

DO WE MAKE A DIFFERENCE?

We at SICTA often wonder if our efforts really make a difference—do we effect change. Recent history shows that we may have more influence than we realize. Although we do not take full credit for the following, we at the very least made them part of the public discourse:

- In one of our recent newsletters we suggested that **the City consider expanding the use of shared services** with other nearby communities, both to improve the quality of services provided as well as to help deliver them more cost effectively. At our January Board meeting, Mayor Desiderio informed us that he was meeting with the other mayors within Cape May County to study the possibility of establishing shared services arrangements with them.
- In another recent newsletter, we suggested that **the City move from short-term debt instruments [bond anticipatory notes] for funding the City's capital projects to a long-term municipal bond issue**. Such a bond issue would enable the City to take advantage of the current low interest rate environment. The City has since announced just such a bond issue.
- Last year SICTA wrote to the **owners of the ACME shopping center parking lot** about getting **them to repave it**. If you have been to the ACME in recent weeks, you can see that has also come to pass.
- We have both talked to the City and written in our newsletter about the parking problem the City faces in the summer season. In those forums we also recommended **solutions such as expanding the hours and increasing the frequency of the trolley service**. The Chamber of Commerce/Sea Isle Revitalization has since announced a contract with a jitney service that will offer expanded and more frequent service this coming year. A sample of what is to come was provided during Polar Bear Weekend. We also suggested a parking lot outside the City that would be served by this transit system. Our recent conversations with the Chamber/Revitalization indicate that this may be a real possibility if the jitney service is successful.

In past years we have advocated for various **efforts to contain the City's payroll**. Since 2007 the City has instituted a hiring freeze and has taken steps to contain benefit costs.

We recently thumbed through the SICTA newsletters from 2006. Back then, SICTA was shining the spotlight on such topics as **Beach Replenishment, Library Taxes and Services and Flood Discounts**, all topics on which the City has made significant advances.

Again, although we do not claim responsibility for these actions or that we are the only ones thoughtful enough to come up with them; we believe that we at least share some of the credit for advocating them.

A final note: SICTA historically has tended to work on our own and, if anything, at least appeared to have an adversarial relationship with the City. That is now changing in a very positive way. Mayor Desiderio addressed our annual membership meeting and he along with Councilman Divney attended and spoke at our January Board meeting. Chris Glancey from the Chamber/Sea Isle Revitalization also updated us on his organization's efforts at the same meeting. Both the Mayor and Chris offered to give us periodic updates at future meetings and Chris will be presenting at our next membership meeting in May. Lastly, SICTA also joined the membership of the Chamber/Revitalization to further strengthen the relationship between our organizations and the City has agreed to announce our meetings on Channel 2. *We firmly believe that this heightened cooperation among all parties will best serve the future of our community.*

SIC BOE Moves Election to November

In January, the Governor signed the law which gives communities the option of moving the school election to November. Like 85% of the other school districts, SIC Board of Education has voted to do just that. The move places school board candidates on the November ballot, but eliminates the annual vote on proposed school budgets that are at or below the state's 2 per cent tax levy cap. Sea Isle City has not passed a school budget in six years. All of these were at or below cap, and some actually called for a tax reduction. In New Jersey, when a school budget is defeated it is reviewed by city council, who can ask for reductions in the budget. For the last four years, the Council has made no change to the defeated budget.



Arguments for the move are the savings from eliminating the costs of the school elections, which are estimated to be about \$5,000 for the Sea Isle district, and the higher level of voter participation in November, which historically

has been at least twice that of the April school elections.

Arguments against are the elimination of the school budget vote when below the caps and the potential for the politicization of the school elections if they occur in November. On average in New Jersey, the school portion of the property tax runs around 65%, which historically has been the argument for why voters get to vote on school budgets but not municipal or county budgets. In Sea Isle, the school property tax makes up only about 12% of the property tax. It should be noted if a district proposes a budget above the caps, the excess amount is subject to voter approval in November. If rejected by the voters, the rejection stands and is not subject to review by city council.

Two Years in a Row: No Tax Increase for Local Government

Local government tax rate have held steady since 2010 at \$.293 per \$100. Cash expenditures are budgeted at \$19.1 million. The Governor's 2% limit on spending increases would have allowed expenses subject to the limit to be \$14.8 million but the City limited spending to \$14.2 million, beating this "Cap" by \$600,000.



