

BUDGET REVIEW COMMITTEE - Pete Guinosso

OUR GOVERNMENT

The typical American household made less money last year than the typical household of a decade ago. After adjusting for an inflation rate of twenty nine (29) percent the U.S. Census Bureau reports that during the last decade, the median household income fell to \$50,303 in 2009. In 1998, the median income was \$51,295 an approximate two (2) percent drop.

During this same period Ocean City employees saw their income increase by fifty-five (55) percent compared to the average taxpayers who saw their income increase by only twenty-nine (29) percent. This indicates that since 1998 our city employees received incomes ninety (90) percent higher than the average taxpayer.

Our city employees are being paid more than the taxpayers. How can our elected officials expect the average taxpayer to pay for salaries that are higher than we are paid in the private sector?

Our founding fathers established a government that was to be: of the people, by the people and for the people. It turns out that our past and current city officials think that we the people, the taxpayers, are a people for the government, and that we are expected to be subservient to the government.

HEALTH CARE

New Jersey public employees benefit system must be aligned closer to the private sector employee benefits. Governor Christie has proposed that public employees contribute one and one half percent (1.5) of their salary, (the average salary for full time employees in 2009 was approximately \$79,676), toward the cost of their health benefits. This would mean that an Ocean City employee would contribute approximately \$1195. The amount private employees will be asked to contribute toward their health care premium is approximately \$2567.

HISTORY

Fairness In Taxes has consistently advocated for a more affordable and effective government. Remember back in 2003 when our elected officials said we had to increase our taxation by fourteen (14) percent and that a full time staff of two hundred ninety one (291) was necessary. At that time Fairness in Taxes and the taxpayers of Ocean City recommended a lower increase in the tax rate be accomplished by reducing the payroll by ten (10) percent. Our local officials, who warned all of us of the doom and gloom that would befall our city if we reduced the number of employees, unfortunately disregarded our pleas and adopted a budget without any reduction in taxation or in the workforce. As you can see in the table below the workforce has since been reduced. If the concerns and suggestions of Fairness in Taxes and the five hundred (500) citizens of Ocean City who gathered at the Music Pier had been heeded, the Ocean City government could have saved the taxpayers millions. There is still much work to be done in all areas of the budget. Hopefully, our officials will start the budget process early and listen to our suggestions for the upcoming budget and perhaps all of our taxpayers will not see an increase in taxes.

BUDGET REVIEW COMMITTEE - Continued

HISTORY OF FULL TIME STAFFING							
	2004	2005	2006	2007	2008	2009	2010
Administration	13	13	12	12	12	12	12
Community Services	27	27	26	25	16	16	16
Community Development	20	20	21	-	-	-	-
Planning & Engineering	-	-	-	26	25	25	24
Legal	-	-	-	-	-	-	1
Statutory Offices	10	10	10	10	10	10	10
Financial Management	16	15	15	16	15	15	14
Police Department	78	76	76	76	72	72	72
Fire & Rescue	66	66	66	66	64	64	64
Public Works	58	55	54	43	50	50	50
Grant Positions	3	3	3	-	-	-	-
TOTAL	291	285	283	274	264	264	263

THE CAP

Will it be good enough to reign in free wheeling local Governments??

Our new Governor, Chris Christie has proposed a two (2) percent cap that would give exemptions for debt, health care, pension costs, natural disasters or rising school enrollment. Voters would have a say on exceeding the cap by a simple majority of fifty (50) percent.

Sound familiar? In 2006, Fairness In Taxes proposed an Ordinance to cap the Municipal budget that was tied to the Social Security annual increase. The voters would have a say on exceeding the cap by a simple majority of fifty (50) percent. This ordinance was rejected by City Council. In fact, the City of Ocean City went to court to prevent the taxpayers the right to determine how much taxes they should pay. Our proposal was more restrictive than that the proposal by Governor Christie. If our local elected officials had accepted our proposal we would have been able to reduce taxation and would have developed a more efficient and affordable government. As usual, it always comes down to whether our elected officials represent we the taxpayers or are they protecting an inefficient government. The Governor's proposal is a step in the right direction but might not go far enough in developing a lean and efficient government. We will continue to monitor the developments.

