



CITY OF NORTH WILDWOOD

901 Atlantic Avenue
North Wildwood, NJ 08260-5778
(609) 522-2030

Patrick T. Rosenello
Mayor

Kevin Yecco
City Administrator

Thursday, November 16, 2017

RE: Hereford Inlet Lighthouse

Dear Friend:

Thank you for contacting the City of North Wildwood and bringing your concerns to our attention. Only recently made public on social media; for over a year now, the City of North Wildwood has been working with the Friends of Hereford Inlet Lighthouse to come to an agreement on a new Management Contract between the Friends and the City of North Wildwood for the management of the Lighthouse by the Friends.

Unfortunately, instead of working cooperatively with the City in an effort to preserve and protect the Hereford Inlet Lighthouse in perpetuity, certain members of the Friends organization have refused to address, and have negligently disregarded all of the very real concerns that the City has with the current operation of the Lighthouse. Those concerns, which are explained in more detail in the attached report, pose a real danger to the continued preservation and operation of the Hereford Inlet Lighthouse. The City of North Wildwood has been the primary organization responsible and behind the preservation, rehabilitation and operation of the Hereford Inlet Lighthouse since 1982. The existing liabilities at the Lighthouse and grounds, most of which were caused by the Friends, can no longer be ignored, as the City is the sole lease holder of the Hereford Inlet Lighthouse from the State of New Jersey, accepting all liabilities thereon the grounds/property.

The City recognizes that this unique landmark holds a special place in the hearts of many people. We will continue to preserve and protect this treasured asset for generations to come, just as the City has been doing for over 25 years. Again, thank you for bringing your concerns to our attention, and I hope that this letter and report sheds light on this issue.

Very sincerely,

Patrick T. Rosenello
Mayor

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Hereford Inlet Lighthouse Management Agreement **Issues Leading to Termination of Management Agreement**

- **Background:** From 1982 until 2011 the Hereford Inlet Lighthouse was managed by the Hereford Inlet Lighthouse Commission. This Commission was a municipal commission appointed by the Mayor & City Council and was charged with the day-to-day operations of the Lighthouse. Beginning in 2011 the Lighthouse Commission was abolished and a management contract was entered into with the Friends of Hereford Inlet Lighthouse. The Friends of Hereford Inlet Lighthouse is a private, non-profit corporation over which the City of North Wildwood exercises no oversight nor appointing authority. Due to the issues that have arisen since 2011, as detailed below, the City now believes that it is in the best interest of the Lighthouse and the City of North Wildwood, and for the perpetuation of the preservation of this historic asset, that the City regains oversight of the Hereford Inlet Lighthouse.
- **New Management Plan:** The City of North Wildwood offered the Friends of Hereford Inlet a new Management Agreement to commence in 2018 that would essentially bring back the relationship that had existed from 1982-2011 between the City and the Lighthouse. The Friends Organization has rejected that agreement. It is the intention of the City of North Wildwood to continue to provide the services that have been provided at the Lighthouse since 1982 through the North Wildwood Historic Commission, the North Wildwood Department of Buildings and Grounds and the North Wildwood Recreation Department.

Specific Issues Leading to the Termination of Current Management Agreement:

- **Hereford Inlet Lighthouse Phase 4; Federal Project No. STP-A005 (921):** Paragraph 6(a)(i) of the existing Agreement requires the Friends to “Promptly comply with all laws, orders, rules and requirement of governmental authorities.” The Federal Highway Administration declined the City’s request (made through the New Jersey Department of Transportation) for final payment in the amount of \$17,028.13 on this project because the project end-date of September 29, 2015 expired and the Friends failed to comply with grant close-out procedures that are set forth in 2 CFR Paragraph 200. Thus, the federal project funding was withdrawn as a result of the Friends having failed to comply with federal regulations and the City had to shoulder the expense. Perhaps even worse is the damage that the Friends’ actions and inactions relative to the subject grant have done to the City’s prior impeccable record with federal and state funding sources. The competition for grant money is severe. One of the factors that funding sources use in evaluating which municipalities are to be awarded any given grant is the track records of the applicants in managing previous grants. Up until the mismanagement of the subject grant by the Friends, the City had a perfect track record. As a result of the Friends’ failure to properly close out the subject grant, the City’s ability to obtain future grants for any variety of infrastructure and capital improvement projects has been jeopardized.

