

COUNCIL MEETING MINUTES – May 5, 2014

The meeting of the Township Council of the Township of Lower, County of Cape May, State of New Jersey was held on May 5, 2014 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 Erik Simonsen
Deputy Mayor Clark
Mayor Michael Beck

Also present: Michael Voll, Township Manager, Ron Gelzunas, Township Solicitor and Karen Fournier, Clerk's Office

Work Session

MUA Presentation - Manager Michael Voll (Public Comment on this issue will be taken under Resolution #2014-146)

Mayor Beck requested Resolution #2014-146 be moved to the work session to be voted on immediately after public comment on this issue.

During a closed session meeting in February, Council unanimously requested that Manager Voll investigate the consequences of the possible dissolution of the Municipal Utilities Authority (MUA) and consolidation of water and sewer services with the township, in response to repeated outcries from MUA employees and board member, and an ongoing investigation of the county prosecutor's office. Manager Voll presented to Council a report of his findings, accompanied by Labor Attorney, Bill Blaney, Solicitor, Ron Gelzunas, Director of Public Works, Gary Douglass, CFO, Lauren Read, and Municipal Auditor, Robert Swartz. Manager Voll informed that the primary focus was for the potential for significant monetary savings for the users and taxpayers of the township without raising utility rates and without impacting the delivery of services. He reported that this could be accomplished by eliminating duplicate administration, personnel and expensive equipment, among other things. Voll then introduced Auditor Robert Swartz of Ford Scott & Associates to present his analysis of the MUA's financial information. Mr. Swartz offered his professional background and stated that he based his findings on information related to the 2014 Water and Sewer budgets to determine that the dissolution of the MUA would result in ongoing, annual savings of approximately \$1 million dollars, which does not include savings from reduced utility and insurance costs or savings from shared use of equipment. Manager Voll summarized his position and listed his proposed two to three year plan of implementation.

Councilmember Conrad questioned the timing of the vote with an ongoing investigation from the county prosecutor's office. Manager Voll responded that the prosecutor's investigation has no impact on his report. Councilmember Conrad asked about the MUA surplus. Robert Swartz advised that the surplus can be used by the township but should be reserved for the users of sewer and water. Manager Voll insisted that there will be separate accounts. Councilmember Conrad inquired about how many jobs will be lost. Bill Blaney informed that approximately 14 of a total 18 jobs will be transferred to the township. He informed that Civil Service requirements from both entities will need to be upheld. He also discussed the process of transition. Discussion ensued about salaries. Solicitor Gelzunas gave insight into the statutory framework of

dissolving the MUA and a timeline as it relates to the Local Finance Board. Gary Douglass talked about the advantages of consolidation and made known his intention to lessen the impact with regard to personnel.

Councilmember Neville talked about his experience with dissolving authorities and the necessary requirements involved. He brought back the idea of doing more with less and not wasting New Jersey tax dollars.

Councilmember Simonsen referred his question about labor costs to Robert Swartz. Mr. Swartz informed that it was not quantified in the report and stated the reasons why.

Deputy Mayor Clark inquired about the value of the Public Works property on Seashore Road. It was ascertained that the value is currently \$484,000. Upon doing the math, he estimated the savings to be approximately \$100 per ratepayer per year.

John Sworonski, 607 Arctic Avenue, asked if the state is offering any incentives for consolidation. Mayor Beck replied no, but pointed out the ability to stabilize rates, save money and pay off debt services.

Tom Frisoli, MUA board member, asked what will happen to the commissioners of the board if the MUA is dissolved. Manager Voll said the board will no longer be needed if it consolidates with the township.

Johnny Walker, 116 W Pacific Avenue, expressed his aversion with Councilmember Conrad's failure to make a decision for the people in Ward 1. Councilmember Conrad defended his interest in making an informed decision. Discussion ensued. Mr. Walker made it clear that he is in favor of dissolving the MUA to save the ratepayers money.

Janet Pitts, Villas, expressed favor with the consolidation for various reasons.

Mary Reader addressed Council to give her opinion about the seating direction of the presenters and to clarify the \$1 million saving.

Jay Young, Cape May Beach, addressed the question of savings and where the money will go. Robert Swartz explained the fund balance reduction. Mr. Young also inquired about the buyout of sick time. Mr. Swartz explained that it is a one-time amount and would not impact the \$1 million dollar savings.

Stephen Sheftz, MUA board member, addressed Council to voice his opposition to disbanding the MUA.

Councilmember Conrad asked if the MUA's in-house loan program will still be available for residents. Mayor Beck informed that programs will still be available, per the grants coordinator.

Patricia Ingstrom, Villas, expressed favor with \$1 million dollar savings.

