

MUA debt

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Councilman Tom Conrad asked who authorized hiring Phoenix Advisors to do the analysis. Deputy Mayor Norris Clark said hiring the firm was part of the investigation required by the state Local Finance Board.

Council voted 3-2 to approve the findings of Phoenix Advisors, with the vote splitting along party lines as usual. Independents Beck, Deputy Mayor Norris Clark and Councilman James Neville voted in favor, while Republicans Conrad and Erik Simonsen voted against the resolution.

The vote was duplicated on an ordinance to assume the debt of the LTMUA.

Swartz presented his findings that dissolving the LTMUA would save \$1 million per year. He said he received information from the LTMUA by using the Open Public Records Act.

Swartz said he examined all salaries of LTMUA employees and compared it with township positions for redundancy. He said the major component of savings was \$650,000 from the LTMUA's administrative department.

Salaries and wages in the LTMUA, including an executive director and clerical personnel, totaled \$389,000 that could be saved if the authority were dissolved. He said \$55,000 in fringe benefits

would be saved. Under other expenses in the LTMUA budget, Swartz said he found a contract for financial administration not to exceed \$110,000, which could be eliminated. In addition, a contract for \$71,761 for billing and collection could be eliminated, with township personnel handling those duties, he said.

In the operation component of the LTMUA budget, certain personnel were identified as retiring and other positions as redundant due to the combination of employees that would be retained from the LTMUA and existing public works staff, Swartz said.

He said that resulted in a savings of about \$292,000.

Auditing costs would be reduced by about \$15,000 due to more stringent requirements for municipal utility authorities, Swartz said. Only one attorney would be needed for both the water utility and township, producing a further savings, he said.

Swartz said borrowing would be easier for a township water department since it would not need to seek approval from the state Local Finance Board. In addition, equipment would be shared between public works and the water department, he said.

The current public works yard could be sold, with public works moving to the current LTMUA property, Swartz said.

Lower nixes referendum on police station

By JACK FICHTER
Cape May Star and Wave

VILLAS — In a 3-2 vote along party lines, Township Council voted against a voter referendum on moving the police station to a new building in Villas.

Republican Councilman Erik Simonsen placed a resolution on the agenda requesting a nonbinding referendum on the November election ballot.

He said he understood there was a recent tour of the public safety building at the Cape May Airport by county Freeholder Director Gerald Thornton and the county director of operations, architect and engineer.

Simonsen said Thornton told him the county was seeking to relocate the office of emergency management from the county library building. He said if the township were to abandon the building, it would be responsible for all of its repairs or the cost to demolish it.

He said the county is interested in possibly taking over half the building for emergency management and for a future central dispatch center for 911.

Simonsen said the county would pay for refurbishing half the building, including the roof, which would leave the township the cost of remodeling the police station portion and roof. The Bureau of Fire Safety and Lower Township Rescue Squad could stay in the public safety building, he said. Simonsen said it gives the township

another option regarding the police station.

Mayor Michael Beck expressed doubt about Simonsen's statements.

"You've had talks with the county that we know nothing about," said Mayor Michael Beck, an independent. "You come in at the 11th hour and put a stick in the spokes, it's obstructionism."

Beck said if the county had interest in the public safety building, officials should have reached out to Township Manager Mike Voll.

Voll said he had a phone call June 14 from the county Administrator Mike Laffey requesting a meeting. Beck said he and Voll met with the county five weeks ago to alleviate their fears the township would "dump the building on them."

"At the end, Jerry Thornton said, 'Tear it down,'" Beck said.

He said he resented Simonsen hand-delivering a message from the freeholder at a council meeting.

"Call it what it is, it's obstruction again, and if the freeholder director has a message, he needs to come down here and give us a proposal. He should have sent it down to the manager, not have it hand-delivered by one of the Republican cronies from over here," Beck said.

Republican Councilman Tom Conrad said that when a public safety building committee was started, he had questions the

members did not answer. "You stopped the questions," Conrad said.

"If you were in charge of D-Day, we'd still be drinking tea in England," Beck said. "You can't make a decision."

He noted the committee was unanimous in its recommendation to move the police station to Villas. The mayor said the county determined the current public safety building is not an essential building. Beck said a 2004 engineering report on the public safety building estimated the minimum cost of a framed roof for the building was \$2 million. Combined with high energy costs for the building, the cost of police remaining there for the next 20 years is about \$5.8 million, Beck said.

