

MARCH 12, 2020
REGULAR MEETING MINUTES

The Regular Meeting of the Board of Commissioners of the Borough of Cape May Point was called to order by Mayor Moffat at 6:00 PM. The Open Public Meetings Statement was read by the Mayor who then led those present in the flag salute. Mayor Moffatt, Commissioner Mullock and Commissioner vanHeeswyk answered roll call. Also in attendance: Auditor Mike Garcia, CFO Jim Craft, Administrator Steve O'Connor, Clerk Elaine Wallace, and Solicitor Brock Russell.

COMMISSIONERS' REPORTS:

Commissioner Mullock reported Public Works has removed pavement in the shoulder of Lighthouse Avenue at Coral and East Lake Avenues. During the Environmental Commission meeting, putting in some plantings and a bike pathway to keep bikes out of the car lane was planned.

2020 BUDGET:

Presentation on Budget by Borough Auditor Mike Garcia

Auditor Mike Garcia provided a budget handout and reviewed the highlights of the budget which included no tax increase, and was below both the state-imposed spending cap and the tax levy cap. The budget increased by roughly \$76,000 which was predominantly due to salary increases for beaches and a seasonal hire in public works.

Commissioner Mullock showed a map of street currently under construction, those still under moratorium and future work on Yale Avenue, all part of flood mitigation efforts and the goal of improving drainage in the Borough. He also showed a chart of how the Borough plans for these projects over multiple years to be financed annually through the capital budget without having to incur debt. Mr. Mullock reviewed the costs for the projects, and how they were offset by grant funds where possible: \$1.5 million in road projects, \$967,000 was covered by grants; \$675,000 for Lake Lily bulkhead and park, \$427,000 covered by a grant. In addition to Yale Avenue, possible future projects include outflow pipe and pump maintenance and improvements at Lake Lily; additional road and drainage work; a new public works building, possibly in the same location with additional bays to house fire apparatus during and a second floor that can be used as a shelter during emergencies.

Commissioner vanHeeswyk was pleased with the budget and the Borough's ability to keep the tax rate low.

ORDINANCE FOR SECOND READING / PUBLIC HEARING

01-2020 Calendar Year 2020 Ordinance to Exceed the Municipal Budget
Motion to open Public Hearing: vanHeeswyk, Moffatt
Roll call: all in favor

Catherine Busch asked for a summary. Auditor Garcia explained the budget is \$17,500 below the spending cap and the ordinance allows the Borough to bank that amount for up

to 2 years. If the ordinance isn't adopted, the Borough forfeits the right to spend the excess money in future years.

Helen Chezem asked if next year's budget is also \$17,500 below the spending cap, does the Borough get that too. Mr. Garcia explained the \$17,500 is from this year and last, the oldest year falls away, so although it varies by year, it's usually around the \$17,000 level.

Motion to Adopt: vanHeeswyk, Moffatt

Roll call: all in favor

BUDGET RESOLUTIONS AND PUBLIC HEARING

47-20 Read by Title Only and Open Public Hearing on 2020 Municipal Budget

Motions: vanHeeswyk, Moffatt

Roll call: all in favor

Jim Fraatz had some of his questions answered during the presentation. He asked for clarification on the amendment. Auditor Garcia explained in 2019, the general fund advanced \$60,000 to the water sewer fund early in the year. When one fund owes another, that money can't be included in surplus. The amount of surplus being used didn't change, just the accounting of it did. Mr. Fraatz also asked if \$220,000 in deferred charges was the difference between a bond sold and what was spent. Mr. Garcia explained a bond ordinance for road work was adopted in 2019, but the Borough did not issue bonds. Basically, it borrowed money from itself to fund the capital projects without having to bond. Jim Fraatz also asked about the introduced budget showing a 5-year capital plan in one place but 6-years in another. The adopted budget shows 5-year consistently. Mr. Fraatz commented that the introduced budget had a single line of \$750,000 with no details. That was an estimated placeholder and the final version has been refined as presented by Commissioner Mullock. Mr. Garcia stressed that the capital budget is only a plan and does not authorize spending. A capital ordinance or budget line items would be required to authorize the spending of money. Mr. Fraatz asked about how the money is allocated for projects and whether that money is a hit to the tax levy. The CFO allocates the same amount for capital spending each year to keep that from happening. Mr. Fraatz asked who determined the public work building would cost \$1,000,000 in 2019. Mr. Mullock advised it was discussed at various public meetings over the last 2 years, and would probably take even more before going to the Planning Board for review and more public comment. The current building has some structural issues that make replacing it more feasible than making improvements and, it seems to be community consensus that it remain in its current location. Mr. Fraatz asked if plans for the public work building will be submitted to the Planning Board. In addition to going before the planning board and being open to the public, any spending will require a bond ordinance, which will also have a public hearing.

Connie Campanella, 503 Lighthouse Avenue, commented on the section of the Borough code that requires the Planning Board to prepare a program of capital projects over 6-years and make recommendations to the governing body. She stated this hasn't been done for several years and by the Planning Board not meeting this requirement, it limits the input of citizens into the capital budget planning process. Solicitor Russell explained state statute doesn't require it and in order to do that, the governing body would have to budget for it. As the solicitor for 6 planning boards, he

has never seen one that took on that responsibility. Ms. Campanella said the code should be changed if the Planning Board isn't going to do it. Commissioner Mullock asserted the recent traffic calming projects came out of the Planning Board and much public input was considered when doing the Lake Lily project. Commissioner vanHeeswyk commented that there were several members of the Planning Board present and they could take up this project. They have their own, separate powers from the governing body. When she was a member of the Planning Board years ago, they did work on capital planning and it should be started at least in September for the following year.