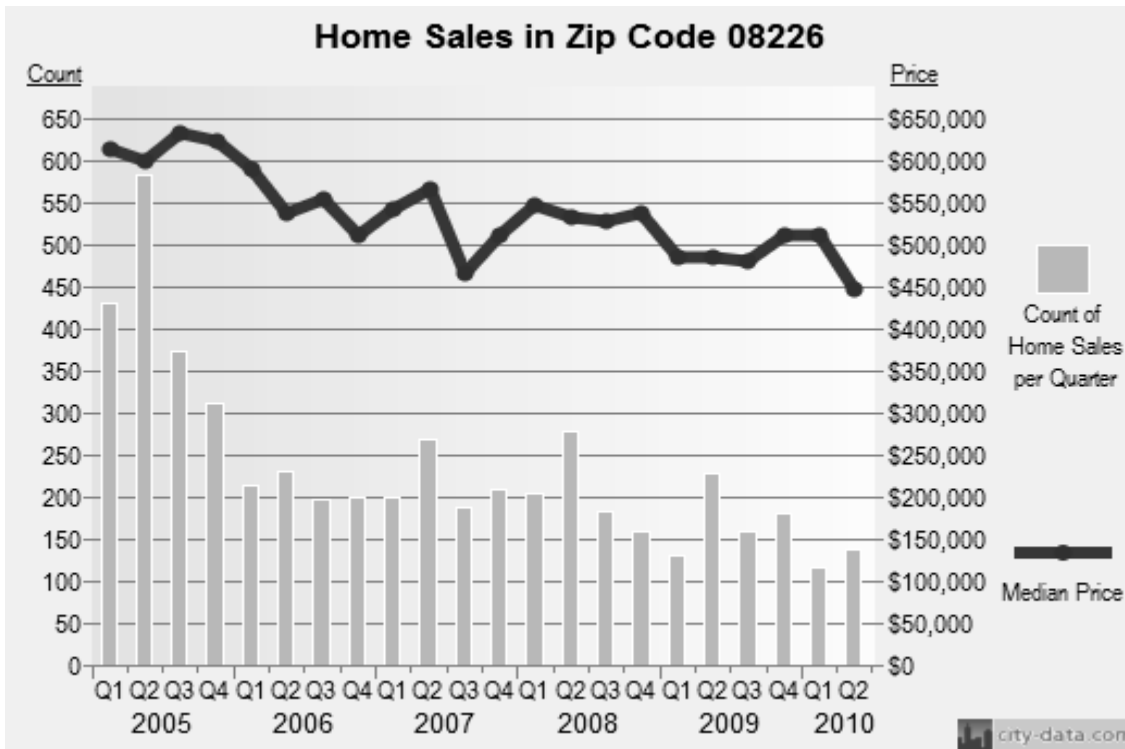
BUDGET REVIEW COMMITTEE - Continued

OCEAN CITY OVERVIEW

The following information* reflects the financial environment that Ocean City has found itself in:

- ◆ As of 2010 Ocean City’s population is 14,716 people.
- ◆ Since 2000, Ocean City has had a population growth of -4.23 percent.
- ◆ Home appreciation the last year has been -7.69 percent.
- ◆ Compared to the rest of the country, Ocean City’s cost of living is 62.80 percent higher than the U.S. average.
- ◆ Ocean City public schools spend \$11,613 per student.
- ◆ The average school expenditure in the U. S. is \$5,678.
- ◆ There are about 9.9 students per teacher in Ocean City.

*Source: http://www.bestplaces.net/zip-code/Ocean_City-New_Jersey-08226.aspx



As you can see by the graph above, there could be a decline in the market value of your home. If you are considering an appeal of your taxes because of a decline in the market value of your property there are several factors that you need to consider before attempting an appeal. An Appeal Brochure and an Appeal Application is available on the Cape May County website @ www.capemaycountygov.net. or call 609-465-1000 for more information.

BUDGET REVIEW COMMITTEE - Continued**INFRASTRUCTURE**

Over the past seven years Fairness in Taxes has occasionally conducted a survey to determine our members concerns. The respondents consistently ranked Taxes as the number one concern followed by Roads and Drainage as being the second most troubling. Over the years we have relayed your concerns to the past administrations. Finally, after many discussions and input from various citizens and community associations we are pleased that, under the leadership of our previous Mayor, Sal Perillo, a study was completed by Hatch Mott MacDonald* to determine the status of our drainage system and how we could best reduce the amount of flooding that the city experiences. The report states: "Most of the city's tide check valves range in age from 10 to 20 years. The inspections revealed that most of the valves are in poor to very poor condition, and some have failed to perform. Tidal flooding occurred during the January 2, 2010 high tide in ten (10) out of the twenty-eight (28) drainage and sub-drainage areas evaluated, confirming that many of the valves in these areas had failed."

