

**BOROUGH OF WASHINGTON, WARREN COUNTY, NEW JERSEY
WASHINGTON BOROUGH COUNCIL MINUTES – August 19, 2014**

The Regular Meeting of the Borough Council of Washington, Warren County, New Jersey was held in the Council Chambers of Borough Hall at 7:00 P.M.

Mayor McDonald read the following statement into the record:

“The requirements of the ‘Open Public Meetings Law, 1975, Chapter 231’ have been satisfied in that adequate notice of this meeting has been published in the Star Gazette and posted on the Bulletin Board of Borough Hall stating the time, place and purpose of the meeting as required by law.”

Mayor McDonald led everyone in the flag salute.

Roll Call: Jones, Thompson, McDonald, Conry, Higgins, Gleba,
Torres

Also Present: Kristine Blanchard, Borough Manager / Municipal Clerk,
Leslie Parikh, Municipal Attorney

MINUTES:

Regular Meetings – June 17, 2014 & July 15, 2014

Motion made by Higgins, seconded by Conry to approve the Regular Meeting minutes of June 17, 2014 and July 15, 2014.

Ayes: 7 Nays: 0
Abstain: (1) Thompson – June 17, 2014 only
Motion Carried

AUDIENCE:

Mayor McDonald opened up the audience portion for remarks, petitions, statements, and testimony from guests.

Robin Klimko – 35 West Marble Street

Mrs. Klimko asked for an update on the sewer issues on South Prospect Street. Councilman Higgins replied that the Borough is in the process of scheduling a meeting

with the engineer to finalize the plans and once that is done, the plans will be brought to Council for approval which should occur at one of the meetings in September. Mrs. Klimko commented that in the engineer's original estimate of cost for the project, the road that was torn up would be repaired. Councilman Higgins agreed.

Sandi Cerami – Executive Director, Washington Business Improvement District

Ms. Cerami just wanted to make sure everything is clear with Council and that the BID is working hard to have an as built plan as requested by Finelli Engineering. The BID also made the judgment call that the footings for the stage would need a professional structural engineer's plan as well, which is actually being done as a donation so it's a little bit slowly in coming. The BID is staying on top of the progress and most of the construction is done. Ms. Cerami reminded everyone about the Festival in the Borough on September 6th and 7th. Councilman Jones asked Ms. Cerami about the BID's involvement in the town wide yard sale. Ms. Cerami replied that before she came on as Executive Director, the BID organized the town wide yard sale in conjunction with the sidewalk sales for the businesses. The businesses felt there was no benefit from it and no longer wanted to participate. The BID continued to try to help and coordinate the town wide yard sale with the borough but the involvement ends there.

Hearing no further comments from the audience a motion was made by Higgins, seconded by Jones, to close the audience portion of the meeting.

Ayes: 7, Nays: 0
Motion Carried

REPORTS:

A motion was made by Torres, seconded by Higgins to receive and file the following reports:

1. Municipal Court Report – July 2014
2. Cash Receipts Report – July 2014
3. Expenditures vs. Appropriations 8/5/2014
4. Recreation Monthly Expense Report
5. Police Activity Report – July 2014

Council Discussion:

Councilwoman Gleba asked when the Borough can expect to see the outstanding revenues listed in the Municipal Court Report. Manager Blanchard replied that individuals can extend their court dates by months or even a year. Manager Blanchard

added that eventually the Borough will see that money but unfortunately it needs to run through the system first.

Ayes: 7, Nays: 0
Motion Carried

NEW BUSINESS:

Approval of Borough of Washington Fund Balance Policy

A motion made by Higgins, seconded by Jones to approve the Borough of Washington Fund Balance Policy

BOROUGH OF WASHINGTON
FUND BALANCE POLICY

WHEREAS, the Borough Council (the “Governing Body”) of the Borough of Washington acknowledges the maintenance of fiscal stability is important to the prudent operation of government and in determining its creditworthiness; and

WHEREAS, the ability to adjust local government revenues during the budget year and from year to year may be limited to meet unanticipated expenditures resulting from, inter alia, natural disasters, unforeseen increases in operating costs, unexpected capital expenditures; and

WHEREAS, changes in federal and state government spending policies can also impact local government revenues, particularly if reductions in such spending force local governments to increase their own spending to make up for the loss in federal and state government revenue; and

WHEREAS, fund balance, represents an available resource that can be used to meet working capital requirements, emergency expenditures and afford transition due to systemic changes in revenues and expenditures; and

WHEREAS, sufficient levels of unreserved fund balance can assure the continued orderly operation of government and the provision of services to taxpayers and the stability of the tax structure; and

WHEREAS, local governments frequently utilize a percentage of the municipality's annual operating expenditures as the means of determining the appropriate level of an unreserved fund balance; and

WHEREAS, maintaining the stability of sufficient levels of unreserved fund balance will be equally important for the Borough of Washington, so that the fund balance policy will be meaningful and effective; and

NOW THEREFORE, a fund balance target should be established and the following shall be used as guidelines.

