

February 13, 2019

**Sea Isle City**  
**2019 Budget Message and State of the City**

Good morning. Last week, I, along with our financial staff, made the final adjustments to this year's proposed budget. As we looked at the data, we reflected on the path we've taken since I was re-elected under the mayor-council form of government in 2007. In my first state of the city address back then, in January 2008, I warned that we were facing difficult times. At that time we were first being subjected to the State imposed levy cap; and our overall budget was increasing by over a million dollars. Our surplus position was as weak as it's ever been, and we were in the beginning of what is now known as the great recession in the United States.

We've come a long way since then. We started this year with an available surplus of over 5.6 million dollars. That is nearly 5 million dollars better than where we were 10 years ago. Our overall budget this year is less than last year's; but we will still provide all of the services that we've all come to expect, plus some.

The city is in the progress of performing the most ambitious street paving program we've ever taken on, as we work to pave streets where underground infrastructure has been replaced. When we're completed this spring, we will have paved over 60 blocks of City streets. Just as importantly, we've replaced old water and sewer pipes with new systems that will service us long into the future. New sewer lines also provide the added benefit of much less infiltration, which helps with our sewer rates. Our decade long program to address our aging sewer

infrastructure is a great example of long term strategic planning. It is no coincidence that we have achieved financial stability in our water and sewer utility.

Currently, from an infrastructure standpoint, flood mitigation is our highest priority. The City's first pumping station will be built this winter at 38<sup>th</sup> Street, and is expected to come on line this spring. Recently, we completed a citywide flooding analysis, and we'll be implementing recommended projects over the next several years. As with our past sewer projects, I'm confident that our planning will result in long term benefits to reduce flooding conditions on the island.

Related to this, we are currently in the process of installing the most comprehensive flood warning system in the state. This is a joint effort with the county that will serve all of our residents and visitors through illuminated signage in our most flood prone areas that will be able to be triggered automatically by on site sensors, or manually by city public safety personnel.

Sea Isle City is a leader in the state in flood mitigation efforts, and our property owners enjoy the highest discount to their flood insurance policies available in the state – 35%. We recently received notification from FEMA that we have been re-certified for our flood insurance program under the Community Rating System, and we remain the only class 3 community in New Jersey.

This past December, we met with representatives of the New Jersey Department of Environmental Protection to review plans for the protection and resiliency of barrier islands. The DEP is meeting with all barrier island communities as they work in conjunction with the Army Corps of Engineers on a comprehensive back bay study comparable to the efforts that led to the 50 year federal beach replenishment program; and they included Sea Isle in their initial outreach to island communities based on our status and past efforts of progressive

action on flood mitigation. As we move forward with planning for the future, the city is well positioned to be in partnership with the state and federal governments for funding for critical flood mitigation projects.

Relative to beach replenishment, this coming fall we are slated for another project by the Army Corps of Engineers. While our beaches are in good shape, we will need replenishment, especially along the beaches fronting the promenade and in the far southern end of the island. Also in regard to our beaches, we are in the process of purchasing beach access mats in order to provide for convenient access to our residents and visitors.

On the bay side, we're working on permits to perform dredging of our marina and lagoon areas that need to be deepened; and we're working with property owners adjacent to 38<sup>th</sup> Street and Venicean Road to allow them to piggyback on the project to get their slips dredged.

Next week, we'll receive bids for construction of decorative lighting and a speaker system on the promenade, with the objective of having it installed for the coming summer season. We'll be following that with decorative street lighting projects in our commercial districts along Landis Avenue, Park Road, and 63<sup>rd</sup> Street.

In 2019, we'll be building a beautiful new fishing pier, gazebo, and kayak launch next to the Dealy field complex, just west of the hockey courts. This is a million dollar project being completely funded by the county open space program.

Last month, Sea Isle Boulevard was finally opened to its full width configuration after several years of construction. It represents another project with an eye toward the long term future of the City. Clearly, along with flood pumps

and adequate storm drainage systems, elevation of roads and property will be needed to maintain the island's viability.

At the southern end of the island, the TI Bridge project remains on schedule for an opening prior to Memorial Day weekend. The county continues to move toward a total bridge replacement project that we are hopeful will be able to be under construction within the next five years. It is part of a comprehensive program that combines county, state, and federal dollars to rehabilitate or replace bridges throughout Cape May County.

At the north end of the island, the City continues its efforts to obtain the ability to place sewers north of 22<sup>nd</sup> Street. This is an effort that has been ongoing for many years; and the City is currently attempting to have the existing sewer service area map amended to include the island north of 22<sup>nd</sup> Street. Due to recent changes to environmental regulations, there is a greater possibility than ever that we will receive approval of this map amendment. The fact is that the City and our property owners should have the ability to install sewers if we want them. It is the right thing – both environmentally and for the long term viability of these properties.

While the City has already moved forward on several recommendations contained in the Planning Board's Master Plan Re-examination Report, I know that the council will be getting recommendations for further action from the board. Along with the priorities that council establishes, I am renewing my request that council consider the issues related to commercial zone changes, including a reduction in density in all commercial zones. The re-examination report does recommend changes from commercial to residential in several areas, but it does not recommend a change to the housing unit density in commercial zones. As I've said in the past, I believe this requires further review, and I say this as a

commercial property owner who could be negatively impacted by zoning changes. I continue to receive feedback from many of our residents who have concerns with this issue; and I still believe there are changes we can make that respect property rights while still assuring and preserving quality of life for our residents. Specifically, I believe reducing the number of currently allowable housing units in some of our commercial zones can have a positive impact on our City. I believe what council worked to accomplish over 10 years ago through changes in commercial zoning has been achieved; and now is the time to re-visit the issue.

In our police department, Chief McQuillen has implemented new community policing initiatives, and has had several popular “coffee with a cop” sessions throughout town. Again this summer, the police will continue with their strict enforcement against alcohol in public places.

This year the beach patrol will celebrate its centennial. Our beach patrol has a long and distinguished history, and I salute all of our lifeguards, past and present, who have served our City for the past 100 years keeping our beaches safe. The administration looks forward to working together with the committee of current staff and alumni to develop plans and events for a memorable celebration this coming summer.

The city has established significant shared service programs with Ocean City for our construction office and administration that are resulting in substantial savings for both communities. For Sea Isle, the savings are on the order of over \$200,000.

Turning back to citywide financial matters, the budget being presented today is not built on short term strategies; rather it is the result of long term planning that is forward thinking and sustainable. Our financial position is so strong that I am

proposing a half cent tax decrease in this year's budget. This follows last year's zero tax increase budget; and, based on analysis of all projections, I am committing to another zero tax increase in 2020. In our water and sewer utility, there will be no increases to rates for the sixth year in a row and I am also committing to no rate increases in 2020. These commitments to the future are not made with over confidence in our ability to achieve them; but with the understanding that we are in our soundest financial position ever; that we have not built our budget on one time strategies or gimmicks, but from a foundation based on sound financial planning and sustainability.

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

I, as much as anyone, understand and appreciate how much we all dislike the cost of government. In the words of George Washington, "No taxes can be devised which are not more or less inconvenient and unpleasant."

Having said that, I still look forward to council and the public's review of this budget and to its ultimate adoption. The administration has done everything that we believe is logical and prudent to reduce costs, yet provide for the core mission of local government – a clean city; a safe city; a well maintained and enjoyable city; and a city that achieves satisfaction for our residents and visitors, and the protection and maintenance of our public assets, infrastructure, and community culture and values, with the utmost degree of honor and professionalism.

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

Leonard C. Desiderio  
Mayor