



State of New Jersey

DEPARTMENT OF COMMUNITY AFFAIRS
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PHILIP D. MURPHY
Governor

TAHESHA L. WAY
Lieutenant Governor

JACQUELYN A. SUÁREZ
Acting Commissioner

September 26, 2023

VIA CERTIFIED MAIL AND EMAIL (mayor@frenchtownboro.com)

The Honorable Brad Myhre, Mayor
Borough of Frenchtown
29 Second Street
Frenchtown, New Jersey 08825

RE: Private Entity CMFO Reappointment Application & Director Order

Dear Mayor Myhre:

The Division of Local Government Services (Division) is in receipt of the Borough of Frenchtown's May 9, 2023 application to reappoint the firm of Holman Frenia Allison, P.C. (HFA) to temporarily fulfill the duties of a chief municipal finance officer (CMFO) for a second consecutive one-year term. Initial approval ran from February 21, 2022 to February 20, 2023. The Borough's application for reappointment of HFA is **denied**.

The Division is troubled both by the Borough's failure to apply for reappointment until well after the expiration of the previous one-year term and by HFA's continuation of its contractual relationship with the Borough without approval first being granted by the Division. N.J.A.C. 5:32-2.5(b)3 prohibits appointment or reappointment of a private entity without application first being made to the Director and requires any contract with a private entity for the performance of CMFO duties to be conditioned upon Director approval.

Further, the Borough not only failed to submit its 2022 Best Practices Inventory to the Division but even neglected to start answering questions on the Inventory. Failure to complete and submit the Inventory cost the Borough its full final CY2022 State Aid payment of \$5,652.35. As you may be aware, the CMFO, along with the Borough's chief administrative officer, is responsible for completing and certifying the Inventory. In reviewing the activities of HFA in the Borough and other municipalities in which HFA is responsible for fulfilling CMFO duties, the Division is not satisfied that HFA can adequately perform the duties of a CMFO for the Borough.

The Borough shall hire a licensed CMFO within 90 days from the date of this correspondence and cannot contract with another private entity to fulfill the CMFO duties. Notwithstanding the denial of the Borough's application, in order to facilitate an orderly transition in the Borough's finance office, HFA may continue to fulfill CMFO duties for a period not to exceed 90 days from the date of this letter but shall not continue doing so afterward, including under the guise of a consulting

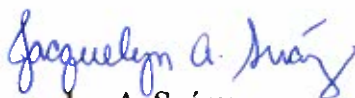
contract. Please note that Anthony Mannino's CMFO certification lapsed as of July 1, 2023 and, as such, another HFA employee with a CMFO certification will be required to supervise all work performed on behalf of the Township and sign any documents required to be executed by a CMFO.

Within 30, 60, and 90 days from the date of this correspondence, the Borough shall update the Division in writing on its progress in obtaining a licensed CMFO. All updates and documentation shall be directed to Bonnie Brookes in the Division's Certification Unit (Bonnie.Brookes@dca.nj.gov). The Borough shall provide proof of its re-advertisement for the CMFO position by no later than 30 days from the date of this correspondence. In addition to posting the position on the Borough's website and the websites of the New Jersey League of Municipalities and the Government Finance Officers Association of New Jersey, the Borough shall advertise for a CMFO through such other means as are reasonably calculated to solicit the greatest possible number of qualified candidates. Also enclosed is a list of all individuals having obtained CMFO certification in the two most recent examination cycles; the Borough shall email the advertisement to each person on the list within 30 days of the date of this correspondence. The Division reserves the right to Order such additional measures as may be necessary to solicit qualified candidates.

Any negotiations with other municipalities for a shared services agreement must be conducted parallel to the advertisement process. If the Borough requires technical assistance in implementing a shared services agreement for a CMFO, please contact the Division's Local Assistance Bureau (LAB) via email at localassistance@dca.nj.gov or by dialing 609-292-6613 Option #1.

Pursuant to N.J.S.A. 40A:9-140.10.a, any governing body members who willfully fail or refuse to comply with this Order shall be subject to a personal penalty of \$25 for each day after the date fixed for final action that failure or refusal to comply continues. If the Borough elects to appeal this Order and request a hearing before the Local Finance Board, the Board must be notified in writing within 10 days.

Sincerely,



Jacquelyn A. Suárez
Acting Commissioner, Department of Community Affairs
Director, Division of Local Government Services

Cc: Brenda S. Shepherd, Borough Clerk (via email frenchtownboroclerk@yahoo.com)
Joseph Sarno, Director, Holman Frenia Allison, P.C. (via email jsarno@hfacpas.com)
w/o enclosure
Joseph Delorio, CMFO, Holman Frenia Allison, P.C. (via email jdeiorio@hfacpas.com)
w/o enclosure
Anthony Mannino, Holman Frenia Allison, P.C. (via email amannino@hfacpas.com)
w/o enclosure

Enclosure