SINCE 1889

TOWN OF OCEAN VIEW

201 CENTRAL AVE, 2ND FLOOR
OCEAN VIEW, DE 19970

(302) 539-9797
FAX (302) 537-5306
www.oceanviewde.gov

NEWS RELEASE

OCEAN VIEW, DELAWARE - October 30, 2026
S & P Global Ratings Assigns AA+ Rating with Stable Outlook to Ocean View Delaware in Association with a Delaware Series 2026 General Obligation Bond Sale – October 22, 2026.

The proceeds from the series 2026 GO bond sale will be used for the construction, installation, renovation and/or equipping of eight capital improvement projects including drainage projects, sidewalk projects, a roadway widening and safety improvement project and a portion of the John West Park Playground renewal project. The Town's GO Bond Purchase was fully executed on October 29, 2026, totaling $6,750,000, with settlement scheduled for November 12, 2026.

Highlights of the S & P rating includes Ocean View's "...strong financial performance and reserves, supported by excellent financial policies and practices, moderate overall debt levels, and low retirement liabilities that continue to improve." Further, it was noted that "The Town's sale of its (fully outsourced) water distribution system is expected to contribute to financial stability in the form of increased restricted reserves, funding the Town's new Tax Rate Stabilization Trust Fund...". The S & P also reported that the stable outlook determination "... reflects the Town's history of strong financial operations supported by a stable tax base...".

Mayor Tom Maly shared "We're very pleased with the AA+ bond rating which now facilitates our plan to borrow to address currently known infrastructure projects before the issues get worse or the cost to do so increases. Our proactive efforts to boost our reserves and in turn our Trust funds has proved to be beneficial, allowing us to continue our efforts at maintaining the Town's infrastructure".

Town Manager Carol Houck and Finance Director Dawn Parks led the efforts on behalf of Ocean View to move forward with General Obligation Bond Sale after completing an overall financial forecast effort with PFM Financial Advisors LLC. "The real beauty of our plan to address identified infrastructure needs through this borrowing effort is that using 15 plus years of data we were able to demonstrate that two of our existing Trust Funds can support the debt service without impact to the tax rate, while continuing to address other smaller projects, through the years", said Town Manager Carol Houck.

END

Information requests:
Carol Houck, Town Manager
chouck@oceanviewde.gov
302-539-9797

Town Website: OceanViewDE.Gov

Research Update:

Ocean View, DE Series 2026 GO Bonds Assigned 'AA+' Rating

October 22, 2026

Overview

- S&P Global Ratings assigned its 'AA+' rating to Ocean View, Delaware's $6.745 million series 2026 general obligation (GO) bonds.
- The outlook is stable.

Primary Contact

Rahul Chakraborty
New York
2124381864
Rahul.Chakraborty
@spglobal.com

Secondary Contact

Timothy W Barrett
Washington DC
+ 1 (202) 383-2232
timothy.barrett
@spglobal.com

Rationale

Security

Ocean View's full-faith-and-credit pledge, payable from the levy of ad valorem taxes upon all taxable property in the town, secures the series 2026 GO bonds.

Proceeds from the series 2026 GO bonds will be used for the construction, installation, renovation, and equipping of various capital improvements, including the Woodland Park and Hunters Run drainage projects, the West Avenue sidewalk and Woodland Avenue widening projects, the JWP Playground, and other miscellaneous capital projects.

Credit highlights

Our rating reflects Ocean View's status as a wealthy, residential, and seasonal coastal community. The town has maintained strong financial performance and reserves, supported by excellent financial policies and practices, moderate overall net debt levels, and low retirement liabilities that continue to improve. The town's small year-round and aging population along with smaller nominal budget size and reserves limits rating upside at this time.

Although audited financial results show deficits in fiscal years 2023 through 2025, we believe these results understate the town's true financial picture and are due to auditing procedures that incorporate one-time capital spending that occurred outside of the general fund as general fund expenditures. Netting these one-time expenses out, the town's financial performance and reserves were stable with audited procedures changing in fiscal 2026, which should reflect more accurate capital spending going forward.

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The town's financial results are supported by growing revenues with new developments and consistent property tax revenue increases, as evidenced by a two-cent increase for fiscal 2026; property taxes account for about 39% of fiscal 2026 revenues. We note that the town's second-largest revenue source, real estate transfer tax (22% of fiscal 2026 revenues), could be subject to volatility in the local residential real estate market, but the town does not rely on this revenue source for recurring expenses and instead deposits in trust funds to be used for one-time capital expenses.

The town's sale of its water distribution system is expected to contribute to financial stability in the form of increased restricted reserves, funding the town's tax rate stabilization fund by a total of $2 million. The town's reserves have remained stable. Within our measure of reserves, we include the town's tax rate stabilization fund, which requires funding at 10 cents per assessed value or about $1.4 million of additional available reserves, bringing total available reserves to approximately $3.8 million, or about 41% of revenues, which compares well with the 40% held by 'AA+' rated peers nationally. Although the town's budget and tax stabilization reserves are held as restricted reserves, management indicates they can be accessed as necessary with council legislative approval.

The fiscal 2027 budget projects increasing revenues with no change in the property tax rate, use of a modest amount of water sale proceeds for tax stabilization, and modestly higher impact fee revenue, while general fund expenses are expected to increase 10% to $7 million, driven by department of public works and public safety needs. We believe Ocean View is likely to maintain its strong financial operations given its historical track record of stable financial performance, a strong policy and planning environment, and its demonstrated ability to raise revenues when needed.

