

CITY OF CAPE MAY

STATE OF THE CITY ADDRESS

BY

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MAYOR

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Good afternoon to our residents, business persons, and visitors!

As the City of Cape May moves forward on a continuum to synchronize a concurrent calendar and fiscal year, today's State of the City Address represents a brief review of progress achieved and challenges encountered by City Council since my July 1, 2011 State of the City Address as well as a succinct overview of City Council's initiatives for 2012. For the past three and one-half years, our governing body's has successfully implemented its long-range planning agenda with our long-term financial and capital planning programs to create a comprehensive and systematic sustainability approach for our City over the next two decades. In the case of Cape May, sustainability must be defined in the broadest sense of the term: Our strategies will allow us to sustain economic growth; sustain the City's infrastructure to assist in providing the programs and services that our residents expect and demand; sustain exemplary environmental stewardship, and sustain the affordability of the City for our residents, businesses, and visitors.

COMMITMENT TO SUSTAINABILITY

On November 15, 2011, Cape May City was one of six towns in New Jersey to receive the highly regarded Silver Certification and declared Small Municipality Champion from Sustainable New Jersey at the annual New Jersey State League of Municipalities Conference in Atlantic City, NJ. Cape May was awarded over \$100,000 in grant funds in 2011 for energy efficiency upgrades to City Hall, the Public Works Complex, the Fire House, and the Franklin Street School. These improvements are projected to save \$17,000 off the City's electric bill annually. In addition, the City received a \$26,000 grant to complete an energy audit of a dozen City-owned buildings. The City's Green Team has recently been awarded a \$10,000 grant by Wal-Mart as part of the Sustainable Jersey program for a demonstration project at Cape May Elementary School to install a small wind turbine to reduce energy costs of the school, provide a new educational component for the School's growing sustainability curriculum, and extend the City's use of alternative energy.

As we move forward into 2012, City Council will continue progress on our detailed continuum of initiatives to achieve State-certification for Cape May's Plan Endorsement program by April 2012 through the Office of State Planning Advocacy. This particular achievement will represent the timely culmination of a four-year systematic strategy to complete the State-mandated City Master Plan Reexamination Report by March 2009, the FEMA-required City Floodplain Management Plan in 2009, and the substantially-certified City COAH Plan in 2010. All pertinent City planning documents will then be current, valid, and working documents which chart the future direction of Cape May and also qualify our City for priority status in obtaining federal and state grants and low-interest loans for our future community projects. Also, the City's Green Team is committed and already working on repeating Cape May's certification as a Sustainable Jersey community at the Silver Level so that we solidify Cape May's future as a sustainable town economically and environmentally as well as in terms of infrastructure and quality of life. Based upon City Council's approval of Resolution 254-12-2011, the City has entered into a second year of a professional services agreement with James M. Rutala Associates LLC to assist the Green Team in meeting its goals for 2012. Subsequently, by virtue of the passage of Resolution 259-12-2011, the City of Cape May Green Team has submitted, as of December 30, 2011, a grant application to the New Jersey Department of Transportation for a Safe Routes to School project to develop a School Travel Plan in cooperation with the Cape May City Board of Education. Relatedly, based upon Resolution 271-12-2011, City Council has just approved an engineering services contract for the design of a new photovoltaic power system at the new Cape May Convention Hall.

OPEN SPACE AND PARKS SYSTEM

The City has recently been awarded an initial \$450,000 grant from the New Jersey Department of Environmental Protection Green Acres Program (NJDEP) for property acquisition at the Lafayette Street Open Space Recreation Area that is located along the main entranceway to Cape May near the downtown historic area. The City's project was one of the highest rated applications reviewed by NJDEP. Cape May has the opportunity to resubmit this particular project for additional Green Acres funding in subsequent years, and, in fact, will be doing so on or before February 15, 2012. Through a variety of public-private partnerships, the objective is to unite, for programming purposes, the 38 acres of open space into a year round, comprehensive active and passive recreation complex with educational and environmental amenities. This project has been conceptually planned by our community members of all ages during open public meetings as part of the City's partnership agreement with the Temple University School of Environmental Design during the past two years. Temple faculty members and the lead student designer as well as a representative from NJDEP participated in a news conference regarding this specific Cape May project on December 14, 2011.

