

**CALL TO ORDER**

Mayor Myhre called the special meeting to order at 7:00 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 April 6, 2018; the Agenda has been posted at Borough Hall and distributed to the newspapers.

**FLAG SALUTE**

Mayor Myhre asked everyone to stand for the flag salute.

**ROLL CALL**

Present for the Meeting:

Liz Johnson  
Michele Liebtag  
Caroline Scutt  
William Sullivan

Absent from Meeting:

Holly Low  
Tami Peterson

Borough Clerk, Brenda S. Shepherd was present for the Meeting. Twelve members of the public were also present.

**PUBLIC COMMENTS**

The Council approved to open the public comment session.

Stephen Deerhake of Third Street asked that all meetings be posted on the website. Caroline Scutt noted that the meetings are posted under Committee meeting. Mr. Deerhake asked that special meetings be put on the home page.

Having no other comments, the Mayor closed the public comment session.

**RESOLUTIONS**

**Resolution #2018-59 – 2018 Municipal Budget (Introduction)**

Mayor Myhre reported that there will be no increase in sewer rates. After accounting for the pension, health care costs, salary and wages and additional capital projects, there will be a 1.8% increase which is under the 2% cap. It is about a \$30.00 increase this year. The capital portion will address the second round of catch basin repairs, work on the Borough Hall, refurbishing the steps, ramp and doors that do not seal properly, and repairs to the Police Department where there was water damage from a leak. The Borough did receive some insurance for that. There is also mold remediation which has to be done. There is money set aside for Harrison Street. It is a reimbursable grant. Under open space, there is additional work to do at the park. There is tree work that needs to be done and we are investing in additional security and cameras for the park. We have had vandalism in the past. Within the past year, someone chained down the flushing handle at the park. We are looking into the Live Scan equipment for the Police Department. We may continue to use the Sheriff's office. We have been replacing police vehicles every 5 years. We are talking about taking one vehicle off line and replacing it. Michele Liebtag added that we are using a lot of the O&F budget for vehicle repairs. The oldest vehicle is 14 years old. The vehicles and Live Scan are capital improvements. Responding to Carline Scutt, Mayor Myhre stated that you have to have 5%

down for capital projects. If we issue debt, it is a separate bond ordinance. The COLA increase is 2%. We put more money in the budget for the paydown of debt. That is what the auditor recommended. As to lease purchase for police vehicles, the government rate is 6.5%. We can do a BAN over 5 years for 1.38%. It is better to do the BAN and pay it off next year if possible. There is not a lot of extra money. We put extra money in planning board to look at the downtown. We have a new line item in the budget for economic development to partner with the downtown. We are hoping to get matching grants. Michele Liebttag noted that we are also giving a stipend to the OEM and Deputy OEM Coordinators. They do a tremendous job and are currently not paid. Mayor Myhre noted that we will table the salary and wage ordinance this evening. We are still making changes and trying to bring up the lower paid staff. Michele Liebttag also noted that there is money in the budget to jet vac the storm drains as required by stormwater management. The Council had no other questions or comments on the budget. The Mayor asked for a motion to introduce the 2018 Municipal Budget. On motion by Michele Liebttag, seconded by Caroline Scutt and carried by unanimous favorable roll call vote, the Mayor and Common Council approved to introduce the 2018 Municipal Budget, Resolution #2018-59, as follows:

**RESOLUTION 2018-59  
MUNICIPAL BUDGET NOTICE  
MUNICIPAL BUDGET OF THE  
BOROUGH OF FRENCHTOWN,  
COUNTY OF HUNTERDON  
FOR THE FISCAL YEAR 2018**

*BE IT RESOLVED, that the following statements of revenues and appropriations shall constitute the Municipal Budget for the year 2018;*

*BE IT FURTHER RESOLVED, that said Budget be published in the Hunterdon County Democrat in the issue of April 19, 2018;*

*The Governing Body of the Borough of Frenchtown does hereby approve the following as the Budget for the year 2018.*

**RECORDED VOTE:**

<b>AYES:</b>	(Johnson (Liebttag (Scutt (Sullivan ( (	<b>NAYS</b> (
<b>ABSTAIN</b>	( (	<b>ABSENT</b> (Low (Peterson

