

Mayor Announces 2011 Budget

Finally, after our tax levy increased 72% from \$8.3 million in 2005 to \$14.2 million in 2010, the Mayor has announced that there will not be a tax increase in 2011.

SICTA has reviewed the proposed 2011 operating budget and finds it to be very conservative and happily believes that the surplus will increase during 2011, not decrease by \$1,071,000 as budgeted. We believe there is caution in the proposed 2011 budget because general revenues are budgeted to be \$343,000 less than what was actually received in 2010 and the tax levy is budgeted to be \$402,000 less than what was actually received in 2010. Additionally, the reserve for unpaid bills has increased by \$346,000 from \$276,000 at December 31, 2009 to \$623,000 at December 31, 2010. If this turns out to be less than what is needed to pay leftover 2010 bills, there would be another favorable effect on surplus. Also, since the year-end reserve is added to what was actually spent in 2010 and the resulting higher amounts are used as guides in setting 2011 budgeted amounts, 2011 expenditures could be less than budgeted.



Salaries are budgeted to increase 4.2% or \$317,000. On the other hand, due to a switch from a very expensive plan to a very good plan, health care insurance for employees is budgeted to decrease 25% or \$675,000.

Debt service is expected to increase \$369,000 (15.9%) from \$2,322,000 to \$2,691,000. Partially offsetting this is the expected decrease in down payments for capital projects of \$295,000 (49.5%).

The final item of interest in the operating budget is an additional \$115,000 to be spent on tourism.

As in 2010, the water and sewer budget shows no increase in rates for 2011. One must remember, however, that the annual total combined water & sewer based charge increased 46% from \$700 in 2006 to \$1,020 in 2009.

Sea Isle City's Payroll Topped \$9 Million in 2010

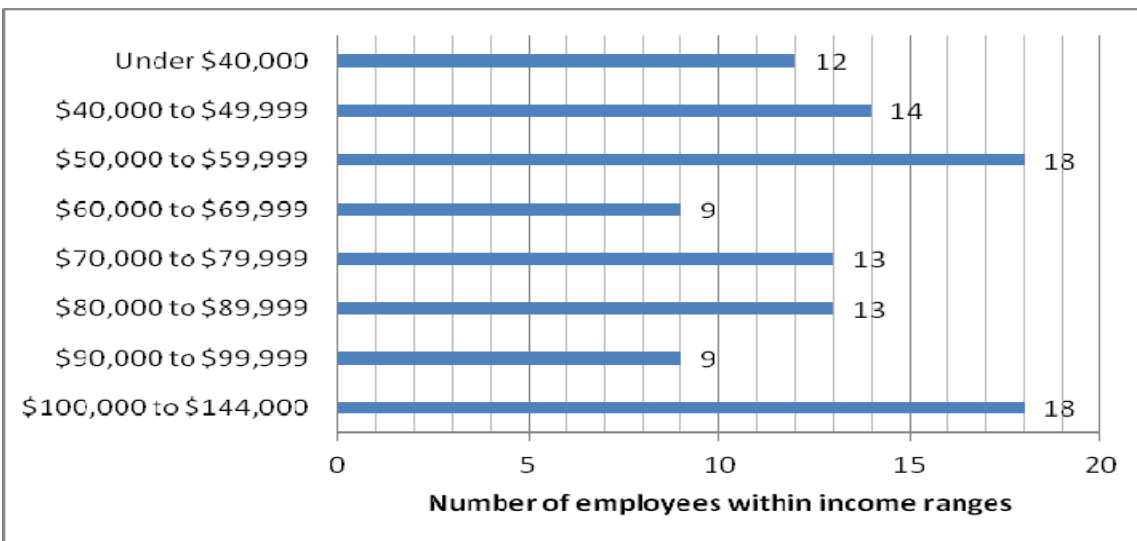
Regular overtime is basically one-half from the Police Department and one-half from Public Works. Over \$60,000 of regular overtime was incurred from October 1st through December 31st.