Through the long-range planning process and coordinated capital planning, the City has now coordinated funding through a grant and the City's capital fund for phased upgrades and improvements to Rotary Park, which is adjacent to our three-block long Washington Street Pedestrian Mall in the downtown historic area. The focus is on transforming Rotary Park into an even more attractive, diversified, and accommodating venue to host a wider array of community-oriented cultural, artistic, historical, recreational, and social events. It is projected that the City will commence the construction on the first two phases of this three phase project in the Fall of 2012.

The City collectively strives to implement our long-range strategies to achieve our community-based vision and goals that are emphasized in the City's Master Plan and Vision Statement phase of the Plan Endorsement process. The City is in the process of acquiring and preserving 78 acres of pristine environmental wetlands in East Cape May as a wildlife sanctuary. Therefore, the City continues to participate in the ongoing planning and negotiation meetings with the principals of East Cape May Associates, the United States Army Corps of Engineers, the New Jersey Department of Environmental Protection, and the American Littoral Society to finalize the permitting process. These negotiations represent the final step of implementing the settlement agreement signed by all the parties at the Cape May City Council reorganization meeting on July 1, 2009. Under this settlement agreement, the City of Cape May will become an owner and managing partner of the 78-acre wildlife sanctuary at a cost of \$4.4 million that will be covered totally by grants. This purchase will have no financial cost to the Cape May taxpayers.

WATER SUPPLY AND CONSERVATION

During the period from 1995 to 1998, City Council planned and financed the installation of a reverse osmosis, two million gallons per day, water desalination plant accompanied by two new wells drilled into the brackish 800 foot Atlantic City sands aquifer. This capital project was financed totally by grants and low-interest loans. As the only desalination plant in New Jersey, our facility provides 2.0 million gallons of our maximum 3.4 million gallon daily capacity, and currently produces 60% of the potable water used daily on a year round basis in Cape May City, the Boroughs of Cape May Point and West Cape May, and the U.S. Coast Guard Base. This facility has moved Cape May's status from a water dependent utility to an independent, regional water supplier. During the 2012 calendar and fiscal year, the City Council will be assessing the desalination plant's physical and operational conditions to ascertain specific long-term improvements which must be planned, financed, and implemented to sustain the efficiency and cost effectiveness of this facility.

During the past six months, City Council has overseen the performance of a feasibility study to determine the comprehensive status of the 77 year old, 700,000 gallon Madison Avenue Water Tank as well the 17 year old, 1 million gallon Standpipe at our Public Works/Water and Sewer Utility Complex on Canning House Lane. After a thorough review and analysis as well as discussions with the United States Department of Agriculture (USDA), our Council has moved forward with an efficient and cost effective plan to restore the Madison Avenue Water Tank and repair and paint the Canning House Lane Standpipe. The City has already achieved a \$2.1 million grant and low-interest loan agreement with USDA which is projected to cover the cost of the vast majority of this dual project. Service work will start this year, and both the Water Tank and Standpipe should be serviceable for at least another 50 years with periodic maintenance performed.

Cape May is installing water meters with encoded registers and radio frequency automatic meter reading and leak detection for all 3,889 accounts. Currently, the completion rate has surpassed 94%. This initiative reduces labor costs since City employees will not be reassigned for one week on a quarterly basis to conduct on-site reading of individual meters. Also, the leak detection feature should

ensure more timely identification of unknown leaks and thus conserve water, especially in seasonally occupied homes.

INFRASTRUCTURE IMPROVEMENTS

Over a three-year cycle, Cape May has successfully attained \$2.1 million in N.J. Small Cities CDBG grant funds to ensure compliance with ADA requirements. Primary focus has been on providing full access and related amenities on our Promenade, beaches, Washington Street Mall service streets, and the Franklin Street Civic Center for our local and visiting disabled and elderly citizens.

During the past two years and continuing in the 2012 year, the City has made substantial progress on necessary USDA-funded sanitary sewer improvements and street reconstruction on 16 separate roadways. By utilizing USDA grant and low-interest loan funds, and then coupling these monies with dollars from the City's general capital and water and sewer utility capital programs, the City has been able to replace aging infrastructure and roadways with state-of-the-art technology and materials in the most cost-effective manner with significantly lesser impact on our taxpayers and ratepayers.

