

**CITY OF SEA ISLE CITY, NEW JERSEY  
COUNCIL WORKSHOP MINUTES  
2014 BUDGET – REVENUES & APPROPRIATIONS  
THURSDAY, JANUARY 23, 2014 - 10:00 A.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.

The meeting was then turned over to CFO Mrs. Doll who began by stating that the 2014 budget is the City's plan. She went on to say that in 2014, one penny will equal \$485,000.00.

**REVENUES:**

Mrs. Doll began by stating that the City's surplus is in good shape at \$3.5 million. Mr. Divney asked for a schedule identifying where surplus funds are generated and for an overview of the past 3-years. Utilizing the State Budget form, Mrs. Doll reviewed and identified the revenues and responded to questions from Council. Regarding construction UCC fees, Mr. Divney asked for additional information and trends.

**APPROPRIATIONS: Current Fund Budget**

Beginning on page 12 of the budget, there was discussion regarding liability and health insurances; the number of active and retiree employees on the health benefit plan. Mr. Divney asked if there were any new positions from 2013 to 2014 and Mr. Savastano said no. Ms. Tighe asked if any salaries are above the contractual 2.9% and Mr. Savastano answered yes, there continues to be some longevity increase for long-term employees, step increases in the Police Department and promotions that require contractual increases. He concluded that the total discretionary amount equals between \$14,000 and \$15,000.

Mrs. Doll continued with an overview of each sheet. Mr. Divney asked about the increase in liability insurance and Mr. Savastano explained the JIF did not provided dividend refunds. Discussion regarding health insurance group benefits vs. State Plan led to Mr. Divney asking for an analysis on the comparison and a breakdown of the participants such as married, family, single and retirees. Additionally he requested a comparison with other towns regarding legal costs.

An increase in bathing beaches S&W was explained it is the result in the increase in minimum wage rate. Questions regarding possible volunteer service stipends were discussed with Mr. Savastano indicating it will take several months to work out and the budget should be ok. Mr. Divney questioned why the tourism budget decreased and Mrs. Doll said it was due to the reduction of one (1) night of entertainment at Excursion Park.

Mr. Gibson asked how the reserve for uncollected taxes was generated and Mrs. Doll explained there was a State formula. Regarding FEMA reimbursement, Mr. Divney expressed concern that there hasn't been anything received for the past beach replenishment and suggested reaching out to the legislators.

Mr. Divney asked the Council to put funds in the budget for a professional planner and/or future studies that may be necessary for contract negotiations. Ms. Tighe said she is not interested in another salary study and there is \$15,000 in a line item for a project manager that can assist with gathering data for contract negotiations.

## **WATER & SEWER BUDGET:**

Mrs. Doll explained that there is no increase in the budget due to the rate increase in 2013. Discussion regarding the MUA methodology and the fact that for the MUA to change, it will require all participating municipalities to agree. Mrs. Doll provided handouts with the 5 year annual flows to the MUA and the payments since 2006.

Mr. Divney concluded with stating a tax increase and water & sewer increase in 2013 should make everyone challenge to reduce the proposed \$671,00 increase in 2014 and suggested reviewing and improving and if the budget is reduced agree on what will be affected, he also asked the Administration to make suggestions on items that can be reduced with the "least impact". Mrs. Doll said an aggressive capital improvement plan has been managed to keep the tax rate from spiking and that the budget as presented is cost effective. Ms. Tighe recognized that the O/E budgets have been tightened but suggested a discussion regarding the appropriate amount of surplus is also needed. Mr. Savastano reiterated the additional items requested and agreed to work together to be as cost effective as possible.

## **CITIZEN COMMENT:**

**Dave Helfrich-21 36<sup>th</sup> St:** Asked if the FEMA dollars are received will it reduce the current budget and Mrs. Doll said it would be used to pay down debt.

**Steve Hansbury-5712 Central Ave:** Said he was opposed to any tax increase and suggested there is always "fat" in every budget. He also complained that \$371,000 is budgeted to promote Tourism, but the City needs to promote year-round residency.

Mrs. Doll explained the State Senior Citizen tax freeze program; must be a NJ resident for 10 years and in current home for 3 years with a combined income of less than \$80,000. Ms. Tighe said she would put the information in the e-newsletter.

Ms. Tighe then asked for a motion to adjourn. Motion moved by Mr. Gibson and seconded by Mr. Divney. All ayes followed and the meeting adjourned at 11:40 a.m.

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Cindy Griffith, City Clerk