

## **CITY OF CAPE MAY**

### **2017 City Manager's Budget**

Mayor, Deputy Mayor, Councilmembers and residents of the City of Cape May,

I am pleased to present the City of Cape May's Fiscal Year 2017 City Manager's Budget. This budget was developed through a series of staff meetings, where priorities were identified and departmental requests were thoroughly reviewed and debated. The proposed budget and expenditure levels were set at amounts necessary to continue to provide a high level of municipal services as expected by our residents and the preservation of the existing quality of life, while taking into consideration the cost of said services.

For 2017, the total overall budget comes in at \$28,281,399. This amount is broken down into four "funds" as follows:

- Current Fund - \$17,629,384
- Beach Utility - \$2,457,575
- Tourism Utility - \$1,189,000
- Water/Sewer Utility - \$7,005,440

This budget, as presented, comes with no increase in local property taxes and no increase in User fees, but also allows all funds to maintain the level of services expected by our residents while still allowing the City to maintain a healthy reserve balance. The City officials, along with our staff, are very aware of the economic and fiscal challenges that face our residents and businesses, and are diligently working to provide the best and most efficient public services to our residents, but also to the tourists that visit the City that we've become a part of and happen to love.

To quickly summarize, I think it's important to know where the money continues to come from, where the money is going and what the goals are for 2017.

#### Where the Money Comes From

To highlight some of the main driving revenue sources

- Parking Meter revenue – (historically over \$1,000,000 received)
- Room Occupancy Tax revenue – (historically over \$1,000,000 received)
- Lease and Rent Contracts – (historically over \$400,000 received)
- Emergency Medical Services – (historically over \$300,000 received)
- Interlocal Agreements – (Continue to provide services to West Cape May and Cape May Point for items such as Police Protection, EMS services, Municipal Court and Construction Office Services)
- Taxation – (will remain flat for two straight years, with historical minimal increases)

### Where the Money Comes From - continued

In the Water/Sewer and Beach Utilities, the main revenues typically come from User Fees and available surplus. Something we'll get into later is the continuing decline in Water/Sewer Utility's fund balance and the need to address the Current Water/Sewer rates to bring the revenues up to par to balance with the required expenditures.

In the Tourism Utility, the main revenue sources are:

- Room Occupancy Tax
- Tourism Fees and Events
- Mercantile License Fees
- Lease and Rent Contracts (Store and Weddings)

### Where the Money Goes

In all funds, the main driving expenses are:

- Salaries and Wages (and related employment expenses...i.e. health benefits/pension, etc)
- Other Departmental Expenses – to facilitate proper operations and provide the public with a high level of service
- Debt Service that funds Capital Improvements – To continually provide a high level of service while maintaining infrastructure at acceptable levels. Current/Recently completed projects include a portion of Lafayette Street Park, Rotary Park, Road Construction, the purchase of an Ambulance, the construction of a new Well, preliminary review of extending the Sea Wall, etc.

### Administrative Goals

#### Goal 1 – Fiscal Responsibility

There's a fine line between providing the residents a high level of service, while in turn trying to be fiscally responsible. Some of the hardest decisions being made are performing the "Cost Benefit Analysis" to determine if a particular service or idea is fiscally responsible. This budget provides all of the same City services while keeping taxes at an equal level.

#### Goal 2 – Keeping an Open Relationship with the Community

The City looks forward to working with local non-profits, business owners and residents of this community to ensure the City of Cape May continues to be an attractive vacation destination while also continuing to be a quaint historical community that the residents have become to know and love.

Administrative Goals – continued

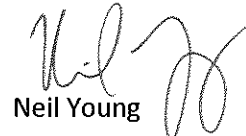
Goal 3 – Continued Infrastructure Improvements

It is extremely important that the City Council continue to make improvements to the City's infrastructure. The goal is to start a Road program highlighting areas of need and ranking all streets going forward so the areas of need are ranked to be completed first. There is also need to move forward with the completion of public parks and to continue to review the condition of current City owned properties.

Conclusion

As has been stated many times throughout this message, I am fully confident that the budget as presented is fiscally responsible while providing a high level of service to this community. As public servants, it is our duty to protect the public health, safety and welfare of the residents of the City of Cape May and this budget is a driver to ensure we do just that. I look forward to a productive 2017.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Neil Young", written in a cursive style.

Neil Young

Interim City Manager/CFO