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- **Improper Communications on Behalf of City:** By correspondence dated August 12, 2016 the Chairman of the Friends threatened “legal action” against a neighboring property owner because the neighbor allegedly trimmed or pruned trees that were hanging over a fence line. The Friends, in managing the property pursuant to the Agreement, are acting as the City’s agent. That being the case, it was completely unacceptable to threaten any resident of the City with legal action for anything that the neighboring property owner may have done. The appropriate steps to have taken would have been to alert the City Administrator, City Clerk or City Solicitor of the problem and the City would have dealt with it and if, in the end, legal action would be necessary then that would have been undertaken by the City and not the Friends.
- **Unilateral Action Regarding City Event:** For years the City of North Wildwood has ushered in the Christmas season in the community via its annual tree lighting ceremony at the Lighthouse. In 2016, without any consultation with any City Officials, that event was cancelled by the Friends. Fortunately, the City has been able to pick up the pieces of that debacle and proceed as previously planned. Again, however, the complete and total lack of communication by the Friends with appropriate City Officials is entirely unacceptable from an organization that is charged with the duty of managing the property on behalf of the City.
- **Failure to Respond to City Request for Meeting:** By correspondence dated October 19, 2016 to the Executive Board of the Friends, the City Administrator requested the Friends to review the City’s Community Forestry Management Plan relative to the Lighthouse property. The Administrator further requested that the Friends “advise... of your willingness to meet as a group with representatives of the City to commence discussions aimed at moving a final plan forward.” Not one response was received by the City Administrator. That is unacceptable from an organization that is supposed to be managing a property on behalf of the City. In addition, in the Spring/Summer 2017 Hereford Inlet Lighthouse Newsletter, Trustee Chairman Steve Murray authored an article entitled: ‘*In Praise of the Japanese Black Pine.*’ And, while the article was interesting, the opinions shared in the article were in direct contradiction to the City’s duly adopted, and NJDEP approved, ‘Public Lands Vegetation Management Plan & Community Forestry Management Plan,’ that the Friends refused to participate in despite being invited to.
- **Improper and Abusive Treatment of City Employees:** City employees have complained to the City of North Wildwood on numerous occasions regarding the improper and verbally abusive communications they have received from the Chairman of the Friends. Had this individual been a City employee appropriate disciplinary action would have been taken to address these issues. However, due to the current agreement, there is little the City can do to mitigate this issue.
- **Inconsistent Public Access Provided to Lighthouse Grounds:** The Friends have selectively allowed groups and individuals to use the Lighthouse Grounds for private events such as weddings, while denying equal access to other members of the public who have requested it. This selective permission is inconsistent with the norms of oversight for public property and opens the City of North Wildwood to potentially serious liability.

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- **Annual Report:** Under paragraph 5c of the existing Management Agreement, the Friends are required to submit to the City an annual operational report relative to the immediately preceding year that includes various required components that more particularly are set forth in the Agreement within the first 90 days of each year. The Friends did not submit annual operational reports in either 2015 or 2016. When the substance of the required components of the annual operational report are examined it is clear that a purpose of the report is to give the Mayor and Council a tool by which they can gage whether the goals of the Annual Plan were met and by which they can evaluate the overall health of the Lighthouse and its programs. Without the 2015 and 2016 operational reports having been supplied, the Mayor and Council, as representatives of the City which is the lessee, have been deprived of indispensable evaluative material.
- **Annual Plan (including budget):** Under paragraph 5b of the Agreement, the Friends annually are required to submit to the City on or before January 1 an Annual Plan (including budget). The Annual Plan for 2016 was not submitted. One of the purposes of the Annual Plan is to provide the Mayor and Council with material by which they can judge whether or not the planned activities of the Friends are consistent with, and advance the terms of, the lease that the City has with the State. That function of the Mayor and Council on behalf of all of the residents of the City has been thwarted by the Friends in not providing the 2016 Annual Report.
- **Certificates of Insurance:** Under paragraph 10 of the Agreement, the Friends are required to supply the City with certificates of insurance evidencing workers' compensation coverage and commercial general liability coverage. No certificates have been supplied this year. As a result of failing to have supplied the required Certificates of Insurance, the City has no way of knowing whether or not it has been exposed by the Friends to any insurable risks for which there should have been insurance, but which may not have been in place.

