

## **Title 3**

### **REVENUE AND FINANCE**

Chapters:

#### **3.04 Fiscal Provisions Generally**

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### **Chapter 3.04**

#### **FISCAL PROVISIONS GENERALLY**

Sections:

**3.04.010 Manner of payment of claims.**

**3.04.020 Returned checks.**

**3.04.030 Cooperative pricing system.**

**3.04.040 Cooperative purchasing agreement.**

#### **3.04.010 Manner of payment of claims.**

A. Any person claiming payment from the borough shall present a detailed bill of demand on a voucher form of the borough, specifying particularly how the bill or demand is made up, to the chief finance officer, duly certified by the claimant that it is correct.

B. The chief finance officer shall examine the voucher submitted and determine that the department head, officer or duly designated employee has certified by his or her signature on the voucher that the materials have been received or the services rendered to the borough as the same appears on the voucher.

C. The chief finance officer shall then present to the department head or the chairperson of the committee responsible for the placing of the order or payment of the claim, who, if satisfied the claims are proper, shall approve the same in writing by executing the voucher. After such approval is given, the chairperson or department head shall file the voucher with the chief finance officer who shall then present the vouchers to the borough council for formal approval at the next regular meeting of the mayor and council.

D. Claims shall be considered by the borough council which shall approve the same except that the council may reject any claim presented to it stating the reason for such rejection. Any disapproved voucher shall be referred back to the chief finance officer with such instructions as the council may give at the time of disapproval. Claims shall be approved by resolution allowing a detailed a list of the claims including the claimant's name, the amount claimed and a description of the materials delivered or services rendered, which resolution shall be made a part of the minutes.

E. The borough clerk shall record all claims in the official minutes indicating that the council has by formal action approved the same with the appropriate record as any claims disapproved or rejected.

F. The chief finance officer shall indicate on the voucher for each claim that it has been approved for payment with the date of approval noted on the voucher.

G. The chief finance officer, after indicating the approval on the claim voucher, shall forth with prepare the necessary checks for the payment thereof. The checks shall be signed by the mayor and, thereafter, countersigned by the chief finance officer. After preparing checks for the payment of claims, the chief finance officer shall record them in the proper books of account and, thereafter, mail or otherwise distribute the checks to the claimants.

H. In the case of payrolls, the appropriate department head or such employee as may be designated by resolution of the governing body shall prepare the necessary payrolls for all employees, which payrolls shall be duly certified by the person authorized to certify that the services have been rendered and the amount specified is in fact due and owing to the employee or employees. The payroll shall then be approved by the department head responsible therefore and presented to the chief finance officer for approval and after approval shall be paid in due course. Payroll checks shall be signed by the mayor and, thereafter, countersigned by the chief finance officer. The chief finance officer shall report the amount of the payroll to the borough clerk who shall report the same to the borough council at the next regularly scheduled meeting.

I. In the absence of the mayor, the council president may sign any checks that are processed in accordance with these procedures.

(Ord. 2001/21 § 5 (part): prior code § 2-9.6)

#### **3.04.020 Returned checks.**

A. Any person rendering any payment whatsoever to the borough, including payment for taxes, rents, charges, fees, fines or costs, who issues a check or other written instrument which is not honored for any reason whatsoever, shall pay a service charge fee to the borough in the amount of twenty dollars (\$20.00), plus any bank charges, which service fee and costs shall be collected at the time of redeposit of the check or instrument or alternate payment on account of the check or instrument. If a check or instrument is returned unpaid for insufficient funds or other reasons to the borough, the payor may be required to tender to the borough cash or certified or cashier's check for the collection and satisfaction of the payment due.

B. Whenever an account owing to the borough is for a tax or special assessment, the service charge and costs authorized by this section shall be included on whatever list of delinquent accounts is prepared for the enforcement of the lien.

(Prior code § 2-10A)

#### **3.04.030 Cooperative pricing system.**

A. Title. This section shall be known and may be cited as the "Cooperative Pricing Ordinance of the Borough of Freehold."

B. Authority. Pursuant to the provisions of N.J.S.A. 40A:11-11(5), the borough, as a participating contracting unit, is hereby authorized to enter into a cooperative pricing agreement with the county of Monmouth, as the lead agency, and other participating contracting units within the county of Monmouth for the purchase of selected work, materials and/or supplies.

