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FAIRNESS IN TAXES P.O. Box 565 OCEAN CITY, NJ 08226 609-398-6411 **2015** SPRING NEW SLETTER

FROM THE PRESIDENT - Michael Hinchman

As we move through spring on the calendar in Ocean City, although there is no spring weather, ie; it's still cold, more things become apparent about the financial, planning and management of our municipal government. The municipal government is not progressive in the way it tries to solve some systemic problems in the City.

Dredging

Take for instance, dredging or the lack thereof, because of a shortage of spoil sites. The City seems stuck on two existing sites with not enough capacity. Answer—pay an exorbitant price to transport to Wildwood. What are the criteria for a spoils site? Could you get DEP approval to transport spoils on a barge up the Tuckahoe River for a new spoils site? Don't know. No answers to this approach. Smart people eliminate all options before taking the expensive approach.

Drainage & Flooding

Merion Park done. Not really. No bulkhead or berm surrounding this area. Not designed for tidal flooding. Future pump station (funded by a grant) in the area of 4th to 6th streets. Great. However, no systemic plan for the entire island. We found the road rating report did not give adequate consideration to flooding. Check valves not all installed as advertised and not maintained.

<u>Capital Plan</u>

Only an outline, not really a plan. How to pay for it? Currently with short-term debt? Why? Don't have to pay principal back. Problem? Delaying putting in place long-term debt risks with higher interest rates which are currently at all time lows.

2015 Budget

Fifty-seven policemen for 10,000 residents in the winter, of which many are older and not likely to commit crimes. Many snow birds means even less population.
Two-thirds of the high school students leave town to go home. No bars. Yes, keep three firehouses with ambulances. I think we are more likely to need an ambulance than a policeman for any serious crime. The City receives \$1.6 million back from the library—what a windfall. No rigorous challenge of how we do run the City.

Please come to Council meetings and make thoughtful comments about these and other topics. There **is** force in numbers.

FROM THE PRESIDENT—Michael Hinchman Cont'd

Bookmobile

Do we really need a Bookmobile in Ocean City?

About a month or two ago it was reported in the newspaper the Ocean City Public Library purchased a brand new bookmobile. One OPRA inquiry later I learned it cost \$110,000.00.

I soon met with Karen Mahar, Head Librarian and Jennifer Shirt, President, Library Trustees. I found them to be polite and courteous in reaction to my assertion the bookmobile was a bad idea. I followed that meeting by speaking during public comment at the monthly Library board meeting.

I commented that Ocean city is 7 miles long and 1/2 mile wide for a total of approximately 3.5 square miles. In addition to the public library we have a library in the primary, intermediate and high school or 4 libraries in 3.5 square miles. I stated that bookmobiles were supposed to be for rural communities (i.e.; geographically much larger) and poorly funded communities who can't afford satellite locations—descriptions that don't match Ocean City. I stated, given the trustees were swimming against the tide, maybe they should have leased the bookmobile initially in case it doesn't work out. Why didn't the trustees hedge?

I reminded the trustees that when the Community Center was expanded, the very building our library is a part of, John Flood introduced into the public dialogue the simple, and very accurate phrase—Concept, Design, Fund, Build (or, in this case purchase). How ironic.

The concept behind the bookmobile, I think, is to promote the library and reading. So go into the community—no truck needed. So far on the list are just a few stops—Public Housing Authority, Wesley Shores, American Legion to name a few. The Public Housing Authority has a large public room. Go read to young people and promote the library there. Install a broadband line or two. When it rains you won't have to cancel a visit. Many residents at Wesley Shores are not mobile. Give them broadband lines if there is a need. The list of library books is online. If they need books, just bring them books from the whole library.

At the very meeting I attended one trustee questioned the marketing of the bookmobile as well as its usage. As he said, there was no surprise here as the purchase was a long time coming. Apparently the bookmobile needs a driver. —no Design. He was really questioning the rollout—poor planning.

My conclusion is this was a poorly conceived venture for the library by well meaning people who didn't adhere to Concept, Design, Fund and Purchase (or lease). The bookmobile is a "square peg for a round hole" for Ocean City. It doesn't fit. Four libraries in 3.5 square miles with the public library nearly in the middle of town. What were they thinking?

Stick to your knitting—we have a very fine public library that is well attended with numerous programs, computers, speakers and a vast array of books, magazines and newspapers. The library is amply funded and well run. It is a credit to the staff, its board and the community at large.

EDUCATIONAL REVIEW - Vic Staniec

About two years ago the Longport, NJ school board petitioned the New Jersey Board of Education to allow their students to attend Ocean City High School instead of Atlantic City High School. The state board of education declined the petition, stating that it would adversely effect the racial composition of Atlantic City High School.

