

From the President... Continued

- same;
- following upon this year's situation comedy over Boardwalk surface materials, nothing coming forth about a long range plan for the Boardwalk and how we will make future decisions;
- Zoning proposals around Floor Area Ratio and how that will affect development, and where and how much of the island will be included;
- A long and detailed presentation about the errors in the payment system for the City Solicitor and whether it has truly been fully corrected, and even more importantly, why our internal controls did not uncover the errors but rather only citizen outrage and research made the difference.

Finally, just when we were ready to let go of the fight for the Taxpayer Protection Ordinance having lost in the appeal process, the NJ Supreme Court overturns the case whose precedent was mostly responsible for our loss, and the Committee is back with an appeal to the State Supreme Court with Fairness In Taxes's support and financing.

It is never safe nor responsible "just to go back" into the waters of government without caution and knowledge and direction and a "buddy" system. We are that "buddy" system in the sometimes confusing and hazardous waters of local government. But we don't function well without YOU! We need your 2008 dues and we need your 2008 commitment to be involved.

Please respond now using the enclosed Annual Membership Envelope filling it out completely so we keep our records straight. We're still only \$10.00 a household – a bargain for the "buddy" system! And your prompt response keeps us from spending more money to "nag" you with reminders. And, then, come to the next Board/Member Meeting Friday, December 7, 2:00 pm in the Headley Room of the Ocean City Library, 16th and Haven.

"Just when you think it's safe" it probably isn't! Boy, I wish I could give you that music in the background!! Be safe, be a member. Be an ACTIVE member of our "buddy" system. Thank you.

DAVID MCGETTIGAN

BUDGET REVIEW COMMITTEE...REVAL – IT'S IN THE MAIL

Beginning November 14, 2007, Ocean City property owners will begin receiving their new assessment. Therefore, we are writing this article to alert you that you should be very concerned about your new assessment and be prepared to appeal it if necessary.

The timing for announcing the new assessments is especially interesting given all the negatives that are still happening in the real estate market. On November 5, 2007, it was announced that the housing sales for the state of New Jersey through October 2007 was down 34% from the prior year. On November 6, 2007, two national builders recorded cancellations of sales contracts at the 40% and 60% levels for October 2007. The main reason for the cancellations is that purchasers were unable to secure loans. Business Week magazine, in its November 5, 2007, edition contained an article on communities throughout the county that have been revaluated based on the high point of market sales in 2005. Values, which were assessed at the market high have dropped significantly and are no longer valid. Those communities are now paying taxes based on higher values than their current market will support. Many property owners throughout America are now learning and utilizing their local appeals processes.

Why are we reporting this? Because we expect Ocean City's hybrid reval to also reflect pricing and values that are no longer valid because they are based on the high points of sales during the Ocean City boom market. The hybrid reval process covers only properties that sold since the last reval in 2003 and properties that were not reviewed during the 2003 reval. The current reval looked at approximately 4,000 properties versus the 23,000 that comprise Ocean City's housing units. Since the hybrid review of actual real estate is only about 17% of the total properties, you may want to know what properties were used as comparatives to your new assessment. Please remember, for reassessment in the

BUDGET REVIEW ... Continued

reval process, the assessor reviews sales activity over the three prior years. Based on the city's own data, 2005 was the peak year of the boom when 535 new units were added to the housing inventory. In 2006, a total of 288 units were added. As of September 30, 2007, only 101 units were added in 2007. The year to date figure through September 30, 2007, if simply extended out to end of year figures at its current rate means, at best, 135 new units for the entire year of 2007. This represents a seventy-five (75) % drop in new housing units from the peak of 2005. The “flippers”, “straw buyers” and developers who operated under the assumption of “if you build it, they will come” are now adversely impacted by the current market conditions. If you look around Ocean City you will see many partially started spec buildings that are sitting for many months with no advancement toward completion.

In an August 24, 2007, article in the Ocean City Gazette Weekend edition, the city's tax assessor indicated that the assessed value of Ocean City homes is currently fifty-nine (59) % of the sales price, versus the county usually requiring reassessment when assessed value falls below eighty-five (85) % of fair market value. The article did indicate there would be some adjustment for homes sold and reassessed during the height of the market.

If the fair market value is now fifty-nine (59) % of sales price, that means there is a very good chance after reval, Ocean City's ratable base will go from \$8.26 billion to about \$12 billion. That means the current penny in Ocean City tax rate that is worth \$826,000 dollars will be worth at least \$1.2 million in 2008. In other words, based on the current local tax rate of .465 for Ocean City, it would be .329 for equalization. The current total rate of \$1.00 for local, county, county open space, and school tax would be .709 for equalization. Based on this August 24, 2007 news article any rates higher than the above will be a tax increase.

