

# Lower expenses counter lost revenue in Cape May

By JACK FICHTER

Cape May Star and Wave

CAPE MAY — The city continues to deal with revenue shortfalls due to the COVID-19 pandemic by cutting spending.

During a City Council meeting Oct. 20, Chief Financial Officer Neil Young said September cash balances were about \$200,000 less than in August. Spending in the current fund budget year-to-date comparing 2020 to 2019 showed city spending is down \$1.2 million.

"If we compare our actual balances from 2020, on a total budget of \$20,977,000, minus what we've actually spent is \$6.8 million left, as of Sept. 30," Young said.

The city had a \$20.2 million budget in 2019 minus \$15,370,000 spent at the end

of September 2019, which left \$4.8 million. As of Sept. 30, 2020, the city was \$2 million to the positive.

"On the spending side of the current fund, we're doing a good job," Young said.

The city will be down in revenue the rest of the year mostly due to the COVID-19 pandemic, he said. Young said the city is down \$500,000 in revenue from this time last year.

Parking meter revenue improved in September.

"Last month we were down \$267,000. This month we're only down \$123,000, so we caught up a bunch in September," he said.

Young said interest on investments continues to decline due to the interest rate being about 20 times lower than it was at this time in 2019.

Occupancy tax worsened in September, he said. In August, occupancy tax was off by \$287,000. As of Sept. 30, occupancy tax was off by \$300,000, Young said.

"In October, this number should get better again," he said.

Construction Office fees and tax collection improved, Young said.

He said Water/Sewer Utility expenses comparing September 2020 to September 2019 finds \$563,000 in additional funds expended, mainly due to debt service and sewage disposal costs from the county Municipal Utilities Authority.

As of Sept. 30, 2020, the Water/Sewer Utility has a balance of \$2.1 million left in its budget compared to \$2.4 million remaining Sept. 30, 2019. He said the

utility needs an adjustment in rates due to decreasing revenues.

Sewer collection fees improved \$12,000 since last month.

The utility's revenue is down \$194,000 year-to-date, mainly due to consumption sinking in April, May and June when hotels and businesses were shut down due to COVID-19.

The state is allowing municipalities to recover lost revenue over five budget years starting in 2022. Young said the city probably would take advantage of that tool for the Water/Sewer Utility.

As an example, if the city lost \$200,000 in revenue, it could budget \$40,000 per year for five years to make up for the loss following a rate increase, he said.

Young said beach tag

sales were down at the end of August by \$208,000 but as of Sept. 30, tag sales were down \$128,000 due to increased sales during seven days in September. The city will need to sell 3,000 more pre-season beach tags in December to break even on the year, he said.

"If we sold 16,000 tags in 2019, we need to sell 19,000 tags in December of 2020 to kind of break even on our beach tag revenue," Young said.

He said based on the history of pre-season, discounted beach tag sales, the city will do fine based on the \$25 seasonal tag rate, which will increase to \$30 on Jan. 1, 2021.

"The pitch is, get your discount during the holiday season, give them out as gifts and hopefully we'll

attract many people to purchase during December," Young said.

A perfect stocking stuffer, Councilman Zack Mullock said.

The Tourism Utility held few events this summer. Young said \$1 million was budgeted for tourism and marketing but only \$300,000 was spent. The appropriation balance at the end of September was \$974,000.

At the same time last year, the utility had \$367,000 left to be spent.

"So we are in a better position by nearly \$600,000 in the tourism utility," he said.

The utility is showing a revenue loss of \$531,000 compared to a savings from spending of \$597,000. He said the utility is \$60,000 to the good.

# Active coronavirus cases rise almost 50 percent in week

By DAVID NAHAN

Cape May Star and Wave

Active COVID-19 cases climbed by almost 50 percent in Cape May County from a week earlier.

Lower Township and Ocean City led the way with Middle Township and

Upper Township not far behind.

According to the Cape May County Department of Health, the active cases among county residents had risen to 176 as of Monday, Nov. 2, down slightly from 180 cases the day before.

There were an additional nine cases in long-term care facilities and another eight active cases among non-residents.

The Department of Health reported 19 new cases on Monday, 17 on Sunday, 19 on Saturday and 34 on Friday, a day when Ocean City hit a high of 40. Lower Township had 39 that day, when each of those communities reported 11 new cases among residents in a single day.

Just a few weeks ago, the county was seeing an average of about six new cases a day.

On Oct. 27, there were 118 active cases in the county among residents, two in non-residents and

four in long-term care, compared to the total of 193 as of Monday.

On Monday among residents there were 38 active cases in Lower Township, 33 in Ocean City, 32 in Middle Township and 29 in Upper Township. There were 19 cases in North Wildwood, plus four more in non-residents there.

Elsewhere in the county, all the resident cases were in single digits: six each in Sea Isle City (plus one non-resident) and Wildwood (plus two non-residents), four each in Wildwood Crest (plus two non-residents) and Dennis Township, two each in West Wildwood (plus one non-resident) and Cape May;

and one in Stone Harbor.

All nine cases in long-term care were in Dennis Township.