Upon appeal to the New Jersey Secretary of Education, to everybody's surprise, he reversed the State Board of Education's decision and ruled that the Longport students would be permitted to attend Ocean City High School. This school year 10 of 12 eligible Longport students enrolled at Ocean City High School. Two of these ten students were already attending Ocean City High School as School Choice students.

The Atlantic city school district filed a court suit; therefore, the tuition that Longport was to pay to the Ocean City school district was placed in escrow. An agreement was reached among the three school districts, and now Longport students will have the choice of either attending Ocean City High School or Atlantic City High School.

EDUCATIONAL REVIEW - Vic Staniec Cont'd

The 2015-16 preliminary budget was approved by the Ocean City Board of Education. The new budget decreased from approximately \$43m to \$41m, with \$21.97m to be collected from Ocean City taxpayers, which remains exactly the same as this year's budget. Meanwhile, the city's ratable base increased from \$11.2B to \$11.3B, which means that the Ocean City school district tax rate will decrease by 0.0033 cents. For an Ocean City property assessed at \$500,000 this means a savings of \$16.54. The Fairness In Taxes education committee has monitored the spending of the Ocean City school district very closely by attending all the school board meetings and finance committee meetings, and communicating constantly with the various school board members and administrators. Our efforts have finally come to fruition with the first tax decrease in the school tax rate than anyone can ever remember. We don't oppose the school district spending money. We just want to be sure that our tax dollars are being spent wisely. The school board also voted to spend \$5.6m for renovations to the Primary School. A \$2.5m bond issue was approved by the Ocean City taxpayers last March for this project. In addition, the State of New Jersey gave us a \$2.4m grant for this project and the remainder of the money is coming from the Capital Improve-

ment fund of the current budget. The money will be used to replace the 26-year old roof, purchasing a new HVAC system, new energy efficient windows and handicap-accessible doors. We feel that all of these renovations were needed, will greatly improve the Primary School and provide energy savings in the future.

UNION CONTRACTS—Jim Tweed

Well it's contract season again. Some are completed and some are still in the works. Whether it's teachers, firemen, police or government workers, the taxpayers who pay these costs are merely passive players. They have been taken for granted for so long by public officials eager to please that we have ended up with some of the highest paid employees in the state while our roads, drainage system and boardwalk deteriorated faster than they were repaired. To be fair, the current administration cannot be blamed for what it inherited and has taken some tentative steps to change the drift.

We never know much about the details until the deals are done and some items, like pensions and healthcare, are not controlled at our local level. Although the mood is not as angry as it used to be, taxpayers can still only pray that our public officials keep us in mind during these negotiations. Everyone knows by now that the pension and benefits packages that were handed out so lavishly years ago were unsustainable. The questions is, why do public employees still feel they are entitled to have the private sector pay higher shares of our own retirement and healthcare responsibilities plus theirs too? Will their union negotiators forever insist that seniority trumps merit? Since they have never known a year without a salary increase, they would feel indignant not to get one. And, now dare anyone questions their work rules! Remember the outrage that Councilmen Ping and Hartzell faced a few years ago when they dared to seek a more efficient use of EMT's and firemen? The biggest disconnect between public and private sectors is the assumption that employees mustn't be fired or laid off. It's hard for those of us who have never known that kind of job security to understand such assumptions.

There are only three choices: 1) have employees contribute more into their programs; 2) reduce the benefits provided; or 3) keep raising more taxes. Politicians should stop being so scared. When the unions initiated a recall election against Governor Scott Walker he won by a larger margin than he did in the general election. We value our public employees; but, why should they receive more guarantees than the rest of us?

EDITORIAL -Eric Sauder

How much does "free" cost?

You undoubtedly heard that the city has entered into an agreement with the Greater Ocean City Theatre Company for the use of a public building at 1501 West Avenue. According to the terms of the lease the theatre company is responsible "at its sole expense" to make "all repairs necessary to maintain the property and shall keep the interior of the property and fixtures in a neat and orderly condition, including but not limited to, floors, walls, ceilings, windows, plumbing, appliances, electrical and all other parts of the premises." You might get the impression that the city has little obligation, and the theatre company assumed the property "as is", and further that it was made responsible for making any improvements.

An OPRA request to the city was made and found that the city had invested \$44,000 in preparing the property for use by the theatre company. Ceilings, floors, and walls were replaced, the building was re-insulated, and new wiring, light fixtures and an HVAC system were installed. The building was flooded during Sandy, and I suppose you could categorize the upgrades as flood remediation; but really, the property was not handed over "as is". The city assumed responsibility for what the theatre company, under the terms of the lease, was responsible for.

