

COUNCIL MEETING MINUTES – February 18, 2015

The meeting of the Township Council of the Township of Lower, County of Cape May, State of New Jersey was held on February 18, 2015 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 David Perry

Deputy Mayor Clark

Mayor Michael Beck

Also present: James Ridgway, Township Manager, David Stefankiewicz, Township Solicitor and Karen Fournier, Clerk's Office

Work Session

Budget Message - Manager James Ridgway

Manager Ridgway presented the annual budget message, introducing the 2015 proposed municipal budget. He disclosed a 2.5 cent tax increase due to several factors including: a decrease in surplus, loss of revenue, the addition of four police officers, an increase in health insurance costs, funding of the annual July 4th celebration, terminal leave payments, and pension and payroll tax increases. For more detailed information, see attached budget message. Copies of the budget will be available on the Township website as well as in the Clerk's Office at Township Hall. He announced the public hearing, scheduled for April 20th at 6:00 p.m. and he introduced Auditor Michael Garcia of Ford-Scott & Associates.

Introduction of 2015 Budget – Mike Garcia

Michael Garcia of Ford-Scott & Associates introduced the budget with a 2.5 cent tax increase. He reminded that the introduction is the beginning of the process. Council can make changes to this budget between now and the public hearing. This budget is in compliance with all State requirements, including: the March 13th deadline, the 3.5 percent spending cap and the 2 percent tax levy cap. This budget is \$828,000 below the 3.5 percent spending cap and is right at the 2 percent tax levy cap. The budget hearing is scheduled for April 20, 2015.

Councilmember Conrad reminded that this is the introduction of the budget and indicated that he doubts that the budget will result in a 2.5 cent tax increase.

Councilmember Perry assured that this budget will be examined thoroughly and he restated the idea of shared services.

Deputy Mayor Clark reemphasized the importance of shared services. He also asked for clarification from Manager Ridgway on the increase of police officers. Manager Ridgway gave an explanation to include four additional officers. Discussion ensued between Councilmember Conrad and Mayor Beck regarding the intention to replace two retiring officers.

Mayor Beck thanked the Auditor and CFO for their work on the budget, and Susan Jackson, Township Tax Collector, for the collection rate. He expressed concern about the budget and saving money where possible.

Deputy Mayor Clark informed that this budget fully funds our annual July 4th celebration. He thanked the Friends of Lower Township for generously supporting these efforts in the past.

Mayor Beck spoke briefly about the tax collection rate and how it affects the surplus.

Discussion - Meeting Time Change – Councilman David Perry

Councilmember Perry addressed the desire of many constituents in Ward 2 to change the meeting time to 7:00 p.m.

Councilmember Conrad communicated both supporting and opposing views from constituents in Ward 1.

Deputy Mayor Clark suggested that our public information officer take a poll to get a feel for how many people would promise to come if the time were changed to 7:00 p.m.

Mayor Beck voiced consideration for staff and residents. Discussion ensued. Council consented to take a poll and revisit the issue at a future Council meeting. Council agreed to keep the budget meeting at 6:00 p.m. for advertising purposes.

Consent Agenda

Mayor Beck questioned an item on the bill list concerning legal advertisement fees. Clerk Picard replied that the charges are for advertisement of Planning and Zoning's Open Public Meetings Act requirement in the Gazette. Councilmember Conrad agreed that Council may need to explore a different option.

Ed Butler, Villas, expressed concern about a 2.5 cent tax increase. He challenged each council member to look for a way to avoid the increase. Mayor Beck commented about the local purpose tax.

Helen Thompson addressed Council to voice concern about the cost of police hires with a declining population.

Tom Frisoli, Villas, addressed Council with a question about the senior tax freeze program. Mayor Beck suggested he check with the tax collector.

Mr. Butler gave clarification about the tax freeze.

