

**MINUTES OF THE WORK SESSION OF MAYOR AND COUNCIL OF  
THE BOROUGH OF STONE HARBOR HELD IN THE MUNICIPAL BUILDING**

**October 18, 2022**

\*\*\*\*\*

The meeting was called to order by Mayor Davies-Dunhour at 4:30 p.m.

**ROLL CALL**

Judith M. Davies-Dunhour, Mayor  
Kim Stevenson, Borough Clerk  
Marcus Karavan, Solicitor  
Robert Smith, Borough Administrator  
Lisa Marcolongo, Ass't Administrator  
Megan Brown, Deputy Clerk

**PRESENT**

Councilmembers  
Reese Moore  
Bunny Parzych  
Robin Casper  
Jennifer Gensemer  
Frank Dallahan  
Charles Krafczek

Mayor Davies-Dunhour announced that the meeting was now open. Adequate notice of the meeting was provided by posting a copy of the time and place on the Municipal Clerk's bulletin board and mailing a copy of same to the Press and the Cape May County Herald on January 5, 2022.

FOR THE RECORD, THIS WORK SESSION WAS HELD VIA VIDEO/TELEPHONE  
CONFERENCE IN A ZOOM FORMAT AS WELL AS IN PERSON

**SALUTE TO THE FLAG**

**Public Safety Report – Councilmember Dallahan**

**Fire Department- Chief Roger Stanford**

Report for September 2022

47 Fire Calls, 69 EMS calls: 1 building fire; 19 medical assists; 4 beach EMS assists; 1 search for person in the water; 1 surf rescue; 1 watercraft rescue; 3 natural gas leaks; 1 arching wires; 5 cover assignments; 10 fire alarms

OEM Report: Frank Vault unavailable. Chief Stanford provided a report on the Storm of September 30th: Code Red Notifications were sent covering the entire period of the storm event (4 days). This storm created more flooding than predicted. Flood Sirens were sounded requesting cars to be moved to higher ground. There was a lot of damage along the beachfront. The Electronic Sign at the firehouse noted potential flooding and warning to move vehicles to higher ground as well. Chief Stanford advised that the County OEM has not alerted the borough of any Federal Declaration for assistance with storm damage and/or cost at this time.

Councilmember Moore asked Chief Stanford what percentage of people on the island received the code red warning. Chief Stanford indicated that it is hard to determine. There are approximately 3000 people signed up for Code Red, however some do not live in the borough and that is why the flood siren and electronic signs are helpful. Chief Stanford has requested the number of new sign ups to Code Red since the electronic sign has been installed.

**Police Department – Chief Tom Schutta**

Report for September 2022

102 Motor vehicle stops; 16 Moving violations; 2 Motor vehicle accidents; 9 Suspicious Vehicle Complaints; 13 Animal Complaints; 5 OPRA requests completed & 4 Adults were Arrested

Personnel Update: Two new full-time officers continue to attend the Cape May County Police Academy with an expected graduation date of January 2023. The Officer, who was away for military leave, has returned. SLEO Hiring practice for 2023 has already begun, currently have 4 applications. Chief Schutta is hopeful to recruit 10 Class II and 2-3 Class I officers.

Stone Harbor Municipal Court Update: Court is still being held remotely and there are no issues of concern.

Work Session, October 18, 2022

**Beach Patrol- Captain Sandy Bosacco**

Captain Bosacco reported that the lifeguards were able to provide a few protected beaches through the month of September and feels it is important to provide some protection after Labor Day since a lot of visitors still enjoy our beaches after the summer season.

2022 Staffing Report: Captain Bosacco reported that he was able to fully staff the lifeguards, however every person that applied, if qualified, was hired. He did report that the beach taggers did fall short, there were approximately 4 positions left unfilled. Councilmember Frank Dallahan felt that opportunities for retired persons should be considered.

Beach Patrol Building Update: There is still a punch list of items that need to be completed. A lot of furniture and material items needed are still on back order.

**Recreations and Tourism – Councilmember Jennifer Gensemer**

**Recreation – Shannon MacPherson, Rec Director**

Shannon reported that there were increases in revenue for all the Recreation Programs this past summer.

Pickleball Revenue: Increased by 91%

Tennis Revenue: Increase by 11%

Sports Clinics Revenue: 25% Increase

Arts & Crafts Revenue Increased by 8% which doesn't include drop ins

Basketball League Revenue: Increased by 84%

The Recreation Department continues to host Year-Round Sit and Fit and Move & Groove Classes. The Rec will also be adding a bodyweight high intensity class which will start this Thursday, October 20<sup>th</sup> from 4:15-4:45pm – Shannon is teaching. No equipment needed, you may bring a mat and it will be hosted on the basketball court at the Recreation Building. No appointment of scheduling is needed for any of the classes offered.

