

PRINCETON COUNCIL MEETING
July 22, 2013

A meeting of the Mayor and Council was held on this date at 7:00 p.m. in the Main Meeting Room in the municipal complex, 400 Witherspoon Street, Princeton, NJ 08540.

NOTICE OF MEETING

The Clerk read the following statement.

The following is an accurate statement concerning the providing of notice of this meeting and said statement shall be entered in the minutes of this meeting. Notice of this meeting as required by Sections 4a, 3d, 13 and 14 of the Open Public Meetings Act has been provided to the public in the form of the 2013 Schedule of Regular Meetings. On January 2, 2014 at 6:45 p.m., said schedule was posted on the official bulletin board in the Municipal Building, transmitted to the Princeton Packet, the Trenton Times, the Torontonion, the Town Topics, and filed with the Municipal Clerk.

ROLL CALL

The Municipal Clerk then called the roll.

Present: Mesdames Butler, Crumiller, Howard and Messer Liveryman, Miller and Simon and Mayor Lempert.

Absent: None.

Also Present: Ms. Monzo, Mr. Kiser, and Mr. Schmierer.

PLEDGE OF ALLEGIANCE

The audience participated in the Pledge of Allegiance as lead by Stephanie Hu "Mayor for the Day"

COMMENTS FROM THE AUDIENCE

The "Save the Valley Road School" citizen group came before Council to present a petition with approximately 2100 signatures asking that a referendum be place on the election ballot in November.

Richard Woodbridge, Kip Cherry, and Chuck Creasy formed their nonprofit agency. Mr. Woodbridge said that that the Princeton Schools have turned down the citizen's group proposal but they feel that it was the overall sentiment in the municipality to continue using the Valley Road School.

Kip Cherry, 26 Dempsey Avenue said that the Valley Road School is listed as one of the 10 most endangered historic places in New Jersey.

Claire Jacobus asked that we continue to find a use for the building and that we not let it rot as it will be a scar on the building.

John Clearwater, Governors Lane asked that it be resurrected as a community facility and that Witherspoon Street be turned into a "cultural corridor".

Mayor Lempert said that there would be no decision by Council on this issue tonight.

Mr. Schmierer said that the initial problem in putting the issue on the November ballot is that the municipality does not own the Valley Road School Building and that Council has no legal ability to move forward with this request. He said that he was not confident from a legal point of view that this would qualify as a referendum question.

Mr. Woodbridge asked that the municipality enter into negotiations with the schools.

Ms. Butler asked if the building is condemned does it fall back to the municipality. Mr. Schmierer said that no it would still belong to the school board.

Tim Quinn, President, Board of Education explained the position of the BOE and said that they have not abandoned the Valley Road School and are looking for a solution with little or no financial impact to the district.

PRESENTATION

9/11 Memorial, Roy James, Deputy Fire Chief

Mr. James presented Council with a plan for a 9/11 Memorial to be located at Monument Hall. He said that he was working on a design with KSS Architects and artist Pietro del Fabrio to create a place to learn about the events of 9/11, mourn those lost in the tragedy and reflect on the events of that day.

Mr. James said that he has yet to begin fundraising and was asking Council for their support by up fronting \$75,000. -\$100,000. to offset project costs. He would then begin fundraising to pay back the municipality. He said that he would like to see the project completed next year.

Mayor Lempert raised the issue of the cross that is cut into the piece of steel from the twin towers that will become part of the memorial. Mr. James said that the pieces of steel were cut out and given to people as a symbol of hope. He said that he was adamant about not hiding the cross because he understands the story behind it.

Ms. Butler said that she thought that we would need a copy of the presentation and cost estimate and said that the project would have to go before Historic Preservation.

Ms. Howard said that the symbol may be a different matter when government is providing funding. Ms. Crumiller said that she was concerned that we would get sued. Ms. Howard said that this may be a legal questions that we would have to test.

Mayor Lempert said that we appreciate the dedication and hard work that Mr. James has put into the project and said that the issue of funding would be brought before the Citizens Finance Advisory Committee.

(Presentation appended to this set of minutes)

WORK SESSION

Capital Analysis, CFAC, Scott Sillars, Gary Patteson

Mr. Sillars and Mr. Patteson presented a power point presentation outlining the Princeton Capital Expenditure Outlook, 2013-2018. Mr. Sillars said that the objective of the CFAC review of the budgeting process was to develop a template to understand the implications of our capital expenditure decisions on debt issues, to address several questions and to offer suggestions on ways to improve the process. He said that the larger question, as to what should be our outstanding debt level was still being assessed by the CFAC, especially in context of our debt ratings.

Mr. Sillars said that the CFAC concluded that greater attention needs to be paid to capital spending and its potential impact on debt service and property taxes; consolidation offers the opportunity to improve upon our management practices; and while big ticket items are affordable, they need to be prioritized and rigorously analyzed.

Mr. Liverman thanked the CFAC for the presentation and said that it was eye opening. Mr. Miller thanked the CFAC for another outstanding job.

Ms. Butler said that she thought that when we consolidated, debt service would be about equal and wouldn't increase the Borough's tax base.

Ms. Crumiller said that it was never good to have rose colored glasses on and asked how surplus plays into this. Mr. Sillars said that it doesn't. Mr. Patteson said that controlling capital judgments was the way to make an impact and keep this under control. Mr. Sillars said that any capital we spend will raise up debt service.

(Presentation appended to this set of minutes)

Resolution 13-212 Personnel Policy Manual

Mr. Liverman offered a motion to approve resolution 13-212 as recommended by the Administrator. The motion was seconded by Ms. Butler and carried unanimously.

(Resolution appended to this set of minutes)

REPORTS

Ms. Howard said that the Human Services Director would come to Council with a report in the fall.

Ms. Crumiller commented on the Vandeventer/Moore Street road project.

Mr. Miller reported that Avalon Bay meetings are being held.

Mr. Simon said that the Public Works Committee is working on the composting program.

Mayor Lempert said that Community Night Out is scheduled for August 6, 2013 and that she will be holding her next "Meet the Mayor" at The Community Park Pool.

ORDINANCE PUBLIC HEARINGS**Salaries and Compensation**

Mayor Lempert read by title an ordinance entitled ORDINANCE OF THE MAYOR AND COUNCIL OF PRINCETON CONCERNING SALARIES AND COMPENSATION OF CERTAIN PERSONNEL OF THE MUNICIPALITY OF PRINCETON.

Mayor Lempert opened the public hearing.

There being no public comment, the public hearing was closed.

Mr. Simon offered a motion to approve the proposed ordinance on second reading. The motion was seconded by Mr. Liverman and carried unanimously.

Bond Ordinance, Parking Utility Repairs

Mayor Lempert read by title an ordinance entitled BOND ORDINANCE PROVIDING FOR PARKING UTILITY FACILITY REPAIRS AND THE ACQUISITION OF A VAN FOR THE PARKING UTILITY IN AND BY PRINCETON, IN THE COUNTY OF MERCER, NEW JERSEY, APPROPRIATING \$80,000 THEREFOR AND AUTHORIZING THE ISSUANCE OF \$80,000 BONDS OR NOTES OF FOR FINANCING THE COST THEREOF.

Mayor Lempert opened the public hearing.

There being no public comment, the public hearing was closed.

Ms. Crumiller offered a motion to approve the proposed ordinance on second reading. The motion was seconded by Mr. Miller and carried unanimously.

Bond Ordinance, Various Capital Improvements

Mayor Lempert read by title an ordinance entitled BOND ORDINANCE PROVIDING FOR VARIOUS CAPITAL IMPROVEMENTS IN AND BY PRINCETON, IN THE COUNTY OF MERCER, NEW JERSEY, APPROPRIATING \$3,699,900 THEREFOR AND AUTHORIZING THE ISSUANCE OF \$2,838,229 BONDS OR NOTES TO FINANCE PART OF THE COST THEREOF.

Mayor Lempert opened the public hearing.

There being no public comment, the public hearing was closed.

Mr. Liverman offered a motion to approve the proposed ordinance on second reading. The motion was seconded by Ms. Crumiller and carried unanimously.

13-213 Resolution: Community Park Pools & Recreation Facility, Hall Building Corp., Final Change Order \$54,923.05

Mr. Liverman offered a motion to approve resolution 13-213 as presented. The motion was seconded by Mr. Miller and carried unanimously.

(Resolution appended to this set of minutes)

CONSENT AGENDA

- a. Bills and Claims
- b. Maintenance and Performance Guarantee:
 - Igor L. Barsky, Heritage Homes Builders LLC, Extension of Time to October 6, 2013
- c. 13-214 Resolution: Approving Fire Department Application For Junior Member.

Mr. Miller offered a motion to approve the consent agenda as proposed. The motion was seconded by Ms. Howard and carried unanimously.

(Resolutions appended to this set of minutes.)

13-215 CLOSED SESSION RESOLUTION

RESOLUTION
TO GO INTO CLOSED SESSION
(Open Public Meetings Act Sec.3)

BE IT RESOLVED by the Mayor and Council of Princeton:

1. This body will now convene into a closed session that will be limited only to consideration of an item or items with respect to which the public may be excluded pursuant to section 7B of the Open Public Meetings Act.
2. The general nature of the subject or subjects to be discussed in said session is as follows:

Personnel: Administrator
Negotiations: Land Acquisition

3. Stated as precisely as presently possible, the following are the time when and the circumstances under which the discussion conducted at said session can be disclosed to the public:

Within 90 days or upon settlement of litigation, if applicable

The above referenced issues were discussed by the Princeton Council.

There being no further business the meeting was adjourned at 11:25 p.m.

Linda S. McDermott
Municipal Clerk

MEMORANDUM

To: Liz Lempert, Mayor of Princeton

From: Michael G. Petrone, Esq. 
Office of Municipal Attorney

Date: June 7, 2013

Re: Valley Road School Referendum

Based upon reports in the press, we understand that a citizen group, the Valley Road School Adaptive Reuse Committee, is collecting signatures on a petition to place a referendum on the November ballot concerning "saving Valley Road School." Because the school is owned and controlled by the School District, it is our opinion that saving the school is not a question or policy pertaining to the government or internal affairs of the municipality and, therefore, may not be the subject of a referendum under the applicable statute. The law also provides that a citizen petition for a referendum is permitted only after a governing body has as an initial step passed an ordinance requesting that a referendum be placed on the ballot.

I. Referendums Are Limited To Issues Over Which The Municipality Has Express Jurisdiction And Power To Act.

N.J.S.A. 19:37-1 provides as follows:

When the governing body of any municipality . . . desires to ascertain the sentiment of the legal voters of the municipality . . . upon any question or policy pertaining to the government or internal affairs thereof, and there is no other statute by which the

MASON, GRIFFIN & PIERSON

A PROFESSIONAL CORPORATION
COUNSELLORS AT LAW

June 7, 2013

Page 2

sentiment can be ascertained by the submission of such question to a vote of the electors in the municipality . . . at any election to be held therein, the governing body may adopt at any regular meeting an ordinance or resolution requesting the clerk of the county to print upon the official ballots to be used at the next ensuing general election a certain proposition to be formulated and expressed in the ordinance or resolution in concise form. Such request shall be filed with the clerk of the county not later than 81 days previous to the election.

[Id. (emphasis added).]

The statutory language “upon any question or policy pertaining to the government or internal affairs thereof” has been narrowly construed by the courts and limited to matters expressly within the jurisdiction of the governing body. For instance, in Board of Chosen Freeholders of Mercer County v. Szaferman, 117 N.J. 94 (1989), the New Jersey Supreme Court considered whether a non-binding county referendum concerning rolling back car insurance rates was authorized by N.J.S.A. 19:37-1. Id. at 97. The Supreme Court held that the car insurance referendum question was not a matter “pertaining to the government or internal affairs” of the county. The Court explained:

We are fully in accord with the guiding principle of the reported cases construing N.J.S.A. 19:37-1 as limiting the scope of the referenda authorized by statute to subjects actually encompassed within the specific jurisdictional powers of the county or municipality. Extended to its logical limits, the principle may generate close questions concerning the statute’s application in specific instances. But we are confident that the legislature never intended the non-binding referendum procedure to be used to test public opinion in the abstract or to ascertain the public’s views on controversial or timely issues outside the province of the governing

MASON, GRIFFIN & PIERSON

A PROFESSIONAL CORPORATION
COUNSELLORS AT LAW

June 7, 2013

Page 3

body soliciting them.