1. The Borough of Washington shall establish or maintain a target fund balance of 4 % to 10 % of the previous year's operating expenditures (the "Target").
2. Amounts appropriated in the ensuing budget which reduce the fund balance below the target balance for the purpose of reducing the ensuing year's property tax levy, may be made only upon a specific vote of the Governing Body.
3. Drawdown of the fund balance, without the reasonable expectation of regenerating such amounts drawn down during the budget year, is evidence of a structural imbalance of the Borough of Washington budget. A plan shall be developed to restore fund balance to the Target balance within a three-year period.
4. As part of the annual budget process, amounts in excess of the Target that are used in the budget are considered "non-recurring" revenues and should be allocated/budgeted to, among other things, purchase capital assets with a useful life of 5 years or more, fund other reserves, or provide "one-time" direct tax relief and not to support increased operating expenses.
5. If the year-end available fund balance, based upon unaudited figures, is for any reason below the Target, then, to rebuild the fund balance toward the Target, no more than 40 % of the surplus generated in the prior fiscal year shall be appropriated as a revenue in the succeeding year's budget.
6. The Governing Body, by vote, can declare a fiscal emergency and withdraw any amount of General Fund balance for purposes of addressing the fiscal emergency. Any such action must also provide a plan to restore fund balance to the Target within a five-year period.
7. This policy will be reviewed by the Governing Body every three years following adoption or sooner at the direction of the Governing Body.

Council Discussion:

Councilwoman Gleba noted that she was unable to attend the last meeting and asked if CFO Turchan and Municipal Auditor Ferry came up with the percentages. Manager Blanchard replied that was the recommendation from the auditor at the last meeting.

Roll Call: Thompson, Torres, Jones, Conry, McDonald, Higgins,
Gleba

Ayes: 7, Nays: 0

Motion Carried

Resolution #119-2014 Redemption of Tax Sale Certificate

RESOLUTION #119-2014

A RESOLUTION FOR REDEMPTION OF TAX CERTIFICATE

As per N.J.S.A.54:5

KNOW ALL PERSONS BY THESE PRESENTS THAT, WHEREAS, lands in the taxing district of Washington Borough, County of Warren, State of New Jersey, were sold on December 5, 2013 to FWDSL & Associates LP, 5 Cold Hill Rd S Ste:11, Mendham, NJ 07945, in the amount of \$693.09 for taxes or other municipal liens assessed for the year 2012 in the name of Chrisafis, James & Donna, as supposed owners, and in said assessment and sale were described as 166 West Washington Ave., Block 10 Lot 7, which sale was evidenced by Certificate #13-00010; and

WHEREAS, the Collector of Taxes of said taxing district of the Borough of Washington, do certify that on 8-7-14 and before the right to redeem was cut off, as provided by law, Lereta Tax Service claiming to have an interest in said lands, did redeem said lands claimed by FWDSL & Associates LP by paying the Collector of Taxes of said taxing district of Washington Borough the amount of \$3,042.47 which is the amount necessary to redeem Tax Sale Certificate #13-00010.

NOW THEREFORE BE IT RESOLVED, on this 19th day of August, 2014 by the Mayor and Council of the Borough of Washington, County of Warren to authorize the Treasurer to issue a check payable to FWDSL & Associates LP, 5 Cold Hill Rd S Ste: 11, Mendham, NJ 07945 in the amount of **\$4,342.47** (This amount consists of \$3,042.47 Certificate Amount redeemed + \$1,300.00 Premium).

BE IT FURTHER RESOLVED, that the Tax Collector is authorized to cancel this lien on Block 10 Lot 7 from the tax office records.

