

OC Council Hopefuls Agree Keeping Tax Rate Down A Priority

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OCEAN CITY – With at least 100 attendees at the AARP forum at the Elks Lodge in North Ocean City on Tuesday night, it was a common belief the attendance foreshadows what will be a large turnout on election day.

Council candidates in attendance were incumbent Doug Cymek, former City Manager Dennis Dare, Sean Rox, Bob Baker, John Adkins, incumbents Jim Hall, Mary Knight and Joe Hall and former two-term Councilman Joe Mitrecic, and for mayor were incumbent Rick Meehan and Nick Campagnoli. Council candidate Phillip Sayan was not in attendance.

The Daily Times Executive Editor Greg Bassett moderated the forum, giving the questions and the candidates went down the line to answer.

In response to a question regarding a recent 5-percent decrease in the property tax rate and what the candidates would look to do in the future to increase and/or decrease expenses, Council President Jim Hall looked back to when the economy turned south and said it was the “conservative members” who made the call to “close the checkbook and that’s when attitudes started.”

“You can blame us and say it’s what we did for two years [actions made by the majority of the current council] but we’re working for you and we are watching your money ... and that is what happened. We closed the checkbook, we got an angry administration, and they got the employees angry,” he said.

Mitrecic, who lost his seat in 2010, remembered the beginning of the recession differently.

“I was actually council president when we cut \$6 million out of the budget,” he said. “It is the council today that enjoyed a \$600,000 residual from that. So as far as making cuts I think I know how to look at a budget, I know how to makes cuts, I know where to take from without taking away the services to the town residents away.”

When asked a question regarding the need to repair certain city infrastructure, such as the storm water system and canals, Councilman Joe Hall recalled how infrastructure needs are continuously put on hold, and this year when Public Works Director Hal Adkins presented a growing list of \$14 million in

infrastructure improvements the council decided to put those needs on the back burner again in the last budget session.

“We did zero with the line item on capital improvements, no roadways paved, nothing,” he said.

Councilwoman Mary Knight’s memory differed from Joe Hall. Knight, who has served six years on the council, agreed infrastructure has been put on the back burner as a means to keep spending down.

“The reason being was you all,” she said. “We did not want to raise taxes. We were in a recessionary period. We were in our second year of real estate going down. So we didn’t want to hurt you.”

Jim Hall also said the infrastructure improvements were being done, including paving the streets and repairing storm water drains, but it couldn’t have been done without the cuts that have been made.

“We have a great, great huge plan for infrastructure and the reason we can do it now is we have 100 less employees to pay ... that is a lot of payroll, that is a lot of benefits, that is a lot of pension money, that is a lot of pick-up trucks, and that is where the money is coming from, and that is why we couldn’t do it before ... we have to cut back and if not you’re going to have to leave here because you won’t be able to live here,” he said.

Meehan took the opportunity to take a look at history as well. First, he said the reductions made were done between 2008, including the hiring freeze and reduction in the city work force.

“Before this current administration was even elected, that is when the savings took place and we have been able to receive the residual benefit from that,” he said. “We were able to build up our fund balance because of those savings and then begin to re-allocate some of those funds to infrastructure to put \$2 million into street repairs for this past year ... now, actions by the current council to reduce fund balance have jeopardized that for future years.”

Cymek agreed that cost saving measures were occurring in 2008 before the current council took place. He recalled that was the year he was elected to join the city council and remembered it was then City Manager Dennis Dare who asked the city employees for suggestions on how to reduce costs.

“There were over 200 suggestions that came forward that aided in coming up with about \$5.5 million if I remember, those are the true savings,” he said. “I find it rather ironic that we have a council president [Jim Hall] that has dealt with 24 budgets and another gentleman down at the other end [Joe Hall] that has dealt with eight, and who has been part of the problem and now all of a sudden here we are at election time and ‘it’s not my fault’.”

A question from the audience came forward as the forum was coming to a close sending most of the candidates into agreement and that was, “what is the most important issue facing Ocean City in the next two to three years?”

Mitrecic pointed out that Ocean City is in its second year of a three-year assessment with another three-year assessment to follow.

"I don't look for that assessment to jump dramatically," he said. "I think the town of Ocean City, the council, is going to struggle in the next five years with the budget, and it is going to need to be innovative to look for new issues and things we can do to save the taxpayers money so we don't raise taxes."

Knight agreed with Mitrecic that the most important issue will be the assessment and also felt that there will be no increase. She also agreed with the mayor in that the council and administration will have to start looking to other revenue streams.

Cymek said taxes are at the top of the list of the most important priority in Ocean City and the city should again ask the employees for suggestion on how to make further cuts.

Joe Hall said the most important issue to focus on is keeping the taxpayers savings account balanced.

Dare acknowledged the fact that the taxpayers have heard the promise to lower tax rates but it isn't that easy.

"I did work for two years [as city manager] constantly trying to reduce the expenditures and we reduced them by about \$6 million," he said. "We came up with retirement incentives for the employees, we froze the jobs, and we re-organized departments...that are what we need to continue to do."

Adkins agreed the town should strive to keep tax rates the same or lower while building the reserve fund.

"You have to learn to save money because you have to have a rainy day fund and you have to keep the taxes as low as possible to get people to stay here," he said.

Baker said the most important issue is expense management.

"We have to look to the future, we have to manage expenses," he said. "So how we do that going forth for us, or anybody else, is clearly the number one priority."

Campagnoli said other than taxes Ocean City needs to become more tourist friendly and less expensive in accommodations.

On top of taxes being an issue, Rox said smoking on the beach is another problem to be addressed in Ocean City protecting its beaches and promoting family friendly tourism.

"We should look to our neighbors in the north, Bethany Beach, and see how it [smoke-free beaches] has worked for them, their economy is prospering," he said. "That is going to be the main thing I want to see accomplished in the next couple of years."