[Id. at 104 (emphasis added).]

The Court further emphasized that “[s]entiment can only be asked for with respect to matters concerning or as to which the particular body has the power to act. Any broader interpretation would open the doors without any restriction and would lead to nothing but confusion and turmoil.” Id. (quoting Botkin v. Westwood, 52 N.J. Super 416, 432-33 (App. Div.), appeal dismissed, 28 N.J. 218 (1958)). The Court explained that a question is not properly the subject of a referendum if it merely furnishes “unsolicited, non-binding advice to another governmental body about a matter within its jurisdiction.” Szaferman, supra, 117 N.J. at 105-06 (emphasis in the original).

In Botkin, supra, 52 N.J. Super. 416, the court considered whether a referendum concerning deconsolidation of a school district was permitted under N.J.S.A. 19:37-1. In holding that the referendum was not permitted under the statute, the court stressed that a school district has almost no connections with the local government and that its board members are elected and school budgets approved in separate elections. Id. at 425-26. The court noted that school districts are “completely independent and free from any control or intrusion by the municipal governing body in the affairs committed to its sole sphere.” Id. at 427. Since deconsolidation was outside the municipality’s sphere and jurisdiction, the court held that it could not be the subject of a referendum. Id. at 433.

MASON, GRIFFIN & PIERSON

A PROFESSIONAL CORPORATION
COUNSELLORS AT LAW

June 7, 2013
Page 4

More recently, in Bogota v. Donovan, 388 N.J. Super. 248 (App. Div. 2006), the New Jersey Appellate Division held that a referendum question of whether English should be adopted as the municipality's official language was not an issue on which the municipality could act. Id. The court explained:

This statute provides "a method for municipalities and counties to determine their voters' views on proposed action within their governmental power, i.e., their views on local government issues." The statute does not permit a municipality or county to solicit the views of their voters on a question merely because it is one of public interest. Rather "the public question on the ballot must relate to a matter within the power of the local government proposing it, something over which it can act."

[Id. at 252 (internal citations omitted). See also AFL-CIO v. Bergen Co., 121 N.J. 255, 268-69 (1990) (holding that counties do not have authority to submit referendum concerning repeal of state sales and income tax and school-aid laws and that "the statute authorizes local public questions only on matters over which the local units have power, not on impacts over which they are without power."); Santoro v. South Plainfield, 57 N.J. Super. 307, 313-14 (Law Div.), aff'd, 57 N.J. Super. 498 (App. Div. 1959) (holding that statute did not permit referendum concerning planning, financing and installation of sanitary sewers because sewerage authority had exclusive power in this area); Gamrin v. Englewood, 76 N.J. Super. 555, 558 (Law Div. 1962) (holding that municipality could place on referendum question concerning reorganization of schools because matter was referred to board of school estimate for necessary funding and board of school estimate was controlled by the municipal government); Rowson v. Mantua, 171 N.J. Super. 129 (App. Div. 1979) (holding that municipality was permitted to place on ballot referendum questions relating to acquisitions and expansion of utility authority because municipality had power to appropriate funds for the authority and to construct and finance sewage facilities); Camden Co. v. Keating, 193 N.J.

June 7, 2013
Page 5

Super. 100 (Law Div.), aff'd, 193 N.J. Super. 111 (App. Div. 1983)
(Supreme Court budget directive regarding county courts was not
subject to county referendum because Supreme Court has plenary
authority over judicial budget).]

It is our opinion that saving a building that the municipality does not own is not a
“question or policy pertaining to the government or internal affairs” of the municipality as
required by the referendum statute. N.J.S.A. 19:37-1. The property does not fall within the
jurisdictional powers of the municipality, nor does the municipality have the power to act with
respect to a property owned by another governmental body. Szaferman, supra, 117 N.J. at 104.
Any such referendum would provide only non-binding advice to another governmental entity and
therefore is not permitted by the statute. Id. at 105-06.

II. Procedural Requirements

N.J.S.A. 19:37-1.1 provides:

Whenever a governing body of a municipality has adopted an ordinance or resolution pursuant to section 19:37-1 . . ., upon the presentation to the governing body of such municipality of a petition signed by 10% or more of the voters registered and qualified to vote at the last general election in such municipality, requesting the governing body of such municipality to ascertain the sentiment of the legal voters of the municipality upon any question or policy pertaining to the government or internal affairs thereof that is reasonably related to any proposition formulated and expressed in such ordinance or resolution, such governing body of the municipality shall thereupon adopt at its next regular meeting following the presentation of such petition a resolution requesting the clerk of the county to print upon the official ballots to be used in the next ensuing general election a certain proposition as formulated and expressed in the petition.

MASON, GRIFFIN & PIERSON

A PROFESSIONAL CORPORATION
COUNSELLORS AT LAW

June 7, 2013

Page 6

[Id. (emphasis added).]

Thus, only after the governing body has approved an ordinance submitting a referendum question may citizens submit an alternative referendum question by petition. Eatontown v. Danskin, 121 N.J. Super. 68, 75 (Law Div. 1972) (“submission of a petition by voters is explicitly contingent on the governing body’s original resolution”); see also N.J.S.A. 19:37-5 (“submission of a public question . . . shall not become operative in any municipality . . . until the governing body thereof shall by ordinance or resolution duly passed declare its desire to submit any questions in this manner”).

For the reasons set forth in Point I herein above, we are further of the opinion that the mayor and council do not have ability to adopt such an ordinance since the subject matter of the petition is not under the control of Princeton.

cc: Robert Bruschi, Administrator

AS I SEE IT **John Clearwater**

Resurrecting a community facility

Princeton has witnessed over 20 years of lamentable neglect and lack of stewardship of highly valuable real property commonly known as the Valley Road School. Isn't it time for a united Princeton to seize the initiative in resurrecting this facility for beneficial use in providing needed services to the community while achieving savings to the taxpayer at the same time? We really do know how to do it. Let's get something done!

Having been involved in some depth with the Valley Road complex of community facilities, one could recount a multitude of misadventures and inaction by the Board of Education, Princeton Township and a host of others as responsible stewards of community real property. Just a few examples follow.

For years, the parties argued about who owned what, who should pay and how much. During the township's lengthy occupancy little was done to maintain or repair the facility while continually complaining of its poor condition, employee health issues, and inadequacy for its mission. Having then justified the need, the township built what some refer to as the Princeton Twp Taj Mahal abandoning the school to further neglect and disuse. Soon thereafter, PRS completed a monumental \$85 million school construction program plus floated a recent \$11 million bond issue without addressing their dilapidated building or work-

ing with the town to resolve final disposition of the Valley Road School. A book could be written!

From a macro-scale perspective perhaps the most important aspect of the malfeasance in the stewardship of public real property, and indirectly the public purse, is the lost opportunity cost of disuse of valuable, publicly owned real property. Valley Road is perhaps the best example. Any fair-minded analysis of the losses incurred by failure to act responsibly for just this school would run into millions.

The good news is Valley Road School and other municipal facilities issues are now before a united Princeton community. This creates a wonderful opportunity to use innovative funding and project delivery approaches now being widely employed nationally to build and renovate community infrastructure. Yes, the town's infrastructure includes our schools, public parks and recreation facilities, and community centers right along with the sewer plant on River Road, public works facilities, and firehouses. A spectrum of methods, including public-private partnerships and many hybrids with or without private ownership plus nonprofit private 501C3 entities, among others, are available.

The Valley Road School is an ideal candidate for creation of a community center by a recently established, local 501c3 nonprofit for

supporting service organizations through conversion and repurposing using sustainable adaptive reuse. This project for adaptive reuse will require modest or no taxpayer funding for conversion, operations and maintenance and the multiple community service nonprofit tenants will be self-supporting. Further, Valley Road School continues to house community service organizations even after relocation of Corner House to prime class A space in the former Borough Hall. Note that the just-voted \$11 million bond issue for PRS funds significant projects of a similar character, especially repair, renovation and repurposing for existing underutilized or deficient facilities.

Most important, current beneficial use and occupancy will continue and additional use commence almost immediately while work for repair, conversion, repurposing and new occupancy of currently unused space proceeds.

Let's start a "new normal" for beneficial use and stewardship of our valuable community real property. Get common sense things done quickly, not 20 years too late with opportunity costs and taxes issue foregone. Hopefully, reuse of the abandoned medical center property will not fall victim to the "old normal."

John Clearwater, P.E., is a resident of Princeton.

Statistics		Zones:					
Area							
Cafeteria Level	3,375		Existing Cafeteria				
Entry Level (elevator only)	225		Existing Auditorium				
Lower Level	12,461						
Upper Level	15,548						
Two elevator lobbies	450						
Total - Gross	32,059						
Auditorium	3,000						
Existing Cafeteria	3,000						
Café and Kitchen	654						
Lower Level Corridor	2,070						
Upper Level Corridor	2,070						
Lower level rentable net	10,391						
upper level rentable net	10,478						
Trade	Amount	\$/s.f. G	Description				
Sidewalk bridge / fence	\$ -	\$ -	With Masonry restoration				
Site trailer / field office	\$ 3,000	\$ 0.09	use space in building				
Surveyor	\$ 4,000	\$ 0.12	Allowance for elevator addition				
OSHA Protection	\$ 15,000	\$ 0.47					
Temporary utilities	\$ 15,000	\$ 0.47					
Demolition	\$ 75,000	\$ 2.34	Remove ramp, exterior wall access for elevator, corridors, ceilings				
Asbestos removal (allowance)	\$ -	\$ -	ACM and lead abatement excluded				
Shoring / sheeting	\$ 8,000	\$ 0.25	Allowance for elevator addition				
Underpinning	\$ 6,000	\$ 0.19	Allowance for elevator addition- elevations to be established				
Excavation / Backfill	\$ 4,000	\$ 0.12	Allowance for elevator addition				
Foundation concrete	\$ 12,000	\$ 0.37	Allowance for elevator addition, and mechanical pads				
Foundation waterproofing	\$ 3,000	\$ 0.09	Allowance for elevator addition				
Scaffolding	\$ -	\$ -	With Masonry restoration				
Sidewalk concrete / curbs	\$ 15,000	\$ 0.47	Allowance for repairs				
Concrete on Metal Deck	\$ 2,700	\$ 0.08	450 x 6				
Metal Deck	\$ 2,250	\$ 0.07	450 x 5				
Exterior Restoration & sills	\$ 118,000	\$ 3.68	Includes allowance for 50 sills @ \$500, Pointing, Scaffolding, & 10% brick replacement.				
Structural steel	\$ 20,000	\$ 0.62	Allowance for elevator addition, and mechanical dunnage in rear court				
Steel stairs and railings	\$ 10,000	\$ 0.31	No scope identified- allowance				
Architectural woodwork	\$ 15,000	\$ 0.47	Allowance				
Fireproofing	\$ 2,000	\$ 0.06	Allowance for elevator addition				
Roofing / waterproofing	\$ 338,000	\$ 10.54	8,000 s.f sloped roof at \$10/s.f., 10,777 s.f. at \$24/s.f.				
Hollow metal & hardware	\$ 10,000	\$ 0.31	Allowance				
Aluminum windows	\$ 86,000	\$ 2.68	Allow for 86 windows @ \$1,000 each- F&I. Quantity to be confirmed				
Glass curtain wall system	\$ 50,000	\$ 1.56	Elevator enclosure allowance				
New acoustical ceilings	\$ 128,315	\$ 5.00	office areas and corridors	25,663	\$ 5.00		
Drywall & Insulation on exterior	\$ 95,000	\$ 2.96	9300 s.f on exterior, excluding cafeteria and theater	9,300	\$ 10.00		
Carpeting - offices only	\$ 83,476	\$ 2.60	Tenant offices	20,869	\$ 4.00	\$36/sy	
Vinyl Tile floor -	\$ 21,588	\$ 0.67	Cafeteria, Auditorium, Café, Corridors	10,794	\$ 2.00		
Ceramic tile / stone (interior)	\$ 10,000	\$ 0.31	No scope identified- allowance. To be defined.				
Façade stonework	\$ -	\$ -	With Masonry restoration				
Painting	\$ 65,000	\$ 2.03	allowance				
Toilet partitions	\$ 6,000	\$ 0.19	allowance- need to define scope				
Toilet accessories & mirrors	\$ 4,000	\$ 0.12					
Signage	\$ 5,000	\$ 0.16	Allowance				
Elevator	\$ 98,000	\$ 3.06	4 stop, 2 sided				
Heating System	\$ 490,000	\$ 15.28	New gas boiler, piping and fin tube radiations system	32,059	\$ 15.00		
Air Conditioning:	\$ 138,824	\$ 4.33	two theatres, common spaces, kitchen & café only				
Plumbing	\$ 50,000	\$ 1.56	allowance- need to define ADA issues				
Sprinklers	\$ 175,000	\$ 5.46					
Light fixtures	\$ 50,000	\$ 1.56	Allowance				
Electric	\$ 385,000	\$ 12.01	new or upgraded service and distribution to hvac & elevator, sub meters				
Fire alarm system	\$ 85,000	\$ 2.65					
Tel/Data low voltage risers	\$ 25,000	\$ 0.78	need to define scope				
SUBTOTAL	\$ 2,729,153	\$ 86.13					
GENERAL CONDITIONS	\$ 327,498	\$ 10.22				12%	
SUBTOTAL	\$ 3,056,651	\$ 96.34					
OVERHEAD & FEES	\$ 244,532	\$ 7.63				8%	
INSURANCE	\$ 91,700	\$ 2.86				3%	
TOTAL	\$ 3,392,883	\$ 105.83					
DESIGN / CONSTRUCTION CONTINGENCY	\$ 508,932	\$ 15.87				15%	
GRAND TOTAL	\$ 3,901,815	\$ 121.71					
Tenant Air Conditioning:							
Upper Tenant	\$ 134,000		30 Tons- split systems				
Lower Tenant	\$ 134,000		30 Tons- split systems				

