

**CALL TO ORDER**

Mayor Warren Cooper called the special meeting to order at 7:30 p.m. and stated that in compliance with the “Open Public Meetings Act” this Meeting was duly noticed to the Hunterdon County Democrat and the Express Times on May 8, 2015; the Agenda has been posted at Borough Hall and distributed to the Courier News, the Express Times, the Hunterdon County Democrat, and the Star Ledger on May 8, 2015.

**ROLL CALL**

Present for the Meeting:

John Hindman  
Cathy Leach  
Michele Liebttag  
Jack Opdyke  
Caroline Scutt (Arrived at 7:42 pm)  
William Sullivan

Absent from Meeting:

Borough Clerk, Brenda S. Shepherd, was also present for the Meeting. One member of the public was present.

**PUBLIC COMMENTS**

The Council approved to open the public comment session. Having no comments from the public, the Council approved to close the public comment session.

**2015 MUNICIPAL BUDGET DISCUSSION**

Mayor Cooper noted that the budget has been an on going process. The Sewer Committee met last week and the Budget Committee met this week. Mayor Cooper noted that he spoke with David Zimmer of NJEIT, Robert Beinfeld, the Borough’s Bond Counsel and Engineer Timothy Bradley. In this budget, all but \$100,000.00 has been spent from the sewer fund. That will be used to finish the project. That has consequences. Mayor Cooper added that after his discussion with David Zimmer, he would like Adam Liebttag to join the Council discussion. Council consented.

Adam Liebttag joined the Council. Mayor Cooper noted in the questions and answers handout at the last bullet, David Zimmer noted that anything under \$250,000.00 left at the end of the project including a 2% contingency fund, would be available to the Borough to be used for debt service payments up to \$100,000.00 per year. If there is over \$250,000.00 that remains, the money is used as defeasement and goes to the back end and lowering the payments at the end. It would knock back 10% of interest. We will fall into the first category. That is outside of any settlement with Tomar regarding the \$1,000.00 a day delay penalty. That still remains to be negotiated. David Zimmer said they do not get involved in that. If we work out a settlement in our favor, we get that money and it is no problem as long as we use it to pay off debt service. That can help us going forward. NJEIT and USDA did not make a distinction for Public Works building. The money would come out of the Sewer budget and the Borough will transfer its share to sewer. The State may have a problem with that. We were forced into that process in paying the loan that way. This is the presentation that we made to NJEIT and USDA way back when we convinced them to lend the Borough the money. In the second handout, there is a description of the project including the DPW and where we thought the money would come from and how we would pay it back. This was worked out by former Councilman Robb Arent along with Bond Counsel acting on information provided to him from Robb Arent, Diane Laudenbach, Engineer Tim Bradley and Auditor Charles

Case. The terms and condition were agreed to in May 2012 when the bids specifications were available. It had to do with the timing of when the funds where available from the State and USDA.

Mayor Cooper added that on page 7 of the handout, in the summary financial projection, it details the revenues, debt service payments and how we thought we were going to pay that and on page 4, you will see the Borough's payment of \$160,000.00 for its contribution of the DPW building. We need to raise that amount through the Borough's budget. On page 4, you will see the anticipated increases to the sewer payments. We did not raise sewer payments in 2013. That additional \$60,000.00 of revenue was not collected. In 2014, we made a \$50.00 increase and another increase in 2015. The annual fee in July of this year will be \$850.00 per unit. We are still at 880 billing units. Robb Arent explained to Adam Liebttag that it was based on the assumption that River Mills would come on line 2 years ago. We agreed to an amendment to the Redeveloper's Agreement which allowed a change to the hook up fee payments. That changed where we stand right now. The \$125,000.00 would be paid prior to the issuance of a certificate of occupancy for the last habitable space in the second building to be completed among Buildings A, B & C and the other half of \$125,000.00 would be paid prior to the issuance of a certificate of occupancy for the last habitable space in the third building to be completed. It could be this year or next year. There is a project deadline of July 31, 2016. At some point, Mr. Michael will seek a second amendment to the Redeveloper's Agreement at which time we can renegotiate the fees. When it comes to the Borough's ability to pay back the debt service, it is recommended that we increase the sewer fees this year by \$100.00 or \$150.00. That will bring us closer to the original schedule. We have to make that determination.

