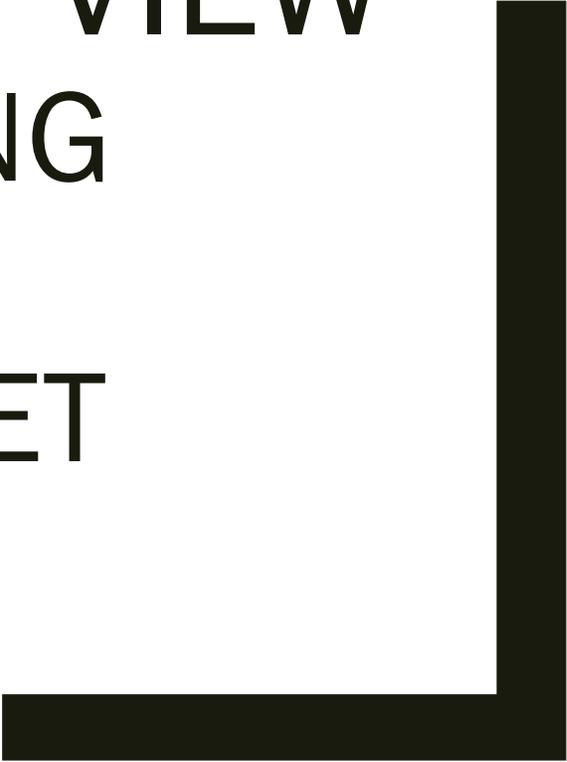


**TOWN OF OCEAN VIEW
PUBLIC HEARING
FOR THE
FY2022 BUDGET**

February 23, 2021



FY2022 Proposed Operating Budget

Where we started....

Our first attempt at a balanced budget which we refer to as Draft 0, started with a \$520,115 deficit.

To balance the budget, Draft 1 included these prime considerations –

- A two (2) cent tax increase in FY2022 and one (1) cent increase each out year for a smoothing effect to address revenue reductions. Last year's Draft 3 was shown without any tax increases leaving us without any reserves (unassigned fund balance) by Fiscal Year 2025.
- Deficit curing effort totaling \$315,287 in FY2022 (fine tuning expenses including decreases to approved overtime, decreases in the Operating budgets of all departments and the denial of a seasonal position).
- \$90,000 above regular expenses for the FY2023 Town Re-assessment (required every 5 years by charter)
- Maximum of 3.3% wage increases for applicable employees (per Council Workshop direction)
- A Two (2) percent Health Care premium employee share (comparison to State employee cost share is shown in another slide)

FY2022 Proposed Operating Budget Summary

Operating Budget	FY21	FY22	FY23	FY24	FY25	FY26
Total Revenue Available for Operations (details at pg. 53)	\$ 4,855,670	\$ 5,034,419	\$ 5,166,132	\$ 5,155,903	\$ 5,120,606	\$ 5,054,653
Departmental Operating Expenses:						
General & Administrative (pg. 54)	1,077,685	1,186,066	1,093,972	1,108,682	1,123,992	1,135,783
Planning & Zoning (pg. 55)	652,460	629,891	631,172	653,422	645,972	653,809
Public Safety (pg. 56)	1,921,730	1,967,419	1,982,779	2,018,640	2,055,568	2,088,302
Public Works (pg. 57)	959,545	1,081,793	1,133,131	1,056,189	952,243	905,523
Total Operating Expenses	4,611,420	4,865,169	4,841,056	4,836,933	4,777,776	4,783,417
Available Revenue in excess of (less than) Operating Expenses	244,250	169,250	325,077	318,970	342,830	271,235
Other Funding Sources:						
Current Yr. Budget Amendment Impact (Op & Cap)	-		-	-	-	
Capital Funding Sources:						
Sussex County Public Safety Grant	100,000	25,000	25,000	25,000	25,000	25,000
Capital Replacement Trust Fund (CRTF)	208,800	141,162	102,335	66,252	82,768	-
Street Repair & Replacement Trust Fund (SRRTF)	1,144,785	1,462,357	833,120	712,500	585,000	695,255
Emerging Projects Fund	-	121,970	45,000	-	-	-
Total Other Funding Sources	1,453,585	1,750,489	1,005,455	803,752	692,768	720,255
Excess (Deficit) Funding before Capital Expenditures	1,697,835	1,919,739	1,330,532	1,122,722	1,035,598	991,490
Capital Expenditures:						
Total Expenditures from Capital Improvement Plan	1,697,835	1,919,739	1,157,705	968,752	837,768	865,255
Excess (Deficit) Funding after all Expenditures	0	(0)	172,827	153,970	197,830	126,235
Projected Unassigned Fund Balance	\$ 1,493,869	\$ 1,493,869	\$ 1,666,696	\$ 1,820,666	\$ 2,018,496	\$ 2,144,731
	<i>(Adjusted to FY20 Audit Balance)</i>					

