

*State of the City Address

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Mayor Jay A. Gillian

Feb. 23, 2017

Good evening. I want to start by thanking Council for working with the administration again this year for the benefit of our taxpayers. We've accomplished a lot together.

This year, I will focus on what people tell me matters the most: Getting projects done, protecting taxpayers and preserving the Ocean City we all know and love. A full version of this State of the City will be available online and distributed to the media.

I've held eight different town hall meetings in the past year. Every day, the city receives letters and emails and calls. And we hear it every time City Council meets. People want one thing: For us to fix the city's streets, waterways and facilities. We still have a lot of work ahead, but I'm proud of what we've accomplished.

- **ROADS AND DRAINAGE:** We're about to put shovels in the ground to start the second major pumping station project in our effort to bring relief to neighborhoods. The work will add four new stations to help remediate flooding between 26th Street and 34th Street. I'm confident this work will help both this and surrounding areas. We recently finished paving and drainage projects throughout town, including 2016 projects in the north end, in the area of 14th Street to 16th Street along the bay, and at 46th Street, to name a few. Next in line will be the pump station project for the north end. I plan to provide an update on this redesigned project next month. Another \$40.3 million worth of road and drainage work on streets on every part of the island is planned for the next five years. We fast-tracked work on the city's bulkheads to make sure all drainage efforts are effective.
- **BOARDWALK:** Work to completely rebuild the boardwalk between 8th Street and 10th Street is ahead of schedule. The full length is now open to pedestrians and bikers. Crews are still working on ramps, street ends and pavilions.
- **BEACH:** All of Ocean City is now on a regular cycle for Army Corps of Engineers beach replenishment projects. They're due to pump again in 2018, and we've had positive talks about the possibility of starting an additional north end project as early as this fall.
- **BAY:** Lagoon and back bay dredging continue to move forward with the emptying of "Site 83." Projects at Snug Harbor, Glen Cove and South Harbor are complete. A team from ACT Engineering and the city continues to seek long-term solutions. We're meeting with local, state and federal officials who recognize our leadership role in this important area.
- **NINTH STREET:** The city was able to acquire an abandoned gas station at the gateway to the city, and a county grant will pay for it. We're in negotiations to purchase a second gas station next door. Our goal is to have this area preserved as open space by Memorial Day.
- **CAREY STADIUM:** The new artificial turf field at Carey Stadium is complete. The facility already is home to a number of different Ocean City High School teams and the Nor'easters soccer club. It promises to be a great community resource for special events.
- **29TH STREET FIREHOUSE:** The firehouse at 29th Street is taking shape, and firefighters should be moved into the new building by summer. I'd like to thank the community for their patience and the firefighters for maintaining their exceptional record of service and response times during the work. Those are just some highlights. Work is going on everywhere.
- **UTILITY WORK:** I'd also like to thank the city team and our utility companies for working together on substantial investments to improve service in Ocean City.

These projects have taken advantage of more than \$11 million in grants. That doesn't include more than \$6 million in FEMA reimbursements for Sandy damage or almost \$50 million worth of federal beach replenishment funds over the past few years. We've been able to take advantage of Ocean City's exceptional AA bond rating to get extremely low interest rates on this work.

But none of the work is free. Debt service and downpayments on new projects will account for about half of a \$4 million operating budget increase this year. The other big factor will be an increase of about \$1.1 million in health insurance costs that is out of our control.

The owner of a \$500,000 home can expect to pay about an extra \$143 in taxes this year under a proposed 2.85 cent tax increase. That is about \$36 per quarter.

Finance Director Frank Donato will explain more in his budget presentation on March 9. For the extraordinary amount of work that is getting done, I believe the budget is responsible. I never like to see taxes go up by even a cent. But this is work that has to be done.

Some other highlights I'd like to mention:

- The city received another perfectly clean audit this year. Ocean City has not received a single finding during my administration.
- For our flood remediation efforts, we achieved Class 5 in the National Flood Insurance Program's Community Rating System (CRS). That means all policy holders in Ocean City now receive an extra 5 percent discount on their flood insurance. Policy holders here now get a 25 percent discount and collectively save more than \$2.8 million every year. In order to achieve these savings, new rules require homes to be built at higher elevations. That's what Ocean City and all other seashore communities will look like in a post-Sandy world. Community members and business owners with expertise in different fields are part of a Floodplain Management Committee. The group, which now meets monthly, is looking for ways to help all owners protect their properties from flooding.
- Ocean City recently received Blue Star Certification from Clean Ocean Action for our efforts to improve water quality.
- The city received Gold Level Recognition from the state's Safe Routes to School Program.
- We earned the highest Silver Certification in the state's Sustainable Jersey program.
- These honors are in addition to the many recognitions we've received as a tourist destination. Ocean City got more than 100,000 votes in a Coastal Living online poll that named us "Best Beach in America."

Thank you all. I'm looking forward to another productive year in Ocean City, and I'm confident that we've put together an exceptional city team that will bring energy, creativity and dedication to the job. And I look forward to working with City Council on this budget and on all our 2017 plans to benefit Ocean City taxpayers.
