0	\$2,000	N/A
Total Administration:		\$57,884	\$69,500	\$62,415	-10.2%
Total Public Relations:		\$57,884	\$69,500	\$62,415	-10.2%
Donations					
Administration					
Grant Award from ESEF Fees G&A	01-500-510-945	\$80,000	\$135,000	\$80,000	-40.7%
Total Administration:		\$80,000	\$135,000	\$80,000	-40.7%
Total Donations:		\$80,000	\$135,000	\$80,000	-40.7%
Total Expense Objects:		\$1,218,050	\$1,449,665	\$1,495,400	3.2%



Planning, Zoning & Development

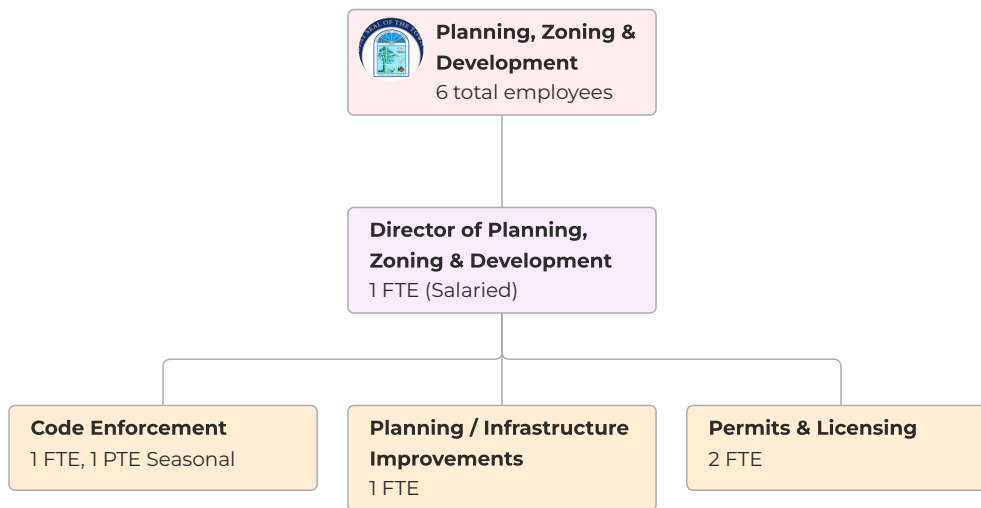


Ken Cimino

Director of Planning, Zoning and Development

The Planning and Development Division handles all aspects of the Town's infrastructure, building environment, codes, and property maintenance, as well as rental properties. The division is led by the Planning and Development Director, with support from a Planner, a Code Enforcement/Licensing Assistant, a Code Enforcement Officer and an Admin. Assistant/Receptionist, in addition to a consulting Town Engineering Firm. The Planning and Zoning Director is the staff liaison to the Planning Commission and Board of Adjustments. The Planning and Development Director reports directly to the Town Manager.

Planning, Zoning and Development Organizational Chart



Prior Year's Achievements

1. Continued the implementation of the adopted Comprehensive Land Use Plan (CLUP).
2. Drainage improvement projects were completed in Country Estates, the Cottages and Savannah's Landing and design for future projects along Betts Avenue and in Woodland Park were completed.
3. Secured the DelDot Transportation Alternative Program (TAP) grant for Berzin's Natural Area and Park. Funding to complete engineering as well as full construction of facilities for pedestrians, bicyclists and other non-motorized forms of transportation was granted.
4. Sidewalk improvements were completed Daisey Avenue and Savannah's Landing and the design for both Woodland Avenue (north & south) and West Avenue (north & south) have been completed.

Performance Measures

Administration Annual Goal	Measure	FY2024 Actual	FY 2025 Target	FY2026 Target
Goal 1: Maintain a strong financial position through fiscal discipline	Manage total budget expenditures at or below 96%	Achieved - 91%	Achieve	Achieve
Goal 2: Provide services for an active, healthy and involved Community	Promote walkability through sidewalk connectivity projects	Achieved	Achieve	Achieve
Goal 3: Promote economic development and growth	Work closely with developers to bring needed services to the community	Achieved	Achieve	Achieve
Goal 5: Maintain the safety of our community for residents, businesses and visitors	Promote walkability through sidewalk connectivity projects	Achieved	Achieve	Achieve
	Enforce the Town Code and DE Department of Transportation Standards & Specifications for Work Zone Traffic Control ensuring safe passage through work zones	Achieved	Achieve	Achieve
Goal 6: Provide superb customer service to the citizens by the Town's dedicated staff	Provide same day service and real time solutions	Achieved	Achieve	Achieve
	Staff participation in Community Events	Achieved	Achieve	Achieve
	Education participation by Planning & Zoning staff	Achieved	Achieve	Achieve



Expenditures Summary

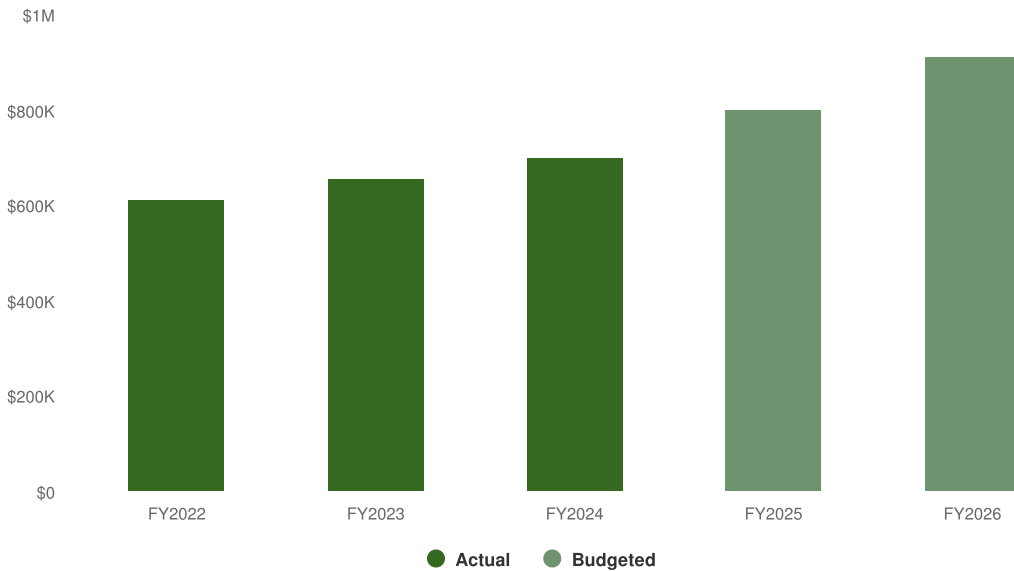
Planning & Zoning expenditures increased by \$108,170 or 13.48% over the prior year.

The FY2025 significant increases are related to professional service contracts, supplies and maintenance (specifically fuel) as well as increases in salary & related employee expenses.

The FY2026 significant increase is related to professional service contracts in association with the transitioning consulting services for Traffic Analysis and Planning Support Services from the Town's Capital Improvement Plan to the Operating Budget. Other significant increases include additional funding for business insurance and reimbursable engineering reviews (offset by revenue).

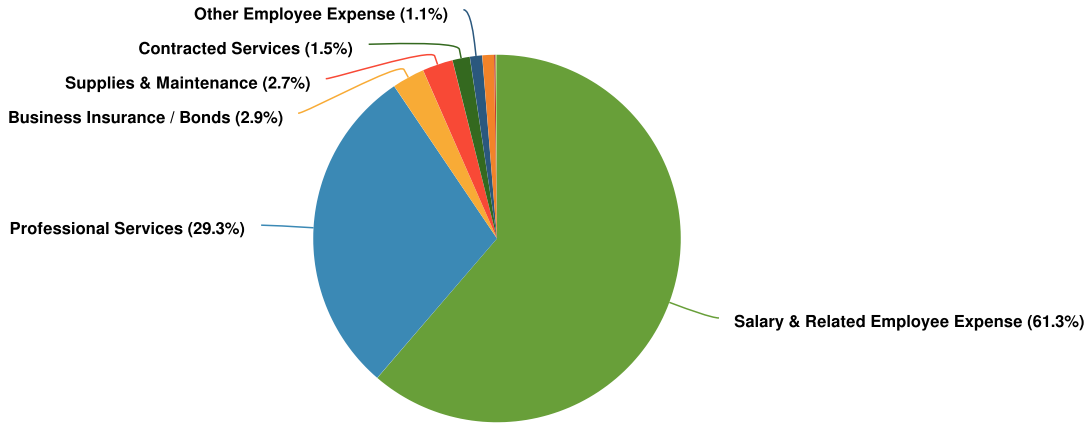
\$910,620 **\$108,170**
(13.48% vs. prior year)

Planning & Zoning Proposed and Historical Budget vs. Actual



Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Planning & Zoning salaries and benefits consist of one (1) salaried employee, four (4) full-time and one (1) seasonal employee as shown in the above organizational chart.

Name	Account ID	FY2024 Actual	FY2025 Budgeted	FY2026 Budgeted	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Expense Objects					
Salary & Related Employee Expense					
Planning & Zoning					
Gross Salaries P&Z	01-500-515-110	\$346,443	\$372,120	\$393,440	5.7%
Bonus P&Z	01-500-515-160	\$6,431	\$2,000	\$2,390	19.5%
Overtime P&Z	01-500-515-161	\$4,061	\$5,000	\$7,550	51%
Health/Hosp Insurance P&Z	01-500-515-170	\$62,594	\$78,835	\$88,505	12.3%
State of Delaware Health Insurance	01-500-515-170	\$0	\$0	\$91,805	N/A
Employee Cost Share	01-500-515-170	\$0	\$0	-\$3,300	N/A
Dental Insurance P&Z	01-500-515-171	\$4,264	\$5,800	\$6,900	19%
Life/Disability Insurance P&Z	01-500-515-172	\$2,013	\$3,160	\$3,450	9.2%
Guardian Disability & Life Insurance	01-500-515-172	\$0	\$0	\$2,450	N/A



Name	Account ID	FY2024 Actual	FY2025 Budgeted	FY2026 Budgeted	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
<i>DE Paid Leave Program - Private Insurance</i>	01-500-515-172	\$0	\$0	\$1,000	N/A
Social Security ER Share P&Z	01-500-515-180	\$21,441	\$23,500	\$25,010	6.4%
Medicare ER Share P&Z	01-500-515-181	\$5,015	\$5,500	\$5,850	6.4%
Employee Retirement ER Share P&Z	01-500-515-182	\$18,969	\$20,395	\$22,105	8.4%
Unemployment Compensation P&Z	01-500-515-183	\$751	\$1,800	\$1,880	4.4%
Worker's Compensation Insurance P&Z	01-500-515-184	\$1,246	\$1,000	\$1,000	0%
State Employment Training Fund P&Z	01-500-515-185	\$89	\$90	\$90	0%
Total Planning & Zoning:		\$473,317	\$519,200	\$558,170	7.5%
Total Salary & Related Employee Expense:		\$473,317	\$519,200	\$558,170	7.5%
Other Employee Expense					
Planning & Zoning					
Dues & Memberships P&Z	01-500-515-205	\$2,018	\$2,500	\$1,500	-40%
Education/Meetings/Seminars P&Z	01-500-515-210	\$4,536	\$10,000	\$7,500	-25%
Mileage/Travel Reimbursement P&Z	01-500-515-215	\$692	\$750	\$750	0%
Total Planning & Zoning:		\$7,246	\$13,250	\$9,750	-26.4%
Total Other Employee Expense:		\$7,246	\$13,250	\$9,750	-26.4%
Business Insurance / Bonds					
Planning & Zoning					
Business Insurance/Bonds P&Z	01-500-515-305	\$22,650	\$11,500	\$26,000	126.1%
Total Planning & Zoning:		\$22,650	\$11,500	\$26,000	126.1%
Total Business Insurance / Bonds:		\$22,650	\$11,500	\$26,000	126.1%
Professional Services					
Planning & Zoning					
Consulting Services P&Z	01-500-515-410	\$29,887	\$40,000	\$80,000	100%
<i>General Consulting Services</i>	01-500-515-410	\$0	\$0	\$35,000	N/A
<i>Planning Support</i>	01-500-515-410	\$0	\$0	\$15,000	N/A
<i>Traffic Analysis</i>	01-500-515-410	\$0	\$0	\$30,000	N/A
Legal Services P&Z	01-500-515-415	\$22,038	\$25,000	\$23,500	-6%
Engineering Services P&Z	01-500-515-420	\$27,280	\$35,000	\$32,500	-7.1%