FY2022-26 Proposed Capital Improvement Program (CIP)

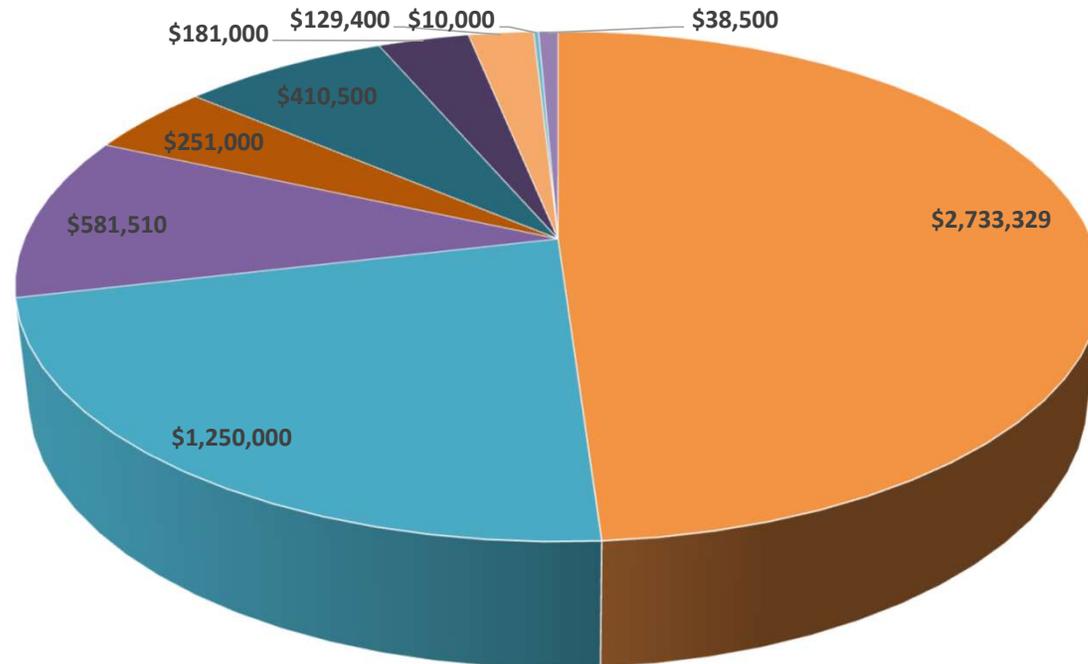
The CIP is a long-range planning document allowing for forecasting and effective management of projects.

	Amount Year ending April 30, 2022	Amount Year ending April 30, 2023	Amount Year ending April 30, 2024	Amount Year ending April 30, 2025	Amount Year ending April 30, 2026
<u>Appropriations from the:</u>					
General Fund	\$169,250	\$152,250	\$165,000	\$145,000	\$145,000
Emerging Project Fund	\$121,970	\$45,000	\$0	\$0	\$0
Capital Replacement Trust Fund	\$141,162	\$102,335	\$66,252	\$82,768	\$0
Agency Funded Grants	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Street Repair & Replacement Trust Fund	\$1,462,357	\$833,120	\$712,500	\$585,000	\$695,255
Water Fund	\$0	\$0	\$0	\$0	\$0
Total Appropriations	\$1,919,739	\$1,157,705	\$968,752	\$837,768	\$865,255

The Capital Improvement Program can be found in its entirety in Section Two (pages 12-36) of Draft Two of the Proposed Operating Budget, 5-year Capital Improvement Program and Water System Budget.