- Approval of Minutes February 2, 2015
- Res. #2015-67 Payment of Vouchers \$264,358.32
- Res. #2015-68 Authorizing Payment of 2015 County Taxes (First and Second Quarters) and Animal Control Fees
- Res. #2015-69 Resolution Approving the Extension of Liquor License to Co-Executors (Driftwood Cove)
- Res. #2015-70 Authorization for Refund of Taxes (2 properties \$1,351.16)
- Res. #2015-71 Award of Extraordinary Unspecified Service Contract Without Public Bidding for Stewart Farrell of the Richard Stockton College of New Jersey Coastal Research Center (\$4,297.28 FEMA Maps/Mtgs)
- Res. #2015-72 Authorization for the Payout of Accumulated Sick Time (2 officers \$2,898.40)
- Res. #2015-73 Appointment of UHY Employee Benefits Consulting Service for Actuarial Consulting Services Required by the Local Finance Board without Public Bidding (GASB as required by NJ LFN 2007-158 \$4,500))
- Res. #2015-74 A Resolution Approving Additional Services to be Performed by Hatch Mott MacDonald regarding the Reconstruction of Clubhouse Drive (not to exceed \$6,000)
- Res. #2015-75 Resolution Introducing Budget

	MOTION	SECOND	AYE	NAY	ABSTAIN	ABSENT
CONRAD			X			
PERRY	X		X			
SIMONSEN						X
CLARK		X	X			
BECK			X			

Regular Agenda

- Res. #2015-76 Authorization for the Payout of Accumulated Compensatory Time (M. Perry \$8,684.13)

	MOTION	SECOND	AYE	NAY	ABSTAIN	ABSENT
CONRAD	X		X			
PERRY					X	
SIMONSEN						X
CLARK		X	X			
BECK			X			

Administrative Reports

Monthly reports - Clerk, Construction, Dog, Police, Tax, Vital Statistics

Council Comments

Councilmember Conrad commented about the weather and plowing the roads, emphasizing the number of streets in the township. He also commended the citizens for acting courteously during the power outage.

Councilmember Perry commended the Public Works Department on a job well done plowing the roads.

Deputy Mayor Clark spoke about issues with County Road #607 and asked for Council's support soliciting help from the County. After a brief discussion, Council consented to send a letter to the County listing all current issues with county roads.

Deputy Mayor Clark also addressed concerns from residents about increased taxes and insurance costs. He announced information about the FEMA meeting and informed of conversations with Senator VanDrew in the interest of shore protection.

Mayor Beck announced a free breakfast for veterans from the Lower Township Rotary Club. Councilmember Conrad reminded of the Run for the Fallen benefit at the Bayview.

Call to Public

Brian O'Connor, Chairman of the LTMUA, read the 2014 LTMUA report verbatim. The theme of the report was a year of outstanding performance and progress, despite an atmosphere of uncertainty. COPY ATTACHED

Steve Sheftz, Townbank, pointed out the sacrifice made by the LTMUA Chairman. He talked about the eight operating philosophies shared by the LTMUA board and LTMUA employees that he credits for their success.

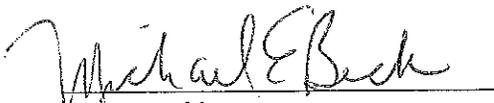
John Skowronski, 607 Arctic Avenue, reiterated Mr. Butler's concerns about the budget. He pleaded with Council to work on a zero tax increase.

Helen Thompson, 44 E Delaware Parkway, shared a temperature and relative humidity chart from NOAA National Weather Service and voiced concerns about the animal ordinance. She requested that Council change the ordinance to be more temperature specific regarding extreme weather.

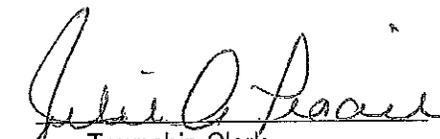
Solicitor Stefankiewicz communicated the temperature range he is proposing, along with other provisions he is prepared to recommend. He also informed that Manager Ridgway has been working diligently on this matter. Ms. Thompson also voiced concerns about the tether ordinance. Solicitor Stefankiewicz assured that changes to tethering have been included in the proposed recommendations.