After significant tax increases of 12% and 11% in 2006 and 2007, respectively, in 2007 our then new City Council, elected after the change in the form of our government, instituted a hiring freeze for all non-public safety positions. Considering that employee related expenses, salaries and fringe benefits, comprised more than 50% of the budget, this freeze was most instrumental in contributing to the stability of the tax rate.

The number of City employees has decreased from 118 to 99. There are two notable examples of how headcount has been controlled. First, our CFO appointed in 2010 continues to do her old job as Tax Collector while assuming the duties of her predecessor. Further, she relies less on consulting with our external auditors, at least as far as the annual budget is concerned, and thus the annual audit expense has decreased. (As a side note, while our CFO was Tax Collector, SICTA traced **all** property records to water and sewer billings and did not find one error.) Second, our Business Manager, besides being responsible for all operations of the City, has been directing the operations of Public Works since its manager retired in 2010.

Considering the worthwhile beautification projects completed or under construction, we will have tax increases in future years. However, these projects would not be affordable without the increases in the efficiency of our local government.

THANKS TO THE CITY

Good news for Sea Isle City Property Owners. The City reports that Municipal Taxes will be flat this year and that a City-wide flood discount is imminent. Well Done.

Recap of City Employee Payments

Sea Isle City

Top 30 W-2 Amounts for 2011

(with comparisons to 2010)

Name	Department	2011	2010	Increase
		Box 16 W-2	Box 16 W-2	-Decrease
D'INTINO, THOMAS J	POLICE	\$ 146,761.28	\$ 143,955.14	1.9%
SAVASTANO, GEORGE J	ADMINISTRATION	\$ 144,773.68	\$ 135,155.02	7.1%
ROHRER, KIRK J	POLICE	\$ 130,247.89	\$ 124,923.47	4.3%
MILANO, ROSEMARY J	POLICE	\$ 125,847.05	\$ 119,865.88	5.0%
GARREFFI JR, ANTHONY J	POLICE	\$ 121,231.31	\$ 114,286.58	6.1%
BURKE, JAMES V	POLICE	\$ 116,511.35	\$ 108,811.42	7.1%
DOLL, PAULA G	COLL OF TAX	\$ 115,326.71	\$ 104,145.22	10.7%
GANSERT SR, JON P	POLICE	\$ 114,737.83	\$ 113,584.91	1.0%
MC QUILLEN, THOMAS	POLICE	\$ 113,841.79	\$ 105,948.83	7.4%
STEELMAN, JR, LEWIS M	ADM OF P.W.	\$ 111,841.58	\$ 111,559.93	0.3%
MILBURN, JOHN C	POLICE	\$ 111,280.50	\$ 111,255.50	0.0%
MC KEEFERY JR, ROBERT M	ADM OF P.W.	\$ 110,011.83	\$ 104,594.56	5.2%
MAMMELE JR, WILLIAM F	POLICE	\$ 108,771.90	\$ 105,276.28	3.3%
TAYLOR, FRANKE	POLICE	\$ 106,297.94	\$ 100,849.95	5.4%
MC QUILLEN, JAMES	POLICE	\$ 101,465.42	\$ 95,001.83	6.8%
BOYER, HAROLD A	POLICE	\$ 100,271.77	\$ 108,563.53	-7.6%
RAKUS, THOMAS J	ROAD REPAIRS	\$ 98,669.71	\$ 99,362.12	-0.7%
BRADSHAW, WILLIAM R	POLICE	\$ 98,396.29	\$ 98,936.01	-0.5%
FRANK III, HENRY A	POLICE	\$ 97,682.34	\$ 90,757.52	7.6%
GRIFFITH, CINDY L	ADM & EXEC	\$ 97,682.22	\$ 94,929.15	2.9%
CONTE, STEVEN E	POLICE	\$ 97,169.86	\$ 97,360.89	-0.2%
KINGSLAND, MISTY M	POLICE	\$ 96,650.85	\$ 97,780.60	-1.2%
TIGHE, MICHAEL W	GARBAGE	\$ 95,775.67	\$ 91,692.57	4.5%

Sea Isle City Offers \$5,000 to Opt Out of Health Insurance

The City pays \$5,000 each to five employees and one retiree who opt out of health insurance because they are covered under a spouse's plans. This incentive should not be necessary in the future because such employees will be motivated to avoid the co-pay payroll deductions mandated by Governor Christie's reforms. On a side note, SICTA finds it egregious that one employee and the one retiree are able to opt out because their spouses are employed by the City. Technically, they are still covered by the City's plan and have not opted out. It is particularly annoying that a non-employee, the retiree, can get this windfall, especially since he received \$15,000 for accumulated sick pay upon his retirement. It is our understanding, while the City was under the State Health Benefits Plan, these opt out payments could be impermissible where the spouse was also covered by the SHBP. The City Solicitor has opined otherwise. At this time, we neither agree nor disagree and are still researching this matter.

