

February 14, 2017

Sea Isle City

2017 Budget Message and State of the City

Good morning; and Happy Valentine's Day. Today I'll tell you about the state of our City, and I'll hand the administration's proposed budget over to City Council for their review and consideration. We're living in an interesting time in our nation's history, and I believe some reflection on that and consideration of what is happening beyond Sea Isle City is in order. We often hear about the divide in our country – liberal vs. conservative, left vs. right, red vs. blue; -- and there is no doubt that differences exist and in some cases they're pronounced differences. Regardless of your point of view, the beauty of our country is that you have the right to express it; where freedom of expression is a hallmark of our republic. Beyond that – beyond the talk, at every level of government lies the important work of accomplishing the mission of government. For us, it's providing the services needed to maintain a safe, clean, and enjoyable community; and providing a balanced system of laws and regulations that give everyone the best opportunity to pursue private and public ventures.

In Sea Isle City, we take pride in being responsive to our citizens. We believe government's role is to serve and advance legitimate objectives, not obstruct. Of course, we sometimes find ourselves in the middle of situations where the enforcement of laws and regulations dictate decisions that are unpopular with some folks. This is all the more reason for us to communicate effectively – to make sure that there is an understanding of the law; and when it makes sense, to work to change laws; and to change our way of doing things when circumstances call for a change. This is an ongoing task of government - to operate and respond within established frameworks. Our established frameworks include different levels of review and generally are such that changes are brought about only after there has been considerable opportunity for participation before decisions are made. This process plays out daily and often un-noticed; and it plays out at these meetings and in other venues like our planning and zoning boards. We've witnessed these situations this past year as we've dealt with issues related to floor

area ratio, density, parking, pedestrian and bicycle safety, and the advancement of various operational and infrastructure initiatives.

We're in the process right now of a significant change to our operations, relative to public safety. One year ago, the administration advanced a comprehensive study of our ambulance and rescue services, as we recognized the diminishing ability to continue with our volunteer ambulance corps in the same manner that we have for so long. We engaged the services of EMS Consultants, and worked with our Ambulance Corps to figure out options for the future. The recommendation we've gotten, and that is incorporated into this budget, is that Sea Isle form a paid emergency medical services division. We will still maintain a volunteer corps, but the primary delivery of ambulance and emergency medical response services will be provided through the municipal government. Working with the State civil service offices, we've determined that we'll have an opportunity to hire many of the individuals who are currently volunteering for us when we establish this division of public safety. We have committed to working with our volunteer corps as we transition, and there remains much work to do over the coming months, but be assured we will not skip a beat. At our next council meeting, our consultant will provide an update on the plans to move forward with this initiative and the actions we'll need to take to accomplish the transition.

Also in the realm of public safety, last summer we encountered an unexpected drastic increase in juvenile crowds on our promenade, and we responded with an appropriate level of measured police presence; and much ground level communication between our officers and many of those young individuals. We were able to successfully manage the situation; and we have plans in place to prevent any issues this coming summer.

In the past several years, Sea Isle has assumed a leadership role in adopting best practices when it comes to ensuring that our properties are built to most effectively protect them from the damage of flooding. We've come a long way from the City that, 25 years ago, was being closely scrutinized by FEMA and being considered for removal from the National Flood Insurance Program. Today, we are still scrutinized by FEMA, but as a role model for other communities. Our current status within the National Flood Insurance Program's Community Rating System provides all holders of flood insurance in Sea Isle with a 25 percent discount, the highest currently offered in the state. Today, City Council will be presented with an ordinance for introduction that amends our previously adopted

watershed management plan, a document we've prepared that establishes policies for floodplain and storm water management; and which we're hopeful will pave the way for our eligibility as a class 4 community, enabling us to increase flood insurance discounts to 30%. It is the goal of this administration to achieve that distinction by year's end.

As part of our efforts to address flooding, the City has ongoing infrastructure projects in design or under construction to improve existing drainage systems. We're also undertaking a comprehensive flood mitigation study, to develop long term solutions for the worst areas of the island. This study will be coordinated with our state and federal partners; and based on the information we've already learned, future infrastructure projects are expected to include elevation of roads coupled with storm-water pump stations. In any event, we'll make sure that we compile all the information needed so we can prioritize our projects and advance them as quickly as possible. I know that folks want to see action, and I ask for your patience as we do our due diligence. This effort is comparable to what we undertook with our sewer system several years ago - with our inflow and infiltration analysis and subsequent reconstruction of deteriorated piping systems. That effort has paid off, as our sewer flows are no longer as severely impacted by infiltration from groundwater, resulting in reduced treatment costs from the county municipal utility authority. In regard to the budget, our ability to address costs resulting from deteriorated infrastructure coupled with prudent management of our own local water and sewer utility will enable us to maintain our current rates for several years to come.

This year, the planning board will adopt the re-examination of the City's Master Plan after nearly two years of review, discussion and public meetings. At their last meeting, City Council identified several items in the draft master plan that they'd like to see move forward; and included in the list of priorities is the disposition of the former public school property. We look forward to working with council and the public as plans and cost estimates are prepared for various options for this property. We'll also be moving forward to demolish the rear annex section of the school property along with the old firehouse; and we expect the old firehouse site to also be available for recreational uses once the building is removed.

As for the 2017 budget, what I'm presenting will continue to maintain all the services we've come to expect in Sea Isle. As I mentioned a few moments ago, we

have included in this budget the formation of a paid emergency medical services division. This is a significant operational and financial undertaking, as we'll be providing 24/7 services on a paid basis. Despite this increase, the budget I'm presenting is only increasing by seven-tenths of a penny. This is an increase in the tax rate of less than 1.9 percent. The fact that we are able to establish this new division within the current cap laws of the state is a testament to the soundness of our financial position. Another indicator of our excellent financial position is our fund balance. We started 2017 with available surplus of over 3.8 million dollars. To give you an idea of the magnitude of that accomplishment, consider the fact that in 2009 we began the year with an 800,000 dollar surplus.

This council has worked with the administration over the course of nearly the past decade to advance numerous infrastructure initiatives; and we all know that comes with a price tag. Despite that, we've managed those costs through both operational cost reductions and proper debt service planning. I'm pleased to state that this year's debt service is actually slightly less than 2016, and includes the long term financing of City Hall that was part of last year's bond sale.

Consistent with our practice, we'll review the details of this budget at the workshop scheduled for this Thursday, February 16th, at 9:00 a.m.

When I started my address this morning, I mentioned the divisions that exist among us; and the rights we enjoy to express our opinions, whatever they may be. Now more than ever, we need to hold fast to the values that are inscribed on the City Seal on the wall behind me; for it is through respect for each other, tolerance of views that differ from our own, and integrity in our actions, that we achieve excellence.

Thank you; and may God continue to bless Sea Isle City.

Leonard C. Desiderio

Mayor