

Former mayor Blomkvest recalls new mall, beach tags

By JACK FICHTER
Cape May Star and Wave

DENNIS TOWNSHIP — Much that happened in Cape May in the 1970s — including development of the Washington Street Mall, beach replenishment and the introduction of beach tags — is still positively affecting the city today.

Former mayor Arthur “Mickey” Blomkvest looks back fondly on that era and the people he served with on City Council beginning in 1968. He served 16 years on council, 12 as mayor.

Blomkvest said Gilbert Ramagosa, who owned most of the amusement rides in Wildwood, bought Congress Hall in the late 1960s and hinted he wanted to place a Ferris wheel on the hotel’s beach. Blomkvest said he opposed the idea and that became the catalyst for his run for City Council. He served with Mayor Frank Gauvry and Deputy Mayor Bernard Berk from 1968 to 1972.

“We had a lot of empty lots at that time,” Blomkvest said. “Where Victorian Towers is now was vacant parking.”

The city had been walloped by a 1962 nor’easter. Urban Renewal had come to Cape May and a number of businesses that had been operating in the city for years were displaced, he said. Blomkvest

‘If we had a high tide, from Ocean Street going north, there was almost no beach. If you put your chairs out there, they’d wash away.’

— Arthur Blomkvest says regarding the fight for beach replenishment in the 1970s

said Urban Renewal was the greatest thing that ever happened to the city.

“We had the mall dedication in ’71. That’s when the mall was completed for the first time,” Blomkvest said.

He said not all the businesses on Washington Street were happy with the mall construction.

“We had to tear everything out from store to store from side to side on Washington Street,” Blomkvest said.

Sheets of 4X8 plywood were placed across the street during mall construction to allow shoppers to enter the stores, he said.

“Sam Kahn, who owned the Ugly Mug, came in during that episode and said ‘You people have ruined my business,’” Blomkvest said. “That summer was the first full-time opening of the mall, and in August, Sam Kahn came back and said ‘Boys, it was the best summer I ever had.’”

He said the Rev. Carl McIntire

approved liquor licenses for the new mall, which he said received criticism from the public and some business owners.

He said some residents were opposed to the construction of Victorian Towers, but City Council felt the towers would provide customers to the newly completed Washington Street Mall during the off-season.

In the early ’70s, the Emlen Physick Estate was in disrepair and some factions in Cape May wanted the home demolished.

“I was concerned about MAC (the Mid-Atlantic Center for the Arts and Humanities), brand new, whether the city would be saddled with the whole thing after they failed,” Blomkvest said. “They did not fail, and it was very good for the city of Cape May. I worked with them for the next 12 years when I became mayor.”

Blomkvest said McIntire’s ministry owed Cape May \$500,000 in water bills and taxes and the city was preparing to foreclose on the Christian Admiral Hotel.

“We left City Hall open until 12 o’clock that night and he came in at 11:30 and paid \$500,000,” he said.

The city had a flooding problem in the Frog Hollow section during Blomkvest’s administration that he said took four days to pump out after a winter storm. A pump station on Benton Avenue pumped 5,000 gallons per minute at that time.

“We put two diesel pumps in there and that increased it from 5,000 gallons per minute to 55,000 gallons per minute,” he said. “Instead of 24 hours or more to get the water out, we got it out in 12 hours.”

Blomkvest said the city experienced beach closings due to sewage runoff after rainstorms in the 1970s. That problem was addressed by separating sanitary and storm sewers, he said.

See Blomkvest, Page A4



Former Cape May Mayor Arthur Blomkvest poses in front of the U.S. Capitol Building in the 1970s while in Washington, D.C., to lobby for beach replenishment funding.

Budget calls for 1.3-cent tax rate increase

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uncollected taxes of \$18,606.

MacLeod said the total increase in appropriations included salaries and wages and other expenses in the proposed budget is \$392,000, or a 6 percent increase.

He said the city ended the year with an unaudited surplus balance of \$3.7 million. The city is anticipating using \$2.1 million in the 2015 budget, he said.

The city’s four proposed operating budgets total \$27 million. The general/current fund budget totals \$17 million, the beach utility budget totals \$2.2 million, the tourism utility, \$1.1 million, and the water sewer utility, \$6.7 million. The city’s current fund budget represents the largest share at 63 percent of the spending, according to MacLeod.

He said the recession of 2008, which is now seven years removed, affected Cape May. City revenues such as the room tax, parking meter fees, building permit fees and interest on investments all declined in 2009 and stabilized in 2011. MacLeod said in 2012, the room tax and parking meter revenue continued to improve as building permit fees and investment income leveled off.

“Just as it seemed the economy was recovering, the East Coast was hit by Superstorm Sandy in October 2012,” he said. “While the city of Cape May was blessed with very limited infrastructure dam-

age and no loss of life, there has been a lingering effect on the business community and tourism.”

In 2013, the room tax and building permit fees increased, while parking meter revenue declined, MacLeod said. In 2014, room tax, parking meter fees, building permit fees and beach tag fees all increased compared with 2013 levels.

He said the percentage of tax collection remained strong at 98.71 percent in 2014. Cape May receives \$337,632 in state aid, which auditor Leon Costello said is not a factor in the budget.

The beach utility budget, which is self-liquidating, totals \$2.2 million, with salaries and wages totaling \$1.4 million, up \$24,500 over 2014. Other expenses in the beach utility total \$853,000, which is \$10,400 more than last year’s budget, MacLeod said. The total beach utility budget is \$45,400 more than last year, he said, a 2 percent increase.