We all need to be concerned. The city has not been careful with its cost containments. The 2007 budget had about a five (5) % average increase to employee wages over 2006. The city has spent over \$100,000 on outside consultants. The pace of salary and benefit increases continues to exceed the rate of increases in the cost of living. The list goes on and on.

Even more disconcerting is the attitude of Mayor Perillo regarding taxes. At the October 29, 2007 Town Meeting at City Hall, Mayor Perillo stated that Ocean City is the sixth (6) wealthiest community in New Jersey (based on ratables) and we have a very low tax rate. Somehow Mayor Perillo forgot that an Ocean City tax penny is currently worth \$826,000. The mayor even told the story of a friend who lives in Linwood who wondered what all the fuss is about in Ocean City regarding budgets. According to the mayor, his friend would be happy to have our tax rate. It seems that Mayor Perillo either does not know or does not care to know that for 2007 taxes it takes 14 ½ pennies in Linwood to equal one penny in our Ocean City tax rate. This is the type of thinking that leads to and perpetuates wasteful spending and results in larger and larger tax burdens on property owners. We are all in trouble when the government operates under the assumption that “you can afford it.”

Please look over your new assessments carefully and demand to know the comps used to reval your property. Please also visit the FIT website www.fairnessintaxes.com for information on how to appeal your assessment if you feel that the new assessment is incorrect.

The Ocean City 2008 budget process starts this month and all departments will provide their budget requests to the Mayor. Please let your Councilman and the Mayor know that you expect judicious and restrained spending and you want your elected officials to hold the line on property taxes.

EDUCATION REVIEW COMMITTEE

The Ocean City Board of Education has approved a new contract for administrators. The contract provides for a salary range of between \$75,000 to \$118,000 with the following raises:

2007-08 - \$4500

2008-11 - \$4250 each year

EDUCATION REVIEW COMMITTEE ...continued

Administrators will not be required to contribute to their health insurance; however, they will have the option to buy out of the plan.

The Ocean City School District will provide out-of-district schooling for 32 students this year at a cost of \$598,000 for tuition. Transportation costs are not yet available and are not included in this figure.

The current teachers' contract expires at the end of this school year. Fairness in Taxes is advocating that any increases in salary be based on merit, and not simply longevity. The school board refuses to divulge information on any future contract changes they may seek. Fairness in Taxes will continue to monitor the negotiations and press for a fair contract for all.

TAXPAYER PROTECTION INITIATIVE...

On September 26th in a case involving the City of Trenton, the New Jersey Supreme Court overruled the Cuprowski decision as it applied to public referendums. The Court adopted the plain language of N.J.S.A. 40:69A-185 providing voters of Faulkner Act municipalities the right to subject any ordinance to referendum unless exempted by State Statute. The Court is most likely to apply the same "plain language" rule to citizen initiatives as well. Although the Court did refer to local budget ordinances as being exempt from referendum, it clearly referred to annual budgets which are held in suspension for 20 days and not to budget cap laws which are effective in advance of any annual ordinance being passed.

We have always believed our case, decided on September 13, 2007 by the Appellate Division, met the standards for appeal to the New Jersey Supreme Court, both as an issue of substantial public importance, and having sufficient potential for impacting legal precedent. The reason we initially decided not to appeal after the Appellate Division's decision was because we were aware that the odds of even a good case being accepted by the Supreme Court for review were not in our favor. We did not wish to cause more taxpayer dollars to be spent by our local government in its fight against the taxpayers. However, the September 26, 2007 ruling by the N.J. Supreme Court in the Trenton case changes those odds.

Taking a case all the way to the top Court in the State is always an uphill struggle. We wish to thank our many supporters, both the thousand signatories of our petition and those who contributed generously to our legal fund. We will now, by this appeal to the N.J. Supreme Court, receive for all of you the final answer.

Taxpayers do not forget. All this could have been avoided if either of two things had happened: 1) the Knight Administration had allowed the question to be decided by the voters of Ocean City, or 2) the City Council had enacted the Taxpayer Protection Ordinance as did the municipality of Bogata, New Jersey. That ordinance has been successfully in effect for several years without incurring any of the "chaos" they are trying to scare you with.

POLICE ASSESSMENT...