Is it legal for the city to give "for free" the use of a publically owned property to a private entity? I don't know the answer to that; but, under the terms of the lease, the theatre company will pay the City \$1 per year for the use of the building. So, it seems to be a moot point, as it's not (technically) free. As it is a city-owned property, no taxes are paid on it, and at \$1 a year there is little income to cover the cost of maintaining it. It's a pretty good deal for the theatre company.

The lessor does bear the responsibility for the condition of the building it leases. Perhaps it is just as well the money was spent; but, now you know how much "free" and "as is" really costs.

O.C. FLOOD COMMITTEE UPDATE—Bill Hartranft

On June 6th the OC Flooding Committee hosted a meeting at the library. About 40 interested residents attended to learn what was current. Councilmen DeVleiger, Guinosso and Hartzell attended as well. Erick Sauder and Suzanne Hornick gave presentations on the many OPRA requests they filed, and basically stated that the information they received is at odds with what the administration stated in regard to work performed. They also stated that the engineering people have not made themselves available for any meetings to discuss both the work discrepancies and the marked differences between reports available. Eric implored the mayor at a recent council meeting to meet with our group or avail us a meeting with the city engineers. There has been no response.

Sheila Hartranft provided a review of the data on an Engineering Study done in 2012 rating all roads as it compares to the city's Road Plan. She noted discrepancies between the city's documents and the Asphalt Institute guidelines on which the road ratings were based. After we began analyzing the data somehow the city's Road Plan was changed to "Roads & Drainage Plan". Further, the analysis found that of 40 roads rated 10 for drainage (worst) only 15 are listed on the city's plan for repair/remediation over the next 5 years. At that rate we may expect a 15-year remediation of the problem.

I want to stress that aside from several individual meetings with councilmen, our efforts to have the mayor and/or the engineers meet with us have been dismissed by lack of a response. I am significantly unimpressed by the administration's statements as "doing the best they can" and their repeated love of Ocean City. Proof is in the continued flooding. Yes, they did inherit some of the problems from previous administration failings in wisely spending your tax dollars; but, what has really been done in the last several years that warrants recognition of money well spent?

E-mail your councilmen, e-mail the mayor. Don't listen to the words you hear as much as watch the results of the endeavor. Words are fleeting, but results can be seen and touched. Look to the results!

O.C. FLOOD COMMITTEE UPDATE—Bill Hartranft

A personal philosophy I had in my 33-year career in Corporate America—surround yourself with diverse people who are smarter than you. Accept their ideas, challenge them, squelch your personal ego and celebrate failures so they continue to try. Does anyone see anything like that philosophy in our administration? Then again, I could be out in space. I don't think so.

You may contact the flooding committee via e-mail at ocflooding@gmail.com.

FROM THE TREASURER-Bill Hartranft

Membership as of June is at 896 families. Year –to-date dues payments are running slightly behind last year. We've received \$6,590.00 so far which represents about 40% of our membership households. Several contributions have been over the \$15.00 annual dues for which I thank those who contributed so generously.

I would respectively ask that those of you who have put off sending your dues to please consider doing so soon. We have plans to submit articles and ads on some important issues with the local media and, oddly enough, they want to be paid.

FROM THE SECRETARY-Sheila Hartranft

Fairness In Taxes meetings are held on the first Friday of each month as follows:

Time	<i>3:00 P.M.</i>
Place:	Ocean City Library
	17th Street & Haven Avenue
	<i>Room #110</i>

Very often we have guest speakers from the Ocean City administration or from local organizations keeping us updated on many issues affecting our city.

We would love to see you there!

Please note the meeting for July is postponed to the 10th due to the 4th of July holiday.

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. Keep in touch via E-mail to our web site or to individual board members listed on the site.

Email—www.fairnessintaxes.com and select Contact Us.

Please notify us of any address changes.

FAIRNESS IN TAXES WEBSITE

www.fairnessintaxes.com CHECK FOR UPDATED INFORMATION!!

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

1st Ward	Michael DeVlieger	861 Asbury Avenue	231-8987	mdevlieger@ocnj.us
At-Large	Peter V. Madden	4 W. Aberdeen Road	513-4781	pmadden@ocmj.us
At-Large	Michael Allegretto	9 W. Station Road	432-8739	mallegretto@ocnj.us
2nd Ward	Antwan L. McClellan	448 West Avenue	545-7660	amcclellan@ocnj.us
Mayor	Jay Gillian	861 Asbury Avenue	525-9323	jgillian@ocnj.us
At-Large	Keith Hartzell	720 Asbury Avenue	399-5324	khartzell@ocnj.us
3rd Ward	Tony Wilson	23 West 15th Street	363-8669	awilson@ocnj.us
4th Ward	Peter J. Guinosso	4815 Central Avenue	398-2560	pguinosso@ocnj.us

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