

COUNCIL MINUTES – February 20, 2013

The regular meeting of the Township Council of the Township of Lower, County of Cape May, State of New Jersey was held on February 20, 2013 at 6:00 p.m. in the meeting room of the Township Hall, 2600 Bayshore Road, Villas, New Jersey.

The Clerk announced that the meeting was being held in compliance with the Open Public Meetings Act and that adequate notice of the meeting had been provided according to law.

The following members of Council were present for roll call taken by the Clerk:

Councilmember Thomas Conrad
Councilmember James Neville
Councilmember Glenn Douglass
Deputy Mayor Norris Clark
Mayor Michael Beck

Also present: Charles W. Sandman, III, Solicitor, Michael Voll, Manager and Karen Fournier, Clerk's Office

Work Session

Budget Message - Manager Michael Voll

Manager's Annual Budget Message and 2013 Budget Introduction attached.

Manager Voll introduced Leon Costello, Municipal Auditor for Lower Township.

Mr. Costello announced that this is a legal budget that complies with all the state caps. The main factor contributing to the increase is lack of revenue, not an expenditure problem, pointing out that the Township is actually \$1,711,000 under what we can spend. Increases are rampant state wide, not just in Lower Township. Mr. Costello does not anticipate state revenue shortfalls to have an impact on state aid, however, the budget includes a state aid amount of \$1,563,000. Any amendments to the budget can be made on April 1st at the public hearing.

Manager Voll commended Township CFO, Lauren Read, for her diligent work with the budget. He affirmed that this is an adjustment year for the promise of the future.

Councilmember Conrad offered his gratitude to Lauren for her hard work and late hours working on the budget.

Councilmember Neville also thanked Lauren for her hard work.

Councilmember Douglass commended Lauren Read, Manager Voll and all Department Heads for working together to develop a good solid budget for the Township.

Deputy Mayor Clark simply stated "ditto".

Mayor Beck pointed out that Lower Township has the 3rd lowest average tax bill of the 16 municipalities on the New Jersey State Website; the 2 lowest being Woodbine and Dennis Township, neither of which have a police department. In addition, he substantiated other contributing factors to the budget and thanked Leon for his efforts.

Consent Agenda

Approval of Minutes	February 4, 2013
Res. #2013-71	Payment of Vouchers \$ \$1,633,594.78
Res. #2013-72	Recycling Tonnage Grant Resolution (annual resolution)
Res. #2013-73	Recycling Tonnage Grant Certification of Taxes Paid (annual resolution)
Res. #2013-74	Introduction of 2013 Budget
Res. #2013-75	A Resolution Confirming Citizen Appointments to the Special Economic Advisory Committee

Res. #2013-76
 Res. #2013-77
 Res. #2013-80

A Resolution Confirming the Appointments to the Citizen's Advisory Board
 Resolution Approving An Outdoor Flea Market (Holy Spirit Lutheran Church)
 A Resolution Supporting Senator Jeff Van Drew's Effort to Slow the Rate Increase
 Process of the Biggert-Waters Legislation of 2012.

	MOTION	SECOND	AYE	NAY	ABSTAIN	ABSENT
CONRAD			X			
NEVILLE		X	X			
DOUGLASS	X		X			
CLARK			X			
BECK			X			

Regular Agenda

Res. #2013-78 Appointment to the Zoning Board of Adjustment (alternate member)
 Motion to nominate Erik Collins moved by Councilmember Conrad, seconded by
 Councilmember Neville.

	MOTION	SECOND	AYE	NAY	ABSTAIN	ABSENT
CONRAD	X		X			
NEVILLE		X	X			
DOUGLASS			X			
CLARK			X			
BECK			X			

Res. #2013-79 Contract Award for Broker of Record for Health Insurance
 Deputy Mayor Clark informed that the Township pays over \$3,000,000 in health care costs per year. In an effort to save money on health care, he and Councilmember Douglass headed up a team to examine different brokers and negotiate a contract. After extensive meetings with both Marsh and McLennan and J. Byrne Agency, he has recommended to Council that the contract be awarded to Marsh & McLennan. Mayor Beck stated that this is the first time that healthcare has been examined to this extent. He appreciates the work of both the employees and the Council members that were involved in this lengthy process.

Motion to appoint Marsh & McLennan moved by Deputy Mayor Clark, seconded by Councilmember Conrad.