The administration committed to an assessment of the Ocean City Police Department back in the Spring of 2007. It took awhile but the assessment is now underway. In order to keep you up to date we have identified some of the facts and figures that you should be aware of.

Below is a table of communities in the area that have a year-round population of 10,000 or above. We have also included Brick Township, because they have been recognized as one of the safest cities in the country with a police department of 1.6 police officers per 1,000, and excerpts from the FBI website.

POLICE ASSESSMENT continued

The population of Ocean City varies from approximately 8,000 to 10,000 in the winter to 110,000 during the summer months at which time our city police force of sixty-two (62) officers increases by approximately forty-five (45) to a total of approximately one hundred ten (110) police officers.

The average police per 1,000 population listed in the FBI website includes municipalities that have alcohol sales.

Please note: all of the following municipalities, except for Ocean City, have establishments that sell alcohol. It is very important to remember that there is a definite increase in the crime rate in communities where alcohol is sold, therefore, requiring more police staffing

<http://www.state.nj.us/lps/njsp/info/ucr2006/pdf/2006-sect-7.pdf>
Police per 1,000 Population

MUNICIPALITY	YEAR	2005 Estimated Population	Area in Square Mile	Character	Total Police Officers	Police per 1,000 Pop.	Sale of Alcoholic Beverages Yes/No
Lower Twp.	2006	21,442	27.8	Suburban	45	2.10	YES
Middle Twp.	2006	16,619	72.4	Rural Ctr	51	3.07	YES
Ocean City	2006	15,330	7	Suburban	62	4.04	NO
Upper Twp.	2006	11,696	65.7	Rural	0	0.00	YES
Brigantine	2006	12,861	6.39	Suburban	37	2.88	YES
Brick Twp	2006	78,474	26.4	Suburban	127	1.62	YES

The following table taken from the Department of Justice/FBI indicates the average police officer per 1000 is 1.9 for our Mid-Atlantic region.

www.fbi.gov/ucr/cius2006/data/table_71.html

REGION	Year	Group	Avg. Police per 1,000 Pop.
MIDDLE ATLANTIC	2006	Group V 10,000 to 24,999	1.9
		Group IV 25,000 to 49,999	2.0

The New Jersey State Police website estimates Ocean City population at 15,330 and the FBI website reports an average of 1.9 police officers per 1000 population in the Mid-Atlantic region. If we use these figures, can we justify 62 police officers? What do you think? Do the math. (15.3 x 1.9 = 30 police officers)

PLANNING AND ZONING REPORT

One of the commitments Sal Perillo made during his campaign for Mayor was to reform Ocean City's zoning ordinances which have allowed and even encouraged the spread of condos, duplexes and McMansions to the loss of neighborhoods, businesses and restaurants. To quote a question raised by Marc Shuster, PP, AICP, "We know it is the best thing for some, but is it the best for the rest of us?"

For the past year a subcommittee of the Planning Board has been drafting a revision to the Residential Zoning Ordinance. That subcommittee is chaired by Lloyd Hayes and consists of Gary Jessel, Patrick Gill and Alice Wolf. Its mission is "To maintain the characteristics of existing neighborhoods in Ocean City by establishing zoning standards that encourage compatible buildings rather than community-changing development. Specific aspects of this mission include: eliminating confusing and conflicting provisions; reducing bulk while maintaining the City's economic vitality; protecting homeowners' property rights. In addition, architectural design innovation should be promoted to the extent that it provides diversity and contributes to the overall well-being of the citizenry."

The current version of the ordinance is posted at www.ocnj.us. Discussion of the Residential Ordinance is on the agenda for the full Planning Board meeting scheduled for November 28th at 7:30 p.m. in the Public Works Building @ 115 12th Street. At the prior meeting on October 24th Mayor Perrillo encouraged the Board to get an ordinance ready for presentation to Council. The Board discussed getting an incomplete ordinance ready for Council because it is still gathering data.

Anyone interested in being notified of future Board or Council meetings at which the Residential Ordinance is on the agenda can contact Jim Tweed by email, phone or note to: jhtweed@hotmail.com, (609) 398-6411, or P.O. Box 565, Ocean City NJ 08226. You do not have to be a land law expert or architect to either attend or speak. But if you do care to protect Ocean City neighborhoods from further community-changing redevelopment now is NOT the time to be invisible. We can either have more of the kind of development, which has placed Ocean City further and further out of reach for families, retired folks, and even tourists, or we can act to protect "America's Greatest Family Resort" from becoming nothing more than "Investor's Paradise."