*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 11<sup>th</sup> of April 2018.*

*A hearing of the Budget and Tax Resolution will be held at The Borough Hall on the 9<sup>th</sup> of May, 2018 at 7:00 pm at which time and place objections to said Budget and Tax Resolution*

*EXPLANATORY STATEMENT*  
*SUMMARY OF CURRENT FUND SECTION OF APPROVED BUDGET*  
*Year 2018*

1. Budget Appropriations – Adopted Budget	2,112,819.17
2. Appropriations added by N.J.S.A 40A:4-87	33,176.38
3. Emergency appropriations	
Total Appropriations	2,145,995.55
4. Expenditures:	
(a) Paid or charged (including reserve for uncollected taxes	1,959,648.00
(b) Reserved	186,166.28
5. Unexpended balances canceled	181.27
Total expenditures and unexpended balances cancelled	2,145,995.55

**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 – 2018	177,000.00
Projected 2018 Employee Contributions	( 32,000.00)
Net Group Health Benefits Appropriated – 2018	145,000.00

**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 2017 budget for Total General Appropriations certain 2017 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 2.50% and this gives you the basic “CAP” or the amount of appropriations increase allowed over the 2017 Total General Appropriations. The Total General Appropriations may also be increased by 3.5%, if prior, to the introduction of the 2018 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.

April 11, 2018

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 2018	\$2,112,819.17
Add: Cap Base Adjustment	
Adjusted Total General Appropriations for 2018	\$2,112,819.17
Less Exceptions:	
Total Other Operations	\$ 15,000.00
Total Public & Private Programs	\$ 1,509.00
Total Capital Improvements	\$ 78,000.00
Total Municipal Debt Service	\$305,066.00
Total Deferred Charges	
Reserve for Uncollected Taxes	\$220,000.00
Total Exceptions	\$619,575.00
Amount on which percentage is applied	\$1,493,244.17
3.50% "CAP"	\$52,263.55
Allowable Operating Appropriations before Additional Exceptions per (N.J.S.A. 40a:4-45-3)	\$1,545,507.72
Add:	
Increase in Ratables from New Construction & Improvements	
Cap Bank	\$35,464.35
Maximum Allowable Appropriations After Modification	\$1,580,972.07

It is hereby certified that this is a true copy of the budget resolution introduced by the governing body on April 11, 2018.

\_\_\_\_\_  
Brad Myhre, Mayor

Attest:

\_\_\_\_\_  
Brenda S. Shepherd,  
Borough Clerk

**Resolution #2018-60 - Governing Body Certification of Compliance with the United States Equal Employment Opportunity Commission's Enforcement guidelines**

On motion by Liz Johnson, seconded by Michele Lichtag and carried by unanimous favorable roll call vote, the Mayor and Common Council approved Resolution #2018-60 as follows:

**RESOLUTION #2018-60**

**GOVERNING BODY CERTIFICATION OF COMPLIANCE WITH THE  
UNITED STATES EQUAL EMPLOYMENT OPPORTUNITY COMMISSION'S  
"Enforcement Guidance on the Consideration of Arrest and Conviction Records in  
Employment Decisions Under Title VII of the Civil Rights Act of 1964"**

WHEREAS, N.J.S.A. 40A:4-5 as amended by P.L. 2017, c.183 requires the governing body of each municipality and county to certify that their local unit's hiring practices comply with the United States Equal Employment Opportunity Commission's "Enforcement Guidance on the Consideration of Arrest and Conviction Records in Employment Decisions Under Title VII of the Civil Rights Act of 1964," *as amended*, 42 U.S.C. § 2000e *et seq.*, (April 25, 2012) before submitting its approved annual budget to the Division of Local Government Services in the New Jersey Department of Community Affairs; and

WHEREAS, the members of the governing body have familiarized themselves with the contents of the above-referenced enforcement guidance and with their local unit's hiring practices as they pertain to the consideration of an individual's criminal history, as evidenced by the group affidavit form of the governing body attached hereto.