Mayor Cooper stated referring to sewer rates, when John Mathieu came before Council, we did not make changes because we were going to change the way we bill. We have received numerous emails from other commercial properties complaining that they do not have bathrooms for some of their units, etc. He would like to ask the Sewer Advisory Committee to address those complaints when they come in. He assumes we will get those requests. Subsequent to a brief discussion, Michele Liebttag recommended an appeal process to give people the ability to appeal their bill. Mayor Cooper recommended that no adjustments be made this year or retroactively. Our ability to pay debt service is most important. Adam Liebttag asked who is on the committee from the Council? He noted that it was Seth A. Grossman and Robb Arent. Mayor Cooper responded that Jack Opdyke has taken Seth A. Grossman's place. John Hindman agreed to sit on the committee as well.

Referring to the appeal process discussion, Adam Liebttag noted that if you consulted with legal counsel, there is no appeal process for a sewer adjustment. Whatever we recommend, by nature you are amending your ordinance. You cannot just give a rebate on sewer fees. Jack Opdyke stated that it is a set rate in the ordinance. Adam Liebttag noted that if you take remediation on a requisition and grant the appeal, you are required to amend your ordinance, for example warehouses. The current ordinance sets classes. You should check with Borough Counsel. Michele Liebttag added that if you are approving an appeal for a particular category of the ordinance, it would apply to everyone in that category. Adam Liebttag stated that the appeal process has to be uniformly applied. Responding to Cathy Leach as to the usage base process, Mayor Cooper stated that given the nature of our ability to repay the sewer debt service and there being so many unknowns on the collection of sewer rents on a usage basis, it would be inappropriate to make changes at this time. The intent was to get people to use less water so if it is effective, we

will collect less. Cathy Leach stated that the other intent was to be fair for someone like myself who lives alone. Mayor Cooper responded that to be fiscally prudent, with the variables, we can control the sewer rates. Adam Liebttag added that if you set up an appeal process, you are creating a usage base process. We use a fraction of one unit. Also, no matter what, at the end of the day, you have to raise "X" number of dollars for debt service and operations. If there is an appeal, like tax appeals, you will have to make up that amount. Cathy Leach commented that we should not have an appeal opportunity. Mayor Cooper commented that the other consideration is that when River Mills, the Eighth Street property, the nursing home, and Shale Cliff all contribute funds, it will be less of an impact on the sewer budget. Adam Liebttag noted that the assumption was that River Mills would be on line and half the payment would be made. Their rental incomes would have been an ongoing sustainable revenue source as well. The schedule of increases would have given us a cushion. If you do appeals, it would be a usage appeal. If you grant that appeal, you have to make that money somewhere else. The people who did not appeal will pay an increase. Jack Opdyke stated that the Borough would be flooded with appeals. Adam Liebttag suggested that the task for the Sewer Advisory Committee is to get the committee back together, determine what the problem is and the committee may rethink it. That would be our first task rather than deal with appeals. Jack Opdyke recommended that more people be on the committee. Mayor Cooper stated that it would be helpful to have commercial property owners as part of it. Caroline Scutt stated that she will reach out to the businesses. Adam Liebttag noted that the Sewer Advisory Committee meetings are 2 hours long in the early morning or weekends once a month. Those dates were picked by the members of the committee. Adam Liebttag also noted that the sewer budget only contains sewer obligations. Jack Opdyke thanked Adam Liebttag and added that it needs to be said over and over again how much Adam Liebttag has done on this. Council thanked Adam Liebttag.