GENERAL ELECTION TO BE HELD NOVEMBER 5, 2013

PETITION FOR BALLOT QUESTION

Should historic Valley Road School, located at 369 Witherspoon Street, be saved? Should the Princeton Municipal Council, as the governing body of the Municipality of Princeton, and as a potential owner or lessee of the property, resolve in its negotiations with the Princeton Public Schools, that the current owner, or its successor, lease the building and the surrounding property for 100 years at \$1/year to Valley Road School Community Center, Inc., a nonprofit organization formed for this purpose, so that the building can be renovated and converted into a center for primarily nonprofit organizations serving the Princeton community?

YES or NO?

I am a resident of Princeton, NJ, and a registered voter in Princeton, NJ. I wish to have the above question presented to the Princeton Schools Board and the Princeton Municipal Council and further request, under Section 19:37-1, that the Princeton Municipal Council take action to put this question on the ballot.

1. _____
Signature _____ Print Name _____

Residence Address (Number and Street) City Zip Code

2. _____
Signature _____ Print Name _____

Residence Address (Number and Street) City Zip Code

3. _____
Signature _____ Print Name _____

Residence Address (Number and Street) City Zip Code

4. _____
Signature _____ Print Name _____

Residence Address (Number and Street) City Zip Code

5. _____
Signature _____ Print Name _____

Residence Address (Number and Street) City Zip Code



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10 MOST ENDANGERED

Historic Places in New Jersey 2013

(cont'd)

Many of the Morris Canal's features were destroyed after it closed in 1924. However, the masonry elements of this aqueduct were left in place for use by a sewer line, making this the most intact remaining aqueduct site along the entire canal. Unfortunately, these rare stone structures are threatened with destruction, because Denville Township, which suffers from frequent flooding, alleges they contribute to the problem by collecting floating debris and hindering flow. Without conducting a study to test the theory, the township has appropriated funds for the demolition.

PNJ acknowledges that flooding is a serious concern, but we believe there are options for addressing it that do not require the destruction of this unique resource. We urge Denville to drop its plans to demolish the aqueduct remnants, and instead explore other means of flood abatement. The Morris Canal Historic District, of which the aqueduct is a vital element, is an extremely

important historic resource. Its significance to Denville should be highlighted, not erased, as the township celebrates its Centennial.



Valley Road School
Princeton
Mercer County

When the oldest part of the Valley Road School opened in 1918, it was the first regional school in Princeton Township. Cafeteria and gymnasium wings were added in 1927, and a classroom wing, a library, another gymnasium, and locker rooms were built in 1949, the year after Valley Road had become the first integrated elementary school in

Princeton. The original Collegiate Gothic school was built by the same Italian-American stonemasons who worked on the famed masonry buildings on the Princeton University campus. In the 1950s and 1960s, Valley Road received national recognition for its innovative science programs.

After the Princeton Regional School District built several new schools in the 1960s, Valley Road was converted to offices for the municipality, the school board, and the Princeton Medical Center. In 1989, the school board gave a portion of the school's property for construction of a firehouse, and in 1999 the municipality moved its offices to a new complex across the street. Currently the building, which has not been well maintained, houses a number of municipality-related organizations, which have been ordered to vacate by June 30 and are in the process of mov-

ing out. A task force formed to consider expanding the adjacent firehouse, potentially jeopardizing the school, is expected to report in May. Meanwhile, the school board has rejected a proposal from the Valley Road School Adaptive Reuse Committee (VRS-ARC) to rehabilitate the school for use as a community center that would provide nonprofit tenants with affordable rents and shared infrastructure.

PNJ urges the school board and municipal leadership to entertain VRS-ARC's proposal for Valley Road School seriously, and work with the community to save this building. This is one of the area's last remaining historic public schools. Rehabilitation it is not only environmentally responsible, it would give this local landmark a new lease on life and a renewed opportunity to play a key role in the Princeton community.

www.pnj10most.org



The Times

Editorial: Princeton's Valley Road School is worth saving



Valley Road School, 369 Witherspoon Street, Princeton, Mercer County. Princeton's first integrated elementary school and an ideal candidate for rehabilitation, threatened by poor stewardship and uncertainty of future plans. (Photo courtesy of Preservation New Jersey) (*Preservation New Jersey*)



By Times of Trenton Editorial Board
on May 24, 2013 at 6:28 AM

The sudden slap of Sandy left many stunned with losses beyond the most significant destruction. The familiar became unrecognizable as touchstones of a century's standing were wiped away.

Its minute steps may be difficult to discern, but time is no less potent.

For 35 years, Preservation New Jersey has monitored the toll of time on historic buildings throughout the region, compiling annual lists of the most endangered.

This year's roundup includes the Valley Road School in Princeton, a graceful building echoing the architecture of Princeton University's collegiate Gothic style. Nearing its 100th anniversary, the three-story facility on Witherspoon Street deftly illustrates parts of Princeton's past.

It represents Princeton's immigrant heritage, points out Preservation New Jersey, as many of the skilled masons who built it were Italian-Americans from the village of Pettoranello in the Molise region of Italy. Valley Road became the first regional school in the area and, in 1948, the first integrated elementary school in Princeton.

Many of those still residing in the area attended the classes there until its school days ended in the late '70s with the construction of modern facilities.

Clearly, it holds a place in the heart of the community.

But it's not sentiment that has prompted Preservation New Jersey's effort to maintain the Valley Road School, which is now in need of significant repairs. The nonprofit organization also sees a future in the building, which, for the past few years, has been used by municipal-related organizations. As those groups depart by the end of next month, Preservation New Jersey and the Valley Road School Adaptive Reuse Committee consider it as an ideal location for a community center.

While extensive renovation would be necessary to accommodate that use, it would result in "the best of both worlds," as Preservation New Jersey puts it — state-of-the-art facilities within a character-defining building.

The Princeton Regional School Board has hesitated on the plan for a community center, although members also have indicated they don't support razing the building.

It's a good time to again invoke the spirit of cooperation that characterized the recent consolidation of borough and township. As more towns in New Jersey face the question of what to do with outdated school buildings that maintain historical significance, Princeton could be in the vanguard with a blueprint for reclamation and reuse of such facilities.

It's not a matter of preserving the building simply because it's 95 years old. It's an effort to safeguard part of Princeton's character for future generations.

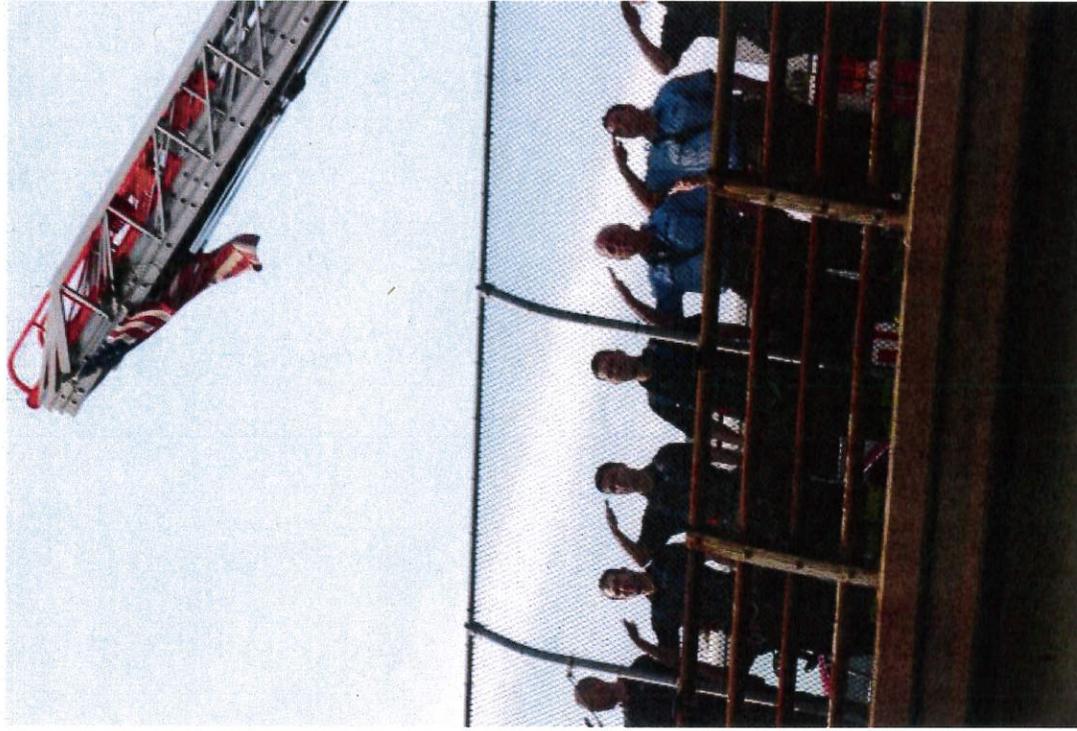
We urge community groups and municipal and school officials to work together on saving this building.

