

**Approved Minutes
Open Session
Of the Mayor and Council of the Borough of Princeton
January 4, 2011
Regular Meeting
Open Session 7:30 P.M.**

Present: Council President Kevin Wilkes, Councilwoman Jo Butler,
Councilwoman Jenny Crumiller, Councilman David Goldfarb,
Councilman Roger Martindell, Councilwoman Barbara Trelstad, Mayor
Mildred Trotman

Absent: None

Staff Present: Borough Administrator Robert W. Bruschi, Chief Finance Officer Sandra
L. Webb, Borough Clerk Andrea Lea Quinty

Mayor Trotman called the meeting to order at 7:32 P.M. and read the open public meetings statement as follows:

“This meeting is called to order pursuant to the provisions of the Open Public Meetings Law. This meeting of January 4, 2011, was included in a list of meetings sent to and advertised in the Princeton Packet and Trenton Times, posted on the bulletin board in the Borough of Princeton municipal building and has remained continuously posted as the required notices under the statute. 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 Clerk. Proper notice having been given, the Borough Clerk is directed to include this statement in the minutes of this meeting.”

Mayor Trotman asked all present to rise for **Agenda Item C, Salute to the Flag.**

Mayor Trotman read **Agenda Item D, Approval of Minutes.**

Presented for approval were the minutes of the open session of December 21, 2010.

Councilwoman Trelstad moved to approve the minutes of the open session of December 21, 2010, Councilman Goldfarb seconded, and Council approved unanimously.

Mayor Trotman read **Agenda Item E, Public Presentation**, and asked if anyone present wished to address Council with an issue not on the agenda.

Councilman Martindell requested an update on the Borough “tickler” system. Borough Administrator Robert W. Bruschi answered that a full-blown reminder system should be running by month’s end.

Councilwoman Trelstad had noticed savings from automatic lights—that is, off when room unoccupied—in Borough Hall.

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Mayor Trotman announced a special public meeting sponsored by the Joint Consolidation Study Commission regarding consolidation and shared services to be held on January 26, 2011, 7:30 P.M. at John Witherspoon School auditorium.

Mayor Trotman announced a joint Borough/Township meeting January 31, 7:00 P.M. at Township Hall when Princeton University (PU) will present its latest plans for the arts and transit neighborhood.

Seeing no one further, Mayor Trotman closed the public portion.

Mayor Trotman read **Agenda Item F, Report (1) — 2011 Budget Outlook** – *Robert W. Bruschi, Borough Administrator.*

Mr. Bruschi stated his intention to provide a first look at 2011 from data gleaned by administration staff to include revenues, expenditures, and questionable items—with highlights and potential pitfalls. Mr. Bruschi expected to present his next budget report to Council after completion of the independent audit and review of Township's budget plans.

Mr. Bruschi reported that, since 2008 (that is, four budget years), Borough has been in a good position with overall budget remaining remarkably flat. In most departments, rising costs have been offset by appropriate fees. He acknowledged that the primary unknown this year is state aid.

Mr. Bruschi listed premises for creation of the 2011 budget:

1. Two percent maximum tax increase mandated by New Jersey
2. Zero increase in operating expenses
3. Manage revenues in order to replenish surplus (presently at highest level during past 13 years).

Mr. Bruschi stated two major components of the proposed \$1 million increase in spending are health benefits (now somewhat offset by employee contribution) and pensions.

Regarding debt service, Mr. Bruschi said Borough has been consistently maintaining the target of \$3.6 million (currently \$3.8)—small year-to-year variations usually result from prevailing interest rates at the time of project funding.

Mr. Bruschi reviewed revenue changes, including use of capital surplus, use of operating surplus, and replenishment of surplus. A tax increase (capped by New Jersey at 2%) may also provide additional revenue up to \$206,000. (There was zero tax increase for 2009 and 2010.)

Mr. Bruschi commended the Finance Committee and Council for aggressive reduction of expenses during 2009 and 2010, which has resulted in Borough's good position for 2011.

Mr. Bruschi stressed the importance of monitoring state legislative actions, as well as Township decisions as they affect joint agencies. Mr. Bruschi said he has already warned Township of Borough's intent to keep expenditures at 2010 levels.

Mr. Bruschi suggested Council's next step should be to establish 2011's budget philosophy and goals. Some considerations are: Privatizing some functions, examining fee structures, pushing PU for increased contributions, and pursuing consolidation with neighboring communities. Mr. Bruschi thought Council's primary action for first quarter 2011 should be to finalize an agreement with PU in order to resolve appropriate use of revenues and surplus.