This study called for three phases of repairs/replacement/other corrective work and it is imperative that the City follows all of the recommendations made Hatch Mott MacDonald.

"Based on the valve inspection results and the observations during the high tide event of January 2, 2010, the valves in the following drainage areas between Battersea Road and 17th Street are in a failed condition

- ◆ North Street (Drainage Area #2)
- ◆ 4th Street (Drainage Area #5)
- ◆ 6th Street (Drainage Area #7)
- ◆ 8th Street (Drainage Area #9)
- ◆ 10th Street (Drainage Area #11)
- ◆ 12th Street (Drainage Area #13)
- ◆ 17th Street (Drainage Area #16)
- ◆ West 17th Street Bayfront

Additionally, the valves at the following drainage areas were observed to be in poor or very poor condition:

- ◆ Battersea Road (Drainage Area #1)
- ◆ 7th Street (Drainage Area #8)
- ◆ 14th Street (Drainage Area #15)"

Arthur Chew, City Engineer, has advised us that seventeen (17) valves are scheduled to be replaced at an estimated cost of \$295,000.

We would caution all our taxpayers and citizens that is just the beginning of the process to reduce flooding in our city and to increase the quality of life for the taxpayers of Ocean City. We need to remind our elected officials to address the problem. They need to appropriate the necessary funds to continue the needed repairs and upgrades to all of our infrastructure problems.

BUDGET REVIEW COMMITTEE - Continued

SENIOR CITIZENS SQUEEZE:

Senior Citizens are affected by the modification of Property Tax Reimbursement Program and the lack of an increase in Social Security Benefits for the second year in a row.

The State Budget for Fiscal Year 2011 contains modifications to the Property Tax Reimbursement Program (also known as the “Senior Freeze”). We suggest you review the state website @ www.state.nj.us/treasury/taxation/propfrez.shtml, or consult with your tax adviser for further information on how this could effect you.

Our senior citizens will not receive a cost-of-living increase in 2011 Social Security benefits. The Cost Of Living Adjustment (COLA) is intended to preserve the purchasing power of Social Security by increasing benefits to keep pace with consumer prices. In the last year, overall inflation has been low, largely because of the economic downturn and a decline in energy prices. The Congressional Budget Office predicted that inflation would remain low for several years, so Social Security might not pay a cost-of-living increase until January 2013.

EDUCATIONAL REVIEW COMMITTEE - Vic Staniec

Fairness In Taxes Education Committee spent the summer monitoring the capital improvements at the Ocean City Intermediate School. The old leaking roof was replaced with new insulation and a rubber roof. The electric heat was converted to a high efficiency gas HVAC system, which required ductwork to be installed throughout the entire school. The state code mandated that new handicap accessible doors be installed, so every door had to be replaced. The only change order, which cost \$76,000, was to replace the ventilation system in the kitchen, which was not up to present day code. The work was all completed on time and on budget.

The Ocean City School District Business Administrator, Steve Terhune, resigned effective October 31, 2010, in order to accept the position of Business Administrator for the Southern Regional School District, which is closer to his home in Manahawkin, NJ. After an intensive search, Thomas Grossi, the present Business Administrator for the Egg Harbor Township School District, was chosen to replace Mr. Terhune, at a salary of \$124,500 per year. Mr. Grossi is very happy to be able to work in his hometown of Ocean City.

Peter Madden was elected to replace Jay Gillian as president of the Ocean City Board of Education. Although Pete is serving his first term on the school board, he is very active in raising additional funds for the school district, and his hard work was recognized by his fellow board members.

PLANNING & ZONING - Jack Stover

Is it wrong to expect the city planning and zoning functions to maintain and improve the quality of life for those who are residents and those who are property owners of Ocean City? Should all of the taxpayers expect equal access to the “Ocean City” quality of life? Why should the son of a long time resident and graduate of Ocean City High School, have to say that they want to come back East but to the mainland not Ocean City because in Ocean City they can never be sure of what will be done to their neighborhood?

