

## **Sea Isle City Budget – On the Money or Missing the Mark?**

It's budget time again! Typically, once our Mayor announces the budget, there are many public meetings and much discussion but almost no change by the Council. So we are sorry to report that in all likelihood, there will be **an 11% tax increase based on a spending increase of 7.5% (that's a new \$1.8 million, folks) and no reform of water & sewer rates**. We'll let you be the judge on whether the priorities are appropriate in this "tax and spend" budget.

**First, some positive news.** Government understands that our south end needs sand and will have a beach replenishment project. They will also eliminate a few full-time positions through attrition, and plan a Beach-to-Bay project to enhance our entryway. And they have also strengthened the town's financial surplus for emergencies. Good stuff! However, there are many questionable priorities underlying this budget:

**Do they understand this economy?** In case anyone cared to look, we've got a recession going on right now. Everyone is tightening their belts. Many folks are out of work. Social Security payments are staying fixed. State Government is about to unload a combination of tax increases and spending cuts on all of us. Is this City budget proposal just out of step with the times?

**Beach-to-Bay is full speed ahead!** The project planning started almost two years ago, and our Government sees no need to alter course and slow this down. Even the quickly developing, high priority need for a \$7M south-end beach project did not cause a reevaluation of Beach-to-Bay and all of its components. Let's just do it all!

**Desi-Dome to the rescue!** At the 11<sup>th</sup> hour, Mayor Desiderio proposed adding a new dome over a portion of Dealy Field. Construction, maintenance and staffing costs are unknown, but the proposal also includes the creation of a new Recreation Department Head position. None of this was mentioned during months of Capital Planning, but it's now being thrown into the mix in response to parent complaints about lack of kid activities. Kids need recreational activities, and they should be a high priority. However, we already have a recreation department with its own commission and trust fund. Why can't they provide the wintertime services needed for after-school hours and weekends and, why not use our half-empty school, community lodge and new library to provide them?

**Water & Sewer Rates need reform badly!** The MUA charges us over \$16 for sewerage treatment in the summer, but our excess rates are only \$1.50. Politics are overruling facts to protect the largest water users from paying their fair share. Adding insult to injury, the City is considering a program that pays to replace the high-flow fixtures of this protected class. If these high-costs users were paying their own way, they'd have plenty of motivation to replace their ice machines themselves.

**Union Contracts are sacrosanct in Sea Isle!** While attrition and buy-outs have reduced positions, underlying salaries march onward to the tune of 5-6% every year. Employee pension and health insurance costs continue to skyrocket. Family insurance now costs us over \$32,000 (twice the cost of State plans), and employee prescription co-pays are still only 50¢. Retiree health benefits have already created a \$40 million unfunded/unrecorded liability for us. Other towns have opened up contracts so that everyone shares the pain together!

**Contracting & sharing services, not in Sea Isle!** Other cities have used these tools to provide high quality low cost services for police dispatchers, municipal courts, trash pick-up and water. Our City has studied these, but has a long list of rationales against pursuing them.

**Taxpayers pay, all others go free!** While taxes may be up 11%, there will be no increase for Beach Tags, Parking Meters or Marina Boat Slips fees. While it's important to be tourist-friendly, economic reality suggests that non-taxpayer costs have to be raised a bit, too. Rental permit fees are increasing from \$84 to \$125.

Some of these you might agree with, some not. So we ask **"Is the budget on the money or missing the mark"?**