Adam Liebttag noted that an increase of \$120.00 would raise \$105,000.00 more at 880 units. It would balance against the total assessment of the household property load with the tax increase, open space, etc. Mayor Cooper noted that it will be an increase of over \$400.00 before the sewer increase. Adam Liebttag commented that it is a very large increase. There is already a \$50.00 increase and then to add another \$120.00 would be \$170.00 per unit increase. Subsequent to a brief discussion, Mayor Cooper noted that one of the things that Ron Sworen had said was that sewer rates were not increased in 19 years. Michele Liebttag stated that she would like to see what the average sewer billing is in the area. William Sullivan noted that the Borough's rate would not be as high as Milford's rate. Mayor Cooper stated that he will get some numbers. Adam Liebttag commented that the Borough could introduce the budget and not consider the sewer rate until another date. Mayor Cooper asked if Council was comfortable with the sewer budget. Council responded in the affirmative.

Mayor Cooper requested to discuss the general budget. The Budget Committee recommended one possible approach and that was to leave the budget where it was in 2014 except where we knew increases were required. This budget does that with a couple of notable exceptions. The Police Budget went down \$10,000.00 in salary and wages. Michele Liebttag commented that the operation budget that was submitted was not the amount in this budget. Mayor Cooper noted that everyone's department budget request was not put in the budget. The notable changes were the municipal court with a significant increase. The garbage and trash budget was reduced a few thousand dollars. Everything else is the same. We did increase the utilities and bulk purchases. As to snow removal, according to Diane Laudenbach, we had already over expended that budget by \$4,000.00. We will have to move money. Mayor Cooper noted that the Auditor has a \$2,000.00 increase. The Auditor sought an increase in his contract for 2015. It is still \$8,000.00 less than what we were paying

before. The Auditor is also doing the Court Audit without an additional charge.

Michele Liebtag stated that she has questions for the auditor. Mayor Cooper commented that the auditing of the budgets are confined to the budgets. The auditor will provide strategies. Michele Liebtag responded that the Borough pays professionals for a reason and to flag things coming down the pike. Mayor Cooper noted that the Auditor was not aware of the obligations. When the proposal for the planned payments was made, Charles Case was the Borough's Auditor. Auditor Korecky was involved at the end of this budget. Jack Opdyke responded that as a professional, he should have a checklist and questions such as do you have any other debt or expenses. Caroline Scutt noted that the Auditor come in on the process at the back end. Direction from the CFO was difficult. Michele Liebtag stated that she would like to have a conversation of expectations. William Sullivan stated that if we cannot expect him to do that, we may need to find someone else. The Borough should have that conversation right away.

Mayor Cooper noted that the debt service payment is \$160,000.00 which is the biggest increase in the household tax burden. Responding to William Sullivan, Mayor Cooper noted that the debt service is outside of the levy cap. We should have been imposing some additional debt service tax collection all along. Not particularly for this debt but we have borrowed money for roads, etc. for which we have BANS. We did not plan to pay that debt off. The tax levy cap will increase the budget by 4.1 cents or a \$112.00 increase on an average assessed home. We are doing better with tax collection. We had \$5,000.00 in the tax levy bank and we used that in this budget. We can make changes to the budget up to a certain percentage without having to republish or reintroduce. William Sullivan stated that he would like to move \$1,000.00 from Shade Tree to Uniform Code Construction for the Zoning Officer to increase his hours for random inspection of signs because of the problem we are having with signs. It will take more work at first to get the violations noted and once that is done, it will be less work. He will contact the zoning officer. Subsequent to discussion, Council agreed to put \$500.00 back into the Shade Tree budget.

Responding to Council as to the Legal Services line item increase, Mayor Cooper noted that it will cover sewer litigation, COAH litigation and the Hilltop Streets project. He added that the Borough will not know if the impact will be as significant as to COAH. Part of the reason all the legal service budget was not used last year is because we did not do the Hilltop Streets project. In addition, we went from meeting twice a month to once a month. Michele Liebtag asked if the Council could cut the budget before introduction. Mayor Cooper stated that the Council can cut the budget before introduction. Adam Liebtag noted that there was legal expenses in the sewer budget because we were anticipating issues with Tomar. There is \$3,500.00 for general legal service and \$8,500.00 for legal action related to the construction. Subsequent to discussion, Council agreed to reduce the legal fees line item by \$8,500.00. Responding to Michele Liebtag as to the Planning Board line item, Mayor Cooper noted that there were discussion about increasing it for COAH and a Master Plan review. We do not need a Master Plan review this year. He added that there was an estimate to codify multiple ordinance adopted over the last 15 years. Planner McKenzie estimated it in excess of \$10,000.00. We do not have to do it all this year.