Adjournment

There being no further business to address, motion to adjourn moved by Councilmember Conrad, seconded by Deputy Mayor Clark. Motion to adjourn unanimous. Meeting adjourned at 7:04 p.m.



Mayor



Township Clerk

Approved: 3-2-15

**MANAGER'S ANNUAL BUDGET MESSAGE
2015 BUDGET INTRODUCTION – FEBRUARY 18, 2015**

Council has received a copy of the proposed municipal budget for the year 2015. Due to several factors, there is a 2.5 cent tax increase. The tax levy is \$20,224,231.41 compared to last years \$19,268,529.55, an increase of 955,701.86.

The amount of surplus supporting this year's budget decreased from 2014 by \$265,000 or 12.83%. This is because several adjustments made to fund balance in 2014 will not be made in 2015 so the maximum amount that can be responsibly anticipated is \$1.8M.

There are revenues that will not be included in the 2015 budget including half of the Lower Township Elementary School contribution for the School Resource Officer. The SRO is retiring and the school will be funding this position out of their budget. This means that the officer replacing the SRO will be an addition to our current patrol numbers.

There are 4 additional police hires in this budget which raises our current number of officers from 42 to 46.

*I want to note here that in the summer 2 veteran officers are retiring and are going to be replaced. The chief is currently working on his strategy for such and when he gives me his recommendations I will present to council.

The health insurance line increased by \$290,600 or 7.6%. The increase was originally over 12% but is being offset by employee contributions of \$400,000.

This budget fully funds our annual July 4th celebration of fireworks and carnival rides. This will assure the continuation of this successful program without relying on contributions from generous donors.

Terminal leave payments of \$200,000 and pension and payroll tax increases of \$100,000 make up the final portion of the increase.

The local tax rate for the year 2015 is 56.1 cents per \$100 of assessed value. The municipal purpose tax will be \$561 for every \$100,000 of assessed value. An average assessed residence valued at \$229,000 will see an annual increase of \$57 (\$14.25 per quarter).

The total assessed value of real property upon which the tax rate is based is \$3,605,399,621 compared to \$3,598,751,806 in 2014, an increase of \$6,641,815. This reflects increases in new property and construction valuations, lowered by successful tax appeals, adjustments in value made by the Tax Assessor. Every \$360,540 of the amount to be raised by taxation for the 2015 budget equals one cent on the tax rate.

The Township completed 2014 with a surplus of \$4,020,025. Of that balance \$1.8M is being applied to this year's budget, leaving a balance of \$2,220,026.

The tax collection rate for 2014 was 98.32% compared with 98.21% in 2013. This budget uses 96.8% rate to compute the reserve for uncollected taxes in 2015.

The public hearing is scheduled for April 20th at 6:00 p.m. A budget summary will be published in the Cape May Star & Wave. Copies will be available on the Township website as well as in the Clerk's office at Townhall.

Lower Township is required by statute to deliver to council by March 13 of this year a working document for preparation of the annual municipal budget. This budget meets the state tax levy cap which limits growth of the local purpose tax to 2 per cent annually.

The Township Managers proposed operating budgets are compliant with the Tax Levy Cap Law, and the original spending Caps Law.

Each Council member has been provided a 2015 Budget Notebook that includes individual department requests for other expenses and Capital, Salaries and Wages, along with Revenue Reports.

This is not the adoption of the Townships Budget. This is a working document that belongs to the township council and you may make changes to the recommended budget, or move to introduce the budget as recommended at the appropriate time.

Lauren Read, our CFO has worked closely assisting me in the presentation of these documents.

2014 LTMUA Chairman's Report

Clerk

The LTMUA has had an outstanding year of performance and progress. Our workers, Administration and Board performed admirably. We overcame huge challenges including resignation of our chairman, retirement of our office manager, and because of the dissolution attempt to the MUA, we were unable to hire an executive director, but we did the best we could under those hostile circumstances, which no longer exists because the residents of Lower Twp have demanded change.