NEW CAPE MAY CONVENTION HALL

As our most visible public improvement and most crucial economic development initiative at the current time, the actual construction is on schedule and within budget. The installation of the windows and total enclosure of the Hall should be accomplished during January 2012. Pursuant to the construction contract, the Convention Hall is to be "substantially completed" by April 13, 2012. There will be the need to complete some final items until mid-May with the Grand Opening scheduled for Saturday, May 26, 2012 at 10:00 am. This new multi-purpose Convention Hall facility will host Peter Nero and the Philly Pops for a gala opening concert on that same Memorial Day Weekend. It is anticipated that one of the three "soft opening" events projected for late May 2012 will be an open house for all City taxpayers. This event would be a "Thank You" get-together to express gratitude for the taxpayers' support for this economic development project that will surely benefit all of our residents, business people, and visitors for years to come. Our new Convention Hall is designed to the Silver LEEDS level, and represents a vital economic development initiative that will expand Cape May's economy to a 10.5 month season and secure Cape May's niche as a premier tourist destination. This \$10.5 million project, which is being funded by Cape May taxpayers and the CRDA, will serve as a community center but will offer the opportunity for conferences, small conventions, and performing arts events. Relatedly, the initial functioning of the new Tourism Utility in 2012 should result in a more comprehensive, planned approach and strategies by the cooperating public and private sectors to promote and market Cape May more effectively and efficiently as a premier tourist destination for all four seasons.

MUNICIPAL BUDGET

In 2012, City Council's goal is to formulate and pass an overall municipal budget (including the current fund, water and sewer utility, beach utility, and the new tourism utility) which provides the requisite programs and services expected by the public while maintaining the affordability for all of us to continue to live, work, and visit here. In addition, this 2012 Budget should commence the gradual, but steady,

process of shifting the cost burden of tourism activities from the residential and commercial taxpayers to the participants in tourism-related activities. As with all municipal governments in New Jersey, the City of Cape May is currently being challenged with overall downturn in the regional, national, and global economies, the State of New Jersey's 2% tax levy cap imposed on municipal budgets, and the crushing effects of public safety personnel salaries and benefits on a municipal budget.

Within the parameters of long-range planning, prudent fiscal management, and operational effectiveness, the City of Cape May has strategically positioned itself in Fiscal Year 2012 with a rare, yet daunting, opportunity to restructure the Table of Organization and related service delivery systems to ensure the sustainability of the necessary array of programs and services that are expected and demanded by our taxpaying public over future years. This window of opportunity occurs very infrequently and must be embraced if City Council truly desires to solidify and gradually expand the economic foundation of our City so that we can maintain and improve the quality and quantity of governmental, social, arts, history, environmental, educational, recreational, and tourism functions and activities which make Cape May a desired destination in which to live, work, and visit. In this vein, two major, landmark legislative initiatives have been enacted by City Council on December 6, 2011: 1) The establishment of the City's new Tourism Utility; and 2) The restructuring of the City's Civic Affairs and Recreation Department into the new Department of Tourism, Civic Affairs, and Recreation. As the 2012 Budget process proceeds, Deputy Mayor Wichterman and I will be proposing additional priority improvements, including, but not limited to, the provision of additional human and material resources in information technology, the cross-training of City employees where applicable, and increased service delivery in code enforcement and animal control.

In concluding this State of the City address, it is imperative to emphasize that the accomplishments achieved and the challenges that have been overcome are possible only by the cooperation, dedication, commitment, and hard work of the residents and business people who comprise our Cape May community. Your involvement, input, direction, and work ethic are the key ingredients that give Cape May the quality of life that motivates all of us to live and/or work in this National Historic Landmark City and encourages visitors to seek Cape May as a premier tourist destination. Thank you for all you continue to do for our community, and we look forward to working with you in the coming year. On behalf of my colleagues on City Council, I wish a happy, healthy, prosperous, and enjoyable 2012 Year for all our residents and business people.

Dr. Edward J. Mahaney, Jr.

Mayor

City of Cape May