Michele Liebtag noted that Volunteer Ambulance line item was increased by \$6,000.00. According to her notes submitted last time, it was to come out of the capital budget. She added that an additional \$3,000.00 from the budget would get the employees a 2% increase. This would help the employees to get a net zero gain instead of a negative gain with the cost of the medical increases they have to pay. William Sullivan stated that he likes the idea. Michele Liebtag noted that we had

a reserve of \$12,000.00 in the trash removal and can cut that line item by \$3,000.00. Mayor Cooper noted that the budget can be amended without advertising if any line item is not changed by 5% or less than 1% of the overall budget. He added that every year we count on some line items to accommodate other lines items that were over expended. Cathy Leach stated that there is flexibility to shift some funds from parks with the open space tax this year. She has a proposal to improve Old Frenchtown Field and now we have the new park along the river. Mayor Cooper stated that he does not know how the County Tax Board will determine what we get for open space. Michele Liebttag stated that as to celebration of public events, we used \$2,000.00 last year. We need \$1,500.00 for National Night Out so we may be able to cut a little more from that line item. Mayor Cooper noted that we did not do fireworks last year. He would like to see the \$2,500.00 for fireworks left in the budget. These are tangible things people in the community look forward to. Caroline Scutt stated that it will have an impact on taxes. Cathy Leach added that fireworks are nice but \$2,500.00 in a budget that we are squeezing is a lot. Subsequent to a brief Council discussion, Cathy Leach stated that some of the fireworks can be funding out of parks. Council agreed to leave the \$2,500.00 in the budget for fireworks. Having no other discussion on the budget, Mayor Cooper stated that he would like some direction for the auditor. Jack Opdyke recommended that the auditor do the math for the COLA increases of 1.5% and 2% to see what the difference is. Michele Liebttag suggested that the Council do a 1.5% increase and have the auditor move the \$11,000.00 to the line items. Mayor Cooper stated that it will not change the numbers and will not negatively impact the budget. He would like some direction from Council.

Council agreed to reduce the Legal Service line item by \$8,500.00, reduce the Shade Tree other expense by \$500.00 and reduce the garbage removal by \$3,000.00 and increase the Code Enforcement salary and wage by \$1,000.00. Council also agreed that the auditor should place the funds in the budget line items for a 1.5% COLA increase. Mayor Cooper stated that we will introduce the budget this evening with the changes and adopt at a special meeting in June because there has to be at least 28 days between introduction and adoption. June 17<sup>th</sup> would be the 28 days. Clerk Shepherd recommended that Ordinance #756 be introduced prior to the approval of the 2015 Budget.

## **RESOLUTIONS**

### **Resolution #2015-62 – Resolution to defer Local District School Taxes**

Mayor Cooper noted that this resolution allows us to defer up to 50% and we are deferring 35%. The school is on a different fiscal year which allows us to hold paying until we can collect and make the payment. On motion by Jack Opdyke, seconded by Michele Liebttag and carried by unanimous favorable roll call vote, the Mayor and Common Council approved Resolution #2015-62 as follows:

### **RESOLUTION #2015-62 - TO DEFER LOCAL DISTRICT SCHOOL TAXES**

WHEREAS, the Local District School Tax for the year July 1, 2014 to June 30, 2015 was raised in the 2014 Tax Levy in the sum of \$1,886,873.00, and

WHEREAS, the statutes permit the deferral of such School Tax up to 50% of the School Tax Levy or \$ 943,436.50,

NOW, THEREFORE, BE IT RESOLVED, by the Borough Council of the Borough of Frenchtown, County of Hunterdon, that the Deferred School Tax for Local District School purpose be the sum of \$ 660,405.55 or 35.00% of the School Tax Levy as of December 31, 2014.

