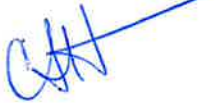


TOWN OF OCEAN VIEW
DELAWARE

November 10, 2025

TO: Honorable Mayor and Council

FROM: Carol S. Houck, Town Manager 
Kenneth McLaughlin, Chief of Police
Dawn Parks, Finance Director

SUBJECT: Recommendation to Implement a Structured Pay Scale, Based on Years of Service for the Ocean View Police Department in Association with the FY27 Budget (through FY29)

Background

The Town of Ocean View has operated to date without a structured pay scale for its Police Officers opting to offer ad-hoc annual wage increases that consisted of cost of living adjustments (COLA) and promotional increases. Structured pay scales are regular and customary for police agencies. The Town Manager was presented with a request on behalf of our sworn officers to consider the adoption of a pay scale in November of 2024 (FY25). As a result, she included, and Council approved the funding of a Police Department *Total Compensation Study* in the FY26 Budget. PFM was hired to perform the study in May of this year. The *Total Compensation Study* concluded recently, and the attached presentation is shared for full awareness. It was also the subject of a public workshop of Council on November 18, 2025, prior to the regular meeting of Council.

Findings (Overview)

The findings of the study are outlined in detail in the attached presentation. The highlights include:

- The study identified our comparable agencies to be the Police Departments of Dagsboro, Rehoboth Beach, Selbyville, Lewes, and Milton using the following objective criteria:
 - being a City or Town in Sussex County within 20 miles from Ocean View
 - having a population over 1,000 and under 5,000
 - having a department with between 5 and 25 sworn officers

- The decisions of Ocean View in recent years to address starting salary changes to attempt to remain competitive were steps in the right direction. However, they failed to identify **total compensation comparisons** necessary for full awareness in decision making. Further, these total compensation facts help to support our mutual interest in regard to officer retention and to successfully navigate the current competitive police recruitment environment.
- If a pay scale with 1.5% steps and a starting salary of \$72,000 is implemented, Ocean View would rank 2 of 6 overall (3 of 6 for base + longevity), and approximately 4.5% above the median on a 20-year career average basis.
- When considering health benefits, Ocean View had the lowest employee contribution for family coverage of the comparison group.
- With consideration given to “Additional Cash Compensation” Ocean View compared well to the comparison group and had the potential to be more competitive with two additions including a shift differential (.50/hour from 9p.m. to 5a.m.) and a fitness incentive of \$200 per officer.
- In regard to time off accruals (vacation, holiday) Ocean View compared very well to the other agencies.

Establish Pay Scale Based on Years of Service, with Higher Starting Salary, 1.5% Step Increases, and Years 2 and 3 COLA of 1.5% - Plus Shift Differential and Fitness Incentive

In completing the study, we reached the determination that a starting salary of \$72,000 for the proposed pay scale was warranted. This represents an increase of \$4,000 across the board for sworn officers from our current FY26 starting salary of \$68,000. In addition, a pay scale based on years of service would align with best practices and offer a competitive edge deemed necessary in the current recruitment climate. Likewise, planned COLA increases of 1.5% for years 2 and 3 (FY28 and FY29) aligns with typical contractual agreements.

Including the additions of a shift differential equal to .50/hour and a \$200 fitness incentive further improves our total compensation package in comparison to the other agencies.

As such, if adopted and maintained for three years (with a 1.5% COLA years 2 and 3), the pay scale allows for both the Town and its officers to have a clear understanding of our commitment to each other and to forecast our ability to pay, while also committing to review where we stand among the comparison group in three-year intervals.

This is deemed essential for our “compensation system to have the potential to remain strong relative to peer towns”, as “consistent progression is deemed the key to sustain market competitiveness and retain talent” (page 49 of presentation).

It should be noted that going forward (if adopted) each 3rd year, the then Town of Ocean View administration shall forecast out-year personnel funding requirements and include the findings in the closest scheduled full-town reassessment (Charter required every 5 years).

The pay scale outlined to be optimum for our department at this time is attached (page 50 of presentation). Where an officer ultimately falls on the scale as implemented year one includes the starting salary modification, their years of service, and an initial 1.5% step increase effective May 1, 2026 (FY27 Budget).

For full awareness, and in association with the move to a pay scale, Captain Hall and Lieutenant Carter are included in the scale to determine “appropriate placement” for pay identification as we implement the new scale, but it is our intention to begin to recognize their positions as “salaried” going forward given the administrative nature of their work. This is a common designation for such positions and would effectively remove them from the scale with the FY27 Budget. All other administrative positions in the Town are salaried, including the positions of Planning and Zoning Director, Finance Director, Chief of Police and Town Manager. Their pay would then not be subject to the pay scale going forward.