	MOTION	SECOND	AYE	NAY	ABSTAIN	ABSENT
CONRAD		X	X			
NEVILLE			X			
DOUGLASS			X			
CLARK	X		X			
BECK			X			

Ord. #2013-01 An Ordinance Amending Chapter 90, Article I through III of the Code of the Township of Lower - 1975 As Amended (Restating the Establishment of the Police Department) 2nd reading and public hearing

	MOTION	SECOND	AYE	NAY	ABSTAIN	ABSENT
CONRAD	X		X			
NEVILLE		X	X			
DOUGLASS			X			
CLARK			X			
BECK			X			

Ord. #2013-02

An Ordinance Amending Chapter 1 of the Revised General Ordinances of the Township of Lower (setting forth mandatory penalties for non-traffic offenses) 2nd reading and public hearing

	MOTION	SECOND	AYE	NAY	ABSTAIN	ABSENT
CONRAD			X			
NEVILLE			X			
DOUGLASS	X		X			
CLARK		X	X			
BECK			X			

Ord. #2013-03

An Ordinance Amending Ordinance #2012-21 Entitled "Salary and Benefit Ordinance for the Township of Lower" (adding Engineer to Ordinance) 2nd reading and public hearing

	MOTION	SECOND	AYE	NAY	ABSTAIN	ABSENT
CONRAD		X	X			
NEVILLE			X			
DOUGLASS			X			
CLARK			X			
BECK	X		X			

Ord. #2013-04

An Ordinance Amending Chapter 570 of the Revised General Ordinances of the Township of Lower (setting forth rules and regulations for "scrapping" in the Township) 2nd reading and public hearing

	MOTION	SECOND	AYE	NAY	ABSTAIN	ABSENT
CONRAD			X			
NEVILLE		X	X			
DOUGLASS	X		X			
CLARK			X			
BECK			X			

Ord. #2013-05

An Ordinance Amending Chapter 600 of the Revised General Ordinances of the Township of Lower (sets forth rules, regulations and fees for rotary towing within the Township) 2nd reading and public hearing

	MOTION	SECOND	AYE	NAY	ABSTAIN	ABSENT
CONRAD	X		X			
NEVILLE			X			
DOUGLASS		X	X			
CLARK			X			
BECK			X			

Ord. #2013-06

An Ordinance to Exceed the Municipal Budget Appropriation Limits and to Establish A Cap Bank (annual ordinance) 2nd reading and public hearing

	MOTION	SECOND	AYE	NAY	ABSTAIN	ABSENT
CONRAD	X		X			
NEVILLE			X			
DOUGLASS			X			
CLARK		X	X			
BECK			X			

Administrative Reports

Personnel Action Report

Monthly Reports: Animal Control, Construction, Dog Licensing, Municipal Clerk, Municipal Court, Tax Collector, Treasurer, Vital Statistics

Council Comments

Councilmember Conrad offered best wishes to the new committees. He thanked the Employees, Manager, Treasurer and Clerk for their hard work. He also congratulated Karen Fournier for passing the CMR exam. Councilmember Neville summarized the situation involving FEMA and reassured that Council is working hard to get answers.

Councilmember Douglass thanked the committee members for their willingness to help their community and encouraged anyone still interested to apply. He also offered an alternative approach to spout off; for the public to contact a Councilmember or Township Manager to address issues within the Township. Deputy Mayor Clark, having recently attended the memorial service for David Douglass, reflected on the subject of sacrifice and commended Mayor Beck and Manager Voll for their compassion for our police officers. He also agreed with Councilmember Douglass about reaching out to Council for help as opposed to publishing their complaints in the paper. He thanked the many who stepped forward to help with economic development and announced the names of the committee members. He thanked Eileen, our camera person, and all who watch our meetings from afar.

Call to the Public

Fred Long of Cold Spring addressed Council to inquire about the budget being put onto the website. Mayor Beck replied that it will be posted on the website tomorrow morning.

Rob Marino, 13 Beach Ave, addressed Council regarding reconstruction to Beach Ave. He reiterated that the situation hasn't changed. He and several other homeowners on Beach Ave have lost large percentages of their properties. All they are requesting is a machine on the beach to move sand back where it belongs. The only thing DEP has offered is an emergency snow fence permit and a long list of things they cannot do. Is there anything that Council can do to help their situation?

