# TOWN OF OCEAN VIEW DELAWARE FY2024 BUDGET WORKSHOP

February 28, 2023

# FY2024 Proposed Operating Budget Considerations

## Objectives & key assumptions of the proposed FY2024 Operating Budget-

- We have proposed a balanced Operating Budget of \$5,921,190 and Capital Improvement Program totaling \$4,577,540.
- The proposed FY2024 budget is presented with no requirement for a tax rate increase. Therefore, the three (3) cent tax rate reduction (equal to 11%) in FY2023 has been maintained at .2378 per \$100 assessed value. For awareness, we have assumed for now, a one (1) cent incremental tax rate increase for each out year including FY2025, 2026, 2027 and 2028 (making up our 5-year plan) and no requirement to use reserves (unassigned fund balance).
- Cost of Living Adjustment (COLA) Wage increases of 6.393% based on the December 31, 2022, CPI-U for the Mid-Atlantic region, for employees and 2.893% for contractual employees (Town Manager and Chief).
- A seasonal part-time Codes employee has again been included at the cost of \$13,790 and a paid weekend volunteer for the Police Department front desk from Memorial Day to Labor Day at a cost of \$4,650. With the addition of a School Resource Officer (SRO) at Lord Baltimore Elementary, an additional police position is included for recruitment in FY2024.
- Our Fee Schedule includes modifications associated with our review of actual time spent completing various tasks, Town Solicitor billings, and/or comparisons with the fee schedules from other Towns in our area. These will be the first modifications since its last adoption in 2021.

# FY2024 Proposed Operating Budget Summary

Total Revenue Available for Operations		\$ 5,824,550	\$ 6,031,190	\$ 6,111,683	\$ 6,565,341	\$ 5,541,154	\$ 5,679,128
Departmental Operatin	g Expenses:						
General & Administrative		1,204,770	1,292,935	1,307,169	1,329,947	1,429,198	1,373,626
Planning & Zoning		700,885	767,675	789,385	805,143	821,356	837,573
Public Safety		2,016,270	2,346,035	2,368,084	2,434,717	2,503,743	2,568,558
Public Works		1,600,945	1,514,545	1,202,914	1,608,380	561,223	567,937
Total Operating Ex	penses	5,522,870	5,921,190	5,667,552	6,178,187	5,315,520	5,347,695
Available Revenue in e	xcess of (less than) Operating Expenses	301,680	110,000	444,131	387,155	225,634	331,433
Other Funding Sources	:						
Current Yr. Budget Ai	mendment Impact (Op & Cap)	-		-	-	-	
Capital Funding Source	s:						
Sussex County Public Safety Grant/Other Grants		40,000	1,750,290	80,000	80,000	80,000	80,000
Capital Replacement Trust Fund (CRTF)		131,355	83,050	32,770	-	139,345	-
Street Repair & Replacement Trust Fund (SRRTF)		1,340,100	2,634,200	954,500	594,000	-	-
Emerging Projects Fund		-	-	-	-	-	-
Total Other Funding Sources		1,511,455	4,467,540	1,067,270	674,000	219,345	80,000
Excess (Deficit) Funding before Capital Expenditures		1,813,135	4,577,540	1,511,401	1,061,155	444,979	411,433
Capital Expenditures:							
Total Expenditures from Capital Improvement Plan		2,001,850	4,577,540	1,203,070	809,800	372,560	215,800
Excess (Deficit) Funding after all Expenditures		(188,715)	(0)	308,331	251,355	72,419	195,633
* Projected							
Unassigned Fund		\$ 1,621,572	\$ 1,621,571	\$ 1,929,902	\$ 2,181,257	\$ 2,253,676	\$ 2,449,310
Balance	<b>\$1,810,287</b>						
	(Adjusted to FY22 Audit Balance)						

<sup>\*</sup> Projected Unassigned Fund Balance (includes minimum reserves for operations).

# FY2024-28 Proposed Capital Improvement Program (CIP)

The CIP is a long-range planning document allowing for effective management of projects and out-year forecasting.