The rating also reflects our view that:

- Ocean View is a growing, coastal-facing community in Sussex County, and its proximity to regional beach destinations such as Bethany Beach has allowed for seasonal tourism and coastal amenities. The town's small year-round population swells significantly during the summer months, which in our view mitigates small population risk.
- The town has a comprehensive set of formalized financial policies and practices, highlighted by its use of historical data to conservatively derive annual revenue and expenditure assumptions; formal long-term financial and capital planning that is updated annually and is included in the town's annual budget; and formalized investment, debt management, and reserve policies, with the town's reserve policy including funding its tax rate stabilization reserve to 10 cents of assessed value. The town takes steps to mitigate cyber threats.
- Debt and retirement liabilities are very manageable. Overall fixed costs are low with a net pension asset. The town's per capita debt liabilities are low, especially when comparing to its larger summertime population. We do not expect material debt issuances over the outlook period.
- Delaware municipalities have a predictable operating framework. For more information on Delaware municipalities, see "Institutional Framework Assessment: Delaware Local Governments," Sept. 11, 2024, on RatingsDirect.
- As a coastal-facing community, the town faces elevated physical risk compared with the wider portfolio. In 2023, the town adopted a resolution to be a part of the Sussex County Hazard Mitigation Plan and in its code enforcement, has adopted alternative requirements for properties deemed in higher-risk flood zones.

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Outlook

The stable outlook reflects the town's history of strong financial operations supported by a stable tax base, comprehensive formalized financial policies and practices, and low overall fixed costs and liabilities.

Downside scenario

If the town's performance were to decline as a result of rising fixed costs or other unforeseen reason, resulting in a significant decrease in reserves to levels no longer commensurate with those of peers, we could lower the rating.

Upside scenario

If Ocean View's reserves and the size and depth of its economy were to continue strengthening to levels more in line with those of higher-rated peers, we could raise the rating.

Ocean View, Delaware--credit summary

Institutional framework (IF)	2
Individual credit profile (ICP)	1.43
Economy	1.0
Financial performance	2
Reserves and liquidity	1
Management	1.65
Debt and liabilities	1.50

Ocean View, Delaware--key credit metrics

	Most recent	2026	2025	2024
Economy				
Real GCP per capita % of U.S.	--	--	--	96
County PCPI % of U.S.	--	--	--	100
Market value ($000s)	--	--	--	--
Market value per capita ($)	--	--	--	--
Top 10 taxpayers % of taxable value	--	16.4	--	14.4
County unemployment rate (%)	--	4.6	4.7	3.8
Local median household EBI % of U.S.	--	--	119	106
Local per capita EBI % of U.S.	--	--	136	127
Local population	--	--	3,168	3,077
Financial performance				
Operating fund revenues ($000s)	--	9,219	7,759	7,912
Operating fund expenditures ($000s)	--	7,754	8,288	8,951
Net transfers and other adjustments ($000s)	--	2,162	--	--
Operating result ($000s)	--	3,627	(529)	(1,039)
Operating result % of revenues	--	39.3	(6.8)	(13.1)
Operating result three-year average %	--	6.5	(8.6)	(8.9)

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Ocean View, Delaware--key credit metrics

	Most recent	2026	2025	2024
Reserves and liquidity				
Available reserves % of operating revenues	--	43.8	34.0	25.3
Available reserves ($000s)	--	4,035	2,635	2,002
Debt and liabilities				
Debt service cost % of revenues	--	0.1	0.1	0.1
Net direct debt per capita ($)	2,142	13	2	1,254
Net direct debt ($000s)	6,785	40	5	3,860
Direct debt 10-year amortization (%)	30	100	100	29
Pension and OPEB cost % of revenues	--	3.0	3.0	2.0
NPLs per capita ($)	--	--	50	51
Combined NPLs ($000s)	--	--	157	158

Financial data may reflect analytical adjustments and are sourced from issuer audit reports or other annual disclosures. Economic data is generally sourced from S&P Global Market Intelligence, the Bureau of Labor Statistics, Claritas, and issuer audits and other disclosures. Local population is sourced from Claritas. Claritas estimates are point in time and not meant to show year-over-year trends. GCP--Gross county product. PCPI--Per capita personal income. EBI--Effective buying income. OPEB--Other postemployment benefits. NPLs--Net pension liabilities.

Ratings List	
New Issue Ratings	
US$6,745,000 Town of Ocean View, Sussex County, Delaware, General Obligation Bonds, Series 2026, dated: Date of Delivery, due: September 15, 2046	
Long Term Rating	AA+/Stable
New Rating	
Local Government	
Ocean View, DE Unlimited Tax General Obligation	AA+/Stable

The ratings appearing below the new issues represent an aggregation of debt issues (ASID) associated with related maturities. The maturities similarly reflect our opinion about the creditworthiness of the U.S. Public Finance obligor's legal pledge for payment of the financial obligation. Nevertheless, these maturities may have different credit ratings than the rating presented next to the ASID depending on whether or not additional legal pledge(s) support the specific maturity's payment obligation, such as credit enhancement, as a result of defeasance, or other factors.

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