



## **From the President...**

Oh, and don't forget tax reform – the reform du jour being Property Tax Reform – now there's a dog and pony show! Some of the proposed reforms are to lower property taxes by allowing local municipalities to levy a local sales tax, or maybe more business taxes, and other "revenue enhancement" proposals.

Hear the attitude...YOU (remember, the taxpayers) are too stupid to realize that tax REFORM in New Jersey politics means SHIFTING tax burden to someone else or somewhere else where YOU (you know who!!) will never figure out that you're still paying the same bill either in other taxes or increased cost of products and services from businesses whose tax burden is higher.

Oh yes, you have to learn to "read between the lines" of political and bureaucratic doublespeak to really get to the attitude behind the words. Now, let's US (Taxpayers! you got it now!) try one more time to deliver a clear direct message to government at every level...THERE'S ONLY ONE REAL TAX REFORM AND IT IS SPENDING REFORM...and just so the taxpayers are clear for those in government who may be slow and in need of some reeducation themselves..."spending reform" means LESS OF IT! Now that's a simple, effective lesson in real "Tax Modernization"! Do you think they'll (you know who!) finally get it?

*DAVID MCGETTIGAN*

## **BUDGET REVIEW COMMITTEE...**

The August 31, 2006 edition of the Ocean City Sentinel had an article on James Rutala, the new city's business administrator, who began working on September 6, 2006.

Within this article Mr. Rutala stated he will be tackling the budget earlier than previous years. He plans to work through it line by line. He was quoted as stating, " I'd like to look at the budget by cost center and look at every element, both revenue and cost-wise and see if there are opportunities. Whenever you look at something fresh, there are always opportunities that have been overlooked in the past. I'm confident we'll find some ways to streamline the budget."

Mr. Rutala is starting at the right time for the 2007 budget process. It will need the positive leadership he expresses to provide Ocean City with a reasonable budget and still maintain services.

In early May the then mayor elect was advised by the city's auditor that the budget for 2007 would be up by \$2.5 million dollars to provide the same year over year services. In late May, the mayor's transition team was advised by the financial director that in his opinion the increase for some services will be closer to \$3 million dollars. So if nothing is done to streamline the budget the impact will be a 3 to 4 cent increase in the tax rate.

Areas of increase are across the board. However, salary and wage increases, insurance, pension and debt service represent the lion's share of where the increases will come from. Debt service alone is expected to grow by over 12%. Pension requirements will increase by 30% as the city picks up more deferred pension costs from the state for both fire and police.

At the same time the building boom is slowing to a snail's pace, thus resulting in a sickened "golden goose" that has been adding record year over year value to the ratable base. It will no longer be adding more than \$200 million of new ratables to our \$8 billion base. It is the second edge of the two edged sword affecting the 2007 budget.

The Fairness In Taxes Municipal Budget Committee is making themselves available to help with the 2007 budget process. We are encouraged by the new city administrator wanting to review the budget by cost center as well as line-by-line. We like the talk, we are most hopeful he can walk the walk.

## EDUCATIONAL REVIEW COMMITTEE...

Strengthened leadership is in place in the Ocean City School District. Fairness In Tax member and retired educator Dick Holahan is now the President of the Ocean City School Board. Dr. Kathleen Taylor, formerly the Assistant Superintendent in Haverford Township in Pennsylvania, became the Ocean City School District Superintendent effective July 1. Your Education Review Committee has already made several recommendations to Dr. Taylor, and to the School Board, to further our mission, which is to achieve a better return on the significant investment we taxpayers are making in the Ocean City schools.

Our key priority at the moment is the school budget for next year. We expect considerable savings to be included in that budget. For example, thirty Ocean City teachers accepted an early retirement buyout effective June 30. Many of those teachers were not replaced, and those teachers hired as replacements have significantly lower salaries than the retirees. Also, the buyout costs and the accumulated sick leave payments for the thirty retirees will be paid in the current school year. But these significant expenditures will not be repeated in subsequent school budgets. We will be working diligently to be sure these savings, and other savings we have identified, are properly reflected in the next school budget.

We welcome your thoughts as well as your support. If you would like to share your ideas regarding the Ocean City schools and/or volunteer to help our Education Review Committee, please contact Alan Dugan at [ahdugan@aol.com](mailto:ahdugan@aol.com).

## ZONING AND PLANNING COMMITTEE...

Established as a Fairness In Taxes Committee in July 2006, the mission of the Zoning & Planning Committee is to serve as an oversight and education committee, reporting on major zoning activities as they relate to over-development throughout the City, and fostering community participation, from every neighborhood, to bridge the gap between the neighborhoods and City Government.

Mayor Sal Perillo took office July 1, 2006, stating that zoning was his #1 priority. Indeed it has been. Since that time, Mayor Perillo has presented in public meetings and Council Workshops a proposed new Central Business Zone ordinance. The crux of the ordinance is to shift the focus of the Downtown back to commercial/retail and away from residential, and to incorporate parking requirements into any new residential development in the CB zone. The ordinance would limit the number and size of residential units over commercial space, and require two parking spaces for each residential unit – one space to be provided on-site, and the other off-site, requiring a \$25,000 contribution to a parking authority fund for future construction of some type of parking structure.