A new building would cost \$3.5 million and have lower energy costs, he said.

Beck said the police department and courts should be located next to Township Hall. Simonsen argued that if courts were moved there, people awaiting trial would be waiting outside near a school and the recreation center.

Beck said he would be happy to have a police station 100 feet from a kindergarten, rec center and senior citizens center.

"The fear of the referendum is the public would vote it down in mass," Conrad said.

Council voted against the referendum, with Beck, James Neville and Deputy Mayor Norris Clark voting against it and

Conrad and Simonsen voting for it.

Lower Township can borrow as much as \$5 million to finance construction of a new police station without a tax increase, according to Township Auditor Leon Costello.

He said the market for borrowing is "as good as you can get it," noting Ocean City sold bond-anticipation notes last week for an interest rate of one quarter of 1 percent. He said the township has maintained a debt plan for 20 years that allows for future capital projects.

Costello said a 2011 refunding issue had one payment left for \$680,000, a 2004 issue had two payments left of \$500,000 each and a 2009 issue had four payments remaining totaling \$4.4 million.

"Essentially, in 2018, without doing anything else, you're debt-free," he said.

Costello said the township could sell \$11 million in new bonds next year and not change what is being paid for debt service. In 2016, another \$4 million in new bonds could be sold without changing the debt service and in 2018, another \$14 million in bonds could be sold and "not change a thing."

Bonding \$3.5 million to \$5 million for a new police station would have no effect on debt service or cause a tax increase, according to Costello, adding that bonding for the police station would take place in 2015 when old debt decreases.

O'Connor argues for keeping LTMUA intact

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ester Avenue in Diamond Beach was quickly repaired, he said.

"You cannot wait to fix things," O'Connor said.

He said the reason the LTMUA keeps so much money in reserve is so that when a main breaks, it can be quickly repaired.

"We can't wait to bond money, it's got to be done immedi-

ately," O'Connor said.

Lower Township Mayor Michael Beck said there would be no delay in repairing a water/sewer main break under a township water department.

"In fact, the service will be

better because there will be coordination between all the departments that there is not now," he said.

O'Connor said there is no guaranty LTMUA workers would be hired by a new Lower Township water/sewer department. He said he believes all the LTMUA employees would receive "pink slips," noting that the township is not obligated to hire LTMUA employees.

O'Connor theorized that former LTMUA workers would be hired by the township at substantially lower wages and be required to join a union. He said LTMUA workers "would get the raw end of the deal" if dissolution takes place.

O'Connor said he also was concerned about what Township Council would do with excess money from a new water/sewer department. He said he isn't sure what percentage of excess money could go into a general fund.

"How much money can they grab?" he asked.

Beck said funds from a new water/sewer department would be kept separate from the township's general fund.

"There will never be a day when we will touch it as long as I'm in government," he said. "There will be separate accounts."

O'Connor maintains that dissolution of the LTMUA is a bad idea.

"I think it's almost irresponsible for council to take over the MUA, and there's not going to be a \$1 million savings (as an audit has indicated)," he said.

Beck said there would be savings to taxpayers and ratepayers through use of shared services. As an example, the township water/sewer department would have an extra dozen employees for snow removal, he said.

The township does not have an engineer that could lead the MUA, O'Connor said, adding that the LTMUA was about to hire an engineer when news of the township's desire to dissolve the authority reached a candidate for the executive director's position and he withdrew his application.

Beck said the township hopes to hire an engineer that could also handle water/sewer engineering duties.

O'Connor said while he is "very apolitical," he hopes the township's two Republican councilmen, Tom Conrad and Erik Simonsen, would "stick to their guns" because four votes are needed to approve beginning the dissolution and there are only five members on council.

Beck said the township is putting up "roadblocks" on the dissolution issue.

"I think people are listening to the wrong sources down there," he said.

Beck said there were some vested interests at the LTMUA. He said some would lose, especially those in the administrative and professional departments, and their interest is in fighting the dissolution.

"They've basically circled their wagons down there and they're using ratepayer money now to fight the township," said Beck, referring to the LTMUA hiring the law firm of Gluck Walrath.

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