Total Compensation Summary – (If Implemented)

If implemented as outlined, the total compensation position (page 53 of presentation), including other cash compensation, health, retirement and leave accruals, results in Ocean View ranking 2 out of 6 for overall compensation. This outcome is supported by our Town makeup (limited revenue streams) and the resulting ability to pay considerations, and the 1.5% COLAs help protect the Town’s market position before the next three-year comparability review.

Cost of Initial Year One Implementation of Pay Scale - FY27 Budget (Beginning May 1, 2026)

The cost to implement year one salary improvements in a structured pay scale (FY27 Budget) is **\$164,868*** with years 2 and 3, (FY28 and FY29 respectively) adding on average, an additional \$35,000 each (allowing for a 1.5% COLA each year).

**Note: These figures are for salary only and in association with the recommended structured pay scale, they do not include increased costs associated with retirement, taxes, workers compensation, unemployment, overtime, life and disability insurance (items that adjust with pay) as these figures are not available yet for FY27. However, we have conservatively estimated them based on FY26 values and they will be included in the FY27 Operating Budget (and subsequent budgets as customary for all pay increases of employees).*

Funding

Funding to implement the year one move into a desired structured pay-scale model has been identified as follows:

- **Starting Salary Adjustment**

Value: **\$52,000** - (\$4,000 across the board as included in new structured pay scale, moving starting salary from \$68,000 to \$72,000)

- **Pay Scale Adjustment**

Value: **\$94,305** - (moving officers to proper place on scale based on years of service)

Sub-Total Value: **\$146,305** (\$52,000 + \$94,305 above) grant funded from our Emergency Services Enhancement Fund (ESEF) in the FY27 Budget. This funding source is recommended as it will assist the Town with this “initial cost to implement” a “new” structured pay scale based on the findings of our *Total Compensation Study* for the Ocean View Police Department (a provider of emergency services in the Town).**

- **FY27 1.5% Step**

Value: **\$18,563** - (Year one of 3)

Sub-Total Value: **\$18,563** (above) funded in the FY27 General Funds in the FY27 Budget

Overall Value - \$164,868 (\$146,305 + \$18,563)

***Note: utilization of ESEF funds to support our initial move to a pay scale for the OVPD is authorized by Ordinance 205 (attached in its entirety) “Section 1. The Town of Ocean View may award to each organized volunteer fire service or **organized provider of other emergency services in the Town of Ocean View annual grants** which may be in addition to all other grants or payment made by the Town Council of Ocean View to them”... Adequate funds remain to continue to fund other desired ESEF eligible grant applications into the future. The ESEF balance as of Oct 31, 2025, is \$1,349,581.*

Justification

Making this move to a structured pay scale is deemed timely for the Town and its Police department given our combined interest in maintaining a motivated, highly trained and performance driven department.

Further, structured pay scales are common among unionized police agencies.

Likewise, PFM identified in the study the need to proactively address wages while also providing “factual” data related to overall compensation that allows for a confident representation of Ocean View’s commitment to its sworn officers.

Ability to pay, year one, has been deemed feasible. However, it's important to also highlight the possible cost avoidance (operational and financial) of not implementing a structured pay scale which could include officer turnover (its resulting recruitment costs), new training expenses, concerns for not being fully staffed during any period of turnover, the impact on morale, the safety of our Town and likely the need to abandon much of our robust community policing efforts that are highly valued.

Recommendation

It is therefore recommended that Mayor and Council support the Town Managers recommendation to implement a structured pay scale with a starting salary of \$72,000, based on years of service, and including a 1.5% step increase annually, plus a 1.5% COLA in years 2 and 3, with scheduled compensation reviews every three years (measured against comparable agencies and the ability to pay). Year one implementation costs will be funded from the General Fund and the Emergency Services Enhancement Fund (ESEF) as outlined in the Funding section herein and totaling \$164,868. This pay scale would thereby be effective May 1, 2026 (FY27), through April 30, 2029 (FY30), and will be included in the FY27 Budget presented to Mayor and Council, and subsequent FY28 and FY29 budgets.