THE STEEL

PRINCETON 9/11 MEMORIAL



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PRINCETON 9/11 MEMORIAL



PRINCETON 9/11 MEMORIAL

PRECEDENT

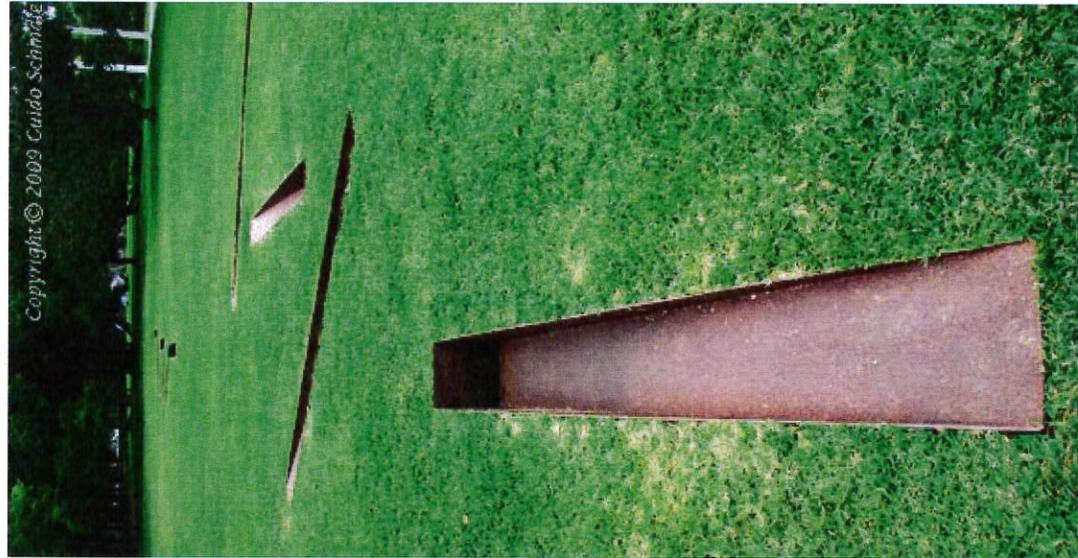
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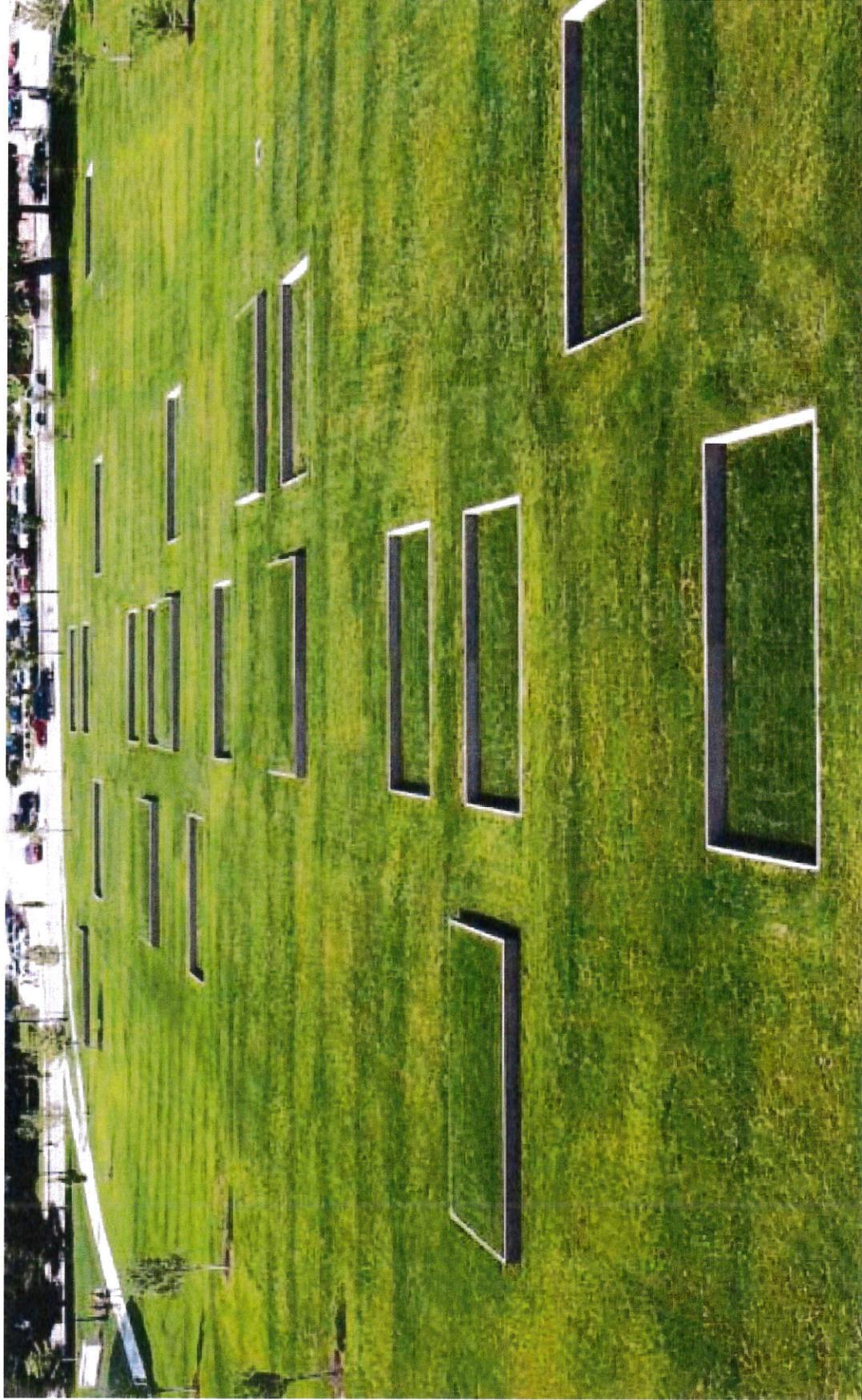
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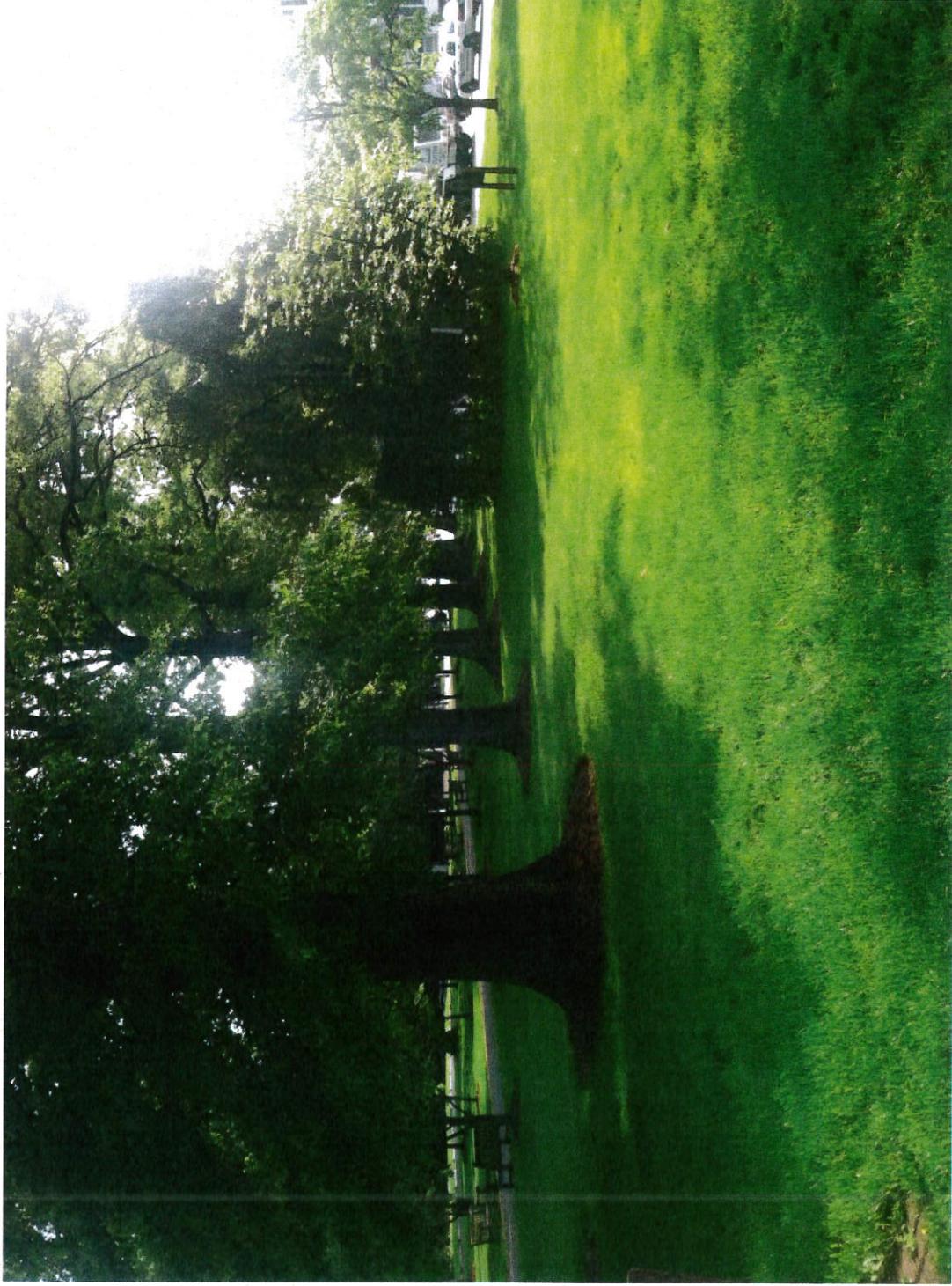
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SITE