WEB SITE WWW.FAIRNESSINTAXES.COM

The web site for Fairness In Taxes is now up and running thanks to the hard work of one of our members, Jim Rudolf.

Improvements will continue to be made as we work to update the site. Your input is important to us and is most welcome. Please check us out @ www.fairnessintaxes.com.

We have also been successful in linking our web site with the Ocean City Library web site <http://www.oceancitylibrary.org> under Clubs and Organizations.

We can be linked from the Ocean City web site www.ocnj.us by clicking Resident and we are listed under Community Based Groups.

VOLUNTEERS NEEDED

As mentioned previously by our President, David McGettigan, your help is needed. We continue to work very hard and you could be of great assistance to us.

There are many opportunities for your involvement. Attend a school board, planning, zoning and /or a council meeting. Help with our newsletter. Join our Board!! Fact-finding! Get involved. There is a lot going on in the city and YOU are vital to our continued success.

Attend our meetings. We meet every First Friday in the winter @ 2PM in the Headley Room of the Ocean City Library. Please join us!!!

PROPERTIES REASSESSMENTS AND APPEALS

The City of Ocean City has contracted with Vital Communications, Inc. of Trenton NJ, to perform a complete reassessment of all real property within Ocean City, N.J. (based on the inspection of 4,250 properties.) All employees of Vital Communications, Inc have a photo identification badge and letter of introduction signed by Ocean City officials.

The reassessment program results in the estimation of the fair market value of all of the properties in Ocean City. The sole purpose is to estimate a fair market value of each property, thereby equitably distributing real estate taxes.

The estimate of the current fair market value of all property will be as of October 1, 2007, and will become the tax assessment for the 2008 tax year. In accordance with New Jersey State guidelines, only certain properties will be inspected for this reassessment, however, all properties in the City will be reassessed. If a property meets inspection criteria, a separate notice is mailed to individual property owners in the City, prior to a field representative visiting their neighborhood, to allow access to the property for the inspection of the interior.

Note, as indicated in the budget review report, that the reassessments need to be scrutinized by the property owners and below is the process for appeal.

Property inspections will continue through the fall of 2007. Vital Communications, Inc will mail to each taxpayer, a notice advising them of their new assessed value. That notice will also explain how to arrange for a personal informal review to discuss the proposed assessment. Information regarding the reassessment will be posted on the Ocean City website, www.ocnj.us and click "resident" for more information.

Ocean City property taxpayers who decide to formally appeal the new property assessment can appeal to the Cape May County Board of Taxation. An appeal must be received (not postmarked) by the County Board of Taxation on or before April 1, 2008 or 45 days from the date the bulk mailing of Notification of Assessment is completed, whichever is later. A taxpayer will have 45 days to file an appeal upon issuance of Notification of Change of Assessment.

Should the assessor fail for any reason to mail or deliver a Notification of Assessment or a Notice of Change of Assessment, the Cape May County Board of Taxation may, upon the written application of the taxpayer and with the approval of the Director of the Division of Taxation, grant a reasonable extension of time to file an appeal. Interested taxpayers should contact the Cape May County Board of Taxation regarding appeal-filing procedures, filing fees, representation, etc. at 609-465-1030.

FAIRNESS IN TAXES

P.O. Box 565

Ocean City, NJ 08226-0565

FAIRNESS IN TAXES

Is organized for the purpose of serving the taxpayers and residents of Ocean City, NJ as an advisory and fact finding group in areas such as city budget, school board budget, taxes and other related civic activity in the interests of owners of real estate in Ocean City.

Hotline 609 398-6411

Email www.fairnessintaxes.com

Please notify us of any address changes

FAIRNESS IN TAXES WEBSITE IS UP AND RUNNING

www.fairnessintaxes.com

CHECK FOR UPDATED INFORMATION!!

A list of phone numbers of Council Members and the Mayor is as follows: (area code 609)

1st Ward	Jody Alessandrine	42 West Avenue	391-8598
At-Large	Scott Ping	5415 Haven Avenue	399-0413
At-Large	Michael Allegretto	1423 Simpson Avenue	432-8739
2nd Ward	Gregory Johnson	403 Haven Avenue	457-4764
Mayor	Sal Perillo	8 Brittany Drive	703-7675
At-Large	Keith Hartzell	720 Asbury Avenue, Apt. 3	399-5324
3rd Ward	Jack Thomas	16 Grenada Lane	399-9586
4th Ward	Roy Wagner	2824 Wesley Avenue	399-4429

Regular council meetings are held the 2nd & 4th Thursday of every month @ 7PM in Council Chambers @ City Hall.