C. Contracting Unit Responsibilities. The lead agency shall be responsible for complying with the Local Public Contracts Law (N.J.S.A. 40A:11-1 et seq.) and all other provisions of the revised statutes of the state of New Jersey, as to the bidding, award and execution of master contracts on behalf of itself and any participating contracting units, as well as for purchases made by the lead agency for its own needs under the master contract. Each respective participating contracting unit which chooses to purchase under a master contract shall be responsible to enter into a separate contract with the vendor, to certify the availability of funds, to issue purchase orders, to accept delivery and to make payment for those items purchased by that participating contracting unit for its own needs.  
(Prior code § 2-30)

#### **3.04.040 Cooperative purchasing agreement.**

A. N.J.S.A. 40A:11-11(5) authorizes two or more municipalities to establish a cooperative pricing system for the joint purchase and acquisition of work, materials and supplies; and the mayor and council of the borough is desirous of entering into such an agreement in order to achieve substantial economies in the purchase of work, materials and supplies.

B. N.J.S.A. 40A:11-11(5) permits a governing body of a municipality to authorize the entering into of such an agreement and participate in a cooperative pricing system by ordinance.  
(Prior code § 2-30A)

### **Chapter 3.08**

#### **PURCHASING SYSTEM**

Sections:

**3.08.010 Purpose.**

**3.08.020 Purchasing agent.**

**3.08.030 Duties of purchasing agent.**

**3.08.040 Purchases requiring formal bidding and advertising.**

**3.08.050 Emergency purchases.**

**3.08.060 Cooperative purchasing.**

**3.08.070 Nonconforming agreements.**

#### **3.08.010 Purpose.**

The purpose of this chapter is to establish a purchasing agent and state the borough policy in regard to the acquisition of goods, services and personal property for the borough.  
(Prior code § 2-37.1)

#### **3.08.020 Purchasing agent.**

There is established the office of purchasing agent in the borough. The purchasing agent shall be the

borough administrator and shall serve at the pleasure of the mayor and council. The purchasing agent shall be under the supervision and control of the mayor and council and shall serve without compensation. (Ord. 2001/21 § 14: prior code § 2-37.2)

### **3.08.030 Duties of purchasing agent.**

The purchasing agent shall perform the following duties:

- A. Negotiate with vendors for the supply of goods, services, and personal property where the estimated aggregate value thereof shall not exceed the amount specified in N.J.S.A. 40A:11-3. Such contracts shall be in the form of a purchase order unless the purchasing agent in his or her discretion is desirable to utilize a formal written agreement rather than a purchase order or other similar writings;
- B. Assist department heads and other municipal officials in the solicitation of informal bids for contracts, the aggregate value of which does not exceed the statutory amount as set out in N.J.S.A. 40A:11-3. The purchasing agent shall insure that the results of such solicitations are recorded on record forms designated for that purpose prior to approving a purchase order. If the lowest solicitation is not accepted, a statement must be submitted to the mayor and council detailing the reasons therefor, prior to approving the purchase order. Where possible, such informal bids shall be obtained in connection with all acquisitions;
- C. Cooperate with all department heads in obtaining the best result for the borough with regard to obtaining goods and services;
- D. Prepare, with the assistance of department heads, specifications and bid proposal forms for formal bidding for acquisitions exceeding the aggregate value as set out in N.J.S.A. 40A:11-4. Once technical specifications are drafted, the purchasing agent is responsible for integrating the same into formal bid documents, including general and special instructions to bidders and preparing the proper notice to be advertised by the borough clerk;
- E. Provide information to department heads and other officials concerning the current status of existing contracts for the purchase of materials, supplies or equipment together with a statement, when requested, as to the remaining appropriation available for such contracts;
- F. Establish, with the approval of the mayor and council, procedures and regulations to be used in the orderly administration of the purchasing agent's office;
- G. Prescribe and maintain such forms as shall be found reasonably necessary to the operation of the office of purchasing agent;
- H. Act to procure for the borough all state and federal tax exemptions to which it is entitled in connection with its purchasing program;
- I. Prepare necessary documents and attend to the procedures required by law for the sale and disposition of public personal property. In no event shall the purchasing agent dispose of public

personal property or advertise for the same without authorization of the mayor and council.  
(Prior code § 2-37.3)