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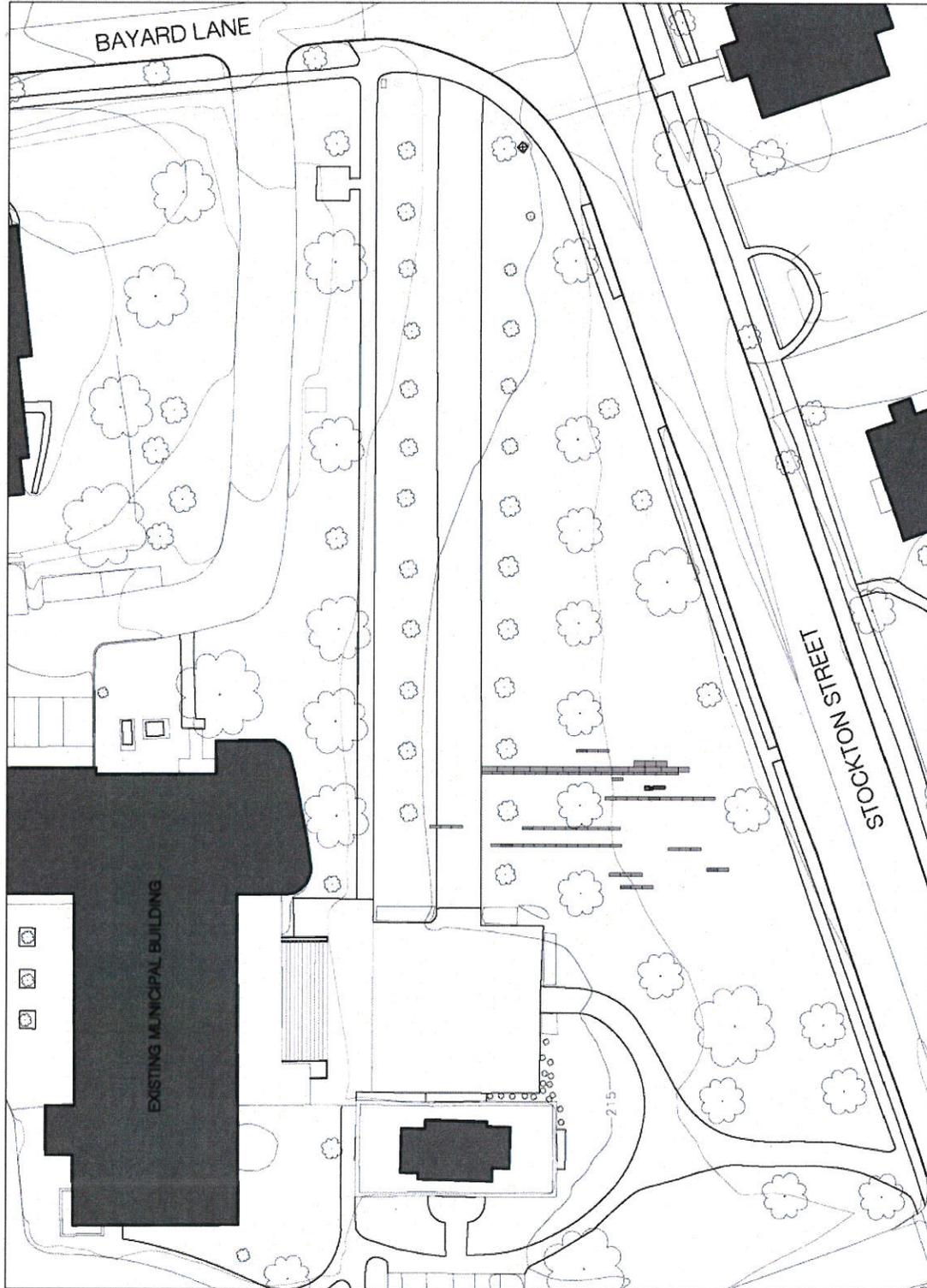
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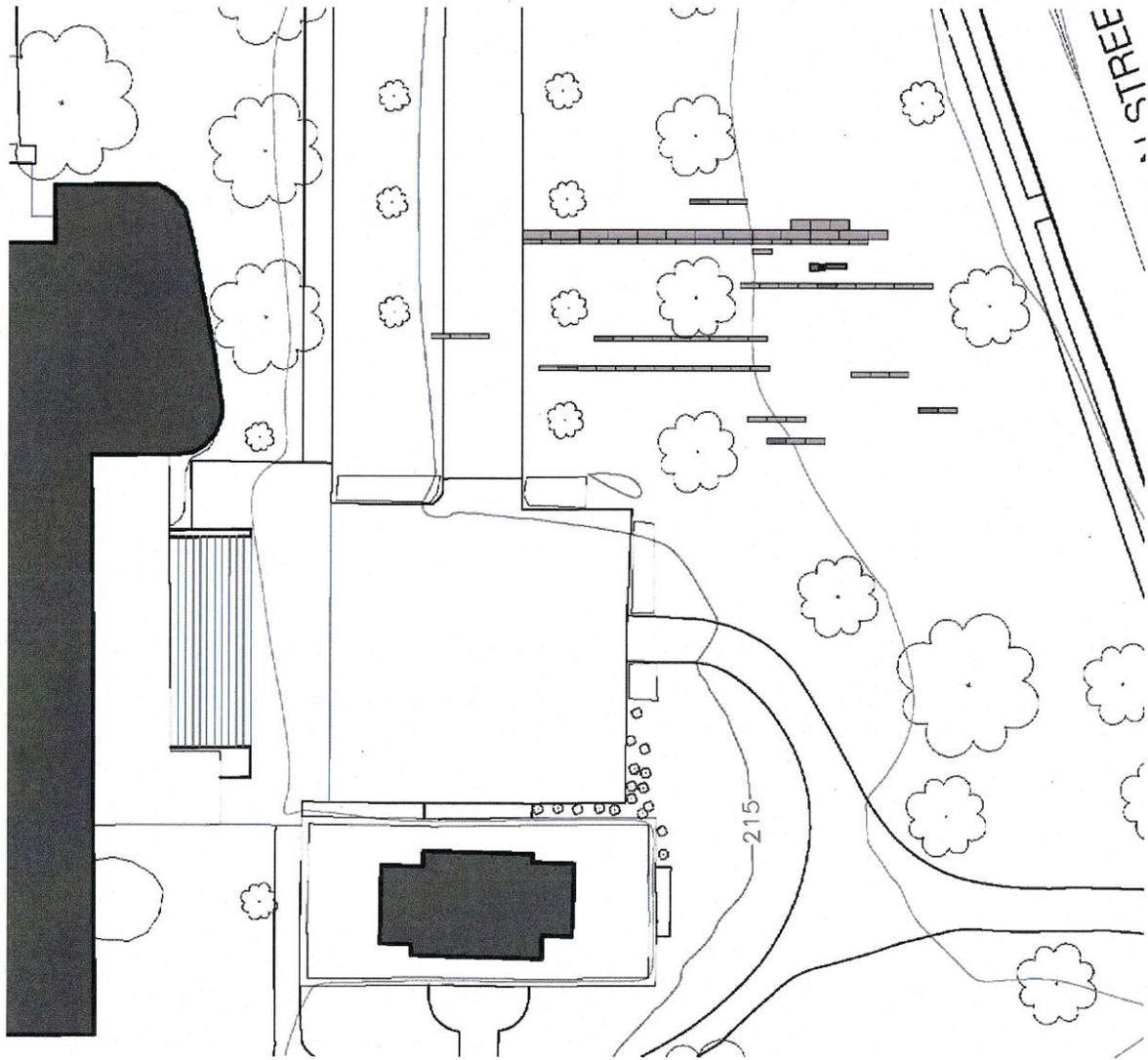
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**PROPOSED
PROJECT**

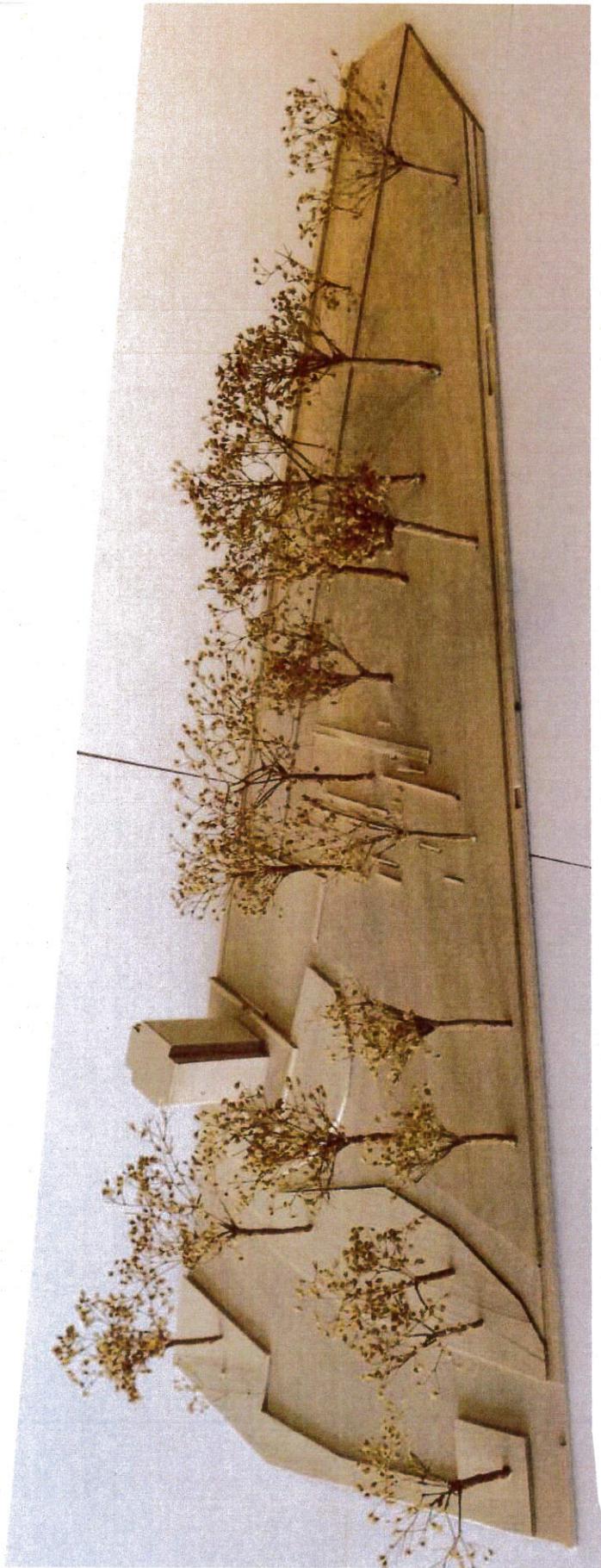
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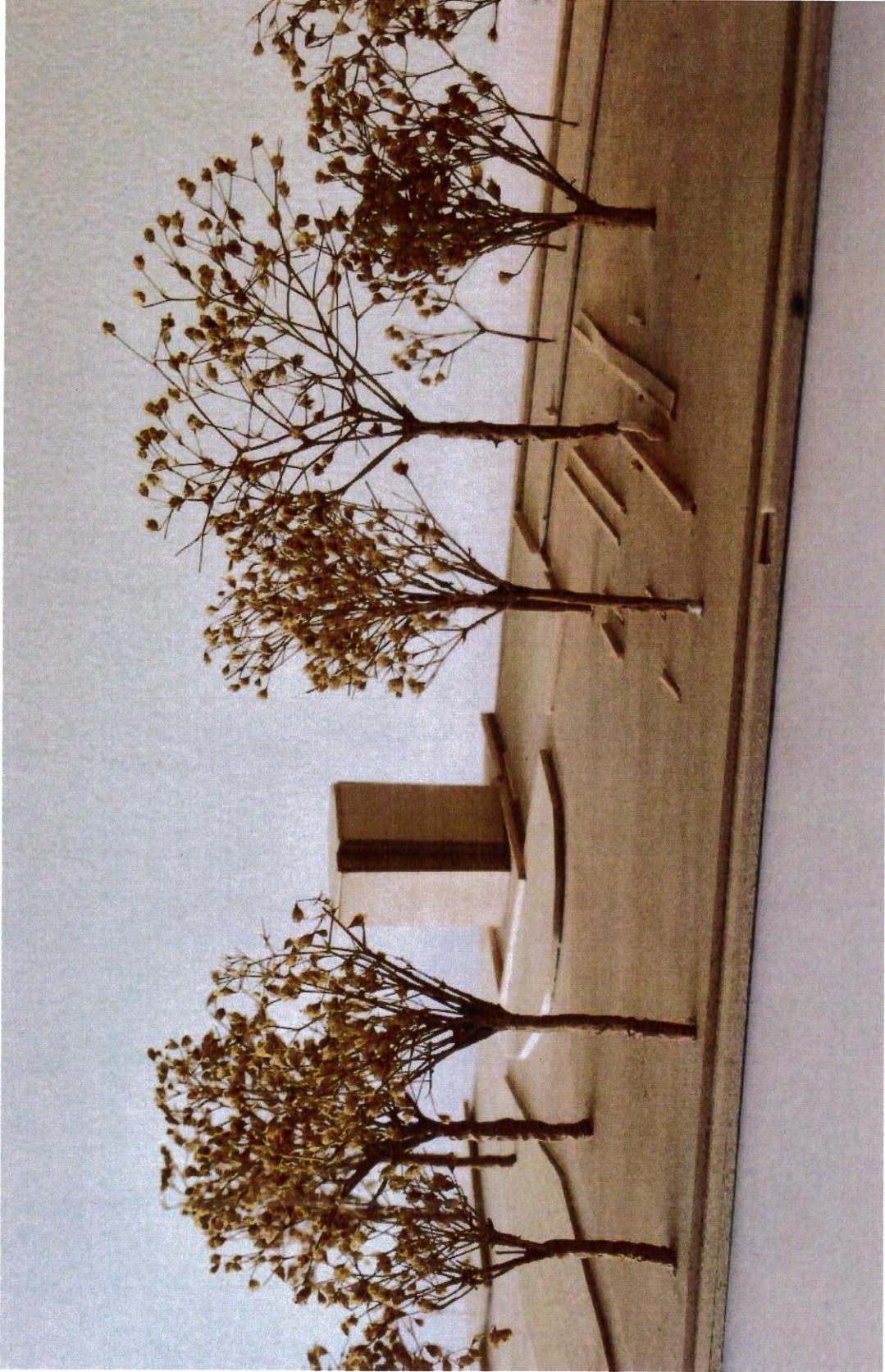