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*Patrick T. Rosenello
Mayor*

*Kevin Yecco
City Administrator*

Monday, November 27, 2017

FOR IMMEDIATE RELEASE

OFFICIAL STATEMENT FROM THE CITY OF NORTH WILDWOOD, NJ REGARDING HEREFORD INLET LIGHTHOUSE

North Wildwood - The current lease between the State of New Jersey and the City of North Wildwood as well as the agreement with the Friends of Hereford Inlet Lighthouse stipulates that any Historical Artifacts in the Lighthouse are the property of the State of New Jersey. The agreement further stipulates specifically how all property within the Lighthouse is to be treated in the event that the Friends are no longer the Management Contractor for the City. In addition, on November 14, 2017, the City Solicitor reminded the Friends of these provisions and advised the Friends that no artifacts or other property should be removed from the Lighthouse until a full inventory has been completed. Despite the aforementioned, the Chairman of the Friends repeatedly indicated in public comments that he intended to remove items from the Lighthouse in violation of both the State Lease to the City of North Wildwood and the Management Agreement between the City of North Wildwood and the Friends. As a result of this unfortunate situation, the City of North Wildwood took measures today to secure the artifacts and other property within the Lighthouse until such time as a full Fixed Asset Inventory can be completed by a museum curator. Please see the letter below from the City Solicitor to the Friends.

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November 27, 2017

Steve Murray, Chairman
Friends of the Hereford Inlet Lighthouse, Inc.
10 Carter Road
Cape May Court House, NJ 08210

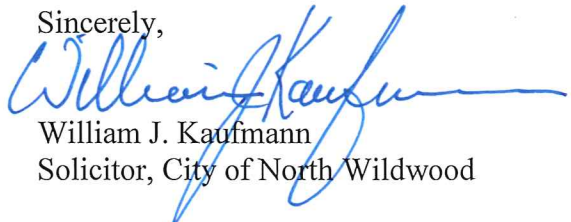
Re: ***Hereford Inlet Lighthouse***

Dear Mr. Murray:

In my letter of November 14, 2017 to you, as Chairman of the Friends of the Hereford Inlet Lighthouse, Inc. ("Friends"), I advised the Friends that the City of North Wildwood had contracted with a professional to perform a comprehensive inventory of the contents of the Lighthouse and that that process would begin during the week of December 4, 2017. By that correspondence I further indicated that under no circumstances shall any object whatsoever be removed from the Lighthouse until all items had been cataloged and ownership of each item definitively established as being with the State, City, Friends or other individuals. In the light of comments attributed to you in today's edition of the Atlantic City Press regarding ownership of furniture in the Lighthouse, it is clear that there is a disagreement between the Friends and the City regarding ownership of items within the Lighthouse. Therefore, in order to insure the *status quo* until the inventory is complete, by this correspondence the City is advising the Friends that, effective as of 5:00 p.m. today, the locks on the Lighthouse will be changed and no persons other than City employees or State of New Jersey personnel shall have access to the interior of the Lighthouse until each and every artifact, document or item of personal property that presently is within the Lighthouse has been inventoried and cataloged and ownership of each item definitively is established.

Thank you for your consideration of the foregoing.

Sincerely,



William J. Kaufmann
Solicitor, City of North Wildwood

Steve Murray, Chairman
Friends of the Hereford Inlet Lighthouse, Inc.
November 27, 2017
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WJK/sd

Via hand delivery and email

Cc: Patrick Rosenello, Mayor (via email only)
Salvatore Zampirri, Council President (via email only)
Kevin Yecco, City Administrator (via email only)
Matthew Gallagher, Chief of Police (via email only)
Alan Gould, Esquire (via email only)