



# SHPOA

Stone Harbor Property Owners Association

P.O. Box 155 | Stone Harbor, NJ 08247 | [www.stoneharborpoa.org](http://www.stoneharborpoa.org)

## OFFICERS

**PRESIDENT** March 15, 2021

**Richard Fuchs**  
Pennsylvania  
Avenue

Judy Davies-Dunhour, Mayor  
Robert Smith, Borough Administrator

Borough of Stone Harbor  
9508 Second Avenue  
Stone Harbor, NJ 08247

**VICE PRESIDENT**  
**Jack Kelleher**  
Third Avenue

**TREASURER**  
**Paul Grady**  
First Avenue

**SECRETARY**  
**Heidi Yacker 84<sup>th</sup>**  
Street

**CHIEF  
INFORMATION  
OFFICER**  
**Homi Kapadia**  
102<sup>nd</sup> Street

Dear Judy and Bob:

In response to the 2021 draft budget presented at the Borough Council working session on February 11, 2021 and the budget presentation at the council meeting on March 2, 2021, Stone Harbor Property Owners Association (SHPOA) wishes to express our point of view on the 2021 budget as well as the long-term financial challenges facing Stone Harbor.

Stone Harbor will continue to have significant demands on its financial resources due to environmental impacts. We applaud the Borough's efforts to date and future plans in this regard, including the tax dedicated to building reserves for beach and bay maintenance. The need to mitigate flooding, maintain the beach and bay, and address water usage will result in significant investments by the Borough over the next 10 years. SHPOA estimates that the investment required could exceed \$100 million. This is consistent with the investment already made and being planned by nearby shore communities, for example Ocean City, NJ.<sup>1</sup> These critical demands exceed what the Borough has experienced in the past and emphasizes the need for prudent management of expenses and cooperative cost sharing between communities to meet these demands while maintaining affordable property taxes.

We note that with the proposed 2021 tax increase, Stone Harbor's property tax rate will have increased by a compounded 36% over the past four years, as follows:

- 2018: Effectively 8.9% increase due to 2017 property revaluation even with no rate change (0.245 vs 0.245)
- 2019: 2.4% increase (0.251 vs 0.245)
- 2020: 7.2% increase (0.269 vs 0.251)
- 2021: 13.4% proposed increase (0.305 vs 0.269)

<sup>1</sup> From 2014 through 2025, Ocean City will have spent more than \$87 million on flood control and drainage projects (see <https://www.nj.com/news/2021/02/2-flood-prone-nj-towns-get-8m-to-elevate-homes.html>).

## TRUSTEES

**Walter Bishop**  
Second Ave  
**Joe Maurer**  
First Ave

**Cynthia Burton**  
Sunset Dr  
**Kerry Mulvey**  
106<sup>th</sup> St

**Beth Ann Griesser**  
Corinthian Dr  
**Leonard Pfeiffer**  
103<sup>rd</sup> St

**Catherine Hammer**  
113<sup>th</sup> St  
**Anthony Tinari**  
100<sup>th</sup> St

**Stephen Hudson**  
106<sup>th</sup> St  
**Beth Toolen**  
119<sup>th</sup> St

**Scott Jarden**  
Golden Gate Rd  
**Kerry Wendel**  
90<sup>th</sup> St

**Ted Kestner**  
109<sup>th</sup> St  
**Geoff Woolery**  
110<sup>th</sup> St

**John Kinol**  
101<sup>st</sup> St  
**Marc Yacker**  
84<sup>th</sup> St

Judith Davies-Dunhour  
Robert Smith  
March 15, 2021

In contrast, Avalon has introduced a 2021 budget requiring no increase in taxation, which is the third straight budget with zero tax increase. Further, in 2018 Avalon decreased its property tax rate by 12% from the 2017 rate to offset most of the impact of the 2017 countywide property revaluation. In dollar terms, a resident of Stone Harbor who owned a home worth \$3m in 2017 paid \$7,350 in borough taxes in 2017 and will pay \$9,975 in borough taxes in 2021. In contrast, a resident of Avalon who owned a home worth \$3m in 2017 paid \$6,780 in borough taxes in 2017 and will pay \$7,164 in borough taxes in 2021.

The views expressed in this letter are supported by feedback received from 536 Stone Harbor property owners through a targeted survey which we conducted of SHPOA members from February 26, 2021 through March 3, 2021. Respondents to SHPOA's survey included 53% that have owned property in Stone Harbor for more than 20 years, 19% between 10 and 20 years, and 28% for 10 years or less. A summary of the quantitative results of the survey are included as Appendix A. In addition, in Appendix B we are sharing with you all comments received to the different questions in our survey.

Overall, 50% of respondents were not supportive of the proposed 2021 budget, 29% were supportive and the remaining 21% were neutral. There was limited support for reductions in Borough services. However, recognizing that such services come at a cost, there is very strong support for the Borough to seek cost efficiencies through provision of services using alternative delivery approaches. Consolidation with other municipalities was the overwhelming alternative for Fire, Police and Beach Patrol services. For Public Works services there was similar support for consolidating with other municipalities, but also support for assessing the provision of these services through subcontracted service providers.

Respondents were also supportive of exploring alternative sources of revenue for the Borough, with the implementation of a tax on hotel and rental properties being the highest followed by an increase in fees charged for Borough services.

In addition, our members overwhelmingly support the development of a long range plan with estimates of the Borough's future financial needs and sources of revenue.

### **SHPOA Recommendations**

The results of our survey of SHPOA members indicates that there is a recognition of the financial challenges faced by the Borough in the coming years, resulting in a strong desire to explore alternatives to "business as usual" in order to successfully navigate these challenges. For several years now, SHPOA has been recommending that a 10-year financial plan be developed by the Borough, and our members overwhelmingly support this. We also believe that tax increases alone are not a long-term solution. A combination of new approaches to control the costs of municipal services and new sources of revenue will be required if the Borough is to succeed. We applaud the already accomplished achievements of the Borough in areas such as the municipal court consolidation with Avalon and enrollment in the Cape May regional dispatch service. We encourage continued aggressive efforts.

Judith Davies-Dunhour  
Robert Smith  
March 15, 2021

Specific initiatives that SHPOA would recommend, based on the survey, include:

- Rigorous evaluation of capital expenditures not directly related to the sustainability agenda of the Borough (e.g., lifeguard station improvements, paddle tennis courts)
- Exploration of alternative sources of revenue such as a tax on hotel and rental properties and increases in Borough user fees
- Continued evaluation of opportunities to consolidate with other municipalities for fire, police, beach patrol, and public works services, as well as explore subcontracted outsourcing for public works services.
- Development of a comprehensive long range plan to proactively plan for potential expenditures and capital investment needs, balanced by revenue received from property taxes as well as other sources.

SHPOA has and will continue to engage our membership in discussions surrounding these issues and represent the homeowners of Stone Harbor. We commit to engage with the Borough in a collaborative dialogue on the issues and to share the feedback from our members.

Our collective goal is to provide Stone Harbor the resources it requires to remain “the seashore at its best”.

Sincerely,



Richard A Fuchs  
President  
Stone Harbor Property Owners Association

cc: Stone Harbor Borough Council  
James Craft, Borough Chief Financial Officer  
Suzanne Stanford, Borough Clerk  
Stone Harbor Property Owners Association Officers and Trustees  
Stone Harbor Property Owners Association Members