

CITY OF SEA ISLE CITY, NEW JERSEY
COUNCIL WORKSHOP MINUTES
2011 BUDGET – REVENUES & APPROPRIATIONS
THURSDAY, JANUARY 13, 2011 - 10:00 A.M.
COUNCIL CHAMBERS

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

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.

Ms. Tighe then turned the workshop over to Mr. Savastano and Mrs. Doll who provided hand outs of the 2011 Budget Revenues and Appropriations Recap. Mr. Savastano explained that while the budget shows about a \$5,000,000.00 increase, it is just in/out reimbursement of funds from the beach replenishment – the city must show it as revenue, however it will be appropriated and used against the debt service of the project.

REVENUES:

Mr. Divney began with expressing a concern that revenues appear to be very conservative and Mr. McHale agreed adding that the UCC fees should be down due to construction being down. There was much discussion regarding the budgeted amounts, and in conclusion the majority agreed that the amounts are justified based on the explanations.

APPROPRIATIONS:

Ms. Doll began by explaining that there was a change in the way Water & Sewer Allocations were made. She then reviewed every department. Questions regarding the increase in beach operations were discussed and explained that the budgeted amount is based on the full operation if every day is sunny and all taggers are out in force. Also included is a \$0.50 increase per hour for the taggers that walk. Another area discussed in length was the replacement of the retiring Captain and the retention of 3 lieutenants. Mr. Savastano confirmed that the budget funds that structure in the police department and plans for the potential retirement of three (3) more senior officers in 2012. The salary for the public works director was then discussed and Mr. Savastano explained the salary is in place, however, there is no plan to hire anyone in the first half of 2011 as the budgeted salary will be used to payout sick, vacation and the agreed to three (3) month salary. There was discussion regarding the organization of the department and Mr. Savastano, as acting director, provided explanations.

Ms. Tighe then asked for a better explanation of the \$100,000 in the tourism budget and Mr. Savastano and Director, Mrs. Feeney explained that the bulk of the increase will be for the excursion park activities plus the plan is to increase the number of printed brochures and “give a ways.” Mr. Divney added that the Chamber has agreed to provide \$15,000 to offset costs and the city is seeking more public/private partnerships for the Excursion Park activities.

In conclusion, Mr. Costello summed up the zero increase budget that is \$75,000 less than 2010 with a better fund balance, significantly under the CAP and most likely the only budget like it in the State and that it is all due to the reduction of full time employees over the past 2 ½ years, the change in health benefits and the other changes in police contract and COLA decreases in all of the contracts.

CITIZEN COMMENT:

Joe McDevit-25 66th St: Asked if the hiring freeze will be in effect in 2011 and Mr. Savastano said yes, except for public safety. He then suggested the importance of reduction of staff through attrition due to the problem with the underfund pensions and the high cost of health benefits for retirees.

Gary Egnasko-1704 Landis Ave: Asked where the north end sewer assessment recovered funds are in the budget and Ms. Doll said it is not in the budget, the \$330,000 is in a trust fund to be used for Water & Sewer. He then questions the overall 3% increase in S&W vs. the contractual 2.9% and Mr. Costello explained it is a combination of COLA, steps and longevity. He requested a document to explain it. He then had questions about the MUA charges, the \$5 million beach replenishment reimbursement, amusement park income and the change in allocation and Mr. Costello and Mrs. Doll responded. His final question was regarding the 3 months salary payout for the public works director and the necessity if he voluntarily retired. Mr. Savastano indicated it was a singular agreement with a department head that chose to retire.

Dan Organ-209 39th St: Asked where the homestead rebate is in the budget as the State has announced the municipalities have to provide the funds to the residents. Ms. Doll explained that the rebate will be removed from the May tax bill for eligible residents and that the State will pay the municipality, therefore there is no requirement to put funds in the local budget.

Ms. Tighe then announced that the workshop scheduled for tomorrow is cancelled; the Council plans to introduce the budget on 2/8/2011 and that another workshop will be scheduled if necessary between introduction and adoption of the budget.

Ms. Tighe then asked for a motion to adjourn. Motion moved by Mr. Edwardi and seconded by Mr. Divney. All ayes followed and the meeting adjourned into closed session at 11:55 a.m.

Cindy Griffith, City Clerk