Playground Meet Up Program is offered for pre-school children at Chelsea Park on Thursday mornings from 9:30-10:30am.

Halloween Sign up: Registration is available on the Recreation website. Everyone is encouraged to sign up by Friday, October 21<sup>st</sup>. Maps, noting homes that are participating, will be available on the website and at the Rec Center on Friday, October 28<sup>th</sup>.

Mayor's Wellness Campaign: The Borough is partnering with Robin and Jim McCrossin and will be focusing on employee wellness. This program will be providing an opportunity for employees which includes participation in wellness initiative through NJ Well, which offers an monetary incentive for completing wellness activities and a Fitness Option which includes challenges, evaluation, leaderboard activities, and guest speakers providing information for sleep and nutrition. Shannon is hoping to kick off this program in January 2023.

Mayor Davies-Dunhour gave an overview of the Mayors Wellness Program which is an initiative program offered throughout the state of NJ. The Mayor had plans to corroborate with Shannon on this program in 2023 and was approached by the McCrossin's who wanted to partner with the Borough and "give back to the community" Mayor Davies-Dunhour provided the McCrossin's background and history with events in Stone Harbor. The fitness option will include an assessment of functional movement which will assist the employee with identifying the employee's needs for improvement and tailor form a program for them. The program will have limited equipment and involve a person's own body weight and light bands. Movement is the key component of this program. There will also be a friendly competition involved within this program and also an opportunity to educate employees on NJ Well program. This program is at no cost to the employee or the Borough.

Mayor Davies-Dunhour reviewed the Trial on the Isle event and the desire for the McCrossin's to give back to the community and feels that the borough is fortunate to have the opportunity to work with them on improving wellness. Both the Mayor and Shannon are excited to offer this program to the employees.

**Tourism Director – Jenny Olson**

Jenny advised that that Rec & Tourism committee is proposing to add some language within the ordinance regarding the Special Events Application which includes criteria that allow for approval for applications that do not meet the requirement of non-profit. The following information was presented for review:

Waiver of any provision shall take into account the following factors, including but not limited to:

- A. Impact on traffic and public access
- B. Impact on the Borough's ability to supply appropriate municipal services (Fire, Police, Emergency Services, Public Works)
- C. Overall benefit/detriment to the health, safety and well-being of the public and of the Borough
- D. Other factors, considerations, and criteria deemed by the Council to be in the best interest of the Borough.

If the council wishes to not grant any exception with the fees associated with the application, it will have to be added into the ordinance. Administrator Smith feels that the requirement of fees would be a separate provision. The primary reason for this requirement listed above is to distinguish the allowance of the approval of Special Event Applications, on borough property, that do not meet the non-profit requirement. This addition to the Ordinance provides a reason for why the council would support a decision to approve a Special Event application.

Council may also want to establish a policy of uniformity when it comes to waiving fees for a Special Event Application(s) to ensure fairness to all applicants.

**Classic & Vintage Car Show:** Jenny advised Mayor and Council that this event was held virtually, and the winners of the event have been notified.

The **Island Holiday** weekend is scheduled for Thanksgiving weekend November 25<sup>th</sup> & 26<sup>th</sup> and plans for this event are underway.

Councilmember Gensemer requested that the beach reports be provided to the Rec and Tourism committee. Mayor Davies-Dunhour feels that all members of Council should be included since the beach is part of every committee within the borough.

**Natural Resource Committee – Councilmember Robin Casper**

**Doug Gaffney- Coastal Engineer**

Permitting Update: The Draft Municipal Public Access Plan (MPAP) is under review with the New Jersey Department of Environmental Protection and there is no update at this time.

General Permit 2 is contingent on the approval of the MPAP. Once approval is received the General Permit 2(GP2) will be submitted. There is no timeline available for the approval of this plan or the submission of the GP2 Permit.

Update on the Storm Damage: Hurricane Ian mostly affected the beach from Ocean City to North Wildwood. Other beaches only experienced minor effects. Mr. Gaffney stated that he has been working on obtaining an Emergency Permit to assist with repairs to beach access and the Borough has received an Emergency Authorization approval on Monday, October 17, 2022.

Feasibility Report Update: There is a hydrodynamic model which looks at storm waves and water levels for a 40-year period of record. That model drives the sediment transfer model which provides scenarios where there are no modifications to the beachfront and how the beaches look years into the future without renourishment efforts. Without these efforts Stone

Work Session, October 18, 2022

Harbor Point would continue to erode. Another exercise being performed is the evolution of the shoreline post beach fill which can assist on where fill is most beneficial.

Another option being considered is beach scraping. Take material from the mean high water and the mean low water – the surf zone -excavate that material and bring it to the upper beach (template of the Corp beach is established). Sediment transport of sand from Avalon beach to Stone Harbor beach is exponential. Beach scraping would have a very beneficial impact on the beaches with little impact on the way sand travels.