ORDINANCE NO. 205

**AN ORDINANCE CREATING THE OCEAN VIEW EMERGENCY SERVICES
ENHANCEMENT FUNDING PROGRAM, PROVIDING FOR THE ADMINISTRATION
OF GRANTS AND CREATING FUNDING THEREFORE**

WHEREAS, the Town Council of Ocean View, as the governing body of Ocean View, is required by law to promote the health, safety, and general welfare of Ocean View's citizens and inhabitants, as well as their property; and

WHEREAS, Town Council of Ocean View freely acknowledges and recognizes that it could not do so without the contribution of time, effort and equipment of the volunteer fire service and other organized providers of fire protection and emergency services to Ocean View; and

WHEREAS, the citizens and inhabitants of Ocean View are more secure in their person and their property as a result of the efforts of the volunteer fire service and other organized providers and their members; and

WHEREAS, the expense of providing volunteer fire service and other emergency services to Ocean View continues to increase as the permanent population and the municipal boundaries of Ocean View expand; and

WHEREAS, the Town Council of Ocean View wish to ensure the continued high quality of volunteer fire services and other emergency services now enjoyed by its citizens and inhabitants and to help defray the expense of these benefits;

NOW, THEREFORE, THE TOWN COUNCIL OF OCEAN VIEW HEREBY ORDAINS:

Section 1. The Town Council of Ocean View may award to each organized volunteer fire service or organized provider of other emergency services in the Town of Ocean View annual grants which may be in addition to all other grants or payments made by the Town Council of

Ocean View to them. The grants shall be known as the "Ocean View Emergency Services Enhancement Funding Program".

Section 2. On or before February 1st of each year, the Town Council of Ocean View shall receive from the Town's Chief Financial Officer his estimate of the funds that may be available for grants as a result of the imposition of the surcharge described hereinafter.

Section 3. On or before March 1st next following, the Town Council of Ocean View shall receive from volunteer fire service and other organized providers of fire protection and emergency services to the Town of Ocean View applications for grants and shall recommend for inclusion in the annual budget the distribution of the estimated funds which may be available for grants. The recommendation shall be reviewed by the Town Council of Ocean View and they shall make the final determination as to the distribution of the grants, the method of distribution, establish periodic or annual amounts to be distributed, and such determination shall be a part of the annual budget adopted by it.

Section 4. The Ocean View Emergency Services Enhancement Funding Program grants shall be funded by means of, and there is hereby imposed, a surcharge of not less than one-quarter of one percent (.25%) and not to exceed one half of one per cent (.5%) of the construction value shown in the applications for building permits issued by the Town of Ocean View. Said surcharge shall be paid to and collected by the Town as are all other building permit fees.

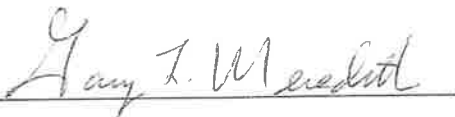
Section 5. Each volunteer fire service or other organized provider of fire protection and emergency services to the Town of Ocean View accepting grants from the Ocean View Emergency Services Enhancement Funding Program shall annually submit to the Chief Financial Officer, or his designee, its financial statement and shall further identify those costs or expenses which have been paid for by grant funds.

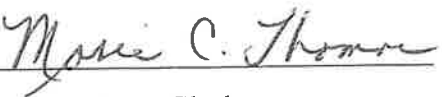
Section 6. The Town Council is hereby authorized to promulgate such rules and regulations, including required audit, as it deems necessary for the purpose of giving full force and effect to the provisions of this ordinance.

Section 7. The collection of the surcharge and the award of grants shall commence in fiscal year 2007.

Section 8. This Ordinance shall take effect immediately upon its adoption by a majority of all of the members of the Town Council of Ocean View.

TOWN COUNCIL OF OCEAN VIEW

By: 
Mayor

Attest: 
Town Clerk

Adopted: September 5, 2006

SYNOPSIS

This ordinance establishes the Ocean View Emergency Services Enhancement Funding Program; establishes the procedure for the award of grants under the program; sets a surcharge on building permit fees not less than .25% nor more than .5%, and authorizes the Town Council and the Chief Financial Officer to administer the program and to make regulations governing the grants, if necessary.

[DLS rev'd 07-19-06]

S:\KATHY\ORDINANCES\2007 FY\OV Emergency Services Funding REVISED.DOC

Chapter 15 Emergency Services

[HISTORY: Adopted by the Town Council of the Town of Ocean View as indicated in article histories. Amendments noted where applicable.]

GENERAL REFERENCES

Police Pension Fund — See Ch. 36.

Article I Enhancement Funding Program

[Adopted 9-5-2006 by Ord. No. 205]

§ 15-1 Program established.

