

CITY OF CAPE MAY

2023 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 2023 City Manager's Budget. This budget was developed through a series of staff meetings, consultation with our Auditor Leon Costello, our new CFO Kevin Hanie, and my office. We held budget hearings from department directors, priorities were identified, and departmental requests were thoroughly reviewed. 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, businesses, and visitors, while taking into consideration the cost of said services.

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

For 2023, the total overall budget comes in at \$36,035,064. This amount is broken down into four "funds" as follows:

- Current Fund - \$ 23,851,476
- Water/Sewer Utility - \$ 7,508,088
- Beach Utility - \$ 3,370,500
- Tourism Utility - \$ 1,305,000

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

To quickly summarize, we think it's important to know where the money continues to come from, where the money is going, and what the goals are for 2023.

Where the Money Comes From

To highlight some of the main driving revenue sources

- Parking Meter revenue – (historically over \$2 million received)
- Room Occupancy Tax revenue – (historically over \$3.5 million received)
- Lease and Rent Contracts – (historically over \$400k received)

- Emergency Medical Services – (historically over \$300k received)
- Interlocal Agreements – (We 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)

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.

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

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

Administrative Goals

Goal 1 – Fiscal Responsibility

The manager evaluates all aspects of the city government for cost savings. All city used vehicles are being evaluated if needed. Revenue sources are being looked at for enhancement when justified! Purchase orders are being checked for best practices and prices, and can it be purchased locally. Employee overtime is monitored monthly to stay within the budget. The manager's office is working with Council on the upgrade of our De-Sal water plant, federal and state funds are being pursued. The cost savings and keeping the City clean and safe is my objective along with the cost!

Goal 2 – Keeping an Open Relationship with the Community

The manager practices an open-door policy for all committees and residents, to address their requests. The city web page is constantly being updated with current events and activities. During the summer season, the manager plans to visit the mall vendors, and other businesses with the Mayor to listen to their concerns. We have a summer code enforcer dedicated to compliance of our city codes.

Goal 3 - Continued Infrastructure Improvements

As we consider repaving, we must first evaluate the upgrades of the sewer and water infrastructure under the paved street. We are currently performing an Inflow and Infiltration study in our city streets. Areas of the promenade have been widened along with beautiful lighted arches being installed. The public address system is being installed expanding south on the promenade. This summer we will have prerecorded daily public announcements along with the Kiwanis flag ceremony and playing of our national anthem. Evaluation of parking areas throughout the city to accommodate visitors have been provided, and new parking behind the welcome center. Charging stations for electric vehicles are forthcoming at city hall and the welcome center lot.

Conclusion

Being the City Manager is an awesome responsibility with many aspects of governing in this historic city. My office is very busy dealing with constituent's requests and responses. The Mayor and Council are very committed to providing good government, it's a pleasure working together. We are always looking at ways to make our government more "Efficient and Effective" by providing the very best city services! I truly enjoy my responsibilities in having the ability to make positive changes.

Respectfully,
Michael J. Voll