BE IT FURTHER RESOLVED, that three certified copies of this resolution be filed in the Office of the Director of the Division of Local Government Services.

CERTIFICATION

I HEREBY CERTIFY THE ABOVE TO BE A  
TRUE COPY OF A RESOLUTION ADOPTED BY THE  
BOROUGH COUNCIL OF THE Borough OF Frenchtown  
AT A MEETING HELD ON MAY 20, 2015

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BOROUGH CLERK

**Resolution #2015-63 – 2015 Municipal Budget (introduction)**

Mayor Cooper stated that we will approve this resolution after Ordinance #756 is introduced.

**Resolution #2015-64 - Resolution authorizing expenditure from the Capital Improvement Fund for preliminary expenses for the reconstruction of Ridge Road – Sections 2 & 3 – Roadway Improvement project in the Borough of Frenchtown, County of Hunterdon and New Jersey**

Mayor Cooper noted that this resolution will authorize preliminary spending for the Ridge Road improvement project. We will be seeking to merge the two grants in the amount of \$320,000.00 in order to get this done this year and meet the requirements of the grant. We need Engineer Burr to start the site work on this. On motion by William Sullivan, seconded by Cathy Leach and carried by unanimous favorable roll call vote, the Mayor and Common Council approved Resolution #2015-64 as follows:

**RESOLUTION NO. 2015 -64**

RESOLUTION AUTHORIZING EXPENDITURE FROM THE CAPITAL IMPROVEMENT FUND FOR PRELIMINARY EXPENSES FOR THE RECONSTRUCTION OF RIDGE ROAD – SECTIONS 2 & 3 – ROADWAY IMPROVEMENT PROJECT IN THE BOROUGH OF FRENCHTOWN, COUNTY OF HUNTERDON AND NEW JERSEY

**WHEREAS**, the New Jersey Local Finance Board, by regulation, permits municipalities to fund preliminary surveys, architects' fees, engineering costs, etc. from the Capital Improvement Fund provided that the ultimate project could be funded by a bond ordinance; and

**WHEREAS**, the reconstruction of a roadway is a bondable capital improvement with a useful

life that exceeds the minimum of five (5) years.

**NOW, THEREFORE BE IT RESOLVED** by the Mayor and Borough Council of the Borough of Frenchtown, County of Hunterdon and State of New Jersey as follows:

Section 1. The Borough Council hereby establishes in the General Capital Fund an account designated "Reserve for Preliminary Expenses – Reconstruction of Ridge Road – Sections 2 & 3 in the amount of \$20,000.00.

Section 2. That all related services and costs could result in a project that would be bondable, pursuant to NJSA 40A:2-1 et seq., having a useful life of not less than five (5) years.

Section 3. Upon completion of the project, any unused funds in said Reserve shall be returned to the Capital Improvement Fund.

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Warren E. Cooper, Mayor

Attest:

May 20, 2015

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Brenda S. Shepherd, RMC  
Borough Clerk

**Resolution #2015-65 – Resolution requesting permission from NJDOT to merge Ridge Road – Section 2 and Ridge Road – Section 3 Improvement Projects**

Mayor Cooper noted that we would like to join Ridge Road Section 2 and Section 3 hoping to save money on the projects which was suggested by Engineer Burr since it would present a larger project for bidders. On motion by Jack Opdyke, seconded by John Hindman and carried by unanimous favorable roll call vote, the Mayor and Common Council approved Resolution #2015-65 as follows:

**RESOLUTION #2015-65**

**RESOLUTION REQUESTING PERMISSION FROM NJDOT TO MERGE RIDGE ROAD – SECTION 2 AND RIDGE ROAD – SECTION 3 IMPROVEMENT PROJECTS**

**FRENCHTOWN BOROUGH, HUNTERDON COUNTY, NJ**

**WHEREAS**, Frenchtown Borough ("Borough") was awarded a grant from the Municipal Aid portion of the Transportation Trust Fund in the amount of \$160,000.00 from the NJDOT for the Ridge Road – Section 2 Improvement Project as part of the FY 2014 program; and

