

From the President... Continued

over \$1 million last year. Wildwood does the same thing. I would like to see it go towards capital which in turn would reduce taxes". (Ocean City Gazette, 02/28/07) Ah, again, the way to reduce taxes is to create MORE taxes. To comment on that again would be like a "broken record".

So let's just say this...whatever happened to ideas like spending cuts, controlling spending, capping spending so it rises at a rate commensurate with the rate of income increase for the taxpayer (CPI, COLA...you get the idea!), capping tax increases, renegotiating public employee compensation and benefits, increased shared health care premium cost for public employees, two-tiered public employee contracts, efficiency evaluation of public services, cost evaluation of public services, more competitive bidding for projects we just give over to public services without questioning the cost efficiency, increased part time and seasonal employees, outsourcing services, even layoffs, and the goes on and on.

Here's the point – tax relief must **start** on the spending side NOT the revenue (aka "taxing") side. Why does it always seem to start on the taxing side for our government leaders and never quite seems to get to the spending side??? Of course, to them we're just sounding like a "broken record"! I like the sound of those old records, though!

David McGettigan

BUDGET REVIEW COMMITTEE...The 2007 Ocean City Budget will require leadership

The question, of course, is will the Mayor and City Council have, between themselves, the ability to walk the walk and take Ocean City in a direction that is cost effective and still able to deliver services? The 2007 budget, as introduced on January 16, 2007, by Mayor Perillo, is unchanged as of this writing. The budget is \$56,269,856, which is a \$3,648,572 increase in spending over the 2006 budget. The amount of the increase is the third largest increase in spending, in dollars, in the past 30 years starting with budgets from 1977. Only 1992 and 2005 produced larger demands on the Ocean City taxpayers in increased spending. The budget, as proposed, will be a 2.42-cent increase to the tax rate.

This budget represents a 6.93% increase over the 2006 budget of \$52,621,283. The 2007 tax rate will be increased 46.82-cent, or a 5.46% increase in the tax rate. The amount to be raised, by taxation, is \$38,626,070 or an increase of \$3,201,318 or 9.04% over the 2006 budget. To say spending and taxing of local property owners is out of hand is an understatement to say the least.

So enters the need for leadership. The need to consider running the city more like a business, and with more carefulness in how the taxpayer's dollars are spent.

Currently the city has nine (9) to ten (10) vacant, full time positions that are funded in the proposed budget. The average value of a current full time employee, with benefits, is over \$80,000 a year. One of the positions is the director of recreation job in the Community Services Department that has been unfilled since the fourth (4) quarter of 2005. Another is a secretarial position in Public Works that has not been filled because the city recently shifted a qualified person to a public relations position that had been open for over two (2) years. As of this writing, it seems that all of these jobs will remain funded in the budget. If unfilled, do not worry; the city will sweep their values into its surplus fund at year-end (commonly called the "Fund Balance"). Since the city always attempts to have a \$4+ million dollar surplus at year-end, it serves them well to have the taxpayer fund unfilled jobs. By eliminating these funded positions the budget would be reduced by \$720,000; assuming the nine (9) positions with salary and benefits costs \$80,000.

Then there are the City's revenue centers. The Aquatic Fitness Center last year, by the city's own numbers, lost \$204,000. This is a 34% loss on a \$600,000 cost center. If the city would just find a balance between controlling costs and charging the right fees for the membership the budget would be reduced by \$204,000.

So, at this point by eliminating the unfilled jobs and increasing revenues or reducing expenditures at the Aquatic Fitness Center the budget could be reduced by \$924,000 or 1.12-cents in the tax rate. But wait, there is more.

The airport lost \$53,212; the Boat ramp lost \$3,248; the transportation center lost \$50,039; the 46th Street Post Office lost \$14,745. That's another \$121,244 in loses by the City's own numbers. So, if these operations were to break even along with the above \$924,000, we would have savings of \$1,045,244 or 1.27-cents of the tax rate.