Councilmember Simonsen questioned if the \$991,000 savings is a fair and accurate amount, assuming there will be raises for additional work. Mr. Swartz stated that he anticipates no significant increases in labor costs. Manager Voll added that he intends for the transition to be fair and seamless.

Joe Mento, former director of the MUA, shared his background and voiced his disbelief in the proposed \$1 million dollar savings, warning about the cost of intangibles.

Marilyn Meikle of North Cape May asked how long it took to do the study. Manager Voll informed that the investigation started in February. Ms. Meikle also implied that false information was given at a former council meeting. Her implication was disproven with the minutes from that council meeting.

Deputy Mayor Clark promised to be a good steward of the taxpayer's money when he ran for office, therefore affirming that a \$1 million dollar savings is hard to ignore. He thanked the manager for his research and report.

Councilmember Neville agreed with the idea of saving money and taking care of the employees.

Councilmember Conrad agreed with much of the financial report, however, many questions still remain unanswered for him.

Councilmember Simonsen expressed his understanding that a decisions would not be made until the prosecutor's investigation is complete. He also stated that he does not believe in the accuracy of the \$991,000 savings.

Mayor Beck spoke of his compassion and concern for anyone in jeopardy of losing their job, but emphasized the savings involved for the good of the taxpayers and ratepayers. He talked about the point of consolidation and his obligation to save money for the people. He thanked everyone on the panel for their time and effort.

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

Consent Agenda

- Approval of Minutes April 21, 2014
- Res. #2014-131 Payment of Vouchers \$ 3,072,652.96
- Res. #2014-132 A Resolution of the Township of Lower Awarding A Bid Award With S. Vitale Pyrotecnico Industries, Inc to provide Fireworks (\$41,500. July 3rd)
- Res. #2014-133 A Resolution Requesting Release of Demolition Bond For Block 528, Lot 65, 18 Delair Road, North Cape May (\$1,000)
- Res. #2014-134 Approval for Pyrotecnico Fireworks to Load and Unload A Fireworks Barge in Lower Township (July 3 - Lower Twp July 4 - Avalon & Congress Hall Hotel)
- Res. #2014-136 Approval to Media Five Entertainment LTD For Four (4) Concert Series to be Held At Delaware River Bay Authority Ferry Terminal (Soul Cruisers 7/16; B Street Band 7/30; Eagle Mania 8/6 and Danny V's 52nd St Band the Ultimate 8/13 \$14,500)
- Res. #2014-137 Award 2nd Year Option for Concession Contract For 2014 Independence Day Festival to Wizards Festival of Fun Inc. (\$12,900 w/ \$1 per ride from participants)
- Res. #2014-138 Authorization for Refund of Taxes (1 property \$1,481.49)
- Res. #2014-139 Authorization for the Township of Lower to Apply for An Emergency Management Agency Assistance Sub-grant (\$5,000 federal award/ \$5,000 matching funds)
- Res. #2014-140 Authorizing the sale of Township of Lower Surplus no longer Needed for Public Use on Govdeals Online Auction (radar & doppler radar units)
- Res. #2014-141 Issuance of 2014 Taxi Operator License (C.Mapp driver for G-Taxi)
- Res. #2014-143 Authorizing the Township of Lower to Return The Citizens Emergency Response Team (CERT) Trailer Back to Cape May County (County is requesting trailer back)
- Res. #2014-144 A Resolution Authorizing the Sustainable Jersey Grant Application

Councilman Conrad requested Resolutions #2014-135 and #2014-142 be moved to the regular agenda

George Doherty, Seashore Road, addressed his concern about selling equipment on GovDeals.com and suggested we sell from the township website. Margaret Vitelli, Qualified Purchasing Agent, informed that GovDeals.com requires prequalification from their buyers and affords the opportunity for a much larger audience.

Robert Rizzo, Mickel's Run, asked about Res. #2014-132 and Res. #2014-137. Manager Voll informed that the price of the fireworks increased about \$1500.00 from last year, but Deputy Mayor Clark and Councilmember Simonsen agreed to solicit sponsors to defray the cost on the township.

Tom Frisoli clarified Councilmember Conrad's request to move two resolutions to the regular agenda.

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

Regular Agenda

Res. #2014-135

Award of A Professional Contract Without Public Bidding (OSK Design - DPS Bldg \$192,000)

Councilmember Conrad voiced his understanding that he had requested a cost analysis at the last meeting. Manager Voll reminded him that he voted to move forward with hiring an architect. Conversation ensued. Mayor Beck and Manager Voll defended Mr. Shousky and the objective to save the township money. Councilmember Simonsen approved Mr. Shousky's work but opposed the appearance of inpropriety. Deputy Mayor Clark reviewed a report of prior engineering fees and thanked Mr. Shousky for his time and effort.

