



Mayor and Common Council Borough of Flemington

March 13, 2023

Council Meeting Room
38 Park Avenue, Flemington, NJ 08822

Open Public Review of the Proposed 2023 Budget

i. **Call to Order**

ii. **Flag Salute**

iii. **OPMA Statement**

This meeting is called pursuant to the provisions of the Open Public Meetings Law. This meeting of March 13, 2023 was noticed to the *Hunterdon County Democrat* and *Courier-News* on March 6, 2023, posted on the bulletin board at Borough Hall on that date, and has remained continuously posted as required. In addition, a copy of this notice is and has been available to the public and is on file in the office of the Borough.

iv. **Roll Call**

Marcia A. Karrow	Mayor
Susan Engelhardt	Council Member
Malik Johnston	Council Member
Jeremy Long	Council President
Tony Parker	Council Member
Elizabeth Rosetti	Council Member
Kimberly Tilly	Council Vice President

v. **Public Comments - Session I**

The notes for the two Public Comments Sessions and the Work Session have been combined in these minutes.

Flemington Borough CFO William Hance was in attendance to help with questions regarding the 2023 Borough Budget.

Lois Stewart of Flemington Borough clarified with Mayor Karrow that no public action will be taken at the session regarding the 2023 budget. Ms. Stewart asked about the jump in the general due to the start of a 40-year USDA loan for the water tank project. Mayor Karrow explained that we will roll-over short term financial notes until the rates for long term bonds become more affordable. The Borough issued bond ordinances for the 200 Main Street

property and for a replacement of the ladder truck for the Fire Department. When the truck is delivered in the Fall of 2024, the Borough will borrow for the rest of the purchase amount. Ms. Karrow explained that bond sale payments are projected to begin in 2028. The Borough is trying not to have large spikes in the debt, so the proposed 2023 budget will try to pay off a lot of debt right up front and over the next five years, trying to pay as much of the debt without borrowing. That can save one to two cents tax rate savings per year. Ms. Karrow also explained that the amount of debt we have on the books reflects what the Borough's bond rating, and in turn, securing a better interest rate on bonds. She shared the large increases with inflationary costs, debt service, pensions, workers comp insurance, and especially health insurance. She also explained the process of building the back up the funds in the Capital Improvement Fund. Currently we only have \$93,000 in that fund. Other Capital Improvement line items were discussed. The Borough surplus is over \$1,000,000, which is important to the Bond Rating. \$370,000 will be provided to the Borough in State Aid.

Mayor Karrow answered a question regarding the loss of property tax revenue due to tax exempt properties such as the county properties, school properties, non-profit owned-buildings, the library, etc, 67 in total, equaling almost \$64,000.000 in property valuation. Liberty Village was the Borough's top taxable property with a valuation of \$30,000,000, now less than \$40,000. 2023 property assessments went up \$33,000,000. She also answered a question about searching for alternative health insurance, where it was explained that conversations took place with the CFO with Aetna, which did not result in a significant price deferential. The Environmental Commission budget was established, as they are a newly installed commission. The increased cost for inspections was explained by the new residential rental unit inspections and the new State requirements for lead paint inspection. The spending for the body camera grant was explained.

It was shared by Mr. Hance that the debt amount is \$11,977,000 with a debt ratio is 2.596%. The optimum ratio is 1.7%. The limit is 3.5%.

Ms. Karrow clarified that the PILOT revenue is projected to begin in 2027, at an estimated amount of \$600,000. She also explained the spike of recycling hauling costs during COVID and the recycling grant that is applied for each year.

An alternative plan was explored in discussion about lowering the tax increase this year and spreading it across the next several years. It was explained that such a budget would increase the debt service payments by between \$50,000 and \$100,000 per year. If the debt is paid in a larger amount for 2023, the increase will average \$337 per household, then lower substantially for the next three years. For a lower tax rate of 2% for 2023, the Borough would have to pay a larger debt amount.

Ms. Tilly shared a need for more funds for the July 4th fireworks, and Ms. Rosetti asked for additional funds for the Shade Tree Commission.

vi. Work Session

Open Session to Review the Proposed 2023 Budget

vii. Public Comments - Session II

viii. Adjournment

RESULT: **Passed [6 - 0]**

MOVER: Kimberly Tilly, Member

SECONDER: Jeremy Long, President

AYES: Jeremy Long, Susan Engelhardt, Tony Parker, Kimberly Tilly, Malik
 Johnston, Elizabeth Rosetti

Attest:

Michael Humphrey, Acting
Borough Clerk