**WHEREAS**, the Borough recently learned that they had obtained another grant from the Municipal Aid portion of the Transportation Trust Fund in the amount of \$160,000.00

from the NJDOT for the Ridge Road – Section 3 Improvement Project (FY 2015 program); and

**WHEREAS**, the Borough is requesting permission to combine the Ridge Road – Section 2 and Section 3 projects into one (1) project. The Borough feels that combining both sections would be a beneficial way to proceed and ensure more competitive bids; and

**NOW THEREFORE BE IT RESOLVED BY THE BOROUGH COUNCIL OF**

Frenchtown that the Borough requests permission from NJDOT to merge the Ridge Road – Section 2 and 3 into one (1) combined project and if approved will make arrangements to award a contract prior to the original deadline for the Ridge Road – Section 2 project of December 1, 2015.

**BE IT FURTHER RESOLVED**, that copies of this resolution be forwarded to the NJDOT's Division of Local Aid and Economic Development.

Certified as a true copy of the Resolution adopted by the Mayor and Council  
On this 20th day of May 2015.

\_\_\_\_\_  
Brenda Shepherd, RMC, Borough Clerk

My signature and the Clerk's seal serve to acknowledge the above resolution and constitute acceptance of the terms and conditions of the grant agreement and approve the execution of the grant agreement as authorized by the resolution above.

ATTEST and AFFIX SEAL

\_\_\_\_\_  
(Clerk)  
Brenda Shepherd  
RMC, Borough Clerk

\_\_\_\_\_  
(Presiding Officer)  
Warren Cooper, Mayor

**ORDINANCES**

**Ordinance #756 – Ordinance to exceed the Municipal Budget Appropriation limits and to establish a Cap Bank (Possible Introduction)**

On motion by William Sullivan, seconded by Jack Opdyke and carried by unanimous favorable roll call vote, the Mayor and Common Council approved the introduction of Ordinance #756 as follows:

**ORDINANCE #756  
CALENDAR YEAR 2015  
ORDINANCE TO EXCEED THE MUNICIPAL BUDGET APPROPRIATION  
LIMITS AND TO ESTABLISH A CAP BANK  
(N.J.S.A. 40A: 4-45.14)**

**WHEREAS**, the Local Government Cap Law, N.J.S. 40A:4-45.1 et.seq., provides that in the preparation of its annual budget, a municipality shall limit any increase in said budget up to 1.50% unless authorized by ordinance to increase it to 3.5% over the previous year's final appropriations, subject to certain exceptions; and,

**WHEREAS**, N.J.S.A. 40A: 4-45.15a provides that a municipality may, when authorized by ordinance, appropriate the difference between the amount of its actual final appropriation and the 3.5% percentage rate as an exception to its final appropriations in either of the next two succeeding years; and,

**WHEREAS**, the Borough Council of the Borough of Frenchtown, in the County of Hunterdon, finds it advisable and necessary to increase its CY 2015 budget by up to 3.5% over the previous year's final appropriations, in the interest of promoting the health, safety and welfare of the citizens; and,

**WHEREAS**, the Borough Council hereby determines that a 3.5% increase in the budget for said year, amounting to \$26,664.96 in excess of the increase in final appropriations otherwise permitted by the Local Government Cap Law, is advisable and necessary; and

**WHEREAS**, the Borough Council hereby determines that any amount authorized hereinabove that is not appropriated as part of the final budget shall be retained as an exception to final appropriation in either of the next two succeeding years.

**NOW THEREFORE BE IT ORDAINED**, by the Borough Council of the Borough of Frenchtown, in the County of Hunterdon, a majority of the full authorized membership of this governing body affirmatively concurring, that, in the CY 2015 budget year, the final appropriations of the Borough of Frenchtown shall, in accordance with this ordinance and N.J.S.A. 40A: 4-45.14, be increased by 3.5%, amounting to \$46,663.68 and that the CY 2015 municipal budget for the 3.5% be approved and adopted in accordance with this ordinance; and,

**BE IT FURTHER ORDAINED**, that any amount authorized hereinabove that is not appropriated as part of the final budget shall be retained as an exception to final appropriation in either of the next two succeeding years; and,

**BE IT FURTHER ORDAINED**, that a certified copy of this ordinance as introduced be filed with the Director of the Division of Local Government Services within 5 days of introduction; and,

**BE IT FURTHER ORDAINED**, that a certified copy of this ordinance upon adoption, with the recorded vote included thereon, be filed with said Director within 5 days after such adoption.