Jack Sparks, North Cape May, inquired about the architectural fee.

Ann Marie Waxman, Townbank, addressed Council in favor of putting the contract out to bid.

Joe Ganci, North Cape May, would like to see the contract put out to bid.

Dan Shousky, resident and volunteer, spoke about his qualifications as an architect and his interest as a taxpayer in getting a fair deal for a new public safety building. Councilmember Simonsen commented on the process.

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

Res. #2014-142

Appointment of Conflict Bond Counsel for the Year 2014 Without Public Bidding (Parker McCay)

Councilmember Conrad asked why we need a conflict bond counsel. Solicitor Gelzunas informed that the current bond counsel represents both the Township and the MUA.

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

Res. #2014-145 Payment of Vouchers - Lower Twp Rescue \$10,000 (expense pymt)

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

Res. #2014-147 Payment of Vouchers - School Taxes \$2,706,952.40

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

Administrative Reports

Council Comments

Councilmember Conrad informed about a route change for the triathlon this year, as well as a Splash and Dash event. He hopes to have Steve Delmonte come to a work session to explain. He also shared a suggestion on how to promote news and events within the township.

Councilmember Neville commented on the success of Lower Cape May Little League Opening Day. He announced the meeting for the Beach Drive Access Project to be held on May 31 at 10:00 a.m. in Township Hall.

Councilmember Simonsen praised the Lower Cape May Little League program and thanked all the volunteers for its success. He talked about the LCMR "you've got brains" contest and event. He reminded about the beach cleanup and Escape the Cape Triathlon. He also informed about a public safety meeting for parkway improvements at Exit 0 and Route 109.

Deputy Mayor Clark spoke about soliciting funds for the upcoming fireworks through the Friends of Lower Township Campaign. He informed that Councilmember Simonsen will be helping with the campaign this year. He also announced the upcoming Feasting on History event to benefit the Historic Cold Spring Village.

Mayor Beck applauded Denise Raymond and Genesis Healthcare for the success of the health fair. He also thanked the Garden Club and announced the following: Community Day, May 31st, Beach Drive Access Project meeting, May 31st, and season pool passes are available at the Recreation Department.

Manager Voll happily announced the upgrade to the camera and audio system for council meetings. He also informed that 2014 stickers are now being issued at the public works yard for Lower Township residents.

Call to Public

Ed Sheretta, Roseann Avenue, addressed Council with his concerns about Roseann Avenue. Mayor Beck informed that we're waiting for word on a grant. Manager Voll discussed the plan to replace pipes and move utilities, and stated that we have the bonding capacity if the grant is denied. Councilmember Conrad questioned the bonding capacity if it is used for the public safety building. Manager Voll gave a specific amount we can bond without raising taxes.

Dan Anderson, Townbank Road, encouraged Veterans to get their free beach tags in Cape May.

Johnny Walker reminded of the Veterans Resource and Opportunity Fair at the Aviation Museum.

Ed Butler, Villas, commented on the upgrade to the camera and audio system.

Sally Yerk, Roseann Avenue, spoke about the problems on Roseann Avenue and urged Council to get it fixed. Mayor Beck and Manager Voll agreed to have it evaluated.

Rosalie Gallagher, Springtime Road, encouraged residents to visit the Cape May Lighthouse and Fire Control Tower 23.

Joe Ganci, North Cape May, thanked Councilmember Neville for organizing the upcoming meeting on the Beach Drive Access Project. He inquired about a plan for shore protection and beach replenishment for North Cape May and Townbank. Mayor Beck referred back to an Army Corps of Engineers project that the township rejected 15-20 years ago and how it relates to the issues we have now. He hopes to get assistance from a resiliency grant to pay for engineering studies of the Township. Discussion ensued.

Ann Marie Waxman, Townbank, inquired about the status of the grant application to the Department of Transportation for the Beach Drive Access Project. Grants Coordinator, Colleen Crippen, replied that it has not been awarded yet. Ms. Waxman also asked if the 2014 budget is on the website. Manager Voll agreed to put it on if it is not already.

Bill Murphy, Townbank, inquired about the status of the Beach Drive Access Project.

Janet Pitts, Villas, made a statement about the fight for the echo system restoration in the Villas. Mayor Beck voiced his understanding that the Army Corps of Engineers is concentrating more on the shore protection than on environmental protection. Discussion continued.

Adjournment

There being no further business to address, motion to adjourn moved by Councilmember Neville, seconded by Councilmember Conrad. Motion to adjourn unanimous. Meeting adjourned at 8:22 pm.

Michael E Beck
Mayor

Julia A Pearce
Township Clerk

Approved: May 19, 2014