Resolution #120-2014 Redemption of Tax Sale Certificate

RESOLUTION # 120-2014

A RESOLUTION FOR REDEMPTION OF TAX CERTIFICATE

As per N.J.S.A.54:5

KNOW ALL PERSONS BY THESE PRESENTS THAT, WHEREAS, lands in the taxing district of Washington Borough, County of Warren, State of New Jersey, were sold on September 16, 2010 to FNA Jersey Lien Services, LLC, PO Box 1030, Brick, NJ 08723, in the amount of \$7,829.05 for taxes or other municipal liens assessed for the year 2009 in the name of Markle, Mitchell & Linda, as supposed owners, and in said assessment and sale were described as 20 Sunrise Terrace, Block 44 Lot 50, which sale was evidenced by Certificate #10-00021; and

WHEREAS, the Collector of Taxes of said taxing district of the Borough of Washington, do certify that on 8-12-14 and before the right to redeem was cut off, as provided by law, PNC Bank claiming to have an interest in said lands, did redeem said lands claimed by FNA Jersey Lien Services, LLC by paying the Collector of Taxes of said taxing district of Washington Borough the amount of \$58,515.25, which is the amount necessary to redeem Tax Sale Certificate #10-00021.

NOW THEREFORE BE IT RESOLVED, on this 19th day of August, 2014 by the Mayor and Council of the Borough of Washington, County of Warren to authorize the Treasurer to issue a check payable to FNA Jersey Lien Services, LLC, PO Box 1030, Brick, NJ 08723, in the amount of **\$61,515.25** (this amount consists of \$58,515.25 Certificate Amount redeemed + \$3,000.00 Premium)

BE IT FURTHER RESOLVED, that the Tax Collector is authorized to cancel this lien on Block 44 Lot 50 from the tax office records.

Resolutions #119-2014 and #120-2014 were moved on a motion made by Jones, seconded by Gleba and approved.

Roll Call: Thompson, Torres, Jones, Conry, McDonald, Higgins,
Gleba

Ayes: 7, Nays: 0

Abstain: (1) Thompson – Resolution #120-2014 only

Motion Carried

Renewal of Shared Service Agreement with Washington Borough Board of Education for the Library Services

Councilwoman Gleba asked if there were any changes. Mayor McDonald replied that the percentages for the split between the Borough and the school district are still the same however the total number is higher. Manager Blanchard added that in 2013-2014 the cost was \$35, 571 and this year it is up to \$46, 250 for a difference of 10, 679 due to salaries and benefits. Councilwoman Gleba asked if that large increase was for one position and Manager Blanchard stated that is correct.

A motion made by Torres, seconded by Gleba to table this discussion until Council has had time to review the information. Manager Blanchard added that it will have to retroactive to July regardless so she will ask for clarification on the increase.

Ayes: 7, Nays: 0
Motion Carried

Councilman Torres asked if this shared service agreement would go hand in hand with meeting that Mayor McDonald and the Library Board just attended with the county. Mayor McDonald replied that it is too early in the process. Mayor McDonald explained that at the Library Board Meeting last night, the Library Board approved the Borough sending a letter to the Warren County Library Board and to the Warren County Freeholders asking if they would be open to a shared service agreement between Warren County and Washington Borough that would serve those people affected by the potential closing of the Franklin Branch. Mayor McDonald added that is way too early in the process to know what will happen.

VOUCHERS:

Mayor McDonald entertained a motion to approve the vouchers and claims in the amount of \$639,345.65

Motion made by Higgins, seconded by Conry to approve the vouchers.

Council Discussion:

Councilwoman Gleba asked about the charges with the description of Fire Department Penalty. Manager Blanchard replied that the Borough is not paying the penalty; it is a payment that the Borough is turning over to the Fire Department. Manager Blanchard added that when someone is fined, the Borough receives the money and a portion goes to the Fire Department.

Roll Call: Torres, McDonald, Conry, Jones, Higgins, Thompson,
Gleba

Ayes: 7, Nays: 0

Abstain: (1) Thompson – Fire Department & EMS

Motion Carried.

RECAP:

Manager Blanchard stated that she will contact the Washington Borough Board of Education for clarification on the Shared Service Agreement for the Library Services.

COUNCIL REMARKS:

Councilwoman Gleba stated that the Senior Services Committee is planning their second annual Senior Night Out with a luau theme on September 26th. More details will be forthcoming as far as the exact time. Councilwoman Gleba added that the County will be donating the food and the Fire Department donated the use of Borough Hall. Councilwoman Gleba asked about past minutes and the notes from what was discussed at council meetings in regards to the street ordinances so the Ordinance Committee can move forward. Councilwoman Gleba added that there was no mention of that discussion in the minutes. Councilman Torres replied that he believes that discussion is from one of the meetings that the minutes have not been completed yet. Manager Blanchard added that she has both Councilman Torres' and Councilman Higgins' notes which she is combining to produce one ordinance which she will provide to the Ordinance Committee. Councilwoman Gleba also asked about the referendum on the ballot this year in regards to paving additional streets that Councilman Jones had suggested at a previous meeting. Councilman Jones replied that is still being discussed with the Streets Committee. Councilwoman Gleba asked if the Borough is doing anything in regards to the new statute on abandoned homes. Manager Blanchard replied that Code Enforcement Officer Bescherer has been working diligently contacting banks. Councilwoman Gleba also asked if a motion is needed from Council in regards to the Pleasant Valley Mill Dam. Councilwoman Gleba added that it was left off that if Council approved so, the Borough could potentially use the funds next year out of the sewer account to decommission the dam. Manager Blanchard replied that the Borough can use the sewer funds to decommission the dam and it would just be done as part of next year's budget process. Manager Blanchard added that there will probably need to be a formal resolution once the decision is made to repair it or decommission the dam. Councilwoman Gleba also asked for a copy of the letter to N.J.A.W. that she previously requested.

Councilman Thompson asked for a report stating what has been spent for the first six months of the year so far. Manager Blanchard replied that the Expenditures vs. Appropriations Report for 2014 so far is in the Council packet.

Councilman Jones asked if there was some way to advertise for the town wide yard sale on September 13th and 14th. Councilman Jones commented that a lot of people in town are not aware that there is a town wide yard sale. Councilman Jones asked if it was possible to put a sign on Route 31 advertising the town wide yard sale. Manager Blanchard and Code Enforcement Officer Bescherer replied that the Borough is not allowed to put a sign on Route 31 which is a state highway. Manager Blanchard added that it is on the board out front of Borough Hall, in the Messenger, on the Borough's

website and also on the BID's website and calendar. Councilman Thompson added that years ago there used to be a map of the homes that are participating in the sale. Ms. Cerami replied that the map turned out to be a nightmare due to residents turning in their information very late and other residents participating in the sale but did not want to pay the minimal fee to be on the map. It ended up being a lot of work and an expense that wasn't accurate because not everyone involved in the sale participated in the map. Ms. Cerami suggested putting signs advertising the town wide yard sale on private property instead of the state highway. Councilman Jones also asked when the time clocks are going to go in effect, it's been six months. Manager Blanchard replied that she has not decided how the clocks are going to integrate with the current payroll system. Manager Blanchard added that she has met with the payroll company and she needs to determine the best solution for the Borough. Councilman Jones would like the time clock integration done as soon as possible. Councilman Jones asked for clarification on the possible shared service with the Warren County Library. Mayor McDonald replied that it is still in the early stages so there is little to tell. Mayor McDonald added that the Franklin Branch of the Warren County Library is potentially closing or moving out of the area. The Washington Borough Library Board is going to send a letter to the Warren County Freeholders and the Warren County Library Board asking if they would be open to discussing a potential shared service for library services from Washington Borough for those people who would be affected by the moving of the Franklin Branch. This is a separate shared service from the one with the Board of Education right now.

Councilman Torres stated that the D.P.W. did an excellent job on assisting the Morris County Co-op with the paving that was recently done in the Borough. The D.P.W. did a lot of the prep work to prepare the streets for paving.

Councilman Higgins wished for everyone to have a safe Labor Day. Councilman Higgins noted that the Sewer Committee will schedule their meeting for August 28th at 4:00 p.m. as long as the engineer is available. Councilman Higgins added that the Streets Committee met yesterday. The committee will highlight the roads that are done every year on a map and also mark the roads that the committee are planning on doing next and have that available in Borough Hall for everyone to see. The committee also plans on coming up with a rating system based on potholes, cracks, patches, and usage. Also discussed at the meeting was possibly tarring and chipping the alleys instead of black top in order to save money. Councilman Higgins asked what is needed from the Streets Committee in order to have something presented on the ballot in November. Manager Blanchard replied whatever is on the ballot is non-binding and she would need Council to decide on specific roads by the next meeting. Councilman Higgins asked if the Streets Committee waited on put the question of going out to bond on the ballot in June and it was approved would the Borough have to wait until the following year's budget to get the work done. Manager Blanchard replied if Council includes the down payment for the bond in the budget process then if the bond is approved in June, Council can move forward. Councilman Higgins added that the next Streets Committee meeting is September 15th at 10:00 a.m. with the D.P.W. Supervisor present as well.

ADJOURNMENT:

Hearing no further business, a motion was made by Higgins, seconded by Conry to adjourn the meeting at 7:40 p.m.

Ayes: 7, Nays: 0
Motion Carried

Mayor Scott McDonald

Kristine Blanchard, RMC Borough Clerk