Sale of beach tags totaled \$2.2 million in 2014. The beach utility had estimated surplus funds of \$377,000, up \$100,000 from last year, he said. At the beginning of last year, seasonal beach tag prices were raised by \$5, three-day tags by \$2 and the weekly tag by \$3 starting in 2015. The city issued almost 2,000 free beach tags to veterans and active-duty military families.

The water/sewer utility budget totals \$6.7 million, of which \$900,000 is salaries and wages. Other expenses total \$5.8 million, he said.

The water portion of the budget totals \$2.7 million, while the sewer portion totals \$3.9 million. MacLeod said the county Municipal Utilities Authority charges the city \$2.7 million for sewage disposal, which comprises 69 percent of the total sewer budget and 41 percent of the total water/sewer budget. The total water/sewer budget is \$47,400 more than 2014, he said.

MacLeod said new water rates were set in 2010 and historically, the city rates change every four to five years.

“The year 2014 represented the fifth year in the rate setting cycle,” he said.

While there is no proposed change in water rates for 2015, he said a study team should be established in 2016.

The tourism utility budget totals \$1.1 million. MacLeod said the tourism utility budget would increase in the future based on the plan to create numerous events and activities throughout each year that would generate revenue.

“The budget is intended to include the cost of operating the new Convention Hall facility, performing arts and ticketed events, the many recreation programs, select civic and community events and tourism-related expenses and staffing,” MacLeod said. “In the future, it may be possible for the tourism utility to absorb some of the debt service on the new Convention Hall.”

Proposed salary and wages for the tourism utility total \$348,000, with other expenses

budgeted at \$758,000, he said, a \$39,525 increase over 2014.

MacLeod said overall revenues for the tourism utility in 2014 totaled \$1.1 million, resulting in \$71,000 more revenue than anticipated. The utility ended the year with an estimated \$274,000 in surplus funds, he said.

MacLeod said the city remains in a sound financial condition, which has been recognized with a AA bond rating.

MacLeod displayed a number of spreadsheets and pie charts in a PowerPoint presentation. He said the general rule of thumb was the city could not project revenue higher than what was collected in the previous year.

The budget calls for the city to use \$2.1 million, or 55 percent, of its \$3.7 million surplus, holding in reserve \$1.6 million, he said.

The city will take in \$458,000 from West Cape May and \$268,000 from Cape May Point to provide police services under an interlocal agreement, MacLeod said.

He said ratables — total taxable properties in Cape May — equaled \$2.8 billion. The county has 16 municipalities, with Cape May ranking sixth in the amount of ratables. Ocean City ranked first, with \$11.1 billion in ratables, and Avalon was second, with \$7.3 billion. Neighboring Lower Township had \$3.5 billion in ratables.

MacLeod said Cape May was one of four municipalities he deemed a “full-service municipality, providing fully paid police and fire department and

emergency medical technician service.”

“There are only three other municipalities that fit that level. All the others have volunteer fire departments and there is no impact on their municipal budget other than maybe a contribution to those volunteer fire departments,” he said.

Some city employees have their salaries spread into more than one budget or utility as a cost-sharing measure, he said.

“My salary is spread among the current fund, water/sewer utility and the beach utility,” he said.

The city’s general administration salaries total \$1.1 million, with Fire Department salaries at \$1 million, police salaries at \$2.7 million and Public Works salaries totaling \$2.2 million.

He said spending for other expenses in the general budget totaled \$10.6 million. Salaries and wages comprise 38 percent of the budget. MacLeod said nondiscretionary items such as health insurance, employment taxes, retirement systems and capital improvements totaled \$8.1 million, or 76 percent of the appropriations.

“Their increase represents \$361,744, almost 80 percent of what the total increase of \$454,000 turns out to be,” he said.

Anticipated income for the city’s tourism utility in 2015 includes \$130,000 in room tax, up 9 percent, \$125,000 from retail leases, \$57,500 from camps and \$75,000 from roller skating in Convention Hall.

Under performing arts, the tourism utility budget projects a drop from 2014 figures of \$315,000 to \$285,000, a decrease in ticket-handling fees from \$21,000 to \$18,500 and a decrease of \$11,000 in advertising and sponsorships. Overall, the tourism utility revenue is projected to increase by 3 percent to \$1,106,700.

Under projected expenses, the tourism utility would spend \$20,000 less on travel shows but \$12,500 more on advertising and promotions. Event and performance costs are projected to remain at \$375,000.

During public comment, former mayor Jerry Gaffney commented that the proposed budget “used the least amount of surplus, ever.”

He asked if council actually wanted to use that small of an amount in surplus or use more and reduce the proposed tax increase.

Earlier in the meeting, auditor Costello said the city used \$2.9 million of surplus in its 2004 budget, which increased to \$3.3 million in 2005 and \$3.5 million in 2006, dropping to \$3.1 million in 2007.

“What you have to be careful of is if we use money to fund the budget, what’s it going to do to the following year?” Costello asked. “The more fund balance you use, you make a demand to make that money back.”

He said some years the fund balance did not come back, such as a drop in 2006 from \$3.5 million to \$3.1 million in 2007 to \$3 million in 2008. Costello said the goal was to keep the fund balance at a steady level. He said while the city was using 55 percent in the projected budget, both Atlantic and Cape May counties had a policy of not using more than 50 percent in one year.

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23	9:54	10:25	3:25	4:04
24	10:46	11:21	4:21	4:55
25	11:41		5:21	5:49
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