FY2022 Revenue Projection

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

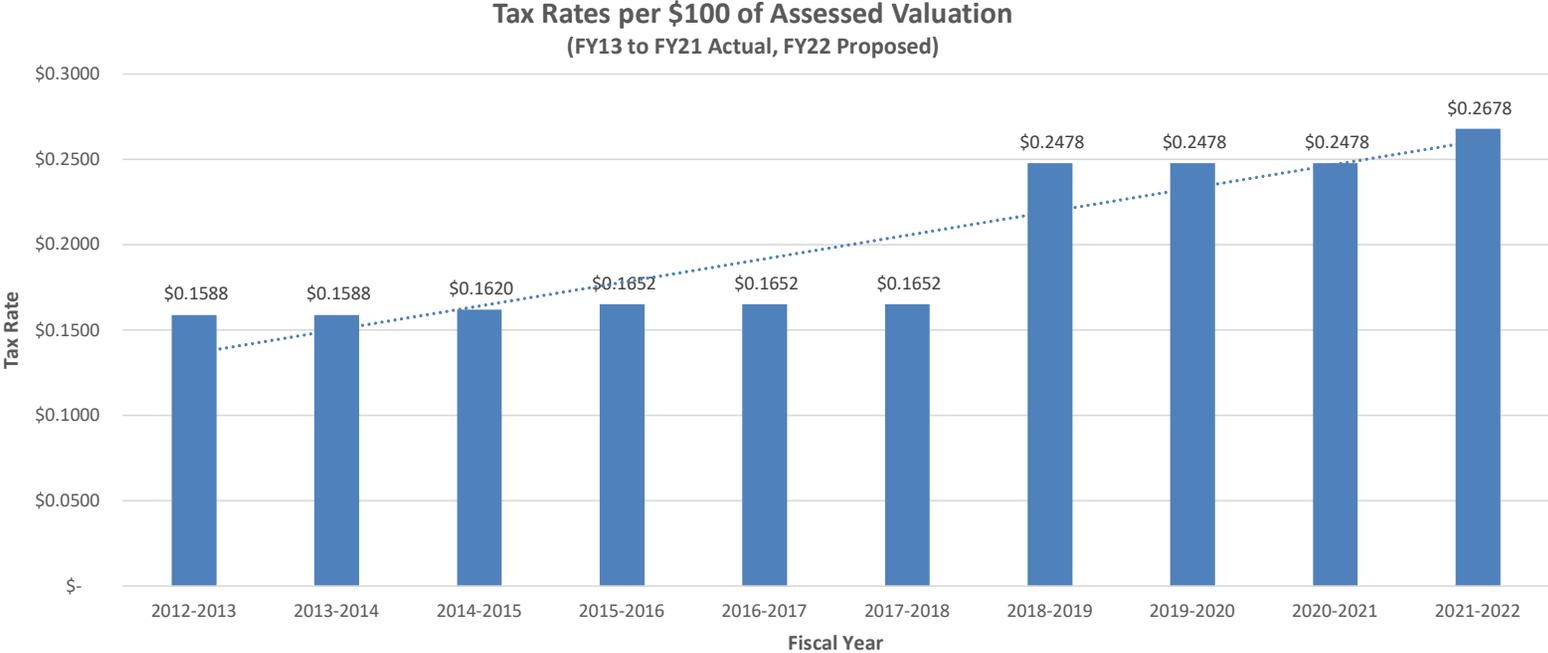


- PROPERTY TAXES & PENALTIES (\$2,733,329)
- BUILDING PERMITS (\$581,510)
- GROSS RENTAL RECEIPTS TAXES (\$410,500)
- MISCELLANEOUS (\$129,400)
- POLICE FINES & FEES (\$38,500)

- TRANSFER TAXES (\$1,250,000)
- GRANTS (\$251,000)
- LICENSES (\$181,000)
- PLANNING & ZONING/BOARD OF ADJ FEES (\$10,000)

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

For Fiscal Year 2022, one (1) cent with a pay early discount is equal to a \$98,833 increase in revenue.