Name	Account ID	FY2024 Actual	FY2025 Budgeted	FY2026 Budgeted	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Engineering - Reimb Reviews P&Z	01-500-515-450	\$83,604	\$100,000	\$125,000	25%
Prop Cleanup - Reimbursable P&Z	01-500-515-455	\$1,350	\$5,000	\$5,000	0%
Other Services P&Z	01-500-515-460	\$1,631	\$500	\$500	0%
Total Planning & Zoning:		\$165,789	\$205,500	\$266,500	29.7%
Total Professional Services:		\$165,789	\$205,500	\$266,500	29.7%
Contracted Services					
Planning & Zoning					
Computer Maintenance Contract P&Z	01-500-515-505	\$1,738	\$1,500	\$1,500	0%
Copier Lease P&Z	01-500-515-511	\$4,376	\$4,500	\$4,500	0%
Software Maint/Subscription Serv P&Z	01-500-515-545	\$5,031	\$5,300	\$3,000	-43.4%
Committee StipendsP&Z	01-500-515-565	\$2,340	\$5,000	\$5,000	0%
Total Planning & Zoning:		\$13,485	\$16,300	\$14,000	-14.1%
Total Contracted Services:		\$13,485	\$16,300	\$14,000	-14.1%
Supplies & Maintenance					
Planning & Zoning					
Advertising P&Z	01-500-515-605	\$4,982	\$7,500	\$6,000	-20%
Office Supplies/Printing/Copies P&Z	01-500-515-610	\$5,461	\$5,000	\$5,000	0%
Postage/Shipping P&Z	01-500-515-615	\$1,936	\$2,000	\$2,500	25%
NonCapital Equipment P&Z	01-500-515-625	\$0	\$2,500	\$2,500	0%
Other Supplies P&Z	01-500-515-635	\$248	\$500	\$500	0%
Gas & DeiselP&Z	01-500-515-640	\$3,147	\$15,000	\$7,500	-50%
Uniforms/Clothing P&Z	01-500-515-645	\$0	\$500	\$500	0%
Total Planning & Zoning:		\$15,774	\$33,000	\$24,500	-25.8%
Total Supplies & Maintenance:		\$15,774	\$33,000	\$24,500	-25.8%
Repairs & Maintenance					
Planning & Zoning					
Vehicle Repair/Maintenance P&Z	01-500-515-730	\$2,211	\$1,500	\$9,500	533.3%
Total Planning & Zoning:		\$2,211	\$1,500	\$9,500	533.3%
Total Repairs & Maintenance:		\$2,211	\$1,500	\$9,500	533.3%



Name	Account ID	FY2024 Actual	FY2025 Budgeted	FY2026 Budgeted	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Utilities					
Planning & Zoning					
Mobile Devices P&Z	01-500-515-851	\$1,265	\$1,200	\$1,200	0%
Total Planning & Zoning:		\$1,265	\$1,200	\$1,200	0%
Total Utilities:		\$1,265	\$1,200	\$1,200	0%
Public Relations					
Planning & Zoning					
Other P&Z	01-500-515-938	\$0	\$1,000	\$1,000	0%
Total Planning & Zoning:		\$0	\$1,000	\$1,000	0%
Total Public Relations:		\$0	\$1,000	\$1,000	0%
Total Expense Objects:		\$701,736	\$802,450	\$910,620	13.5%



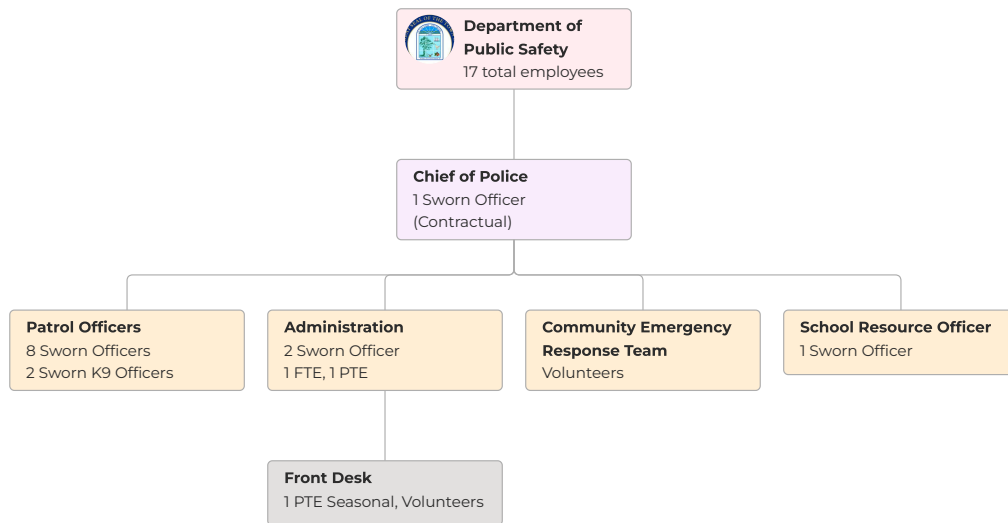
Public Safety



Kenneth McLaughlin
Chief of Police

The Ocean View Police Department is a full-service department under the leadership of the Chief of Police. Currently, 14 officers strong with one full-time secretary. The Ocean View Police department includes patrol officers, admin officers, two (2) K9 officers, a school resource officer, and is heavily involved in proactive community law enforcement activities and services, including home and business checks, local school engagement, various task force involvement, a Community Emergency Response Team (CERT) and neighboring town partnerships. The department recruits volunteers to operate its front desk and has a strong training program requirement for all officers. The Chief of Police reports to the Town Manager under the guidelines of the Council approved contractual agreement.

Organizational Chart



Prior Year's Achievements

1. Awarded State of Delaware Police Accreditation for the 2nd year.
2. Received Gold Level Recognition for Excellence in Policy Development and Police Officer Training for the 5th year.
3. OVPD K9 units were certified by the National Police Canine Association.
4. Established the newly mandated Police Accountability Committee as a regional committee comprised of representatives from other neighboring towns.
5. PD volunteers provided hundreds of hours of service to the citizens of Ocean View.

Performance Measures

Administration Annual Goal	Measure	FY2024 Actual	FY 2025 Target	FY2026 Target
Goal 1: Maintain a strong financial position through fiscal discipline	Manage total budget expenditures at or below 96%	Not Achieved - 97% due to increased grant paid OT	Achieve	Achieve
Goal 2: Provide services for an active, healthy and involved Community	Promote bicycle safety and provide headlamps	Achieved	Achieve	Achieve
	Promote Cops & Goblins festival	Achieved	Achieve	Achieve
Goal 5: Maintain the safety of our community for residents, businesses and visitors	Receive the State of Delaware Police Accreditation	Received - 2nd Year	Receive	Receive
	Receive the Gold Level Recognition for Excellence in Policy Development and Police Officer Training	Received - 5th Year	Receive	Receive
Goal 6: Provide superb customer service to the citizens by the Town's dedicated staff	Be named the safest place to live in Delaware	Achieved	Achieve	Achieve
	Participation in Community Events	Achieved	Achieve	Achieve
	Education Participation	Achieved	Achieve	Achieve

Expenditures Summary

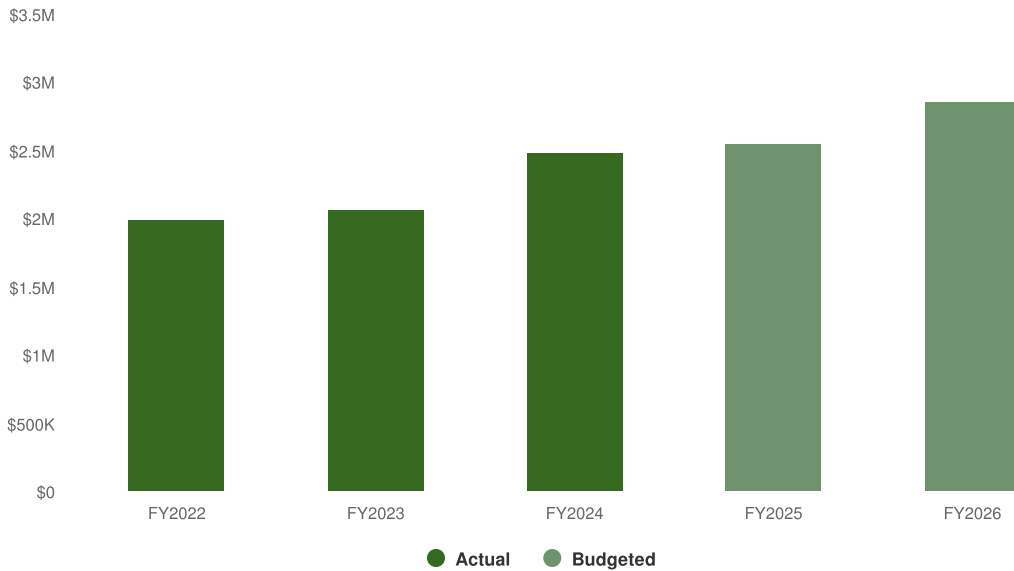
Public Safety expenditures increased by \$312,970 or 12.27% over the prior year.

The FY2025 significant increases are related to salary & related employee expenses, contractual services and supplies & maintenance, such as fuel, uniforms and ammunition. To keep the salary competitive with surrounding towns, the sworn officers were each given a \$5,000 incremental increase, taking the starting salary from \$60,000 to \$65,000.

The FY2026 significant increases are related to salary & related employee expenses. Again in FY2026, in order to keep a competitive starting salary, public safety was increased to \$68,000 from \$65,000. The pay scale was adjusted by 4.61%, giving each officer a \$3,000 pay increase plus COLA (Cost-of-Living-Adjustment).

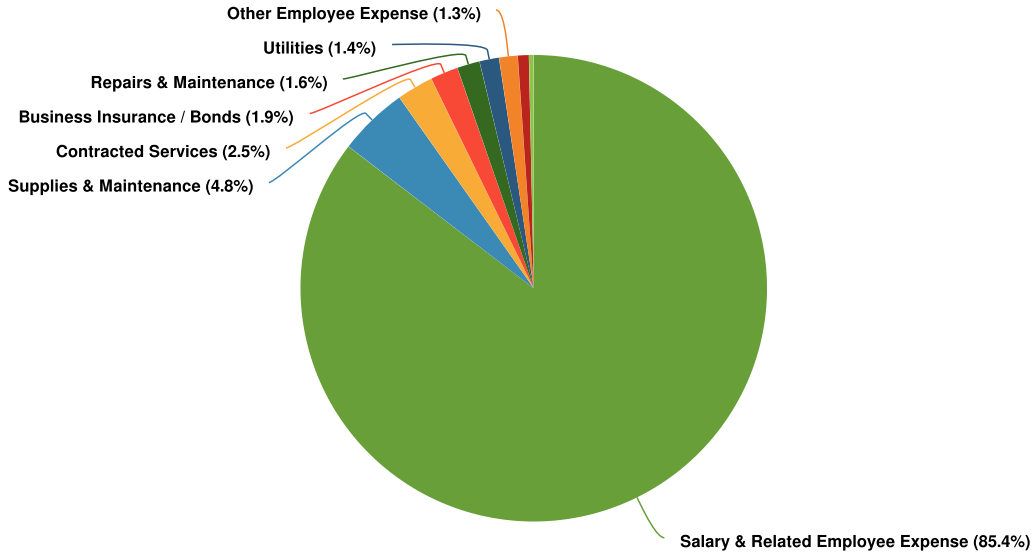
\$2,863,200 **\$312,970**
(12.27% vs. prior year)

Public Safety Proposed and Historical Budget vs. Actual



Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Public Safety salaries and benefits consist of one (1) contractual employee, thirteen (13) full-time sworn officers, one (1) full-time administrative employee, one (1) part-time coordinator and one (1) seasonal employee as shown in the above organizational chart.