	Amount Year ending April 30, 2024		Amount Year ending April 30, 2025		Ye	Amount ar ending April 30, 2026	Ye	Amount ar ending April 30, 2027	Amount Year ending April 30, 2028		
Appropriations from the:											
General Fund	\$	110,000	\$	135,800	\$	135,800	\$	153,215	\$	135,800	
Emerging Project Fund	\$	-	\$	-	\$	-	\$	-	\$	-	
Capital Replacement Trust Fund	\$	83,050	\$	32,770	\$	-	\$	139,345	\$	-	
Agency Funded Grants	\$1	,700,290	\$	30,000	\$	30,000	\$	30,000	\$	30,000	
Street Repair & Replacement Trust Fund	\$2	,634,200	\$	954,500	\$	594,000	\$	-	\$	-	
Emergency Service Enhancement Fund	\$	50,000	\$	50,000	\$	50,000	\$	50,000	\$	50,000	
Water Fund*	\$	-	\$	-	\$	-	\$	-	\$		
Total Appropriations	\$4	,577,540	<b>\$</b> 1	1,203,070	\$	809,800	\$	372,560	\$	215,800	

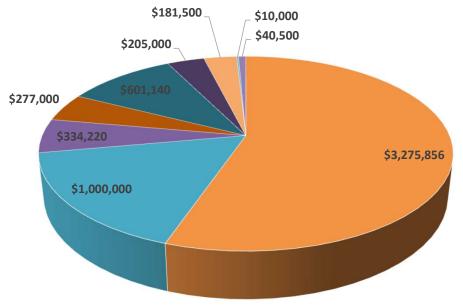
The Capital Improvement Program can be found in its entirety on pages 127 to 195 of the Proposed Operating Budget, 5-year Capital Improvement Program and Water System Budget.

<sup>\*</sup>This Capital program does not anticipate any water utility projects.

# FY2024 Revenue Projection

Our Revenue projection is based on conservative estimates and is represented in the

following chart:



- PROPERTY TAXES (with Discount) (\$3,275,856)
- BUILDING PERMITS (\$334,220)
- GROSS RENTAL RECEIPTS TAXES (\$601,140)
- MISCELLANEOUS (\$181,500)
- POLICE FINES & FEES (\$40,500)

- TRANSFER TAXES (\$1,000,000)
- PUBLIC SAFETY GRANTS (\$277,000)
- LICENSES (\$205,000)
- PLANNIING & ZONING/BOARD OF ADJ FEES (\$10,000)

## Focusing on the Town of Ocean View 2022 Property Tax Reassessment

Last year, the Town of Ocean View conducted a property tax reassessment of all properties located within the Town as required by Town Charter (every 5 years) which resulted in the adoption of a <a href="three">three</a> (equal to 11%) in FY2023. Further, FY2024 forecasting resulted in our ability to absorb anticipated cost increases and decreased permit revenues while maintaining the FY2023 (prior year) <a href="reduced and equitable">reduced and equitable</a> property tax rate.

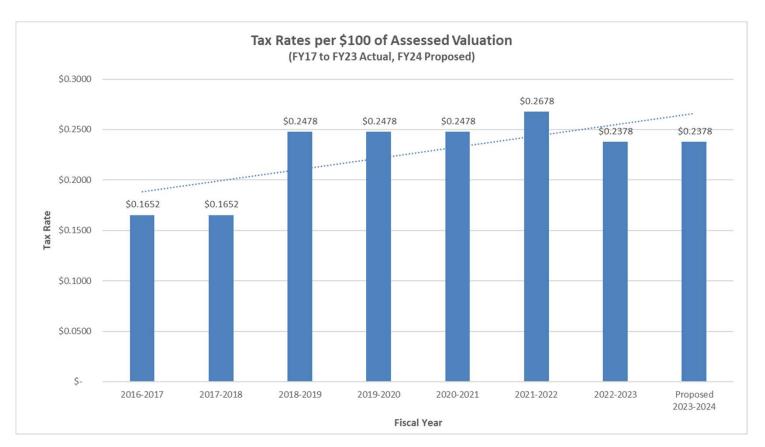
#### HOW DOES THIS COMPARE - Sale Price vs. Assessment Value

Property Location		Assessment	%
(randomly selected)	Sale Price	Value	Difference
44 S Primrose Lane	\$350,000	\$254,200	37%
37 Osprey Lane	\$475,000	\$456,800	3.98%
3 William Street	\$550,000	\$425,300	29%
36 Central Avenue	\$599,900	\$455,000	32%
21 Murrells Court	\$608,000	\$603,700	< 1%
9 Lake Village Circle	\$715,000	\$683,100	5%

From May 2022 through January 2023 of the 118 real property sales (new construction, resales and land), seven (7) properties sold were below their assessed valuation for varied and individualized reasons.