The Army Corp Beach fill is still on track for award and initiation of construction in December 2022.

Councilmember Moore stated that there is nothing more important than opening the beaches and should be a top priority.

Councilmember Parzych asked about the Emergency Permit and what that permit allows for: Doug noted that this authorization allows for repairs to the access points post Hurricane Ian.

Councilmember Dallahan asked why it took so long to obtain the Emergency Authorization for the repairs and stated his concerns for the safety of persons on the beach.

Borough Administrator Smith stated that Manny Parada has information that may provide some answers to the questions presented however the General Permit 2 that is needed requires approval of the Municipal Public Access Plan which is being reviewed by the NJDEP. The Emergency Authorization allows the Borough to do what is needed to make the beaches safe.

Mr. Smith has reviewed all details surrounding the delays in the approval of the MPAP indicating that all proper measures were taken to submit the MPAP to the state for approval. After reviewing this documentation, it was noted that there were staff changes at the DEP Level that were occurring in tandem with this approval process and the borough was notified of the submission of the documents and asked to stand by. No further consideration of the plan was presented by the NJDEP. Administrator Smith feels that the NJDEP is handling this case wrong, rules were changed, and that the borough is not at fault in this situation.

Mayor Davies-Dunhour read from an e-mail received in 2016 which stated that approval of the MPAP was caused by a delay in the state's rule making process. The Borough's Municipal Public Access Plan has been worked on since 2011 and all recommendations had been completed and approved by the Borough Council in 2017.

Councilmember Casper advised everyone that the Beach Sweep scheduled for Saturday, October 22, 2022, has been cancelled.

Public Works Director, Manny Parada- Beach Update: Tuesday, October 4<sup>th</sup> noticed significant erosion. On October 5<sup>th</sup>, 2022, significant erosion with 4-to-5-foot scarping was discovered on the north end of the beaches which is uncommon. Waves were reported reaching the top of the dune. On the 4<sup>th</sup> day of the storm the beach had taken a significant beating and a decision to close the access was made due to safety concerns. After presenting a request for Emergency Authorization, which would allow the Borough to begin repairs to the beachfront, the initial request was denied on Friday, October 14, 2022. A near drowning occurred on Saturday, October 15<sup>th</sup>, 2022, which prompted Administrator Smith authorizing work to be completed to the access points to allow for emergency vehicles/response along our beachfront. The Emergency Authorization was approved on Monday, October 17, 2022. Access points from 88<sup>th</sup> Street to 101<sup>st</sup> Street have been repaired as of today. Manny stressed that safety is still a concern and warns residents and visitors.

The Public Works Department will continue to do the best they can to push sand to the dune area to form a more gradual elevation along the beachfront. Manny does feel that the natural replenishment is likely since most of the sand is relatively close to the shoreline. Excess sand to the south will be brought back to 106<sup>th</sup> Street and begin filling in the detriments.

**Discussion:**

**Health Benefits Update: Marsh McLennan**

Administrator Smith advised Mayor and Council that it is true that the State Health Benefits Plan is scheduled for a significant increase (24%) in 2023 and that he, along with Jim Craft, have been reviewing options available to assist with that cost to employees and to the borough. There is an option that was presented a couple of years ago that has the potential to lessen the effect of this change.

Mark Senior provided a presentation which offers the employees an option to opt into the 2035 plan which would result in an approximate increase of only 7% overall. This plan has a higher deductible however the Borough would offer an employee an increase in their Health Reimbursement Account (HRA) benefit to cover the max out of pocket expense making the employee liability zero.

Employees have the option of choosing this option or remain in the current 2030 program. The open enrollment period is October 1-October 30. Employees would have to complete enrollment in the 2035 program by October 30<sup>th</sup>.

Mayor and Council was provided with the power point presentation for review.

**Proposed Water/Sewer Rate – 2023**

Jim Craft – CFO: Mr. Craft presented an overview of the Cape May County Municipal Utilities Authority fees totaling over \$1.6 million dollars per year. Mr. Craft is proposing the following rate adjustments in 2023 to help offset the cost of the fee imposed by the MUA which currently has a deficit of approximately \$600,000.

**Exclusion Meter – Base Rate Decrease**

Currently it is \$114.75 a quarter, the proposed change would lower it to \$85.00 a quarter, a decrease of \$29.75 a quarter or 25.93%  
No change in consumption rates for this meter.

**Quarterly Base Rate**

Currently, the combined Water and Sewer Base Rate (5/8) is \$231.00 (Water \$114.75, Sewer \$116.25), the proposed change will lower it to \$195.00, a \$36.00 quarterly decrease or 15.6%

**Quarterly Excess Water/Sewer**

The combined the Water and Sewer excess rates is \$4.50/thousand gallons over the 10,000 quarterly allowance.