Manager Voll stated that the Township's hands are tied.

Steve Sheftz of Town Bank addressed Council to extend his congratulations to Mr. Douglass on his appointment to Cape Regional. Mayor Beck also agreed congratulations were in order. Mr. Sheftz went on to say that Cape May has been making an issue regarding the amount of money they pay for Regional School Taxes. He stated that Lower Township is the third poorest community in the county and Cape May is the third richest. Cape May's population is high, but made up of wealthy people who live elsewhere. Mayor Beck wondered if there would be an appeal now if their school population had tripled during those intervening years, or if they would congratulate each other on the bargain they got. Mayor Beck, at the advice of our Solicitor, would not make any further comments concerning this issue.

Kevin Maloney, 644 Sunset Boulevard, who represents the Cape May Maritime Museum and Education Center, briefed Council on the museums status. They met with representatives of the DEP who signed an application permitting them to reconstruct the 1876 Lifesaving Station. The application will move forward to Trenton for final approval. They had an open house where 14 members of the community volunteered to build boats. The Maritime Museum is proposing to purchase a Scottish Skiff that will be used for a youth outreach boat building program where the high school will provide instructors and apprentices. Mr. Maloney also said that the museum is continuing to work on publishing their book. He then advised Council that the application that was submitted to the United States Department of the Interior for the Brandywine Lighthouse was awarded to Brandywine Shoal Lighthouse, Inc. The Maritime Museum has 15 days to petition for review. Mr. Maloney thanked Council and all the members of the Community for their continued support. Mayor Beck thanked him for the energy and exuberance he brings Council. Norris Clark encouraged Mr. Maloney to ask for the review to understand how the United States Department of the

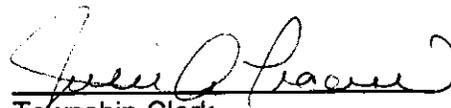
Interior made their decision and to make sure they understood the application. Norris Clark also recommended looking into county open space funding for the Lifesaving Station.

Adjournment

There being no further comment, motion to adjourn moved by Councilmember Douglass, seconded by Councilmember Conrad. Meeting adjourned at 7:05 p.m. by verbal "ayes".



Mayor



Township Clerk

Approved: 3-4-13

Manager's Annual Budget Message

2013 Budget Introduction-February 20, 2013

Council has received a copy of the proposed municipal budget for the year 2013. The total budget is \$25,951,022.76 from \$24,535,193.19 in 2012. Due to several contributing factors there will be a 2.9 cent tax increase. This means a property assessed at \$100,000 will have a \$29 increase for the year or \$7.25 per quarter.

The majority of this budget increase is due to the economy and several sources:

75% of the tax increase is a direct result of an increased amount of unpaid 2012 taxes as well as successful tax appeals that reduced our total assessed valuation by over \$23M. Due to these factors, our tax collection rate decreased from 97.86% in 2011 to 97.21% in 2012. The decreased tax collection rate and revenues affected both our Surplus and the Reserve for Uncollected Taxes:

- Anticipated Surplus decreased by \$440,000.00 [20.77%]
- Reserve for Uncollected Taxes increased by \$384,976.96 [20.83%] -we must pay the County, Schools, and Fire Districts 100% even though we collected 97.21%
- Salary and wages increased by \$222,641.81 [2.31%]-new contracts, will level out over future years

This budget also anticipates increased revenues of:

- Local revenues [7.37%]
- Delinquent tax revenues [6.28%]
- State & Federal Grants (\$600,000 Small Cities grant award)

There has been a tax increase of one penny since 2009. Council has brought new union contracts into the current economic times in the Township. Our full time employment has been reduced from 144 in 2008 to 129 currently. New negotiated Union Contracts have been reduced substantially to reflect the current economy. Police Officers were starting at \$47,000., with a 7 step guide to reach their top salary. Under the new contract, Police Officer starts at \$33,000., with an 18 step guide before reaching top salary. Public Works employees went from a starting salary of \$42,000. to a new starting salary of \$30,000. Under the new contracts, employees must contribute towards their health insurance coverage. There is no more

longevity for new employees and current employees that maxed out at 10% after 25 years of service. "These new contracts will reflect a substantial savings in the future years, at the same time providing all the services that the Township currently provides." An additional Police Officer has been hired to bring our full time sworn officers to 41, with 12 class 2 officers.