I, Brenda S Shepherd, Municipal Clerk, hereby certify that the above ordinance was adopted on June 17, 2015 at the Special Council meeting of the Frenchtown Borough Common Council.

Brenda S. Shepherd, RMC  
Borough Clerk

**Resolution #2015-63 – 2015 Municipal Budget (introduction)**

On motion by Jack Opdyke, seconded by Caroline Scutt and carried by unanimous favorable roll call vote, the Mayor and Common Council approved Resolution #2015-63 as follows:

**RESOLUTION 2015-63  
MUNICIPAL BUDGET NOTICE  
MUNICIPAL BUDGET OF THE  
BOROUGH OF FRENCHTOWN,  
COUNTY OF HUNTERDON  
FOR THE FISCAL YEAR 2015**

*BE IT RESOLVED, that the following statements of revenues and appropriations shall constitute the Municipal Budget for the year 2015;*

*BE IT FURTHER RESOLVED, that said Budget be published in the Hunterdon County Democrat in the issue of June 4, 2015;*

*The Governing Body of the Borough of Frenchtown does hereby approve the following as the Budget for the year 2015.*

**RECORDED VOTE:**

AYES:	(Hindman (Leach (Liebtag (Opdyke (Scutt (Sullivan	NAYS (
ABSTAIN	(	ABSENT (

*Notice is hereby given that the Budget and Tax Resolution was approved by the Mayor and Council of the Borough of Frenchtown, County of Hunterdon, on the 20th of May, 2015.*

*A hearing of the Budget and Tax Resolution will be held at The Borough Hall on the 17th of June, 2015 at 7:30 pm at which time and place objections to said Budget and Tax Resolution for the year 2015 may be presented by taxpayers or other interested persons.*

**EXPLANATORY STATEMENT  
SUMMARY OF CURRENT FUND SECTION OF APPROVED BUDGET  
Year 2015**

*General Appropriations for:*

- |  |              |
|--|--------------|
| 1. Appropriations within "CAPS"  |              |
| (a) Municipal Purposes (Item H-1, Sheet 19)( N.J.S.A 40A:4-45.2)             | 1,378,121.00 |
| 2. Appropriations excluded from "CAPS"                                       |              |
| (a) Municipal Purposes (Item H-2, Sheet 28) (N.J.S.A. 40A:4-45.3 as amended) | 382,087.49   |

<i>(b) Local District School Purposes in Municipal Budget (Item K, Sheet 29)</i>	
<i>Total General Appropriations excluded from "CAPS" (Item O, Sheet 29)</i>	382,087.49
3. <i>Reserve for Uncollected Taxes (Item M, Sheet 29) - Based on Estimated 95.50 Percent of Tax Collections</i>	220,000.00
4. <i>Total General Appropriations (Item 9, Sheet 29) Building Aid Allowance 2015 for Schools- State Aid 2015</i>	
	1,980,208.49
5. <i>Less: Anticipated Revenues Other Than Current Property Tax (item 5, Sheet 11) (i.e. surplus, miscellaneous revenues and receipts from delinquent taxes)</i>	
	705,894.99
6. <i>Difference: Amount To Be Raised by Taxes for Support of Municipal Budget (as follows)</i>	
<i>(a) Local Tax for Municipal Purposes including Reserve for Uncollected Taxes (Item 6(a), Sheet 11)</i>	
	1,274,313.50
<i>(b) Addition to Local District School Tax (Item 6(b) Sheet 11)</i>	

**BUDGET MESSAGE**

**LOCAL UNIT HEALTH BENEFITS PROGRAM IMPACT –  
 CHAPTER 2,P.L.2010**

Effective May 21, 2010 or on the expiration of any applicable labor agreement in force on that date, all employees must contribute a minimum of 1.5% of their current base salary towards their health benefits costs. This contribution is required of all employees who are members of any state or locally administered retirement system.