Name	Account ID	FY2024 Actual	FY2025 Budgeted	FY2026 Budgeted	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Expense Objects					
Salary & Related Employee Expense					
Public Safety					
Gross Salaries PD	01-500-520-110	\$1,279,738	\$1,363,980	\$1,544,020	13.2%
Bonus PD	01-500-520-160	\$9,624	\$5,570	\$6,365	14.3%
Overtime PD	01-500-520-161	\$140,948	\$123,750	\$149,270	20.6%
Special Duty Officer Pay PD	01-500-520-163	\$1,788	\$0	\$0	0%
Health/Hosp Insurance PD	01-500-520-170	\$217,554	\$265,525	\$305,155	14.9%
<i>State of Delaware Health Insurance</i>	<i>01-500-520-170</i>	<i>\$0</i>	<i>\$0</i>	<i>\$318,980</i>	<i>N/A</i>
<i>Employee Cost Share</i>	<i>01-500-520-170</i>	<i>\$0</i>	<i>\$0</i>	<i>-\$13,825</i>	<i>N/A</i>
Dental Insurance PD	01-500-520-171	\$10,790	\$10,860	\$13,620	25.4%



Name	Account ID	FY2024 Actual	FY2025 Budgeted	FY2026 Budgeted	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Life/Disability Insurance PD	01-500-520-172	\$6,146	\$10,385	\$11,575	11.5%
<i>Guardian Disability & Life Insurance</i>	01-500-520-172	\$0	\$0	\$8,575	N/A
<i>DE Paid Leave Program - Private Insurance</i>	01-500-520-172	\$0	\$0	\$3,000	N/A
Social Security ER Share PD	01-500-520-180	\$88,751	\$92,585	\$105,380	13.8%
Medicare ER Share PD	01-500-520-181	\$20,714	\$21,675	\$24,645	13.7%
Employee Retirement ER Share PD	01-500-520-182	\$148,036	\$192,750	\$234,690	21.8%
Unemployment Compensation PD	01-500-520-183	\$2,157	\$5,350	\$5,350	0%
Worker's Compensation Insurance PD	01-500-520-184	\$38,032	\$33,950	\$45,000	32.5%
State Employment Training Fund PD	01-500-520-185	\$259	\$300	\$300	0%
Total Public Safety:		\$1,964,536	\$2,126,680	\$2,445,370	15%
Public Safety - Grants					
Overtime Police - Grant	01-500-525-161	\$28,415	\$0	\$0	0%
Total Public Safety - Grants:		\$28,415	\$0	\$0	0%
Total Salary & Related Employee Expense:		\$1,992,952	\$2,126,680	\$2,445,370	15%
Other Employee Expense					
Public Safety					
Dues & Memberships PD	01-500-520-205	\$5,121	\$6,500	\$6,500	0%
Education/Meetings/Seminars PD	01-500-520-210	\$27,272	\$35,000	\$30,000	-14.3%
Mileage/Travel Reimbursement PD	01-500-520-215	\$207	\$200	\$200	0%
Total Public Safety:		\$32,600	\$41,700	\$36,700	-12%
Public Safety - Grants					
Education / Training	01-500-525-210	\$9,246	\$0	\$0	0%
Total Public Safety - Grants:		\$9,246	\$0	\$0	0%
Total Other Employee Expense:		\$41,846	\$41,700	\$36,700	-12%
Business Insurance / Bonds					
Public Safety					
Business Insurance/Bonds PD	01-500-520-305	\$69,593	\$70,000	\$55,000	-21.4%
Total Public Safety:		\$69,593	\$70,000	\$55,000	-21.4%



Name	Account ID	FY2024 Actual	FY2025 Budgeted	FY2026 Budgeted	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Public Safety - Grants					
Investigative expenses	01-500-525-303	\$1,000	\$0	\$0	0%
Total Public Safety - Grants:		\$1,000	\$0	\$0	0%
Total Business Insurance / Bonds:		\$70,593	\$70,000	\$55,000	-21.4%
Professional Services					
Public Safety					
Legal Services PD	01-500-520-415	\$1,775	\$1,000	\$1,000	0%
Contracted Labor PD	01-500-520-440	\$10,554	\$10,500	\$10,815	3%
Other Services PD	01-500-520-460	\$10,788	\$10,000	\$10,000	0%
Total Public Safety:		\$23,117	\$21,500	\$21,815	1.5%
Public Safety - Grants					
Other Services	01-500-525-460	\$57,418	\$0	\$0	0%
Total Public Safety - Grants:		\$57,418	\$0	\$0	0%
Total Professional Services:		\$80,535	\$21,500	\$21,815	1.5%
Contracted Services					
Public Safety					
Computer Maintenance Contract PD	01-500-520-505	\$0	\$500	\$500	0%
Copier LeasePD	01-500-520-511	\$1,988	\$2,000	\$2,000	0%
Elevator Maintenance PD	01-500-520-515	\$2,238	\$2,300	\$2,575	12%
Generator Maintenance Agreement PD	01-500-520-520	\$188	\$500	\$515	3%
HVAC Maintenance Agreement PD	01-500-520-525	\$0	\$1,000	\$1,030	3%
Pest Control PD	01-500-520-530	\$360	\$500	\$1,545	209%
Security Monitoring/Maintenance PD	01-500-520-540	\$2,676	\$850	\$3,200	276.5%
Software Maint/Subsription Serv PD	01-500-520-545	\$28,406	\$45,000	\$60,250	33.9%
Sprinkler System Inspections PD	01-500-520-560	\$783	\$1,000	\$1,000	0%
Total Public Safety:		\$36,638	\$53,650	\$72,615	35.3%
Total Contracted Services:		\$36,638	\$53,650	\$72,615	35.3%
Supplies & Maintenance					
Public Safety					



Name	Account ID	FY2024 Actual	FY2025 Budgeted	FY2026 Budgeted	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Advertising PD	01-500-520-605	\$449	\$1,000	\$1,000	0%
Office Supplies/Printing/Copies PD	01-500-520-610	\$2,564	\$3,000	\$3,000	0%
Postage/Shipping PD	01-500-520-615	\$55	\$300	\$300	0%
NonCapital Equipment PD	01-500-520-625	\$20,348	\$30,000	\$30,000	0%
Other Supplies PD	01-500-520-635	\$9,376	\$10,000	\$10,000	0%
Gas & Deisel PD	01-500-520-640	\$45,805	\$55,000	\$48,000	-12.7%
Uniforms/Clothing PD	01-500-520-645	\$18,382	\$15,000	\$15,000	0%
Canine Supplies PD	01-500-520-650	\$4,498	\$6,000	\$6,000	0%
AmmunitionPD	01-500-520-655	\$25,199	\$25,000	\$25,000	0%
Total Public Safety:		\$126,676	\$145,300	\$138,300	-4.8%
Public Safety - Grants					
NonCapital Equipment	01-500-525-625	\$51,419	\$0	\$0	0%
Other Supplies	01-500-525-635	\$403	\$0	\$0	0%
Total Public Safety - Grants:		\$51,822	\$0	\$0	0%
Total Supplies & Maintenance:		\$178,498	\$145,300	\$138,300	-4.8%
Repairs & Maintenance					
Public Safety					
Cleaning Service PD	01-500-520-705	\$7,411	\$16,600	\$16,600	0%
Inspections - Building PD	01-500-520-710	\$93	\$800	\$800	0%
Repairs to Machinery/Equipment PD	01-500-520-715	\$2,108	\$2,000	\$2,000	0%
Repairs to Buildings - NonCapital PD	01-500-520-720	\$6,997	\$3,000	\$5,000	66.7%
Other Repairs/Maintenance PD	01-500-520-725	\$0	\$500	\$500	0%
Vehicle Repair/Maintenance PD	01-500-520-730	\$31,166	\$20,000	\$20,000	0%
Total Public Safety:		\$47,774	\$42,900	\$44,900	4.7%
Total Repairs & Maintenance:		\$47,774	\$42,900	\$44,900	4.7%
Utilities					
Public Safety					
Electric PD	01-500-520-805	\$5,852	\$7,000	\$7,000	0%



Name	Account ID	FY2024 Actual	FY2025 Budgeted	FY2026 Budgeted	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Propane Gas PD	01-500-520-815	\$57	\$1,500	\$1,500	0%
Sewer PD	01-500-520-820	\$2,437	\$3,000	\$3,000	0%
Trash/Recycling PD	01-500-520-830	\$196	\$2,500	\$2,500	0%
Water PD	01-500-520-835	\$2,426	\$3,000	\$3,000	0%
Mobile Devices PD	01-500-520-851	\$13,021	\$15,000	\$15,000	0%
Telephone & Communications PD	01-500-520-852	\$5,421	\$7,000	\$7,000	0%
Total Public Safety:		\$29,408	\$39,000	\$39,000	0%
Total Utilities:		\$29,408	\$39,000	\$39,000	0%
Public Relations					
Public Safety					
Special Olympics PD	01-500-520-930	\$0	\$2,000	\$2,000	0%
Valor Awards PD	01-500-520-935	\$240	\$500	\$500	0%
Other PD	01-500-520-938	\$7,924	\$7,000	\$7,000	0%
Total Public Safety:		\$8,164	\$9,500	\$9,500	0%
Total Public Relations:		\$8,164	\$9,500	\$9,500	0%
Total Expense Objects:		\$2,486,407	\$2,550,230	\$2,863,200	12.3%



Public Works



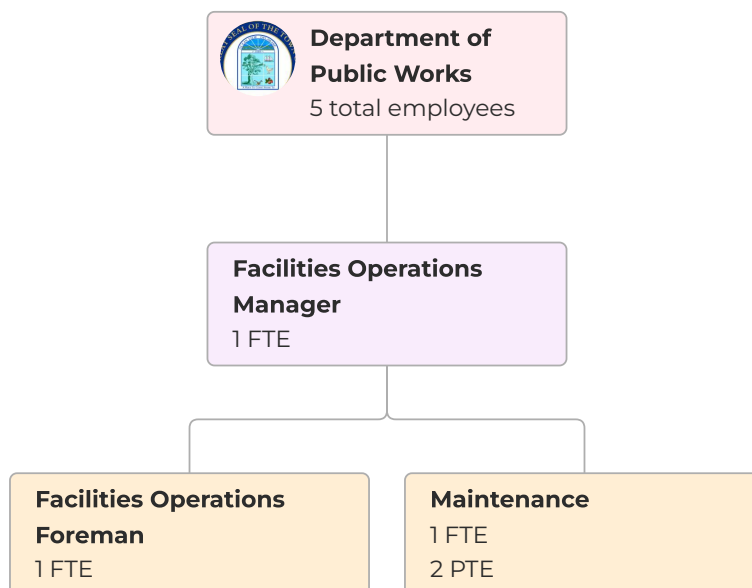
Matthew Martin
Facilities Operations Manager

The Public Works division oversees outsourced contractual relationships with various companies for the efficient provision of turf management, landscaping, facility maintenance, etc. In addition, this division is currently made up of the Facilities Operations Manager, a Foreman and a full-time laborer, and two (2) part-time laborers who are expected to complete daily maintenance and oversight of all town facilities, including parks, right of ways, storm water facilities, etc. Sign maintenance and installations, oversight of snow removal operations, interaction with outsourced water utility representatives and special program assistance are also the responsibility of this division. Public Works provides support for all community events. The Facilities Operations Manager reports directly to the Town Manager.

The FY2025 adopted budget included the addition of a management position in order to transition duties currently assigned to the Department of Planning, Zoning and Development to Public Works. The below Organizational Chart and Expense Summary include the addition of this new position.

With the anticipated opening of the Berzin's Natural Area and Park along with increased in-house projects, the FY2026 budget includes the addition of two (2) part-time maintenance workers.

Organizational Chart



Prior Year's Achievements

1. Performed daily facility checks and building inspections at 32 West Community Center, John West Park and the Municipal Building located at 201 Central Avenue.
2. Staff received certification in Mosquito and Pest Control from the State of Delaware.
3. A partnership with DeDOT and the Salt Air Gardeners Club culminated in the upkeep of a Blue Star Memorial beautification site along Atlantic Avenue honoring all who served our country.