It is obvious, by the election results, that our residence and rate payers are very happy with the top quality service that the MUA delivers.

The Authority's 2015 Budget Appropriations reflect a significant decrease when compared to the 2014 Budget Appropriations.

Budgeted Operating Expenses decreased over \$1.3 million from those budgeted in 2014. Those savings were in Salaries and Wages and Fringe Benefits (over \$500,000) and Other Operating Expenses (over \$800,000). The Salaries and Wages and the related Fringe Benefits savings were primarily due to attrition through restructuring and employee retirements.

It should be noted that the "alleged \$1million savings" that were reflected in the Township's Dissolution Reports included the savings we already achieved as a result of the restructuring and those retirements and, therefore, would NOT have been saved as a result of the proposed dissolution of the Authority.

The Authority's 2015 Budget also includes \$1,250,000 in Capital Expenditures, including over \$1 million for much needed Sewer Main Installations at Wissahickon and Schellengers Landing.

All of this is being done with no budgeted increases in either Sewer or Water rates.

A few of our accomplishments for 2014 include:

- Phase 3 and 3A of the Townbank/Villas water extension was completed and all 5 miles of roads repaired.
- The Board approved the expansion of water to the Villas and sewer to Erma. Our engineers have applied for funds to make this a reality.
- A Geographical Information System has been put in place to map all of our piping, fixtures and pump stations. Digital map books are being used by our field crews, and are updated on a regular basis.
- A new LTMUA web site was produced in house by Jim McDonald, saving us thousands. I urge everyone to use this site. It is filled with a wealth of information, including the most recent sewer service area map and details on our two ongoing infrastructure projects.

Looking forward, the goals which we seek to accomplish in 2015 and our plans for the year include:

- We already purchased a state of the art vac truck which has been in use since day 1. Since the old vac truck was next to worthless for a trade-in we had it refurbished from top to bottom so we now have 2. They will both be used on a regular basis.
- We have shared many things with the township from heavy machinery to the use of their plotter. We partnered on many projects such as the building of the tidal control structure at Cox Hall Creek. This was sharing at its best since it saved thousands of dollars in electric bills for the township and did not cost the residents a dime. It removed an unsightly and unsafe pump house, restored Cox Hall Creek to its natural beauty bringing back many shore birds, crabs and fish.

But this is just a start...

- I envision a sharing agreement with the township that will be so strong and fiscally beneficial for both the township and the MUA , that a dissolution of the MUA will only be considered after the full build out of sewer and water is completed as well as our aging infrastructure is replaced. Towards that end I have instructed our acting executive director Craig Loper to work with the township Township manager, Jim Ridgeway, in molding this agreement. We have a specialty that is working with pipes and pumps and that is all we do. Our workforce takes extreme pride in bringing safe potable water to our customers and making sure that their sewage waste is collected, treated and disposed of safely.
- We are starting to replace our aged infrastructure with the Schellenger's landing and Wissihicken projects. Our employees continue to hook up water to the people in the Villas on the streets that have been approved by NJDEP.
- We have another 5 year project, required by NJDEP, to interconnect with the water purveyor north of us in Middle Township. This will guarantee that under catastrophic circumstances we will have access to clean potable water.

I would just like to thank all the MUA workers whose lives were turned upside down and who had to put their lives on hold because of politics. They did the best job that they could do showing our customers that the customer's needs came first, not knowing for certain whether all of them would have a job when Thanksgiving and Christmas came.

I would like to thank the Board Mr. Tom Frisoli, Mr. Pete Bittings and Mr. Steve Shefts for all the help and guidance they have given me throughout this stress filled year. And finally I would like to thank my wife, Patty, for putting up with me during one of the worst years of our lives. I promised her after the election that

things would get better and they already have. Goodnight and
God Bless.