Year Round Regular	\$7,294,762
Year Round Overtime	510,109
Summer Regular	944,954
Summer Overtime	40,780
Vacation	31,654
Sick Pay	30,100
Bonus	33,000
Other	156,939
	\$9,042,298

Median income for full time employees was \$70,600, over 40% higher than the \$49,800 median household income for Cape May County for 2009 (latest amount available). See (<http://www.ers.usda.gov/data/unemployment/RDLList2.asp?ST=NJ>).

The chart on the next page shows the number of full time employees within income ranges

SIC EMPLOYEES BY SALARY RANGE



Visit www.sicta.org to review salaries for the top 50% of full time employees.

TOP 20 of SEA ISLE CITY EMPLOYEES' PAY for 2010		
Name	Department	Box 16 W-2
D'Intino, Thomas J	Police	\$143,955
Savastano, George J	Administration	\$135,155
Jargowsky, Michael A	Police	\$132,250
Rohrer, Kirk	Police	\$124,923
Milano, Rosemary	Police	\$119,866
Garreffo, Anthony J Jr.	Police	\$114,287
Gansert, Jon P Sr.	Police	\$113,585
Manganaro, John B	Public Works Administration	\$112,749
Steelman, Lewis M Jr.	Public Works Administration	\$111,560
Milburn, John C	Police	\$111,256
Burke, James V	Police	\$108,811
Boyer, Harold A	Police	\$108,564
McQuillen, Thomas	Police	\$105,949
Mammele, William F Jr.	Police	\$105,276
Terruso, James	Financial Administration	\$104,637
McKeefery, Robert M Jr.	Public Works Administration	\$104,595
Doll, Paula G	Tax Collection	\$104,145
Taylor, Frank E	Police	\$100,850
Rakus, Thomas	Road Repairs	\$99,362
Bradshaw, William R	Police	\$98,936

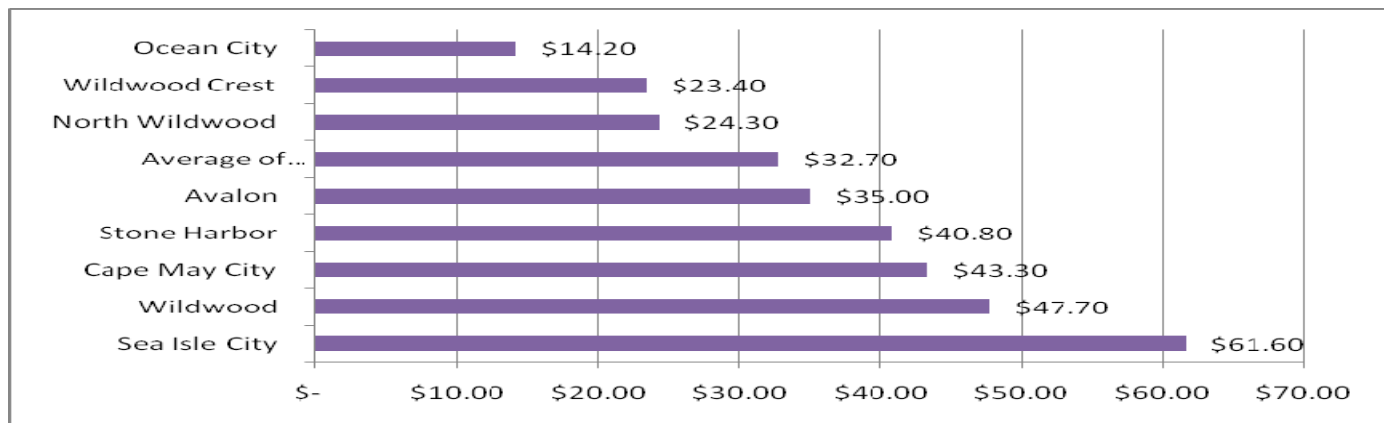
SEA ISLE OUTSPENDS NEIGHBORING TOWNS' LEGAL COSTS

As part of our continuing research into how Sea Isle City spends its tax dollars, the SICTA research committee, using public records, has prepared a comparison to neighboring towns. Note that the budget dollars represent more than just lawsuit costs and also include costs for the City solicitor role in drafting ordinances, etc.