The Effects of Pension & Health Benefits Reforms for Sea Isle City

On June 28, 2011 New Jersey Governor Christie signed pension and health benefits reforms legislation which will have positive effects on future budgets of Sea Isle City. Pension reforms include immediate additional employee contributions 1.5% and 1%, respectively, of the base salaries of police officers and all other public employees. Additionally, other public employees will pay another 1% to be phased in over the next seven years. SICTA estimates that this has created an immediate \$80,000 decrease in the City's pension expense, with additional savings of \$6,000 in each of the next seven years.

The law also tightened the retirement thresholds for **new** employees but not for current employees. City savings from health care reform will be much more significant but will not apply until current union contracts expire at the end of 2014. Based on progressive scales based on annual base salaries, employees must contribute from 3.5% to 35% of health care insurance premiums, to be phased in over four years. SICTA estimates savings of approximately \$100,000 in 2015, \$200,000 in 2016, \$300,000 in 2017 and \$400,000 annually thereafter.

Sea Isle City Taxpayers Association
Statement of Cash Receipts and Cash Disbursements
For The Year Ended December 31, 2011

			<u>Favorable</u> <u>(Unfavorable)</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Cash Receipts:			
Dues	\$ 15,680.00	\$ 15,000.00	\$ 680.00
Contributions	1,160.00	1,000.00	160.00
Interest	12.62	10.00	2.62
Total Cash Receipts	16,852.62	16,010.00	842.62
Cash Disbursements:			
Newsletter Publishing	4,005.53	5,600.00	1,594.47
Newsletter Mailing	3,787.52	1,800.00	(1,987.52)
Newsletter Subtotal	7,793.05	7,400.00	(393.05)
Dues	35.00	35.00	-
Administration	703.50	650.00	(53.50)
Membership Billing	440.00	750.00	310.00
Insurance	1,315.00	1,500.00	185.00
Telephone, Fax and Postage	23.00	100.00	77.00
Copies & Printing	135.50	400.00	264.50
Software Internet and Email Service	359.73	525.00	165.27
Contributions		1,000.00	1,000.00
Christmas Tree Lighting	126.89	300.00	173.11
Survey Expenses	200.00	550.00	350.00
Taxpayer Education Meetings		2,500.00	2,500.00
Giveaways for Booth	379.11	300.00	(79.11)
Total Cash Disbursements	11,510.78	16,010.00	4,499.22
Excess of Cash Receipts over Cash Disbursements	5,341.84	-	5,341.84
Beginning Cash Balance Beginning of Year	18,319.00	18,319.00	-
Available Cash Balance End of Year	\$ 23,660.84	\$ 18,319.00	\$ 5,341.84



Recently a member inquired how SICTA spends the dues money. As you can see from the above, most of the money is spent on publishing and mailing the newsletter. Over the last several years, SICTA has been able to lower these costs because some members accept their newsletter electronically. SICTA also spends money on its website and copying costs associated with OPRA (Open Public Records Act) requests which are the basis of SICTA's studies.

At least once a year, SICTA mails the newsletter to all property owners, both members and non-members. When there is a subject of high importance, SICTA will host meetings and bring in speakers to inform the general public as they did when the change in the form of government was being debated. SICTA spent \$10,000 on an attorney to contest the biased wording the City Clerk applied to the referendum on the change in the form of government and was successful in challenging that wording. Many people have told us they attribute much of the recent progress in Sea Isle to the change in the form of government. SICTA is particularly proud to have played a role in putting the information in front of the people so that they could make informed decisions. We would also like to point out that SICTA volunteers put in hundreds of hours on activities that other organizations contract out. This allows SICTA to devote the dues money to continued research and efforts to shed light on taxpayer issues.