NOW, THEREFORE BE IT RESOLVED, that the Common Council of the Borough of Frenchtown, hereby states that it has complied with N.J.S.A. 40A:4-5, as amended by P.L. 2017, c.183, by certifying that the local unit's hiring practices comply with the above-referenced enforcement guidance and hereby directs the Clerk to cause to be maintained and available for inspection a certified copy of this resolution and the required affidavit to show evidence of said compliance.

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Brad Myhre, Mayor

Dated: 4-11-18

Attest:

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Brenda S. Shepherd, RMC  
Borough Clerk

**Resolution #2018-61 – Resolution to defer local district school taxes**

Mayor Myhre noted that we do this resolution at the recommendation of the auditor. The school still gets paid. It is a formula that is used. We are still having problems with tax collection. On

April 11, 2018

motion by Liz Johnson, seconded by Caroline Scutt and carried by unanimous favorable roll call vote, the Mayor and Common Council approved Resolution #2018-61 as follows:

**RESOLUTION #2018-61 - TO DEFER LOCAL DISTRICT SCHOOL TAXES**

WHEREAS, the Local District School Tax for the year July 1, 2017 to June 30, 2018 was raised in the 2017 Tax Levy in the sum of \$2,020,817.00, and

WHEREAS, the statutes permit the deferral of such School Tax up to 50% of the School Tax Levy or \$ 1,010,408.50,

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 \$ 887,812.06 or 43.93% of the School Tax Levy as of December 31, 2017.

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 April 11, 2018

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BOROUGH CLERK

**Resolution #2018-62 – Resolution for conducting Annual Budget Examination**

On motion by Liz Johnson, seconded by Caroline Scutt and carried by unanimous favorable roll call vote, the Mayor and Common Council approved Resolution #2018-62 as follows:

RESOLUTION #2018-62

**RESOLUTION FOR CONDUCTING ANNUAL BUDGET EXAMINATION**

WHEREAS, N.J.S.A. 40A:4-78b has authorized the Local Finance Board to adopt rules that

April 11, 2018

permit municipalities in sound fiscal condition to assume the responsibility, normally granted to the Director of the Division of Local Government Services, of conducting the annual budget examination, and

WHEREAS, N.J.A.C. 5:30-7 was adopted by the Local Finance Board on February 11, 1997, and

WHEREAS, pursuant to N.J.A.C. 5:30-7.2 thru 7.5 the Borough of Frenchtown has been declared eligible to participate in the program by the Division of Local Government Services, and the Chief Financial Officer has determined that the Borough meets the necessary conditions to participate in the program for the 2018 budget year, so now therefore

BE IT RESOLVED, by the Mayor and Council of the Borough of Frenchtown that in accordance with N.J.A.C. 5:30-7.6a & b and based upon the Chief Financial Officers certification. The governing body has found the budget has met the following requirements:

1. That with reference to the following items, the amounts have been calculated pursuant to law and appropriated as such in the budget:
  - a. Payment of interest and debt redemption charges
  - b. Deferred charges and statutory expenditures
  - c. Cash deficit of preceding year
  - d. Reserve for uncollected taxes
  - e. Other reserves and non-disbursement items
  - f. Any inclusions of amounts required for school purposes
2. That the provisions relating to limitation on increases of appropriations pursuant to N.J.S.A. 40A:4-45.2 and appropriations for exceptions to limits on appropriations found at 40A:4-45.3 et seq. are fully met. (Complies with the "CAP" law.)
3. That the budget is in such form arrangement, and content as required by the Local Budget Law and N.J.A.C. 5:30-4 and 5:30-5.
4. That pursuant to the Local Budget Law:
  - a. All estimates of revenue are reasonable, accurate, and correctly stated
  - b. Items of appropriation are properly set forth
  - c. In itemization, form, arrangement, and content the budget will permit the exercise of the comptroller function within the municipality.
5. The budget and associated amendments have been introduced, publicly advertised, and adopted in accordance with the relevant provisions of the Local Budget Law, except that failure to meet the deadlines of N.J.S.A. 40A:4-5 shall not prevent such certification.
6. That all other applicable statutory requirements have been fulfilled.

