

Fairness In Taxes

Meeting Minutes 4-10-15

Board Attendance: Michael Hinchman, Leo Burke, Joe Somerville & Jim Tweed

Meeting opened by Michael Hinchman with Pledge Allegiance at 3:00 P.M.

Guest Speaker – Ms. Schroyer, Vice President of Operations, Heist Insurance

Flood Insurance Updates

- Effective 4-1-15 flood insurance companies began acting to conform to new requirements of the amended Biggers-Waters Act which will be the beginning of phasing out federal subsidies for flood insurance. This will mean staged increases in flood insurance premiums for property owners.
- There will be a surcharge for all flood policies; \$25.00 for single family residences and \$250.00 for all others.
- Flood insurance premiums are due to increase 15% this year and will likely increase 15% per year until the federal subsidy is removed and the market bears full risk. The surcharge will not be going towards the \$28B in claims already filed.
- The reserve fund assessment is increasing from 5% to 15%. Primary home owners will be the least affected.
- Speculation is that for a pre-FIRM (prior to 1974) home flood insurance premiums could go as high as \$30,000/year.
- Lloyds's of London is now underwriting private flood insurance policies for residences of 1-4 families, commercial properties and motels, but no condominiums. The downside, buying into a new policy could lose you your grandfather status. *If you have continuous coverage through the federal government and your flood zone is changed, you are grandfathered into the current zone as long as you maintain your policy continuously.*
- If you own a pre-FIRM home and are not elevation rated, you may save money.
- Private policies should explored by individual consumers, but they are not always the best option.
- It was recommended that all homeowners have a current Certificate of Elevation (less than 10 years old). Your insurance company may have this on record.
- A Certificate of Elevation is required to obtain a FEMA actuarial rate, used to determine when your rates will stop increasing as the federal government moves out of the flood insurance business. The certificate could also determine if you need to elevate, install flood vents or take other remedial action to reduce your premium.
- FEMA has issued a +3 rating to Ocean City.
- The general consensus is that over time increases will make owning property in flood prone areas too expensive and affected properties will depreciate in value.

President Michael Hinchman

Ocean City Smart Growth

- This is a new civic group in town. He asked that Jim Tweed make contact with them.
- Suzanne Hornick stated she has already made contact with the founding persons because she believes both FIT and Smart Growth are working on different aspects of the same general issue. She and Eric Sauder will be attending their meeting on 5-11-15.

Ocean City Flood Committee

- Michael reviewed the recent meetings with Ocean City Councilmen.
- He shared that Councilman Hartzell was threatening not to fund the Baker International study if he and Councilman Wilson could not have the study area expanded to include 15th Street and Shoemaker Lumber at 12th & West.
- Hartzell & Wilson have a commitment from J. Mallon that within 2 months they will do studies on additional areas not defined in the Baker International contract and the city will come back to us with answers.
- Councilman Pete Guinosso has been trying to set up a meeting with the mayor regarding flooding; but so far, to no avail.
- Michael will attend the second council meeting in May to ask Hartzell and Wilson where the study information is. He asked the City Council why the permitting process is not starting now in order to prevent delays in work the city knows is needed, such as bulkhead repair and replacement. He will follow up on this in May.

Ocean City Flooding – Eric Sauder

- Eric reminded everyone that Ocean City Flooding wants the city to remediate flooding island-wide and reiterated the position that we will not put one homeowner above another.
- Currently the committee is working on a map identifying each ward and property in each ward that reported recurring flooding for presentation to City Council.
- Eric noted that in the past the city has paid for studies then failed to act on the recommendations.
- Eric OPRA'd the check valve history 2008-2014 as Mayor Perillo had stated he would have 17 check valves replaced. It was found that only 8 were replaced and 6 were removed with the intent to replace. This was not done. He also found that no maintenance on check valves had been performed. Michael Hinchman would like FIT to place an in the media stating these findings.
- Michael also stated that we should go to the Sentinel and review the first 2-3 months of Gillian's administration and "juxtapose" what Gillian is quoted in the paper as saying about his plans for check valves vs. what was actually done. Eric stated he would do that.

Capital Spending

- Michael met with Eric Avedissian from the Sentinel at OCHS to discuss the condition of the field, artificial turf and drainage around the track. The city is planning to spend \$500K on this project. He felt the news coverage was poor. He also felt Eric Avedissian was reporting the city's standard responses instead of actual fact-finding. He feels that the drainage design is actually to prepare for artificial turf in the future. We have no idea why the bid went up and no one has answered the question.
- He noted the city is spending \$500K for drainage repair when track meets are cancelled so often. He wants someone to OPRA the OCSB and ask how many meets were cancelled and why.

Budget

- Michael attended a Chamber of Commerce meeting and Leon remarked that the City has never been in better shape. Michael does not agree. The city has a tax base of \$12B with \$1.6m back from the library annually.
- Absecon with a population of 8K operates with 25 police officers. We could reduce spending if we did not have so many officers and did not increase salaries for city employees in this year's budget. Police got a 4-year contract with a 1.25% increase and no reduction in manpower. He did note they were already down from 58 to 57 officers.
- Eric Sauder noted that our police are paid twice the national average.
- The contract for the fire department is still under negotiation.

29th Street Fire House

- Eight years ago the city was ready to take the building down due to sewage odor. As it happened, it only required the repair of a sewer pipe. Problem solved.
- The city was eligible for a FEMA grant, post Sandy, if they rebuilt on the same lot, but ineligible if it was moved to another location.
- Council approved Butch Czar's architectural firm in March to perform the updates.

29th Street Fire House cont'd

- The city is getting \$440k in grants to do the work, but it is unclear whether they will put a second story on the fire house or tear it down and start over. Michael questions the need to spend that amount for this project.
- There has been talk that the city may use the Perry-Egan property to develop a new public safety center, but that is not confirmed by the administration.
- He feels the city does not do the necessary cost analyses before undertaking expensive projects.
- Other members commented that they felt the city simply justifies what they want without regard to responsible spending.
- It was noted the city hired Czar to do an engineering study of the police station at 6th Street, but the city has apparently buried it. Some members stated it was buried because it did not say what they wanted.
- Pete Guinasso feels that if the police department would properly clean and maintain the building it would be fine. The building is in good shape and FIT does not believe the city should spend a large amount on the new building the mayor wants.

Miscellaneous

- Michael Hinchman commented the school district has reduced taxes this year.
- OCNJDaily is showing paid ads on its site from the city in the dead winter for golf memberships.

Meeting Adjourned\

Next meeting will be Friday, May 1, 2015.

Minutes recorded by:

Suzanne Hornick

Respectfully submitted by:

Sheila Hartranft, Secretary