Performance Measures

Administration Annual Goal	Measure	FY2024 Actual	FY 2025 Target	FY2026 Target
Goal 1: Maintain a strong financial position through fiscal discipline	Manage total budget expenditures at or below 96%	Achieved - 91%	Achieve	Achieve
Goal 2: Provide services for an active, healthy and involved Community	Perform daily checks of the exercise equipment located at John West Park	Completed	Complete	Complete
	Assist in the set up and take down of Community Events	Achieved	Achieve	Achieve
Goal 4: Preserve the Town's character and its natural resources	Tree and shrub work to enhance the beauty of Ocean View	Completed	Complete	Complete
Goal 5: Maintain the safety of our community for residents, businesses and visitors	Perform daily playground inspections on equipment located at John West Park	Completed	Complete	Complete
	Preparedness and response during and following storms	N/A - Storm Response Required	Achieve	Achieve
Goal 6: Provide superb customer service to the citizens by the Town's dedicated staff	Perform weekly rounds through Town collecting trash and checking storm drains and ditches	Completed	Complete	Complete
	Participation in Community Events	Achieved	Achieve	Achieve



Expenditures Summary

Public Works expenditures increased \$40,395 or 3.78% from the prior year.

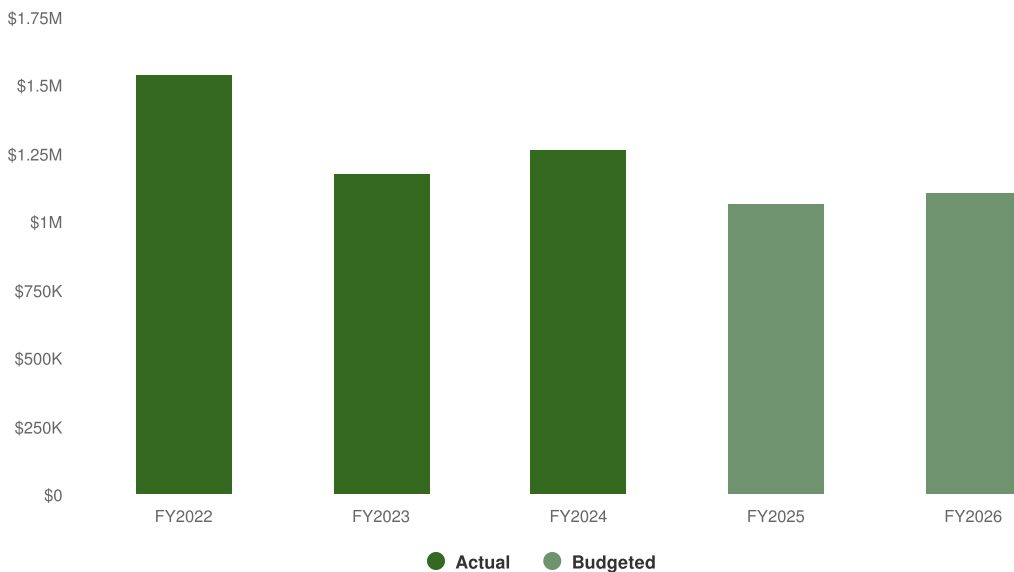
The significant decrease in FY2025 is related to a reduction of street rehabilitation projects while drainage projects are in their construction phase (from \$745K to \$790K spread over three (3) budget cycles). Other operating expenses such as fuel, utilities and expenses directly related to salary & related employee expenses increased in FY2025 over FY2024.

The FY2025 adopted budget included the addition of a Facility Operations Manager to the Department of Public Works.

The FY2026 proposed budget includes the addition of two (2) part-time maintenance workers in association with the anticipated opening of the Berzin's Natural Area & Park along with increased in-house projects.

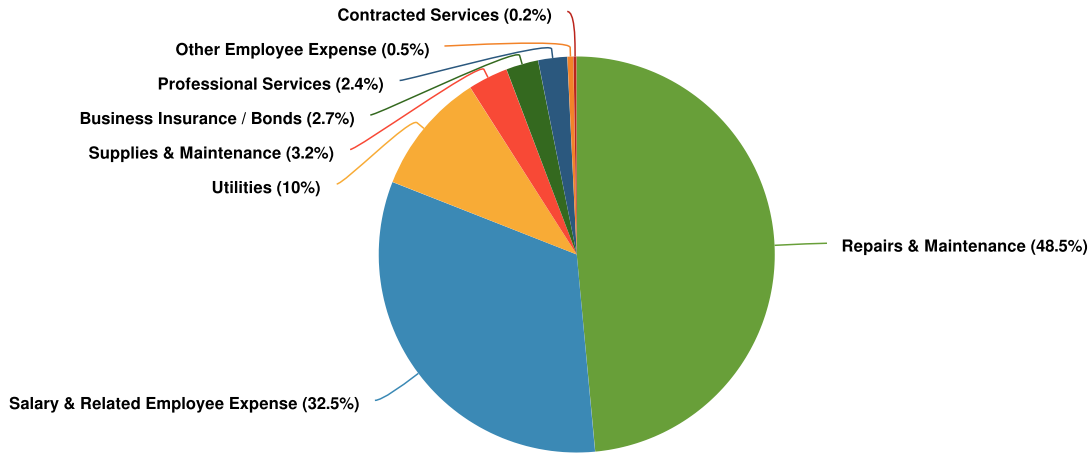
\$1,108,295 **\$40,395**
(3.78% vs. prior year)

Public Works Proposed and Historical Budget vs. Actual



The Department of Public Works budget includes street maintenance (\$200,000) and sidewalks (\$90,000). Projects under these categories are currently developed and overseen by the Director of Planning & Zoning and are funded by the Street Repair & Replacement Trust and Municipal Street Aid. With the addition of the Facility Operations Manager, these duties will transition to the Department of Public Works.

Expenditures by Expense Type



Public Works salaries and benefits consist of three (3) full-time employees and two (2) part-time employees as shown in the above organizational chart.

Name	Account ID	FY2024 Actual	FY2025 Budgeted	FY2026 Budgeted	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Expense Objects					
Salary & Related Employee Expense					
DPW					
Gross Salaries DPW	01-500-530-110	\$117,437	\$211,500	\$237,610	12.3%
Bonus DPW	01-500-530-160	\$786	\$1,200	\$2,000	66.7%
Overtime DPW	01-500-530-161	\$14,677	\$16,180	\$9,540	-41%
Health/Hosp Insurance DPW	01-500-530-170	\$43,195	\$78,835	\$60,880	-22.8%
<i>State of Delaware Health Insurance</i>	<i>01-500-530-170</i>	<i>\$0</i>	<i>\$0</i>	<i>\$67,410</i>	<i>N/A</i>
<i>Employee Cost Share</i>	<i>01-500-530-170</i>	<i>\$0</i>	<i>\$0</i>	<i>-\$6,530</i>	<i>N/A</i>
Dental Insurance DPW	01-500-530-171	\$2,074	\$3,500	\$4,200	20%
Life/Disability Insurance DPW	01-500-530-172	\$846	\$1,985	\$2,300	15.9%
<i>Guardian Disability & Life Insurance</i>	<i>01-500-530-172</i>	<i>\$0</i>	<i>\$0</i>	<i>\$1,700</i>	<i>N/A</i>
<i>DE Paid Leave Program - Private Insurance</i>	<i>01-500-530-172</i>	<i>\$0</i>	<i>\$0</i>	<i>\$600</i>	<i>N/A</i>



Name	Account ID	FY2024 Actual	FY2025 Budgeted	FY2026 Budgeted	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Social Security ER Share DPW	01-500-530-180	\$7,830	\$14,500	\$15,450	6.6%
Medicare ER Share DPW	01-500-530-181	\$1,831	\$3,400	\$3,610	6.2%
Employee Retirement ER Share DPW	01-500-530-182	\$7,184	\$13,500	\$13,655	1.1%
Unemployment Compensation DPW	01-500-530-183	\$637	\$900	\$900	0%
Worker's Compensation Insurance DPW	01-500-530-184	\$4,183	\$9,500	\$9,500	0%
State Employment Training Fund DPW	01-500-530-185	\$47	\$150	\$50	-66.7%
Total DPW:		\$200,728	\$355,150	\$359,695	1.3%
Total Salary & Related Employee Expense:		\$200,728	\$355,150	\$359,695	1.3%
Other Employee Expense					
DPW					
Dues & Memberships DPW	01-500-530-205	\$0	\$300	\$300	0%
Education/Meetings/Seminars DPW	01-500-530-210	\$23	\$300	\$5,000	1,566.7%
Mileage/Travel Reimbursement DPW	01-500-530-215	\$23	\$200	\$200	0%
Total DPW:		\$46	\$800	\$5,500	587.5%
Total Other Employee Expense:		\$46	\$800	\$5,500	587.5%
Business Insurance / Bonds					
DPW					
Business Insurance/Bonds DPW	01-500-530-305	\$27,848	\$29,400	\$29,400	0%
Total DPW:		\$27,848	\$29,400	\$29,400	0%
Total Business Insurance / Bonds:		\$27,848	\$29,400	\$29,400	0%
Professional Services					
DPW					
Contracted Labor DPW	01-500-530-440	\$21,406	\$25,000	\$25,750	3%
Other Services DPW	01-500-530-460	\$195	\$500	\$500	0%
Total DPW:		\$21,601	\$25,500	\$26,250	2.9%
Total Professional Services:		\$21,601	\$25,500	\$26,250	2.9%
Contracted Services					
DPW					
Computer Maintenance Contract DPW	01-500-530-505	\$0	\$300	\$300	0%
Pest Control DPW	01-500-530-530	\$619	\$750	\$750	0%



Name	Account ID	FY2024 Actual	FY2025 Budgeted	FY2026 Budgeted	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Rental of Machinery/Equipment DPW	01-500-530-535	\$281	\$1,200	\$1,200	0%
Building Security Contract DPW	01-500-530-555	\$0	\$500	\$500	0%
Total DPW:		\$900	\$2,750	\$2,750	0%
Total Contracted Services:		\$900	\$2,750	\$2,750	0%
Supplies & Maintenance					
DPW					
Advertising DPW	01-500-530-605	\$0	\$500	\$500	0%
Office Supplies/Printing/Copies DPW	01-500-530-610	\$108	\$300	\$300	0%
Postage / Shipping	01-500-530-615	\$120	\$0	\$0	0%
Miscellaneous DPW	01-500-530-620	\$1	\$0	\$0	0%
NonCapital Equipment DPW	01-500-530-625	\$3,549	\$3,600	\$5,000	38.9%
Other Supplies DPW	01-500-530-635	\$5,794	\$5,000	\$5,000	0%
Gas & Deisel DPW	01-500-530-640	\$7,425	\$10,000	\$8,500	-15%
Uniforms/Clothing DPW	01-500-530-645	\$1,135	\$1,200	\$1,200	0%
Road and Street Signs DPW	01-500-530-650	\$8,289	\$2,500	\$2,500	0%
Mosquito Control Supplies DPW	01-500-530-660	\$12,482	\$13,000	\$13,000	0%
Total DPW:		\$38,904	\$36,100	\$36,000	-0.3%
Total Supplies & Maintenance:		\$38,904	\$36,100	\$36,000	-0.3%
Repairs & Maintenance					
DPW					
Cleaning Service DPW	01-500-530-705	\$1,200	\$1,300	\$1,300	0%
Repairs to Machinery/Equipment DPW	01-500-530-715	\$2,762	\$2,500	\$5,000	100%
Repairs to Buildings - NonCapital DPW	01-500-530-720	\$0	\$500	\$1,500	200%
Vehicle Repair/Maintenance DPW	01-500-530-730	\$1,947	\$3,000	\$5,000	66.7%
Sidewalk RepairsDPW	01-500-530-733	\$119,767	\$75,000	\$90,000	20%
Drainage Repair/Maintenance DPW	01-500-530-735	\$78,203	\$75,000	\$75,000	0%
Street Maintenance DPW	01-500-530-740	\$86,034	\$90,000	\$90,000	0%
Street Maintenance DPW: Storm Response	01-500-530-742	\$12,093	\$45,000	\$45,000	0%