Projected Group Health Insurance Costs – 2015	157,390.44
Projected 2015 Employee Contributions	( 14,870.44)
Net Group Health Benefits Appropriated – 2015	142,520.00.00

**1977 APPROPRIATIONS "CAPS" CALCULATION**

N.J.S.40A:4-45.1 et. seq. "The Local Government Cap Law" places limits on municipal expenditures. Commonly referred to as the "CAPS", it is actually calculated by a method established by the law.

In general the actual calculation works as follows. Starting with the figure in the 2015 budget for Total General Appropriations certain 2015 budget figures are subtracted; including the reserve for uncollected taxes, debt service, State and Federal aid, etc. Take the resulting figure and multiply it by 1.50% and this gives you the basic "CAP" or the amount of appropriations increase allowed over the 2015 Total General Appropriations. The Total General Appropriations may also be increased by 3.5%, if prior, to the introduction of the 2015 budget an index rate ordinance is approved by the governing body.

In addition to the increase allowed above, any increase funded by increase valuations from new construction or improvements is also allowed.

Also, the “CAPS” may be exceeded if approved by referendum. The actual “CAPS” for this municipality will be reviewed and approved by the Division of Local Government Services in the State Department of Community Affairs, but the calculations upon which this budget was prepared are as follows:

Total General Appropriations for 2015	\$1,756,071.00
Add: Cap Base Adjustment	
Adjusted Total General Appropriations for 2015	\$1,756,071.00
Less Exceptions:	
Total Other Operations	\$13,649.00
Total Public & Private Programs	\$ 1,000.00
Total Capital Improvements	\$20,000.00
Total Municipal Debt Service	\$168,174.00
Total Deferred Charges	
Reserve for Uncollected Taxes	\$220,000.00
Total Exceptions	\$422,823.00
Amount on which percentage is applied	\$1,333,248.00
3.50% “CAP”	\$46,663.68
Allowable Operating Appropriations before Additional Exceptions per (N.J.S.A. 40a:4-45-3)	\$1,379,911.68
Add:	
Increase in Ratables from New Construction & Improvements	
Cap Bank	\$42,992.06
Maximum Allowable Appropriations After Modification	\$1,422,903.74

It is hereby certified that this is a true copy of the budget resolution introduced by the governing body on May 20, 2015.

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Warren E. Cooper, Mayor

Attest:

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Brenda S. Shepherd,  
Borough Clerk

## **NEW BUSINESS**

### **COAH Correspondence**

Mayor Cooper noted that we received communications from Planner McKenzie who forwarded a letter from Dr. Burchell, Phd. You may recall that two weeks ago, he mentioned that there was a COAH meeting in the Town of Clinton where it was discussed by a group of Mayor that they

thought it would be better for municipalities to join together. They are thinking if everyone signs on, the costs would be shared on a per capita manner and since we are the smallest municipality in the County, our costs would be around \$1,000.00. Since it would be an expenditure, he will need a vote from Council. On motion by Jack Opdyke, seconded by William Sullivan and carried by unanimous favorable roll call vote, the Mayor and Common Council approved to join an agreement with other municipalities in the County to hire Dr. Burchell to calculate the Borough's fair share of the regional need for low and moderate income housing units at a per capita share cost.

Mayor Cooper noted that there is one other item he would like to get Council approval on and that is making a new appointment to the Shade Tree Commission. Brad Myhre has moved back to town and he is willing to sit on the Shade Tree Commission. Mayor Cooper stated that he would like to make that appointment with Council's approval. The Council approved.

#### **ADJOURNMENT**

Being no further business to come before the Mayor and Council, the meeting was adjourned at 9:50 pm on motion by Jack Opdyke, seconded by John Hindman and carried by favorable voice vote.

Respectfully submitted,

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Brenda Shepherd, RMC  
Borough Clerk