How do we compare.....

Rental License and Gross Rental Receipts Tax

After research, we have proposed a Rental License increase from \$75 to \$150.

The average daily rental rate in the Town of Ocean View is \$268 or \$1,876 weekly with 733 properties within the 19970 zip code advertising on rental platforms such as VRBO, Flipkey, AirBnB and others. *

Town	Rental License Fee	Gross Rental Receipts Tax Rate (current)
Ocean View	\$150.00 (Proposed)	5%
Fenwick Island	\$185.00	8%
Millville	\$50.00	2%
South Bethany	\$150.00	8%

*information pertained by LodgingRevs

NOTE: The Town currently has 520 Rental Licenses for the 2021 calendar year.

How do we compare.....

Permits – Repairs and Renovations

After additional research, we have proposed a change in the permit calculation for Repairs and Renovations (for work identical or substantially the same) page 6 of the Fee Schedule, from free at \$1,000 and lower to the following:

Draft 2 proposes a permit for Repairs and Renovations be calculated at 1% of the contract fee or minimum of \$50 whichever is higher.

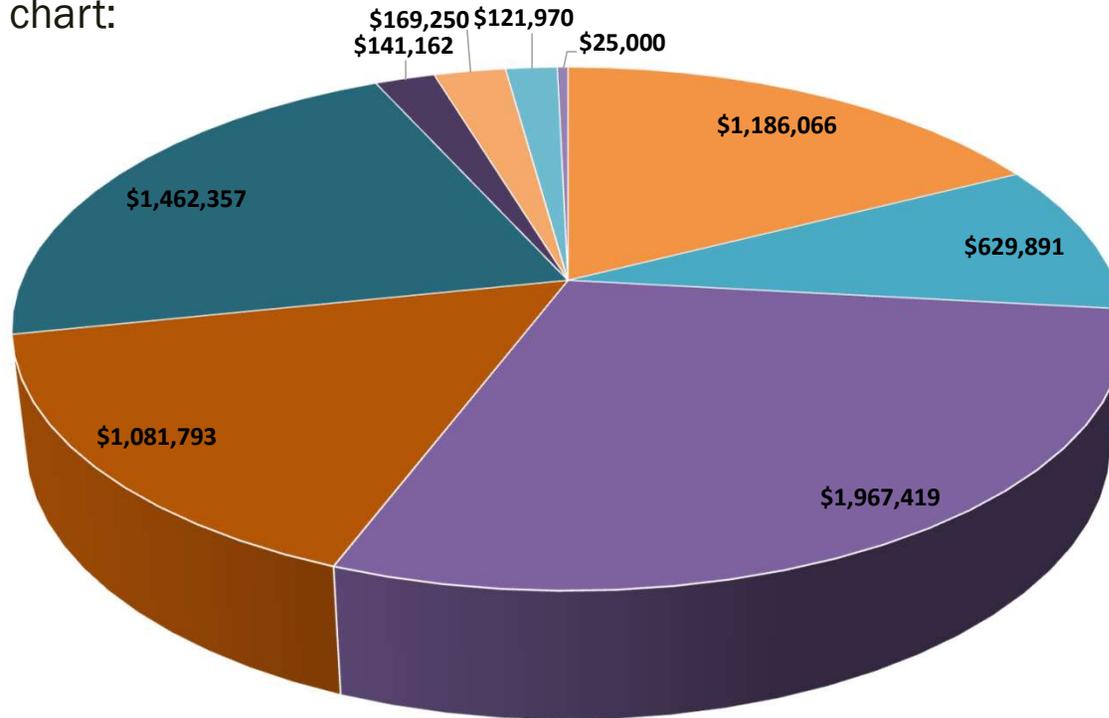
Example: Permit for a roof Job with construction costs of \$15,000

Town of Ocean View	\$150.00 (proposed 1% of contract fee)
South Bethany	\$150.00 (1% of contract fee, \$50 minimum)
Town of Millville	\$204.00 (\$50 for the 1 st \$1,000, \$11 per additional \$1,000)
Bethany Beach	\$170.00 (\$30 for the 1 st \$1,000, \$10 per additional \$1,000)
Fenwick Island	\$450.00 (3% of estimated construction, \$100 minimum)

Permit calculations are based on the adopted Fee Schedules or Ordinances of the Towns listed.