Name	Account ID	FY2024 Actual	FY2025 Budgeted	FY2026 Budgeted	FY2025 Budgeted vs. FY2026 Budgeted (% Change)
Street Repair & Replacement DPW	01-500-530-745	\$548,742	\$190,000	\$200,000	5.3%
Park Expense DPW	01-500-530-750	\$17,736	\$25,000	\$25,000	0%
Total DPW:		\$868,483	\$507,300	\$537,800	6%
Total Repairs & Maintenance:		\$868,483	\$507,300	\$537,800	6%
Utilities					
DPW					
Electric DPW	01-500-530-805	\$4,587	\$5,000	\$5,000	0%
Propane Gas DPW	01-500-530-815	\$2,399	\$1,000	\$1,000	0%
Sewer DPW	01-500-530-820	\$599	\$1,000	\$1,000	0%
Trash/Recycling DPW	01-500-530-830	\$2,424	\$3,000	\$3,000	0%
Water DPW	01-500-530-835	\$1,924	\$5,000	\$5,000	0%
Street Lights DPW	01-500-530-845	\$88,279	\$90,000	\$90,000	0%
Mobile Devices DPW	01-500-530-851	\$1,200	\$1,800	\$1,800	0%
Telephone & Communications DPW	01-500-530-852	\$3,656	\$4,000	\$4,000	0%
Total DPW:		\$105,069	\$110,800	\$110,800	0%
Total Utilities:		\$105,069	\$110,800	\$110,800	0%
Public Relations					
DPW					
Other DPW	01-500-530-938	\$0	\$100	\$100	0%
Total DPW:		\$0	\$100	\$100	0%
Total Public Relations:		\$0	\$100	\$100	0%
Total Expense Objects:		\$1,263,580	\$1,067,900	\$1,108,295	3.8%



CAPITAL IMPROVEMENT PROGRAM



Proposed Five-Year Capital Improvement Program

Proposed Capital Improvement Program for Fiscal Years 2026 - 2030
May 1, 2025 to April 30, 2030.

The five-year Capital Improvement program is an important tool that assists the Town in its long-range goals. Each year, the program is reviewed and re-evaluated. The first year of the program was considered when creating the FY2026 Capital Budget and is subject to appropriations during the 2026 Operating and Capital Budget process. The remaining years serve as a guide for future improvements, their cost and sources of funding.

Total Funding Requested by Source

Below is a summary of the funding sources for the five-year Capital Improvement Program.

	Year ending April 30, 2026	Year ending April 30, 2027	Year ending April 30, 2028	Year ending April 30, 2029	Year ending April 30, 2030	5-year Totals
<u>Appropriations from the:</u>						
General Fund	-	-	-	-	-	-
Emerging Project Fund	12,495	-	-	-	-	12,495
Capital Replacement Trust Fund	298,960	18,565	145,330	78,225	713,655	1,254,735
Agency Funded Grants	1,167,505	40,000	40,000	40,000	40,000	1,327,505
Street Repair & Replacement Trust Fund	144,680	3,300,455	1,293,245	1,533,745	-	6,272,125
Emergency Service Enhancement Fund	-	45,000	45,000	45,000	45,000	180,000
Total Appropriations	\$ 1,623,640	\$ 3,404,020	\$ 1,523,575	\$ 1,696,970	\$ 798,655	\$ 9,046,860

For FY2026, the funding from Agency Funded Grants is composed of the following:

FY25 Bond Bill	\$113,113
DelDOT Transportation Alternative (TAP) Grant (20% of Construction)	\$720,000
American Rescue Plan Act (ARPA)	\$14,392
Department of Natural Resources and Environmental Control (DNREC)	\$40,000
Building Resilient Infrastructure & Communities (BRIC) Grant - Pending Award	\$240,000
DE Outdoor Recreation, Parks and Trail Grant	\$40,000

The funding from Agency Funded Grants in FY2027 to FY2030 is anticipated from the Sussex County Revenue Sharing Grant.



Proposed Capital Improvement Program by Department

Below is a summary of the funding sources for five-year Capital Improvement Program followed by a narrative of each project.

	Year ending April 30, 2026	Year ending April 30, 2027	Year ending April 30, 2028	Year ending April 30, 2029	Year ending April 30, 2030	5-year Totals
Capital Expenditures						
General & Administrative						
Berzin's Natural Area and Park	900,000	-	-	-	-	900,000
Total Administrative	900,000	-	-	-	-	900,000
Public Safety						
Replacement of Police Vehicles	-	85,000	85,000	85,000	85,000	340,000
Total Public Safety	-	85,000	85,000	85,000	85,000	340,000
Planning & Zoning						
Drainage Projects:						
Woodland Park - Phase II	-	-	527,000	-	-	527,000
Hunters Run Pipe Replacement	-	1,187,000	-	-	-	1,187,000
Eastgate Blvd Pipe Replacement	184,680	-	-	-	-	184,680
Oakwood Avenue	240,000	-	-	-	-	240,000
Total Drainage projects	424,680	1,187,000	527,000	-	-	2,138,680
Street Repair Projects:						
Woodland Avenue Street Widening	-	150,000	-	915,000	-	1,065,000
Total Street Repair projects	-	150,000	-	915,000	-	1,065,000
Sidewalk Connectivity projects						
Woodland to Oakwood via Central	-	1,750,000	-	-	-	1,750,000
West Avenue - Phase IV	-	213,455	766,245	618,745	-	1,598,445
Total Sidewalk Connectivity projects	-	1,963,455	766,245	618,745	-	3,348,445
Total Planning & Zoning	424,680	3,300,455	1,293,245	1,533,745	-	6,552,125
Capital Repairs from CRTF						
32 West Avenue - Capital Repairs	49,340	-	60,100	10,695	-	120,135
201 Central Avenue - Capital Repairs	161,810	-	85,230	-	66,775	313,815
222 Maintenance Road - Capital Repairs	5,150	18,565	-	-	27,825	51,540
John West Park - Capital Repairs	-	-	-	-	593,550	593,550
Vehicle Replacement	82,660	-	-	67,530	25,505	175,695
Capital Repairs - CRTF Funded	298,960	18,565	145,330	78,225	713,655	1,254,735
Total Capital Outlays	1,623,640	3,404,020	1,523,575	1,696,970	798,655	9,046,860



General & Administrative Requests

Berzin's Natural Area & Park

The Town purchased property at the corner of Muddy Neck Road and Double Bridges Road using grant funds totaling \$500,000 in FY23. Plans have been developed for Berzin's Natural Area and Park, complete with walking trails, scenic boardwalk overlooks, an outdoor classroom, pavilion and restrooms. Construction is scheduled for Fall 2025.

Project No. GA001	Historical	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
General Fund "Pay-Go"	\$ 5,000						\$ 5,000
Sussex Cnty Excess Funding Grant	\$ 288,253						\$ 288,253
DE ORPT Grant	\$ 60,000	\$ 40,000					\$ 100,000
FY25 Bond Bill		\$ 113,113					\$ 113,113
DE TAP Grant (80%/20% match)	\$ 467,103	\$ 720,000					\$ 1,187,103
Emerging Projects	\$ 24,557	\$ 12,494					\$ 37,051
American Rescue Plan Act (ARPA)	\$ 341,974	\$ 14,393					\$ 356,367
Other funding sources							\$ -
Total Funding:	\$ 1,186,887	\$ 900,000					\$ 2,086,887
Engineering	\$ 578,945						\$ 578,945
Construction / Construction Management	\$ 104,396	\$ 900,000					\$ 1,004,396
Vehicles & Equipment							\$ -
Other	\$ 503,546						\$ 503,546
Total Project Costs	\$ 1,186,887	\$ 900,000					\$ 2,086,887

Public Safety Requests

Replacement of Police Vehicles

The request includes the base price of the vehicles as well as the after-market outfitting. The oldest reserve will then be sold at auction.

The FY2026 budget does not include the purchase of any police vehicles but includes one (1) replacement in FY2027, FY2028, FY2029 and FY2030. Annually, the vehicle will be purchased with \$40K from Sussex County Revenue Sharing Grant as well as \$45K from the Emergency Services Enhancement Fund (ESEF).

The purchase will have no effect on the Operating Budget since they are replacements and funding is identified from other sources.

Project No. PS001	Historical	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
General Fund "Pay-Go"							\$ -
Sussex Cnty Revenue Sharing Grant			\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 200,000
Street Repair/Replacement TF (SRRTF)							\$ -
Capital Replacement TF (CRTF)							\$ -
Emergency Service Enhancement TF (ESEF)			\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 225,000
Agency Funded Grants							\$ -
American Rescue Plan Act (ARPA)							\$ -
Other funding sources							\$ -
Total Funding:			\$ 85,000	\$ 85,000	\$ 85,000	\$ 85,000	\$ 425,000
Engineering							\$ -
Construction / Construction Management							\$ -
Vehicles & Equipment			\$ 85,000	\$ 85,000	\$ 85,000	\$ 85,000	\$ 425,000
Other							\$ -
Total Project Costs			\$ 85,000	\$ 85,000	\$ 85,000	\$ 85,000	\$ 425,000

Planning and Zoning Requests

Drainage Projects:

Woodland Park Phase II

Drainage improvements along Woods Circle, Maple Lane and Holly Lane in the Woodland Park neighborhood. The project was previously scheduled for construction in FY2026 and FY2027 but due to funding restraints, the construction has been pushed to FY2028.

Project No. PZ002	Historical	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
General Fund "Pay-Go"							\$ -
Sussex Cnty Revenue Sharing Grant							\$ -
Street Repair/Replacement TF (SRRTF)	\$ 155,500			\$ 527,000			\$ 682,500
Capital Replacement TF (CRTF)							\$ -
Emergency Service Enhancement TF (ESEF)							\$ -
Agency Funded Grants							\$ -
American Rescue Plan Act (ARPA)							\$ -
Other funding sources							\$ -
Total Funding:	\$ 155,500			\$ 527,000			\$ 682,500
Engineering	\$ 150,000						\$ 150,000
Construction / Construction Management				\$ 480,000			\$ 480,000
Vehicles & Equipment							\$ -
Other - Contingency	\$ 5,500			\$ 47,000			\$ 52,500
Total Project Costs	\$ 155,500			\$ 527,000			\$ 682,500

Hunters Run Pipe Crossing

Remove and replace all existing asphalt coated corrugated metal pipes and roadway "slot" drains in the community. Once complete, mill and overlay all existing roadways. The cost of the street resurfacing is included in the construction cost of the project.

Project No. PZ010	Historical	FY2026	FY2027	FY2028	FY2029	FY2030	TOTAL
General Fund "Pay-Go"							\$ -
Sussex Cnty Revenue Sharing Grant							\$ -
Street Repair/Replacement TF (SRRTF)	\$ 132,000		\$ 1,187,000				\$ 1,319,000
Capital Replacement TF (CRTF)							\$ -
Emergency Service Enhancement TF (ESEF)							\$ -
Agency Funded Grants							\$ -
American Rescue Plan Act (ARPA)							\$ -
Other funding sources							\$ -
Total Funding:	\$ 132,000		\$ 1,187,000				\$ 1,319,000
Engineering	\$ 10,000						\$ 10,000
Construction / Construction Management	\$ 20,000		\$ 1,140,000				\$ 1,160,000
Vehicles & Equipment							\$ -
Other - Contingency	\$ 12,000		\$ 47,000				\$ 59,000
Total Project Costs	\$ 42,000		\$ 1,187,000				\$ 1,229,000

Eastgate Blvd Pipe Replacement (Avon Park)

The project is scheduled to replace the existing asphalt coated corrugated pipe under Eastgate Boulevard in Avon Park. This project includes additional pipe installation along the ditch behind 1 Avon Park Blvd through 9 Avon Park Blvd as well as ditch maintenance behind 1 Middleton Court through 7 Middleton Court in the Wedgefield Community. A portion of the project (\$40K) will be funded by a grant from the Department of Natural Resources and Environmental Control (DNREC).