Jeff Sowers, 711 Cape Avenue, asked what has enabled the healthy surplus and no tax increases over the last 6 years. Increasing ratable, conservative budgeting, conscientious spending, and strong tax collection all contribute. Commissioner Mullock credited the strong volunteerism within the community as having a strong financial impact on the Borough. Commissioner vanHeeswyk stated she ran for office in 2008 because she was upset about tax increases and unnecessary spending. Her goal has been to keep tax rate steady and she owed a debt to the great financial team that has understood her goal

Catherine Busch, 308 Yale Avenue, asked how the Borough will plan for 3 anticipated expenses: the end of the Borough's 5-year trash/recycling contract; and, from Cape May, water increases due to membrane replacement at the water plant, and a new police building. She asked if the Borough would build surplus more or increase tax rates a little. Auditor Garcia explained surplus is for unforeseen things and the Borough generally does not raise taxes now for possible future events. The current governing body typically prefers to cut costs than raise taxes when possible. Ms. Busch asked what would be considered an ideal amount of surplus. Mr. Garcia replied there isn't a specific answer to that other than keeping surplus roughly 1/3 of spending. Ms. Busch wondered how the Borough could get by if a massive hurricane wipes out half the buildings in town if it keeps using more surplus. Commissioner vanHeeswyk said the Borough could never have enough surplus to compensate for something like that. Mr. Garcia stated that even if the Borough raised every bit up to the levy cap, it could never raise enough taxes to offset destruction of half its tax base. Commissioner Mullock spoke to Ms. Busch's comment about water/sewer. Increases are likely to continue because Cape May estimates \$28 million in improvements will be necessary to their system and plant. Mr. Mullock thinks the Borough needs to review its source of water and consider possibilities that might save the Borough as well as alleviate some of the burden on Cape May City's system.

Jim Fraatz suggested that, if the Borough considers having the Planning Board work on the capital plan, as mentioned by Connie Campanella, it be done in a way to incorporate the Planning Board without disrupting the planning process.

When no one else wished to speak, the public hearing was closed.

48-20 Local Unit Self-Examination of Budget
Motions: vanHeeswyk, Moffatt
Roll call: all in favor

- 49-20 Resolution to Amend the Budget
Motions: vanHeeswyk, Moffatt
Roll call: all in favor
- 50-20 Adoption of 2020 Municipal Budget
Motions: vanHeeswyk, Moffatt
Roll call: all in favor

Auditor Garcia and CFO Craft leave at 7:33 pm.

PUBLIC COMMENT ON AGENDA ITEMS ONLY: None

APPROVAL OF MINUTES:

- February 11, 2020 Work Session
- February 13, 2020 Regular Meeting
Motions: vanHeeswyk, Moffatt
Roll call: all in favor

ORDINANCES FOR INTRODUCTION/PUBLICATION:

- 02-2020 Ordinance Appropriating \$100,000 from the Capital Improvement Fund
Second Reading and Public Hearing – April 9, 2020 at 6:00 pm
Motion to Adopt: vanHeeswyk, Moffatt
Roll call: all in favor
- 03-2020 Amending Chapter 58, Section 8 (“Fees”) of the Code of the Borough of Cape May Point in Order to Increase Seasonal Beach Tag Fees
Second Reading and Public Hearing – April 9, 2020 at 6:00 pm
Motion to Adopt: Moffatt, vanHeeswyk
Roll call: all in favor

RESOLUTIONS:

- 51-20 Resolution Acknowledging Closure of Certain Developer’s Escrow Accounts and Authorizing Refunds as Recommended by the Planning Board
Motion to Adopt: vanHeeswyk, Moffatt
Roll call: all in favor
- 52-20 Supporting A-639/S-1071 to Increase State Funding to the Shore Protection fund from \$25 million to \$50 million
Motion to Adopt: Mullock, vanHeeswyk
Roll call: all in favor
- 53-20 Approving Flood Insurance Promotion Activity with the Atlantic-Cape Multi-Jurisdictional Program for Public Information
Motion to Adopt: vanHeeswyk, Moffatt
Roll call: all in favor
- 54-20 Approval of Bill List
Motion to Adopt: vanHeeswyk, Moffatt
Roll call: all in favor

ORDINANCES FOR SECOND READING AND PUBLIC HEARING: None

PUBLIC PORTION:

Sandy Allison, 305 Alexander, thanked Commissioner Mullock for coming prepared with diagrams and handouts. She thanked everyone for getting along and improving Cape May Point and maintaining a difficult balance.

Catherine Busch asked Clerk Wallace to make an announcement about the Borough's new email notification system. Clerk Wallace explained the new website comes with the ability to send newsletter alerts and notifications to everyone interested in signing up. She encouraged everyone to spread the word and to sign up for the alerts because the Borough would like to use the system to keep them notified in unusual circumstances like recent, unscheduled hydrant flushing. Commissioner vanHeeswyk recognized Clerk Wallace for her time and hard work on getting the website up and running.

Commissioner Mullock suggested everyone be prepared with food and medicines for the emerging coronavirus situation.

Mayor Moffatt advised the County has supplied good practices for keeping safe, which included common sense things like frequent handwashing. They also suggested postponing or cancelling group activities.

Jeff Sowers mentioned that renters will begin coming soon which could have an impact on the spread of the virus locally.

Helen Chezem asked what happened to one of the Borough's American flags. Commission Mullock will look into it.

When no one else wished to speak, the meeting was adjourned at 7:41 pm on motion of Commissioner Mullock, seconded by Commissioner vanHeeswyk.

Respectfully submitted,

Accepted:

Elaine L. Wallace, RMC, CMR
Municipal Clerk

Commissioner Mullock

Commissioner vanHeeswyk

Mayor Moffatt