**Over-development** in the Downtown zone has been a significant issue for many years. We now have small commercial spaces, on 3,000 square foot lots, with up to two condo units above them, and as a result, parking has become deficient in the City. The Mayor feels that the downtown should not be subjected to any additional residential development; that commercial and retail space, and parking to support these entities, should be the priority over additional residential development.

At a Council workshop held on October 10, it became apparent that Council is favoring a plan other than that envisioned by the Mayor. Council is suggesting multiple and larger residential units over commercial space, with one on-site parking space per unit, and perhaps leasing, at a much reduced rate, parking spaces from the City at a City-owned lot. Because of the high cost of land in Ocean City, an individual parking space will cost \$40,000 --- and that does not include the cost of construction of a new parking structure, staff, security, and ongoing maintenance. The Mayor is suggesting that anyone who develops in the downtown zone offset this **\$40,000** cost with a contribution of **\$25,000** for their additional spaces. It has been reported that if the downtown is built to density under the current zoning ordinance, there would be a need for **873 additional parking spaces**. We ask where will the additional **\$15,000** per space come from? The obvious answer is to ask the taxpayers to pay the difference. Where will the money come from to subsidize the City's debt service on City-owned parking lots if residential developers are paying a reduced rate for parking? Right again, the taxpayer!!

The parking issues created by both the City Council's proposal and the Mayor's proposal rely on taxpayer participation at some point in the near future which again would be to support **over-development** by allowing residential use in the Commercial Business Zone (CB zone).

As of this writing, there is no indication when this proposed ordinance will be ready for First Reading before Council, but for the time being, the Mayor's vision and that of Council are miles apart. This is an issue that Fairness In Taxes will be watching closely and we encourage our members to do the same. If you would like to learn more about this issue, please call our hotline 609-398-6411 and leave a message or contact any Fairness In Taxes Board member. You are also encouraged to attend all public meetings on this issue, and to contact the Mayor or your Ward Councilman.

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A new proposed residential neighborhood ordinance has just been published. A copy of this ordinance is available on the City's website, [www.ocean-city.nj.us](http://www.ocean-city.nj.us) -- and will be heard at public meetings coming up in the near future. Mayor Perillo has already begun meeting with neighborhood groups to discuss the ordinance. In a nutshell, the ordinance limits the size and bulk of new construction by making the size of the house commensurate with the size of the lot. Floor Area Ratio, (FAR), is also a planning device that is being employed. FAR dictates the square footage of a total building based on the size of a lot and the allowable lot coverage. Also, the Ordinance clarifies many zoning definitions, i.e., "total floors" as opposed to "habitable floor," redefines the term "half-story", etc. This ordinance will be discussed at future public meetings, dates to be determined. As this ordinance encompasses all neighborhoods, island-wide ... it is definitely worth a "look see" and we encourage your participation in the public meetings.

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As Zoning is a huge issue, and impacts all who live in Ocean City, you are invited to attend Fairness In Taxes's monthly Board Meetings, (1<sup>st</sup> Friday of each month), to make comments or voice concerns about what is happening in your neighborhood. Fairness In Taxes also encourages you to attend council workshops, council meetings, planning and zoning board meetings. You can log on to the City's website – [www.ocean-city.nj.us](http://www.ocean-city.nj.us) -- and sign up for meeting notifications to be delivered to your e-mail. It is an easy way to stay abreast of what is happening in the City.

***“WE CAN ASSERT POSITIVE CHANGE IF WE ALL STAY INVOLVED.”***

## **TAXPAYERS INITIATIVE...**

As of this printing, we are awaiting a decision by the Honorable Joseph C. Visalli, J.S.C., on the merits of our Petition. The Board of Fairness In Taxes and the Committee of Petitioners wishes to thank all those who have contributed to the Legal Fund to keep up the fight for the first step in real tax reform – limiting annual municipal spending increases to a taxpayer mandated and fair level. We have included an additional donation envelope for the sake of those who may not yet have had an opportunity to contribute, or that you might give to a friend or family member who pays taxes in Ocean City for their help in the cause. The cost of the litigation initiated by the City of Ocean City against us taxpayers is ongoing and could continue in appeal. Your help is vital and your donations are being spent wisely.

***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

Please notify us of any address changes

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

<b>1st Ward</b>	Jodi Alessandrine	42 West Avenue	391-8598
<b>At-Large</b>	Scott Ping	5415 Haven Avenue	399-0413
<b>At-Large</b>	Michael Allegretto	1423 Simpson Avenue	432-8739
<b>2nd Ward</b>	Gregory Johnson	403 Haven Avenue	457-4764
<b>Mayor</b>	Sal Perillo	8 Brittany Drive	703-7675
<b>At-Large</b>	Keith Hartzell	720 Asbury Avenue, Apt. 3	399-5324
<b>3rd Ward</b>	Jack Thomas	16 Grenada Lane	399-9586
<b>4th Ward</b>	Roy Wagner	2824 Wesley Avenue	399-4429

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