Council has authorized and hired a full time Engineer that will produce a large savings in our engineering cost. The engineer will serve the Planning and Zoning Boards, deal with drainage issues, oversee any and all road and construction projects, meet with new developers to expedite approval process, and to provide inspections on all municipal work.

The Public Hearing is scheduled for April 1st, 2013 at 6pm. A budget summary will be attached and published in the Cape May Star and Wave. Copies will be available on the Township web site as well in the Clerk's office at Township Hall.

TOWNSHIP OF LOWER 2013 BUDGET

COMPARISON OF REVENUES & APPROPRIATIONS

	2013		2012		CHANGE	%
	BUDGET YEAR	PRIOR YEAR	BUDGET YEAR	PRIOR YEAR		
REVENUES						
Surplus	1,678,000.00	2,118,000.00	(440,000.00)		-20.77%	
Local	1,703,029.00	1,566,085.00	116,944.00		7.37%	
State Aid	1,563,228.00	1,563,228.00	0.00		0.00%	
State & Federal Grants	684,097.64	95,822.03	588,275.61		613.93%	
Delinquent Tax	1,100,000.00	1,035,000.00	65,000.00		6.28%	
Local Purpose Tax	19,222,668.12	18,137,058.16	1,085,609.96		5.99%	
TOTAL REVENUE	<u>25,951,022.76</u>	<u>24,535,193.19</u>	<u>1,415,829.57</u>			
APPROPRIATIONS						
Salaries & Wages	9,854,692.96	9,632,051.15	222,641.81		2.31%	
Other Expenses	7,861,831.04	7,742,588.85	119,242.19		1.54%	
Statutory & Deferred Charges	2,506,215.00	2,474,050.00	32,165.00		1.30%	
State & Federal Grants	700,114.64	112,361.03	587,753.61		523.09%	
Capital (without grants)	95,000.00	95,000.00	0.00		0.00%	
Debt Service	2,700,000.00	2,630,950.00	69,050.00		2.62%	
Reserve for Uncollected Taxes	2,233,169.12	1,848,192.16	384,976.96		20.83%	
TOTAL APPROPRIATIONS	<u>25,951,022.76</u>	<u>24,535,193.19</u>	<u>1,415,829.57</u>			

CONDITION OF SURPLUS

	BUDGET		PRIOR YEAR		CHANGE
	YEAR	PRIOR YEAR	YEAR	PRIOR YEAR	
Available	2,618,395.50	3,052,206.37	(433,810.87)		
Used to Fund Balance	1,678,000.00	2,118,000.00	(440,000.00)		
Remaining Balance	<u>940,395.50</u>	<u>934,206.37</u>	<u>6,189.13</u>		

LOCAL TAX LEVY AND ASSESSED VALUES

	2012		2011		CHANGE	%
	BUDGET YEAR	PRIOR YEAR	BUDGET YEAR	PRIOR YEAR		
Local Purpose Tax Levy (only)	19,222,668.12	18,137,058.16	1,085,609.96		5.99%	
Local Tax Rate (note)	0.472	0.443	0.029		6.55%	
Assessed Valuation	4,072,017,134	4,095,467,792	(23,450,658)		-0.57%	

STATUS OF SPENDING "CAPS"

	CAP at 2%	CAP COLA	2% LEVY CAP
CAP Base from Prior Year	19,353,215.00	19,353,215.00	19,222,668.12
Rate Applied	2.00%	3.50%	19,222,668.12
Allowable CAP	19,740,279.30	20,030,577.53	0.00
Additions:			
See 3b	1,393,055.15	1,393,055.15	
Other	21,133,334.45	21,423,632.68	
Total CAP Allowable	<u>19,712,154.45</u>	<u>19,712,154.45</u>	
Budget Expenditures Sheet 19	1,421,180.00	1,711,478.23	
Remaining or (Excess)	<u>1,711,478.23</u>	<u>1,711,478.23</u>	

Must be zero or () to introduce budget.

% OF TAX COLLECTION

	CURRENT	PRIOR
Actual Percentage of Collection	97.21%	97.86%
Used to Reserve for Taxes	96.21%	96.81%
Remaining	<u>1.00%</u>	<u>1.05%</u>