The Town Council of Ocean View may award to each organized volunteer fire service or organized provider of other emergency services in the Town of Ocean View annual grants which may be in addition to all other grants or payments made by the Town Council of Ocean View to them. The grants shall be known as the "Ocean View Emergency Services Enhancement Funding Program."

§ 15-2 Estimate of available funds.

On or before February 1 of each year, the Town Council of Ocean View shall receive from the Town's Chief Financial Officer his estimate of the funds that may be available for grants as a result of the imposition of the surcharge described hereinafter.

§ 15-3 Grant applications; determination.

On or before March 1 next following, the Town Council of Ocean View shall receive from volunteer fire service and other organized providers of fire protection and emergency services to the Town of Ocean View applications for grants and shall recommend for inclusion in the annual budget the distribution of the estimated funds which may be available for grants. The recommendation shall be reviewed by the Town Council of Ocean View, and it shall make the final determination as to the distribution of the grants, the method of distribution, establish periodic or annual amounts to be distributed, and such determination shall be a part of the annual budget adopted by it.

§ 15-4 Surcharge to fund program.

The Ocean View Emergency Services Enhancement Funding Program grants shall be funded by means of, and there is hereby imposed, a surcharge of not less than 0.25% and not to exceed 0.50% of the construction value shown in the applications for building permits issued by the Town of Ocean View. Said surcharge shall be paid to and collected by the Town as are all other building permit fees.

§ 15-5 Annual financial statements from grant recipients.

Each volunteer fire service or other organized provider of fire protection and emergency services to the Town of Ocean View accepting grants from the Ocean View Emergency Services Enhancement Funding Program shall annually submit to the Chief Financial Officer, or his designee, its financial statement and shall further identify those costs or expenses which have been paid for by grant funds.

§ 15-6 Rules and regulations.

The Town Council is hereby authorized to promulgate such rules and regulations, including required audit, as it deems necessary for the purpose of giving full force and effect to the provisions of this article.

§ 15-7 Commencement of program.

The collection of the surcharge and the award of grants shall commence in fiscal year 2007.

Year 1 - FY2027

Ocean View Proposed Pay Scale

Effective 5.1.2026

Promotional Increases	Officer	Officer First Class	Corporal	Master Corporal	Sergeant	Lieutenant	Captain
0	\$72,000	\$76,320	\$80,899	\$85,753	\$92,613	\$100,022	\$108,024
1	\$73,080	\$77,465	\$82,113	\$87,039	\$94,003	\$101,523	\$109,645
2	\$74,176	\$78,627	\$83,344	\$88,345	\$95,413	\$103,046	\$111,289
3	\$75,289	\$79,806	\$84,595	\$89,670	\$96,844	\$104,591	\$112,959
4	\$76,418	\$81,003	\$85,863	\$91,015	\$98,296	\$106,160	\$114,653
5	\$77,564	\$82,218	\$87,151	\$92,380	\$99,771	\$107,753	\$116,373
6	\$78,728	\$83,452	\$88,459	\$93,766	\$101,268	\$109,369	\$118,118
7	\$79,909	\$84,703	\$89,786	\$95,173	\$102,787	\$111,009	\$119,890
8	\$81,107	\$85,974	\$91,132	\$96,600	\$104,328	\$112,675	\$121,689
9	\$82,324	\$87,264	\$92,499	\$98,049	\$105,893	\$114,365	\$123,514
10	\$83,559	\$88,572	\$93,887	\$99,520	\$107,482	\$116,080	\$125,367
11	\$84,812	\$89,901	\$95,295	\$101,013	\$109,094	\$117,821	\$127,247
12	\$86,085	\$91,250	\$96,725	\$102,528	\$110,730	\$119,589	\$129,156
13	\$87,376	\$92,618	\$98,175	\$104,066	\$112,391	\$121,383	\$131,093
14	\$88,686	\$94,008	\$99,648	\$105,627	\$114,077	\$123,203	\$133,060
15	\$90,017	\$95,418	\$101,143	\$107,211	\$115,788	\$125,051	\$135,055
16	\$91,367	\$96,849	\$102,660	\$108,820	\$117,525	\$126,927	\$137,081
17	\$92,737	\$98,302	\$104,200	\$110,452	\$119,288	\$128,831	\$139,137
18	\$94,129	\$99,776	\$105,763	\$112,109	\$121,077	\$130,763	\$141,225
19	\$95,540	\$101,273	\$107,349	\$113,790	\$122,893	\$132,725	\$143,343
20	\$96,974	\$102,792	\$108,959	\$115,497	\$124,737	\$134,716	\$145,493