Project No. PZ011	Historical	FY2026	FY2027	FY2028	FY2029	FY2030	TOTAL
General Fund "Pay-Go"							\$ -
Sussex Cnty Revenue Sharing Grant							\$ -
Street Repair/Replacement TF (SRRTF)	\$ 77,000	\$ 144,680					\$ 221,680
Capital Replacement TF (CRTF)							\$ -
Emergency Service Enhancement TF (ESEF)							\$ -
DNREC Grant - Tax Ditch		\$ 40,000					\$ 40,000
American Rescue Plan Act (ARPA)							\$ -
Other funding sources							\$ -
Total Funding:	\$ 77,000	\$ 184,680					\$ 261,680
Engineering	\$ 70,000	\$ 30,000					\$ 100,000
Construction / Construction Management		\$ 154,680					\$ 154,680
Vehicles & Equipment							\$ -
Other - Contingency	\$ 7,000						\$ 7,000
Total Project Costs	\$ 77,000	\$ 184,680					\$ 261,680

Oakwood Avenue

Drainage improvements to Oakwood Avenue adjacent to John West Park. The project is waiting for the grant award paperwork from Building Resilient Infrastructure & Communities (BRIC) for the amount of the engineering and construction cost.

Project No. PZ013	Historical	FY2026	FY2027	FY2028	FY2029	FY2030	TOTAL
General Fund "Pay-Go"							\$ -
Sussex Cnty Revenue Sharing Grant							\$ -
Street Repair/Replacement TF (SRRTF)	\$ 222,000						\$ 222,000
Capital Replacement TF (CRTF)							\$ -
Emergency Service Enhancement TF (ESEF)							\$ -
BRIC Grant		\$ 240,000					\$ 240,000
American Rescue Plan Act (ARPA)							\$ -
Other funding sources							\$ -
Total Funding:	\$ 222,000	\$ 240,000					\$ 462,000
Engineering	\$ 20,000	\$ 40,000					\$ 60,000
Construction / Construction Management	\$ 165,000	\$ 200,000					\$ 365,000
Vehicles & Equipment							\$ -
Other - Contingency	\$ 37,000						\$ 37,000
Total Project Costs	\$ 222,000	\$ 240,000					\$ 462,000

Street Repair Projects:

Woodland Avenue Street Widening

The project will design, construct and widen Woodland Avenue to accommodate pedestrian safety and bike lanes along the corridor between Central Avenue and West Avenue. The improvement will incorporate roadway widening being completed by the developer of the Shore Vista Community. Woodland Avenue has become a busy cross-through roadway which will benefit from the improvement.

Staffing will seek grant funding for pedestrian and bike rider safety / traffic-calming efforts to lessen the funding burden from the Street Repair & Replacement Trust.

Project No. PZ012	Historical	FY2026	FY2027	FY2028	FY2029	FY2030	TOTAL
General Fund "Pay-Go"							\$ -
Sussex Cnty Revenue Sharing Grant							\$ -
Street Repair/Replacement TF (SRRTF)			\$ 150,000		\$ 915,000		\$ 1,065,000
Capital Replacement TF (CRTF)							\$ -
Emergency Service Enhancement TF (ESEF)							\$ -
Agency Funded Grants							\$ -
American Rescue Plan Act (ARPA)							\$ -
Other funding sources							\$ -
Total Funding:			\$ 150,000		\$ 915,000		\$ 1,065,000
Engineering			\$ 150,000				\$ 150,000
Construction					\$ 805,200		\$ 805,200
Vehicles & Equipment							\$ -
Other - Contingency					\$ 109,800		\$ 109,800
Total Project Costs			\$ 150,000		\$ 915,000		\$ 1,065,000

Sidewalk Connectivity Projects:

Woodland Avenue to Oakwood Avenue via Central Avenue

The phase III sidewalk connectivity project design was originally scheduled for FY2023 with construction scheduled for FY2024 but has been pushed to FY2027.

Staffing will seek grant funding for pedestrian safety to lessen the funding burden from the Street Repair & Replacement Trust.

Project No. PZ019	Historical	FY2026	FY2027	FY2028	FY2029	FY2030	TOTAL
General Fund "Pay-Go"							\$ -
Sussex Cnty Revenue Sharing Grant							\$ -
Street Repair/Replacement TF (SRRTF)	\$ 118,500		\$ 1,750,000				\$ 1,868,500
Capital Replacement TF (CRTF)							\$ -
Emergency Service Enhancement TF (ESEF)							\$ -
Agency Funded Grants							\$ -
American Rescue Plan Act (ARPA)							\$ -
Other funding sources							\$ -
Total Funding:	\$ 118,500		\$ 1,750,000				\$ 1,868,500
Engineering	\$ 118,500						\$ 118,500
Construction / Construction Management			\$ 1,633,810				\$ 1,633,810
Vehicles & Equipment							\$ -
Other - Contingency			\$ 116,190				\$ 116,190
Total Project Costs	\$ 118,500		\$ 1,750,000				\$ 1,868,500



West Avenue - Phase IV

The phase IV sidewalk connectivity project will provide a safe path along West Avenue from Osprey Lane to Assowoman Canal Trail via Central Avenue. The design for the project is complete.

Project No. PZ020	Historical	FY2026	FY2027	FY2028	FY2029	FY2030	TOTAL
General Fund "Pay-Go"							\$ -
Sussex Cnty Revenue Sharing Grant							\$ -
Street Repair/Replacement TF (SRRTF)	\$ 248,500		\$ 213,455	\$ 766,245	\$ 618,745		\$ 1,846,945
Capital Replacement TF (CRTF)							\$ -
Emergency Service Enhancement TF (ESEF)							\$ -
Agency Funded Grants							\$ -
American Rescue Plan Act (ARPA)							\$ -
Other funding sources							\$ -
Total Funding:	\$ 248,500		\$ 213,455	\$ 766,245	\$ 618,745		\$ 1,846,945
Engineering	\$ 235,000						\$ 235,000
Construction / Construction Management			\$ 180,625	\$ 663,750	\$ 523,565		\$ 1,367,940
Vehicles & Equipment							\$ -
Other - Contingency	\$ 13,500		\$ 32,830	\$ 102,495	\$ 95,180		\$ 244,005
Total Project Costs	\$ 248,500		\$ 213,455	\$ 766,245	\$ 618,745		\$ 1,846,945

This phase is broken into three (3) projects as follows:

West Avenue - Betts Avenue	Scheduled for FY2027
West Avenue - North	Scheduled for FY2028
West Avenue - South	Scheduled for FY2029

Capital Repairs from CRTF

The following projects are funded by the Capital Repair Trust Fund (CRTF) and are based on the 2024 Reserve Study. The repairs, maintenance or replacement are based on the January 2024 review of the Town's capital assets titled "Reserve Study" prepared by Bob Wheatley of The Whayland Group, LLC. The study assumed an annual inflation rate of 3%, added vehicle replacement, and was revised in November 2024 to add contingencies for one-time costs.

The Reserve Study identifies out-years costs of known and recurring infrastructure needs. This detail is then used to assist in determining the funding allocated for / sent to the Capital Reserve Trust Fund (CRTF). The fiscal year items are intended to be funded accordingly from the CRTF.

The study lists the repairs, maintenance or replacement by calendar year which is noted in the description.

32 West Avenue (Community Center)

Project No. CRTF1	Historical	FY2026	FY2027	FY2028	FY2029	FY2030	TOTAL
2024 HVAC - Split System - Unit 1		\$ 8,000					\$ 8,000
2025 Doors - Fiberglass		\$ 8,860					\$ 8,860
2025 Roofs - Composite Shingle		\$ 22,180					\$ 22,180
2027 Generator				\$ 60,100			\$ 60,100
2028 HVAC - Split System - Unit 2					\$ 10,695		\$ 10,695
Contingency		\$ 10,300					\$ 10,300
Total Costs:		\$ 49,340		\$ 60,100	\$ 10,695		\$ 120,135



201 Central Avenue (Wallace A. Melson Municipal Complex)

Project No. CRTF2	Historical	FY2026	FY2027	FY2028	FY2029	FY2030	TOTAL
2024 Solar Array Repairs & Replacement	\$ 50,000						\$ 50,000
2024 Doors - Entrance - Phase 1 & 2		\$ 14,000					\$ 14,000
2024 Alarm System Upgrade		\$ 20,000					\$ 20,000
2025 Doors - Entrance - Phase 3		\$ 7,210					\$ 7,210
2025 Telephone & Security Systems		\$ 100,000					\$ 100,000
2027 Ceiling Fiberboard Panels				\$ 52,450			\$ 52,450
2027 Doors - Overhead Sectional				\$ 32,780			\$ 32,780
2029 Epoxy Floor - PD						\$ 8,810	\$ 8,810
2029 Solar Array Repairs & Replacement						\$ 57,965	\$ 57,965
Contingency		\$ 20,600					\$ 20,600
Total Costs:	\$ 50,000	\$ 161,810		\$ 85,230		\$ 66,775	\$ 363,815

222 Maintenance Road (Department of Public Works Building)

Project No. CRTF3	Historical	FY2026	FY2027	FY2028	FY2029	FY2030	TOTAL
2026 Doors - Electric Operators (6)			\$ 12,730				\$ 12,730
2026 Doors- Exterior Hardware			\$ 5,835				\$ 5,835
2029 Heat Pumps - Split System Ductless						\$ 23,185	\$ 23,185
2029 Toilet Accessories						\$ 4,640	\$ 4,640
Contingency		\$ 5,150					\$ 5,150
Total Costs:		\$ 5,150	\$ 18,565			\$ 27,825	\$ 51,540

John West Park

Project No. CRTF4	Historical	FY2026	FY2027	FY2028	FY2029	FY2030	TOTAL
2029 Playground Equipment	\$ 311,500					\$ 579,640	\$ 891,140
2029 Pavilion Improvements						\$ 13,910	\$ 13,910
Contingency							\$ -
Total Costs:	\$ 311,500					\$ 593,550	\$ 905,050

Playground equipment replacement was originally scheduled to start in FY2024 with funding from the following:

FY2021	\$60,000 (59,850 remaining)
FY2022	\$80,000 (\$30,861 remaining)
FY2023	\$71,500
FY2024	\$50,000

With the purchase of 8 Oakwood Avenue in the Fall of 2023, the Council approved the ARPA, American Rescue Plan Act, funding originally scheduled for playground equipment to be used towards the purchase and parking lot construction in the amount of \$287,790. The remaining funding, \$50,000, is still available with additional funding noted in the Reserve Study in FY2030. The current thought is that an overhaul and update of our playground at John West Park will require extensive effort and likely benefit from consideration of debt financing and an all at once approach to get in and get the project done thereby limiting closure time. Grant funding can and will also be sought and the remaining balance used as matching funds.



Vehicle Replacement

Project No. CRTF5	Historical	FY2026	FY2027	FY2028	FY2029	FY2030	TOTAL
2024 Dump Truck (replace DPW 01)	\$ 121,000						\$ 121,000
2024 Ford Ranger (replace PZ F350)		\$ 60,000					\$ 60,000
2025 Mosquito Sprayer #1 - mounted		\$ 22,660					\$ 22,660
2028 Ford F350 (replace DPW08)					\$ 67,530		\$ 67,530
2029 Mosquito Sprayer #2 - mounted						\$ 25,505	\$ 25,505
Contingency							\$ -
Total Costs:	\$ 121,000	\$ 82,660			\$ 67,530	\$ 25,505	\$ 296,695

The Reserve Study has the replacement of DPW06 (Ford F350) scheduled for calendar year 2024. When reviewing the needs of the departments, it was determined that the PZ Ford F350 would be better suited for DPW and will be transferred once the replacement vehicle (Ford Ranger) is available for use.

Impact on Future Operating Budgets

As part of the annual review of the Capital Improvement Program, the Town reviews each project to determine, if any, increases in maintenance and operational costs.

We do not anticipate that any of the projects, replacements or capital purchases that are part of the Capital Improvement Program will create the need to increase the property tax rate or impose a fee specifically for their operations.

