

CITY OF SEA ISLE CITY, NEW JERSEY
COUNCIL WORKSHOP MINUTES
2016 BUDGET – REVENUES & APPROPRIATIONS
THURSDAY, FEBRUARY 11, 2016 – 9:00 A.M.
COUNCIL CHAMBERS

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

Council President Gibson called the workshop to order and asked everyone to rise for a flag salute. He 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 2016 budget has some unusual circumstances such as the re-valuation and unsettled contracts. She went on to say that the average assessment is \$659,000 and that one penny equals \$451,000.00 and the water and sewer allocation % is 15% as opposed to 16% in 2015.

REVENUES - Current Fund Budget

Mrs. Doll said that revenues are about the same as the previous years.

Each page of the budget document was then reviewed with Council having the opportunity to ask questions. There was a discussion regarding the tax impact and the amount of the tax increase in the Mayor's proposed budget and the rate is 2.5 cents or about \$1.2 million.

Mr. Divney questioned the amount of surplus and how is it used and replenished and asked for a chart indicating how surplus has been used and replenished and Mrs. Doll said she would prepare it.

APPROPRIATIONS: Current Fund Budget

Mrs. Doll indicated that overall Salary and Wages are increased by about \$212,000; O/E increased by about \$492,000 and debt service by about \$466,000. She then outlined departmental increases.

Ms. Tighe questioned the \$33,500 increase in engineering and Mr. Savastano said most engineering is paid out of Capital, but at year-end there is usually a transfer due to the Engineers involvement in various projects as well as the CRS program COAH. Mr. Gibson suggested going out for RFP's on more projects. Mr. Savastano said that currently with the Ocean City Shared Service, the City uses Roger Rinck as a project manager instead of Maser and that his Engineering services to Ocean City saves the City money.

Mr. Divney said he would like a breakdown of the engineering budget and the legal budget.

Regarding the Ambulance Stipends, Mr. Divney asked if there was funding for a study and Mrs. Doll said yes. Mr. Savastano added that the cost of the Ambulance Corps going to a paid City Department is not funded in the 2016 budget. Mr. Divney also suggested that the fire stipends not have a limit. Mr. Gibson questioned if the Master Plan \$50,000 could be reduced and Mr. Divney said that it is too soon to reduce the amount.

Mr. Divney questioned why pensions PERS is up 6% and PFRS is up 13% and what would be the reason for the different percentages. Mrs. Doll explained the police have a different contribution level and pay out level and there are less police than other public employees as well as other factors such as age, salaries and number of retirees.

Regarding the debt service, Mr. Divney asked for a schedule of the debt service and Mrs. Doll said she would provide it.

WATER & SEWER BUDGET:

There was much discussion regarding the \$2.4 million surplus. Mr. Gibson suggested there may be a time to now reduce the amounts paid by the residents and Ms. Tighe agreed as the rents were increased at a time when surplus was dangerously low Mr. Divney questioned if some of the surplus could be transferred to the current fund budget and Mrs. Doll said it was legal, however she was not supportive of doing that and suggested the possibility of using surplus to buy equipment with the cash instead of with a bond ordinance. Mr. Divney added that it could be used to reduced debt as well. Regarding the rents, she suggested waiting until the MUA flow rates are received in the summer and considering making and change at that time. Mr. Divney requested a chart showing the MUA flows. Ms. Tighe said she did not support moving surplus to the General Fund, but the Department heads should be challenged to offer decreases to the budget to reduce the tax increase and Mr. Edwardi agreed. Mr. Kehner reminded all that during the cell tower argument and the potential loss of revenue, residents said to raise taxes instead putting up the tower for more revenue.

To conclude, Mr. Gibson asked if anyone objected to introduction of the budget on 2/23/2016 and no one did.

Ms. Tighe asked if there were any raises budgeted that were above and beyond the contractual and Mr. Savastano read each position and the reason for and amount of the increase.

CITIZEN COMMENT:

Kevin Lavan-9007 Landis Ave: Said the budget appears to be reasonable but suggested it should be compared to other municipalities. He also agreed with Mrs. Doll that surplus should not be moved from one budget to the other and encouraged the purchase of more land for recreation or parking with capital funds. He said he would forward an article from NJ.COM regarding all tax rates for all municipalities from 2000 to 2015.

Mr. Gibson asked him to send it to the Clerk and she will forward to the Council.

Mr. Gibson then asked for a motion to adjourn. Motion moved by Mr. Kehner and seconded by Ms. Tighe. All ayes followed and the meeting adjourned at 11:00 a.m.

Cindy Griffith, City Clerk