The proposed change includes adding a \$1.00 to the excess charge and adding tiered rate structure after 50,000 gallons. \$5.50/thousand gallons up to 50,000 gallons. After 50,000 gallons, the rate goes up an additional \$1.00 to \$6.50/ thousand gallons till 80,000 gallons then the rate goes up an additional \$1.00 to \$7.50/ thousand gallons. (All the thresholds are computed after the 10,000 quarterly allowance.)

If you use less than 46,000 gallons in a quarter (other than summer,) the \$36.00 reduction in base fee will offset the \$1.00 increase in the water sewer excess rate from \$4.50 to \$5.50.

**Increase in MUA Fee** Currently that rate is set at \$4.50/thousand gallons. The proposed change increases the initial rate and adds tiered rates as well. The new initial rate is proposed at \$6.50/thousand gallons up to 50,000 gallons, then \$8.75/thousand gallons up to 80,000 gallons and finally anything over 80,000 gallons goes to \$11.25/thousand gallons.

**Impact:**

***Based on 2021 Summer consumption, current rate structure vs proposed:***

1,395, or 39.22%, of the properties will see a decrease in their quarterly bill - up to \$36.00 a quarter.

448, or 12.60%, of the properties will see an increase between \$0.00 to \$25.00 for the summer quarter.

(Over 50% of the properties have a minimal impact)

240 properties will see an increase per quarter between \$25.00 and \$50.00. (6.7% of the properties)

246 properties will see an increase per quarter between 50.00 and 100.00

98 properties will see an increase per quarter between 100.00 and 200.00

**Gallons consumed:**

46% of the properties used 20,000 gallons or less and they will see an annual change from zero to \$36.

64% of the properties used less than 45,000 gallons in the summer. If those properties are using less than 10,000 gallons in the following three quarters, they will see anywhere from a small annual increase up to around two-hundred-dollar annual increase.

**Large consumers impact:**

Properties that use more than 50,000 gallons to 80,000 gallons will see an increase ranging from just over a hundred dollars for the year to \$600.00.

Properties that used over 85,000 gallons but less than 120,000, 43 properties will see an annual increase between \$1,000 and \$2,000.00.

The 35 properties that used over 120,000 gallons in the summer, will see at least 100% increase in their MUA Fees for the year. And between 43% to 61% in their excess water/sewer fees.

Councilmember Parzych restated that more than one half of property owners will receive a decrease in their bill. The remaining users will be graduated up in fees based on their higher water consumption. In addition, there will be a decrease in the quarterly base fee for the exclusion meter. Overall, the rates have been skewed to affect the large water users who choose to consume higher water amounts.

Councilmembers thanked Mr. Craft for his work on these rate adjustments.

Councilmember Dallahan asked how the MUA fee of \$1.6 is determined: Mr. Craft advised that it is based on a percentage portion in comparison with other communities that utilize the MUA for sewer treatment.

Councilmember Gensemer asked how the Utilities Department became 27 million dollars in debt. Mr. Craft explained that it is project based and that he does have a spreadsheet listing the projects that contributed to that debt total. Councilmember Gensemer asked how we can avoid any increase to the debt. Mr. Craft advised that the increase in the proposed rate structure can assist with the debt accumulated by roadway improvements.

Councilmember Gensemer suggested to increase fees to pay for capital projects. Mr. Craft advised that capital projects' cost far exceed any reasonable increase. Councilmember Parzych noted the requirement of replacing water lines by 2031 and a portion of roadway improvements is the water/sewer budget responsibility which impacts the water/sewer budget.

It is the intention of the Utilities Committee to present changes in the ordinance for the water/sewer rates for 2023 at the next Council meeting scheduled for November 1<sup>st</sup>, 2022.

No Further Discussion

Upon Motion by: Councilmember Frank Dallahan

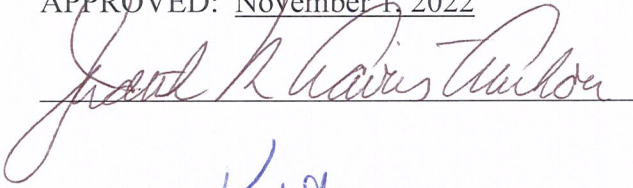
Seconded by: Councilmember Reese Moore

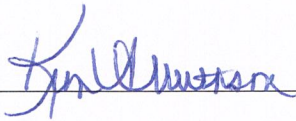
Work Session, October 18, 2022

That the Work Session Meeting of Mayor and Council be adjourned at 6:12p.m.

**Vote**                      **6 Councilmembers**    **AYE**

APPROVED: November 1, 2022

 \_\_\_\_\_, Mayor

ATTEST  \_\_\_\_\_, Borough Clerk