Further, combined actual 2009 and budgeted 2010 legal costs were higher than all surrounding communities, many of which are much larger.



Regardless of how legal services needs differ, research shows that in 2010, Sea Isle's budgeted legal costs on a per household basis (the latest available that we could compare) were over 80% more than the average of our neighboring communities as shown below.



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Since some of SIC's legal fees over the last two years have been spent to defend or settle lawsuits brought against the City or its employees, many of which are related to inappropriate conduct, taxpayers should be asking...Is Sea Isle City...recruiting and hiring the right people? Are they trained and monitored consistently? Does the city conduct regular performance reviews? Does the city have appropriate policies/standards of conduct? Does the city apply discipline (even up to termination in the most egregious cases), etc?

Community	Spent/Budgeted 2009/2010
Sea Isle City	\$725,000
Wildwood City	\$694,675
Ocean City	\$672,770
North Wildwood	\$415,000
Cape May City	\$385,000
Avalon	\$380,000
Stone Harbor	\$273,859
Wildwood Crest	\$260,600

These are basic things that all well-run organizations do to minimize



lawsuits and avoid costly legal fees. In recent months the City has settled two lawsuits under which the payments by the City's insurance carrier (JIF), to the plaintiffs, totaled \$1,050,000. Additionally, the insurance carrier has incurred legal fees of \$210,000, just on the most recent settlement alone. Considering that the City's annual premium for liability insurance is only \$107,000, there is a possibility that the City may be at risk of losing coverage or having its premiums increased, which would not bode well for the future.

Links to copies of public records containing details of filings and resolutions, etc., have been posted on the Sea Isle City Taxpayer Association's website www.sicta.org

Are New Jersey Public Employee Salaries and Benefits Out of Line?

The furors over public employees' salaries and benefits, highlighted by the impasses in Wisconsin and Indiana legislatures, led SICTA to more closely examine the situation in New Jersey, both state-wide and in the communities along the South Jersey shore. Since a considerable amount of research has recently been done on police salaries, this was a logical place to start. The intent is not to single out the police, we are using their existing data to illustrate the magnitude of the problem in New Jersey.



Although we are using the police data as an example, we want to acknowledge the obvious: the police have a dangerous job that often puts them in harm's way--it is hard to place a value on the security they offer. We know the people of Sea Isle greatly appreciate the professionalism and service our own police provide to us. SICTA will continue to research other sectors in 2011 for further data and future reports.

A 2010 study of police salaries by the Newark Star Ledger of 2009 ranks New Jersey first in the country in terms of median police salary at \$89,630 ahead of California at number 2 with \$78,460, Illinois at number 3 with \$69,900, New York at number 9 with \$60,620, and Connecticut at number 10 with \$60,490. Further, if we just look at patrolmen, Bureau of Labor Statistics 2009 data show NJ with an annual mean wage at \$77,660 vs. a national mean of \$55,180, or 41% higher. Of course, some of this can be explained by the urban nature of much of the state and its relatively high cost of living. Police patrolman salaries are 55% higher than the average state resident (according to the Star Ledger article) compared to a 27% differential nationwide.

When we looked closer to home at police salaries in the shore communities in Cape May County (see table), based on the same study, we found that the results were similar to the state-wide numbers, though the demands placed on shore police forces are much more seasonal. They are also likely smaller departments with a higher ratio of supervisory employees. Noteworthy, all except Wildwood and Stone Harbor pay more than California, again ranked #2 in the nation behind New Jersey.