BE IT FURTHER RESOLVED, that a copy of this resolution be forwarded to the Director of the Division of Local Government Services.

CERTIFICATION OF APPROVED BUDGET

It is hereby certified that the Approved Budget complies with the requirements of law and approval is given pursuant to N.J.S.A. 40A:4-78(b) and NJAC 5:30-7.

It is further certified that the municipality has met the eligibility requirements of NJAC 5:30-7.4 and 7.5, and that I, as Chief Financial Officer, have completed the local examination in compliance with NJAC 5:30-7.6.

Date: April 11, 2018

By \_\_\_\_\_  
Chief Financial Officer

**ORDINANCES:**

**Ordinance #806 – Cap Index Ordinance (introduction)**

Mayor Myhre noted that this ordinance will let you put money in a cap bank. It allows you to increase the appropriations and if you use less, you bank the difference. We are at 1.8% but we could go to 3.5%. If the increases are outside the cap, it does not trigger a referendum. We do this ordinance every year. On motion by Caroline Scutt, seconded by Michele Liebttag and carried by unanimous favorable roll call vote, the Mayor and Common Council approved the introduction of Ordinance #806 as follows:

**ORDINANCE #806  
CALENDAR YEAR 2018  
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 2.50% 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 2018 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 \$14,932.44 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 2018 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 \$52,263.55 and that the CY 2018 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.

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THE HONORABLE BRAD MYHRE, MAYOR

ATTEST:

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BRENDA SHEPHERD, RMC, BOROUGH CLERK

**Ordinance #807- 2018 Salary and Wage Ordinance for certain Borough employees and officials (Introduction)**

Mayor Myhre noted that we are tabling this ordinance until the May meeting as we are still making changes. On motion by Michele Liebttag, seconded by Liz Johnson and carried by unanimous favorable roll call vote, the Mayor and Common Council tabled Ordinance #807 until the May meeting.

**Ordinance #808 - 2018 Salary and Wage Ordinance for the officials and employees of the Joint Municipal Court of the Delaware Valley (Introduction)**

Mayor Myhre noted that the Court committee agreed to a 2% COLA increase. On motion by Liz Johnson, seconded by Michele Liebttag and carried by unanimous favorable roll call vote, the Mayor and Common Council approved the introduction of Ordinance #808 as follows:

**ORDINANCE #808**

**AN ORDINANCE  
REGULATING THE SALARY & WAGE  
OF THE OFFICIALS AND EMPLOYEES  
OF THE JOINT MUNICIPAL COURT OF THE DELAWARE VALLEY  
FOR THE YEAR 2018**

**BE IT ORDAINED** by the Mayor and Common Council of the Borough of Frenchtown as follows:

1. All prior Salary Ordinances of the Joint Municipal Court are hereby repealed.
2. The following salaries for the year 2018 are hereby established for the following designated officials and employees of the Joint Municipal

Court:

Municipal Judge-----	\$	20,400.00
Prosecutor-----	\$	7,539.88
Public Defender-----	\$	1,408.95

The following hourly rates are hereby established:

Violations Clerk-----	\$13.87 per hour
Court Security Officer-----	\$ 40.70 per session

This Ordinance shall take effect immediately upon Final Passage and action as required by law.

\_\_\_\_\_  
Brad Myhre, Mayor

ATTEST:

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

**OTHER COMMENTS**

Mayor Myhre noted that the Council will finalize the Frenchtown Business and Professional Associations request at the next meeting. We will also have capital ordinance for the next meeting.

Michele Liebtag noted that the storm drain cover at the corner of Second Street is off and will need to be repaired as well as the ones on Eighth and Milford Road and Sixth and Milford Road.

Mayor Myhre also noted that the Borough Council will hold a special meeting on Wednesday, May 9, 2018 at 7:00 pm to adopt the budget.

**ADJOURNMENT**

Being no further business to come before the Mayor and Council, the meeting was adjourned at 7:21 pm pm on motion by William Sullivan, seconded by Michele Liebtag and carried by favorable voice vote.

Respectfully submitted,

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Brenda Shepherd, RMC  
Borough Clerk