

## **CITY OF CAPE MAY**

### **2022 City Manager's Budget**

Mayor Zack Mullock, Deputy Mayor Stacy Sheehan, Councilmembers Shaine Meier, Councilmember Lorraine Baldwin, Councilmember Mike Yeager, and residents of the City of Cape May,

I am pleased to present the City of Cape May's Fiscal Year 2022 City Manager's Budget. This budget was developed through a series of staff meetings and consultation with our CFO Neil Young. My office held budget hearings and received requests from department directors. Priorities were identified, and departmental requests were thoroughly reviewed. The proposed budget and expenditure levels are set at amounts necessary to continue to provide a high level of municipal services as expected by our residents, businesses, and visitors, while taking into consideration the cost to provide City services.

In all the years that I served in municipal government, I always stress having a **"Clean, Safe, and Caring Community."** This is what I will strive to provide as your City Manager.

Providing a "Clean, Safe, and Caring Community" comes with cost. Keeping our community clean is only possible with the work of our Department of Public Works, our police, fire, and EMTs keeping us safe, and dedicated municipal workers who care.

For 2022, the total overall budget comes in at \$33,234,089.87. This amount is broken down into four "funds" as follows:

- Current Fund - \$21,708,344.87
- Water/Sewer Utility - \$ 7,317,805.00
- Beach Utility - \$ 3,061,100.00
- Tourism Utility - \$ 1,146,840.00

This budget, as presented, comes with ***NO increase to the local purpose tax.*** It will allow the City administration to expand upon certain City services and improve upon some of the current services that are provided to our residents and visitors. The City officials, along with our staff, are very aware of the economic and fiscal challenges that face our residents and businesses. We are diligently working to provide the best and most efficient public services to our residents.

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 2022.

#### **Where the Money Comes From**

To highlight some of the main driving revenue sources:

- Parking Meter revenue – over \$2,000,000 received in 2021
- Room Occupancy Tax revenue – over \$2,000,000 received in 2021, and now at 3%

- 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 – historical minimal increases and a second straight year of no increase

In the Water/Sewer and Beach Utilities, the main revenues typically come from User Fees and available surplus.

Historically, in the Tourism Utility, the main revenue sources were:

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

### **Where the Money Goes**

Employees: I have an open-door policy for all employees

- 124 Full Time, 10 part time
- Seasonal; 95 Lifeguards, 71 Beach Taggers, 20 Public Works, 13 Police Class 2, 1 Fire prevention, 2 Court, 10 Tourism/Civic Affairs

**Total 312 co-workers**

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 improve our infrastructure and aesthetics of City owned property

### **Managers Goals**

- Start converting from gasoline to electric vehicles where practical
- Public Address system and cameras along the entire promenade and beach
- Public bathroom adjacent to the Convention Hall, remove street bathrooms
- Our City Fire Museum placed under Civic Affairs as a tourism venue
- Complete restoration of the AME church
- Designing a new Police Station, go out to bid, then start construction
- Lafayette Street Park recreation play area to be built
- Assist all Council appointed Committees
- Work with the BID, Washington Street Mall, and MAC

- Continue our close relationship with the Coast Guard community
- Work with our Veterans for our public veterans' events
- Provide Electric Cars Charging Station
- Widening the Promenade as awarded by Council
- Upgrade our Parking Meters to more efficient units
- Reconstruct four streets including underground utilities
- Improvements at Convention Hall interior and exterior/landscaping
- Restructuring some departments for more efficiencies

### **Fiscal Responsibility**

The manager is evaluating all aspects of the City government for cost savings. All City used vehicles are being evaluated. Purchase orders are being checked for best practices and prices, and if they can be purchased locally. Employee overtime is monitored monthly to stay within the budget.

### **Keeping an Open Relationship with the Community**

The manager practices an open-door policy for all businesses, committees, and residents, to address their request. The City web page is constantly being updated with current events and activities. During the summer season, the manager continues to visit the mall vendors, and businesses throughout the City to listen to their concerns.

### **Continued Infrastructure Improvements**

The City is a very complex community with many public services and historic designation. As we consider repaving, we must first evaluate the upgrades of the sewer and water infrastructure under the paved street. Areas of the promenade need upgrades and some widening. We are exploring options to expand our public address system to include security cameras. There is also evaluation of parking areas throughout the City to better accommodate visitors.

There is a 4% increase to the budget, however, we can cover the increases with our current revenue stream. The main drivers are Health Insurance, contractual obligations/promotions, and new hires. We generated about \$1,500,000 in surplus through operations this year. If everything stayed the same and we added these new expenses, we are still looking at adding \$850,000 to surplus again in 2022. With adding on the new occupancy tax increase and the transient accommodation tax, we are conservatively right back to bringing in another \$1,500,000 to \$2,000,000, or more, to surplus for 2022, all with ZERO increase to the local purpose tax.

The theme from the Municipal Taxation and Revenue Advisory Committee was to better allocate expenses to the utilities. I believe these budgets start that process and that we will continue to do so as the years go by.

After completing one year, we dealt with COVID, seasonal help issues, and many confidential issues, all while continuing to provide essential services at the same time. Being the City Manager of a historic designated City is an awesome responsibility with many aspects. My office is very busy dealing with personnel issues, constituent's requests, and responding. We are always looking at ways to make our government more "Efficient and Effective" in providing the very best City services. I truly enjoy my responsibilities in having the ability to make positive changes, and providing a "Clean, Safe, and Caring community."

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Michael J. Voll". The signature is fluid and cursive, with a large initial "M" and "J".

Michael J. Voll  
City Manager