There were no active cases in Avalon, Cape May Point, West Cape May and Woodbine.

The total number of positive cases had climbed to 1,698. There have been 94 fatalities attributed to COVID-19, but no new deaths over the past week.

Throughout New Jersey, COVID-19 cases have continued to rise.

Statewide on Monday, there were 1,379 new cases of the coronavirus, bringing the statewide total to 240,997. The state Department of Health has also reported 14,564 deaths from

COVID-19 and another 1,793 suspected deaths.

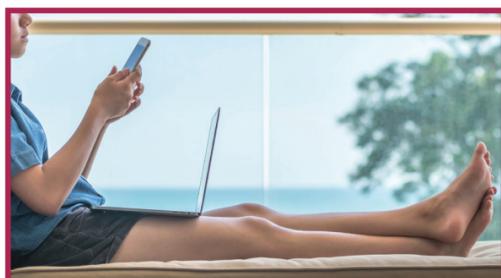
Cape May County and Salem County remain among the least affected by COVID-19 in New Jersey. Since the pandemic began, the counties closest to New York City have suffered the most cases and most fatalities.

Nationally, there have been 565,607 cases reported in the last seven days, according to the Centers for Disease Control and Prevention. The CDC COVID Data Tracker shows there have been 9,182,628 cases in the United States and 230,383 deaths since the CDC began tracking Jan. 21.

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"That's still a lingering question since the whole commercial side of legal marijuana in New Jersey has yet to be drafted."

Counties and municipalities in some states have been allowed to opt out of retail marijuana stores but adults could still possess and consume it and can drive elsewhere to make a purchase, Altieri said.

"But we've also seen in those states, even counties that initially were opposed to marijuana retail outlets, largely came around with time, particularly if forgoing those retail outlets meant they were also forgoing the tax benefits," he said.

In Colorado, Sen. Cory Gardner, a conservative Republican, grandstanded and campaigned against marijuana legalization when the question was on the ballot, Altieri said, but as soon as legalization passed, "became one of our great supporters in Congress."

"Having your state voters who also elect you show that they're overwhelmingly behind this tends to have an influence on the politicians that want to keep getting re-elected," he said.

Altieri said with the COVID-19 pandemic continuing, the state could give licensing to micro-retailers, marijuana de-

livery services partnering with current medical cultivation centers.

Sales tax on marijuana sales has been forecast to bring the state from \$300 million to \$900 million per year by 2024. He said he expects a boom in the early years of legalization when New York and Pennsylvania residents come to New Jersey to purchase marijuana.

Based on data from other states that have legalized marijuana, not only does it draw economic activity to towns that allow dispensaries but decreases crime because the retail operations are required to have a lot of security cameras and an on-site guard producing a safer neighborhood, Altieri said.

"In terms of tourism, one simply has to look at the close analog of Las Vegas where if you go down the strip, there's a fair number of marijuana dispensaries now, they have a cannabis museum, they have cannabis interactive exhibits," he said. "It's become a fabric of Las Vegas already as part of what tourists will do when they go there."

Recreational marijuana use has been legal in Nevada since 2017. Altieri said marijuana sales could help Atlantic City, which has been losing gamblers to casinos in Philadelphia and Delaware.

Revenue from marijuana sales tax can come

to local towns proportionately from a state pool while in some states local municipalities can add their own local tax from 2 to 5 percent.

"It can be sizable especially at a time when they are looking to fill holes in their budget due to the affects of COVID-19," he said.

Altieri said legalized marijuana has created around 300,000 good-paying jobs nationwide. At a time when people are filing for unemployment compensation en masse, marijuana sales bring in tax revenue for infrastructure and education and also create jobs, he said.

New Jersey has been ready and waiting for legalization. Even if some of the politicians were a little hesitant, the people have been overwhelmingly supportive, he said.

Some states have banned people with past marijuana arrest records from obtaining a license to sell it legally.

"It's something we have always fought against at NORML," Altieri said. "We believe if your criminal record is for nothing more than marijuana, you should not be denied the market that is now developing just because they happen to arrest you six months before the voters had their say."

He said Gov. Phil Murphy views legal marijuana as a social-justice issue.

Altieri said if we are going to address the harm that marijuana prohibition has caused on communities, we need to make sure those people who were harmed stand to benefit from its legalization.

Last year, there were more marijuana arrests than those arrested for all violent crimes, according to the FBI.

"I don't believe most folks think that police should be spending more time arresting an otherwise law-abiding adult for consuming a joint than they should a robber, a burglar, someone who assaults someone," he said.

Some police chiefs in the state have expressed concerns about drivers impaired by marijuana use. Altieri said there has been no dramatic increase in other states in impaired driving or highway fatalities due to marijuana.

"We know that comparatively to alcohol, the risk is infinitely lower," he said.

Individuals are already consuming marijuana, he said.

"It's not suddenly like we have this whole new population of individuals trying marijuana for the first time in their lives and getting behind the wheel," he said.

Altieri said legalization of recreational marijuana was expected to pass in Arizona, South Dakota and Montana as well.



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