Community	Median Police Officer Salary Patrolman to Chief (\$000)
Ocean City	\$91.9
North Wildwood	88.9
Cape May City	85.1
Avalon	83.2
Wildwood Crest	83.2
Sea Isle City	81.1
Wild wood	77.8
Stone Harbor	73.4

In Cape May County the differential between the police salaries and the average citizen is 63%. On top of this, police benefits are also much more costly. In Sea isle where we have the data, SICTA research shows that the average benefits (insurance, pension, social security) for year-around police officers average 58% of salary. In the private sector, they are about 25-35% according to benefits experts, and they have been on a downward trend for several years.

Is there an opportunity for fiscal restraint? We think there is.

What are some of the things that might be done? We certainly do not advocate mass layoffs as was done in Camden. We are not suffering their fiscal plight and we value our safety and security too much. However,

Are New Jersey Public Employee Salaries and Benefits Out of Line? (cont.)

there are other alternatives. Here are two examples

We need to be tougher in our contracting with all of our unions state-wide; this includes both state and municipal governments. **Governor Christie is trying to do his part, what about the shore communities, including Sea Isle?**

We need to explore shared services solutions with our neighbors like many communities in the state are doing. A recent article in Philadelphia Magazine stated that Gloucester County has saved more than \$24 million by sharing police, fire, tax assessing, trash and other services. Senator Stephen Sweeney (Democratic Majority Leader in NJ) was quoted: “You get a lot of heat over shaking up the status quo of bloated little governments. People resisting consolidation has to do with keeping jobs. With protecting what you have. Even though they understand that consolidation is right.” **We think the Senator is right on the mark.**

Sea Isle City Top 20 Vendors for 2010

VENDOR	EXPENSE
Great Lakes Dredge & Dock Co.	\$6,780,000
Horizon BCBS of New Jersey	\$1,216,808
Fabbri Builders, Inc	\$1,018,437
Maser Consulting, PA	\$964,861
Atlantic County Mun. Joint Insur.	\$723,683
Ricky Slade Construction, Inc	\$711,631
Walters Marine Constr., Inc	\$654,374
Lexa Concrete, LLC	\$601,240
Health Insurance Solutions, Inc	\$410,914
Atlantic City Electric	\$378,002
Arawak Paving Co., Inc	\$291,362
GM White Electrical Cont. Inc.	\$286,000
Baldini, Paul P.A.	\$227,563
Gran Turk Equipment, Inc	\$206,052
M.G. Lindemon Trucking Co.	\$136,693
General Recreation, Inc	\$126,258
Engineering Design Assoc., Inc	\$117,000
Ditschman/Flemington Ford Linc	\$100,873
Day Automotive Resources, Inc	\$91,035
Pedroni Fuel Company	\$85,034



SICTA

Sea Isle City Taxpayers Association, Inc

www.sicta.org P.O. Box 82, Sea Isle City, NJ 08243-0082

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- Ben Tartaglia, Treasurer

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Election Time Is Near and Every Vote Counts!

To register to vote in New Jersey: Voter Registration Forms can be obtained from any MV office, post office, library, city or county clerk's office in N.J. You must be 18 yrs. old, live at the same address 28 days before the election, be a citizen of the United States, and must be able to read and write.

To vote by absentee ballot: You must be a registered voter. Absentee Ballot applications can be obtained from your city clerk's or county clerk's office. The completed application must be in the county clerk's office one week before the election.

Sea Isle City Election Information: The 2011 School Board election is **Wednesday, April 27, 2011**. The polls will be open from 3 p.m. to 9 p.m. Registered voters will be voting for 3 members to be on the School Board. Their terms will be for 3 years.

The School District Budget for 2011/12 will also be on the ballot.

The election for Mayor and 2 Council members is Tuesday, May 10, 2011. Voting will take place between 7 a.m. - 8 p.m.

Questions? Call your city or /county clerk's office Cape May Co. (609) 465-1010
www.capemaycountygov.net or NJ Division of Elections: (609) 292-3760. www.njelections.org All voting forms are on both websites and can be printed and sent to the county or state.

JOIN SICTA! You can join and pay the membership fee online (www.sicta.org) or print and mail the form with your check to SICTA PO BOX 82 SIC NJ 08243