### **3.08.040 Purchases requiring formal bidding and advertising.**

Purchases which require formal bidding and advertising pursuant to N.J.S.A. 40A:11-4:

- A. All purchasers and contractual services except as otherwise permitted by law and herein, when the estimated aggregate value thereof shall exceed the statutory amount as set out in N.J.S.A. 40A:11-4 shall be purchased by formal, written contract from the lowest responsible bidder, after due notice inviting proposals, as required by N.J.S.A. 40A:11-1 et seq. All contracts for professional services and all contracts for extraordinary unspecifiable services shall be made or awarded by the mayor and council.
- B. Authorization to publicly advertise the formal bids shall first be obtained in all cases from the mayor and council.
- C. The purchasing agent shall review bids once received and submit recommendations as to the award to the mayor and council of the borough. The department heads shall have authority to review all such recommendations with the mayor and council and purchasing agent prior to formal action.
- D. The purchasing agent shall assist the mayor and council and department heads and other municipal officials in negotiating and entering into contracts with regard to acquisitions in the absence of bidding where, by law, no formal bid is required.
- E. Where, on two occasions, no bids are received, or where on two occasions bids were rejected by the governing body because they were unreasonable as to price, or, a combination of one instance of each situation, in whatever sequence, or where, on one occasion, bids are determined to be collusive, the purchasing agent shall have the authority to negotiate with vendors in accordance with N.J.S.A. 40A:11-5 (3) for an agreement in the absence of further formal bidding. In such case, the purchasing agent may, in his or her discretion, delegate the authority for such negotiation to any department head or other municipal official, all subject to his or her approval.

(Prior code § 2-37.4)

### **3.08.050 Emergency purchases.**

Emergency purchases shall be made as follows:

- A. Any purchase, contract or agreement may be made, negotiated or awarded by the purchasing agent; or other officer, or department head when authorized by the mayor and council of the borough, without public advertising for bids and bidding notwithstanding that the cost or the contract price will exceed the statutory amount as set out in N.J.S.A. 40A:11-4, when an emergency affecting the public health, safety or welfare requires the immediate delivery of the articles, or the performance of service, providing that the award or making of such purchase is

made in the following manner:

1. An emergency purchase is initiated by the filling of a short statement with the purchasing agent describing the nature of the emergency, the time of its occurrence and the need for invoking the provisions of this chapter. Such statement shall be certified and signed by the officer or department head in charge of the department wherein the emergency occurred.
2. The purchasing agent, or in his or her absence the official designated in accordance with the first paragraph of this section if he or she is satisfied that an emergency exists, is authorized to award a contract for such work, materials, supplies or services as may be necessary.
3. If practicable, the purchasing agent, or in his or her absence the official designated in accordance with the first paragraph of this section, shall consult with the borough treasurer in each case to determine that adequate funds are available to meet the costs of such emergency contracts.

(Prior code § 2-37.5)

### **3.08.060 Cooperative purchasing.**

The purchasing agent shall be responsible for providing department heads and other municipal officials with current information concerning cooperative purchasing plans as permitted by law or regulation. In this connection, the purchasing agent shall be responsible for maintaining information concerning the purchase of materials, supplies, or equipment under any contract entered into on behalf of the state of New Jersey by the Division of Purchase and Property, Department of the Treasurer or other cooperative purchasing plans that may be available to the borough. From time to time the purchasing agent will report to mayor and council as to available cooperative purchasing opportunities.

(Prior code § 2-37.6)

### **3.08.070 Nonconforming agreements.**

Agreements entered into which are not in accordance with this chapter shall be void and the borough shall not be bound by such agreements.

(Prior code § 2-37.7)

## **Chapter 3.12**

### **RESIDENTIAL TAX EXEMPTION FOR IMPROVEMENTS\***

Sections:

**3.12.010 Home Improvement Deduction.**

**3.12.020 Duration of deduction.**

**3.12.030 Additional deduction for additional improvements.**

**3.12.040 Application, approval and recording.**

**3.12.050 Definitions.**

\* Editor's Note: For provisions for tax abatement for commercial and industrial structures in accordance with P.L. 1991, Chapter 441, see Ordinance No. 43/94 on file in the office of the borough clerk.