BUDGET REVIEW... CONTINUED

There is actually even more potential for the Ocean City taxpayer to save if the City would include all of the true actual costs involved in these revenue centers. For instance, the Aquatic Center does not include the cost of chemicals for the swimming pool. The Post Office shows \$12,500 in sales. Of course this is postage, which is not revenue gained. The Post Office at 46th Street lost, in reality, at least \$26,000. In other words if the City says it is losing money, it is for real, but they are really losing more than stated because they do not include all of the costs. How much are we really losing on top of the \$325,000 shown above? No one knows. Oh, by the way the 46th Street Post Office has winter hours. It's a year round full service money bleeder.

Another area of opportunity for the city to consider as a way of reducing the budget is outsourcing some of the city's work. There are ten (10) full time employees assigned to remove trash from the beach, boardwalk and Asbury Ave., etc. In addition, there are another 8 employees for landscaping. At a cost of \$80,000 for each employee in the trash and grass cutting functions the city should consider getting outside bids for these jobs. Just by removing the cost of benefits for these full time employees there could be a win – win for the taxpayer.

Finally, the real estate boom has passed and the fees for building permits have greatly decreased. January 2007 saw only seven (7) permits issued. In contrast, in January 2006 there were over fifty (50) and in January 2005 there were over seventy (70). The employees in the Community Development Department have much of their salary costs covered by the fee activity. Based on the currently reduced snail's pace of new construction in Ocean City, this department appears to be over staffed. Just like in business, the staff in this area increased during the boom. Now that the boon is over, for the foreseeable future, this department should be reduced.

It all takes leadership. Leaders do the hard stuff and stay above the politics. This budget process will tell us much about our elected leaders and their abilities to really lead. Can they walk the walk?? Let us hope so! Otherwise, get ready to pay higher

EDUCATIONAL REVIEW COMMITTEE...

Our mission is to achieve a better return on the significant investment we taxpayers are making in the Ocean City schools. Our efforts in recent months have been focused on building a good working relationship with Dr. Kathleen Taylor, the new Superintendent of the Ocean City Schools, and to providing Dr. Taylor and the School Board with specific financial and non-financial recommendations for improving the Ocean City Schools.

In December Dr. Taylor presented her assessment of the Ocean City Schools at a meeting of the FIT Board, and a lively discussion followed that presentation. Dr. Taylor recently established a Strategic Planning Committee to help set specific, long-term goals for the Ocean City School District. FIT is represented on the Strategic Planning Committee.

Our key priority at the moment is the school budget for 2007-2008. We have been vocal in seeking savings in that budget, particularly to reflect the teacher early retirement program adopted last year. Over \$1,250,000 in buyout payments and accumulated sick leave payments were paid this year to the 30 teachers who took the early retirement package. Those payments will not be paid again. In addition, we do not believe this year's budget fully reflected that 9 of those 30 teachers were not replaced, and that the teachers hired as replacements had significantly lower salaries than the teachers they replaced.

While your FIT leaders will continue to speak up on these budget issues affecting you taxes, it is very important that we not be the only voice. Ocean City taxpayers also need to speak up on these key financial issues. We paid for the teacher early retirement program this year. Let's be sure we see the savings from that program next year.

A public hearing on the 2007-2008 school budget will be held on March 28 at the Ocean City High School. Please plan to attend that meeting and speak up for the reduction in school taxes that we deserve in 2007-2008.

DUES REMINDER

Thank you so much to those of you who have continued your membership for another calendar year. Your promptness is much appreciated, however, there are still a few of you who have not yet sent us your dues. In an effort to reduce the expense of reminding you, we are noting the label with "NP" if you have not paid your dues. So, if you see "NP" next to your name on the label we have no record of your dues payment. Please forward you check in the enclosed envelope. If you think you have paid your dues for this year please call our hot line 609 398-6411 or drop us a line using the enclosed envelope. Again, we thank you for your continued support and hope we can count on you to help us to continue to keep you informed.

TAXPAYERS INITIATIVE

We have filed an appeal and we are currently awaiting a date to be set by the Appellate Court. 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. The cost of the litigation initiated by the City of Ocean City against us taxpayers is ongoing and will continue in appeal.

