

**CITY OF SEA ISLE CITY, NEW JERSEY
COUNCIL WORKSHOP MINUTES
2014 BUDGET DISCUSSION
TUESDAY, FEBRUARY 25, 2014 - 1:00 P.M.
COUNCIL CHAMBERS**

ATTENDANCE: Mr. Divney, Mr. Gibson, Mr. Kehner and Ms. Tighe. Also attending was Administrator Mr. Savastano and CFO Mrs. Doll. **ABSENT:** Mr. Edwardi.

Council President Tighe called the workshop to order and asked everyone to rise for a flag salute. She announced that the meeting had been advertised in accordance with public law 1975, chapter 231.

Ms. Tighe explained that this meeting is a follow-up from the 2/11/14 workshop when the Council reviewed the Revenues and Appropriations in detail.

The meeting was then turned over to Administrator Mr. Savastano who explained that the 2014 budget that was introduced is the City's plan based on the Department requests to the Mayor with a balance between conservative and aggressive approach with goal to keep the City safe and clean, maintain infrastructure and a prudent plan going forward.

Mr. Gibson said he was inclined to be less conservative but he understands that since the Mayor presented the budget, there has been an unusual amount of snow removal and overtime and asked if the budget has the funds. Mrs. Doll responded yes that the City does plan for storm events as it is part of the State's Best Practices.

Mr. Divney questioned why there was no reduction in trash/recycling since instituting the single-stream pick-up. Mr. Savastano said that one year is not enough time to determine savings and Public Works Superintendent Mr. Cipaldo added that due to the single-stream pick-up, the trucks go to the landfill more frequently and the MUA requires two people in the trucks while dumping.

Ms. Tighe said that salaries are the biggest part of the budget and she wanted to ensure the hiring freeze is continuing with no fulltime hires and as employees retire, jobs are combined or filled with part time and asked about salary increase above the 2.9% contractual amount. Mr. Savastano said that positions are consolidated where appropriate and that the hiring freeze of 2008 is still in effect but in 2013 there were 2 fulltime hires and one part-time converted to fulltime. He went on to say that the philosophy in place is that there will be no fulltime hires except public safety, statutory positions or where it makes sense from a business decision such as skilled vs. unskilled labor. Additionally, about \$15,000 of the budget is above the 2.9% due to promotions and other increases.

Regarding contracts, Mr. Divney said he would like some information in advance as in the past there was discussion with the Administration regarding parameters. He also suggested putting funds in the budget to hire outside help. Ms. Tighe said that Mr. Divney is suggesting another salary survey, and she agrees with the Administration that it is not necessary. Mr. Gibson agreed. Mr. Divney then suggested a closed session to discuss further. Mr. Savastano said that the Administration is in the process of obtaining other contracts recently adopted as well as other data.

Mr. Divney next reiterated his request to add money to the budget to hire a Planner for the Commercial Zones. Mr. Gibson said no and Ms. Tighe said that Mr. Edwardi and she both do want not to do that.

Ms. Tighe asked Mrs. Doll about surplus and what level is enough. Mrs. Doll explained that out of the \$2 million in 2013, an additional \$180,000 was regenerated, in the 2014 budget the surplus is at \$2.1 million, so that additional \$80,000 will not be a huge builder as we go forward and surplus should be stagnant due to the capital spending and permanent financing. Mr. Divney questioned that \$750,000

miscellaneous revenues not anticipated and Mrs. Doll said most was insurance and FEMA reimbursement. He asked for a schedule of items that are still pending that may come to the budget. There was discussion regarding outstanding FEMA funds and should the City pressure the legislators to assist in the reimbursement process.

Mr. Gibson said that he identified four areas that could be used to reduce the budget: (1) increase anticipated beach fees, (2) use more surplus, (3) increase construction fees anticipated as there is no indication that building is slowing down and (4) address the increase in ratable not identified.

Mrs. Doll provided the thought process regarding rain events and beach fees, the negative affect of bond ratings for low surplus funds and that the building that is being done now already have permits and much of last year was storm related. Mr. Divney added that he at one time thought surplus should be lower but he now agrees that the current surplus level should not be reduced.

Ms. Tighe re-capped the discussion by suggesting the biggest reduction will come from decreasing staff and increasing revenues or creating new revenues. Mr. Divney said that all ideas and concepts should be considered for change in future years. Ms. Tighe concluded with asking the Administration for a schedule of outstanding FEMA or insurance funds for 2014 and beyond and to have a closed session scheduled to discuss contract negotiations.

CITIZEN COMMENT:

Dan Tumolo-7407 Pleasure Ave: Said that the budget was well prepared and the review by Council is a much better practice than in the past. He went on to say he feels surplus should not be decreased but agrees that anticipated construction fees could be higher.

Steve Hansbury-5712 Central Ave: Asked about the difference between anticipated and realized and Mrs. Doll responded.

Ms. Tighe then asked for a motion to adjourn. Motion moved by Mr. Divney and seconded by Mr. Kehner. All ayes followed and the meeting adjourned at 2:02 p.m.

Cindy Griffith, City Clerk