### **3.12.010 Home Improvement Deduction.**

Residential tax exemption shall be granted throughout the borough for the first twenty-five thousand dollars (\$25,000.00) of the tax assessor's full and true assessed value of home improvements for each dwelling more than twenty (20) years old. The value of such property shall not receive an increased assessment for a period of five years, notwithstanding any increase in its actual value by reason of such improvements. During this period, however, the assessment on such dwelling shall in no case, except that of damage through action of the elements sufficient to warrant a reduction, be less than the assessment thereon existing immediately prior to such home improvements.

(Prior code § 2-35.1)

### **3.12.020 Duration of deduction.**

The amount of the improvement up to twenty-five thousand dollars (\$25,000.00) shall be deducted from the amount determined by the tax assessor on October 1st of any year following the date of the completion of the improvement to the true taxable value of the improvement and shall continue to be so treated for each of the five tax years subsequent to the original determination by the assessor.

(Prior code § 2-35.2)

### **3.12.030 Additional deduction for additional improvements.**

Additional improvements, completed during a period in which the improved property is subject to previously granted exemption privileges shall warrant additional deduction privileges under the terms and conditions herein specified; however, in no tax year shall the total deductions for any single property exceed the maximum amount of twenty-five thousand dollars (\$25,000.00).

(Prior code § 2-35.3)

### **3.12.040 Application, approval and recording.**

No exemption authorized pursuant to the provisions of this chapter shall be granted or allowed except upon written application therefor filed with and approved by the assessor of the borough. Every such application shall be made on a form provided by the borough and shall be filed with the assessor within thirty (30) days, including Saturdays and Sundays, following the completion of the improvement. Every application for tax exemption for one or more improvements which qualify as improvements and which is filed within the time specified shall be approved by the assessor. The granting of any such exemption shall be recorded and made a permanent part of the official tax records of the borough, which record shall contain a notice of the termination date of the exemption and the consequences of transfer of title.

(Prior code § 2-35.4)

### **3.12.050 Definitions.**

As used in this chapter, the following definitions shall apply:

"Completion" means substantially ready for the use for which it was intended.

"Dwelling" means any building or part of a building used, to be used or held for use as a home or residence, including accessory buildings located on the same premises, together with the land upon which such building is erected and which may be necessary for the fair enjoyment thereof.

"Home improvement" means the improvement of a dwelling which does not change its permitted use and shall include the modernization, rehabilitation, renovation, alteration or repair of the dwelling. It does not include the installation or repair of a swimming pool; nor does it include landscaping or other such improvements or changes.

(Prior code § 2-35.5)

## **Chapter 3.16**

### **FIRE INSURANCE MUNICIPAL LIEN CLAIMS**

Sections:

**3.16.010 Payment of tax liens on fire damaged properties.**

**3.16.020 Certificates of search.**

**3.16.030 Copy filed with State Commissioner of Insurance.**

#### **3.16.010 Payment of tax liens on fire damaged properties.**

Pursuant to the provisions of P.L. 1978, Chapter 244 as amended, no payment to a claimant by any insurance company of any claim in excess of two thousand five hundred dollars (\$2,500.00) may be made for fire damage on any real property located within the borough pursuant to any fire insurance policy issued or renewed after adoption of this chapter and after the filing of this chapter with the State Commissioner of Insurance, until such time as anticipated demolition costs and all taxes and assessments and all other municipal liens or charges due and payable appearing on the official certificate of search shall have been paid either by the owner of such real property or by the insurance company pursuant to the provisions of N.J.S.A. 17:36-10 or until the borough submits to the insurance company a copy of a resolution adopted pursuant to N.J.S.A. 17:36-11.

(Prior code § 2-44.1)

#### **3.16.020 Certificates of search.**

All requests for an official certificate of search for municipal liens, made pursuant to this chapter and P.L. 1978, Chapter 244 as amended, shall specify that the search concerns fire damaged property.

(Prior code § 2-44.2)

#### **3.16.030 Copy filed with State Commissioner of Insurance.**

The borough clerk shall forthwith file a certified copy of this chapter with the Commissioner of Insurance of the state of New Jersey.

(Prior code § 2-44.3)