LETTER TO THE EDITOR

THE FOLLOWING IS A LETTER THAT WAS RECENTLY SENT TO THE NEWSPAPERS BY MEMBER JIM TWEED

Bud Knight is the smartest politician I've ever known. Until, recently I was not aware that Ocean City taxpayers had been living under a "holiday" between 1994 and 2003, from making contributions to employee pension funds. Assuming our prior Mayor was aware, what could be more astute than making your exit before the bills come due and getting a Public Works Building named after you on the way out.

Steve Costantino, spokesperson for Local 27 Union, raised a good question in his informative letter to your paper. "Where did this money go?" However, he then goes on to defend the current system and refers to "erroneous letters and editorials" without identifying exactly what those errors were. Is it "erroneous" that public employees with more than 5 years service by law cannot have their benefits reduced? Is it "erroneous" that in 2001 the pension calculation was changed resulting in a 9.09% increase for all public employees? Is it "erroneous" that Ocean City taxpayer's contribution to the employee pension fund will balloon from \$1.5 million in 2006 to \$2.2 million in 2007? I wonder if those who negotiated on behalf of the taxpayers will get a slice of that pie.

Mr. Costantino revealed the interesting fact that firefighters and police officers contribute 8.5 % of their salary to their pension system while those covered under Social Security only contribute 6.2%. But he leaves out the rest of the story. The last time I compared what Social Security will pay me if I retire at age 62 it came out to 18% of my last years salary, not the 60 to 65% of final salary available to certain retiring police and firemen. Forget about the "20 and out" option. I don't know of anyone in the 21st century, other than those being paid by taxpayers, who is even offered that choice.

Many hardworking Americans who worked without the cover of a union have retired and are on fixed incomes. Others coming up to retirement may be reaching a point when their incomes are leveling off or are declining. But health care costs and taxes keep on growing. The simple fact is those taxpayers must shoulder not only their own increasing health care costs, but through their taxes, a major portion of the health care costs and pensions of public employees as well. When we say this, we are not blaming the workers. We are blaming the ones who negotiated on our behalf.

Mr. Costantino's statement that funding the pension system is a contractual obligation that should not be debated or even discussed is not a fact. It is just his opinion. Contracts can be renegotiated. The State Legislature has the power to bring taxpayer relief. It lacks the will.

Mr. Costantino, understandably, wants to protect his police and fire pension benefits. Teachers will demand "equal to or better than" in future contract negotiations. CWA workers will cry they are treated as second-class employees. It's natural for everyone to guard their rice bowls. But who is looking out for the taxpayers?

Jim Tweed

TREASURER'S REPORT

REGULAR CHECKING ACCOUNT 1/1/06 - 12/31/06

Beginning Balance 1/1/06	\$12,430.85		
INFLOWS		OUTFLOWS	
CD closed out	6,313.24	Computer/printer purchase	736.81
Interest	42.53	Advertising	2,098.50
Dues	13,820.00	Annual Meeting	294.24
Rebate	22.00	Audio & TV Equipment	580.00
Reimbursements (other community organizations for candidates forum)	700.00	Candidates/Community Forum	221.75
Refund	34.87	Copies	258.19
TOTAL INFLOWS	\$20,932.64	Donations	50.00
		Gift (flowers-family of deceased Board Member)	62.95
		Liability Insurance	1,256.56
		Meeting Expense	222.28
		Postage (P.O. rental, permits, & postage)	4,661.68
		Printing	2,009.07
		Printing Legal Fund	848.00
		Refreshments	181.10
		Supplies	801.54
		Telephone	285.88
		Web	149.65
		Loan to Legal Fund	11,000.00
		Misc.	31.80
		TOTAL OUTFLOWS	\$25,750.00
		TOTAL CHECKING BALANCE 12/31/06	\$7,613.49

LEGAL FUND ACCOUNT - 1/1/06 - 12/31/06

INFLOWS		OUTFLOWS	
Donations	26,083.00	Trust fund for attorney	\$25,000.00
Interest	82.56		
Advance from regular checking	11,000.00		
TOTAL INFLOWS	37,165.56	TOTAL LEGAL FUND BALANCE 12/31/06	\$12,165.56

CERTIFICATE OF DEPOSIT

BALANCE 12/31/06 **\$10,756.60**

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)

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