Mr. Bruschi announced that two joint departmental proposed changes with Township should become effective within two months—(1) joint assessor function to be administered by Township and (2) a joint fire inspection function administered by Borough. Police chief David Dudeck is in discussions to shift police and emergency dispatch to Lawrence Township, along with Ewing and Hopewell who have an established arrangement with Lawrence.

Mayor Trotman questioned the value of pursuing dispatch consolidation with anyone while Borough is undergoing a major investigation into total consolidation with Princeton Township. Mr. Bruschi countered that maintaining dispatch discourse can only benefit Borough; that, in fact, Township has recently joined in those talks.

Councilman Goldfarb asked why realized parking utility surpluses were lower than expected. Chief Finance Officer Sandra L. Webb replied that 2010 funds are still coming in; she thought final surplus would approach anticipated.

Councilman Goldfarb saw the discrepancy between \$206,000 tax increase and \$1 million expenditure increase (negative \$800,000) as a direct hit on the surplus account. Councilman Goldfarb thought it important to determine the lowest acceptable surplus amount before settling on appropriations and taxes.

Mayor Trotman asked how cyclical items—police vehicles, for example—are reflected in the draft budget. Mr. Bruschi responded that, specifically, no police cars are recommended for 2011.

Mr. Bruschi felt Borough could safely defer key decisions for 11 months until results for a unified Princeton are known.

Councilwoman Crumiller asked about hiring an in-staff information technology expert. Mr. Bruschi strongly favored in-staff IT function, but pointed out that Borough's present consulting arrangement is remarkably inexpensive. Councilwoman Crumiller declared that technology usually saves money; in Borough's case, a comprehensive Website should result in greatly reduced queries from the public. Council agreed that an IT employee would cost Borough about \$100,000 in salary and benefits.

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Councilwoman Crumiller followed up on revaluation appeals. Mr. Bruschi said there are no out-of-pocket costs to affected towns; assessors simply adjust appraised values. Borough has not received a final tally from Mercer County.

Council discussed State of New Jersey health care options for employees versus Borough self-insuring. Mr. Bruschi noted that Borough saved \$1 million in its first year of state plan coverage.

Mayor Trotman asked when state aid figures will be available. Mr. Bruschi said tradition predicts the decisions are months away.

Mayor Trotman requested individual line-item numbers as early as each is available.

Councilman Martindell asked for a breakdown of the surplus account. Mr. Bruschi explained that the demonstrated \$954,000 is the balance remaining *after* closing the \$800,000 gap (\$1 million expenditure minus \$206,000 tax).

Councilman Martindell proposed Council determine the highest tolerable tax increase *before* budget review. (Councilman Martindell's target level is zero percent for the third consecutive year.)

Councilman Martindell reviewed specific 2010 budget-versus-realized items. Mr. Bruschi and Ms. Webb agreed that no analysis of individual entries was yet available. They requested Council's patience regarding billing lag and timing of postings; postings against 2010 budget can occur through March 2011.

Mr. Bruschi mentioned upcoming matters with expiration dates—such as hospital relocation (sewer billing and so forth) and financial agreements with redeveloper—that will require Council's attention.

Councilman Martindell wondered if it is legal for police to employ civilians as detectives; if so, has Borough explored the idea?

Council discussed the debt service cap model of \$3.6 million, a 10-year-old goal. Councilman Martindell suggested that current interest rates indicate lowering the target amount; it is time to reevaluate the sustainable number.

Councilman Martindell asked what use will be assigned to the (soon-to-be vacant) tax assessor's office. Mr. Bruschi said the transfer of assessment function to Township will depend on dual ordinance amendments—probably within first two months of 2011.

Councilwoman Butler asked Mr. Bruschi and Ms. Webb to address the effect of a new community pool on 2010's budget. Mr. Bruschi answered that Borough's strategy was to apportion its financial obligation over two years; though a large commitment, pool costs can easily be worked into the overall financial plan.

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Mr. Bruschi hoped to return to Council with updated figures mid-February.

Peter Marx, 107 Moore Street, asked how much of the gap between 2010 budget and 2010 realized was attributable to timing and might affect the surplus (overstated by \$1 million?). Ms. Webb indicated that no close-out entries that would lapse the surplus were considered.

Councilwoman Butler moved to adjourn; Councilwoman Trelstad seconded. There being no further business, Mayor Trotman adjourned the open session meeting at 9:05 P.M.

Respectfully submitted,

Andrea Lea Quinty
Borough Clerk