Many residents beyond those who are serving on the Planning and Zoning Boards have spent countless hours addressing the recent changes to requirements for building and maintaining a property in Ocean City and they will be ready for the last set of changes—the Hotel-Motel Zone. However, will Fairness In Taxes

PLANNING & ZONING - Continued

and other community organizations be given the opportunity to provide input before the administration and the committee responsible for formulating proposed changes have taken a position?

Previously, only after positions were taken and local residents voiced their upset was there any respect for their input shown.

Already, the Chamber of Commerce and the Boardwalk Merchants have met with the Committee to shape the Committee's direction. Is this Zone just for their benefit or do all zones in Ocean City make up part of the quality of life for all residents and taxpayers? By ignoring the rest of us the Administration forces us into a posture of being against something rather than being eager to provide positive input to a better proposed segment of the overall plan. Perhaps the reason things are done this way is because the planning is just a façade and a starting point for a half of a dozen or a baker's dozen of variances secured by land use attorneys and or architects and the property owner pays through the nose.

You All Should Be Contacting The Administration To Ask Why Your Community Organization Fairness In Taxes Has Not Been Invited To The Party!!

SHARE THE BLAME, SHARE THE PAIN - *Jim Tweed*

Pain caused by the great recession of 2008 is being felt in the private sector: private sector layoffs, furloughs, hour reductions, pay cuts are all being tried. Even public sector employees are beginning to feel the pressure. But should they be the only ones to bear the load? Where else could the overtaxed citizens of New Jersey look to find relief?

If you are serious about making a difference in government spending, why not start where the serious money is? That would be the Banks. In 2003 the New Jersey Supreme Court decided a case which had been brought before it in an attempt to nullify debt that allegedly had been unconstitutionally incurred. In a 4 – 3 opinion the Court held that the amount of debt that had exceeded a Constitutional limit requiring voter approval did not violate the constitution. The reason was that debt was not backed by the full faith and credit of the state, and therefore could be repudiated at any time. So why don't we do just that?

Sure we should also go after other uncontrolled and unfair spending. "Pension-padding" and "double-dipping," are obvious. But while Wall Street was being rescued and paying themselves record bonuses during the past two years, what has happened to your savings, your retirement, your job? Should we accept the "I just didn't know" defense from sophisticated bankers on Wall Street? Sure we should ask public employees to share the pain with us. But when is Corporate America going to be held accountable too?

DUES REMINDER - Our dues are still \$15 per household. Enclosed you will find a payment envelope for you to return your dues for 2011. Please return promptly. THANKS FOR YOUR CONTINUED SUPPORT.

Attend our meetings. We are reviewing our meeting dates to try to find a good time for you! Let us know what time of the day is good for you. Presently, we are scheduled to meet every First Friday in the winter in the Ocean City Community Room. Please join us!!! Call our hotline or check our website for dates and times.

FAIRNESS IN TAXES

P.O. Box 565

Ocean City, NJ 08226-0565

FAIRNESS IN TAXES

Is organized for the purpose of serving the taxpayers and residents of Ocean City, NJ as an advisory and fact finding group in areas such as city budget, school board budget, taxes and other related civic activity in the interests of owners of real estate in Ocean City.

Hotline 609 398-6411

Email www.fairnessintaxes.com and select Contact Us.

Please notify us of any address changes

FAIRNESS IN TAXES WEBSITE

www.fairnessintaxes.com
CHECK FOR UPDATED INFORMATION!!

A list of phone numbers of Council Members and the Mayor is as follows: (area code 609)

1st Ward	John Kemenosh	312 North Street	399-6088	jkemenoshocc@aol.com
At-Large	Scott Ping	5415 Haven Avenue	399-0413	Scottping2006@yahoo.com
At-Large	Michael Allegretto	1423 Simpson Avenue	432-8739	Mike@michaelallegretto.com
2nd Ward	Karen Bergman	637 Asbury Avenue	703-7817	karenconnects@msn.com
Mayor	Jay Gillian	861 Asbury Avenue	525-9323	jgillian@ocnj.us
At-Large	Keith Hartzell	720 Asbury Avenue	399-5324	keithhartzell@hotmail.com
3rd Ward	Susan Sheppard	39 Spruce Road	425-7710	susansheppardocnj@yahoo.com
4th Ward	Roy Wagner	2824 Wesley Avenue	399-4429	edwinaroyoc@yahoo.com

Regular council meetings are held the 2nd & 4th Thursday of every month @ 7PM in Council Chambers @ City Hall - 861 Asbury Avenue Ocean City NJ.