FY2022 Expense Projection

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



- Administration (\$1,186,066)
- Public Safety (\$1,967,419)
- Capital - SRRTF (\$1,462,357)
- Capital - General Fund (\$169,250)
- Capital - Grants (\$25,000)
- Planning & Zoning (\$629,891)
- Public Works (includes Street Repairs) (\$1,081,793)
- Capital - CRTF (\$141,162)
- Capital - Emerging Projects (\$121,970)

How do we compare.....

Personnel Costs as a percentage of the operating budget

Salaries and Wages generally account for about 40% of a municipal budget and as much as 70% when benefits are added in.

Local Governments provide services, protection/law & order, oversight and management – these business functions all require staff.

Town	% of Wages and Benefits	Employee Count
Ocean View	56%	25 F/T, 1 P/T and 2 Seasonal/Intern (includes PD)
Fenwick Island	70.75%	14 F/T and 30 Seasonal (includes PD & Beach patrol)
Millville	61%	5 F/T and 1 P/T (No PD or Beach Patrol)
South Bethany	52%	15 F/T, 1 P/T and 35 Seasonal (includes PD & Beach Patrol)

NOTE: This information is shared for awareness; however, each Town has varied staffing levels (Full-time, Part-time and Seasonal employees) which impact their Operating budget.

How do we compare.....

Personnel Costs – Health Insurance

Benefits, especially Health Insurance, are a large portion of Personnel Costs. We have proposed an employee share of 2% of the monthly premium of the BC/BS Basic Plan.

	State of DE Monthly Premium	State of DE Pays	Monthly Premium paid by St of DE Employee
Employee	\$695.36	\$667.52	\$27.84
Employee & Spouse	\$1,438.68	\$1,381.16	\$57.52
Employee & Child(ren)	\$1,057.02	\$1,014.76	\$42.26
Family	\$1,798.42	\$1,726.50	\$71.92

	Town of Ocean View Monthly Premium	Town Currently Pays	Proposed Monthly Premium paid by Employee
Employee	\$732.84	\$732.84	\$14.66
Employee & Spouse	\$1,513.32	\$1,513.32	\$30.27
Employee & Child(ren)	\$1,112.58	\$1,112.58	\$22.25
Family	\$1,891.04	\$1,891.04	\$37.82

The Town of Ocean View’s rates include a Risk Fee and Monthly Contract Charge

What do we offer..... It has recently been shared...

“This is what makes Ocean View a Community, not just a Town”

Below are just a few of the operation and services at a glance (full list is available online) ...

- Full-Service Police Department that has been awarded the “Safest Town in Delaware for the third year!
- Planning and Development, property maintenance and codes inspections
- Storm Management including Snow Removal, Salting and Storm clean up
- Local Volunteer Fire Department support
- Street Maintenance and Drainage Project Identification and Improvements
- Mosquito Control in the Spring and during the dog days of summer
- Local Partners
 - *Ocean View Historical Society – located at John West Park*
 - *South Coastal Village Volunteers – tenant @ 32 West – Local Service Organization*
- John West Park – Playground, Community Center and Events
 - *Fire and Ice – coming February 26th through February 28th (1st year of Ocean View participating)*
 - *Arbor Day Celebration (April)*
 - *Classic Movie Wednesdays (Summer)*
 - *Fall Concert Series*
 - *Cops and Goblins (Fall)*
 - *Old Town Holiday Market and Tree Lighting (late Fall)*



Responses to Draft Budget Comments

Overview



**PUBLIC COMMENTS
INVITED**