Vehicles:

All vehicles included in the FY2026 Budget are replacement vehicles. We do not anticipate any increase to our maintenance or operational budgets once purchased and added to the fleet. Current vehicles will be sold, traded or, on occasion, held as a reserve vehicle.

Drainage Projects:

All drainage projects are improvements to the Town's infrastructure and will not have an impact on future maintenance or operational budgets once completed.

Sidewalk Connectivity Projects:

The sidewalk connectivity projects currently scheduled will have little to no impact on the maintenance or operational budget. Sidewalks have a 40-year book period. Minor repairs will be made using the public works maintenance line item.

Equipment or Building Improvements:

All equipment or building improvements listed on the FY2026-30 Capital Improvement Program are upgrades or replacements. We do not anticipate any impact, whether an increase or decrease to our maintenance or operational budgets once completed.

Open Space / Land:

Once completed, Berzin's Natural Area and Park will have an impact on future maintenance and operational budgets. As the project progresses, analysis will be performed to determine the impact. However, the current addition of two (2) part-time maintenance staff is hopefully sufficient to absorb extra duties at Berzin's Natural Area & Park. The purchase of 8 Oakwood Avenue adjacent to John West Park which occurred in FY2024, will be transitioned to additional parking. Once complete, the parking lot will have an impact on the contractual services and utilities. At this time, the project is in the planning stages and does not impact the FY2026 operating budget.

Emerging Projects

Prior to FY2019, undesignated funds from Transfer Tax were allocated to the General Fund. Since then, annually, the Town Council has continually recommended to eliminate reliance on Transfer Tax to subsidize the General Fund operating budget.

The balance of those funds not designated for the Capital Repair Trust, Street Repair & Replacement Trust and the Emergency Reserve Trust, have been restricted to use for Emerging Projects.

In FY2026, the remaining funds are being designated to fund projects for the Berzin's Natural Area and Park, such as the outdoor classroom and convenience station.

EMERGING PROJECTS FUND			
	Beginning Balance:	\$422,845	
PROJECTS UNDER CONSIDERATION OR COMPLETED:			
SUSSEX CO SPECIAL OLYMPICS BOCCE COURTS	COMPLETED		\$ 18,500
HOME COURTS FOR TEAM but open to public	\$15,000 to Natelli		
Berzin's Natural Area & Park		\$ 81,278	
Funding for the outdoor classroom & convenience station			
PARKING LOT (33 West Ave Purchase)	COMPLETED		\$ 297,702
FY2025 Operating Budget Support (as Approved)	COMPLETED		\$ 25,365
TOTAL		\$ 81,278	\$ 341,567

American Rescue Plan Act (ARPA) Funded Projects

Signed into law on March 11, 2021, The American Rescue Plan Act (“ARPA”) provided additional funding for state and local governments. The Town of Ocean View was awarded \$1,182,341. 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 gave governments until December 31, 2024, to expend or encumber the awarded funds. All encumbered funds must be expended by December 31, 2026.

Amercian Rescue Plan Act	ARPA	12/31/2024	Funds Awarded Ocean View	\$1,182,341.00			
PROJECTS SUPPORTED/ALREADY FUNDED	PURPOSE	OR VENDOR	AMOUNTS:				
MILLVILLE VOL FIRE CO	BUILDING FUND		\$	100,000.00	TOV_ARPA-001		
	EMERGENCY SERVICES ENHANCEMENT		\$	7,812.65	TOV_ARPA-003		
OPEN SPACE BERZINS NATURAL AREA	TOWARDS PROPERTY PURCHASE		\$	210,293.38	TOV_ARPA-008		
	ENGINEERING		\$	8,544.05			
	ENGINEERING CONSULT DELDOT		\$	24,023.03			
	FY24 ORPT Grant Match		\$	(60,000.00)			
	DESIGN 20% MATCH TAP GRANT		\$	109,275.63			
	TOWARDS EDUCATIONAL CENTER		\$	49,837.55			
32 WEST AVE CARD ACCESS PROJECT GRANT MATCH		(ADVANTECH)	\$	10,299.50	TOV_ARPA-007		
MOBILE RADIO REPLACEMENTS OVPD		(MOTOROLA)	\$	82,850.14	TOV_ARPA-004		
BARNES AND THORNBURG - LEGAL SERVICES ASSOCIATED WITH ARPA GRANT			\$	4,609.64	TOV_ARPA-006		
COVID 19 PREMIUM PAY			\$	121,486.23	TOV_ARPA-002		
33 WEST PARKING LOT	LANDSCAPE		\$	30,700.00	TOV_ARPA-005		
	SIGNAGE		\$	830.00			
8 OAKWOOD AVENUE	PURCHASE	(Total Purchase Cost \$405,000)	\$454,175	\$	225,100.00	TOV_ARPA-010	
	DEMOLITION			\$	14,075.00		
	ENGINEERING & DESIGN			\$	55,000.00		
	CONSTRUCTION			\$	135,000.00		
	LANDSCAPE & SIGNAGE			\$	25,000.00		
ENGINEERING/DESIGN EVIDENCE STRUCTURE				(Project Dropped)	\$	1,150.00	TOV_ARPA-011
STALKER RADAR SPEED TRAILER					14,454.20	TOV_ARPA-009	
STORAGE SHED - HOLIDAY DÉCOR	SITE WORK			1,500.00	TOV_ARPA-012		
	SHED			10,500.00			
			\$	1,182,341.00			

DEBT



Debt

Fiscal Year 2026 forecasts \$3.86 million in outstanding bonds payable. This debt is backed by full faith and credit of the Town of Ocean View Government, although revenues from the Municipal Water Utility are being used to pay the debt service. There is no General Fund bonded debt.

Ocean View's legal debt limit, by statute, is 25 percent of the assessed value of taxable property. The chart below shows the proposed debt limit and legal debt margin.

Projected legal debt margin calculation for fiscal year 2026	
(in millions of dollars)	
Projected assessed value	1,421.66
Debt limit (25% of assessed value)	355.42
Forecasted net debt applicable to limit	3.86
Legal debt margin	351.56

In August 2018, the Town issued general obligation bonds to advance refund two 2007 USDA loans used to finance a portion of the water distribution system. The \$4,160,000 bonds were sold at a premium of \$30,212 with a true interest rate of 3.445%, resulting in a savings of \$349,759 over the life of the debt.

The issuance did not extend the life of the debt with a final payment due September 15, 2047. As a result of the refunding, the 2007 USDA loans have been defeased. The Town has an AA+ bond rating by S&P Investment Services.

The general obligation bond series of 2018 are payable in semi-annual payments in March (interest only) and September (principal and interest). The total amount of outstanding general obligation bonds payable at April 30, 2024 was \$3,860,000.

Debt service requirements on long-term debt are as follows:

Year Ending April 30,	Principal	Interest	Total
2019		83,188	83,188
2020		142,608	142,608
2021		142,608	142,608
2022	95,000	140,233	235,233
2023	100,000	135,358	235,358
2024	105,000	130,233	235,233
2025	110,000	125,958	235,958
2026	115,000	122,583	237,583
2027-2031	495,000	558,238	1,053,238
2032-2036	865,000	454,575	1,319,575
2037-2041	500,000	323,600	823,600
2042-2046	955,000	161,513	1,116,513
2047-2048	820,000	12,780	832,780
	\$ 4,160,000	\$ 2,533,474	\$ 6,693,474

APPENDIX



Glossary / Acronyms / Abbreviations

A

Accrual: Relating to or being a method of accounting that recognizes income when earned and expenses when incurred (see modified accrual and full accrual)

Accrued Interest: The amount of interest that has accumulated on the debt since the date of the last interest payment, and on the sale of a bond, the amount accrued up to but not including the date of delivery (settlement date). (See Interest)

Actuarial: A statistical calculation performed by actuaries.

Amortization: an accounting technique used to periodically lower the book value of a loan or an intangible asset over a period of time.

Annual Budget: A budget covering a single fiscal year.

Appropriated Reserves: Funds that have been set aside from previous fiscal years.

Appropriations: A legal authorization granted by a legislative body to make expenditures and to incur obligations.

American Rescue Plan Act: of 2021 provides historic support for state, local and tribal governments to fund the pandemic

ARPA: American Rescue Plan Act

Assessed Value: A value assigned to real estate or other property as the basis for levying taxes.

Assessment Rolls: A database of properties located in the Town of Ocean View that includes the assessed value of those properties.

Assets: Resources owned by an entity. Assets have a capacity to provide future services or benefits.

Audit: An examination of the Town's financial systems, procedures, and data by a certified public accountant (independent auditor), and a report on the financial statements and on local compliance with statutes and regulations. The audit serves as a valuable management tool in evaluating the fiscal performance of a community.

Audited: The statement has been examined by an independent certified public accountant.

Available Funds: Balances in the various fund types that represent non-recurring revenue sources. As a matter of sound practice, they are frequently appropriated to meet unforeseen expenses, for capital expenditures or other one-time costs.

Available Revenue: Revenue collectible within the current period, or soon enough thereafter, to pay liabilities for the current period.

B

Balance Sheet: A statement that discloses the assets, liabilities, reserves and equities of a fund or governmental unit at a specified date.

Balanced Budget: Revenues equal expenditures.

Basis of Accounting: The time various transactions are recorded.

Basis of Budgeting: The estimation of revenue and expenses over a specified future period of time.

Baseline Budget: Using the current spending levels as the "baseline" for establishing future funding requirements and assumes future budgets will equal the current budget times the inflation rate times the population growth rate.

BCBS: Blue Cross Blue Shield

Bond: An indebtedness sold by a governmental agency to generate funds. The bond guarantees payment of the original investment plus interest by for a specific date or dates in the future.

Bonded Debt: The total amount owed by the Town as a result of the sale of general obligation or other bonds guaranteed by the Town.

Bond Issue: The sale of a certain number of bonds at one time by the Town.

Bond Rating: A credit rating assigned to a municipality to help investors assess the future ability, legal obligation, and willingness of the municipality (bond issuer) to make timely debt service payments. Stated otherwise, a rating helps prospective investors determine the level of risk associated with a given fixed-income investment. Rating agencies, such as Moody's and Standard and Poors, use rating systems, which designate a letter or a combination of letters and numerals where AAA is the highest rating and C1 is a very low rating.

BRIC: Building Resilient Infrastructure and Communities

Budget: A plan of financial operations for a given period of time providing estimates of proposed expenditures and the proposed means of financing them.

Budget Ordinance: The ordinance that levies taxes, sets the tax rate and appropriates revenues for specified expenditures (purposes, functions, activities, or objectives) during a fiscal year.

C

Capital Asset: Property, plant, equipment, and infrastructure assets purchased, built or leased with a useful life one year or more.

Capital Expenditure: Money spent by the Town to purchase a capital asset such as property, plant, equipment, and infrastructure assets. To be considered a capital asset, the purchase must be over \$5,000.

Capital Outlay: An expenditure for the acquisition cost of capital assets, such as equipment, or expenditures to make improvements to capital assets that materially increase their value or useful life.

Capital Projects: A plan to build and/or purchase property, plant, equipment, and infrastructure assets.

Capital Projects Fund: Account for financial resources to be used for the acquisition or construction of major capital facilities.

Capital Reserve Trust Fund: Funds accumulated that shall only be expended for the repair and replacement of capital assets or improvements determined by a majority of the Town Council and funded by 12.5% of Realty Transfer Tax collected.

CARES Act: Coronavirus Aid, Relief and Economic Security Act

CERT: Community Emergency Response Team

Certificate of Deposit (CD): A bank deposit evidenced by a negotiable or non-negotiable instrument, which provides on its face that the amount of such deposit plus a specified interest payable to a bearer or to any specified person on a certain specified date, at the expiration of a certain specified time, or upon notice in writing.

CLUP: Comprehensive Land Use Plan

Commercial Paper: A short-term unsecured promissory note issued by companies

Comprehensive Land Use Plan: A long range plan that guides policy and land use decisions.

Connection Fee: Fee charged to access a central water system to pay for the infrastructure cost that provided the capacity.

Consumer Price Index: The statistical measure of changes, if any, in the overall price level of consumer goods and services. The index is often called the "cost-of-living index."

Contingency: Budget account in which funds are set aside for unseen expenditures which may become necessary to use during the year.