Year 2 - FY2028

Ocean View Proposed Pay Scale
Effective 5.1.2027

Promotional Increases Steps	Step Increase	Officer	6.0%		6.0%		8.0%		8.0%	
			Officer 1st Class	Corporal	Master Corporal	Sergeant	Lieutenant	Captain		
0	-	\$73,080	\$77,465	\$82,113	\$87,039	\$94,003	\$101,523	\$109,645		
1	1.5%	\$74,176	\$78,627	\$83,344	\$88,345	\$95,413	\$103,046	\$111,289		
2	1.5%	\$75,289	\$79,806	\$84,595	\$89,670	\$96,844	\$104,591	\$112,959		
3	1.5%	\$76,418	\$81,003	\$85,863	\$91,015	\$98,296	\$106,160	\$114,653		
4	1.5%	\$77,564	\$82,218	\$87,151	\$92,380	\$99,771	\$107,753	\$116,373		
5	1.5%	\$78,728	\$83,452	\$88,459	\$93,766	\$101,268	\$109,369	\$118,118		
6	1.5%	\$79,909	\$84,703	\$89,786	\$95,173	\$102,787	\$111,009	\$119,890		
7	1.5%	\$81,107	\$85,974	\$91,132	\$96,600	\$104,328	\$112,675	\$121,689		
8	1.5%	\$82,324	\$87,264	\$92,499	\$98,049	\$105,893	\$114,365	\$123,514		
9	1.5%	\$83,559	\$88,572	\$93,887	\$99,520	\$107,482	\$116,080	\$125,367		
10	1.5%	\$84,812	\$89,901	\$95,295	\$101,013	\$109,094	\$117,821	\$127,247		
11	1.5%	\$86,085	\$91,250	\$96,725	\$102,528	\$110,730	\$119,589	\$129,156		
12	1.5%	\$87,376	\$92,618	\$98,175	\$104,066	\$112,391	\$121,383	\$131,093		
13	1.5%	\$88,686	\$94,008	\$99,648	\$105,627	\$114,077	\$123,203	\$133,060		
14	1.5%	\$90,017	\$95,418	\$101,143	\$107,211	\$115,788	\$125,051	\$135,055		
15	1.5%	\$91,367	\$96,849	\$102,660	\$108,820	\$117,525	\$126,927	\$137,081		
16	1.5%	\$92,737	\$98,302	\$104,200	\$110,452	\$119,288	\$128,831	\$139,137		
17	1.5%	\$94,129	\$99,776	\$105,763	\$112,109	\$121,077	\$130,763	\$141,225		
18	1.5%	\$95,540	\$101,273	\$107,349	\$113,790	\$122,893	\$132,725	\$143,343		
19	1.5%	\$96,974	\$102,792	\$108,959	\$115,497	\$124,737	\$134,716	\$145,493		
20	1.5%	\$98,428	\$104,334	\$110,594	\$117,230	\$126,608	\$136,737	\$147,675		

YEAR 3 - FY2029

Ocean View Proposed Pay Scale
Effective 5.1.2028

Promotional Increases Steps	Step Increase	Officer	6.0%		6.0%		6.0%		6.0%		6.0%		6.0%	
			Officer	Officer First Clas	Corporal	Master Corpora	Sergeant	Lieutenant	Captain					
0	-	\$74,176	\$78,627	\$83,344	\$88,345	\$95,413	\$103,046	\$111,289						
1	1.5%	\$75,289	\$79,806	\$84,595	\$89,670	\$96,844	\$104,591	\$112,959						
2	1.5%	\$76,418	\$81,003	\$85,863	\$91,015	\$98,296	\$106,160	\$114,653						
3	1.5%	\$77,564	\$82,218	\$87,151	\$92,380	\$99,771	\$107,753	\$116,373						
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5	1.5%	\$79,909	\$84,703	\$89,786	\$95,173	\$102,787	\$111,009	\$119,890						
6	1.5%	\$81,107	\$85,974	\$91,132	\$96,600	\$104,328	\$112,675	\$121,689						
7	1.5%	\$82,324	\$87,264	\$92,499	\$98,049	\$105,893	\$114,365	\$123,514						
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18	1.5%	\$96,974	\$102,792	\$108,959	\$115,497	\$124,737	\$134,716	\$145,493						
19	1.5%	\$98,428	\$104,334	\$110,594	\$117,230	\$126,608	\$136,737	\$147,675						
20	1.5%	\$99,905	\$105,899	\$112,253	\$118,988	\$128,507	\$138,788	\$149,891						