

**SPECIAL SESSION
OF CITY COUNCIL OF THE CITY OF CAPE MAY, NJ
Friday, February 18, 2011**

The following attended the special session:

Present:	Councilmember Deanna Fiocca Mayor Edward J. Mahaney, Jr. Councilmember William H. Murray Councilmember Terri L. Swain Deputy Mayor Jack Wichterman
Also Present:	City Manager Bruce MacLeod City Treasurer James Penn City Auditor Leon Costello City Clerk Diane L. Weldon Deputy Clerk Louise Cummiskey

Mayor Mahaney announced that under the Open Public Meetings Law, notice of this meeting was sent to the Cape May Star and Wave and The Press and a copy of the agenda was delivered to each member of Council and was posted on the City Hall Bulletin Board.

Mayor Mahaney advises that the sole purpose of today's meeting is for City Council to discuss the budget. The Mayor asks Leon Costello, City Auditor to give his status report on the budget as prepared by the City Manager.

Mr. Costello refers to documentation provided to Mayor and council and he advises that as we stand today, the budget is legally in compliance with all the laws imposed by the State of New Jersey. The budget, as presented, contains a two-cent tax increase, advises Mr. Costello and the City of Cape May is \$703.00 within the levy cap and \$437,000.00 inside the spending cap. The budget will be introduced on March 1, 2011 with adoption in April. Mr. Costello further explains information contained in the documents provided and more fully comments on certain items that are not self-explanatory.

Mayor Mahaney asks if council has questions for Mr. Costello and they do not.

Mr. MacLeod continues by explaining the documents he provided to Mayor and Council at the beginning of the meeting. That information provides overtime reports, an inventory list of City owned vehicles, and a summary of the municipalities in Cape May County as to their net tax value for the year 2010. Based upon the information provided by Mr. MacLeod, the City of Cape May and its relationship of tax dollars to the total budget was at 51% and was the best of all the municipalities in Cape May County.

Mayor Mahaney distributes copies of a document setting forth his ideas for reducing the current budget and introducing his ideas for the betterment and long-term future of the City of Cape May. The Mayor touches upon the pertinent points of his plan for the benefit of the audience

Deputy Mayor Wichterman advises that he reviewed the budget presented by the City Manager and subsequently, he has presented to Mayor and Council his ideas to reduce that budget. Some of his ideas are to reduce overtime, avoid new hires and change the shifts of the PD to three eight hour shifts instead of two twelve hour shifts.

Councilmember Swain asks the City Manager some general questions as all of the items contained on her list have been addressed by the Mayor and Deputy Mayor. Ms. Swain recommends that travel and conference expenses be removed from the Mayor and Council budget. As elected officials, Ms. Swain feels that they should lead by example and by removing those items, council can show their willingness to cut back expenses.

Councilmember Murray asks how much the Mayor's budget reduction proposal will cut the budget. Mr. Costello advises it will be a \$01.4 decrease. Mr. Murray questions why the PILOT monies collected from the Victoria Towers went down this year and Mr. MacLeod advises that those monies are based upon a very specific formula, which he explains. Based upon a revision in the calculation of that formula, due to an error, the monies paid to the City have been reduced. Mr. MacLeod reviewed the matter and he concurs with the new formula and adjustment to the payment. Mr. Murray asks that Mr. MacLeod look at the requests of the individual Departments and reduce those amounts by 1.4% which would be a significant reduction on the expense side of the budget.

Councilmember Fiocca comments that as this is her first budget, she is a little overwhelmed and she is happy to be in the company of those who have much more experience. All of her questions have been addressed by her fellow councilmembers except one. She asks about a Tourism Utility and how that will help the City in the future. Mayor Mahaney and Mr. Costello explain the process.

Deputy Mayor Wichterman asks if the City can charge for the health insurance for the spouses of City employees. Mr. Costello responds that there is a bill being proposed by Senator Sweeney to make it mandatory that employees cover between 12% and 30% of their premium costs. Governor Christie is proposing that employees pay 30% of their premium costs.

PUBLIC PORTION

Jim Wyatt, 292 Windsor Avenue, Cape May, NJ comments on any changes that may be made to the Police Department. Mr. Wyatt advises that in addition to their job patrolling the streets of Cape May, the PD has a tremendous amount of paperwork to complete. As to the Fire Department, Mr. Wyatt comments that Cape May is a wood town with a lot of older residents. The City of Cape May has one of the best rescue squads and he would like to keep it that way. Mr. Wyatt comments that people wait to go onto the beach until after the beach tag collectors leave for the day. He believes the City is losing a substantial amount of revenue and thinks the beaches should be manned for longer periods of time.

Charles Hendricks, 107 Trenton Avenue, Cape May, NJ advises that he has been contacted by a lot of people who feel that there should be no tax increase at this time. He hopes the City Manager can sharpen his pencil and reduce the tax increase to zero.

Dennis Crowley, 806 Lafayette Street, Cape May, NJ commends the Mayor and council for the comprehensive list of items that need to be changed in the City of Cape May. Further he recommends that the City look at three pieces of revenue that comes into the town based upon police services to other entities. He believes the cost of providing the police service is more than the money paid for said service. With respect to the Tourism Utility, he urges that we do not overlook the cost of the public safety budget, as without public safety, the City of Cape May would not be a popular tourist destination.

Kate Wyatt, 292 Windsor Avenue, Cape May, NJ talks about the New Jersey Best Practice Check List and asks if council is familiar with said list. All councilmembers acknowledge they are. Ms. Wyatt goes on to offer a definition of the Best Practice Check List. There is discussion between the Mayor and Ms. Wyatt about some changes to said list. Ms. Wyatt asks if there are any intended new hires in the City this year. Mr. MacLeod advises that there are three potential new hires scheduled. He further advises that those hires are currently budgeted but the positions, currently, are not filled.

Mayor Mahaney advises that council will work on the budget. Mr. Costello is hoping for introduction on March 1, 2011 with adoption on April 20, 2011. He advises that even though the budget is introduced, it is still a working document and may be changed.

Motion made by Deputy Mayor Wichterman, seconded by Councilmember Swain to adjourn the meeting. The meeting adjourned at approximately 2:50 P.M.

Edward J. Mahaney, Jr., Mayor

Jack Wichterman, Deputy Mayor

Deanna Fiocca, Councilmember

Terri L. Swain, Councilmember

William H. Murray, Councilmember

Diane L. Weldon, City Clerk