COPS grant: Community Oriented Policy Services grant awarded by the US Department of Justice.

Cost-Benefit Analysis: A decision-making tool that allows a comparison of options based on the level of benefit derived and the cost to achieve the benefit from different alternatives.

COVID-19: a mild to severe respiratory illness that is caused by coronavirus.

CPCN: Certificate of Public Convenience and Necessity



CRTF: Capital Reserve Trust Fund

CPI_U: Consumer Price Index - Urban

CY: Calendar Year

D

DE: Delaware

Debt: Duty or obligation to pay money, deliver goods, or render services under an express or implied agreement.

Debt Service: The repayment cost, usually stated in annual terms and based on an amortization schedule, of the principal and interest on any particular bond issue.

Defeasance / Defeased: a bond which, after its issuance, has its outstanding debt collateralized by cash equivalents. The funds are used as collateral are sufficient to meet all payments of principal and interest on the outstanding bonds as they come due.

DEMA: Delaware Emergency Management Agency

DeLDOT: Delaware Department of Transportation

Department: A Town agency or office.

Depreciation: Annual loss of value of equipment or other asset. This is not a budgeted item, but will show in the actual audited numbers.

DNREC: Department Natural Resources and Environmental Control

DPW: Department of Public Works

E

Economic Development: The creation of wealth from which community benefits are realized. It is an investment in growing your economy and enhancing the prosperity and quality of life for all residents.

EDU: Equivalent Dwelling Unit

Emergency Reserve Trust Fund: Funds in addition to emergency appropriations funded annually during the budget process (not less than 20% of the current operating budget). These funds are for use during natural disasters, public emergencies or during periods of reduced revenue.

Emergency Services Enhancement Fund: Funding program established to award annual grants to volunteer fire services or other organized providers of fire protection and emergency services. Funded by one half of one percent (.5%) of the construction value of building permits and \$500 of the \$1,936 Impact Fee.

Employment costs: The total expense of employment. This cost includes salary, overtime, FICA, health, pension, life insurance, unemployment, workers' compensation, and disability insurance.

Encumbrance: A reservation of funds to cover obligations arising from purchase orders, contracts, or other commitments that are chargeable to, but not yet paid from, a specific appropriation account.

Enterprise Fund: A separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods or services. It allows a community to demonstrate to the public the portion of the total cost of a service that is recovered through user charges and the portion that is subsidized by the tax levy, if any. With an enterprise fund, all costs of service delivery--direct, indirect, and capital costs—are identified. This allows the community to recover total service costs through user fees if it chooses. Enterprise accounting also enables communities to reserve the "surplus" or net assets unrestricted generated by the operation of the enterprise rather than closing it out to the general fund at year-end. Services that may be treated as enterprises include, but are not limited to, water, sewer, hospital, and airport services.

Equalized Valuations (EQVs): The determination of the full and fair cash value of all property in the community that is subject to local taxation.

Equities: Investments that are stocks and shares in a company.

Equivalent Dwelling Unit (EDU): An arbitrary term used to express the load-producing effects on the water system and/or sewer system caused by one average-sized residential dwelling.

ERTF: Emergency Reserve Trust Fund

ESEF: Emergency Services Enhancement Fund

Estimated Receipts: A term that typically refers to anticipated local revenues often based on the previous year's receipts and represents funding sources necessary to support a community's annual budget.

Expenditure: An outlay of money made by the Town to provide the programs and services within their approved budget.



Expense/Expenditure: The cost required for something.

F

Fiduciary Funds: Repository of money held by a municipality in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and other funds. These include pension (and other employee benefit) trust funds, investment trust funds, private- purpose trust funds, and agency funds.

Fiscal Responsibility: The ability to balance between government spending and tax to maintain sustainable public finances and ensure fiscal policy aids the optimal rate of economic growth.

Fiscal Year (FY): An accounting period covered by the Town's budget. Ocean View's fiscal year commences May 1st and ends the following April 30th.

Fixed Costs: Costs that are legally or contractually mandated such as retirement, FICA/Social Security, insurance, debt service costs or interest on loans.

Full Faith and Credit: A pledge of the general taxing powers for the payment of governmental obligations. Bonds carrying such pledges are usually referred to as general obligation or full faith and credit bonds.

Full-Time (FTE): Status of an employee whose combined weekly hours total at least 40 hours.

Function: The primary role of the department in the Town government.

Fund: An accounting entity with a self-balancing set of accounts that are segregated for the purpose of carrying on identified activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

Fund Accounting: Organizing financial records into multiple, segregated locations for money. A fund is a distinct entity within the municipal government in which financial resources and activity (assets, liabilities, fund balances, revenues, and expenditures) are accounted for independently in accordance with specific regulations, restrictions or limitations. Examples of funds include the general fund and enterprise funds.

Fund Balance: The difference between assets and liabilities in governmental funds. The balance in this account is the cumulative results of actual revenues and expenditures over time.

Funding Sources: Financial resources used to support expenses.

FY: Fiscal Year



G

GAAP: Generally Accepted Accounting Principles - A set of rules that encompass the details, complexities, and legalities of business and corporate accounting.

GASB: Governmental Accounting Standards Board

General Fund: The fund used to account for most financial resources and activities governed by the normal appropriation process.

General Obligation Bonds: Bonds issued by a municipality for purposes allowed by statute that are backed by the full faith and credit of its taxing authority.

GF: General Fund

GFOA: Government Finance Officers Association

Governing Body: A board, committee, commission, or other executive or policymaking body of a municipality or school district (Ocean View Town Council).

Government Finance Officers Association: represents public finance officials throughout the United States and Canada. The association provides training and educational opportunities, recommended practices and GASB interpretations to finance officials and support staff.

Governmental Fund: Account to track the government's activities that are primarily tax-supported.

I

Incremental Budgeting: a method of creating a budget based on the previous period's budget, with some adjustments for inflation, growth, or other factors.

Indirect Cost: Costs of a service not reflected in the operating budget of the entity providing the service. An example of an indirect cost of providing water service would be the value of time spent by non-water department employees processing water bills. A determination of these costs is necessary to analyze the total cost of service delivery. The matter of indirect costs arises most often in the context of enterprise funds.

Infrastructure: The structures that support the Town, such as roads, water facilities, communication, etc.

Interest: Compensation paid or to be paid for the use of money, including amounts payable at periodic intervals or discounted at the time a loan is made. In the case of municipal bonds, interest payments accrue on a day-to-day basis, but are paid every six months.

Interest Rate: The interest payable, expressed as a percentage of the principal available for use during a specified period of time. It is always expressed in annual terms.

Interfund Transfer: Type of transaction in which a fund transfers resources to another fund.

Intergovernmental Revenue: Revenues from other governments (County, State or Federal).

Investments: Securities and real estate held for the production of income in the form of interest, dividends, rentals or lease payments. The term does not include fixed assets used in governmental operations.

IT: Information Technology

L

Lease: A contract that gives someone the right to use a property or asset for a set amount of time in exchange for payment.

Liability: Loan, expense, or any other form of claim on the assets of an entity that must be paid or otherwise honored by the entity.

Liaison: Communication or cooperation which facilitates a close working relationship between people or organization.

Line Item Budget: A budget that separates spending into categories, or greater detail, such as supplies, equipment, maintenance, or salaries, as opposed to a program budget.

M

Maturity Date: The date that the principal of a bond becomes due and payable in full.

Misc: Miscellaneous

Modified Accrual Accounting: The accounting method under which revenues are recognized in the period they become available and measurable, and expenditures are recognized in the period the associated liability is incurred.

Municipal(s): (As used in the bond trade) "Municipal" refers to any state or subordinate governmental unit. "Municipals" (i.e., municipal bonds) include not only the bonds of all political subdivisions, such as cities, towns, school districts, special districts, counties but also bonds of the state and agencies of the state.

Mutual Funds: A financial vehicle made up of a pool of money collected from many investors to invest in securities

N

Note: A short-term loan, typically with a maturity date of a year or less.

O

Objects of Expenditures: A classification of expenditures that is used for coding any department disbursement, such as "personal services," "expenses," or "capital outlay."

Obligations: Debt or commitment of an entity

Operating Budget: A plan of proposed expenditures for personnel, supplies, and other expenses for the coming fiscal year.

Ordinance: The regulation adopted by Town Council.

Other Funding Source: The revenue source that is made up of transfers from other funds or use of savings.

P

P&Z: Planning and Zoning

Part-time (PTE): Status of an employee whose combined weekly hours total less than 40 hours.

Pay-Go: Meeting of costs as they arise mostly from General Fund. Also known as Pay-as-you-go.

PD: Police Department (Public Safety)

Principal: The face amount of a bond, exclusive of accrued interest.

Program: A combination of activities to accomplish an end.

Program Budget: A budget that relates expenditures to the programs they fund. The emphasis of a program budget is on output.

Proprietary Fund: A fund used in governmental accounting to account for activities that involve business-like interactions.

Purchased Services: The cost of services that are provided by a vendor.

R

Rd: Road

Realty Transfer Tax (RTT): A tax that is levied on the transfer of ownership of real property from one entity to another. The County collects 1.5% of the value of a transfer for the Town.

Reassessment: The periodic process to reevaluate property values.

Refunding of Debt: Transaction where one bond issue is redeemed and replaced by a new bond issue under conditions generally more favorable to the issuer.

Reserves: An amount set aside annually within the budget of a town to provide a funding source for extraordinary or future use, otherwise known as savings.

Revaluation: The assessors of each community are responsible for developing a reasonable and realistic program to achieve a fair cash valuation of property in accordance with constitutional and statutory requirements. The nature and extent of that program will depend on the assessors' analysis and consideration of many factors, including, but not limited to, the status of the existing valuation system, the results of an in-depth sales ratio study, and the accuracy of existing property record information.

Revenue: Monies received by the Town to support its budget and enable the employees to provide services needed by the public. Property taxes, gross rental receipt tax, building permits, and receipts from state and federal sources are examples.

Revenue Sources: Financial resources used to support expenditures.

RTT: Realty Transfer Tax

S

SBO: Statewide Benefits Office

SEBC: State Employee Benefits Committee

SRO: School Resource Officer

SRRTF: Street Repair and Replacement Trust Fund

Street Repair and Replacement Trust Fund: Funds accumulated that shall only be expended on the repair and replacement of streets, drainage and sidewalks as determined by a majority of the Town Council and funded by 25% of Realty Transfer Tax collected.

Surplus Revenue: The amount by which cash, accounts receivable, and other assets exceed liabilities and reserves.

Sustainability: Meeting the needs of the present without compromising the ability of future generations to meet their needs.

T

Tax Rate: The amount of property tax stated in terms of a unit of the municipal tax base; for example, \$.2378 per \$100 of assessed valuation of taxable real and personal property.

Taxable assessments: The value of property used to calculate property taxes.

Transfers In: Financial inflows from other funds of the government reporting entity.

Transfers Out: Financial outflows to other funds of the government reporting entity.

Trust Fund: As custodian of trust funds, the treasurer invests and expends such funds as stipulated by trust agreements, as directed by the commissioners of trust funds or by the community's legislative body. Both principal and interest may be used if the trust is established as an expendable trust. For nonexpendable trust funds, only interest (not principal) may be expended as directed.

U

Undesignated Fund Balance: Monies in the various government funds as of the end of the fiscal year that are neither encumbered nor reserved and are therefore available for expenditure once certified as part of free cash.

Unfunded Liability: The government's obligation to pay a future benefit.

Unreserved Fund Balance: The amount by which cash, accounts receivable, and other assets exceed liabilities and restricted reserves. It is akin to a "stockholders' equity" account on a corporate balance sheet. It is not, however, available for appropriation in full because a portion of the assets listed as "accounts receivable" may be taxes receivable and uncollected.

Unrestricted Funds: Funds with no restrictions imposed by entities outside the County



V

Valuation (100 Percent): The legal requirement that a community's assessed value on property must reflect its market, or full and fair cash value.

W

Water Fund: The fund that accounts for the water operations that are financed and operated in a manner similar to private business enterprises, where the intent is that costs of providing goods or services are recovered primarily through water user and service charges.