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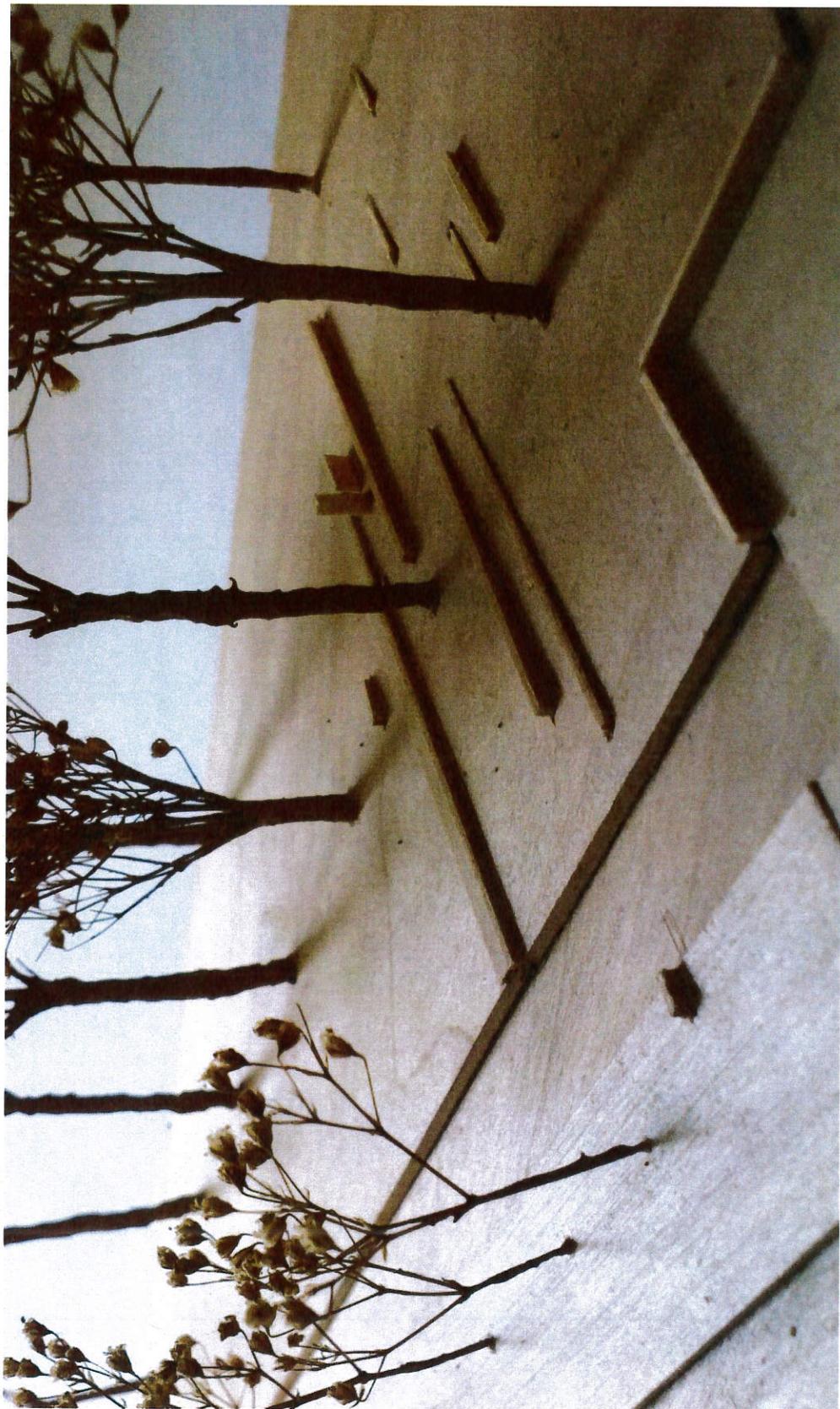
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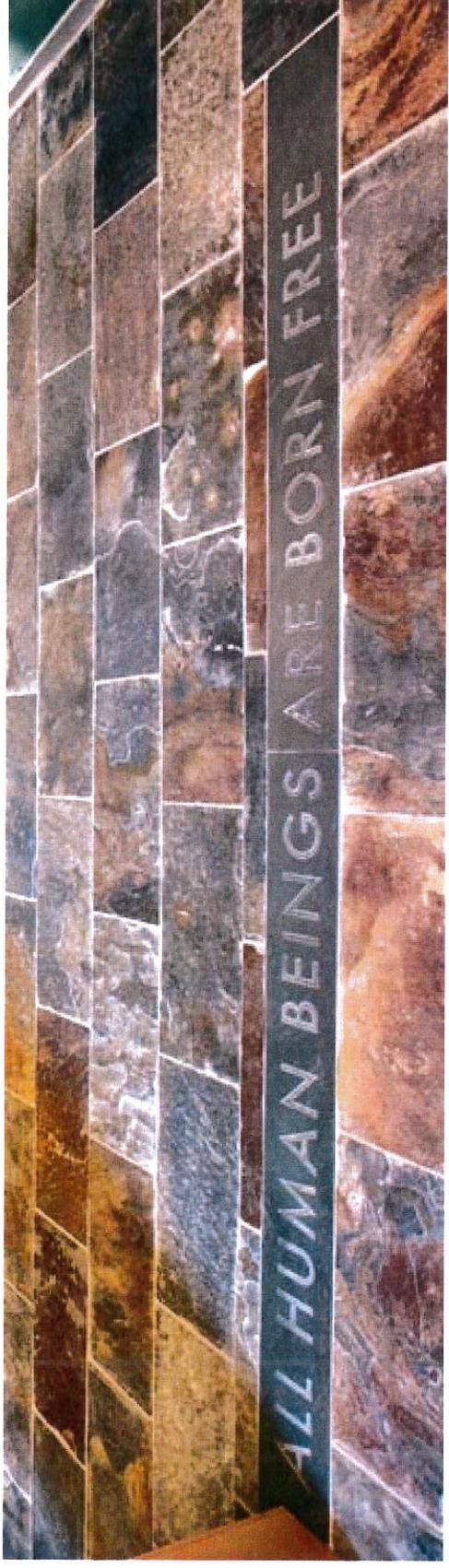
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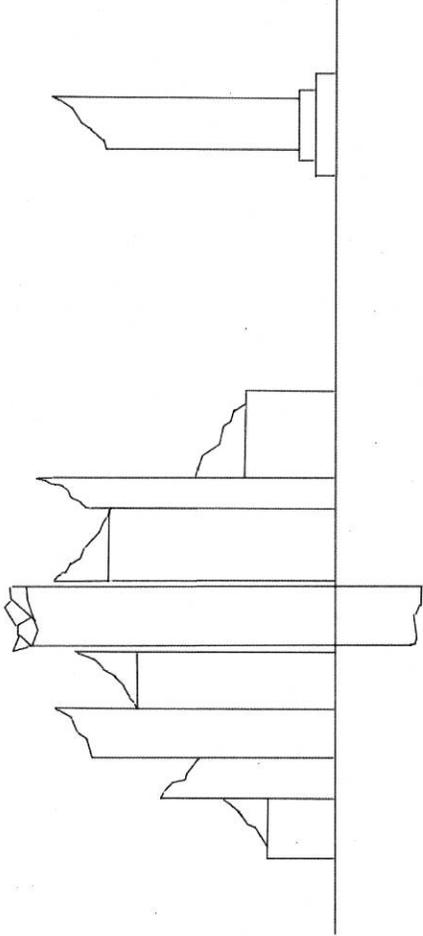
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INSTALLATION