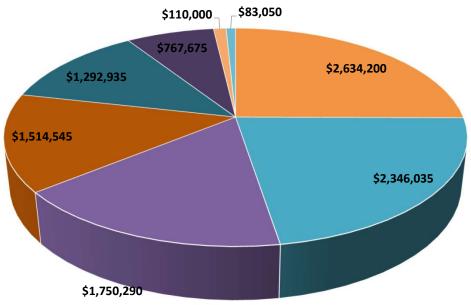
# Town of Ocean View Historical Tax Rates – per \$100 of Assessed Valuation

For Fiscal Year 2024, one (1) cent of the tax rate is equal to a \$138,448 increase / decrease in tax revenue.



# FY2024 Expense Projection

Our Expense projection is based on responsible spending practices and is represented in the following chart:



- Capital SRRTF (\$2,634,200)
- Capital Agency Funded Grants (\$1,750,290)
- Administration (\$1,292,935)
- Capital General Fund (\$110,000)

- Public Safety (\$2,346,035)
- Public Works (includes Street Repairs) (\$1,514,545)
- **■** Planning & Zoning (\$767,675)
- Capital CRTF (\$83,050)

## How do we compare.....

## Personnel Costs as a percentage of the operating budget...

Salaries and Wages generally account for between 40% to 80% of a local government budget including benefits. For FY2024, 55% of the proposed Operating budget accounts for Salary and Benefits.

Local Governments provide services, protection/law & order, oversight and management, infrastructure maintenance operations, recreation and community activities, etc. – Likewise, these business functions all require personnel.

Town	% of Wages and Benefits	Employee Count
Ocean View	55%	26 FTE, 1 PTE and 2 Seasonal (includes PD)
Fenwick Island	74%	17 FTE and 28 Seasonal (includes PD & Beach patrol)
Millville	54%	8 FTE and 2 PTE (No PD or Beach Patrol)
South Bethany	70%	16 FTE, 1 PTE and 31 Seasonal (includes PD & Beach Patrol)
Bethany Beach	59%	45 FTE, 3 PTE and 120 Seasonal (includes PD & Beach Patrol)

NOTE: This information is shared for awareness and obtained from each of the Towns as of Feb 2023; however, each Town has varied staffing levels (Full-time, Part-time and Seasonal employees) and provide varied levels and types of services which impact their Operating budget. Simply put, it is not an apples-to-apples comparison.

# Services at a Glance - Ocean View, Delaware

## Not just a Town in name but also in action and acceptance of responsibility...

Below are just a few of the operation and services At A Glance (full list is available online) ...

- Full-Service Police Dept. that has rendered Ocean View as the "Safest Town in Delaware" for the past 5 years!
- Planning and development oversight, property maintenance and code/property maintenance inspections
- Storm Management including Snow Plowing Operations, Salting and Severe Storm event clean up
- Planning financial support of the Local Volunteer Fire Department
- Street Maintenance and Drainage Projects Identification, design and construction improvements
- Mosquito Control operations

<u>John West Park</u> – Playground, Fitness Course, Community Center, Community Events, Beautification Event line up:

- Spring Fling New for FY24
- Fall Classic Movie Nights
- Summer Concert Series
- Cops and Goblins (Fall)
- Old Town Holiday Market, and Tree Lighting
- Quiet Resorts Chamber of Commerce Fire & Ice Festival

<u>Berzins Natural Area</u> - Purchased in 2022 with grant funds Grants awarded to date for its development:

- \$825,000 Trans after Pay (TAP)
- \$60,000 Outdoor Rec Trail Grant (DNREC)

### <u>Partnerships</u>

- Ocean View Historical Society & the Coastal Town Museum (located at John West Park)
- South Coastal Village Volunteers tenant @ 32
   West Local Service Organization
- Special Olympics Delaware Natelli Communities
   Bocce Ball Court Development
- Salt Air Gardeners Blue Star Memorial
- Quiet Resorts Chamber of Commerce partner
- Sussex County Association of Towns / DE League of Local Governments
- DelDot / DNREC / DART/Delmarva Power
- Scout Troop 281

# **THANK YOU!**

Questions?