If you have any questions or comments concerning our finances, please contact us at info@sicta.org

Sea Isle City			
2011 Top 25 Vendors vs. 2010			
			<u>INCREASE</u>
	<u>2011</u>	<u>2010</u>	<u>(DECREASE)</u>
HEALTH INSURANCE PAYEES:			
STATE OF NEW JERSEY	2,191,513.24	1,146,889.32	1,044,623.92
HEALTH INSURANCE SOLUTIONS, IN		410,914.00	(410,914.00)
HORIZON BCBS OF NEW JERSEY	136,882.45	1,216,808.19	(1,079,925.74)
TOTAL HEALTHCARE COSTS	2,328,395.69	2,774,611.51	(446,215.82)
SCHIAVONE, FRED M. CONST. INC.	2,149,366.18	19,600.00	2,129,766.18
MASER CONSULTING, PA	1,074,362.03	964,860.97	109,501.06
ATL. COUNTY MUN. JOINT INSUR.	736,205.00	723,683.00	12,522.00
ALLIED PAINTING, INC.	660,275.98		660,275.98
ASPHALT PAVING SYSTEMS, INC.	643,258.97		643,258.97
NFF CONSTRUCTION, INC.	572,845.28	34,750.80	538,094.48
WALTERS MARINE CONST., INC.	365,541.59	654,374.07	(288,832.48)
ATLANTIC CITY ELECTRIC	280,874.67	378,002.21	(97,127.54)
BALDINI, PAUL P.A.	253,124.27	227,563.19	25,561.08
SOUTH STATE, INC.	246,460.38	2,535.10	243,925.28
M.G. LINDEMON TRUCKING CO.	112,470.86	136,692.60	(24,221.74)
HESS CORPORATION	110,733.05	21,260.37	89,472.68
ENGINEERING DESIGN ASSOC., INC.	106,600.00	117,000.00	(10,400.00)
BCI BURKE COMPANY, LLC	105,763.10		105,763.10
PEDRONI FUEL COMPANY	103,614.71	85,033.96	18,580.75
LANDBERG CONSTRUCTION LLC	95,734.76		95,734.76
OCEAN AND COASTAL CONSULTANTS	86,676.22	72,068.44	14,607.78
RIGGINS, INC	85,289.63	66,488.84	18,800.79
CENTER STAGE ENTERTAINMENT INC	81,400.00		81,400.00
TRICO EQUIPMENT CORP.	79,089.33	16,768.92	62,320.41
DUNCAN PARKING TECHNOLOGIES	75,040.00	70,989.00	4,051.00
TURFSCAPES, LLC	74,619.00		74,619.00
SOUTH JERSEY GAS	71,476.29	70,101.58	1,374.71

Polar Bear Plunge Weekend

The City has recently completed another very successful Polar Bear Plunge Weekend. This brings in much enthusiasm for our town and is most helpful to our merchants, especially the very small establishments that have trouble surviving the winter. However, we hear complaints over one aspect of the weekend; i.e., it is a drunkfest which has a negative effect on our reputation and is only an accident away from another tragedy.

SICTA would like to hear your comments on the pros and cons of the Polar Bear Plunge Weekend. Please contact info@sicta.org with your comments.





SICTA

Sea Isle City Taxpayers Association, Inc

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

Your SICTA Officers

- Joe McDevitt, President
- Ben Tartaglia, Treasurer

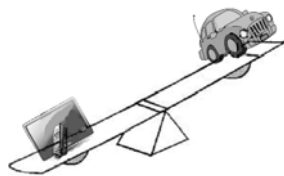
Board of Directors

- Seymour Burchman
- Gary Egnasko
- Steve Howard
- Larry Lentini
- Jim Malloy
- George Marinari
- Pete McWilliams
- John Ruzila
- Marye Ruzila
- James Sofroney
- Mike Stein
- Mike Tumolo

Is Your Comcast Bill the Size of a Car Payment?

Bundled Cable TV, Internet and Phone bills are growing much faster than we would like. SICTA asks you to share ideas as to how to spend less on these services. Consider:

- Unbundle services?
- Discontinue landline?
- Other providers such as Vonage?
- Share a router for internet services with your condo partner(s)?
- City wide internet and cable TV paid with tax dollars?
- Satellite and internet TV?
- Push for regulation over monopoly?
- Netflix streaming of news, movies and TV shows (\$8 month)?



Please contact info@sicta.org with your ideas and we will publish them in our next newsletter. Please also consider contacting your Twitter/Facebook friends for their ideas and have them contact us.

While our membership continues to grow, SICTA's volunteer ranks are thinning, as a number of past contributors are no longer Sea Isle property owners. If you can spare the time, we could use the help, especially in writing articles for the next newsletter.

Can you write an article on the new library—how to join and what programs they will have this summer? How about something on what's happening with the school, or parking or flooding?

You don't have to go it alone, we have a communication committee who will collaborate with you. Give us a call at 484-553-1614 or send us an e-mail at info@sicta.org.