PRINCETON 9/11 MEMORIAL



STELE WALL ~ Pietro ~ 102012

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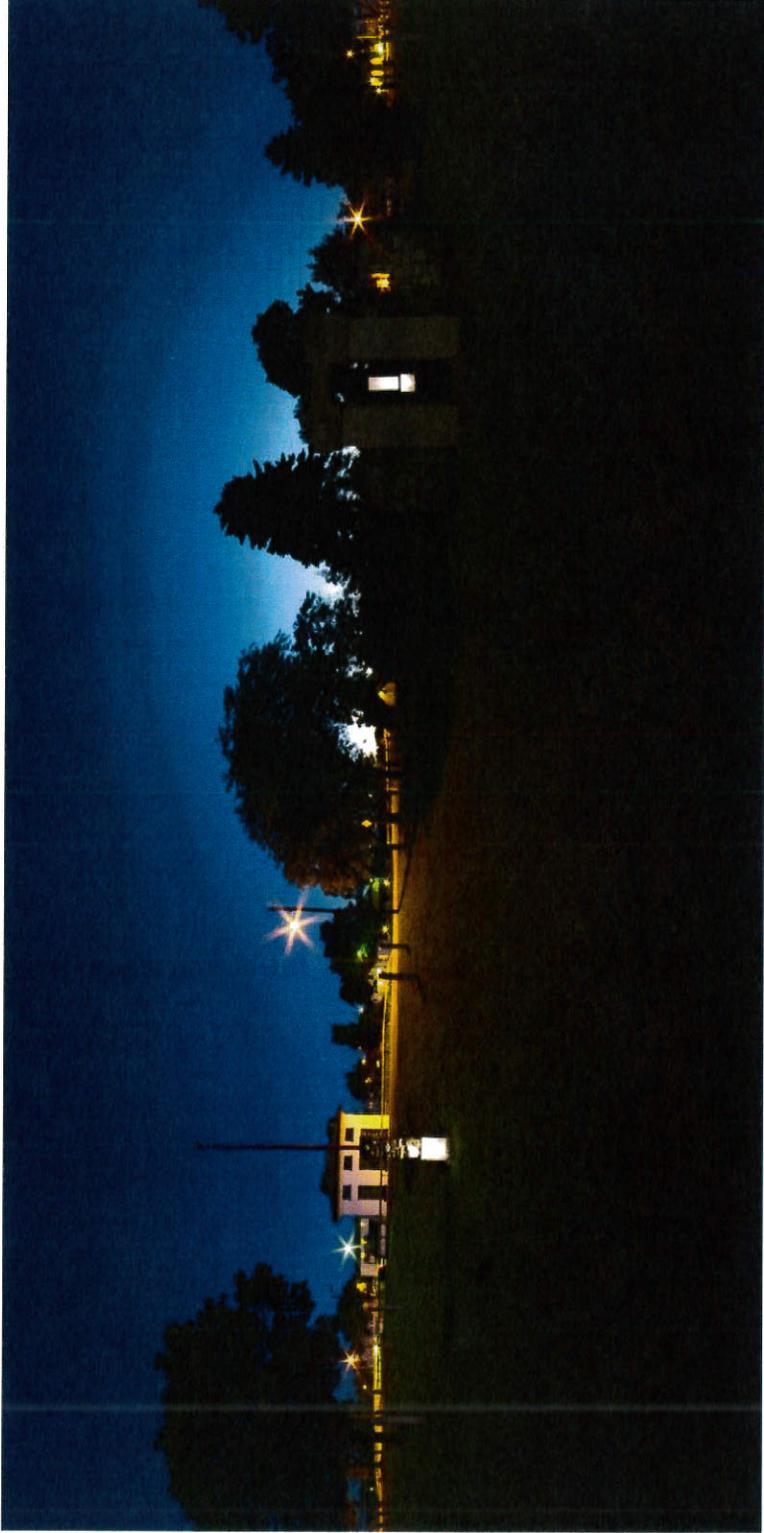
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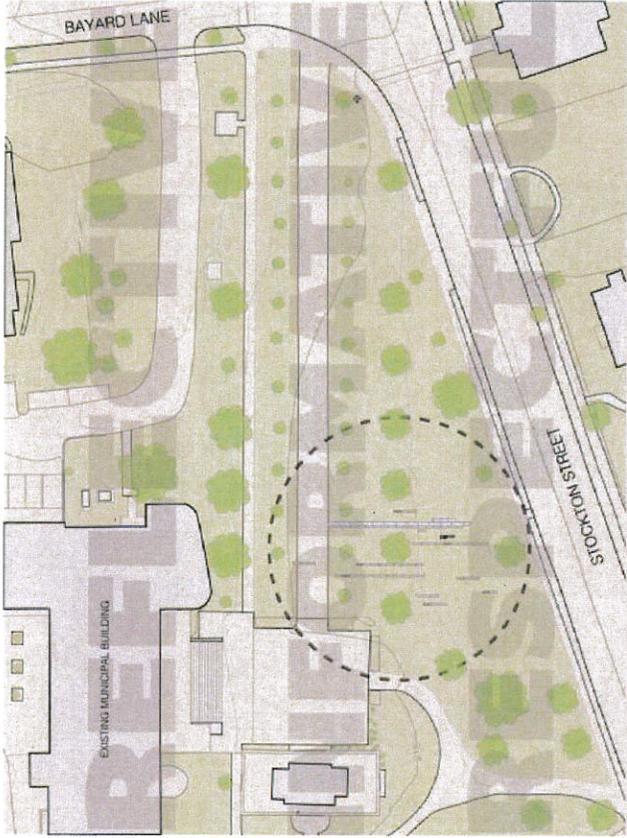
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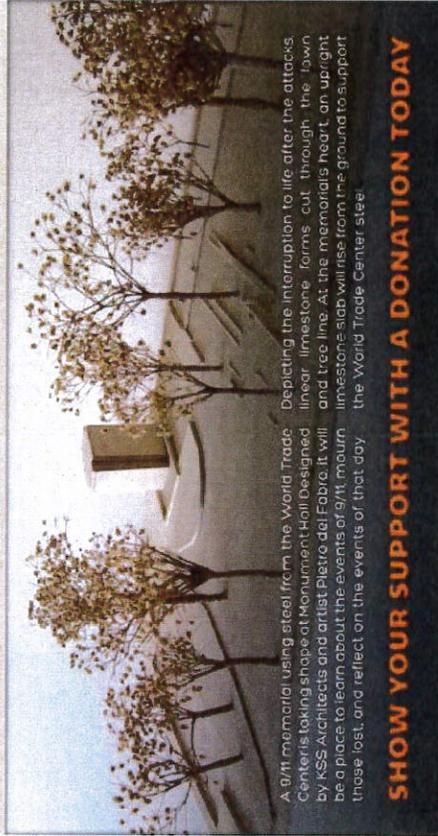
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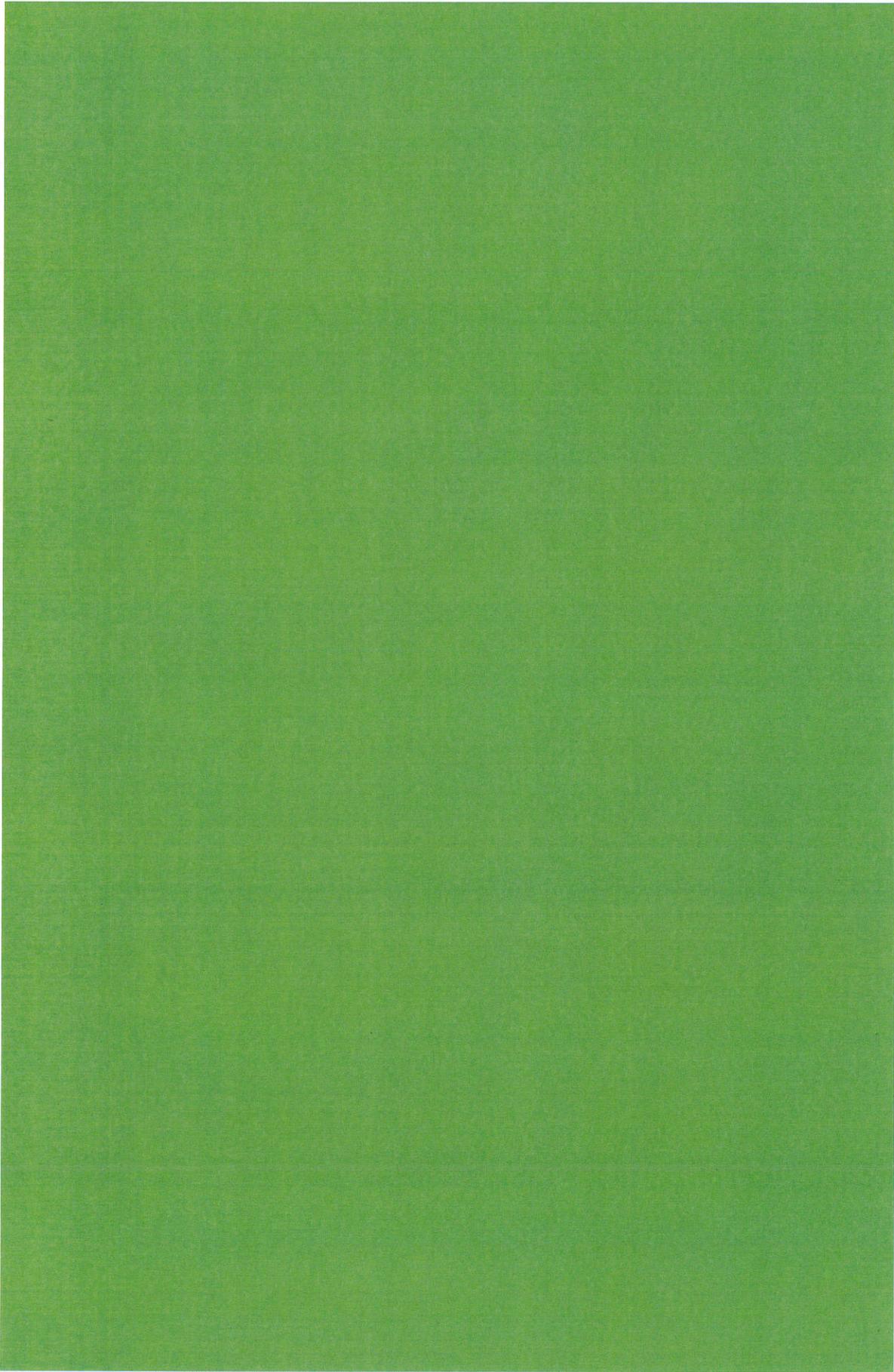
PRINCETON 9/11 MEMORIAL



A 9/11 memorial using steel from the World Trade Center is taking shape at Monument Hill. Designed by KSS Architects and artist Pietro del Fabro, it will be a place to learn about the events of 9/11, mourn those lost, and reflect on the events of that day.

SHOW YOUR SUPPORT WITH A DONATION TODAY

PRINCETON 9/11 MEMORIAL



PRINCETON 9/11 MEMORIAL

Princeton Capital Expenditure Outlook
2013 - 2018

Impact on Debt Service and Other Financial Considerations

CFAC Review of Capital Budgeting Process

Objectives

- To develop a template to understand the implications of our capital expenditure decisions on debt issues.
- To address the following questions:
 - What are the overall “bottoms up” capital expenditure projections for the next six years? No judgments made as to the necessity or merits of such proposed expenditures.
 - What will be their likely impact on outstanding debt levels, debt service costs, and property taxes, all other factors being equal?
 - If we wish to keep our debt service costs flat, what would be the maximum capital expenditure levels we could afford, all other factors being equal?
- To offer suggestions on ways to improve capital budgeting process.
- The larger question, as to what should be our outstanding debt level, is still being assessed by CFAC, especially in the context of our debt ratings.

CFAC Conclusions on Capital Expenditure Budgeting

- Greater attention needs to be paid to capital spending and its potential impact on debt service and property taxes.
- Consolidation offers the opportunity to improve upon our management practices.
- Big ticket items are affordable, but need to be prioritized and rigorously analyzed.

Municipal Capital Budgeting Process Overview

- Department heads provide six year capital expenditure projections, exercising individual judgments as to their necessity and fiscal constraints.
- **These projections have not been scrubbed by administration, and may be high.**
- While the primary funding source for capital expenditures is general improvement bonds, other sources tapped where possible – NJDOT grants, NJEIT bonds, Mercer at Play, etc. Latter supplemental contributions are meaningful relative to overall funding requirement.
- Understandably, the governing body is focused on 2013 priorities: ordinance passed on July 8 authorizing \$3.8 million in capital expenditures funded with long term debt. Up to \$4.9 million of additional spending still to be reviewed for possible approval.

Princeton Debt Profile as of January 1, 2013

- Princeton started the year with \$106 million in outstanding long term debt.
- 70% of our consolidated debt is general improvement debt, which relies primarily on property taxes for repayment of principal and interest.
- It is this debt on which CFAC focused much of its attention.

Type of Debt	\$ Millions	% Primary Funder
General Improvement	74.4	70% Taxes
NJEIT	15.3	14% Sewer Fees
Parking Utility	11.3	11% Parking Fees
Open Space	4.7	4% Open Space Tax
Sidewalk / Sewer Assessment	0.3	0% Affected Residents
Total	\$106.0	100%

General Improvement Debt Service Costs 2008 - 2012

Year	Princeton		Princeton Combined
	Borough	Township	
2008	3.6	4.7	8.3
2009	3.4	5.1	8.5
2010	3.4	5.2	8.6
2011	3.4	5.4	8.8
2012	3.3	6.3	9.5

Figures in \$Millions

- 2013 General Improvement Debt Service Costs: \$9.4 million.

Capital Expenditure Projections 2013 – 2018

Type of Debt Funding

- Capital expenditure projections for the next six years total \$74.7 million, and would be funded with various types of new debt (net of \$2.6 million in grants).
- \$58.8 million would be in general improvement bonds.

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Capital Expenditure Outlook By Department Requiring General Improvement Bond Financing

- Engineering, Infrastructure, and Fire are the likely key expenditure drivers, accounting for 84% of the \$58.8 million requested funding need.
- Included in these tallies are several “big ticket” items, the merits, size and timing for which are subject to Mayor and Council discretion.
- Such “big ticket” items are placeholders only in our analysis, and are gross estimates, at best.

Department	2013	2014	2015	2016	2017	2018	Total	%
Affordable	0.0						0.0	0%
Engineering	4.1	4.0	4.0	3.9	2.6	3.8	22.4	38%
Fire	0.2	1.0	0.2	5.5	0.2	0.2	7.2	12%
Health	0.1				0.0	0.0	0.1	0%
Infrastructure	3.4	1.4	1.2	4.5	5.0	4.6	20.1	34%
IT	0.4	0.5	0.3	0.3	0.3	0.4	2.2	4%
Library	0.5	0.9	0.4	0.2	0.2	0.1	2.3	4%
Police		0.1	0.1			0.1	0.2	0%
Recreation		0.0	4.0	0.0	0.1	0.1	4.1	7%
Total (\$Millions)	8.6	8.0	10.1	14.5	8.4	9.2	58.8	100%

% 15% 14% 17% 25% 15% 16% 100%

“Big Ticket” Capital Expenditure Outlook Requiring General Improvement Bond Financing

- “Big Ticket” projects account for \$22 million (38%) of projected capital expenditures. Their timing (and need) can be managed to minimize any adverse effects on debt costs.

Department & Item	2013	2014	2015	2016	2017	2018	Total	%
Fire		0.8		5.3			6.1	10%
Replace Class A Pumper 601		0.8					0.8	
Replace Engine 60				0.8			0.8	
Fire House Expansion				4.5			4.5	
Infrastructure	1.7			3.5	3.5	3.5	12.2	21%
River Road Public Works Facility				3.5	3.5	3.5	10.5	
River Road Cold Storage Facility	1.7						1.7	
Recreation			4.0				4.0	7%
Community Pk South Rehab*			4.0				4.0	
Mary Moss Sprayground**							0.0	
Total (\$Millions)	1.7	0.8	4.0	8.8	3.5	3.5	22.3	38%

*Synthetic Turf project folded into Community Park South Project

**Mary Moss Sprayground: anticipate full funding by County Grant Money

Big Ticket defined as \$500,000 or more: Excludes Street/Road Projects.

Princeton Capital Expenditures 2007 – 2012 Historical Perspective

- Projected capital expenditure levels are in line with historical levels.
- Historical expenditures also include “big ticket” items: Mountain Lakes, Community Pool.
- Figures below are total amounts authorized, and include multiple sources of funding.

Department	2007	2008	2009	2010	2011	2012	Total	%
Engineering	6.2	6.0	4.7	8.1	4.7	0.7	30.4	47%
Fire	0.5	0.3	0.5	0.9	0.3		2.6	4%
Health		0.0	0.0				0.0	0%
Infrastructure	1.9	1.8	6.3	1.8	2.0	4.8	18.5	28%
IT	0.2	0.2	0.2	0.3	0.3		1.2	2%
Library		0.0	0.0	0.0	0.2		0.3	1%
Police	0.0	0.2	0.1	0.2	0.1		0.7	1%
Recreation	0.3	0.8	0.3	4.1	5.8		11.3	17%
Total (\$Millions)	9.2	9.3	12.2	15.5	13.4	5.5	65.0	100%
	14%	14%	19%	24%	21%	8%	100%	

Capital Expenditure Outlook By Activity Type Requiring General Improvement Bond Financing

- Streets/ Roads/Garbage account for about 38% of total capital expenditures.

Expenditure Type	2013	2014	2015	2016	2017	2018	Total	%
Big Ticket	1.7	0.8	4.0	8.8	3.5	3.5	22.3	38%
Building Improvements	0.7	0.9	0.5	0.5	0.4	0.3	3.3	6%
Streets/ Road / Garbage	4.1	4.1	4.0	4.0	2.6	3.8	22.5	38%
Tech Infrastructure	0.5	0.6	0.4	0.3	0.4	0.4	2.6	4%
Vehicle/ Equipment	1.2	0.9	0.7	0.5	1.1	0.8	5.3	9%
Sewer Repairs & Maint	0.4	0.4	0.4	0.4	0.4	0.4	2.4	4%
Other	0.0	0.3	0.0	0.0	0.0	0.0	0.4	1%
Total (\$Millions)	8.6	8.0	10.1	14.5	8.4	9.2	58.8	100%
%	15%	14%	17%	25%	14%	16%	100%	

New General Improvement Debt Issuance 2013 – 2018 To Fund Capital Expenditure Projections

- Key assumption: new bonds will be issued to match capital expenditures each year, dollar for dollar.
- Overall debt service burden will rise, because debt service costs on existing debt will not be declining for several years.
- Phoenix Advisors estimates \$20 million as the most we might spend on capital expenditures without impacting our debt service burden. Most of that figure would be spent in 2017 and 2018.

New GI Debt					
Year	Issuance (\$Millions)	Net Increase GI Debt	YOY Net Increase Debt Service	YOY Net Increase Municipal Tax	% of 2013 Municipal Tax
2013	8.6		2.0		
2014	8.0		1.1	571,288	1.9%
2015	10.1		3.0	622,373	2.0%
2016	14.5		7.2	787,664	2.6%
2017	8.4		0.9	1,158,680	3.8%
2018	9.2		2.3	-68	0.0%
Total	\$58.8		\$16.6	\$3,139,937	10.3%

2013 Municipal Tax Revenue Base \$30,514,021

Comparison of Capital Spending & Principal Amortization 2013 - 2018

- Capital spending projections are \$16.6 million greater than the general improvement debt principal we are retiring.

Year	General		
	Capital Spending	Improvement Debt	Spending as % Amortization
2013	8.6	6.7	130%
2014	8.0	6.8	117%
2015	10.1	7.0	143%
2016	14.5	7.3	199%
2017	8.4	7.5	112%
2018	9.2	6.9	134%
Total (\$MM)	58.8	42.1	139%

Alternative Scenarios to Address Financial Pressures

- Re-phase big ticket items, delaying some projects beyond 2018 when debt service costs fall.
- Tighten non-big ticket capital expenditures by 5%
- Alternative funding sources also should be considered.

Year	GI Debt Amortization	5% Lower Capex*	Big Ticket Re-phased	Net Change
2013	6.7	6.6		-0.1
2014	6.8	6.8		0.0
2015	7.0	5.8	1.7	0.4
2016	7.3	5.4	0.8	-1.1
2017	7.5	4.7	4.0	1.2
2018	6.9	5.4	0.8	-0.7
Total (\$MM)	42.1	34.7	7.3	-0.2

* Funded with General Improvement Bonds

Projected Debt Service Costs Through 2018

- Even in the scenario where outstanding general improvement debt is held flat over the next six years, debt service will still rise.

Year	Existing Debt Service Costs	Debt Service	
		Including New Capex	Under Alternative Scenario
2013	9.4	9.4	9.4
2014	9.3	10.0	9.8
2015	9.3	10.6	10.3
2016	9.2	11.4	10.9
2017	9.2	12.5	11.4
2018	8.3	12.5	11.4
Total (\$MM)	54.7	66.4	63.2

New Capex (\$MM) **\$74.4*** **58.8** **42.0**

*As of January 1, 2013

New NJEIT Debt Issuance 2013 – 2018 To Fund Sewer Capital Expenditure Projections

- Sewer debt issued over the next six years will increase overall net debt service costs.

Year	New NJEIT		% of 2013
	Debt Issuance (\$Millions)	YOY Net Increase	
2013	3.7		
2014	1.5	181,359	2.7%
2015	2.1	124,213	1.9%
2016	1.8	102,774	1.5%
2017	3.2	89,807	1.3%
2018	2.1	225,506	3.4%
Total	\$14.3	\$723,659	10.8%

2013 Municipal Sewer Fee Base \$6,697,000

Capital Expenditure Observations and Recommendations

- Capital expenditure spending needs to be managed with an eye on its potential impact on property taxes and our long term debt profile.
- Consolidation affords us an opportunity to improve capital budgeting best practices
 - Analysis of six year capital expenditure projections and their financial implications should be conducted annually.
 - Where practical, we should develop and follow defined asset life cycles and replacement schedules.
 - All “big ticket” project justifications should include a return on investment analysis.
 - Current vehicle/equipment inventory management would benefit from greater integration into departmental budget planning.
 - Consultation encouraged with other large institutions as to their best practices, e.g. Princeton University.
- Impact of “big ticket” items on outstanding debt levels, debt service costs, and debt ratings must be a critical component in the evaluation process.

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2013 - 2018**

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Infrastructure	3.4	1.4	1.2	4.5	5.0	4.6	20.1	34%
IT	0.4	0.5	0.3	0.3	0.3	0.4	2.2	4%
Library	0.5	0.9	0.4	0.2	0.2	0.1	2.3	4%
Police		0.1	0.1			0.1	0.2	0%
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Fire	0.5	0.3	0.5	0.9	0.3		2.6	4%
Health		0.0	0.0				0.0	0%
Infrastructure	1.9	1.8	6.3	1.8	2.0	4.8	18.5	28%
IT	0.2	0.2	0.2	0.3	0.3		1.2	2%
Library		0.0	0.0	0.0	0.2		0.3	1%
Police	0.0	0.2	0.1	0.2	0.1		0.7	1%
Recreation	0.3	0.8	0.3	4.1	5.8		11.3	17%
Total (\$Millions)	9.2	9.3	12.2	15.5	13.4	5.5	65.0	100%
	%	14%	14%	19%	24%	21%	8%	100%

Capital Expenditure Outlook By Activity Type Requiring General Improvement Bond Financing

- Streets/ Roads/Garbage account for about 38% of total capital expenditures.

Expenditure Type	2013	2014	2015	2016	2017	2018	Total	%
Big Ticket	1.7	0.8	4.0	8.8	3.5	3.5	22.3	38%
Building Improvements	0.7	0.9	0.5	0.5	0.4	0.3	3.3	6%
Streets/ Road / Garbage	4.1	4.1	4.0	4.0	2.6	3.8	22.5	38%
Tech Infrastructure	0.5	0.6	0.4	0.3	0.4	0.4	2.6	4%
Vehicle/ Equipment	1.2	0.9	0.7	0.5	1.1	0.8	5.3	9%
Sewer Repairs & Maint	0.4	0.4	0.4	0.4	0.4	0.4	2.4	4%
Other	0.0	0.3	0.0	0.0	0.0	0.0	0.4	1%
Total (\$Millions)	8.6	8.0	10.1	14.5	8.4	9.2	58.8	100%
	15%	14%	17%	25%	14%	16%	100%	

New General Improvement Debt Issuance 2013 – 2018 To Fund Capital Expenditure Projections

- Key assumption: new bonds will be issued to match capital expenditures each year, dollar for dollar.
- Overall debt service burden will rise, because debt service costs on existing debt will not be declining for several years.
- Phoenix Advisors estimates \$20 million as the most we might spend on capital expenditures without impacting our debt service burden. Most of that figure would be spent in 2017 and 2018.

New GI Debt				
Year	Issuance (\$Millions)	Net Increase GI Debt	YOY Net Increase Debt Service	% of 2013 Municipal Tax
2013	8.6	2.0		
2014	8.0	1.1	571,288	1.9%
2015	10.1	3.0	622,373	2.0%
2016	14.5	7.2	787,664	2.6%
2017	8.4	0.9	1,158,680	3.8%
2018	9.2	2.3	-68	0.0%
Total	\$58.8	\$16.6	\$3,139,937	10.3%

2013 Municipal Tax Revenue Base \$30,514,021

Comparison of Capital Spending & Principal Amortization 2013 - 2018

- Capital spending projections are \$16.6 million greater than the general improvement debt principal we are retiring.

Year	Capital Spending	General Improvement Debt Amortization	Spending as %
2013	8.6	6.7	130%
2014	8.0	6.8	117%
2015	10.1	7.0	143%
2016	14.5	7.3	199%
2017	8.4	7.5	112%
2018	9.2	6.9	134%
Total (\$MM)	58.8	42.1	139%

Alternative Scenarios to Address Financial Pressures

- Re-phase big ticket items, delaying some projects beyond 2018 when debt service costs fall.
- Tighten non-big ticket capital expenditures by 5%
- Alternative funding sources also should be considered.

Year	GI Debt Amortization	5% Lower Capex*	Big Ticket Re-phased	Net Change
2013	6.7	6.6		-0.1
2014	6.8	6.8		0.0
2015	7.0	5.8	1.7	0.4
2016	7.3	5.4	0.8	-1.1
2017	7.5	4.7	4.0	1.2
2018	6.9	5.4	0.8	-0.7
Total (\$MM)	42.1	34.7	7.3	-0.2

* Funded with General Improvement Bonds

Projected Debt Service Costs Through 2018

- Even in the scenario where outstanding general improvement debt is held flat over the next six years, debt service will still rise.

Year	Existing Debt Service Costs	Debt Service Including New Capex	Debt Service Under Alternative Scenario
2013	9.4	9.4	9.4
2014	9.3	10.0	9.8
2015	9.3	10.6	10.3
2016	9.2	11.4	10.9
2017	9.2	12.5	11.4
2018	8.3	12.5	11.4
Total (\$MM)	54.7	66.4	63.2
New Capex (\$MM)	\$74.4*	58.8	42.0

* As of January 1, 2013

New NJEIT Debt Issuance 2013 – 2018 To Fund Sewer Capital Expenditure Projections

- Sewer debt issued over the next six years will increase overall net debt service costs.

Year	New NJEIT Debt Issuance (\$Millions)	YOY Net Increase	% of 2013 Debt Service	Sewer Fees
2013	3.7			
2014	1.5	181,359	2.7%	
2015	2.1	124,213	1.9%	
2016	1.8	102,774	1.5%	
2017	3.2	89,807	1.3%	
2018	2.1	225,506	3.4%	
Total	\$14.3	\$723,659	10.8%	

2013 Municipal Sewer Fee Base \$6,697,000

Capital Expenditure Observations and Recommendations

- Capital expenditure spending needs to be managed with an eye on its potential impact on property taxes and our long term debt profile.
- Consolidation affords us an opportunity to improve capital budgeting best practices
 - Analysis of six year capital expenditure projections and their financial implications should be conducted annually.
 - Where practical, we should develop and follow defined asset life cycles and replacement schedules.
 - All “big ticket” project justifications should include a return on investment analysis.
 - Current vehicle/equipment inventory management would benefit from greater integration into departmental budget planning.
 - Consultation encouraged with other large institutions as to their best practices, e.g. Princeton University.
- Impact of “big ticket” items on outstanding debt levels, debt service costs, and debt ratings must be a critical component in the evaluation process.